
HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

HISTORY AND DEVELOPMENT

Our Company was established as a joint stock limited company under the Company Law on July 9, 2010 through Reorganization of our predecessor, China Datang Corporation Renewable Power Co., Ltd. (中國大唐集團新能源有限責任公司, originally named as Datang Chifeng Saihanba Wind Power Generation Co., Ltd. (大唐赤峰賽罕壩風力發電有限責任公司)). Our Company is the primary entity through which Datang, our controlling shareholder, engages in the renewable energy business, with our main focus on the wind power generation business, in which we have over six years of experience in the PRC. Over such period, we have established wind power operations on a significant scale and accumulated extensive expertise in the development, operation and management of wind power projects.

Our predecessor was established on September 23, 2004, as a limited liability company wholly owned by Datang under the name Datang Chifeng Saihanba Wind Power Generation Co., Ltd. (大唐赤峰賽罕壩風力發電有限責任公司), which was renamed to China Datang Corporation Renewable Power Co., Ltd. (中國大唐集團新能源有限責任公司) on March 19, 2009, for the overall development of the wind power resources in Chifeng area of Inner Mongolia, PRC. Our Company was established as a joint stock limited company under the PRC Company Law on July 9, 2010 through Reorganization of our predecessor, China Datang Corporation Renewable Power Co., Ltd. (中國大唐集團新能源有限責任公司, originally named as Datang Chifeng Saihanba Wind Power Generation Co., Ltd. (大唐赤峰賽罕壩風力發電有限責任公司)). Our Company is the primary entity through which Datang, our controlling shareholder, engages in the renewable energy business, with our main focus on the wind power generation business. This marked the beginning of our full involvement in the wind power generation industry. Saihanba Wind Farm Phase I, our first wind power project, with an installed capacity of 30.6 MW, commenced construction in October 2004 and became operational in August 2005.

Leveraging our experience in the successful development and operation of Saihanba Wind Farm Phase I, we entered into an investment and development agreement with the local government of Chifeng to develop one million-kW-class wind power project, to ensure the further development of Saihanba Wind Farm. Saihanba Wind Farm Phase II and Phase III, with respective installed capacity of 45.05 MW, commenced construction in August 2005 and September 2005 and became operational in June 2006 and August 2006, respectively.

We are committed to developing our wind power business and exploring opportunities to grow our wind power business. On April 28, 2006, our first joint venture wind power company was established with KEPCO Neimenggu International Ltd., representing our first step to leverage the experience and advanced technology of overseas power companies. Since then, we have been cooperating with other experienced domestic and overseas power companies to invest in and develop wind power projects in Chifeng area.

In addition to focusing on Inner Mongolia, we also expanded our wind power business into other provinces in the PRC, in particular, the Northern China provinces and some coastal cities. On May 5, 2008, we received the approval from NDRC to develop and construct the 102 MW Shanghai Donghai Bridge Offshore Wind Power Pilot Project, which is the first offshore wind farm in the PRC. This made us the Chinese front-runner in the offshore wind power development. The Shanghai Donghai Bridge Offshore Wind Power Pilot Project became fully operational in June 2010.

In November 2008, we acquired 100% equity interest in Bayannur Wulate Zhongqi Fuhui Wind Power Generation Company Limited ("巴彥淖爾烏拉特中旗富匯風能電力有限公司") and

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Bayannur Wulate Houqi Fuhui Wind Energy Power Co., Ltd. (“巴彥淖爾烏拉特後旗富匯風能電力有限公司”) from Bayannur Wulate Fuhui Wind Power Electricity Company Limited (內蒙古巴彥淖爾富匯風能電力有限公司) (“Bayannur Fuhui”) at a total cash consideration of RMB439 million. In December 2009, we entered into an agreement to acquire 51% equity interest in Linxi Aolujia Renewable Power Development Company Co., Ltd. (林西奧陸嘉新能源開發有限公司) (“Linxi Aolujia”) from Beijing Aolujia Renewable Energy Development Company (“北京奧陸嘉新能源開發有限公司”) (Beijing Aolujia) by assuming its total capital contribution commitment amounting to RMB93.52 million. The acquisition of Linxi Aolujia was completed in June 2010. Both Bayannur Fuhui and Beijing Aolujia are limited liability companies registered in the PRC and Independent Third Parties not connected with the Company or its holding companies.

