
HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

HISTORY AND DEVELOPMENT

Background

We have over 56 years of operating history in the PRC power generation industry. Our Group is the platform through which Huadian, our Controlling Shareholder, engages in clean energy businesses. Following the Reorganization, we retained substantially all of the assets and liabilities of our predecessor, which comprise substantially all of our current lines of business.

Our predecessor, Huadian Fujian, was established by Huadian through the reorganization of its power generating assets within Fujian province on November 30, 2004. Huadian Fujian was a limited liability company wholly owned by Huadian, with its primary business being the operation of hydropower plants and coal-fired power plants.

We also have over 56 years of experience in the operation of hydropower business in China. Our first hydropower project, Huadian Gutianxi Phase I, commenced construction in 1951 and commenced operation in 1956. It was the first cascade hydropower project in China. In 1998, our Mianhuatan Hydropower Plant commenced construction and commenced operation in 2001, with a consolidated installed capacity of 600.0 MW. In 2002, our Zhouning Hydropower Plant commenced construction and commenced operation in 2005, with a consolidated installed capacity of 250.0 MW.

We also expanded our hydropower business by increasing the shareholdings in existing hydropower subsidiaries and by acquiring new hydropower projects. According to Frost & Sullivan, as of December 31, 2011, we were the largest hydropower company in Fujian province and in East China (including Fujian province) in terms of total installed hydropower capacity.

We have over 14 years of experience in the operation of coal-fired power business in China. Our first coal-fired power plant, Shaowu Power Plant, commenced construction in 1996 and commenced operation in 1998, with a consolidated installed capacity of 250.0 MW. In 2004, our Kemen Power Plant commenced construction and it commenced operation in 2006, with a consolidated installed capacity of 2,400.0 MW.

As part of Huadian's reorganization plan, our Group will focus on hydropower business in Fujian province and wind power and other clean energy businesses throughout China. Our coal-fired power business has provided and will continue to provide cash flow to support our development of wind power and other clean energy businesses at their early stages of development. Moreover, the retention of our coal-fired power business will supplement our hydropower business in Fujian province. Therefore, we retained the coal-fired power business in Fujian province.

During the Reorganization, Huadian Fujian changed its name to Huadian Fuxin Energy Co. Ltd. upon the approval by the Administration for Industry & Commerce of Fujian province on October 20, 2010.

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On October 29, 2010, Huadian, together with Huadian Energy, Wujiang Hydropower, Huadian International and Huadian Engineering, which were subsidiaries of Huadian (collectively, the “Five Shareholders”), transferred their respective equity interest in Huadian New Energy (Huadian New Energy was a subsidiary controlled by Huadian, primarily focusing on the operation of clean energy businesses such as wind power, distributed energy and solar power) to Huadian Fuxin Energy Co. Ltd. After this transfer, Huadian New Energy became a wholly-owned subsidiary of Huadian Fuxin Energy Co. Ltd. On December 29, 2010, strategic investors were introduced (further elaborated below) into our Company. On August 19, 2011, our Company was established as a joint stock limited company.

Milestones in Our History

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| 1956 | Our first hydropower project (Huadian Gutianxi Phase I) commenced operation |
| 1998 | Our first coal-fired power plant (Shaowu Power Plant) commenced operation |
| 2007 | Our first wind power project (Huitengxile Wind Power Plant) commenced operation |
| 2008 | Our first investment in a nuclear power plant commenced construction (Fuqing Nuclear Power Plant) and we expect that Fuqing Nuclear Power Plant will commission one generating unit each year from 2013 to 2016 |
| 2009 | Our first solar power project (Shanghai Urban Industrial Area Solar Photovoltaic Power Project) commenced operation |
| 2009 | Our first distributed energy project (Guangzhou University Town Distributed Energy Project) commenced operation |
| 2009 | Since 2009, we have acquired nine hydropower projects with attributable installed capacity of 256.2 MW and five wind power projects with attributable installed capacity of 106.7 MW |
| 2010 | The equity interest of Huadian New Energy was transferred to our Company and Huadian New Energy became a wholly-owned subsidiary of our Company |
| 2010 | CPECG, Kunlun Trust, Xingye Capital and Datong Capital made strategic investment in our Company, with the registered capital of our Company being increased from RMB4,600,000,000 to RMB5,088,888,889 following the investment |
| 2011 | Our Company was converted from a limited liability company into a joint stock limited company with a registered capital of RMB6.0 billion |
| 2011 | Our first biomass energy project (Huachuan Biomass Cogeneration Heat Power Co., Ltd.) commenced construction and is expected to commence operation in the third quarter of 2012 |

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REORGANIZATION

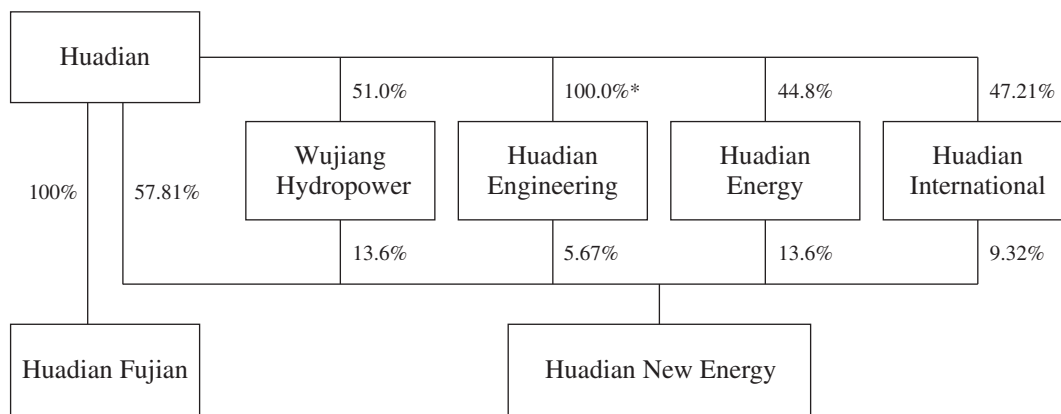
We underwent the Reorganization in preparation for the Global Offering. Pursuant to the capital increase and reorganization agreement dated October 29, 2010 (the “Reorganization Agreement”), among our predecessor Huadian Fuxin Energy Co., Ltd. and the Five Shareholders, the Five Shareholders transferred their respective equity interest in Huadian New Energy to Huadian Fuxin Energy Co. Ltd. In addition, Huadian contributed cash of RMB1 billion to Huadian Fuxin Energy Co. Ltd., which was fully paid on November 23, 2010.

