This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full text of this prospectus. You should read the whole document including the appendices hereto, which constitute an integral part of this prospectus, before you decide to invest in our Offer Shares.

There are risks associated with any investment. Some of the particular risks in investing in our Offer Shares are set out in the section headed "Risk Factors" in this prospectus. You should read that section carefully before you decide to invest in our Offer Shares.

OVERVIEW

We are one of the leading clean energy companies in Northern China. We own and operate natural gas transmission and distribution facilities in Hebei Province and sell natural gas through our natural gas distribution channels. We also plan, develop and operate wind farms and sell electricity generated by our wind farms to local grid companies. The key characteristics of our businesses involve the following:

- we benefit from preferential PRC government policies for the clean energy industry;
- we are an integrated mid-stream and downstream natural gas pipeline operator;
- we own and operate one of the largest natural gas distribution networks in Hebei Province;
- our wind power business has a long track record in Hebei Province and has access to abundant wind resources in Northern China;
- all of our operating wind farms were connected to power grids as of March 31, 2010; and
- our products are subject to government price controls.

We are one of the largest operators of natural gas transmission and distribution facilities in Hebei Province, as measured by sales volume in 2007 and 2008.(1) We jointly operate our natural gas business with HK & China Gas (Hebei), an indirect wholly-owned subsidiary of HK & China Gas, the largest city gas company in China and Hong Kong. We engage in the sale of piped natural gas to wholesale and retail customers through our long-distance transmission pipeline, branch pipelines, city gas pipeline networks and natural gas distribution stations, as well as the sale of CNG through our central CNG refueling station in Shijiazhuang City, Hebei Province.

As of the Latest Practicable Date, we owned and operated a long-distance transmission pipeline, four branch pipelines, four city gas pipeline networks, nine natural gas distribution stations and a central CNG refueling station in Hebei Province, covering 23 cities and counties. As of the Latest Practicable Date, we also owned a minority stake in a city gas pipeline network controlled by our business partner in the Baoding Development Zone. In 2007, 2008 and 2009 and the three months ended March 31, 2010, we sold an aggregate of 393.6 million m^3, 562.7 million m^3, 730.2 million m^3 and 249.2 million m^3 of natural gas through our distribution facilities, respectively, representing a CAGR of 36.2% from 2007 to 2009. Our natural gas sales volumes in 2007 and 2008 accounted for 32.7% and 32.9% of the total natural gas consumption in Hebei Province in 2007 and 2008, respectively.

Up to the Latest Practicable Date, we had purchased from PetroChina all of the natural gas that we had sold to our customers. On November 11, 2001, we entered into a master purchase agreement with PetroChina for a 20 year

(1) As at the Latest Practicable Date, the natural gas sales volume in Hebei Province for 2009 is not yet available.

term for the supply of natural gas from the Shaanxi-Beijing gas pipelines, under which PetroChina agreed to supply us with a pre-determined volume of natural gas for each of 2002, 2003 and 2004 and a mutually agreed volume in subsequent years, subject to adjustments in the relevant annual gas purchase contracts. We aim to expand our natural gas business by building additional distribution facilities, especially city gas pipeline networks. As of the Latest Practicable Date, we had obtained government approvals or established project companies to develop eight new natural gas projects, as described in "Business — Our Natural Gas Business — Projects under Construction and Planned Projects."

We own a large portfolio of operating and developing wind farms concentrated in Northern China. According to HydroChina Corporation, we were among the top ten largest wind power operating companies in the PRC as of December 31, 2009 in terms of consolidated installed capacity. In addition, according to HydroChina Corporation, as of December 31, 2009, we ranked first in consolidated operating capacity and third in consolidated installed capacity in Hebei Province, where all of our operating wind farms are located. As of the Latest Practicable Date, our consolidated installed capacity and consolidated capacity under construction were 606.2 MW and 347.8 MW, respectively. As of the Latest Practicable Date, our total installed capacity and total capacity under construction were 804.2 MW and 397.3 MW, respectively. We expect to complete a majority of our wind farms under construction by the end of 2010, increasing our consolidated installed capacity to approximately 900 MW.

We identify potential sites for wind farm development based on a range of criteria, including wind conditions, topography, proximity to and available capacity of grid systems, size of estimated installed capacity, access to transportation, availability and ownership of land and environmental characteristics. As of June 30, 2010, we had a portfolio of wind power pipeline projects with an estimated consolidated installed capacity for future development of 8,563.0 MW. For a detailed description of the Phase 1, Phase 2 and Phase 3 pipeline projects, please see "Business — Our Wind Power Business — Pipeline Projects."

