

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

**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**

As mentioned in the announcement dated 6 June 2007, Century Concord and Shanghai Shenhua has established the Century Concord JV accordingly. On 19 December 2007, Century Concord has entered into a supplemental agreement with Shanghai Shenhua and pursuant to which the shareholding interests in the Century Concord JV has been changed to 49% owned by Century Concord and 51% owned by Shanghai Shenhua. On 9 January 2008, CWP DEVELOPMENT has entered into an agreement with Shanghai Shenhua to establish another joint venture company in Zhangwu, Liaoning of the PRC to develop a wind farm project in the area. The above transaction with Shanghai Shenhua, 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.

THE CENTURY CONCORD JV

As mentioned in the announcement dated 6 June 2007, Century Concord and Shanghai Shenhua has established the Century Concord JV accordingly. On 19 December 2007, Century Concord and Shanghai Shenhua has entered into a supplemental agreement and pursuant to which, Shanghai Shenhua and Century Concord shall hold 51% and 49% of the Century Concord JV respectively. The capital contribution to the Century Concord JV from Shanghai Shenhua is increased to RMB69.36 million (HK\$74.2 million), and from Century Concord is reduced to RMB66.64 million (HK\$71.3 million). As no party can have absolute control over the board of the Century Concord JV, the results of the Century Concord JV will be included in the Group's consolidated financial statements as a jointly controlled entity and hence equity method of accounting will be applied accordingly. Save as disclosed herein, there is no other material change to the Century Concord JV Agreement. The change to the equity interests in the Century Concord JV facilitates it to capture the benefit from the United Nation's Clean Development Mechanism of the Kyoto Protocol which allows the Century Concord JV to sell certified emission reduction credits, the so-called carbon credits to other industrialized nations.

* *for identification purposes only*

THE CWP DEVELOPMENT JV

On 9 January 2008, CWP DEVELOPMENT and Shanghai Shenhua entered into the CWP DEVELOPMENT JV Contract to jointly establish the CWP DEVELOPMENT JV in Zhangwu, Liaoning of the PRC to undertake a wind farm project in the area.

Pursuant to the CWP DEVELOPMENT JV Contract, both parties will jointly establish a sino-foreign equity joint venture limited liability in Zhangwu, Liaoning of the PRC under the name of “Liaoning Shenhua Xiehe Wind Power Investment Limited” (“遼寧申華協合風力發電投資有限公司”) to develop a wind farm project in the area.

Name

“Liaoning Shenhua Xiehe Wind Power Investment Limited” (“遼寧申華協合風力發電投資有限公司”)

The joint venture parties

(a) CWP DEVELOPMENT; and

(b) Shanghai Shenhua

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiry, Shanghai Shenhua 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.

Registered capital and total investment of the CWP DEVELOPMENT JV

Registered capital: HK\$168 million

Total investment: HK\$500 million

Each of Shanghai Shenhua and CWP DEVELOPMENT shall hold respectively 51% and 49% equity interest in the CWP DEVELOPMENT JV and contribute HK\$85.68 million and HK\$82.32 million respectively to the registered capital of the CWP DEVELOPMENT JV in cash.

The remaining part of the total investment of the CWP DEVELOPMENT JV of HK\$332 million will be in the form of external debts to be raised by the CWP DEVELOPMENT JV and/or shareholders’ loans from the joint venture partners. CWP DEVELOPMENT, when required by the relevant lenders, may pledge its shares in CWP DEVELOPMENT JV as security for such borrowings. Apart from the capital contribution mentioned above, CWP DEVELOPMENT does not have any further capital commitment to the CWP DEVELOPMENT JV (both either in form of equity or loan).

Each of Shanghai Shenhua and CWP DEVELOPMENT shall contribute to the registered capital of the CWP DEVELOPMENT JV in accordance with the following schedule:

- (i) Within 30 days from the issue of the business license of the CWP DEVELOPMENT JV, each of Shanghai Shenhua and CWP DEVELOPMENT shall contribute HK\$42.84 million and HK\$41.16 million respectively; and
- (ii) within 90 days from the issue of the business license of the CWP DEVELOPMENT JV, each of Shanghai Shenhua and CWP DEVELOPMENT shall further contribute HK\$42.84 million and HK\$41.16 million respectively.

