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## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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### HISTORY AND DEVELOPMENT

We are a leading renewable energy company in the PRC with more than 10 years of operating history. Our Company is a subsidiary of Huaneng Group, the largest power generation company in China in terms of total installed capacity as of December 31, 2010. We are Huaneng Group's sole renewable energy platform for the ultimate consolidation of its renewable energy businesses such as wind power.

Our Company was established on August 5, 2010 as a joint stock limited company through restructuring of our predecessor HNEIC (previously known as Huaneng New Energy Environment Industrial Co., Ltd.). HNEIC was established by Huaneng Group on November 11, 2002 as a wholly-owned subsidiary, with a view to develop and operate renewable energy projects in the PRC.

As a pioneer of wind power sector in the PRC, we commenced our wind power business in the late 1990s through Huaneng Shantou Nan'ao Wind Power Co., Ltd. which subsequently became our consolidated subsidiary. We began the construction of Nan'ao Project, our first wind power project, in July 1999. Phase I of Nan'ao Project was connected to grid and began operation in July 2000. In 2007, we put our first MW-class wind power project into commercial operation and started our large-scale wind power operations. In 2008, our management team proposed the development plan of six strategically diversified regions. As of December 31, 2010, we operated our wind power business through 39 subsidiaries and had a consolidated installed capacity of 3,522.4 MW.

We used to operate hydropower business through Huaneng Dali Hydro Power Co., Ltd. (華能大理水電有限責任公司), a subsidiary of our Group, and Yunhe County Shitang Hydro-Power Plant (雲和縣石塘水電站), a jointly controlled entity. In order to focus our core business on wind power generation, we transferred our entire 60% equity interest in Huaneng Dali Hydro Power Co., Ltd. to Yunnan Huaneng Lancang River Hydropower Co., Ltd. (雲南華能瀾滄江水電有限公司) in January 2009. During the Track Record Period, profit of Huaneng Dali Hydro Power Co., Ltd. amounted to RMB11.1 million in 2008, which is disclosed as profit from discontinued operation in our consolidated statements of comprehensive income. See note 10 to the Accountants' Report in Appendix I to this prospectus for further details.

In November 2009, we transferred our entire 73.4% equity interest in Yunhe County Shitang Hydro-Power Plant to HCI. During the Track Record Period, we recorded share of profit of Yunhe County Shitang Hydro-Power Plant, as a jointly controlled entity, in the amount of RMB0.1 million and RMB3.1 million in 2008 and 2009 (for the period prior to the transfer), respectively. See note 14 to the Accountants' Report in Appendix I to this prospectus for further details.

In August 2009, we transferred our entire 65% equity interest in Qidong Wind Power to HPI. We started the negotiation of this transaction at the end of 2007. Given that this transaction involved the transfer of state-owned assets and HPI is a company listed on the New York Stock Exchange, the Shanghai Stock Exchange and the Stock Exchange, various procedures had to be completed before the completion of this transaction in August 2009, including but not limited to obtaining internal approval within Huaneng Group, preparing asset valuation reports and audit reports of Qidong Wind Power, negotiating the major terms of the transaction agreement with HPI, obtaining approvals from SASAC, holding board meetings of HPI and making announcements regarding this transaction in accordance with the relevant listing rules of the stock exchanges on which HPI is listed. At the time of the negotiation, Huaneng Group had not made its decision as to the positioning of our Company. In early 2010, Huaneng Group came to the decision to position our Company as its sole renewable energy platform for the ultimate consolidation of its renewable energy businesses such as wind power. In furtherance of such decision, Huaneng Group entered into a Non-Competition Agreement with us to ensure that there is a better delineation of business between itself and our Company.

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### Our Development Milestones

Set forth below are certain milestones achieved during our development:

- In July 1999, we commenced the construction of Nan'ao Project, our first wind power project, in Guangdong Province. Phase I of Nan'ao Project was connected to grid and began operation in July 2000.
- In November 2002, HNEIC, our predecessor, was established by Huaneng Group with a view to develop and operate renewable energy projects in China.
- In December 2004, Nan'ao Niutouling Project, being the first wind-solar co-located project developed for commercial operation in China, was connected to grid and began operation.
- In August 2006, we successfully registered our first CDM project with the CDM EB.
- In December 2006, Weihai Project, our first MW-scale wind power project using domestic-brand wind turbines, was connected to the grid and began operation.
- In December 2008, we put our Yunnan Dali Dafengba Project into operation. This project was located at altitudes as high as 2,800 meters, demonstrating our ability to develop and operate wind farms in high altitude areas.
- In May 2009, we commenced the construction of Rongcheng Project, our first offshore wind power project, in Shandong Province. In July 2010, Rongcheng Project was connected to grid and began commercial operation.
- In September 2010, we were awarded by the PRC government two solar power concession projects with a total capacity of 50.4 MW. We plan to start the construction of these two solar power concession projects in the second half of 2011 or in 2012.

### REORGANIZATION

In preparation for the Global Offering, our Company was established through Reorganization by converting HNEIC, our predecessor, into a joint stock company with limited liability. Prior to the Reorganization, HNEIC was the holding company of the subsidiaries now comprising the Group. In substance, we replaced HNEIC as the holding company of HNEIC's subsidiaries.

On August 5, 2010, acting as Promoters, Huaneng Group and Huaneng Capital, a wholly-owned subsidiary of Huaneng Group, established our Company with a registered capital of RMB5,800 million. Pursuant to the Reorganization Agreement dated August 5, 2010, we retained all of the assets, liabilities and equity interests of HNEIC.

Upon establishment, we had a total of 5,800 million issued and outstanding Domestic Shares, with a par value of RMB1.00 each. We issued to Huaneng Group 5,510 million Domestic Shares, or 95% of our total issued and outstanding Shares, in exchange of (i) all the assets, liabilities and equity interests of HNEIC; and (ii) a cash contribution of RMB1,882 million. According to Beijing Pan-china Assets Appraisal Co., Ltd., an Independent Third Party appraiser registered in China, the net assets injected by Huaneng Group to us were valued at RMB3,628 million as of December 31, 2009. We also issued 290 million Domestic Shares, or 5% of our total issued and outstanding Shares, to Huaneng Capital, in exchange of a cash contribution of RMB290 million.

