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**中国风电集团有限公司\***  
**China WindPower Group Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 182)**

**PROPOSED SPIN-OFF AND SEPARATE LISTING OF THE WIND  
POWER TOWER TUBE MANUFACTURING BUSINESS  
ON THE MAIN BOARD OF  
THE STOCK EXCHANGE OF HONG KONG LIMITED**

This announcement is made pursuant to Rule 13.09 and PN 15 of the Listing Rules.

The Board is pleased to announce that the Company submitted a spin-off proposal to the Stock Exchange pursuant to PN15 in relation to the proposed spin-off of its wind power tower tube manufacturing business. The Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off.

\* for identification purpose only

For the purpose of the Proposed Spin-off, the Group will undergo a reorganization such that, upon completion of the reorganization, Tianhe will be the holding company of the Spin-off Business. On 20 June 2011, Tianhe submitted a listing application form (Form A1) to the Stock Exchange for an application for the listing of, and permission to deal in, the Tianhe Shares on the Main Board of the Stock Exchange.

It is currently proposed that pursuant to the Global Offering, Tianhe Shares will be offered for subscription by the public in Hong Kong and will be placed with professional and institutional investors and other investors.

In accordance with the requirements of PN15, the Board will give due regard to the interests of Shareholders by providing Qualifying Shareholders with an assured entitlement to Tianhe Shares under the Global Offering, subject to certain conditions. Details of such assured entitlement have not yet been finalised. The Company will make further announcement(s) in this regard as and when appropriate.

Pursuant to the Listing Rules, the Proposed Spin-off, if it proceeds, will constitute a discloseable transaction of the Company which will be exempted from the shareholders approval requirement of Chapter 14 of the Listing Rules. The Company will comply with the reporting and announcement requirements of Chapter 14 of the Listing Rules as and when necessary.

**The listing of the Tianhe Shares pursuant to the Proposed Spin-off is subject to, among other things, the approval by the Listing Committee and the final decisions of the Board and of the board of directors of Tianhe. Accordingly, Shareholders and potential investors in the Company should be aware that there is no assurance that the Proposed Spin-off will take place or as to when it may take place. Shareholders and potential investors in the Company should therefore exercise caution when dealing in or investing in the securities of the Company.**

Further announcement(s) will be made by the Company in relation to the Proposed Spin-off if and when appropriate.

## INTRODUCTION

This announcement is made pursuant to Rule 13.09 and PN 15.

The Board is pleased to announce that the Company submitted a spin-off proposal to the Stock Exchange pursuant to PN15 in relation to the proposed spin-off of its wind power tower tube manufacturing business. The Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off.

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## **INFORMATION ABOUT THE GROUP**

The Group is principally engaged in (i) investment in wind power plants; (ii) wind power consultancy and design services; (iii) wind power engineering and construction services; (iv) wind power plants operation and maintenance services; and (v) wind power tower tube manufacturing.

## **INFORMATION ON THE SPIN-OFF GROUP**

The Spin-off Business are currently undertaken by two indirect wholly-owned subsidiaries of the Company. For the purpose of the Proposed Spin-off, the Group will undergo a reorganization such that, upon the completion of the reorganization, Tianhe will be the holding company of the Spin-off Business. Tianhe plans to gradually expand its business into solar-energy related equipment manufacturing.

## **INFORMATION ON THE PROPOSED SPIN-OFF**

It is currently proposed that, pursuant to the Global Offering, Tianhe Shares will be offered to the public in Hong Kong for subscription and for placing with certain professional and institutional investors and other investors. Following the completion of the Proposed Spin-off, the Company's percentage holding in the issued share capital of Tianhe will be reduced but Tianhe will remain a subsidiary of the Company, and the results of Tianhe will continue to be consolidated into the financial results of the Company.

Following the completion of the Proposed-Spin-off, the Spin-off Group will be principally engaged in the Spin-off Business while the Retained Group will continue to be principally engaged in (i) investment in wind power plants; (ii) wind power consultancy and design services; (iii) wind power engineering and construction services; and (iv) wind power plants operation and maintenance services.

## **REASONS AND BENEFITS OF THE PROPOSED SPIN-OFF**

The Board considers that the Proposed Spin-off is in the interests of the Group and the Shareholders taken as a whole as well as the Spin-off Group as:

- (1) The Proposed Spin-off will allow the Retained Group to focus on its other core businesses and enable the Retained Group to allocate financial resources more effectively.

