



VISION

Wind power will be the dominant renewable energy source in China



Generation For Generations

MISSION

To capitalize on China's burgeoning demand for wind power

Interim Results

1H 2011
(for the six months ended
30th June, 2011)

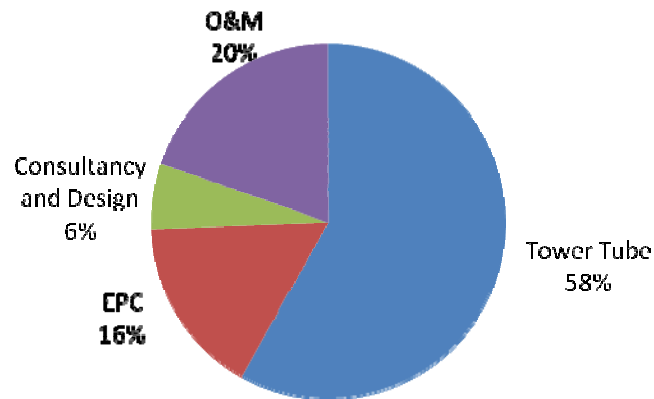


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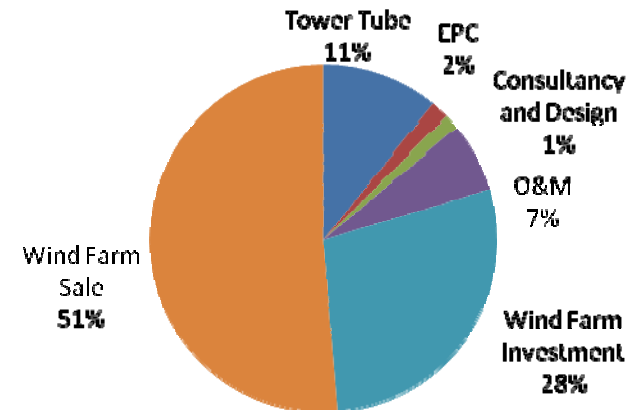
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		As at 30th Jun 11 (unaudited)	As at 30th Dec 10	Change %	
Balance Sheet	Net assets	HK\$ 4,250.8 mil	HK\$ 3,913.5 mil	+8.6 %	
	Cash and cash equivalent	HK\$ 1,418.0 mil	HK\$ 732.5 mil	+93.6%	
	Debt ratio	0.31	0.28		
		1H 2011 (unaudited)	1H 2010 (unaudited)	Change %	FY 2010
Consolidated P&L	Revenue	HK\$ 258.3 mil	HK\$ 349.0 mil	- 26.0%	HK\$ 1,236.0 mil
	Profit	HK\$ 237.0 mil	HK\$ 133.2 mil	+77.9%	HK\$ 427.2 mil
	Share of Results in JCEs and Assoc. (power gen portion)	HK\$ 132.1mil	HK\$ 64.8 mil	+103.8%	HK\$ 124.2mil
	Wind farm disposal gain	HK\$ 195.2 mil	-	-	HK\$ 28.3mil
	Fully diluted EPS	3.18HK cents	1.81HK cents	+75.7%	5.78HK cents
Revenue Breakdown	Consultancy and design	HK\$15.6mil	HK\$ 26.6 mil	-41.4%	HK\$ 73.2 mil
	Engineering and construction (EPC)	HK\$42.1 mil	HK\$101.9 mil	-58.7%	HK\$ 517.3 mil
	Operation & maintenance (O&M)	HK\$ 50.7 mil	HK\$ 26.2 mil	+93.5%	HK\$ 54.1 mil
	Tower tube manufacturing	HK\$ 149.9 mil	HK\$ 194.2 mil	-22.8%	HK\$ 591.4 mil

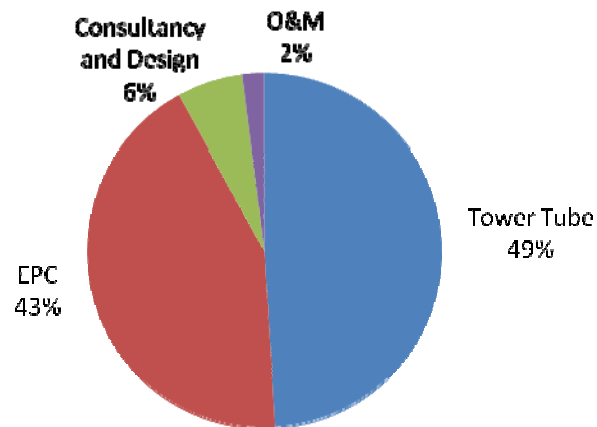
Revenue distribution (1H 2011)



