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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)

**ISSUE OF THE 2ND TRANCHE CONVERTIBLE NOTE
AND
TRANSFER OF CONVERTIBLE NOTES ISSUED BY THE COMPANY**

The Company refers to its announcement dated 21 May 2007 and its circular dated 13 July 2007, in relation to, among other things, the acquisition of the entire issued share capital of Wind Power by the Company which involved issue of Convertible Notes as consideration.

Pursuant to the S&P Agreement, the Company issued the 1st Tranche Convertible Notes with an aggregate principal amount of HK\$100,000,000 to CWP Investment, as Vendor, upon completion of the S&P Agreement on 1 August 2007. The audited net profit of the Wind Power Group for the 2008 Period amounted to approximately HK\$101 million. As the Wind Power Group made an audited net profit of not less than HK\$50,000,000 for the 2008 Period under HKFRS, the 2nd Tranche Convertible Note with a principal amount of HK\$100,000,000 were issued by the Company to CWP Investment on 19 June 2008 pursuant to the S&P Agreement.

On 19 June 2008, the Board was informed by CWP Investment in respect of the Transfer where New Energy has agreed to acquire and the sole beneficial owner of CWP Investment has agreed to sell the entire issued share capital of CWP Investment.

The Convertible Notes with an aggregate principal amount of HK\$200 million, may be converted, in whole or in part, into new Shares at the conversion price of HK\$0.099 per Share, subject to usual adjustment. Based on the existing conversion price, 2,020,202,020 Conversion Shares may fall to be issued upon conversion of the Convertible Notes in full. As at the date of the announcement, no part of the Convertible Notes has been converted.

New Energy, an investment holding company, is a wholly-owned subsidiary of Concord International, which is held by 4 executive Directors namely Mr. Liu Shunxing, Mr. Wang Xun, Mr. Yang Zhifeng and Ms. Liu Jianhong as to a total of 65.135% of its issued shares.

* for identification purposes only

ISSUE OF THE 2ND TRANCHE CONVERTIBLE NOTE

The Company refers to its announcement dated 21 May 2007 and its circular dated 13 July 2007, in relation to, among other things, the acquisition of the entire issued share capital of Wind Power by the Company which involved issue of Convertible Notes as consideration (the “Acquisition”).

The Acquisition and the issue of the Convertible Notes have been approved by Shareholders at a special general meeting of the Company held on 30 July 2007.

Pursuant to the S&P Agreement, the Company issued the 1st Tranche Convertible Notes with an aggregate principal amount of HK\$100,000,000 to CWP Investment, as Vendor, upon completion of the S&P Agreement on 1 August 2007.

The audited net profit of the Wind Power Group for the 2008 Period amounted to approximately HK\$101 million. As the Wind Power Group made an audited net profit of not less than HK\$50,000,000 for the 2008 Period under HKFRS, the 2nd Tranche Convertible Note with a principal amount of HK\$100,000,000 were issued by the Company to CWP Investment on 19 June 2008 pursuant to the S&P Agreement.

The Convertible Notes with an aggregate principal amount of HK\$200 million, may be converted, in whole or in part, into new Shares at the conversion price of HK\$0.099 per Share, subject to usual adjustment. Based on the existing conversion price, 2,020,202,020 Conversion Shares may fall to be issued upon conversion of the Convertible Notes in full. As at the date of the announcement, no part of the Convertible Notes has been converted.

TRANSFER OF CONVERTIBLE NOTES

On 19 June 2008, the Board was informed by CWP Investment in respect of the Transfer where New Energy has agreed to acquire and the sole beneficial owner of CWP Investment has agreed to sell the entire issued share capital of CWP Investment.

Pursuant to the terms of the Convertible Notes, the Company has been granted a right of first refusal in case of a direct or an indirect transfer of any Convertible Notes. Given that CWP Investment, which holds the Convertible Notes, is to be transferred to New Energy, a company owned by the management of the Company in majority, the Transfer helps to align the long-term interests of the relevant management with that of the Company, and that the undertakings given by New Energy and Concord International (as described below in details), the Company has decided not to exercise the right of first refusal and to consent to the Transfer.

Under the S&P Agreement, CWP Investment has given certain non-disposal undertakings in relation to the transfer the Convertible Notes and any Conversion Shares during the Moratorium Period, unless prior written consent of the Company has been granted. CWP Investment, Concord International and New Energy have jointly and severally undertaken to the Company that they will subject to the same lock-up arrangements as CWP Investment has undertaken under the S&P Agreement for the remaining period of the original Moratorium Period under the S&P Agreement, and for a further three months after the end of the original Moratorium Period (i.e. up to 30 April 2009 for the 1st Tranche Convertible Note (I) and up to 18 December 2008 for the 2nd Tranche Convertible Note).