We operate our wind farms at high efficiency. In 2009, the average utilization hours(1) of our wind farms with a full-year operating record reached 2,276 hours, compared to the PRC wind power industry average of 1,800 hours, according to BTM. In 2007, 2008 and 2009 and the first three months of 2010, the availability factor(2) of our wind farms amounted to 92.9%, 93.5%, 94.8% and 95.2%, respectively.

We focus on the development of the clean energy business, including natural gas and wind power, and intend to allocate the net proceeds from the Global Offering to these business segments based on their potential development opportunities. Given the large size of our wind farm portfolio, we intend to use a majority of the net proceeds from the Global Offering to invest in the construction of our wind power projects. For details on our future plans and intended use of proceeds, please see the section headed "Future Plans and Use of Proceeds."

As we make substantial investments in our wind farm portfolio, we anticipate that the expected sales contribution of our wind power business will increase, resulting in a higher percentage of revenue and net profit from our wind power business. We also expect that the development of our large wind farm portfolio will lead to higher depreciation and finance costs and will require significant capital expenditures. For a detailed discussion of the impact of the capital expenditure requirements on our business, operation and financial position and performance, please see "Risk Factors — Risks Related to Our Business — Our business requires significant

(1) Represents the consolidated gross power generation in a specified period (in MWh or GWh) divided by the consolidated installed capacity in the same period (in MW or GW).

(2) Represents the amount of time that a wind turbine or a power plant is able to produce electricity after it starts commercial operations over a certain period divided by the amount of time in such period.

start-up capital expenditures, and any failure to obtain sufficient funding may materially adversely affect our business, financial performance and prospects."

Our wind power business benefits from preferential PRC government policies for the clean energy industry. The application of the Wind Farm Preferential Measures may involve uncertainties and vary from region to region. Any reduction, discontinuation or unfavorable alteration of the policies and incentives for the wind power industry could materially adversely affect our business, financial condition and results of operations, and could significantly limit our growth. Further, if we experience any adverse changes to the Wind Farm Preferential Measures before we achieve economies of scale in a non-subsidized market, we could be forced to compete directly against traditional power companies in the sale of electricity and the setting of on-grid tariffs, including against our controlling shareholder, HECIC, which operates a coal power business in the PRC, which could materially adversely affect our business, financial condition, results of operations and prospects. For details of HECIC's coal power business, please refer to the section headed "Relationship with HECIC — Delineation of Business and Competition — Businesses conducted by HECIC."

We derive most of our revenue from the sale of purchased natural gas through our distribution facilities and the sale of electricity generated by our wind farms. For the years ended December 31, 2007, 2008 and 2009 and the three months ended March 31, 2010, our total revenue amounted to RMB628.8 million, RMB1,018.7 million, RMB1,517.3 million and RMB548.8 million, respectively, and our net profit (including profit attributable to non-controlling interests) amounted to RMB37.5 million, RMB151.2 million, RMB287.1 million and RMB135.7 million, respectively.

On May 31, 2010, the NDRC issued the NDRC Price Increase Notice, which, effective from June 1, 2010, will increase all benchmark ex-plant prices of our natural gas supply, including for commercial, industrial and residential uses, by RMB230 per thousand m^3. The NDRC Price Increase Notice also permitted natural gas purchasers and sellers to contractually agree on a selling price not exceeding 110% of the New Benchmark Price. On June 2, 2010, the Hebei Provincial DRC issued the Hebei Provincial DRC Price Increase Notice, which permitted natural gas distributors in Hebei Province to adjust their natural gas sales price to downstream wholesale customers in Hebei Province in accordance with their costs of purchase, effective retroactively from June 1, 2010. In response to the NDRC Price Increase Notice and the Hebei DRC Price Increase Notice, on August 5, 2010, the Hebei Provincial Price Control Bureau issued a notice setting a deadline (i) for the relevant price adjustments for natural gas sold to wholesale and CNG customers and (ii) for the completion of the relevant hearing processes in relation to the price adjustment for retail residential customers.

PetroChina has already implemented the new pricing scheme, which took effect retroactively from June 1, 2010. We in turn applied the relevant price adjustments retroactively from June 1, 2010 to all our wholesale, retail and CNG customers, except for retail residential customers. These adjustments together represent increases of approximately 30.6%, 27.7% and 16.1% in the benchmark ex-plant prices for industrial, commercial and residential uses, respectively.