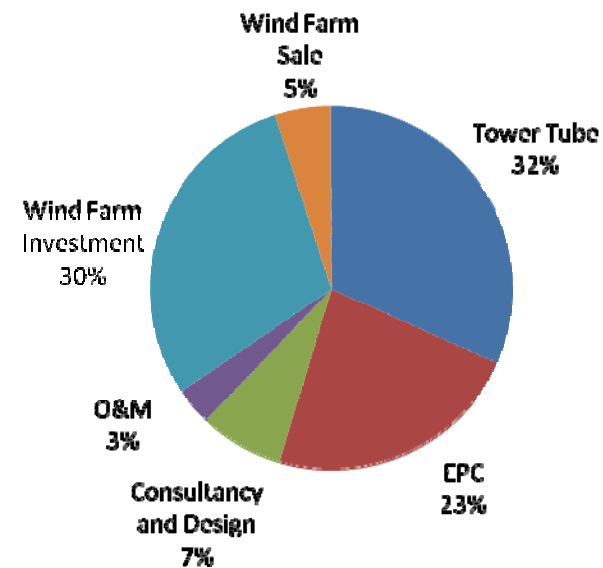
Profit distribution (1H 2011)*



Revenue distribution (FY 2010)



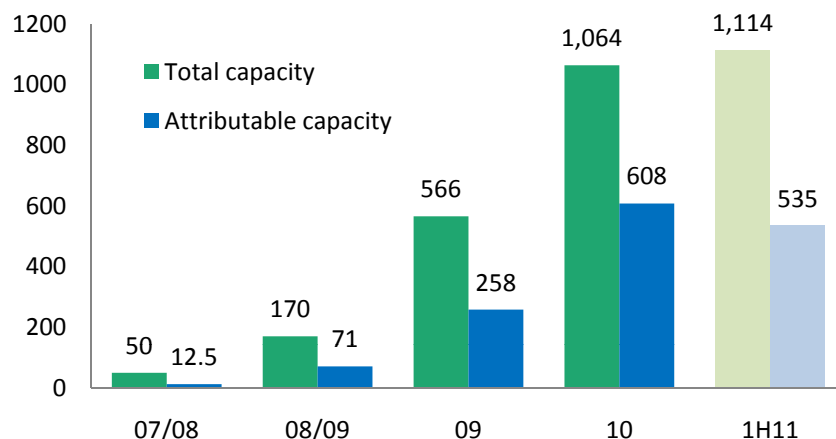
Profit distribution (FY 2010)*



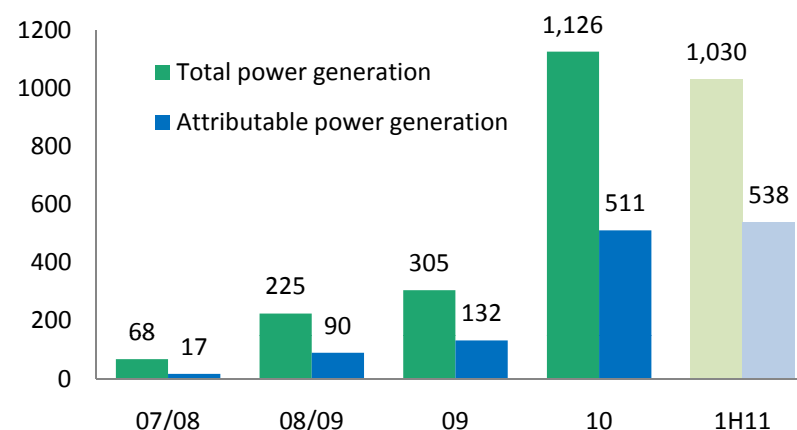
*Profit before tax and unallocated expenses