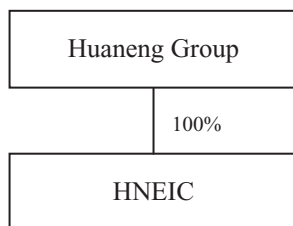
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## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

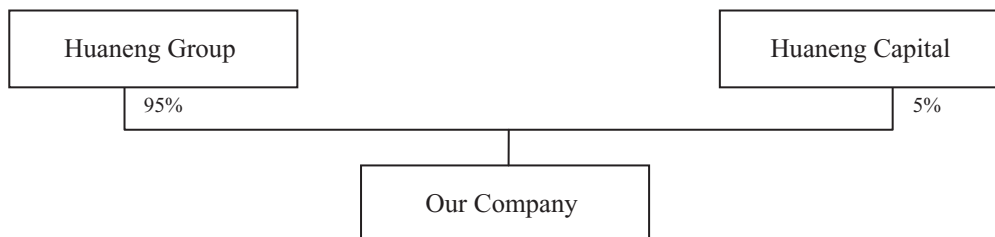
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The following charts set out the corporate structure of our Company before and after the Reorganization:

Before Reorganization:



After Reorganization:



### Representations and warranties

According to the Reorganization Agreement dated August 5, 2010, Huaneng Group, as our Company's major Promoter, has provided certain representations and warranties in favor of our Company, which mainly include:

- all relevant government approvals, licenses, authorization, third party consents, confirmations, exemptions and registrations necessary for the Reorganization have been obtained and remain valid;
- all the assets and interests injected by Huaneng Group to us were lawfully owned by Huaneng Group and free from any liens, mortgages, pledges, leases, licenses or third party rights, except for the liens, mortgages or pledges made by Huaneng Group for our loans or for third parties which have been disclosed to us;
- the execution and performance of the Reorganization Agreement by Huaneng Group will not conflict with its articles of association, business licenses and other similar constitutional documents or result in breach of any laws, regulations, court judgments, arbitral awards and administrative rulings;
- all information contained in the Reorganization Agreement is true, accurate, completed and free from omissions in all material aspects;
- there is no litigation, claims, arbitration or other proceedings against HNEIC or any of its subsidiaries which may have a material adverse impact on our operations or the assets or interests injected to us by Huaneng Group; and
- there is no infringement of any third party's intellectual property rights which may result in serious financial loss of our Company.

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### Indemnities

Pursuant to the Reorganization Agreement, Huaneng Group has agreed to indemnify us against, among other things:

- tax liabilities or claims due to increase in value of the assets injected to us as a result of the asset valuation during Reorganization;
- tax liabilities or claims in relation to the injection of the assets and interests to us by Huaneng Group;
- losses incurred as a result of claims in relation to the assets injected to us which arose on or before December 31, 2009, unless estimates of such expenditure have been disclosed and provision (if any) has been made in the accountant's report; and
- losses incurred as a result of breach of any terms of the Reorganization Agreement by Huaneng Group.

### Non-Competition Agreement

We entered into a Non-Competition Agreement with Huaneng Group on August 6, 2010, as amended by a supplemental agreement dated on November 23, 2010. See "Relationship with Controlling Shareholder — Non-competition Agreement — Non-competition Agreement" for details.