Following the Reorganization Agreement, pursuant to two equity transfer agreements both dated December 28, 2010, Huadian Energy and Huadian International transferred their respective equity interests in Huadian Fuxin Energy Co. Ltd. to Huadian for a consideration of RMB371.6 million and RMB254.6 million, respectively, which were determined with reference to independent asset valuation. As a result, Huadian, Wujiang Hydropower and Huadian Engineering remained as shareholders of Huadian Fuxin Energy Co., Ltd. after the equity transfers.

Huadian is a state-owned enterprise group, whose business scope mainly includes development and management of power generating projects, production and sale of electricity, and technical development and advisory services. Wujiang Hydropower is a subsidiary of Huadian, whose business scope mainly includes the hydropower development of Wujiang River. Huadian Engineering is also a subsidiary of Huadian, whose business scope mainly includes general contracting of power generating projects, sale of materials and equipments, and technical development and advisory services.

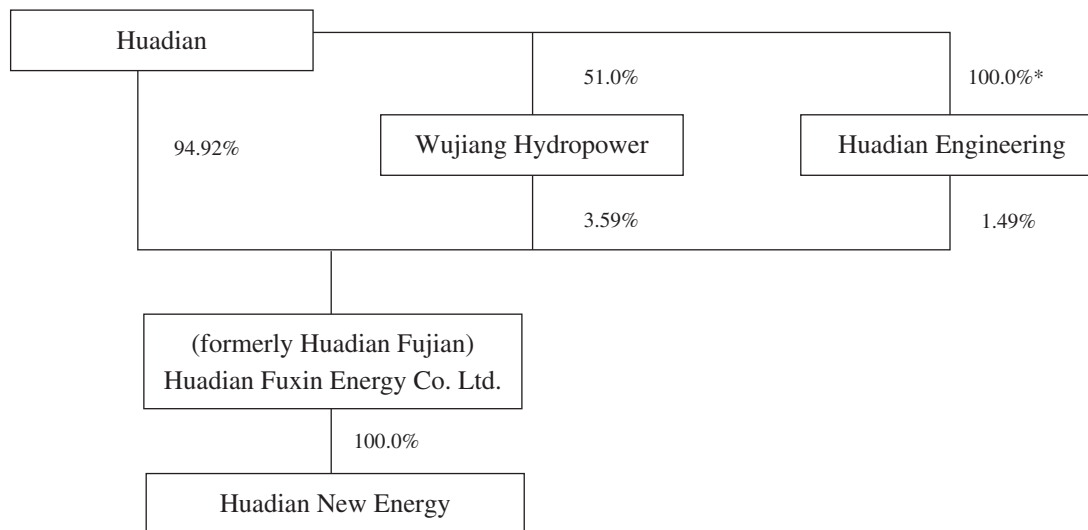
The following chart sets out the corporate structure of our Company before and after the Reorganization and equity interest transfer steps above:

Before Reorganization:



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After Reorganization:



* Huadian directly holds 75% of the equity interest of Huadian Engineering and is indirectly interested in the remaining 25% of the equity interest through Huadian Coal.

Representations and warranties

Pursuant to the Reorganization Agreement, the Five Shareholders have made certain representations and warranties to the Company, including:

- the information contained in the Reorganization Agreement is true, accurate and complete. There is no misleading information or material omissions;
- all relevant government approvals, licenses, authorizations, third-party consents, confirmations, exemptions and registrations required for the assets and interests transfers have been obtained and are valid;
- the equity interests and the assets transferred and injected by the Five Shareholders to us were lawfully and beneficially owned by the Five Shareholders. The equity interests and the assets transferred and injected by the Five Shareholders were free from any liens, mortgages, pledges, leases, licenses or third-party rights, save for any liens, mortgages and pledges made by the Five Shareholders for our benefit or otherwise disclosed to us;
- the execution and performance of this Reorganization Agreement would not conflict with or result in violation of:
 - the articles of association, or other constituent or constitutive documents, or the business license of each of the Five Shareholders;

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- other material contracts executed by the Five Shareholders in relation to the validity and enforceability of the reorganization and the assets involved in the reorganization, unless requirement to comply with such contracts have been waived or exempted by the parties thereto;
- any PRC laws, any judgment, ruling or order by any competent court, arbitration tribunal, governmental department or other authorities involving any of the Five Shareholders or their respective assets; or
- any other documents binding on the Five Shareholders or their respective undertakings or warranties;
- there were no infringements on intellectual property rights of third parties by Huadian New Energy and its subsidiaries (“Injected Companies” or “Injected Company” referring to any of them), which could result in any significant financial loss to our Company;
- neither the Five Shareholders nor any Injected Company has committed any offense or any other act that could cause significant financial loss to the Company;
- other than those liabilities (or contingent liabilities) disclosed in the asset evaluation report or incurred during its ordinary course of business from the base date for the evaluation to the completion date of the Reorganization, Huadian New Energy had no other liabilities (or contingent liabilities);
- other than the disclosures made to the Company in the audit report or in other written documents, there is no ongoing, pending or threatened material and/or major litigations, arbitrations, claims, administrative penalties or other legal proceedings against any of the Injected Companies in relation to its business, assets or any equity interests in it or which may have a material adverse effect on its business operations and assets; and
- if the breach of the above representations and warranties by the Five Shareholders has caused any losses to the Company and/or any Injected Company, the Five Shareholders have agreed to indemnify the Company and/or the Injected Companies against such losses in a timely manner upon the Company’s request.

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Indemnities

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

- tax liabilities on the assets of and interests in the Injected Companies that arose before the completion of the Reorganization; and
- all losses, claims, charges or expenses arising from any dispute in relation to the land and building owned by or leased to the Injected Companies.

