

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



中国风电集团有限公司*

China WindPower Group Limited

(incorporated in Bermuda with limited liability)

(Stock Code: 182)

**MAJOR AND CONNECTED TRANSACTION
DISPOSAL OF NPH GROUP
AND
RESUMPTION OF TRADING**

On 5 March 2009, the Company entered into the S&P Agreement with Mr. Ko pursuant to which the Company has agreed to dispose of its 100% equity interests in the NPH Group to Mr. Ko at a total consideration of HK\$34,000,000 payable in cash.

As the result of the revenue test under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 25%, the Disposal constitutes a major transaction for the Company under the Listing Rules. Mr. Ko is a substantial Shareholder and the Chairman of the Company and thus a connected person of the Company. The Disposal accordingly constitutes a connected transaction for the Company. The Disposal is subject to the relevant announcement and independent shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules. An independent board committee will be established to advise the Independent Shareholders regarding the Disposal. An independent financial adviser will be appointed to advise the independent board committee and the Independent Shareholders regarding the fairness and reasonableness of the Disposal. A circular containing, amongst other things, further information in respect of the Disposal, a letter from the independent board committee to the Independent Shareholders and a letter from the independent financial adviser to the independent board committee and the Independent Shareholders, together with a notice to convene a special general meeting to seek approval from the Independent Shareholders will be dispatched to the shareholders of the Company as soon as practicable.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 6 March 2009 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 9 March 2009.

* *For identification purpose only*

The Company announces that on 5 March 2009, the Company entered into the S&P Agreement with Mr. Ko, a substantial Shareholder and the Chairman of the Company, pursuant to which the Company has agreed to dispose of its 100% equity interests in the NPH Group to Mr. Ko.

S&P AGREEMENT

Date

5 March 2009

Parties

Vendor: the Company

Purchaser: Mr. Ko Chun Shun, Johnson, a substantial Shareholder and the Chairman of the Company

Assets to be disposed of

The entire issued share capital of China Windpower Group Limited, which is a wholly-owned subsidiary of the Company and, directly and indirectly, holds the entire issued share capital of each of Nam Pei Hong Sum Yung Drugs Company Limited, N P H Sino-Meditech Limited, Poo Yuk Loong Limited and 保玉龍食品(深圳)有限公司 (Poo Yuk Loong (Shenzhen) Limited*) (together, being the NPH Group as defined herein).

Consideration

The total consideration for the Disposal is HK\$34,000,000, of which cash payment of HK\$17,000,000 shall be made by Mr. Ko to the Company upon completion of the Disposal and the remaining balance of HK\$17,000,000 shall be paid by Mr. Ko to the Company in cash within 3 months from the date of completion of the Disposal.

Upon completion of the Disposal, Mr. Ko shall deliver to the Company a duly executed share pledge agreement (in a form to the satisfaction of the Company) to pledge the entire issued shares of China Windpower Group Limited to the Company until full payment of the consideration.

The consideration was arrived at after arm's-length negotiation between the parties, having regard to the assets and liabilities of the NPH Group, the recent financial performance of the NPH Group and market environment.

Mr. Ko undertakes to the Company that until the full payment of the total consideration, (i) other than the pledge of the entire issued shares of China Windpower Group Limited to the Company as mentioned above, he shall keep the entire issued shares of all the companies in the NPH Group free and clear of any lien, charge, option, right of pre-emption or other encumbrance or third party right

whatsoever, and (ii) Mr. Ko will not sell any share in China Windpower Group Limited and shall procure that the share capital of each of Nam Pei Hong Sum Yung Drugs Company Limited, N P H Sino-Meditech Limited, Poo Yuk Loong Limited and 保玉龍食品(深圳)有限公司 (Poo Yuk Loong (Shenzhen) Limited*) is 100% beneficially owned by China Windpower Group Limited.

The entire issued share capital of China Windpower Group Limited shall be sold with full title guarantee and shall be free from any lien, option, charge, encumbrance, equity, rights of pre-emption or any other third party rights and together with all rights attached to them at the date of S&P Agreement or subsequently becoming attached to them.

Completion

Completion of the Disposal is conditional on the Company obtaining approval from the Shareholders in accordance with the Listing Rules or such approval from the regulatory authority where applicable, and shall take place on or before 31 May 2009 (or such later date as agreed between the parties in writing), after the Company has obtained all relevant approvals from the Shareholders.