With regard to our retail residential customers, we are awaiting the relevant local authorities to commence the relevant hearing process in respect of applying the full amount of the sales price adjustment on them. As soon as such hearing process is complete and we obtain confirmation from the relevant local pricing authorities endorsing the final price adjustment accepted at the relevant hearing, we will apply the final price adjustment to our retail residential customers. We are not able to pass the sales price adjustment on natural gas for residential use to retail residential customers unless we obtain confirmation from the relevant local pricing authorities after successful completion of the relevant hearing process. We also cannot assure you that the full amount of the price adjustment applicable to natural gas for retail residential use will be accepted at the hearing, or a lower adjustment will be approved instead or at all. Please see “Risk Factors — Risks Relating to Our Natural Gas Business — The obligations of our customers under existing customer contracts may not correspond with our obligations under the supply contracts with our natural gas supplier.”

In case our proposed price adjustment for natural gas for retail residential use is not accepted at the hearing, but a lower adjustment is approved, we will apply the lower price adjustment for affected retail residential customers. In case our proposed price adjustment is not accepted at the hearing and no lower adjustment is approved, we will assume the additional costs on natural gas for retail residential use imposed on us by our supplier and continue to apply the existing sale price for natural gas for our retail residential customers. In 2009, our sales volume to retail residential customers accounted for only 0.3% of our total natural gas sales volume. Accordingly, in the event that no price adjustment or lower price adjustment for natural gas for retail residential use is approved at the hearing, we do not expect that the corresponding financial impact on our business will be material.

As we have passed on the Price Increase to all our wholesale, retail and CNG customers (except for retail residential customers) on a retroactive basis and sales to retail residential customers do not account for a material portion of our total natural gas sales volume, our Directors believe that the Price Increase will not materially adversely affect the profitability of our business.

The following table sets forth certain items from our consolidated statement of comprehensive income and related margins for our natural gas and wind power segments for the periods indicated:

	Year Ended December 31,						Three Months Ended March 31,			
	2007		2008		2009		2009		2010	
	(RMB in thousands)	(%)	(RMB in thousands)	(%)	(RMB in thousands)	(%)	(RMB in thousands) (Unaudited)	(%)	(RMB in thousands)	(%)
Revenue										
Natural gas	590,758	94.0	932,229	91.5	1,252,685	82.6	309,733	83.8	417,771	76.1
Wind power	38,031	6.0	86,504	8.5	264,576	17.4	59,962	16.2	131,046	23.9
	628,789	100.0	1,018,733	100.0	1,517,261	100.0	369,695	100.0	548,817	100.0
Cost of sales										
Natural gas	(506,349)	96.1	(730,298)	95.1	(972,374)	89.1	(237,879)	90.9	(326,247)	87.9
Wind power	(20,451)	3.9	(37,488)	4.9	(118,595)	10.9	(23,929)	9.1	(45,029)	12.1
	(526,800)	100.0	(767,786)	100.0	(1,090,969)	100.0	(261,808)	100.0	(371,276)	100.0
Gross profit										
Natural gas	84,409	82.8	201,931	80.5	280,311	65.8	71,854	66.6	91,524	51.6
Wind power	17,580	17.2	49,016	19.5	145,981	34.2	36,033	33.4	86,017	48.4
	101,989	100.0	250,947	100.0	426,292	100.0	107,887	100.0	177,541	100.0
Gross margin										
Natural gas		14.3		21.7		22.4		23.2		21.9
Wind power		46.2		56.7		55.2		60.1		65.6
Operating profit										
Natural gas	58,205	75.0	167,426	78.4	236,823	58.0	61,423	62.6	90,699	50.6
Wind power	19,351	25.0	46,164	21.6	171,275	42.0	36,705	37.4	89,306	49.9
Corporate[1]	—	—	—	—	—	—	—	—	(904)	(0.5)
	77,556	100.0	213,590	100.0	408,098	100.0	98,128	100.0	179,101	100.0