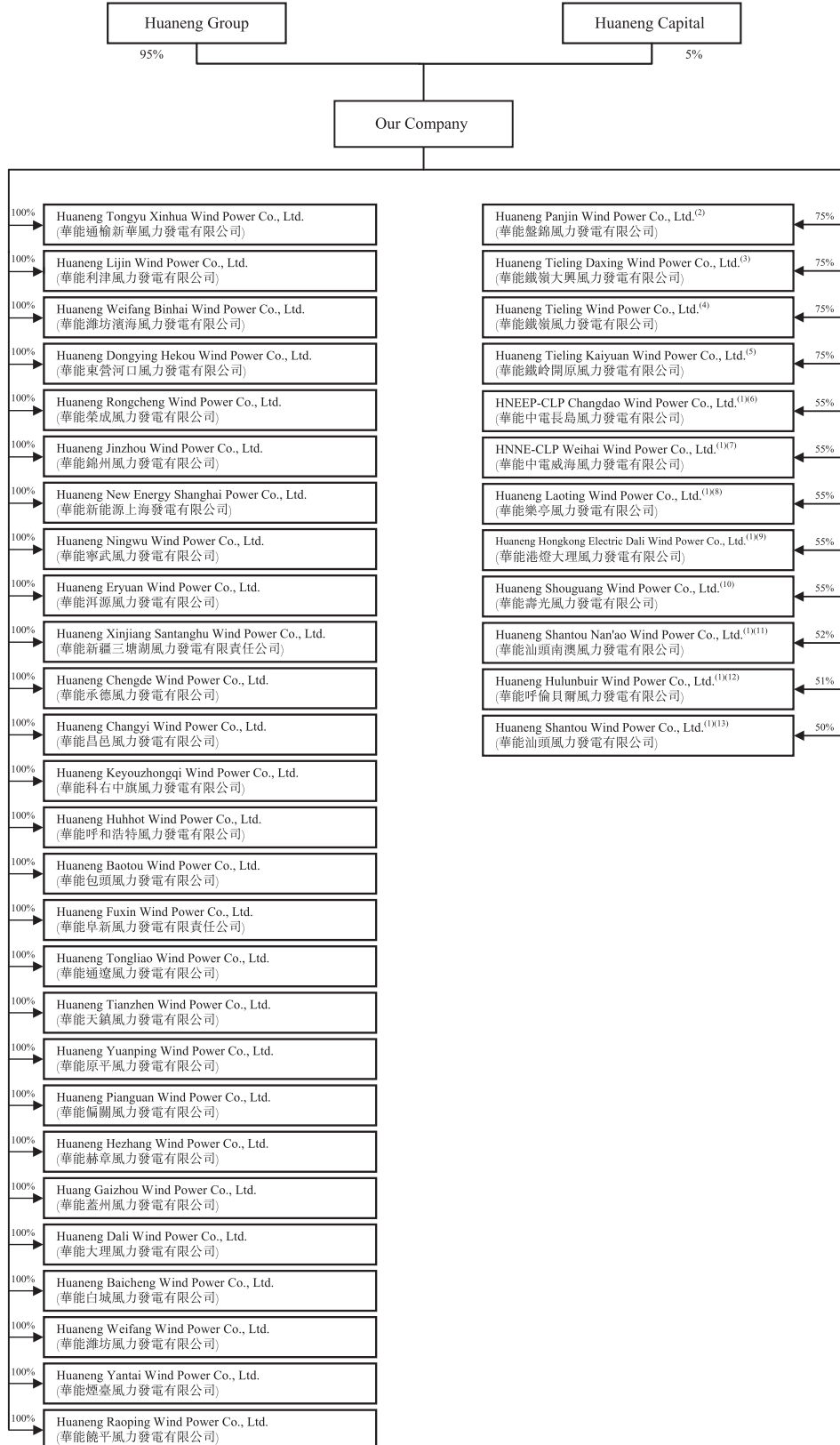
### Approvals

Our Reorganization requires approvals from relevant PRC governmental authorities, including, among others, SASAC. We obtained SASAC's approval on April 22, 2010. Our PRC legal advisers confirm that we have obtained all the necessary approvals from the relevant PRC governmental authorities in relation to the Reorganization.

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## OUR CORPORATE STRUCTURE

We currently have 39 subsidiaries, all of which are engaged in wind power generation and related businesses. The following chart illustrates our corporate structure as of the Latest Practicable Date:



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*Notes:*

- (1) We have entered into a concert party agreement with certain equity owners of this company. See “— Concert Party Agreements” for details of the concert party agreement.
- (2) The other shareholder of Huaneng Panjin Wind Power Co., Ltd. is CSR HK holding 25% of the equity interest. To the best of our knowledge, CSR HK’s principal business is in marketing, sales of products, trading, after-sales services and capital management. CSR HK is 100% owned by CSR Corporation Limited (中國南車股份有限公司). Other than being a shareholder of Huaneng Panjin Wind Power Co., Ltd., Huaneng Tieling Daxing Wind Power Co. Ltd., Huaneng Tieling Wind Power Co., Ltd. and Huaneng Tieling Kaiyuan Wind Power Co., Ltd., CSR HK is not related to the Group. As none of the connected person at the Company’s level can exercise or control the exercise of 10% or more of the voting power at any general meeting of Huaneng Panjin Wind Power Co., Ltd., Huaneng Panjin Wind Power Co., Ltd. is not a connected person of the Group.
- (3) The other shareholder of Huaneng Tieling Daxing Wind Power Co., Ltd. is CSR HK holding 25% of the equity interest. To the best of our knowledge, CSR HK’s principal business is in marketing, sales of products, trading, after-sales services and capital management. CSR HK is 100% owned by CSR Corporation Limited (中國南車股份有限公司). Other than being a shareholder of Huaneng Panjin Wind Power Co., Ltd., Huaneng Tieling Daxing Wind Power Co. Ltd., Huaneng Tieling Wind Power Co., Ltd. and Huaneng Tieling Kaiyuan Wind Power Co., Ltd., CSR HK is not related to the Group. As none of the connected person at the Company’s level can exercise or control the exercise of 10% or more of the voting power at any general meeting of Huaneng Tieling Daxing Wind Power Co., Ltd., Huaneng Tieling Daxing Wind Power Co., Ltd. is not a connected person of the Group.
- (4) The other shareholder of Huaneng Tieling Wind Power Co., Ltd. is CSR HK holding 25% of the equity interest. To the best of our knowledge, CSR HK’s principal business is in marketing, sales of products, trading, after-sales services and capital management. CSR HK is 100% owned by CSR Corporation Limited (中國南車股份有限公司). Other than being a shareholder of Huaneng Panjin Wind Power Co., Ltd., Huaneng Tieling Daxing Wind Power Co. Ltd., Huaneng Tieling Wind Power Co., Ltd. and Huaneng Tieling Kaiyuan Wind Power Co., Ltd., CSR HK is not related to the Group. As none of the connected person at the Company’s level can exercise or control the exercise of 10% or more of the voting power at any general meeting of Huaneng Tieling Wind Power Co., Ltd., Huaneng Tieling Wind Power Co., Ltd. is not a connected person of the Group.
