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**China
WindPower 中国风电**

中国风电集团有限公司*
China WindPower Group Limited
(Incorporated in Bermuda with limited liability)
(Stock code: 182)

**DISCLOSABLE TRANSACTIONS
REGARDING
FORMATION OF JOINT VENTURES**

Certain subsidiaries of the Company have entered into agreements to establish the following joint venture companies to develop the wind power businesses:

1. On 28 November 2007, TOP WELL has entered into an agreement with Tianjin DH to establish a joint venture company in Zhenlai, Jilin of the PRC (中國吉林省鎮賚縣) to develop a wind farm project in the area;
2. On 24 December 2007, CWP HOLDINGS has entered into an agreement with Tianjin DH to establish a joint venture company in Zhaluteqi, Tongliao Shi, Inner Mongolia of the PRC (中國內蒙古自治區通遼市扎魯特旗) to develop a wind farm project in the area.

The above two transactions with Tianjin DH, when aggregated, constitute disclosable transactions of the Company according to the Listing Rules. A circular containing the transaction details will be sent to the shareholders of the Company as soon as possible.

THE TOP WELL JV

On 28 November 2007, TOP WELL and Tianjin DH entered into the TOP WELL JV Contract to jointly establish the TOP WELL JV at Zhenlai, Jilin, the PRC to develop wind farm projects in the area.

Pursuant to the TOP WELL JV Contract, both parties will jointly establish a sino-foreign equity joint venture with limited liability at Zhenlai, Jilin, the PRC under the name of “Jilin Taihe Wind Power Limited” (“吉林泰合風力發電有限公司”) to develop wind farm projects in the area.

Name

Jilin Taihe Wind Power Limited” (“吉林泰合風力電有限公司”)

The joint venture parties

- (a) TOP WELL; and
- (b) Tianjin DH

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiry, Tianjin DH is a company incorporated in the PRC and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Registered capital and total investment of the TOP WELL JV

Registered capital: RMB150 million (approximately HK\$160.5 million)

Total investment: RMB450 million (approximately HK\$481.5 million)

Each of Tianjin DH and TOP WELL will hold respectively 51% and 49% equity interest in the TOP WELL JV and contribute RMB76.5 million (approximately HK\$81.9 million) and RMB73.5 million (approximately HK\$78.6 million) respectively to the registered capital of the TOP WELL JV in cash.

The remaining part of the total investment for the TOP WELL JV of RMB300 million will be in the form of external debts raised by the TOP WELL JV and/or shareholders’ loans from the joint venture partners. Apart from the capital contribution mentioned above, TOP WELL does not have any further capital commitment to the TOP WELL JV (either in form of equity or loan).

Each of Tianjin DH and TOP WELL shall contribute to the registered capital of the TOP WELL JV in accordance with the following schedule:

- (i) Within 90 days from the issue of the business license of the TOP WELL JV, each of Tianjin DH and TOP WELL shall contribute RMB11.475 million (approximately HK\$12.3 million) and RMB 11.025 million (approximately HK\$11.80 million) respectively; and
- (ii) within 180 days from the issue of the business license of the TOP WELL JV, each of Tianjin DH and TOP WELL shall contribute RMB65.025 million (approximately HK\$69.6 million) and RMB 62.475 million (approximately HK\$66.8 million) respectively.

The total capital commitment of TOP WELL to the TOP WELL JV will not exceed RMB73.5 million (approximately HK\$78.6 million). The Company will comply with the Listing Rules and make necessary announcement shall further investment is made to the TOP WELL JV.

Scope of business

Pursuant to the TOP WELL JV Contract, the scope of business of the TOP WELL JV will cover the development, construction, and operation of wind power facilities, as well as providing consultancy services, training, technical support, research and development and engineering services in respect of the wind power projects.

It is intended that the TOP WELL JV will develop a wind farm at Zhenlai, Jilin, the PRC with an installed capacity of 50MW.

Term of the TOP WELL JV

The TOP WELL JV shall have an initial term of 30 years.

Board Composition of TOP WELL JV

Each of Tianjin DH and TOP WELL shall nominate two (2) directors to the board of the TOP WELL JV. As no party can have absolute control over the board of the TOP WELL JV, the results of the TOP WELL JV will be included in the Group's consolidated financial statements using the equity method of accounting.

THE CWP HOLDINGS JV

On 24 December 2007, CWP HOLDINGS and Tianjin DH entered into the CWP HOLDINGS JV Contract to jointly establish the CWP HOLDINGS JV at Zhaluteqi, Tongliao Shi, Inner Mongolia of the PRC to develop wind farm projects in the area.

Pursuant to the CWP HOLDINGS JV Contract, both parties will jointly establish a sino-foreign equity joint venture with limited liability at Zhalutegi, Tongliao Shi, Inner Mongolia of the PRC under the name of "Tongliao Taihe Wind Power Limited" ("通遼泰合風力發電有限公司") to develop wind farm projects in the area.

Name

Tongliao Taihe Wind Power Limited" ("通遼泰合風力發電有限公司")

The joint venture parties

- (a) CWP HOLDINGS; and
- (b) Tianjin DH

Registered capital and total investment of the CWP HOLDINGS JV

Registered capital: RMB150 million (approximately HK\$160.5 million)

Total investment: RMB450 million (approximately HK\$481.5 million)

Each of Tianjin DH and CWP HOLDINGS will hold respectively 51% and 49% equity interest in the CWP HOLDINGS JV and contribute RMB76.5 million (approximately HK\$81.9 million) and RMB73.5 million (approximately HK\$78.6 million) respectively to the registered capital of the CWP HOLDINGS JV in cash.

