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FORMATION OF JOINT VENTURE — DISCLOSEABLE TRANSACTION

On 13 June 2009, Century Concord WP (an indirect wholly-owned subsidiary of the Company) and China Power Investment Baiyinhua entered into the JV Contract to jointly establish the JV at Shenyang, Liaoning, the PRC to undertake wind farm projects in the PRC.

The formation of JV pursuant to the JV Contract constitutes a discloseable transaction for the Company as one of the relevant percentage ratios in respect of the transaction exceeds 5% but is less than 25% and is subject to the reporting and announcement requirements under Chapter 14 the Listing Rules.

The JV

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Name of the JV

蒙東協合新能源有限公司

The joint venture parties

- (a) Century Concord WP; and
- (b) China Power Investment Baiyinhua

* *for identification purposes only*

Registered capital of the JV

Registered capital: RMB350 million (approximately HK\$395.5 million)

The Group holds 49% equity interests in each of the following Existing Joint Ventures: 吉林里程協合風力發電有限公司、吉林泰合風力發電有限公司、二連浩特長風協合風能開發有限公司 and 通遼泰合風力發電有限公司. Prior to the entering into of the JV Contract, China Power Investment Baiyinhua has acquired the remaining 51% equity interests in each of the Existing Joint Ventures from third parties independent of the Group and connected persons of the Company (apart from being ex-shareholders of the Existing Joint Ventures).

To the best of the Director's knowledge, information and belief after having made all reasonable enquiries, save as disclosed above, China Power Investment Baiyinhua is a company incorporated in the PRC, and it and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Century Concord WP and China Power Investment Baiyinhua shall respectively hold 49% and 51% of the equity interests in the JV by initially contributing RMB49 million (approximately HK\$55.37 million) and RMB51 million (approximately HK\$57.6 million) respectively to the registered capital of the JV in cash within 30 days from the effective date of the JV Contract.

Based on the business needs of the JV, the joint venture partners shall (i) inject the remaining part of the registered capital of RMB250 million (equivalent to approximately HK\$282.5 million) proportion to their equity interests in the JV in accordance with the needs of the JV from time to time and (ii) make further capital contribution to the JV, subject to relevant requirements of the Listing Rules, including obtaining shareholders' approval (if necessary).

The joint venture partners shall assist the JV and/or any of its subsidiaries, which may be established from time to time, in raising debt financing. According to the JV Contract and subject to the decision making process of each of the joint venture partners, including complying with the relevant requirements of the Listing Rules in the case of the Group, Century Concord WP and/or China Power Investment Baiyinhua may provide guarantees in respect of the JV Group's borrowings. If any financial assistance is to be granted by the Group in respect of the JV Group's borrowings, the Company will comply with the applicable Listing Rules requirements, including the announcement and/or shareholders' approval requirements, as and when required.

The JV shall be a jointly controlled entity of the Company after its formation.

Scope of business

Pursuant to the JV Contract, subject to the approval from the Administration for Industry and Commerce of the PRC, the scope of business of the JV will be the development, construction, operation and management of wind power and new energy projects, as well as providing related technical services and training.

It is intended that the JV shall undertake wind farm projects in the PRC with an initial target installed capacity of 850 MW.

Development of any potential project by the JV is subject to the approval from both Century Concord WP and China Power Investment Baiyinhua. If a joint venture partner disapprove any prospective project (the “Project(s)”) regarding the development of the projects in respect of the initial target installed capacity of 850 MW, the other joint venture partner may develop the Project itself and reimburse JV all its costs incurred in respect of the Project and pay the JV a premium, amount of which to be agreed. If Century Concord WP decides to take up any Project pursuant to the clause above, the Company will comply with the applicable requirements under the Listing Rules as and when required.

In addition to the business of the JV Group, the JV will also manage the Existing Joint Ventures and the Projects for certain fees to be agreed.

Board composition of the JV

The JV shall comprise seven directors of which each of Century Concord WP and China Power Investment Baiyinhua shall nominate three directors and the management of the JV shall nominate one director. The chairman of the board of the JV shall be nominated by China Power Investment Baiyinhua.

Any board resolution proposed at board meeting requires the approval of more than two-thirds of all directors.

General meetings of JV

Any resolution proposed at general meeting requires the approval of more than two-thirds of all outstanding voting rights.