- (5) The other shareholder of Huaneng Tieling Kaiyuan Wind Power Co., Ltd. is CSR HK holding 25% of the equity interest. To the best of our knowledge, CSR HK’s principal business is in marketing, sales of products, trading, after-sales services and capital management. CSR HK is 100% owned by CSR Corporation Limited (中國南車股份有限公司). Other than being a shareholder of Huaneng Panjin Wind Power Co., Ltd., Huaneng Tieling Daxing Wind Power Co., Ltd., Huaneng Tieling Wind Power Co., Ltd. and Huaneng Tieling Kaiyuan Wind Power Co., Ltd., CSR HK is not related to the Group. As none of the connected person at the Company’s level can exercise or control the exercise of 10% or more of the voting power at any general meeting of Huaneng Tieling Kaiyuan Wind Power Co., Ltd., Huaneng Tieling Kaiyuan Co., Ltd. is not a connected person of the Group.
- (6) The other shareholder of HNEEP-CLP Changdao Wind Power Co., Ltd. is China Energy Investment Co., Ltd. (香港中電投資有限公司) holding 45% of the equity interest. To the best of our knowledge, China Energy Investment Co., Ltd.’s principal business is in making investments in wind power projects and other renewable energy projects. China Energy Investment Co., Ltd. is 100% owned by CLP Holdings Limited (中電控股有限公司). Other than being a shareholder of HNEEP-CLP Changdao Wind Power Co., Ltd. and HNNE-CLP Weihai Wind Power Co., Ltd., China Energy Investment Co., Ltd. is not related to the Group. As none of the connected person at the Company’s level can exercise or control the exercise of 10% or more of the voting power at any general meeting of HNEEP-CLP Changdao Wind Power Co., Ltd., HNEEP-CLP Changdao Wind Power Co., Ltd. is not a connected person of the Group.
- (7) The other shareholder of HNNE-CLP Weihai Wind Power Co., Ltd. is China Energy Investment Co., Ltd. (香港中電投資有限公司) holding 45% of the equity interest. To the best of our knowledge, China Energy Investment Co., Ltd.’s principal business is in making investments in wind power projects and other renewable energy projects. China Energy Investment Co., Ltd. is 100% owned by CLP Holdings Limited (中電控股有限公司). Other than being a shareholder of HNEEP-CLP Changdao Wind Power Co., Ltd. and HNNE-CLP Weihai Wind Power Co., Ltd., China Energy Investment Co., Ltd. is not related to the Group. As none of the connected person at the Company’s level can exercise or control the exercise of 10% or more of the voting power at any general meeting of HNEEP-CLP Weihai Wind Power Co., Ltd., HNNE-CLP Weihai Wind Power Co., Ltd. is not a connected person of the Group.
- (8) The other shareholder of Huaneng Laoting Wind Power Co., Ltd. is HEI Leting Limited (港燈國際樂亭有限公司) holding 45% of the equity interest. To the best of our knowledge, HEL Leting Limited’s principal business is in making investments in wind power projects and other renewable energy projects. HEL Leting Limited is 100% owned by Hong Kong Electrical Holdings Limited (香港電燈集團有限公司). Other than being a shareholder of Huaneng Laoting Wind Power Co., Ltd., HEL Leting Limited is not related to the Group. As none of the connected person at the Company’s level can exercise or control the exercise of 10% or more of the voting power at any general meeting of Huaneng Laoting Wind Power Co., Ltd., Huaneng Laoting Wind Power Co., Ltd. is not a connected person of the Group.

