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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China WindPower Group Limited, you should at once hand this circular to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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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**

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DEFINITIONS

In this circular, unless the context requires otherwise, the following terms have the meanings as set out below:

“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

DEFINITIONS

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	29 January 2008 being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MW”	Megawatt, measurement unit of electrical power
“Nam Pei Hong”	The retail and wholesale of traditional Chinese medicine, healthcare products and dried seafood and the provision of medical clinic services
“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

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. Ko Chun Shun, Johnson (*Chairman*)

Mr. Liu Shunxing (*Chief Executive Officer*)

Mr. Wang Xun

Mr. Yang Zhifeng

Ms. Liu Jianhong

Mr. Chan Kam Kwan, Jason

Registered office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

*Head office and principal place
of business in Hong Kong:*

Unit 3901

Far East Finance Center

16 Harcourt Road

Admiralty

Hong Kong

Non-executive Director:

Mr. Tsoi Tong Hoo, Tony

Independent non-executive Directors:

Mr. Ho Tak Man, Billy

Mr. Yap Fat Suan

Dr. Wong Yau Kar, David

31 January 2008

To the Shareholders

Dear Sir or Madam,

**DISCLOSABLE TRANSACTIONS
REGARDING
FORMATION OF JOINT VENTURES**

INTRODUCTION

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

* for identification purposes only

LETTER FROM THE BOARD

in Zhangwu, Liaoning of the PRC to develop a wind farm project in the area. The above transactions with Shanghai Shenhua, when aggregated, constitute disclosable transactions of the Company according to the Listing Rules.

THE CENTURY CONCORD JV

As mentioned in the announcement dated 6 June 2007, Century Concord and Shanghai Shenhua has established the Century Concord JV, which was owned as to 50% by each of Century Concord and Shanghai Shenhua. 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 of the equity interests in the Century Concord JV facilities 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.

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

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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, it will be classified as a jointly controlled entity. The Group will recognise its interests in the CWP DEVELOPMENT JV using the equity method. That is, the investment will be initially recognised at cost and adjusted therefore for the subsequent change in the Group's share of net assets of the CWP DEVELOPMENT JV. The consolidated income statement will include the Group's share of the profit or loss of the CWP DEVELOPMENT JV. Following the completion of this transaction and the full injection of required capital, there is no material change to the consolidated net asset value of the Group and since the joint venture company is newly incorporated, save for the incidental expenses incurred in the incorporation, there is no immediate material impact to the Group's consolidated profit and loss statement.

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.

LETTER FROM THE BOARD

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 two transactions with Shanghai Shenhua, when aggregated, constitute disclosable transactions for the Company pursuant to the Listing Rules subject to the notification and publication requirements of the Listing Rules.

By order of the Board
China WindPower Group Limited
Ko Chun Shun, Johnson
Chairman

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(i) Directors' interests in the Shares

As at the Latest Practicable Date, save as disclosed below, none of the Directors had the interests and short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules, to be notified to the Company and the Stock Exchange:

Long positions in the Shares

Name of director	Number of Shares held			Total
	Personal interests	Family interests	Corporate interests	
Mr. Ko Chun Shun, Johnson	—	—	2,000,000,000	2,000,000,000

Note:

Mr. Ko Chun Shun, Johnson is deemed to be interested in 2,000,000,000 Shares held by Gain Alpha Finance Limited ("Gain Alpha"). Gain Alpha is wholly-owned by Mr. Ko Chun Shun, Johnson.

(ii) Directors' other interests

(a) As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been acquired, disposed of by or leased to, or which are proposed to be acquired, disposed of by or leased to, the Company or any of its subsidiaries since 31 March 2007, the date to which the latest published audited financial statements of the Group were made up.

- (b) As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Company subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.
- (c) As at the Latest Practicable Date, none of the Directors or their respective associates had any interest in any company or business which competes or may compete, directly or indirectly, with the businesses of the Group.

(iii) Substantial Shareholders

As at the Latest Practicable Date, save as disclosed below, so far as is known to, or can be ascertained after reasonable enquiry by the Directors or chief executive of the Company, there was no other persons, not being a Director or chief executive of the Company, had interests and/or short positions in the Shares or underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Long positions in underlying Shares

	Number of underlying Shares interested
China WindPower Investment Limited	1,010,101,010

Note:

China WindPower Investment Limited held HK\$100,000,000 convertible notes as at the Latest Practicable Date which were convertible into 1,010,101,010 new Shares based on their prevailing conversion price of HK\$0.099, subject to adjustment. Mr. Yang Ji is the beneficial owner of China WindPower Investment Limited.

3. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance had known to the Directors to be pending or threatened by or against any member of the Group.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group (excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation)).

5. SECRETARY AND QUALIFIED ACCOUNTANT OF THE COMPANY

The secretary of the Company is Mr. Chan Kam Kwan, Jason. Mr. Chan graduated from the University of British Columbia with a Bachelor of Commerce degree. Mr. Chan is a member of the American Institute of Certified Public Accountants.

The qualified accountant of the Company is Jim Pak Keung, Patrick. Mr. Jim is a fellow member of the Association of Chartered Certified Accountants in the U.K. and the Hong Kong Institute of Certified Public Accountants.

6. MISCELLANEOUS

- The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal office of the Company is at 3901, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong;
- The branch share registrar and transfer office of the Company in Hong Kong is Tricor Tengis Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong; and
- The English text of this circular shall prevail over the Chinese text.