Businesses retained by Huadian Group

Following the Reorganization, Huadian, through its subsidiaries (excluding any member of the Group), retained certain businesses in sectors, which we also operate in. See the section headed “Relationship with Huadian Group” for details.

Non-Competition Agreement

We entered into the Non-Competition Agreement with Huadian on June 4, 2012. See the section headed “Relationship with Huadian Group” for details.

Approvals

The Reorganization required approvals from the relevant PRC government authorities, including, among others, SASAC. Our PRC legal advisers confirmed that we have obtained all the necessary approvals from the relevant PRC government authorities with respect to the Reorganization.

STRATEGIC INVESTMENT

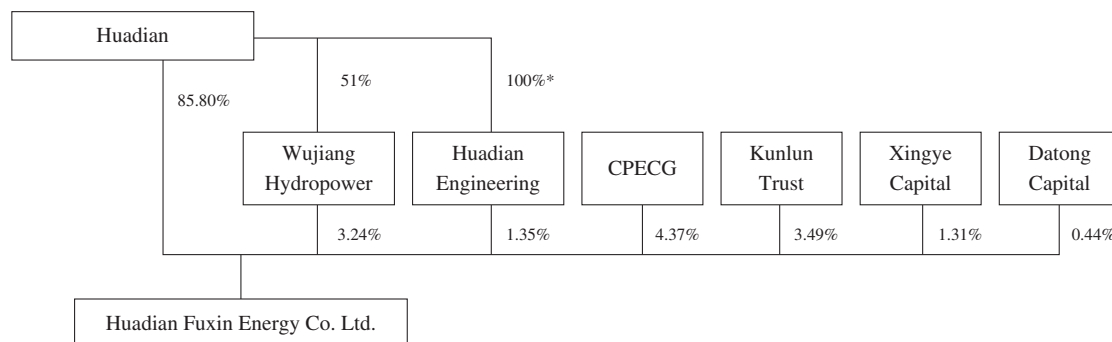
On December 29, 2010, a capital increase agreement was entered into by and among our predecessor Huadian Fuxin Energy Co., Ltd., Huadian, Wujiang Hydropower, Huadian Engineering, and our strategic investors, CPECG, Kunlun Trust, Xingye Capital and Datong Capital. According to this agreement, CPECG, Kunlun Trust, Xingye Capital and Datong Capital agreed to contribute an aggregate of RMB1.1 billion (determined with reference to independent asset valuation) to Huadian Fuxin Energy Co. Ltd., of which RMB488,888,889 was credited to our registered capital and RMB611,111,111 was credited to our capital reserve. Following the capital increase, the registered capital of Huadian Fuxin Energy Co. Ltd. was increased from RMB4,600,000,000 to RMB5,088,888,889. The capital contributions were fully paid as of December 30, 2010.

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Under the capital increase agreement, no special rights that were not available to other Shareholders were given to the strategic investors. Each of CPECG, Kunlun Trust, Xingye Capital and Datong Capital undertook that it would not transfer the equity interests it held in the Company within the period ending the earlier of: (i) 12 months after it was registered as a shareholder of the Company; and (ii) the listing of our Shares on any stock exchange, except otherwise agreed to by all parties thereto.

Established on March 3, 2006, in the PRC, CPECG is a limited liability company and its business mainly includes the development and sale of high technology in relation to energy saving, environmental protection and new energy. Kunlun Trust is a limited liability company established on October 20, 1992, in the PRC. Kunlun Trust was converted from its predecessor, Industry and Commercial Bank of China Ningbo Trust Investment Co., Ltd. The business of Kunlun Trust mainly includes management of various types of trust and equity investment. Xingye Capital, a limited liability company established on April 23, 2010, in the PRC, is a wholly-owned subsidiary of Industrial Securities Co., Ltd. The business of Xingye Capital mainly includes equity investment in domestic enterprises. Datong Capital, a limited liability company established on July 20, 2009, in the PRC, is a wholly-owned subsidiary of Fujian Investment and Development Group Co., Ltd. The business of Datong Capital mainly includes venture capital investment and provision of the related management and advisory service.

The following chart sets out the corporate structure of our Company immediately following the strategic investment:



* Huadian directly holds 75% of the equity interest of Huadian Engineering and is indirectly interested in the remaining 25% of the equity interest through Huadian Coal.

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MAJOR ACQUISITIONS AND DISPOSALS

Set out below is a table summarizing the major acquisitions and disposals conducted by the Group during the Track Record Period:

No.	Transaction	Date	Amount of Consideration (RMB in millions)	Base of Consideration	Reason for the Transaction
Hydropower Business					
1	Acquisition of 100% equity interest in Xiamen Yiye Energy Investment Co., Ltd. by Huadian Fujian.....	June 2009	221.8	Asset evaluation by independent third parties	Business expansion
2	Acquisition of 100% equity interest in Fujian Gutian Shuangkoudu Hydropower Generation Co., Ltd. by Huadian Fujian.....	August 2009	262.3	Asset evaluation by independent third parties	Business expansion
3	Acquisition of 95% equity interest in Yong'an Fenghai Power Generation Co., Ltd. by Huadian Fujian.....	June 2010	194.7	Asset evaluation by independent third parties	Business expansion
4	Acquisition of 100% equity interest in Yong'an Yinhe Power Generation Co., Ltd. by Huadian Fuxin Energy Co., Ltd.....	September 2010	34.9	Asset evaluation by independent third parties	Business expansion
5	Acquisition of 100% equity interest in Zhangping Yongfu Hydropower Development Co., Ltd. by Fujian Mianhuatan Hydropower Development Co., Ltd.	March 2011	249.4	Asset evaluation by independent third parties	Business expansion
Wind Power Business					
1	Acquisition of 77% equity interest in Heilongjiang Huafu Power Investment Co., Ltd. by Huadian New Energy	November 2010	599.2	Asset evaluation by independent third parties	Business expansion