		1H 2011 (unaudited)	1H 2010 (unaudited)	Change %	FY 2010
Wind Power Investment	Total capacity in operation	1,114MW	566MW	+97%	1,064MW
	Total attributable capacity in operation	535MW	258MW	+107%	608MW
	Total power generation	1,031m kWh	521m kWh	+98%	1,126m kWh
	Total attributable power generation	538m kWh	230m kWh	+134%	511m kWh
Service Businesses (EPC&M +tower tube manufacturing)	No. of projects constructed	12	12	-	19
	No. of design & consultancy reports provided	156	137	+14%	340
	No. of O &M service projects	26	13	+100%	25
	No. of tower tubes manufactured (w/ OEM)	143	142	+1%	498
Resources	Wind resources	21,000MW	10,500MW	+100%	15,000MW
	Solar resources	1,530MW	0MW	-	648MW
Human Resources	Total no. of employees	1,653	1,061	+56%	1,338
Reduced Emission	Total tons of CO ₂ emission reduction	1,050,000	528,000	+99%	1,150,000

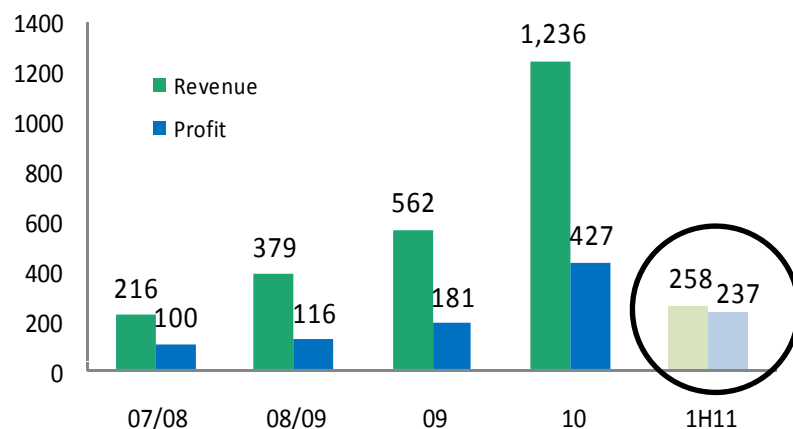
Operational Capacity Growth (MW)*



Power Generation Growth (GWh)*



Revenue and Profit Growth (HKD mil)*



- Of the power plants in construction in 1H 2011, relatively greater portion were wholly-owned by the Group. Incomes from EPC services had to be eliminated during consolidation and therefore resulted in a decrease in revenue
- Due to severe weather condition and delay in approval in 1Q 2011, construction of some of the projects got delayed, thus affected the sales revenue
- Nevertheless, the overall profitability of the Group increased considerably with stable power generation and gain from wind farm disposal

*Change fiscal year end from Mar end to Dec end in 2009 – i.e. 1 Apr to 31 Mar for 07/08 and 08/09. 09 is only 9 –month from 1 Apr to 31 Dec. 10 is 12-month ended 31 Dec

Performance in 1H 2011

- Power generation in 1H 2011 increased more than double of 1H 2010, with average capacity factor for the 1H 2011 reaching 1,127 hours and weighted average tariff rate RMB 0.586/ kWh
- Signed up to US\$ 120mil long tenor dual currency loan with Asian Development Bank and issued RMB 750mil 3-year bonds offshore
- ICBC enlisted CWP as one of the 16 large wind power companies and granted a 15-year non-guarantee project finance facility of RMB 600 mil
- Successfully carried out the “build and sell” strategy - disposed equity interest in Guazhou Wind Power Project to Jilin Power – brought a disposal gain of approx. HK\$ 195mil (before tax)
- Constructing 11 wind farm projects (total capacity: 744MW, attributable capacity: 539MW)
- Invested in our first solar farm project in Qinghai (total capacity: 30MW)
- Added 6GW of wind resources and 882MW of solar resources in 1H 2011
- Five additional wind farm projects have been successfully registered under CDM by EB
- Tianhe New Energy Equipment Limited is to become the holding company of the Group’s wind power tower tube equipment manufacturing business, and it has already submitted a listing application form (Form A1) to the Stock Exchange of Hong Kong