After the Disposal, the Company will cease to hold any equity interest in the NPH Group and the members of the NPH Group will cease to be subsidiaries of the Company.

INFORMATION REGARDING THE NPH GROUP

The NPH Group is principally engaged in the trading and retail sale of Chinese medicine, dried seafood and health products, and provision of Chinese clinical services in Hong Kong. Set out below are the consolidated profit/loss before and after tax of the NPH Group for the two years ended 31 March 2008 and for the six months ended 30 September 2008:

	For the six months ended 30 September 2008	For the year ended 31 March	
	(Unaudited)	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit/(loss) before tax	(664)	2,687	(2,304)
Profit/(loss) after tax	(664)	2,687	(2,304)

The NPH Group had unaudited consolidated net assets attributable to the Group of approximately HK\$31.7 million as at 30 September 2008. The above financial information has been prepared based on the Group's accounting policies in accordance with the Hong Kong Financial Reporting Standards.

For illustrative purposes only, the Group would record a gain of approximately HK\$2.3 million as a result of the Disposal based on the unaudited consolidated assets and liabilities of the NPH Group attributable to the Group as at 30 September 2008.

REASONS FOR AND BENEFIT OF THE DISPOSAL

The Group is at present, and will after the Disposal continue to be, 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 business of the NPH Group only represents a minor portion of the Group's business and is neither in line with nor complements the Group's major business focus. For the year ended 31 March 2008, the net profit of the NPH Group only represented approximately 2.5% of the Group's total profit after tax. The Company believes that the Disposal will allow the Group to focus its management, financial and other resources on wind power business. The Company intends to use the net proceeds from the Disposal as working capital for the development of the Group's wind power business. Given the current difficult trading and retail conditions in the market, streamlining the business of the Group by selling the trading and retail business of the NPH Group may possibly help the Company to achieve an overall better market valuation.

The Directors (except the independent non-executive Directors who will opine on the Disposal after considering the advice of the independent financial adviser) consider that the terms of the Disposal are fair and reasonable, and the Disposal is in the interests of the Company and its Shareholders as a whole.

GENERAL

As the result of the revenue test under Rule 14.07 of the Listing Rules exceeding 25%, the Disposal constitutes a major transaction for the Company under the Listing Rules. Mr. Ko is a substantial Shareholder and the Chairman of the Company and thus is a connected person of the Company. The Disposal accordingly constitutes a connected transaction for the Company. The Disposal is subject to the relevant announcement and independent shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules. A special general meeting of the Company will be convened and held with a view to seeking approval from the Independent Shareholders voting by way of poll. Mr. Ko and his associates, who together are interested in 2,000,000,000 Shares (representing approximately 31.98% of the issued share capital of the Company) will abstain from voting at the special general meeting.

An independent board committee will be established to advise the Independent Shareholders regarding the Disposal. An independent financial adviser will be appointed to advise the independent board committee and the Independent Shareholders regarding the fairness and reasonableness of the Disposal. A circular containing, amongst other things, further information in respect of the Disposal, a letter from the independent board committee to the Independent Shareholders and a letter from the independent financial adviser to the independent board committee and the Independent Shareholders, together with a notice to convene a special general meeting to seek approval from the Independent Shareholders will be dispatched to the shareholders of the Company as soon as practicable.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 6 March 2009 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 9 March 2009.

DEFINITIONS

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Disposal”	the disposal of the NPH Group by the Company to Mr. Ko pursuant to the S&P Agreement
“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
“Independent Shareholders”	Shareholders other than Mr. Ko and his associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Ko”	Ko Chun Shun, Johnson, a substantial Shareholder and the Chairman of the Company
“NPH Group”	China Windpower Group Limited, Nam Pei Hong Sum Yung Drugs Company Limited, N P H Sino-Meditech Limited, Poo Yuk Loong Limited and 保玉龍食品(深圳)有限公司 (Poo Yuk Loong (Shenzhen) Limited*) (all of which are wholly-owned subsidiaries of the Company)
“PRC”	the People’s Republic of China

“S&P Agreement”	the sale and purchase agreement dated 5 March 2009 entered into between the Company and Mr. Ko in respect of the Disposal
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of any Share
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
China WindPower Group Limited
Liu Shunxing
Chief Executive Officer

Hong Kong, 6 March 2009

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).