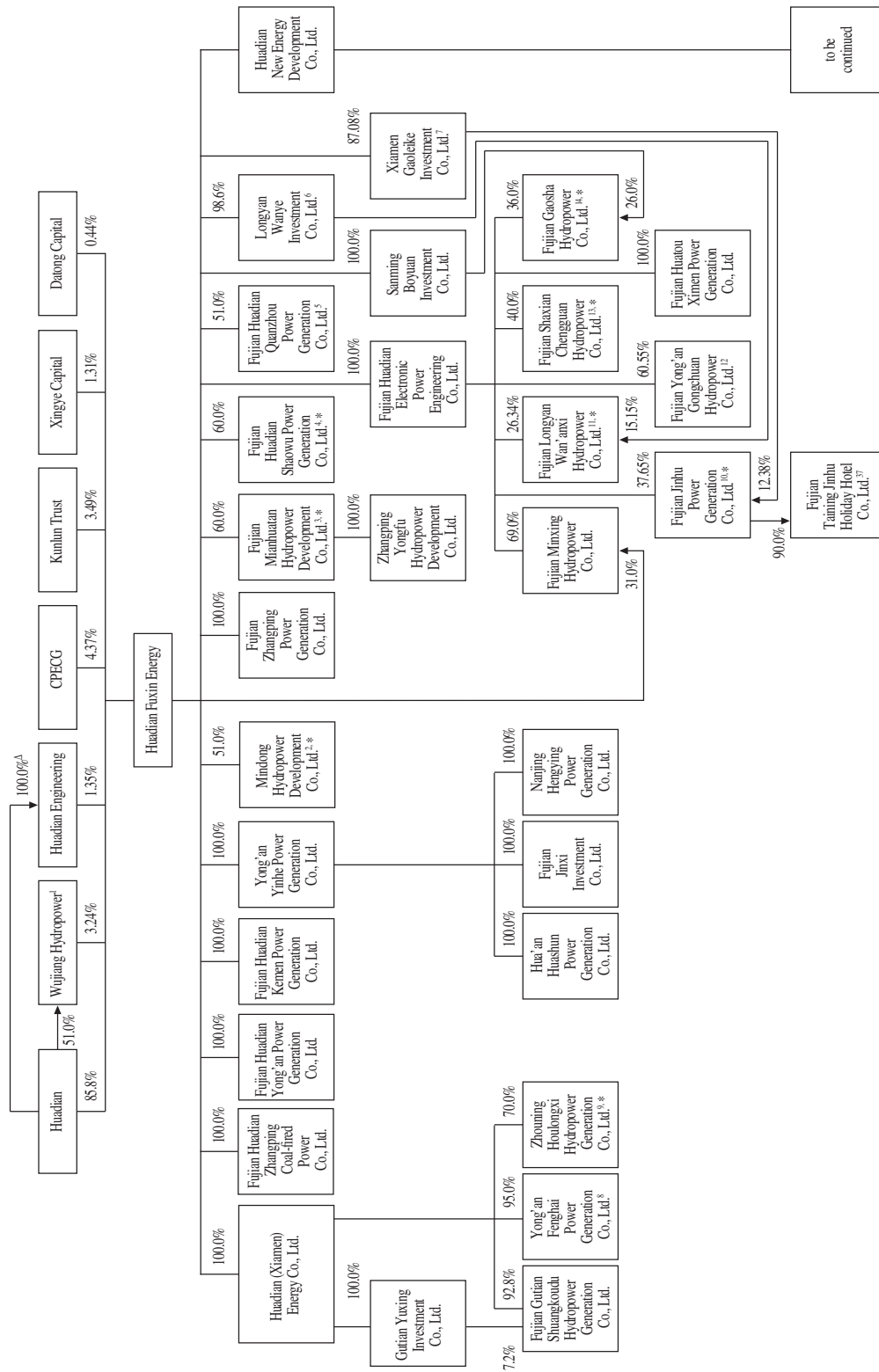
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No.	Transaction	Date	Amount of Consideration (RMB in millions)	Base of Consideration	Reason for the Transaction
Distributed Energy Business					
1	Disposal of 12% equity interest in Guangzhou University Town Distributed Energy Project by Huadian New Energy	August 2011	37.8	Asset evaluation by independent third parties	There were changes in the project design that require an additional governmental approval and the timing to obtain the approval was unknown to the Group at the time of disposal
Coal-fired Power Business					
1	Disposal of 100% equity interest in Kemen II by Huadian Fuxin Energy Co., Ltd.....	January 2011	206.5	Asset evaluation by independent third parties	Kemen II was in the process of obtaining approval/license from governmental authority

CONVERSION AND ESTABLISHMENT OF THE COMPANY

In preparation for the Global Offering, the Company was converted from a limited liability company into a joint stock limited company under the PRC laws with a registered capital of RMB6.0 billion on August 19, 2011.

The following chart sets out our ownership and corporate structure immediately prior to the Global Offering:



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In respect of each of the non-wholly-owned subsidiaries of the Company, all of the shareholders of these non-wholly-owned subsidiaries other than us are independent third parties to the Group if such shareholding is disregarded.