	Description	Advantages	Disadvantages
Joint Venture Strategy	<ul style="list-style-type: none"> - Set up and invest in power project companies with strong JV partners, such as China Power Investment, Liaoning Energy, etc., where the JV partners can help to seek and provide the guarantee on the project financing and we runs the project with the support of our EPCM and manufacturing capabilities. 	<ul style="list-style-type: none"> - Enjoy financial and occasionally more favorable government support brought by the JV partners - JV partners provide partial capital and help to seek and provide the guarantee on project financing - Revenue from EPC services sales to JV partners can be reflected in the consolidated account 	<ul style="list-style-type: none"> - Can't enjoy equity premium - May slow down development and construction process as there are more parties involved
Build-Sell Strategy	<ul style="list-style-type: none"> - CWP wholly-owns the power project companies and builds up the projects solely - Sell down a partial stake of the power plants upon operation/ completion 	<ul style="list-style-type: none"> - Enjoy 20-60% equity premium through selling partial stake of the power plants upon operation or completion - Full control project pace and quality - Fully leverage on CWP's project pipeline and development capabilities 	<ul style="list-style-type: none"> - Larger capital requirement initially from CWP - CWP has to seek its own financing - All incomes from EPC services and tower tube sales had to be eliminated in the consolidated account , <u>but</u> this can be priced into the equity premium upon selling down the power plants
<p>We believe both strategies are important to the Group, allowing the Group to enhance its cash flow and use less amount of capital to build more capacity. CWP will agilely balance between the 2 strategies based on its financing and capital position to maintain its swift development and high return</p>			

	Latest Operational Outlook	Impact
Approvals	<ul style="list-style-type: none"> - National Energy Bureau centralized the grid approval coordination and set provincial quotas after each province submit their wind power development plan to the NDRC. The project approvals are still conducted at the provincial level. - In Aug 2011, National Energy Bureau has already issued the first batch of planned wind power project approval, expected to be completed in next 6-12 months 	<ul style="list-style-type: none"> → Slowed down wind power projects approval process in 1H 2011, but back on track in 2H 2011 with strong government support → Encourage wind power development in the South → In the long term, this help to support a more healthy and sustainable wind power development environment
Grid	<ul style="list-style-type: none"> - The State Electricity Regulatory Commission carries out security check in the wind farms, mainly around large scale wind power disconnection issue and wind power equipment low-voltage-ride-through (LVRT) capability testing 	<ul style="list-style-type: none"> → Additional costs for LVRT installation, which mainly borne by turbine manufacturers → In the long term, this help to enhance the operation of the wind farms and grid, allowing the grid to more efficiently take on more wind power
Financing	<ul style="list-style-type: none"> - Credit may continue to tightened and interest rates may continued to rise 	<ul style="list-style-type: none"> → Increase financing costs and difficult

Power Plant Investment	<ul style="list-style-type: none"> - Target to add 650MW of total installed wind and solar capacity in 2011 - Target to achieve 900MW of approved capacity in 2011 - Target to selling down another 50-100MW of wind power capacity in 2011, in light of the favorable returns and cash inflow. Expect to enjoy equity premium on disposal of its wind farm stakes - While continue its co-operation with joint venture partners, CWP will try to increase CWP's equity ratio - Target to selling down 100-150MW of wind power capacity each year, in light of the favorable returns and cash inflow. Expect to enjoy equity premium on disposal of its wind farm stakes - Diversify development and investment of power generation projects to south China, where grid connection and congestion is less of an issue
EPCM Services	<ul style="list-style-type: none"> - Continue to expand and enhance service scope and capabilities, particularly to third parties
Seek New Business Opportunities	<ul style="list-style-type: none"> - Explore offshore wind power, wind-solar hybrid or solar and overseas power projects
Widen Financing Channels	<ul style="list-style-type: none"> - Continue to widen its financing channels and adopt multiple forms of financing to reduce financing costs - Look to further cooperate with international financial institutions, such as IFC and ADB and pursue more of its financing in fixed rate and offshore market