Before our Reorganization, Datang transferred to us, without consideration, 12 wind farms with an total installed capacity of 549.0 MW in 2009, reaffirming our role as the flagship company of Datang for its wind power businesses. In 2010, we underwent the Reorganization, through which Datang transferred to us substantially all of the wind power business it held as of December 31, 2009. In November 2010, Datang further transferred to us the entire assets it held through its subsidiary, Shanxi Renewable Power Co., Ltd., in two wind power projects under construction, namely Mima Zongliang Wind Farm Phase I and II, located in Hunyuan County of Shanxi Province with respective installed capacity of 49.5 MW. The total assets of the projects as of June 30, 2010 were RMB112.4 million and the relevant asset ratio was 0.38% compared to the total assets of the Company as of the same day. The two projects are expected to commence operation in February 2011 and December 2011, respectively, and thus have not generated any revenue or profit as of the Latest Practicable Date. In the same month, Datang transferred to us the 2% equity interest in Datang Hailin Wind Power Generation Co., Ltd. (大唐海林風力發電有限公司) it held indirectly through Heilongjiang Longtang Power Investment Co., Ltd. (黑龍江龍唐電力投資有限公司) at the consideration of RMB1.7127 million.

Through the rapid development of our wind power business, our total installed capacity has increased significantly from 79.9 MW at the end of 2005 to 2,619.5 MW at the end of 2009. According to the BTM report, we were ranked second in the PRC and eighth in the world in terms of total wind power installed capacity as of December 31, 2009.

In addition to our continued focus on the wind power business, we also engage in early stage development of other renewable energy businesses, including solar power and biomass energy.

REORGANIZATION

Pursuant to the Reorganization Agreement which became effective on July 9, 2010, Datang transferred to our predecessor, China Datang Corporation Renewable Power Co., Ltd. (中國大唐集團新能源有限責任公司), substantially all of the wind power businesses it held as of December 31, 2009 (including the associated assets, liabilities and interests) without consideration, save for the wind power businesses held by Datang Jilin and certain business described in the sub-section headed “Businesses retained by Datang” in this section. Datang then injected to us all the assets, liabilities and equity interests it owned through China Datang Corporation Renewable Power Co., Ltd. (中國大唐集團新能源有限責任公司) and Datang became one of our Promoters and our controlling shareholder. In addition, Datang Jilin contributed to the establishment of the Company by way of transfer of equity interests it held in four wind power companies. As consideration for such contribution, we issued 4,372,071,041 Domestic Shares of RMB1.00 each to Datang and 627,928,959 Domestic Shares of RMB1.00 each to Datang Jilin. We had in aggregate 5,000 million Domestic Shares in issue upon our establishment.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Assets, liabilities and equity interests injected by the Company's Promoters

Except for the businesses described in the sub-section headed "Businesses retained by Datang" in this section, substantially all assets, liabilities and equity interests in Datang's wind power business have been injected into the Company:

- all assets, liabilities and equity interests in six wind power companies Datang held through Datang Heilongjiang Power Generation Co., Ltd. (大唐黑龍江發電有限公司), a wholly owned subsidiary of Datang;
- all assets, liabilities and equity interests in three wind power companies Datang held through Datang Hebei Power Generation Co., Ltd. (大唐河北發電有限公司), a wholly owned subsidiary of Datang;
- all assets, liabilities and equity interests in a wind power company Datang held through Datang Shandong Power Generation Co., Ltd. (大唐山東發電有限公司), a wholly owned subsidiary of Datang;
- all assets, liabilities and equity interests in three wind power companies Datang held through Datang Gansu Power Generation Co., Ltd. (大唐甘肅發電有限公司), a wholly owned subsidiary of Datang;
- all assets, liabilities and equity interests in four wind power companies Datang directly held; and
- all assets, liabilities and equity interests in four wind power companies Datang Jilin directly held.

Representations and warranties

Pursuant to the Reorganization Agreement, Datang and Datang Jilin have made certain representations and warranties to the Company, including:

- the asset injection is not restricted by any mortgages, pledges or any other encumbrances or restrictions, save for any mortgages and pledges which have been disclosed;
- Datang and Datang Jilin have issued notification letters to other equity owners of those wind power companies relating to the injected assets and the consents from such other equity owners have been obtained;
- there are no infringements on intellectual rights of third parties by Datang or Datang Jilin which may result in any significant financial loss on our Company;
- there are no litigation, arbitration or other proceedings against Datang or Datang Jilin relating to the assets and/or equity interests injected by Datang or Datang Jilin to the Company pursuant to the Reorganization Agreement, or there are no litigation, arbitration or other proceedings against Datang or Datang Jilin that may have material adverse effect on the assets and/or equity interests injected by Datang or Datang Jilin;

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- Datang will assist us in obtaining the outstanding title certificates of those lands and buildings with defective titles and will indemnify us against all losses, claims, charges, or expenses arising from our failure to obtain such outstanding title certificates; and
- the Company are not responsible for any tax liabilities due to the increase in asset value arising from the asset valuation of the assets injected to us during the Reorganization.