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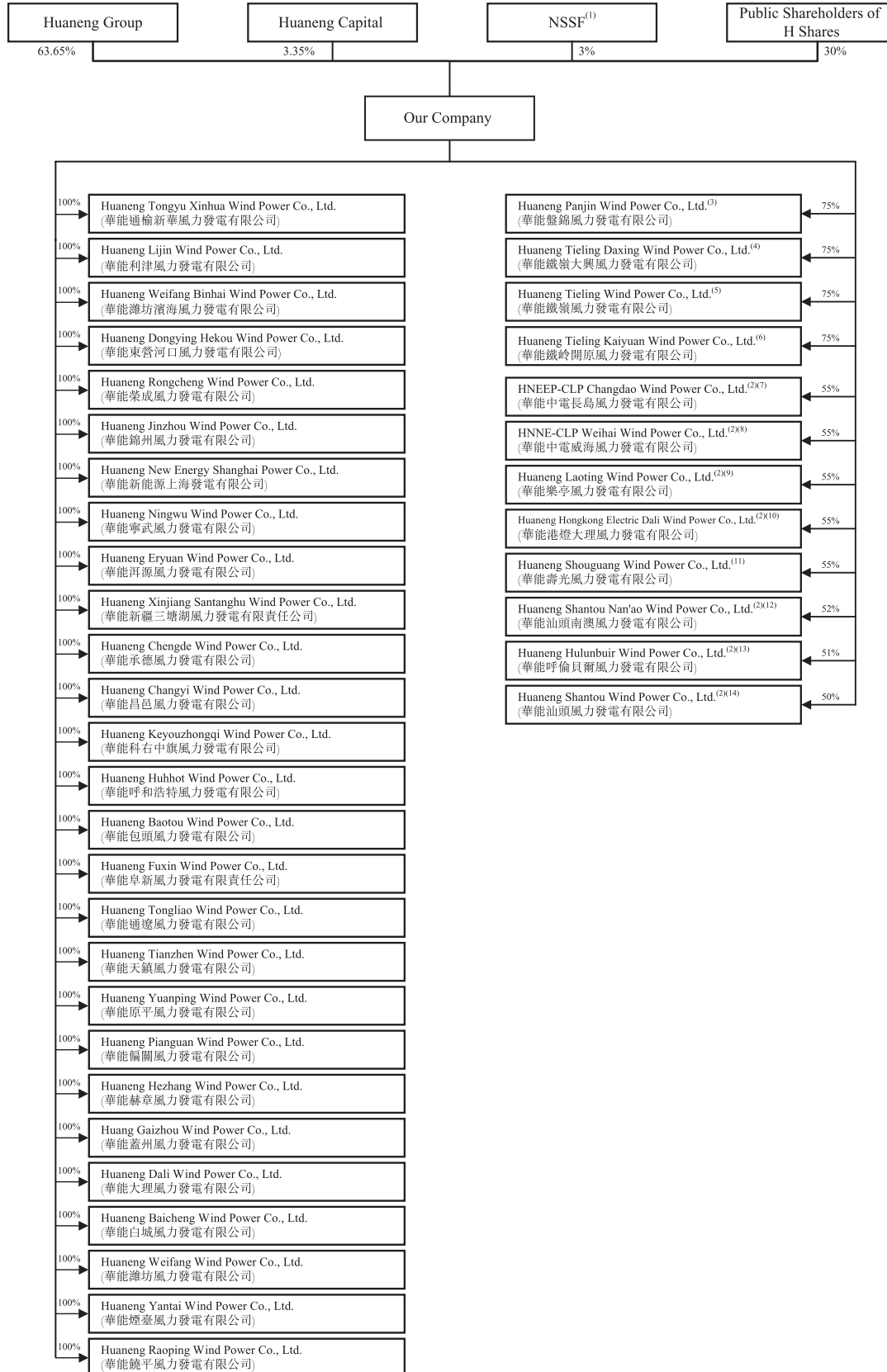
## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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- (9) The other shareholder of Huaneng Hongkong Electric Dali Wind Power Co., Ltd. is Hongkong Electric Yunnan Dali Wind Power Co., Ltd. (港燈雲南大理風電有限公司) holding 45% of the equity interest. To the best of our knowledge, Hongkong Electric Yunnan Dali Wind Power Co., Ltd.'s principal business is in making investments in wind power projects and other renewable energy projects. Hongkong Electric Yunnan Dali Wind Power Co., Ltd. is 100% owned by Hong Kong Electrical Holdings Limited (香港電燈集團有限公司). Other than being a shareholder of Huaneng Hongkong Electric Dali Wind Power Co., Ltd., Hongkong Electric Yunnan Dali Wind Power Co., Ltd. is not related to the Group. As none of the connected person at the Company's level can exercise or control the exercise of 10% or more of the voting power at any general meeting of Huaneng Hongkong Electric Dali Wind Power Co., Ltd., Huaneng Hongkong Electric Dali Wind Power Co., Ltd. is not a connected person of the Group.
- (10) The other shareholder of Huaneng Shouguang Wind Power Co., Ltd. is Bowen Limited (寶雲有限公司) holding 45% of the equity interest. To the best of our knowledge, Bowen Limited's principal business is in making investments in wind power projects and other renewable energy projects. Bowen Limited is 100% owned by CIAM Group Limited (事安集團有限公司). Other than being a shareholder of Huaneng Shouguang Wind Power Co., Ltd., Bowen Limited is not related to the Group. As none of the connected person at the Company's level can exercise or control the exercise of 10% or more of the voting power at any general meeting of Huaneng Shouguang Wind Power Co., Ltd., Huaneng Shouguang Wind Power Co., Ltd. is not a connected person of the Group.
- (11) The other shareholders of Huaneng Shantou Nan'ao Wind Power Co., Ltd. are Shantou Electric Industry Co., Ltd. (汕頭電力實業總公司) holding 24% of the equity interest, China Hydropower Construction Consulting Co., Ltd. (中國水電建設工程諮詢公司) holding 16% of the equity interest and HCI holding 8% of the equity interest, respectively. To the best of our knowledge, Shantou Electric Industry Co., Ltd.'s principal business is in installation of wind power generation equipment and power transmission and transformation equipment. Shantou Electric Industry Co., Ltd. is 100% owned by Guangdong State Grid Co., Ltd. Shantou Power Supply Bureau (廣東電網公司汕頭供電局). Other than being a shareholder of Huaneng Shantou Nan'ao Wind Power Co., Ltd., Shantou Electric Industry Co. is not related to the Group. None of the connected person at the Company's level can exercise or control the exercise of 10% or more of the voting power at any general meeting of Huaneng Shantou Nan'ao Wind Power Co., Ltd. China Hydropower Construction Consulting Co., Ltd.'s principal business is in preparing reports relating to hydropower projects, projects valuation and technical consultation. China Hydropower Construction Consulting Co., Ltd. is 100% owned by Hydropower Corporation (中國水電工程顧問集團). Other than being a shareholder of Huaneng Shantou Nan'ao Wind Power Co., Ltd., China Hydropower Construction Consulting Co., Ltd. is not related to the Group. None of the connected person at the Company's level can exercise or control the exercise of 10% or more of the voting power at any general meeting of Huaneng Shantou Nan'ao Wind Power Co., Ltd. HCI's principal business is in making investments in road, energy, port projects and assets management. HCI is a connected person of the Group by virtue of being a wholly-owned subsidiary of Huaneng Group. As HCI is not the substantial shareholder of Huaneng Shantou Nan'ao Wind Power Co., Ltd. (holding 8% equity interest), Huaneng Shantou Nan'ao Wind Power Co., Ltd. is not a connected person of the Group.
- (12) The other shareholder of Huaneng Hulunbuir Wind Power Co., Ltd. is Huaneng Hulunbuir Energy Co., Ltd. (華能呼倫貝爾能源開發有限公司) holding 49% of the equity interest. To the best of our knowledge, Huaneng Hulunbuir Energy Co., Ltd.'s principal business is in making investments in, construction, developing and managing electric power, coal and railway transportation. Huaneng Hulunbuir Energy Co., Ltd. is a connected person of the Group by virtue of being a wholly-owned subsidiary of Huaneng Group. Accordingly, Huaneng Hulunbuir Wind Power Co., Ltd. is a connected person of the Group.
- (13) The other shareholders of Huaneng Shantou Wind Power Co., Ltd. are CLP Asia Nan'ao Wind Power Limited (中電亞洲南澳風電有限公司) holding 25% of the equity interest and Guangdong Electric Power Development Co., Ltd. (廣東電力發展股份有限公司) holding 25% of the equity interest. To the best of our knowledge, CLP Asia Nan'ao Wind Power Limited's principal business is in making investments in wind power projects and other renewable energy projects. CLP Asia Nan'ao Wind Power Limited is 100% owned by CLP Holdings Limited (中電控股有限公司). Other than being a shareholder of Huaneng Shantou Wind Power Co., Ltd., CLP Asia Nan'ao Wind Power Limited is not related to the Group. None of the connected person at the Company's level can exercise or control the exercise of 10% or more of the voting power at any general meeting of Huaneng Shantou Wind Power Co., Ltd. Guangdong Electric Power Development Co., Ltd.'s principal business is in making investments in, construction and managing power projects and producing and sales of electricity. Guangdong Electric Power Development Co., Ltd. is a company listed on the Shenzhen Stock Exchange. Guangdong Yudean Group Co., Ltd. (廣東省粵電集團有限公司) is its controlling shareholder. Other than being a shareholder of Huaneng Shantou Wind Power Co., Ltd., Guangdong Electric Power Development Co., Ltd. is not related to the Group. None of the connected person at the Company's level can exercise or control the exercise of 10% or more of the voting power at any general meeting of Huaneng Shantou Wind Power Co., Ltd. Therefore, Huaneng Shantou Wind Power Co., Ltd. is not a connected person of the Group.

# HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

The following chart sets out our corporate structure immediately following completion of the Global Offering, assuming the Over-allotment Option is not exercised.





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## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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*Notes:*

- (1) Upon completion of the Global Offering and assuming the Over-allotment Option is not exercised, 248,570,000 H Shares (converted from Domestic Shares) representing approximately 3% of our total share capital will be transferred to and held by NSSF pursuant to relevant PRC regulations regarding reductions of state-owned shares.
- (2) We have entered into a concert party agreement with certain equity owners of this company. See “— Concert Party Agreements” for details of the concert party agreement.
- (3) The other shareholder of Huaneng Panjin Wind Power Co., Ltd. is CSR HK holding 25% of the equity interest. To the best of our knowledge, CSR HK’s principal business is in marketing, sales of products, trading, after-sales services and capital management. CSR HK is 100% owned by CSR Corporation Limited (中國南車股份有限公司). Other than being a shareholder of Huaneng Panjin Wind Power Co., Ltd., Huaneng Tieling Daxing Wind Power Co. Ltd., Huaneng Tieling Wind Power Co., Ltd. and Huaneng Tieling Kaiyuan Wind Power Co., Ltd., CSR HK is not related to the Group. As none of the connected person at the Company’s level can exercise or control the exercise of 10% or more of the voting power at any general meeting of Huaneng Panjin Wind Power Co., Ltd., Huaneng Panjin Wind Power Co., Ltd. is not a connected person of the Group.
- (4) The other shareholder of Huaneng Tieling Daxing Wind Power Co., Ltd. is CSR HK holding 25% of the equity interest. To the best of our knowledge, CSR HK’s principal business is in marketing, sale of products, trading, after-sales services and capital management. CSR HK is 100% owned by CSR Corporation Limited (中國南車股份有限公司). Other than being a shareholder of Huaneng Panjin Wind Power Co., Ltd., Huaneng Tieling Daxing Wind Power Co. Ltd., Huaneng Tieling Wind Power Co. Ltd. and Huaneng Tieling Kaiyuan Wind Power Co., Ltd., CSR HK is not related to the Group. As none of the connected person at the Company’s level can exercise or control the exercise of 10% or more of the voting power at any general meeting of Huaneng Tieling Daxing Wind Power Co., Ltd., Huaneng Tieling Daxing Wind Power Co., Ltd. is not a connected person of the Group.
- (5) The other shareholder of Huaneng Tieling Wind Power Co., Ltd. is CSR HK holding 25.01% of the equity interest. To the best of our knowledge, CSR HK’s principal business is in marketing, sale of products, trading, after-sales services and capital management. CSR HK is 100% owned by CSR Corporation Limited (中國南車股份有限公司). Other than being a shareholder of Huaneng Panjin Wind Power Co., Ltd., Huaneng Tieling Daxing Wind Power Co. Ltd., Huaneng Tieling Wind Power Co., Ltd. and Huaneng Tieling Kaiyuan Wind Power Co., Ltd., CSR HK is not related to the Group. As none of the connected person at the Company’s level can exercise or control the exercise of 10% or more of the voting power at any general meeting of Huaneng Tieling Wind Power Co., Ltd., Huaneng Tieling Wind Power Co., Ltd. is not a connected person of the Group.
- (6) The other shareholder of Huaneng Tieling Kaiyuan Wind Power Co., Ltd. is CSR HK holding 25% of the equity interest. To the best of our knowledge, CSR HK’s principal business is in marketing, sales of products, trading, after-sales services and capital management. CSR HK is 100% owned by CSR Corporation Limited (中國南車股份有限公司). Other than being a shareholder of Huaneng Panjin Wind Power Co., Ltd., Huaneng Tieling Daxing Wind Power Co., Ltd., Huaneng Tieling Wind Power Co., Ltd. and Huaneng Tieling Kaiyuan Wind Power Co., Ltd., CSR HK is not related to the Group. As none of the connected person at the Company’s level can exercise or control the exercise of 10% or more of the voting power at any general meeting of Huaneng Tieling Kaiyuan Wind Power Co., Ltd., Huaneng Tieling Kaiyuan Co., Ltd. is not a connected person of the Group.
- (7) The other shareholder of HNEEP-CLP Changdao Wind Power Co., Ltd. is China Energy Investment Co., Ltd. (香港中電投資有限公司) holding 45% of the equity interest. To the best of our knowledge, China Energy Investment Co., Ltd.’s principal business is in making investments in wind power projects and other renewable energy projects. China Energy Investment Co., Ltd. is 100% owned by CLP Holdings Limited (中電控股有限公司). Other than being a shareholder of HNEEP-CLP Changdao Wind Power Co., Ltd. and HNNE-CLP Weihai Wind Power Co., Ltd., China Energy Investment Co., Ltd. is not related to the Group. As none of the connected person at the Company’s level can exercise or control the exercise of 10% or more of the voting power at any general meeting of HNEEP-CLP Changdao Wind Power Co., Ltd., HNEEP-CLP Changdao Wind Power Co., Ltd. is not a connected person of the Group.
- (8) The other shareholder of HNNE-CLP Weihai Wind Power Co., Ltd. is China Energy Investment Co., Ltd. (香港中電投資有限公司) holding 45% of the equity interest. To the best of our knowledge, China Energy Investment Co., Ltd.’s principal business is in making investments in wind power projects and other renewable energy projects. China Energy Investment Co., Ltd. is 100% owned by CLP Holdings Limited (中電控股有限公司). Other than being a shareholder of HNNE-CLP Changdao Wind Power Co., Ltd. and HNNE-CLP Weihai Wind Power Co., Ltd., China Energy Investment Co., Ltd. is not related to the Group. As none of the connected person at the Company’s level can exercise or control the exercise of 10% or more of the voting power at any general meeting of HNEEP-CLP Weihai Wind Power Co., Ltd., HNNE-CLP Weihai Wind Power Co., Ltd. is not a connected person of the Group.
- (9) The other shareholder of Huaneng Laoting Wind Power Co., Ltd. is HEI Leting Limited (港燈國際樂亭有限公司) holding 45% of the equity interest. To the best of our knowledge, HEL Leting Limited’s principal business is in making investments in wind power projects and other renewable energy projects. HEL Leting Limited is 100% owned by Hong Kong Electrical Holdings Limited (香港電燈集團有限公司). Other than being a shareholder of Huaneng Laoting Wind Power Co., Ltd., HEL Leting Limited is not related to the Group. As none of the connected person at the Company’s level can exercise or control the exercise of 10% or more of

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the voting power at any general meeting of Huaneng Laoting Wind Power Co., Ltd., Huaneng Laoting Wind Power Co., Ltd. is not a connected person of the Group.