**China WindPower Group Limited
(0182.HK)**

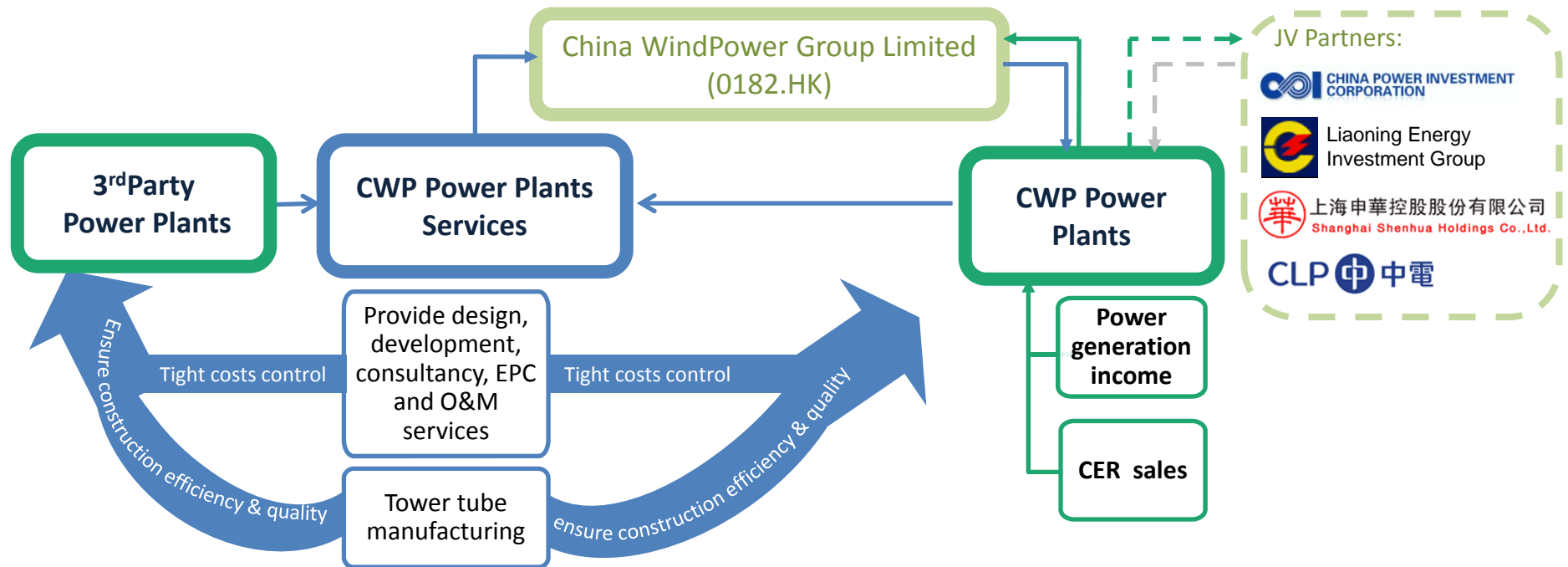
- Total share outstanding: 7.39 bn
- Total assets: HKD 6.18 bn
- 1H2011 Revenue: HKD 258.29mil
- 1H2011 Profit: HKD 237.00 mil
- 1H2011 EPS(Diluted): 3.18 HK cents

Wind Farm Investment

- 1031GWh total power (538GWh attributable) produced in 1H2011
- 20 projects in operation (total capacity = 1,114MW, attributable = 535MW)
- 650MW projects planned for 2011
- 12 CDM projects approved