	Year Ended December 31,						Three Months Ended March 31,			
	2007		2008		2009		2009		2010	
	(RMB in thousands)	(%)	(RMB in thousands)	(%)	(RMB in thousands)	(%)	(RMB in thousands) (Unaudited)	(%)	(RMB in thousands)	(%)
Operating margin										
Natural gas		9.9		18.0		18.9		19.8		21.7
Wind power		50.9		53.4		64.7		61.2		68.1
Profit for the year/period										
Natural gas	26,657	71.2	141,497	93.6	220,543	76.8	56,835	83.2	77,639	57.2
Wind power	10,804	28.8	9,729	6.4	66,561	23.2	11,487	16.8	59,011	43.5
Corporate[1]	—	—	—	—	—	—	—	—	(904)	(0.7)
	37,461	100.0	151,226	100.0	287,104	100.0	68,322	100.0	135,746	100.0
Net profit margin										
Natural gas		4.5		15.2		17.6		18.3		18.6
Wind power		28.4		11.2		25.2		19.2		45.0
Profit and total comprehensive income for the year/period attributable to the owners of the Company										
Natural gas	14,671	57.6	77,780	89.6	121,525	73.1	31,339	77.6	42,680	49.7
Wind power	10,804	42.4	9,070	10.4	44,797	26.9	9,046	22.4	44,183	51.4
Corporate[1]	—	—	—	—	—	—	—	—	(904)	(1.1)
	25,475	100.0	86,850	100.0	166,322	100.0	40,385	100.0	85,959	100.0
Net profit margin attributable to the owners of the Company										
Natural gas		2.5		8.3		9.7		10.1		10.2
Wind power		28.4		10.5		16.9		15.1		33.7

Note:

(1) Represents unallocated data of our head office.

OUR STRENGTHS

We believe the following strengths have contributed to our leading position in the clean energy industry in Northern China:

- Rapidly growing company with a leading position in the clean energy industry in Northern China.
- Operation in the fast growing clean energy industry of China, which benefits from favorable regulatory policies and increasing demand for electricity and natural gas.
- Strategic locations with access to abundant wind power resources and well-developed power grids.
- Strong operating cash inflows from ongoing expansion of our natural gas business.
- Strategic alliances with leading suppliers and business partners.
- Experienced, professional and motivated management team supported by highly-skilled employees.

OUR STRATEGIES

We intend to reinforce our position as a leading clean energy company in Northern China and expand our natural gas and wind power businesses by entering into new markets in China. The principal components of our strategy include the following:

- Strengthen our leading position in China's wind power industry by expanding our project portfolio and maximizing operational efficiency.
- Expand in China's natural gas market by developing and investing in additional city gas pipeline networks.
- Diversify natural gas supply sources and existing natural gas business.
- Develop other clean energy businesses.
- Diversify financing sources and reduce financing costs.

SUMMARY HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary consolidated financial information of our Group. We have derived the consolidated financial information for the years ended December 31, 2007, 2008 and 2009 and for the three months ended March 31, 2009 and 2010 as set forth in the Accountants' Report in Appendix I to this prospectus. The summary consolidated financial information should be read together with, and is qualified in its entirety by reference to, the consolidated financial information as set forth in the Accountants' Report in Appendix I to this prospectus, including the related notes.

Our consolidated financial information was prepared in accordance with IFRSs.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year Ended December 31,			Three Months Ended March 31,	
	2007	2008	2009	2009	2010
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
REVENUE	628,789	1,018,733	1,517,261	369,695	548,817
Cost of sales	(526,800)	(767,786)	(1,090,969)	(261,808)	(371,276)
Gross profit	101,989	250,947	426,292	107,887	177,541
Other income and gains, net	10,267	19,454	51,350	6,440	20,258
Selling and distribution costs	(881)	(1,106)	(408)	(3)	(63)
Administrative expenses	(33,811)	(53,470)	(69,131)	(15,917)	(16,509)
Other expenses	(8)	(2,235)	(5)	(279)	(2,126)
PROFIT FROM OPERATIONS	77,556	213,590	408,098	98,128	179,101
Finance costs	(31,237)	(52,428)	(103,951)	(26,260)	(35,504)
Share of profits and losses of associates	(606)	—	1,692	—	10,052
PROFIT BEFORE TAX	45,713	161,162	305,839	71,868	153,649
Income tax expense	(8,252)	(9,936)	(18,735)	(3,546)	(17,903)
PROFIT FOR THE YEAR/PERIOD	37,461	151,226	287,104	68,322	135,746
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD, NET OF TAX	37,461	151,226	287,104	68,322	135,746
Profit and total comprehensive income for the year/period attributable to:					
Owners of the Company	25,475	86,850	166,322	40,385	85,959
Non-controlling interests	11,986	64,376	120,782	27,937	49,787
	37,461	151,226	287,104	68,322	135,746
Earnings per share attributable to the ordinary equity holders of the Company:					
Basic	RMB1.27 cents	RMB4.34 cents	RMB8.32 cents	RMB2.02 cents	RMB4.30 cents
Diluted	RMB1.27 cents	RMB4.34 cents	RMB8.32 cents	RMB2.02 cents	RMB4.30 cents