Concord International and New Energy have also jointly and severally undertaken to the Company that, except with the written consent of the Company, they will not themselves and will procure their registered and beneficial owner(s) not to sell, dispose of, or otherwise directly or indirectly change their respective interests in Concord International, New Energy and CWP Investment before 30 April 2009.

Upon completion of the S&P Agreement on 1 August 2007, CWP Investment executed a first fixed charge over the 1st Tranche Convertible Note (I) with a principal amount of HK\$70,000,000 in favour of the Company to secure any potential liabilities or obligations which may arise out of any possible breach of any of the terms of the S&P Agreement by CWP Investment and/or any representation, undertaking or warranty made by CWP Investment being untrue or incorrect in any material respect; and any costs and expenses incurred by the Company in connection with the enforcement of its rights in respect thereof for a period of 18 months from the completion date of the S&P Agreement (i.e. up to 31 January 2009). Upon completion of the Transfer, the above charge will be released. Given that (1) the Wind Power Group has achieved its profit target for the 2008 Period; (2) the management is not aware of any breach of any terms of the S&P Agreement nor any representations made in the S&P Agreement been materially incorrect or untrue and (3) the financial position of the Wind Power Group has been audited, the Company considers it acceptable to have the fixed charge over the 1st Tranche Convertible Note (I) be released.

Under the S&P Agreement, CWP Investment has made certain non-compete undertakings to the Company. CWP Investment will continue to be bound by such non-compete undertakings after the Transfer for the period as specified in the S&P Agreement. Shareholders may refer to the announcement and circular of the Company dated 21 May 2007 and 13 July 2007 respectively for the details of such non-compete undertakings.

All terms of the Convertible Notes remain unchanged. Shareholders may refer to the announcement and circular of the Company dated 21 May 2007 and 13 July 2007 respectively for the details of the terms of the Convertible Notes.

New Energy, an investment holding company, is a wholly-owned subsidiary of Concord International, which is held by 4 executive Directors namely Mr. Liu Shunxing, Mr. Wang Xun, Mr. Yang Zhifeng and Ms. Liu Jianhong as to a total of 65.135% of its issued shares.

SHAREHOLDING IN THE COMPANY

The table below sets out the existing shareholding structure of the Company and the illustrative shareholding structure assuming that the Convertible Notes were converted in full.

	As at the date of this announcement and before conversion of any Convertible Notes		Immediately After the transfer of Convertible Notes and the conversion of the Convertible Notes in full (for illustrative purpose only)	
	Number of Shares	Percentage	Number of Shares	Percentage
Gain Alpha Finance Limited (Note 1)	2,000,000,000	43.91%	2,000,000,000	30.42%
CWP Investment	—	0.00%	2,020,202,020	30.73%
Public Shareholders	2,554,470,578	56.09%	2,554,470,578	38.85%
	<u>4,554,470,578</u>	<u>100.00%</u>	<u>6,574,672,598</u>	<u>100.00%</u>

Note 1: Mr. Ko Chun Shun, Johnson, the chairman of the Company and an executive Director, is deemed to be interested in 2,000,000,000 Shares held by Gain Alpha Finance Limited. Gain Alpha Finance Limited is wholly-owned by Mr Ko.

Note 2: Save as the Convertible Notes disclosed above and 60,080,000 outstanding share options, as at the date of this announcement, there are no other outstanding securities issued by the Company which carry rights to subscribe for, convert into or exchange into Shares.

Under the terms and conditions of the Convertible Notes that no conversion may take place if the conversion will result in (i) insufficient public float as required under the Listing Rules or (ii) the holder of the Convertible Notes and its concert parties will trigger a mandatory general offer obligation under the Takeovers Code.

As at the date of this announcement, the Board comprises Mr. Ko Chun Shun, Johnson, Mr. Liu Shunxing, Mr. Wang Xun, Mr. Yang Zhifeng, Ms. Liu Jianhong and Mr. Chan Kam Kwan, Jason (who are executive Directors), Mr. Tsoi Tong Hoo, Tony (who is non-executive director), and Mr. Ho Tak Man, Billy, Mr. Yap Fat Suan and Dr. Wong Yau Kar, David (who are independent non-executive Directors).

DEFINITIONS

Capitalised terms used in this announcement shall have the same meanings as defined in the Company's announcement dated 21 May 2007 or the meanings stated below, unless the context herein requires otherwise or unless otherwise defined.

“Concord International”	Concord International Investment Limited, the sole shareholder of New Energy
“CWP Investment”	China Wind Power Investment Limited, a limited liability company incorporated in the British Virgin Islands, the vendor under the S&P Agreement
“New Energy”	New Energy International Limited, a company incorporated in the United Kingdom
“Transfer”	the transfer of the entire issued share capital of CWP Investment by its sole beneficial owner to New Energy

By the order of the Board
Jason Chan
Company Secretary

19 June 2008, Hong Kong