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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)

MAJOR TRANSACTION
PURCHASE OF WIND POWER ELECTRICITY GENERATION EQUIPMENT

Reference is made to the announcement of the Company dated 3 February 2010 in relation to the purchase of wind power electricity generation equipment from the Supplier for the Group's phase 1 development of its wind farm project in Guazhou (瓜州), Jiuquan (酒泉), Gansu province (甘肃省), the PRC (the "Guazhou Project") pursuant to the Phase 1 Contract. The Phase 1 Contract was terminated pursuant to a termination agreement entered into between the Group and the Supplier on 31 May 2010.

On 31 May 2010, the Group and the Supplier entered into the Supplemental Phase 1 Contract regarding the purchase of wind power electricity generation equipment from the Supplier for the Group's phase 1 development of the Guazhou Project.

On 31 May 2010, the Group entered into the Phase 2 Contract with the Supplier regarding the purchase of wind power electricity generation equipment from the Supplier for the Group's phase 2 development of the Guazhou Project.

The total consideration under the Supplemental Phase 1 Contract is RMB591,403,625 (equivalent to approximately HK\$674,200,000). The total consideration under the Phase 2 Contract is RMB589,605,181 (equivalent to approximately HK\$672,150,000).

The transactions under the Supplemental Phase 1 Contract and Phase 2 Contract, when aggregated, constitute a major transaction for the Company as the applicable percentage ratios in respect of the transactions exceed 25% but are less than 100% and thus is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

* for identification purposes only

A special general meeting will be convened and held for the Shareholders to consider and, if thought fit, approve the Contracts and the transactions contemplated thereunder. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, the Supplier does not hold any Shares and no Shareholders or their associates have a material interest in the transactions contemplated under the Contracts.

No Shareholder is required to abstain from voting on the resolution(s) in respect of the Contracts at the special general meeting. A circular containing, among other things, details of the Contracts and the notice of the special general meeting will be despatched to the Shareholders as soon as practicable under the requirement of the Listing Rules.

BACKGROUND

Reference is made to the announcement of the Company dated 3 February 2010 in relation to the purchase of wind power electricity generation equipment from the Supplier for the Group's phase 1 development of its wind farm project in Guazhou (瓜州), Jiuquan (酒泉), Gansu province (甘肅省), the PRC (the "Guazhou Project") pursuant to the Phase 1 Contract. The Phase 1 Contract was terminated pursuant to a termination agreement entered into between the Group and the Supplier on 31 May 2010.

On 31 May 2010, the Group and the Supplier entered into the Supplemental Phase 1 Contract regarding the purchase of wind power electricity generation equipment from the Supplier for the Group's phase 1 development of the Guazhou Project.

On 31 May 2010, the Group entered into the Phase 2 Contract with the Supplier regarding the purchase of wind power electricity generation equipment from the Supplier for the Group's phase 2 development of the Guazhou Project.

THE SUPPLEMENTAL PHASE 1 CONTRACT

Dates: 31 May 2010

Parties: the Supplier (華銳風電科技(集團)股份有限公司)
甘肅瓜州協合風力發電有限公司 (Gansu Guazhou Xiehe Wind Power Ltd.), a wholly-owned subsidiary of the Company

Under the Supplemental Phase 1 Contract, the Group has agreed to buy from the Supplier machinery and equipment in relation to certain wind power electricity generation facilities for the Group's phase 1 development of the Guazhou Project with a capacity of 100MW.

Pursuant to the Phase 1 Contract (which was terminated by a termination agreement entered into between the Group and the Supplier on 31 May 2010), the consideration for the purchases in relation to the phase 1 development is RMB542,320,095 (equivalent to approximately HK\$618,245,000). Pursuant to the Supplemental Phase 1 Contract which supersedes the Phase 1 Contract, the consideration for the purchases in relation to the phase 1 development is amended to be RMB591,403,625 (equivalent to approximately HK\$674,200,000). The above consideration payable by the Group includes fees in relation to, inter alia, the purchase of machinery and equipment, the installation, maintenance and technical support services to be provided by the Supplier, tax payment and delivery and insurance costs.

The Supplemental Phase 1 Contract was entered to amend, among others, the following major terms of the Phase 1 Contract: (i) the amendment on the consideration for the equipment purchases due to (a) the recent decrease in turbine prices after the entering into of the Phase 1 Contract and (b) purchase of additional tower tubes as stated in the Supplemental Phase 1 Contract; and (ii) extension of the warranty period in relation to the machinery and equipment from two years as stated in the Phase 1 Contract to three years as stated in the Supplemental Phase 1 Contract.

The Supplier shall deliver and install machinery and equipment of 100MW and the consideration shall be payable in cash by the Group to the Supplier by installment based on the stages of completion of the Supplemental Phase 1 Contract. According to the Supplemental Phase 1 Contract, delivery and installation of machinery and equipment have been scheduled to be carried out from July to October 2010 and the pre-examination of the machinery and equipment has been scheduled in December 2010.

According to the Supplemental Phase 1 Contract, the Supplier shall pay (i) 10% of the consideration (RMB59,140,362, equivalent to approximately HK\$67,420,000) within 15 days from the date of the Supplemental Phase 1 Contract as performance bond for any breach of the Supplier's obligations under the Supplemental Phase 1 Contract which shall be refunded to the Supplier within 30 days after the expiry of three-year warranty period (and upon completion of the final acceptance test).