- (10) The other shareholder of Huaneng Hongkong Electric Dali Wind Power Co., Ltd. is Hongkong Electric Yunnan Dali Wind Power Co., Ltd. (港燈雲南大理風電有限公司) holding 45% of the equity interest. To the best of our knowledge, Hongkong Electric Yunnan Dali Wind Power Co., Ltd.'s principal business is in making investments in wind power projects and other renewable energy projects. Hongkong Electric Yunnan Dali Wind Power Co., Ltd. is 100% owned by Hong Kong Electrical Holdings Limited (香港電燈集團有限公司). Other than being a shareholder of Huaneng Hongkong Electric Dali Wind Power Co., Ltd., Hongkong Electric Yunnan Dali Wind Power Co., Ltd. is not related to the Group. As none of the connected person at the Company's level can exercise or control the exercise of 10% or more of the voting power at any general meeting of Huaneng Hongkong Electric Dali Wind Power Co., Ltd., Huaneng Hongkong Electric Dali Wind Power Co., Ltd. is not a connected person of the Group.
- (11) The other shareholder of Huaneng Shouguang Wind Power Co., Ltd. is Bowen Limited (寶雲有限公司) holding 45% of the equity interest. To the best of our knowledge, Bowen Limited's principal business is in making investments in wind power projects and other renewable energy projects. Bowen Limited is 100% owned by CIAM Group Limited (事安集團有限公司). Other than being a shareholder of Huaneng Shouguang Wind Power Co., Ltd., Bowen Limited is not related to the Group. As none of the connected person at the Company's level can exercise or control the exercise of 10% or more of the voting power at any general meeting of Huaneng Shouguang Wind Power Co., Ltd., Huaneng Shouguang Wind Power Co., Ltd. is not a connected person of the Group.
- (12) The other shareholders of Huaneng Shantou Nan'ao Wind Power Co., Ltd. are Shantou Electric Industry Co., Ltd. (汕頭電力實業總公司) holding 24% of the equity interest, China Hydropower Construction Consulting Co., Ltd. (中國水電水電建設工程諮詢公司) holding 16% of the equity interest and HCI holding 8% of the equity interest, respectively. To the best of our knowledge, Shantou Electric Industry Co., Ltd.'s principal business is in installation of wind power generation equipment and power transmission and transformation equipment. Shantou Electric Industry Co., Ltd. is 100% owned by Guangdong State Grid Co., Ltd. Shantou Power Supply Bureau (廣東電網公司汕頭供電局). Other than being a shareholder of Huaneng Shantou Nan'ao Wind Power Co., Ltd., Shantou Electric Industry Co. is not related to the Group. None of the connected person at the Company's level can exercise or control the exercise of 10% or more of the voting power at any general meeting of Huaneng Shantou Nan'ao Wind Power Co., Ltd. China Hydropower Construction Consulting Co., Ltd.'s principal business is in preparing reports relating to hydropower projects, projects valuation and technical consultation. China Hydropower Construction Consulting Co., Ltd. is 100% owned by Hydropower Corporation (中國水電工程顧問集團). Other than being a shareholder of Huaneng Shantou Nan'ao Wind Power Co., Ltd., China Hydropower Construction Consulting Co., Ltd. is not related to the Group. None of the connected person at the Company's level can exercise or control the exercise of 10% or more of the voting power at any general meeting of Huaneng Shantou Nan'ao Wind Power Co., Ltd. HCI's principal business is in making investments in road, energy, port projects and assets management. HCI is a connected person of the Group by virtue of being a wholly-owned subsidiary of Huaneng Group. As HCI is not a substantial shareholder of Huaneng Shantou Nan'ao Wind Power Co., Ltd. (holding 8% equity interest), Huaneng Shantou Nan'ao Wind Power Co., Ltd. is not a connected person of the Group.
- (13) The other shareholder of Huaneng Hulunbuir Wind Power Co., Ltd. is Huaneng Hulunbuir Energy Co., Ltd. (華能呼倫貝爾能源開發有限公司) holding 49% of the equity interest. To the best of our knowledge, Huaneng Hulunbuir Energy Co., Ltd.'s principal business is in making investments in, construction, developing and managing electric power, coal and railway transportation. Huaneng Hulunbuir Energy Co., Ltd. is a connected person of the Group by virtue of being a wholly-owned subsidiary of Huaneng Group. According, Huaneng Hulunbuir Wind Power Co., Ltd. is a connected person of the Group.
- (14) The other shareholders of Huaneng Shantou Wind Power Co., Ltd. are CLP Asia Nan'ao Wind Power Limited (中電亞洲南澳風電有限公司) holding 25% of the equity interest and Guangdong Electric Power Development Co., Ltd. (廣東電力發展股份有限公司) holding 25% of the equity interest. To the best of our knowledge, CLP Asia Nan'ao Wind Power Limited's principal business is in making investments in wind power projects and other renewable energy projects. CLP Asia Nan'ao Wind Power Limited is 100% owned by CLP Holdings Limited (中電控股有限公司). Other than being a shareholder of Huaneng Shantou Wind Power Co., Ltd., CLP Asia Nan'ao Wind Power Limited is not related to the Group. None of the connected person at the Company's level can exercise or control the exercise of 10% or more of the voting power at any general meeting of Huaneng Shantou Wind Power Co., Ltd. Guangdong Electric Power Development Co., Ltd.'s principal business is in making investments in, construction and managing power projects and producing and sales of electricity. Guangdong Electric Power Development Co., Ltd. is a company listed on the Shenzhen Stock Exchange. Guangdong Yudean Group Co., Ltd. (廣東省粵電集團有限公司) is its controlling shareholder. Other than being a shareholder of Huaneng Shantou Wind Power Co., Ltd., Guangdong Electric Power Development Co., Ltd. is not related to the Group. None of the connected person at the Company's level can exercise or control the exercise of 10% or more of the voting power at any general meeting of Huaneng Shantou Wind Power Co., Ltd. Therefore, Huaneng Shantou Wind Power Co., Ltd. is not a connected person of the Group.

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## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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### Concert Party Agreements

We have entered into concert party agreements with certain other equity owners (“Other Equity Owners”) of seven non-wholly owned subsidiaries to confirm our effective control over these subsidiaries.

