

[For Immediate Release]



China WindPower Announces FY2011 Interim Results

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Net Profit Surges 77.9% to HK\$ 237 million

Power Generation Grows Rapidly Continues Active Wind Power Project Development and Enters Solar Energy Business

Highlights

- Consolidated revenue amounted to HK\$258 million
 - Net profit attributable to equity holders amounted to HK\$237 million, an increase of 77.9% over the same period last year
 - Fully diluted earnings per share were HK3.18 cents, an increase of 75.6% over the same period last year
 - During the period under review, the Group generated attributable electricity output of 538.48 million kWh, a strong increase of 134% over the same period last year
 - During the period under review, the Group owned 20 grid-connected wind power plants with total capacity of 1,114MW and an attributable capacity of 535MW. The Group's overall exclusive wind power reserves exceeded 21GW, and the total exclusive solar power reserves exceeded 1.5GW. Solar power will gradually become another key area for the Group's renewable energy development
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(Hong Kong, 22 August 2011) **China WindPower Group Limited** (“**China WindPower**” or the “**Group**”) (stock code: 182), an integrated wind power company in China, today announced its unaudited interim results for the six months ended 30 June 2011.

During the period under review, China WindPower's consolidated income amounted to HK\$258 million, decreased by 26% as compared to the same period last year. This was mainly because relatively greater portion of the power plants in construction during the reporting period were wholly-owned by the Group. Income from EPC services and tower tube sales had to be eliminated during consolidation and therefore resulted in a decrease in revenue. Also, due to severe weather condition and delay in project approvals, some of the project constructions were also postponed, thus affected the sales revenue. Nevertheless, the Group's overall profitability increased substantially. The net profit attributable to equity holders amounted to HK\$237 million, an increase of 77.9%. The basic earnings per share were HK3.21 cents (1H 2010: HK1.83 cents). The fully diluted earnings per share were HK3.18 cents (1H 2010: HK1.81 cents).

As at the end of the period under review, the Group's net assets value totaled HK\$4,250,789,000 (31 December 2010: HK\$3,913,495,000) and its cash and cash equivalents were HK\$1,418,017,000 (31 December 2010: HK\$732,544,000).

Mr Liu Shunxing, Chairman and CEO of China WindPower, said: "All the businesses of China WindPower kept progressing smoothly and have maintained rapid and stable development. The Group further improved its vertical integrated business model. Apart from building power plants with joint venture partners, the Group has also begun to set up more wholly-owned power plants, adopting an approach of building the plants and selling a partial stake upon completion or operation. Through this business strategy the Group can fully leverage its strengths in wind power development and wind power plant construction thereby attaining a more reasonable premium."

Wind Power Plants Investment and Operation

During the period under review, the investment and operation of China WindPower's wind power plants achieved a breakthrough. The Group's wind power plants generated an electricity output of 1,030.55 million kWh, of which an output of 538.48 million kWh was attributed the Group, a surge of 134% over the same period last year. In the first half of 2011, the Group refined the operation management of its wind power plants with the wind turbines operating stably. The electricity output generated exceeded the designed output of the plants and the planned output of the Group. The average capacity factor of the Group's power plants reached 1,127 hours in the first half year of 2011 and the weighted average on-grid tariff of the Group's wind power plants was RMB 0.586 per kWh (including VAT).

During the period under review, the Group newly built five wind power plants with a total capacity of 246MW and one solar power plant with a total capacity of 30MW. As at the end of the period under review, the Group had 11 wind power projects and one solar power project under construction with a total capacity of 774MW, of which 569MW was attributable to the Group. As at the end of the period under review, the Group had 20 grid-connected wind power plants with a total capacity of 1,114MW and an attributable capacity of 535MW.

Meanwhile, China WindPower adopted the business strategy of building wholly-owned wind plants and selling a partial stake to partners upon completion or operation, which provides the Group with recurring incomes and cash inflow. During the period under review, the Group sold a partial stake of Gansu Guazhou Concord Wind Power Co., Ltd., and made an unaudited disposal gain of HK\$195,275,000.