The following table sets forth our segment revenue from our two reportable operating segments and each item as a percentage of our total revenue for the periods indicated:

	Year Ended December 31,						Three Months Ended March 31,			
	2007		2008		2009		2009		2010	
	(RMB in thousands)	(%)	(RMB in thousands)	(%)	(RMB in thousands)	(%)	(RMB in thousands) (Unaudited)	(%)	(RMB in thousands)	(%)
Natural Gas	590,758	94.0	932,229	91.5	1,252,685	82.6	309,733	83.8	417,771	76.1
Sales of natural gas	574,578	91.4	905,433	88.9	1,192,084	78.6	300,540	81.3	406,294	74.0
Construction and connection of natural gas pipelines	16,042	2.6	22,326	2.2	26,476	1.8	897	0.3	1,228	0.2
Natural gas transportation	—	—	4,207	0.4	33,871	2.2	8,276	2.2	10,189	1.9
Others	138	0.0	263	0.0	254	0.0	20	0.0	60	0.0
Wind Power	38,031	6.0	86,504	8.5	264,576	17.4	59,962	16.2	131,046	23.9
Sales of electricity	38,031	6.0	82,004	8.0	264,576	17.4	59,962	16.2	131,046	23.9
Others	—	—	4,500	0.5	—	—	—	—	—	—
	628,789	100.0	1,018,733	100.0	1,517,261	100.00	369,695	100.0	548,817	100.0

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As of December 31,			As of March 31,
	2007	2008	2009	2010
	RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	1,509,190	3,232,076	4,357,558	4,465,150
Prepaid land lease payments	12,435	37,297	70,022	74,454
Intangible asset	371	952	3,353	3,197
Interests in associates	15,894	95,719	222,807	247,457
Held-to-maturity investment	—	—	2,000	2,000
Available-for-sale investments	—	—	3,400	3,400
Deferred tax assets	3,334	214	412	366
Prepayments and other receivable	217,587	219,141	581,912	1,044,538
Total non-current assets	1,758,811	3,585,399	5,241,464	5,840,562
CURRENT ASSETS				
Prepaid land lease payments	474	1,186	2,093	2,168
Inventories	7,353	18,955	21,548	22,272
Trade receivables	27,170	42,409	84,776	116,604
Prepayments, deposits and other receivables	41,174	184,824	88,717	95,502
Pledged deposits	—	—	14,733	3,733
Cash and cash equivalents	81,830	233,078	330,158	854,271
Total current assets	158,001	480,452	542,025	1,094,550
CURRENT LIABILITIES				
Trade and bills payables	21,280	36,051	439,669	348,489
Other payables and accruals	213,304	368,884	395,863	352,272
Interest-bearing bank and other borrowings	304,000	377,000	879,000	1,162,000
Tax payable	200	6,587	13,758	25,235
Total current liabilities	538,784	788,522	1,728,290	1,887,996
NET CURRENT LIABILITIES	(380,783)	(308,070)	(1,186,265)	(793,446)
TOTAL ASSETS LESS CURRENT LIABILITIES	1,378,028	3,277,329	4,055,199	5,047,116
NON-CURRENT LIABILITIES				
Interest-bearing bank and other borrowings	590,000	1,829,000	2,145,808	2,485,719
Other payables and accruals	35,928	56,829	31,590	22,034
Total non-current liabilities	625,928	1,885,829	2,177,398	2,507,753
Net assets	752,100	1,391,500	1,877,801	2,539,363
Equity attributable to owners of the Company				
Owner's equity	548,169	995,019	1,343,718	—
Issued share capital	—	—	—	2,000,000
Reserves	—	—	—	1,360
	548,169	995,019	1,343,718	2,001,360
Non-controlling interests	203,931	396,481	534,083	538,003
Total equity	752,100	1,391,500	1,877,801	2,539,363

PROFIT ESTIMATE FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2010

The following unaudited pro forma estimated earnings per Share for the six-month period ended June 30, 2010 have been prepared in accordance with Rule 4.29 of the Listing Rules on the basis set out in the notes below for the purpose of illustrating the effect of the Global Offering, as if it had taken place on January 1, 2010. The unaudited pro forma estimated earnings per Share has been prepared for illustrative purposes only and, because of its nature, it may not give a true picture of the financial results of the Group following the Global Offering.