The remaining part of the total investment of the CWP HOLDINGS JV of RMB300 million will be in the form of external debts raised by the CWP HOLDINGS JV and/or shareholders' loans from the joint venture partners. Apart from the capital contribution mentioned above, CWP HOLDINGS does not have any further capital commitment to the CWP HOLDINGS JV (either in form of equity or loan).

Each of Tianjin DH and CWP HOLDINGS shall contribute to the registered capital of the CWP HOLDINGS JV in accordance with the following schedule:

- (i) Within 90 days from the issue of the business license of the CWP HOLDINGS JV, each of Tianjin DH and CWP HOLDINGS shall contribute RMB11.475 million (approximately HK\$12.3 million) and RMB 11.025 million (approximately HK\$11.80 million) respectively; and
- (ii) within 180 days from the issue of the business license of the CWP HOLDINGS JV, each of Tianjin DH and CWP HOLDINGS shall contribute RMB65.025 million (approximately HK\$69.6 million) and RMB 62.475 million (approximately HK\$66.8 million) respectively.

The total capital commitment of CWP HOLDINGS to the CWP HOLDINGS JV will not exceed RMB73.5 million (approximately HK\$78.6 million). The Company will comply with the Listing Rules and make necessary announcement shall further investment is made to the CWP HOLDINGS JV.

Scope of business

Pursuant to the CWP HOLDINGS JV Contract, the scope of business of the CWP HOLDINGS JV will cover the development, construction, and operation of wind power facilities, as well as providing consultancy services, training, technical support, research and development and engineering services in respect of the wind power projects.

It is intended that the CWP HOLDINGS JV will develop a wind farm at Zhalutegi, Tongliao Shi, Inner Mongolia of the PRC with an installed capacity of 50MW.

Term of the CWP HOLDINGS JV

The CWP HOLDINGS JV shall have an initial term of 30 years

Board Composition of CWP HOLDINGS JV

Each of Tianjin DH and CWP HOLDINGS shall nominate two (2) directors to the board of the CWP HOLDINGS JV. As no party can have absolute control over the board of the CWP HOLDINGS JV, the results of the TOP WELL JV will be included in the Group's consolidated financial statements using the equity method of accounting.

INFORMATION ON TIANJIN DH

Tianjin DH is a company incorporated in the PRC engaged in the wind power investment business. It is a wholly-owned subsidiary of Tongtai New Energy Investment Limited (通泰新能源有限公司). Tongtai is a company established by certain venture capitals and funds and is a company focus on the investments in the renewable energy sector, including wind power.

The Company has no prior relationship or transaction with Tianjin DH and its beneficial owners which required to be aggregated with the formation of the two abovementioned joint venture companies under the Listing Rules.

The TOP WELL JV Contract and the CWP HOLDINGS JV Contract are independent to each other.

REASONS FOR THE ESTABLISHMENT OF THE TOP WELL JV AND THE CWP HOLDINGS JV

The principal businesses of the Group include the provision of wind power and related services and the retail and wholesale of traditional Chinese medicine, healthcare products and dried seafood and the provision of medical clinic services under the brand name of "Nam Pei Hong". The Group sees a great potential in the wind power business in the PRC due to the more favourable government policy on clean energy and the growing demand for electricity in the PRC. The establishment of the abovementioned joint venture companies will allow the Group to further expand its wind power business in the PRC. The Company expects the TOP WELL JV and the CWP HOLDINGS JV can generate long-term returns for the Group from the generation of electricity. The Company intends to finance the investment of the abovementioned joint venture companies by internal resources. The Directors are of the view that the terms of the TOP WELL JV Contract and the CWP HOLDINGS JV Contract are fair and reasonable and in the best interests of the shareholders of the Company as a whole.

GENERAL

The above two transactions with Tianjin DH, when aggregated, constitute disclosable transactions of the Company according to the Listing Rules. A circular containing detail of the transactions will be sent to the shareholders of the Company as soon as possible.

BOARD OF DIRECTORS

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

In this announcement, capitalized terms have the meanings as defined in the Announcement or the following meanings:

“Board”	the board of Directors
“Company”	China WindPower Group Limited, a company incorporated in Bermuda with limited liability, and the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“CWP HOLDINGS”	CWP HOLDINGS Holdings Limited (中国風電控股有限公司), a company incorporated in Hong Kong with limited liability and it is a wholly owned subsidiary of the Company
“CWP HOLDINGS JV”	Tongliao Taihe Wind Power Limited” (“通遼泰合風力發電有限公司”), a sino-foreign equity joint venture with limited liability to be established by CWP HOLDINGS and Tianjin DH at Zhalutegi, Tongliao Shi, Inner Mongolia of the PRC
“CWP HOLDINGS JV Contract”	the agreement dated 24 December 2007 entered into between CWP HOLDINGS and Tianjin DH relating to the proposed establishment of the CWP HOLDINGS JV
“Directors”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MW”	Megawatt, measurement unit of electrical power
“PRC”	the People’s Republic of China
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianjin DH”	Tianjin DH Power Investment Limited (天津德恒風電投資有限公司), a company incorporated in the PRC.

“TOP WELL”	Top Well Holdings Limited (托普威爾再生能源控股有限公司), a company incorporated in the British Virgin Islands with limited liability and it is a wholly owned subsidiary of the Company
“TOP WELL JV”	Jilin Taihe Wind Power Limited (“吉林泰合風力發電有限公司”), a sino-foreign equity joint venture with limited liability to be established by TOP WELL and Tianjin DH at Zhenlai, Jilin, the PRC
“TOP WELL JV Contract	the agreement dated 28 November 2007 entered into between TOP WELL and Tianjin DH relating to the proposed establishment of the TOP WELL JV

By order of the Board

Liu Shunxing

Chief Executive Officer

Hong Kong, 27 December 2007

* *for identification purposes only*