Wind Farm Services

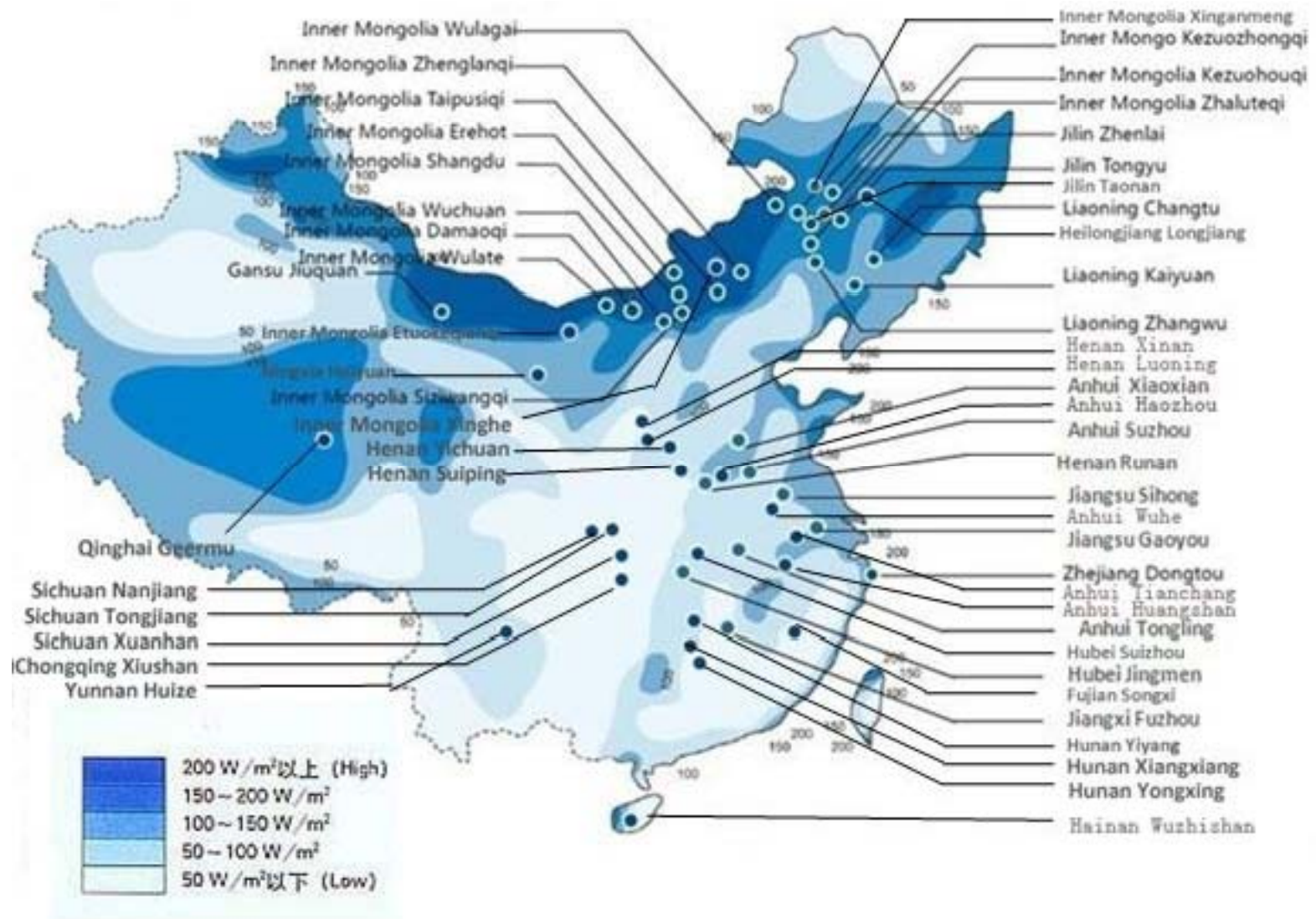
- Project development
- Engineering, design and construction (EPC)
- Operation and Maintenance (O&M)
- Tower tube manufacturing