- Δ Huadian directly holds 75% of the equity interest of Huadian Engineering and is indirectly interested in the remaining 25% of the equity interest through Huadian Coal.
- * The Company or its relevant subsidiaries (as the case may be) have signed concert party agreements with certain shareholders of these companies. See “– Concert Party Agreements” for details of the concert party agreements.
1. The remaining 49% of the equity interest is held by the State-owned Assets Supervision and Administration Bureau of Guizhou Province.
 2. The remaining 49% of the equity interest is held by Mindong Energy Investment Co., Ltd. (閩東能源投資有限公司) (29%) and Fujian Yili Electric Power (Group) Co., Ltd. (福建省億力電力(集團)股份有限公司) (20%).
 3. The remaining 40% of the equity interest is held by Fujian Investment and Development Group Co., Ltd. (福建省投資開發集團有限責任公司) (22%) and Longyan Hydropower Development Co., Ltd. (龍岩市水電開發有限公司) (18%).
 4. The remaining 40% of the equity interest is held by Fujian Yili Electric Power (Group) Co., Ltd. (福建省億力電力(集團)股份有限公司).
 5. The remaining 49% of the equity interest is held by Fujian Dahong Investment and Development Co., Ltd. (福建省大鴻投資發展有限公司) (39%) and Beijing Dixin Trade Development Co., Ltd. (北京迪新經貿發展有限公司) (10%).
 6. The remaining 1.40% of the equity interest is held by Mr. Zeng Shengguo (曾勝國).
 7. The remaining 12.92% of the equity interest is held by Mr. Xiong Xianghua (熊祥華).
 8. The remaining 5% of the equity interest is held by Yong’an Caoyuan Mineral Product Development Co., Ltd. (永安市曹遠礦產品開發有限公司).
 9. The remaining 30% of the equity interest is held by Fujian Yili Electric Power (Group) Co., Ltd. (福建省億力電力(集團)股份有限公司).
 10. The remaining 49.97% of the equity interest is held by Taining State-Owned Asset Investment and Operation Co., Ltd. (泰寧縣國有資產投資營運有限公司) (23.31%), Jiangle State-Owned Asset Operation Co., Ltd. (將樂縣國有資產營運有限公司) (21.66%) and Sinohydro Engineering Bureau No. 16 Co., Ltd. (中國水利水電第十六工程局有限公司) (5%).
 11. The remaining 58.51% of the equity interest is held by Longyan Industry and Trade Development Group Co., Ltd. (龍岩工貿發展集團有限公司) (24.78%), Xinluo Hydropower Construction and Development Co., Ltd. (新羅水電建設發展有限公司) (24.35%) and Fujian Zhongmin Energy Investment Co., Ltd. (福建中閩能源投資有限責任公司) (9.38%).
 12. The remaining 39.45% of the equity interest is held by Yong’an State-Owned Asset Investment Management Co., Ltd. (永安市國有資產投資經營有限責任公司) (20.36%), Fujian Liyuan Power Generation (Group) Co., Ltd. (福建力源電力(集團)有限公司) (15.27%) and Yong’an Hongquan Hydropower (Group) Co., Ltd. (永安市宏泉水電(集團)有限公司) (3.82%).
 13. The remaining 60% of the equity interest is held by Shaxian City Construction and Investment Co., Ltd. (沙縣城市建設投資有限責任公司) (35%) and Fujian Zhongmin Energy Investment Co., Ltd. (福建中閩能源投資有限責任公司) (25%).