The Group aims to optimise its existing geographical layout for project development and continues to develop southward. During the period under review, the Group attained approved wind power projects with a capacity of 200MW from the National Development and Reform Commission (NDRC). Other wind power projects with a total capacity of 400MW and solar power projects with a capacity of 40MW have also received project initiation approval from the NDRC. The Group has secured an additional 5GW of wind reserves in southern China and signed exclusive right agreements for solar power development projects with a total capacity of 900MW.

As at the end of the reporting period, the Group's total exclusive wind power reserves exceeded 21GW, and the total exclusive solar power reserves exceeded 1.5GW. Solar power is gradually becoming another key area for the Group's renewable energy development.

In addition, the Group had continued to lower procurement costs of the wind turbine purchase price by 20.7% over the same period of last year, through strategic cooperation and centralised tendering, which substantially decreased the investment cost of wind power plants.

In terms of CDM registration and sales, the Group has successfully obtained five CDM projects registered with the United Nations Executive Board (EB) with a total capacity of 399MW. Three projects have completed site verification of emissions reduction, and among which, one project has already received the EB certificate. The Group signed CER sales agreements for 12 wind power projects in the first half of 2011. As at the end of the reporting period, the Group has signed CER sales agreements for 32 wind power plants, 20 of which have received the approval from the NDRC, and 12 projects have secured the United Nation registration.

Renewable Energy Services Business

During the period under review, China WindPower continued to provide consultancy and design services such as wind power development planning, feasibility studies, construction blueprint design and post-project appraisal. The Group's consultancy and design company has also begun to provide feasibility studies and construction blueprint design for solar power projects. In the first half of 2011, it completed 26 construction blueprints and feasibility reports (including five feasibility reports for solar power projects) and 156 wind resource appraisals and technical consultancies. During the period under review, the consultancy and design and project development services recorded revenue of HK\$15,633,000 (1H 2010: HK\$26,626,000).

For engineering and construction services, China WindPower undertook 10 power projects and two other engineering projects and generated revenue of HK\$42,075,000 (1H 2010: HK\$101,943,000).

The Group's operation and maintenance company had undertaken service contracts for 26 wind power plants, of which 6 are wind power plants not invested by the Group. In the first half of 2011, this business segment recorded revenue of HK\$50,698,000 (1H 2010: HK\$26,190,000).

Besides, China WindPower manufactured 143 tower tubes in the first half of 2011, contributing revenue of HK\$149,884,000 to the Group (1H 2010: HK\$194,231,000). During the period under review, the Group established Tianhe New Energy Equipment Limited and applied for the spin-off of its tower tube manufacturing business on the main board of the Stock Exchange of Hong Kong (submitted Form A1) in June 2011.

Looking forward, **Mr Liu** said: "In the second half year of 2011, the Group will increase its resources development efforts and continue to maintain the scale of project development, and strive to achieve 900MW of approved capacity during 2011. Meanwhile, the Group will continue to enhance its EPC&M capacity building and business expansion, and strive to complete construction of wind and solar power plants of 650MW. The Group will also carry out technical upgrades on the operational wind power plants to strengthen their safe operation and further improve wind turbine availability rates and capacity factors of the wind power plants, thus increasing profits. Furthermore, the Group will also continue its "build and sell" strategy with a plan to sell 50 to 100MW of attributable capacity within the year, so as to provide additional recurring income and cash flow."

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About China WindPower Group Limited (182.hk)

China WindPower Group Limited ("China WindPower") is an integrated wind power company. Its principle businesses include (1) power plant development and investment and (2) renewable energy services, including wind and solar power development, consultancy, design, engineering and construction, operation and maintenance, and wind power tower tube manufacturing, and assemblies manufacturing. The Group owns more than 21GW exclusive wind farm development rights in 26 provinces across China and 1.5GW solar power farm development rights. For more information, please visit www.chinawindpower.com.hk

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