Indemnities

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

- losses incurred as a result of claims relating to the assets injected to us which arose before July 9, 2010 unless the estimate of such expenditure has been disclosed and provision has been made in the accountants' report;
- losses incurred by us as a result of the failure of Datang and Datang Jilin to inject the assets and interests to us according to the Reorganization Agreement; and
- claims as a result of any fault, negligence or infringement by Datang (and its subsidiaries, excluding the Group) in the course of performance of contracts by Datang (and its subsidiaries, excluding the Group) on our behalf and for our benefit.

Businesses retained by Datang

Pursuant to the Reorganization, Datang retained its interests in certain entities, the businesses of which are clearly delineated from the businesses of our Company, have no direct relationship with our Company, or will be gradually dealt with or disposed of. See "Relationship with Datang Group" for details.

Non-Competition Agreement

We entered into the Non-Competition Agreement with Datang on July 30, 2010. See "Relationship with Datang Group" for details.

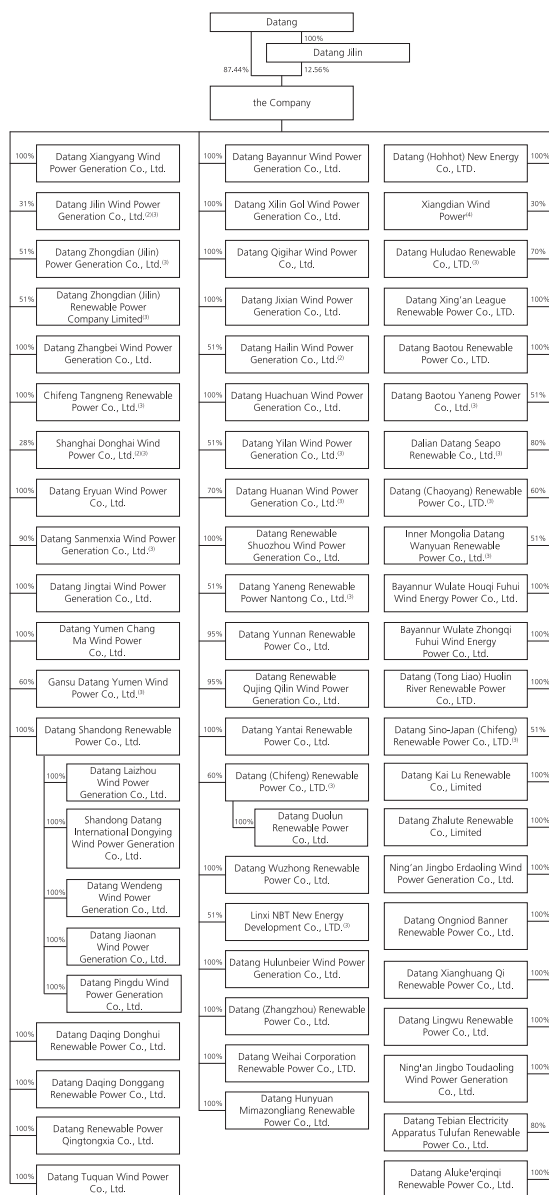
Approvals

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

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

CORPORATE STRUCTURE

The following chart sets forth the corporate structure of the Group after the Reorganization:



Notes:

- (1) Certain equity owners of this subsidiary issued confirmations to our Company to confirm the Group's control in the management of this subsidiary. Please see the subsection "Acting in Concert Confirmations" in this section for details of the acting in concert confirmations.
- (2) Other than the relevant joint venture partner(s) being a substantial shareholder of the relevant subsidiary, each joint venture partner is an Independent Third Party not connected with our Company.
- (3) Xiangdian Wind Power is our associated company in which our Company holds 30% equity interests and XEMC Wind Power Co., Ltd. (湘電風能有限公司), an Independent Third Party not connected with our Company, holds the remaining 70% equity interests.

Acting in Concert Confirmations

Certain other equity owners ("Other Equity Owners") of three non-wholly owned subsidiaries issued confirmations to the Company to confirm the Group's control in the management of the relevant subsidiaries.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Under the respective articles of association of these three subsidiaries, a simple majority, super majority, or unanimous vote (as the case may be) at the board/shareholders meeting are required to approve any matter relating to the financial and operating policies of the respective subsidiary. Neither the Company nor any of the Other Equity Owners of these three subsidiaries has sufficient equity interests reaching the aforementioned controlling threshold as stipulated under the articles of association to control such subsidiary. However, since the date on which the Group obtained the equity interests in the respective subsidiary, the Company had the power to control the operation of these subsidiaries and there are mutual understanding, either orally or in writing, between the Company and the Other Equity Owners that they agreed to act in concert with the Group as they lack the necessary expertise and experience in developing, managing and operating wind power business. During the Track Record Period, the Company together with Other Equity Owners acting in concert had the power to control the operation of each of these three subsidiaries in one or more of the following manners: approving the annual production plan and annual budget, approving the financial management, appointing the senior management (including the general manager and/or the chief financial officer) as well as approving their remuneration package and approving any new projects.