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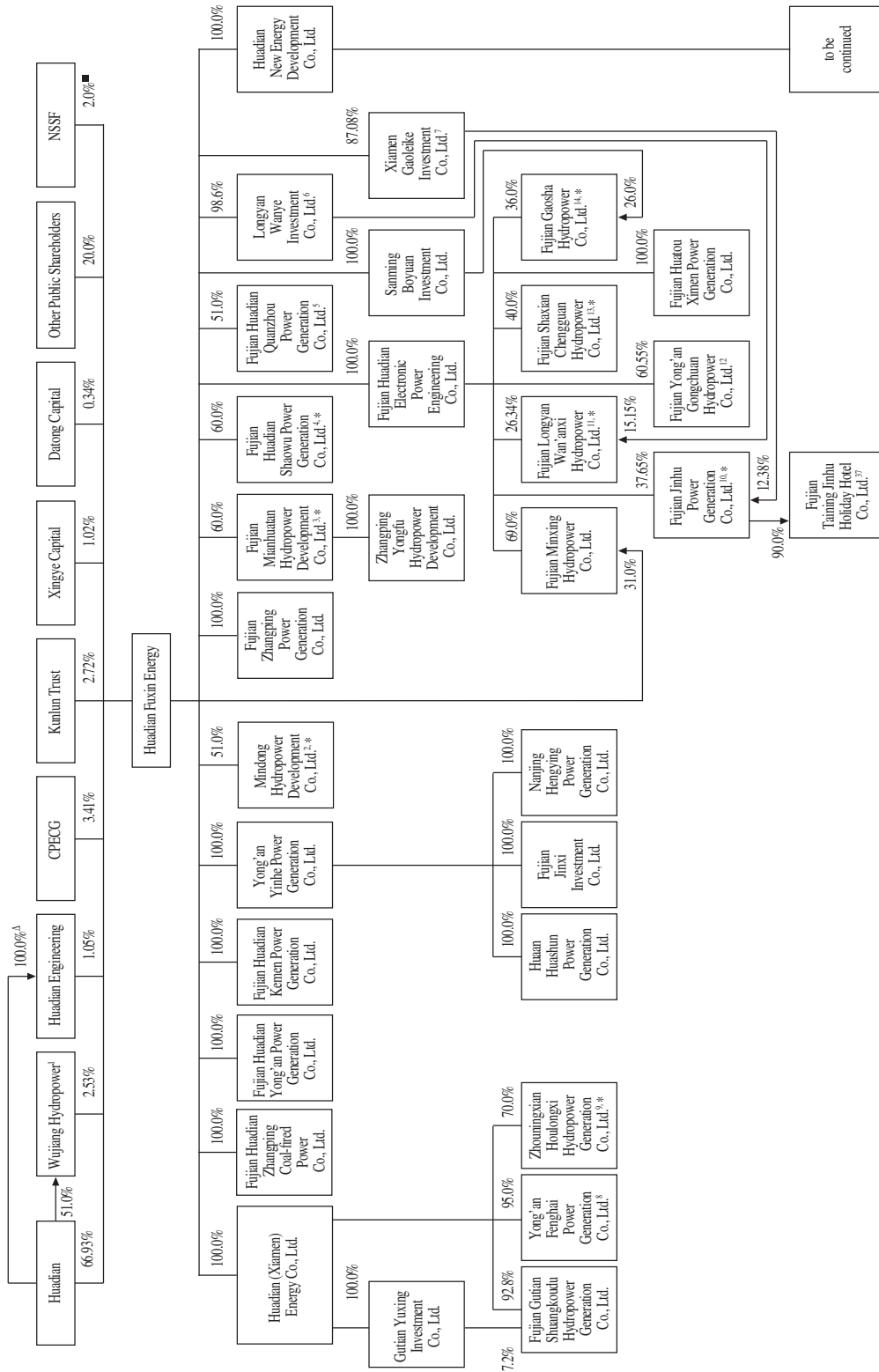
14. The remaining 38% of the equity interest is held by Sanming Yueda Material Co., Ltd. (三明悅達物資) (35%) and Fujian Investment and Development Group Co., Ltd. (福建省投資開發集團有限責任公司) (3%).
15. The remaining 35% of the equity interest is held by Shanxi Guangling Runguang Wind Power Co., Ltd. (山西廣靈潤廣風力發電有限公司).
16. The remaining 20% of the equity interest is held by Shanghai Aerospace Automobile Electromechanical Co., Ltd. (上海航天汽車機電股份有限公司).
17. The remaining 20% of the equity interest is held by Yiyang Group Co., Ltd. (億陽集團股份有限公司) (9.5%), Heilongjiang Longyuan Electric Power Fuel Co., Ltd. (黑龍江省龍源電力燃料公司) (1%), Heilongjiang Electric Power Operating Co., Ltd. (黑龍江電力經營公司) (5%), Heilongjiang Electric Power International Trading Co., Ltd. (黑龍江省電力對外貿易公司) (1%), Huadian Energy Co., Ltd. (華電能源股份有限公司) (2.5%) and Heilongjiang Longyuan Electric Power Technology Development Co., Ltd. (黑龍江龍源電力技術開發有限公司) (1%).
18. The remaining 35% of the equity interest is held by Shanxi Guangling Runguang Wind Power Co., Ltd. (山西廣靈潤廣風力發電有限公司).
19. The remaining 20% of the equity interest is held by Hubei Shenglong Agricultural Technology Group Co., Ltd. (湖北盛龍農業科技集團有限公司).
20. The remaining 30% of the equity interest is held by Hebei Yuanchen Industrial Group Co., Ltd. (河北元辰實業集團有限公司).
21. The remaining 10% of equity interest is held by Qintian Wind Power (Naimanqi) Co., Ltd. (秦天風電(奈曼旗)有限公司).
22. The remaining 10% of equity interest is held by Shangde Energy Engineering Co., Ltd. (尚德能源工程電力有限公司).
23. The remaining 20% of equity interest is held by Zhongkeyuneng Science and Technology Development Co., Ltd. (中科宇能科技發展有限公司).
24. The remaining 25% of equity interest is held by Gamesa (Beijing) Wind Power System Development Co., Ltd. (歌美颯(北京)風能系統開發有限公司).
25. The remaining 20% of equity interest is held by Weihai New Energy Investment Co., Ltd. (威海新能源投資有限公司).
26. The remaining 49% of the equity interest is held by Shanghai Xinye Photovoltaic Power Co., Ltd. (上海鑫擘光伏電力有限公司).
27. The remaining 10% of equity interest is held by Huayi Electric Apparatus Group Co., Ltd. (華儀電氣股份有限公司) (9.5%) and Huayi Wind Power Co., Ltd. (華儀風能有限公司) (0.5%).
28. The remaining 49% of equity interest is held by Beijing Jianjizhongyan Environment Co., Ltd. (北京建技中研環境科技有限責任公司) (25%) and Duolun Mengzhong Energy Development Co., Ltd. (多倫縣蒙中能源開發有限責任公司) (24%).
29. The remaining 1.55% of equity interest is held by Shuangliao Tianyuan Juneng Wind Power Co., Ltd. (雙遼市天源巨能風力發電有限責任公司).
30. The remaining 18% of equity interest is held by Heilongjiang Wande Wind Power Co., Ltd. (黑龍江萬德風力發電有限公司).
31. The remaining 49% of equity interest is held by Mr. Dai Xueji (戴學濟).
32. The remaining 40% of equity interest is held by Heilongjiang Aojia Energy Technology Development Co., Ltd. (黑龍江澳加能源技術開發有限公司).

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33. The remaining 20% of equity interest is held by Beijing Jingpu Fulida Kemao Co., Ltd. (北京京蒲富麗達科貿有限公司).
34. The remaining 35% of the equity interest is held by Hebei Yuanchen Industrial Group Co., Ltd. (河北元辰實業集團有限公司).
35. The remaining 35% of the equity interest is held by Hebei Yuanchen Industrial Group Co., Ltd. (河北元辰實業集團有限公司).
36. The remaining 30% of the equity interest is held by Jiujiang Zhongteng Energy Co., Ltd. (九江中騰能源有限公司).
37. The remaining 10% of equity interest is held by Fuzhou Juneng Machinery Co., Ltd. (福州聚能機電有限公司). Fujian Taining Jinhua Holiday Hotel Company Limited has been a part of Huadian Fujian since before the Reorganization. The Group uses it for internal meeting and reception purposes. Moreover, the revenue contribution of Fujian Taining Jinhua Holiday Hotel Company Limited to the Group is insignificant. Therefore, our Directors are of the view that the inclusion of Fujian Taining Jinhua Holiday Hotel Company Limited would have no adverse impact on the Group's Existing Business.
38. The remaining 40% of equity interest is held by Heilongjiang Aojia Energy Technology Development Co., Ltd. (黑龍江澳加能源技術開發有限公司).
39. The remaining 20% of equity interest is held by Mudanjiang Hongyuan Investment Co., Ltd. (牡丹江宏源投資有限公司).
40. The remaining 39.14% of equity interest is held by Jixi Fubang Investment Co., Ltd. (雞西富邦投資有限責任公司).
41. The remaining 20% of equity interest is held by Jiamusi Kaiyu Investment Co., Ltd. (佳木斯開禹投資有限公司).
42. The remaining 41% of equity interest is held by Suihua Yifeng Investment Co., Ltd. (綏化依豐投資有限公司).
43. The remaining 49% of equity interest is held by CSIC (Chongqing) Haizhuang Windpower Equipment Co., Ltd. (中船重工(重慶)海裝風電設備有限公司).