THE PHASE 2 CONTRACT

Dates: 31 May 2010

Parties: the Supplier (華銳風電科技(集團)股份有限公司)
甘肅瓜州協合風力發電有限公司 (Gansu Guazhou Xiehe Wind Power Ltd.), a wholly-owned subsidiary of the Company

Under the Phase 2 Contract, the Group has agreed to buy from the Supplier machinery and equipment in relation to certain power electricity generation facilities for the Group's phase 2 development of the Guazhou Project with a capacity of 100MW.

The total consideration of the Phase 2 Contract amounts to RMB589,605,181 (equivalent to approximately HK\$672,150,000). The above consideration payable by the Group includes fees in relation to, inter alia, the purchase of machinery and equipment, the installation, maintenance and technical support services to be provided by the Supplier, tax payment and delivery and insurance costs.

The Supplier shall deliver and install machinery and equipment of 100MW and the consideration shall be payable in cash by the Group to the Supplier by installment based on the stages of completion of the Phase 2 Contract. According to the Phase 2 Contract, delivery and installation of machinery and equipment have been scheduled to be carried out from July to October 2010 and the pre-examination of the machinery and equipment has been scheduled in December 2010.

According to the Phase 2 Contract, the Supplier shall pay (i) 10% of the consideration (RMB58,960,518, equivalent to approximately HK\$67,215,000) within 15 days from the date of the Phase 2 Contract as performance bond for any breach of the Supplier's obligations under the Phase 2 Contract which shall be refunded to the Supplier within 30 days after the expiry of three-year warranty period (and upon completion of the final acceptance test).

THE SUPPLIER

The Supplier is a supplier of wind power machinery and equipment in the PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Supplier and its ultimate beneficial owner are third parties independent of the Company and the connected persons of the Company.

REASONS FOR AND BENEFIT OF THE TRANSACTIONS

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 is building a wind power plant in Gauzhou, Jiuquan, Gansu province, the PRC. The purpose of the entering into of the Contracts is to purchase machinery and equipment necessary for the construction of wind power electricity generation facilities for the phase 1 and phase 2 developments of the Gauzhou Project which is in the Group's ordinary and usual course of business.

The Contracts were entered into after a tender organised by the Group in accordance with the applicable laws and requirements in the PRC. The Group considers that the overall terms offered by the Supplier under the Contracts represent the best offer made to the Group. The Group evaluated the terms of the Contracts based on, among other factors, the specifications and needs of the Group, the credentials and experience of the Supplier, the quality of the products to be supplied by the Supplier, the services agreed to be rendered by the Supplier, the products warranty provided by the Supplier and the terms offered by other suppliers to the Group. The Directors (including the independent non-executive Directors) consider that the terms of the Contracts are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

As mentioned above, the Supplemental Phase 1 Contract was entered into to amend, among others, the consideration of the purchase and the relevant warranty period under the Phase 1 Contract. Accordingly, the Group and the Supplier entered into a termination agreement on 31 May 2010 to terminate the Phase 1 Contract.

The purchases under the Contracts will be financed by internal resources of the Group and/or borrowings of the project company.

GENERAL

The transactions under the Supplemental Phase 1 Contract and Phase 2 Contract, when aggregated, constitutes a major transaction for the Company as the applicable percentage ratios in respect of the transactions exceed 25% but are less than 100% and thus is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

A special general meeting will be convened and held for the Shareholders to consider and, if thought fit, approve the Contracts and the transactions contemplated thereunder. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, the Supplier does not hold any Shares and no Shareholders or their associates have a material interest in the transactions contemplated under the Contracts.

No Shareholder is required to abstain from voting on the resolution(s) in respect of the Contracts at the special general meeting. A circular containing, among other things, details of the Contracts and the notice of the special general meeting will be despatched to the Shareholders as soon as practicable under the requirement of 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, Mr. Yu Weizhou, Ms. Ko Wing Yan, Samantha and Mr. Chan Kam Kwan, Jason (who are executive Directors), Mr. Tsoi Tong Hoo, Tony (who is non-executive Director), and Dr. Zhou Dadi, Dr. Wong Yau Kar, David and Mr. Yap Fat Suan, Henry (who are independent non-executive Directors).

DEFINITIONS

“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
“Contracts”	the Supplemental Phase 1 Contract (which supersedes the Phase 1 Contract) and the Phase 2 Contract

“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guazhou Project”	the wind farm project of the Group located at Guazhou (瓜州), Jiuquan (酒泉), Gansu province (甘肅省), the PRC
“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
“Phase 1 Contract”	the supply contract dated 2 February 2010 entered into between the Supplier and Gansu Guazhou Xiehe Wind Power Ltd., a wholly-owned subsidiary of the Company, for the supply of wind power electricity generation machinery and equipment to Gansu Guazhou Xiehe Wind Power Ltd. for the phase 1 development of the Guazhou Project, which is superseded by the Supplemental Phase 1 Contract
“Phase 2 Contract”	the supply contract dated 31 May 2010 entered into between the Supplier and Gansu Guazhou Xiehe Wind Power Ltd., a wholly-owned subsidiary of the Company, for the supply of wind power electricity generation machinery and equipment to Gansu Guazhou Xiehe Wind Power Ltd. for the phase 2 development of the Guazhou Project
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Supplemental Phase 1 Contract”	the supply contract dated 31 May 2010 entered into between the Supplier and Gansu Guazhou Xiehe Wind Power Ltd., a wholly-owned subsidiary of the Company, for the supply of wind power electricity generation machinery and equipment to Gansu Guazhou Xiehe Wind Power Ltd. for the phase 1 development of the Guazhou Project which supersedes the Phase 1 Contract

“Supplier”

華銳風電科技（集團）股份有限公司

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

By order of the Board

CHINA WINDPOWER GROUP LIMITED

Liu Shunxing

Chairman and Chief Executive Officer

31 May 2010, Hong Kong