- (2) The Proposed Spin-off will allow the management of both the Retained Group and the Spin-off Group to focus more effectively on their respective businesses and improve Tianhe's ability to recruit, motivate and retain key management personnel.
- (3) While the Spin-off Group will be able to further build on its reputation and be in a better position to negotiate and solicit more business, the Company will continue to benefit from the business prospects and results of the Spin-off Group through its shareholding interest in Tianhe.
- (4) The value of the Spin-off Group is expected to be enhanced through the separate listing of Tianhe given that:
  - (i) The Spin-off Group's profile amongst its customers, suppliers and other business partners will be enhanced;
  - (ii) The Spin-off Group will be able to directly and independently access to both equity and debt capital markets, as well as facilitate the securing of bank credit facilities. The Proposed Spin-off will provide clarity on the credit profile of the Spin-off Group for rating agencies and financial institutions that wish to analyse and lend against the credit of a company engaged in the manufacturing of wind power tower tubes;
  - (iii) the separate listing of Tianhe will lead to a more direct alignment of Tianhe's management's responsibilities and accountability with its operating and financial performance, as a result of heightened scrutiny of the investor community. This is anticipated to enhance management focus, which should in turn lead to improved decision-making processes, faster response-time to market changes and increased operational efficiency; and
  - (iv) after the separate listing of Tianhe, it will be relatively easier to measure the management's performance against the stock market performance of Tianhe in comparison with its industry peers listed on the Stock Exchange. It will also be possible to link management incentives to performance, thereby increasing management motivation and commitment.
- (5) The proposed Spin-off will clearly defines the positioning, and enhances the transparency of the businesses of the Retained Group and the Spin-off Group.

## **ASSURED ENTITLEMENT AND FURTHER ANNOUNCEMENT**

In accordance with the requirements of PN15, the Board will give due regard to the interests of Shareholders by providing the Qualifying Shareholders with an assured entitlement to Tianhe Shares under the Global Offering, subject to certain conditions, if the Proposed Spin-off proceeds. Details of such assured entitlement have not yet been finalised. The Company will make further announcement(s) in this regard as and when appropriate.

## POSSIBLE DISCLOSABLE TRANSACTION

Pursuant to the Listing Rules, the Proposed Spin-off, if it proceeds, will constitute a discloseable transaction of the Company which will be exempted from the shareholders approval requirement of Chapter 14 of the Listing Rules. The Company will comply with the reporting and announcement requirements of Chapter 14 of the Listing Rules as and when necessary.

## GENERAL

**The listing of the Tianhe Shares pursuant to the Proposed Spin-off is subject to, among other things, the approval by the Listing Committee and the final decisions of the Board and of the board of directors of Tianhe. Accordingly, Shareholders and potential investors in the Company should be aware that there is no assurance that the Proposed Spin-off and the separate listing of the Tianhe Shares will take place or as to when it may take place. Shareholders and potential investors in the Company should therefore exercise caution when dealing in or investing in the securities of the Company.**

Further announcement(s) will be made by the Company in relation to the Proposed Spin-off if and when appropriate.

## DEFINITIONS

The following expressions in this announcement have the meanings set out below unless the context requires otherwise:

“Board”	the board of directors of the Company
“Company”	China WindPower Group Limited, a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Global Offering”	the offer to the public in Hong Kong for subscription, and the international placing with certain professional and institutional investors and other investors, of Tianhe Shares
“Group”	the Company and its subsidiaries (including the Spin-off Group)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PN15”	Practice Note 15 of the Listing Rules
“PRC”	the People’s Republic of China
“Proposed Spin-off”	the proposed spin-off of the wind power tower tube manufacturing business by way of a separate listing of the Tianhe Shares on the Main Board of the Stock Exchange
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the record date, to be determined by the Company, for ascertaining the Qualifying Shareholders who shall be entitled to assured entitlements
“Retained Group”	the Company and its subsidiaries, excluding the Spin-off Group
“Shareholder(s)”	shareholder(s) of the Company
“Spin-off Business”	the wind power tower tube manufacturing business to be spun-off pursuant to the Proposed Spin-off
“Spin-off Group”	Tianhe and its subsidiaries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianhe”	Tianhe New Energy Equipment Limited (天合新能源設備有限公司), a company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement
“Tianhe Shares”	ordinary shares in the capital of Tianhe

By order of the Board  
**China WindPower Group Limited**  
**Liu Shunxing**  
*Chairman and Chief Executive Officer*

Hong Kong, 20 June 2011

*As at the date of this announcement, the Board comprises Mr. Liu Shunxing, Mr. Ko Chun Shun, Johnson, Mr. Wang Xun, Mr. Yang Zhifeng, Ms. Liu Jianhong, Mr. Yu Weizhou, Ms. Ko Wing Yan, Samantha and Mr. Chan Kam Kwan, Jason (who are executive Directors), Mr. Tsoi Tong Hoo, Tony (who is non-executive Director), and Dr. Zhou Dadi, Dr. Wong Yau Kar, David JP, and Mr. Yap Fat Suan (who are independent non-executive Directors).*