CORPORATE STRUCTURE

The following chart sets out the corporate structure of the Group immediately after the Global Offering assuming the Over-allotment Option is not exercised:



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In respect of each of the non-wholly-owned subsidiaries of the Company, all of the shareholders of these non-wholly-owned subsidiaries other than us are independent third parties below to the Group if such shareholding is disregarded.

- Upon completion of the Global Offering and assuming the Over-allotment Option is not exercised, 150,000,000 H Shares (converted from Domestic Shares) representing approximately 2.0% of our total share capital will be transferred to and held by NSSF pursuant to relevant PRC regulations regarding reduction of state-owned shares.
- △ Huadian directly holds 75% of the equity interest of Huadian Engineering and is indirectly interested in the remaining 25% of the equity interest through Huadian Coal.
- * The Company or its relevant subsidiaries (as the case may be) have signed concert party agreements with certain shareholders of these companies. See “– Concert Party Agreements” for details of the concert party agreements.
- 1. The remaining 49% of the equity interest is held by the State-owned Assets Supervision and Administration Bureau of Guizhou province.
- 2. The remaining 49% of the equity interest is held by Mindong Energy Investment Co., Ltd. (閩東能源投資有限公司) (29%) and Fujian Yili Electric Power (Group) Co., Ltd. (福建省億力電力(集團)股份有限公司) (20%).
- 3. The remaining 40% of the equity interest is held by Fujian Investment and Development Group Co., Ltd. (福建省投資開發集團有限責任公司) (22%) and Longyan Hydropower Development Co., Ltd. (龍岩市水電開發有限公司) (18%).
- 4. The remaining 40% of the equity interest is held by Fujian Yili Electric Power (Group) Co., Ltd. (福建省億力電力(集團)股份有限公司).
- 5. The remaining 49% of the equity interest is held by Fujian Dahong Investment and Development Co., Ltd. (福建省大鴻投資發展有限公司) (39%) and Beijing Dixin Trade Development Co., Ltd. (北京迪新經貿發展有限公司) (10%).
- 6. The remaining 1.40% of the equity interest is held by Mr. Zeng Shengguo (曾勝國).
- 7. The remaining 12.92% of the equity interest is held by Mr. Xiong Xianghua (熊祥華).
- 8. The remaining 5% of the equity interest is held by Yong'an Caoyuan Mineral Product Development Co., Ltd. (永安市曹遠礦產品開發有限公司).
- 9. The remaining 30% of the equity interest is held by Fujian Yili Electric Power (Group) Co., Ltd. (福建省億力電力(集團)股份有限公司).
- 10. The remaining 49.97% of the equity interest is held by Taining State-Owned Asset Investment and Operation Co., Ltd. (泰寧縣國有資產投資營運有限公司) (23.31%), Jiangle State-Owned Asset Operation Co., Ltd. (將樂縣國有資產營運有限公司) (21.66%) and Sinohydro Engineering Bureau No. 16 Co., Ltd. (中國水利水電第十六工程局有限公司) (5%).
- 11. The remaining 58.51% of the equity interest is held by Longyan Industry and Trade Development Group Co., Ltd. (龍岩工貿發展集團有限公司) (24.78%), Xinluo Hydropower Construction and Development Co., Ltd. (新羅水電建設發展有限公司) (24.35%) and Fujian Zhongmin Energy Investment Co., Ltd. (福建中閩能源投資有限責任公司) (9.38%).
- 12. The remaining 39.45% of the equity interest is held by Yong'an State-Owned Asset Supervision and Administration Commission (永安市國有資產投資經營有限責任公司) (20.36%), Fujian Liyuan Power Generation (Group) Co., Ltd. (福建力源電力(集團)有限公司) (15.27%) and Yong'an Hongquan Hydropower (Group) Co., Ltd. (永安市宏泉水電(集團)有限公司) (3.82%).
- 13. The remaining 60% of the equity interest is held by Shaxian City Construction and Investment Co., Ltd. (沙縣城市建設投資有限責任公司) (35%) and Fujian Zhongmin Energy Investment Co., Ltd. (福建中閩能源投資有限責任公司) (25%).

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14. The remaining 38% of the equity interest is held by Sanming Yueda Material Co., Ltd. (三明悅達物資) (35%) and Fujian Investment and Development Group Co., Ltd. (福建省投資開發集團有限責任公司) (3%).
15. The remaining 35% of the equity interest is held by Shanxi Guangling Runguang Wind Power Co., Ltd. (山西廣靈潤廣風力發電有限公司).
16. The remaining 20% of the equity interest is held by Shanghai Aerospace Automobile Electromechanical Co., Ltd. (上海航天汽車機電股份有限公司).
17. The remaining 20% of the equity interest is held by Yiyang Group Co., Ltd. (億陽集團股份有限公司) (9.5%), Heilongjiang Longyuan Electric Power Fuel Co., Ltd. (黑龍江省龍源電力燃料公司) (1%), Heilongjiang Electric Power Operating Co., Ltd. (黑龍江電力經營公司) (5%), Heilongjiang Electric Power International Trading Co., Ltd. (黑龍江省電力對外貿易公司) (1%), Huadian Energy Co., Ltd. (華電能源股份有限公司) (2.5%) and Heilongjiang Longyuan Electric Power Technology Development Co., Ltd. (黑龍江龍源電力技術開發有限公司) (1%).
18. The remaining 35% of the equity interest is held by Shanxi Guangling Runguang Wind Power Co., Ltd. (山西廣靈潤廣風力發電有限公司).
19. The remaining 20% of the equity interest is held by Hubei Shenglong Agricultural Technology Group Co., Ltd. (湖北盛龍農業科技集團有限公司).
20. The remaining 30% of the equity interest is held by Hebei Yuanchen Industrial Group Co., Ltd. (河北元辰實業集團有限公司).
21. The remaining 10% of equity interest is held by Qintian Wind Power (Naimanqi) Co., Ltd. (秦天風電(奈曼旗)有限公司).
22. The remaining 10% of equity interest is held by Shangde Energy Engineering Co., Ltd. (尚德能源工程電力有限公司).
23. The remaining 20% of equity interest is held by Zhongkeyuneng Science and Technology Development Co., Ltd. (中科宇能科技發展有限公司).
24. The remaining 25% of equity interest is held by Gamesa (Beijing) Wind Power System Development Co., Ltd. (歌美颯(北京)風能系統開發有限公司).
25. The remaining 20% of equity interest is held by Weihai New Energy Investment Co., Ltd. (威海新能源投資有限公司).
26. The remaining 49% of the equity interest is held by Shanghai Xinye Photovoltaic Power Co., Ltd. (上海鑫擘光伏電力有限公司).
27. The remaining 10% of equity interest is held by Huayi Electric Apparatus Group Co., Ltd. (華儀電氣股份有限公司) (9.5%) and Huayi Wind Power Co., Ltd. (華儀風能有限公司) (0.5%).
28. The remaining 49% of equity interest is held by Beijing Jianjizhongyan Environment Co., Ltd. (北京建技中研環境科技有限責任公司) (25%) and Duolun Mengzhong Energy Development Co., Ltd. (多倫縣蒙中能源開發有限責任公司) (24%).
29. The remaining 1.55% of equity interest is held by Shuangliao Tianyuan Juneng Wind Power Co., Ltd. (雙遼市天源巨能風力發電有限責任公司).
30. The remaining 18% of equity interest is held by Heilongjiang Wande Wind Power Co., Ltd. (黑龍江萬德風力發電有限公司).
31. The remaining 49% of equity interest is held by Mr. Dai Xueji (戴學濟).
32. The remaining 40% of equity interest is held by Heilongjiang Aojia Energy Technology Development Co., Ltd. (黑龍江澳加能源技術開發有限公司).