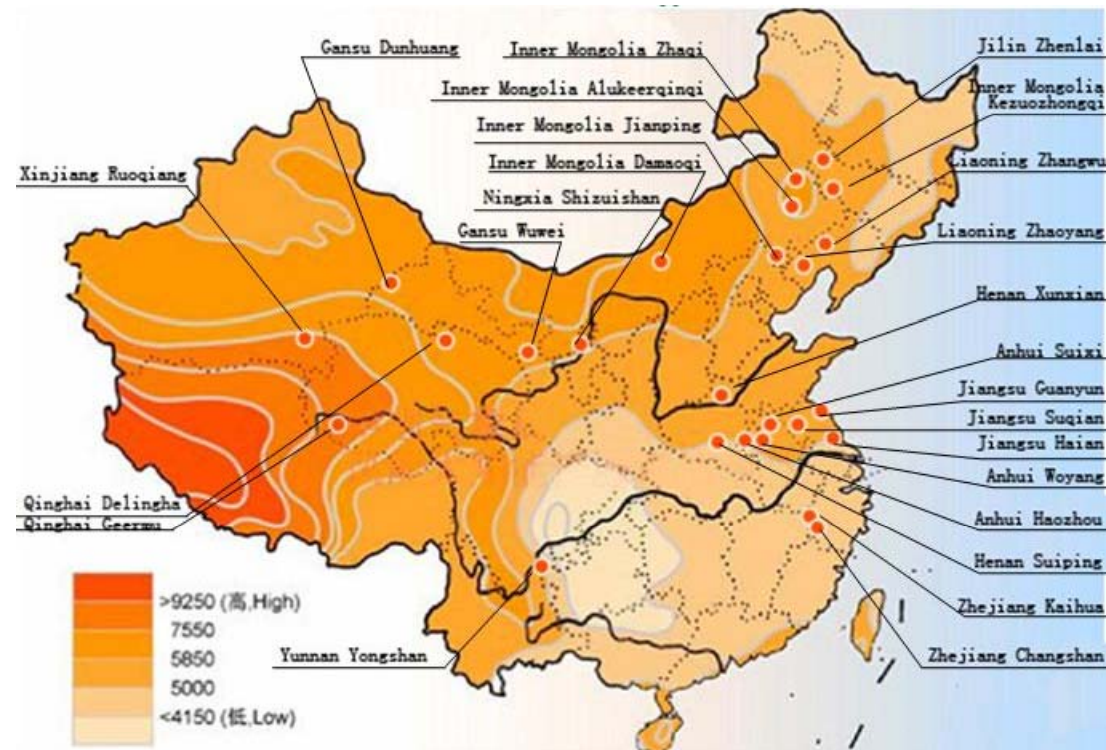
Benefits of having integrated services and manufacturing:

- CWP maintains greater control over the availability of tower tubes, construction time, costs, and quality when developing wind farm projects
- Higher output efficiency due to experienced O&M team
- Improved cash flow from the wind farm services business

Abundant Wind Reserves Exceeding 21GW



Solar Reserves exceeding 1.53GW



- On July 24, 2011, the NDRC announced a nationwide RMB1.15/kWh (incl. tax) feed-in-tariff for solar power projects completed by Dec 31, 2011 and RMB1.0/kWh completed after Dec 31, 2011
- China's solar power target: 10GW by 2015; 50GW by 2020
- Expected equity IRR >10%

P/L (HK\$'000)	1H 2011	1H 2010	FY 2010	Asset (HK\$'000)	1H 2011	1H 2010	FY 2010
Revenue	258,290	348,990	1,236,020	Non-current assets	3,941,335	3,064,469	4,045,731
Other Income	4,589	2,574	7,329	Current assets	2,243,554	1,502,415	1,379,513
Other gain, net	195,223	1,276	1,888	Current liabilities	571,953	712,193	707,620
Expenses	(260,371)	(267,782)	(893,177)	Net current assets	1,671,601	790,222	671,893
Share of results				Non-current liabilities	571,953	409,450	804,129
- Associates	2,212	3,227	4,483*	Net Asset	4,250,789	3,445,241	3,913,495
- JCE	130,260	61,843	192,464*	Share Capital	73,946	72,801	73,915
Profit before income tax	330,203	150,128	594,007	Reserves	4,176,843	3,372,440	3,839,580
Income tax expense	(93,215)	(16,963)	(121,784)				
Profit from continuing operation	236,988	133,165	427,223				
Profit for the period	236,988	133,165	427,223	Cash Flow (HK\$'000)	1H 2011	1H 2010	FY 2010
Basic earning/(loss) per share (HK cents)	3.21	1.83	5.85	Net cash from operating activities	24,270	178,377	260,756
Diluted earnings/(loss) per share (HK cents)	3.18	1.81	5.78	Net cash used in investing activities	(488,961)	(798,257)	(1,734,713)
				Net cash from financing activities	1,139,620	450,694	1,091,807
				Net increase in cash and cash equivalents	674,929	(169,186)	(382,150)
				Cash and cash equivalents	1,418,017	941,464	732,544

* share of results in JCEs and assoc. is HK\$ 196.9 mil, mainly consists of HK\$ 124.2 mil is profit from power generation, HK\$ 43.9mil is from deferred tax and HK\$ 28.3 mil is from disposal of JCEs

Thank you for your interest in CWP



www.chinawindpower.com.hk

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