Term of the JV

The JV shall have an initial term of 30 years commencing from the establishment date. Subject to the consent of the parties, such term may be extended.

Strengths of the Parties

The Group’s strengths include its services in wind power engineering, procurement and construction, manufacturing of wind tower tubes, wind power facilities design and maintenance, and its abundant wind resources reserves. In respect of the construction of wind farms of the projects managed by the JV under the JV Contract, the JV shall give priority to contractors which are related to the joint venture partners (including, among others, members of the Group) for the construction services and subject to the government requirements. China Power Investment Corporation (the ultimate holding company of China Power Investment Baiyinhua) as a state-owned enterprise has provided the geographical advantages. The co-operation of the two parties will enhance the synergy and speed up the development of the wind power business of both parties.

REASONS FOR THE ESTABLISHMENT OF THE JV

The Group is principally engaged in the wind power business and industry, investing in various wind farm projects and providing wind power engineering and construction services in the PRC. The Group sees 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 Group has been setting up joint ventures with local partners, including entities owned by the relevant municipal governments, and other seasoned business partners, to develop wind power projects. The establishment of the JV is in the Group's usual and ordinary course of business and represents a further step of the Group to expand its wind power business in the PRC. The Company intends to finance its investment in the JV by the Group's internal resources.

The terms of the JV Contract were negotiated on an arm's length basis. The Directors (including the independent non-executive Directors) consider that the terms of the JV Contract are on normal commercial terms, fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

INFORMATION ON CHINA POWER INVESTMENT BAIYINHUA

China Power Investment Baiyinhua is a limited liability company incorporated in the PRC and is principally engaged in the development of power, coal mining and transportation projects. China Power Investment Baiyinhua is a subsidiary of China Power Investment Corporation (中國電力投資集團公司), a state-owned enterprise in the PRC, which is principally engaged in the development, investment, construction, operation and management of power generating facilities and business, and the organization of the production and marketing of electric power as well as other power related businesses. The Directors consider the formation of the JV a valuable opportunity for the Group to co-operate with the China Power Investment Corporation group, being one of the five leading state-run power generating groups in the PRC.

According to the information available from the website of China Power Investment Corporation, China Power Investment Corporation has a registered capital of RMB12 billion and it has been approved by the State Council of the PRC to be one of the pilot state-authorized investment entities.

By the end of 2008, total assets of China Power Investment Corporation amounted to approximately RMB280 billion. It has installed capacity of 51,990MW in total and attributable installed capacity of 40,116MW from hydro, thermal, nuclear and wind power facilities.

China Power Investment Corporation has over 200 member companies and institutions and 15 participating companies with over 100,000 employees.

GENERAL

The formation of JV pursuant to the JV Contract constitutes a discloseable transaction for the Company as one of the relevant percentage ratios in respect of the transaction exceeds 5% but is less than 25% and is subject to the reporting and announcement requirements under Chapter 14 the Listing Rules.

BOARD OF DIRECTORS

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 and Mr. Chan Kam Kwan, Jason (who are executive Directors), Mr. Tsoi Tong Hoo, Tony (who is a 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

“Century Concord WP “	協合風電投資有限公司 (Century Concord Wind Power Investment Ltd.), a company established in the PRC with limited liability and it is a indirect wholly-owned subsidiary of the Company
“China Power Investment Baiyinhua”	內蒙古錫林郭勒白音華煤電有限責任公司, a company established in the PRC with limited liability
“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
“Existing Joint Ventures”	four joint ventures in which the Group holds 49% equity interests, namely 吉林里程協合風力發電有限公司、吉林泰合風力發電有限公司、二連浩特長風協合風能開發有限公司 and 通遼泰合風力發電有限公司
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JV”	蒙東協合新能源有限公司, a joint venture with limited liability to be established by Century Concord WP and China Power Investment Baiyinhua at Shenyang, Liaoning, the PRC

“JV Contract”	the agreement dated 13 June 2009 entered into between Century Concord WP and China Power Investment Baiyinhua relating to the proposed establishment of the JV
“JV Group”	the JV and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MW”	Megawatt (1,000,000 watts), the commonly used unit of power in quantifying the electricity generation
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
China WindPower Group Limited
Liu Shunxing
Chairman

15 June 2009, Hong Kong