

INTERVIEW-China Wind says wind component orders strong

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*** Wind components will top 50 pct of sales in 2009**

*** New facility will have gross margins of 28-34 pct**

*** Gross margins on wind components were 22 percent**

(Adds detail on order strength, profit margins)

By Nichola Groom

LOS ANGELES (Reuters) - China Wind Systems Inc , which makes machinery for the wind and textile industries, expects wind components to make up most of its sales this year due to strong demand for wind power in China, Chief Financial Officer Leo Wang said Monday.

The company, which is moving away from its slow-growing textile machinery business to focus on the burgeoning market for wind power, has not experienced any order delays or cancellations due to the weak global economy and financial crisis, unlike many companies whose primary customers are in the United States and Europe.

"We haven't noticed any change both in (Chinese government) policy and in terms of demand for products," Wang said in an interview. "All the customers who signed preliminary agreements with us last year, they are still standing by those agreements."

China Wind Systems expects more than half of its 2009 sales to come from the wind industry, Wang said. That's up from 44.7 percent in the third quarter of 2008.

The company also expects to expand profit margins this year thanks to a new production facility in Wuxi City, China that makes forged rolled rings for wind turbine gear boxes.

Gross margins at the company's new facility are expected to be 28 percent initially, increasing to 34 percent as production ramps up.

The company previously had margins of 22 percent on its wind component production, Wang said, some of which was outsourced to other manufacturers.

China Wind Systems shares closed up four cents at 42 cents on the over-the-counter bulletin board on Monday. (Reporting by Nichola Groom; Editing by Carol Bishopric and Tim Dobbyn)

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