In each of these seven subsidiaries, we hold an equity interest of no less than 50%. Under the respective articles of association of these seven subsidiaries, however, super majority or unanimous vote, as the case maybe, at the board meeting and/or shareholders meeting is required for substantially all of the material operating and financial decisions of the relevant subsidiary. Such voting mechanism prevents us from controlling the seven non-wholly owned subsidiaries. Since the establishment of these subsidiaries, however, we actually had the power to control the operation of these subsidiaries by, among others, appointing senior management, approving annual budget and determining the remuneration of employees. Our power to control these subsidiaries have been accepted by the Other Equity Owners as they lack the necessary experience and expertise to develop and operate wind farms in China.

In preparation of this Global Offering, we entered into concert party agreements with the Other Equity Owners to confirm the agreement and arrangement in respect of our control over these subsidiaries. According to these concert party agreements, the Other Equity Owners confirmed that they have voted or procured, since the date of establishment of each subsidiaries, and will continue to vote or procure the directors appointed by them to vote unanimously with us or the directors appointed by us, as the case maybe, at shareholders meetings and/or board meetings in respect of all operating and financial matters of these subsidiaries, including but not limited to, project development, operation plan, budgeting, financial policies, investment and financing management and property management. The Other Equity Owners have also undertaken that in the event of transferring their equity interests in the respective subsidiary to a third party, they will procure the transferee to assume the obligations under the concert party agreement by entering into such concert party agreement with us in substitution for the relevant Other Equity Owners. These concert party agreements will remain in full force and effect as long as the respective subsidiary legally exists unless we maliciously harmed the interests of the Other Equity Owners utilizing the concert party agreement, in which case the Other Equity Owners may, upon our written confirmation, terminate the concert party agreement in writing.

Our PRC legal advisers have confirmed that each of these concert party agreements is legal, valid and binding on the parties to the agreement. Our PRC legal advisers have further confirmed that none of these concert party agreements conflicts with the respective articles of association of the subsidiary or relevant PRC laws and regulations. As we had power to control these non-wholly owned subsidiaries during the Track Record Period, we consolidated their financial results into our consolidated financial statements.

## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

The following table sets forth the details of the concert party agreements:

Subsidiary	Date of the concert party agreement	Parties	Individual shareholding	Aggregate shareholding
1. Huaneng Shantou Wind Power Co., Ltd.	March 12, 2010	HNEIC CLP Asia Nan'ao Wind Power Limited (中電亞洲南澳風電有限公司) Guangdong Electrical Power Development Co., Ltd. (廣東電力發展股份有限公司)	50% 25% 25%	100%
2. HNEEP-CLP Changdao Wind Power Co., Ltd.	March 12, 2010	HNEIC China Energy Investment Company Limited (中電投資有限公司)	55% 45%	100%
3. HNNE-CLP Weihai Wind Power Co., Ltd.	March 12, 2010	HNEIC China Energy Investment Company Limited (中電投資有限公司)	55% 45%	100%
4. Huaneng Laoting Wind Power Co., Ltd.	March 12, 2010	HNEIC HEI Leting Limited (港燈國際樂亭有限公司)	55% 45%	100%
5. Huaneng Shantou Nan'ao Wind Power Co., Ltd.	March 22, 2010	HNEIC Shantou Electric Industry Co., Ltd. (汕頭電力實業總公司)	52% 24%	76% <sup>(1)</sup>
6. Huaneng Hongkong Electric Dali Wind Power Co., Ltd.	March 12, 2010	HNEIC Hongkong Electric Yunnan Dali Wind Power Co., Ltd. (港燈雲南大理風電有限公司)	55% 45%	100%
7. Huaneng Hulunbuir Wind Power Co., Ltd.	March 12, 2010	HNEIC Huaneng Hulunbuir Energy Co., Ltd. (華能呼倫貝爾能源開發有限公司)	51% 49%	100%

*Note:*

- (1) The articles of associations of Huaneng Shantou Nan'ao Wind Power Co., Ltd. require majority vote at board meeting for all material operating and financial decisions. By entering into the concert party agreement with Shantou Electric Industry Co., Ltd., we have confirmed our control over Huaneng Shantou Nan'ao Wind Power Co., Ltd. as the directors appointed by Shantou Electric Industry Co., Ltd., and us constitute majority of the board.

### Investment in Certain Companies

During the Track Record Period, we have invested in three non-listed entities established in the PRC, namely, Huaneng Finance, Jilin Zhanyu Wind Power Assets Management Co., Ltd. (“Jilin Zhanyu Management”) and Neimeng Huhhot Hydro-Power Generation Co., Ltd. (“Huhhot Hydropower”). See Note 15 to the Accountants’ Report included in Appendix I to this prospectus for further details. In July 2010, we, together with Huaneng Capital and other three Independent Third Parties, jointly established Huaneng Carbon Assets Management Company (“Huaneng Carbon Management”).

*Investment in Huaneng Finance.* Huaneng Finance, being a subsidiary of our controlling shareholder Huaneng Group, is a connected person of our Company. It is a common practice for large Chinese group companies and other subsidiaries within the same parent group to jointly invest in a finance company which focuses on providing intra-group financial services. As one of such practice, Huaneng Finance was established to

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## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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provide financial service within Huaneng Group. As of December 31, 2010, we held 1% of the equity interest of Huaneng Finance.

*Investment in Jilin Zhanyu Management.* We, together with several other wind power companies, established Jilin Zhanyu Management to ensure proper and timely grid connection for our wind power projects. Jilin Zhanyu Management primarily focuses on the construction and management of the grid transmission facilities for local wind power projects including our wind power projects. As of December 31, 2010, we held 12.86% of the equity interest of Jilin Zhanyu Management.

*Investment in Huhhot Hydropower.* Energy storage technology is an important technology to the development of wind power industry in the long term. In order to improve our capabilities of research and development of energy storage technology, we made our investment in Huhhot Hydropower whose principal activity is hydropower generation utilizing the pumped storage technology. As of December 31, 2010, we held 6.49% of the equity interest of Huhhot Hydropower.

*Investment in Huaneng Carbon Management.* Huaneng Carbon Management is a company focusing on the management of assets related with the carbon reduction. We invested in this Company in order to enhance our exposure in the area of carbon reduction, and to gain more information and potential opportunities for our wind power projects. As of December 31, 2010, we held 10% of the equity interest of Huaneng Carbon Management.