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33. The remaining 20% of equity interest is held by Beijing Jingpu Fulida Kemao Co., Ltd. (北京京蒲富麗達科貿有限公司).
34. The remaining 35% of the equity interest is held by Hebei Yuanchen Industrial Group Co., Ltd. (河北元辰實業集團有限公司).
35. The remaining 35% of the equity interest is held by Hebei Yuanchen Industrial Group Co., Ltd. (河北元辰實業集團有限公司).
36. The remaining 30% of the equity interest is held by Jiujiang Zhongteng Energy Co., Ltd. (九江中騰能源有限公司).
37. The remaining 10% of equity interest is held by Fuzhou Juneng Machinery Co., Ltd. (福州聚能機電有限公司). Fujian Taining Jinhu Holiday Hotel Company Limited has been a part of Huadian Fujian since before the Reorganization. The Group uses it for internal meeting and reception purposes. Moreover, the revenue contribution of Fujian Taining Jinhu Holiday Hotel Company Limited to the Group is insignificant. Therefore, our Directors are of the view that the inclusion of Fujian Taining Jinhu Holiday Hotel Company Limited would have no adverse impact on the Group's Existing Business.
38. The remaining 40% of equity interest is held by Heilongjiang Aojia Energy Technology Development Co., Ltd. (黑龍江澳加能源技術開發有限公司).
39. The remaining 20% of equity interest is held by Mudanjiang Hongyuan Investment Co., Ltd. (牡丹江宏源投資有限公司).
40. The remaining 39.14% of equity interest is held by Jixi Fuban Investment Co., Ltd. (雞西富邦投資有限責任公司).
41. The remaining 20% of equity interest is held by Jiamusi Kaiyu Investment Co., Ltd. (佳木斯開禹投資有限公司).
42. The remaining 41% of equity interest is held by Suihua Yifeng Investment Co., Ltd. (綏化依豐投資有限公司).
43. The remaining 49% of equity interest is held by CSIC (Chongqing) Haizhuang Windpower Equipment Co., Ltd. (中船重工(重慶)海裝風電設備有限公司).

CONCERT PARTY AGREEMENTS

Our Company or its relevant subsidiaries (as the case may be) have signed concert party agreements with all or some of the other shareholders (the "Other Shareholders") of thirteen non-wholly-owned subsidiaries that would enable us to exercise our effective control over the management of the relevant subsidiaries.

In each of eleven out of the thirteen non-wholly-owned subsidiaries, we hold an interest of no less than 50%. Under the respective articles of association of these eleven non-wholly-owned subsidiaries, however, super majority (3/5, 2/3 or 3/4, as the case may be, of the total number of directors; and/or 3/5 or 2/3, as the case may be, of the voting rights held by shareholders) or unanimous vote (as the case may be) at the board meeting and/or shareholders meeting is required for substantially all of the material operating and financial decisions of the relevant subsidiaries. In each of the other two non-wholly-owned subsidiaries, we hold an interest of less than 50%. Such voting mechanism and shareholding structure prevents us from controlling these non-wholly-owned subsidiaries.

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In preparation of this Global Offering, we entered into concert party agreements with all or some of the Other Shareholders that would enable us to exercise effective control over the management of these relevant subsidiaries. According to these concert party agreements, the Other Shareholders confirmed that they have voted or procured, since the date of establishment of each of these relevant 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 may be, at the board meetings and/or shareholder meetings in respect of all operating and financial matters of these relevant subsidiaries, including but not limited to, project development, operation plan, budgeting, financial policies, investment and financing management and property management. These concert party agreements will remain in full force and effect as long as the respective subsidiary legally exists unless we maliciously harm the interests of the Other Shareholders utilizing the concert party agreement, in which case the Other Shareholders may, upon our written confirmation, terminate the concert party agreement(s) in writing. Our power to control these subsidiaries has been accepted by the Other Shareholders as we are more experienced in developing, managing and operating wind power businesses or hydropower businesses in China. We did not pay any consideration to the Other Shareholders for them to enter into these concert party agreements with us.

Our PRC legal advisers confirm that the concert party agreements are legal, valid and binding on the parties thereto under relevant PRC laws. Our PRC legal advisers also confirm that none of these concert party agreements conflicts with the respective article of association of each of the subsidiaries involved or relevant PRC laws and regulations. Therefore, our Directors are of the view that we have de facto control over these subsidiaries. As we had power to control these subsidiaries during the Track Record Period, we consolidated their financial results into our consolidated financial statements.