The Other Equity Owners of these three subsidiaries issued confirmations to the Company to confirm in writing the agreement and arrangement in respect of the Group's control. Under such confirmations, the Other Equity Owners confirmed that the Group had the power to control the financial and operating policies of the respective subsidiary since the date on which the Group obtained the equity interests in the respective subsidiary. The Other Equity Owners have also undertaken that when exercising their voting rights at the shareholders meetings or board meetings of the respective subsidiary, they will act in concert with the Group.

The Company's PRC legal advisor has confirmed that each of these acting in concert confirmations and relevant arrangements thereunder are legal, valid and enforceable under PRC law and relevant regulations. The articles of association of the three subsidiaries do not contravene with the context of acting in concert confirmations and relevant arrangements.

As we have the power to control these non-wholly owned subsidiaries during the Track Record Period, their financial results were combined into the combined financial statements of the Group.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

The following table sets forth the details of the acting in concert confirmations:

Subsidiary	Date of the acting in concert confirmations	Names of Other Equity Owners	Individual shareholding	Effective interest held	Interest held together with concert parties ⁷	Effective Date of control
1 Datang Jilin Wind Power Generation Co., Ltd. (大唐吉林風力發電股份有限公司)	April 13, 2010	Jilin Mingmen Electric Power Industrial Group Co., Ltd. ¹ (吉林名門電力實業集團公司)	29%	31%	100%	August 15, 2005
	April 13, 2010	Tang Mingruo ² (唐明若)	16.65%			
	April 13, 2010	Wang Xiucheng ² (王秀成)	12.99%			
	April 13, 2010	Fan Jun (范軍) ²	9.36%			
	April 13, 2010	Baicheng Chengyuan Electric Power Engineering Co., Ltd. ³ (白城城原電力工程有限責任公司)	1%			
2 Shanghai Dong Hai Wind Power Generation Co., Ltd. (上海東海風力發電有限公司)	April 16, 2010	Shanghai Green Energy Co., Ltd. ⁴ (上海綠色環保能源有限公司)	24%	28%	52%	January 22, 2007
3 Datang Hailin Wind Power Co., Ltd (大唐海林風力發電有限公司)	April 19, 2010	Heilongjiang Longtang Power Investment Co., Ltd. ⁵ (黑龍江龍唐電力投資有限公司)	2% ⁶	49%	51%	February 12, 2009

1 Jilin Mingmen Electric Power Industrial Group Co., Ltd. (Jilin Mingmen), headquartered in Changchun, Jilin province, is a state-owned enterprise investing in clean energy power generation companies. To the best knowledge of the Directors, Jilin Mingmen is an Independent Third Party not connected with the Company save for its shareholding in the relevant subsidiary of the Company.

2 Wang Xiucheng is currently an employee of Jilin Mingmen, while Tang Mingruo is an employee of Baicheng Chengyuan, and Fan Jun is an employee of Jilin Electric Power Company. Tang Mingruo was also a promoter of Baicheng Chengyuan. To the best knowledge of the Directors, all of them are Independent Third Parties not connected with the Company save for their shareholding in the relevant subsidiary of the Company.

3 Baicheng Chengyuan Electric Power Engineering Co., Ltd. (Baicheng Chengyuan), an electrical engineering company, to the best knowledge of the Directors, is an Independent Third Party not connected with the Company.

4 Shanghai Green Energy Co., Ltd., a company primarily focusing on green energy and engineering services, to the best knowledge of the Directors, is an Independent Third Party not connected with the Company save for its shareholding in the relevant subsidiary of the Company.

5 Heilongjiang Longtang Power Investment Co., Ltd., an indirectly owned subsidiary of Datang engaging in the investment and management of power, thermal and environment projects, is connected with the Company.

6 The Company acquired the 2% equity interest in Datang Hailin Wind Power Co., Ltd. from Heilongjiang Longtang Power Investment Co., Ltd. at the consideration of RMB1.7127 million in November 2010.

7 The interest under this column includes the interest held by the Other Equity Owners who have been acting and are expected to continue to act in concert with the Group.