The total capital commitment of CWP DEVELOPMENT to the CWP DEVELOPMENT JV will not exceed HK\$82.32 million. The Company will comply with the Listing Rules and make necessary announcement shall further investment is made to the CWP DEVELOPMENT JV.

Scope of business

Pursuant to the CWP DEVELOPMENT JV Contract, the scope of business of the CWP DEVELOPMENT JV will be the development, construction, and operation of wind power electricity 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 DEVELOPMENT JV will undertake a wind farm project in Zhangwu, Liaoning of the PRC with an installed capacity of 50MW.

Term of the CWP DEVELOPMENT JV

The CWP DEVELOPMENT JV shall have an initial term of 30 years commencing from the establishment date of the CWP DEVELOPMENT JV.

Board Composition of CWP DEVELOPMENT JV

Each of Shanghai Shenhua and CWP DEVELOPMENT shall nominate three (3) directors to the board of the CWP DEVELOPMENT JV with equal voting rights. As no party can have absolute control over the board of the CWP DEVELOPMENT JV, the results of the CWP DEVELOPMENT JV will be included in the Group's consolidated financial statements as a jointly controlled entity and hence equity method of accounting will be applied accordingly.

INFORMATION ON SHANGHAI SHENHUA

Shanghai Shenhua is an investment holding company which shares are listed on the Shanghai Stock Exchange. Shanghai Shenhua, through its subsidiaries, trades automobiles, manufactures motor vehicle parts and develops real estates. Shanghai Shenhua also engages in the travel, food and entertainment industry.

Save as disclosed herein, the Company has no prior relationship with Shanghai Shenhua and its beneficial owners which are required to be aggregated with the formation of the abovementioned joint venture company under the Listing Rules.

REASONS FOR THE ESTABLISHMENT OF THE CWP DEVELOPMENT JV

The principal businesses of the Group include the provision of wind power electricity generation and related services and the traditional “Nam Pei Hong” business. 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. Through the establishment of the abovementioned joint venture company, the Group is able to expand its wind power business in the PRC and strengthen its revenue streams. The Company intends to finance the investment in the abovementioned joint venture companies by internal resources. The Directors including all the independent non-executive directors are of the view that the terms of the CWP DEVELOPMENT JV Contract are fair and reasonable and in the best interests of the shareholders of the Company as a whole.

GENERAL

The above transactions with Shanghai Shenhua, when aggregated, constitute disclosable transactions of the Company according to the Listing Rules. A circular containing details 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 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

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

“Board”	the board of Directors
“Century Concord”	Century Concord Energy Investment Limited, a company incorporated in the British Virgin Islands
“Century Concord JV”	The Inner Mongolia Centuryconcord-Shenhua Wind Power Investment Limited (內蒙古申華協合風力發電投資有限公司), a sino-foreign equity joint venture with limited liability established by Century Concord and Shanghai Shenhua in Taibusi Qi Inner Mongolia Autonomous Region, the PRC
“Century Concord JV Contract”	the agreement dated 6 June 2007 entered into between Century Concord and Shanghai Shenhua relating to the establishment of the Century Concord JV

“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 DEVELOPMENT”	CWP Development Limited (中國風電發展有限公司), a company incorporated in Hong Kong with limited liability and it is a wholly-owned subsidiary of the Company
“CWP DEVELOPMENT JV”	“Liaoning Shenhua Xiehe Wind Power Investment Limited” (“遼寧申華協合風力發電投資有限公司”), a sino-foreign equity joint venture with limited liability established in Zhangwu, Liaoning of the PRC
“CWP DEVELOPMENT JV” Contract	the agreement dated 9 January 2008 entered into between CWP DEVELOPMENT and Shanghai Shenhua relating to the proposed establishment of the CWP DEVELOPMENT 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
“Shanghai Shenhua”	Shanghai Shenhua Holdings Co., Ltd, (上海申華控股股份有限公司), an investment holding company which shares are listed on the Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
Liu Shunxing
Chief Executive Officer

Hong Kong, 10 January 2008