Estimated consolidated profit attributable to owners of our Company(1)	not less than RMB144 million (approximately HK$167 million)(3)
Unaudited pro forma estimated earnings per Share(2)	not less than RMB4.68 cents (approximately HK$5.42 cents)(3)

Notes:

(1) We describe the bases on which we prepared the above profit estimate in Appendix III to this prospectus.

(2) We based the calculation of the unaudited pro forma estimated earnings per Share for the six months ended June 30, 2010 on the above estimated consolidated profit attributable to our owners for the six months ended June 30, 2010, assuming that a total of 3,076,900,000 Shares were in issue during the entire six-month period ended June 30, 2010, without taking into account any H Shares issued upon exercise of the Over-allotment Option.

(3) The unaudited pro forma estimated earnings per Share for the six-month period ended June 30, 2010 is converted at the PBOC Rate from Renminbi into Hong Kong dollars at an exchange rate of RMB0.8629 to HK$1.00 prevailing on the Latest Practicable Date.

INTERIM REPORT

As the profit estimate appearing in this prospectus covers a period which ends at a half year-end of the Company on June 30, 2010, our Company's interim report for the six months ended June 30, 2010 will be audited pursuant to Rule 11.18 of the Listing Rules if the Shares are listed on the Stock Exchange. Our interim report for the six months ended June 30, 2010 will be dispatched to the Shareholders within seven Business Days of the Listing Date.

OFFER STATISTICS

All statistics in this table are based on the assumption that the Over-allotment Option is not exercised.

	Based on an Offer Price of HK$2.06 per H Share	**Based on an Offer Price of HK$2.66 per H Share**
Our Company's market capitalization upon completion of the Global Offering(1)	HK$6,338.4 million	HK$8,184.6 million
Unaudited pro forma adjusted net tangible asset value per Share(2)	HK$1.42	HK$1.62

(1) The calculation of market capitalization is based on 3,076,900,000 Shares expected to be in issue following completion of the Global Offering.

(2) The unaudited pro forma adjusted net tangible asset value per Share is calculated after making the adjustments referred to in "Appendix II Unaudited Pro Forma Financial Information" in this prospectus and on the basis of a total of 1,076,900,000 Shares being issued at the respective Offer Prices of HK$2.06 and HK$2.66 per H Share, assuming the completion of the Global Offering.

DIVIDEND POLICY

We may distribute dividends in cash or by other means that we consider appropriate. Our Board will determine proposed distributions of dividends. A decision to declare or to pay any dividends, and the amount of any dividends, will depend on a number of factors, including our results of operations, cash flows, financial condition, payments by our subsidiaries of cash dividends to us, future prospects and other factors that our Directors consider important.

According to PRC law and our Articles of Association, we will pay dividends out of our after-tax profit only after we have made the following allocations:

- recovery of accumulated losses, if any;
- allocations to the statutory common reserve fund equivalent to 10% of our after-tax profit, as determined under PRC GAAP; and
- allocations, if any, to a discretionary common reserve fund that are approved by the Shareholders in a Shareholders' meeting.

The minimum allocations to the statutory funds are 10% of our after-tax profit, as determined under the Company Law. When the statutory common reserve fund reaches and is maintained at or above 50% of our registered capital, no further allocations to this statutory fund will be required.

In accordance with the Articles of Association of the Company, after completion of the Global Offering, we may only pay dividends out of distributable profit as determined under PRC GAAP or IFRSs, whichever is a lower amount. We will retain any distributable profit that we do not distribute in any given year, and these distributable profit will become available for distribution in subsequent years. We expect to distribute no less than 15% of our distributable earnings from Listing to December 31, 2010 and no less than 15% of our annual distributable earnings in every subsequent year as dividends.

However, we cannot assure you that we will be able to declare dividends in any amount each year or in any year. In addition, legal restrictions and/or financing agreements that we may enter into in the future may restrict our ability to declare or pay dividends.

Under current PRC tax laws and regulations, dividends paid by our Company to a Non-PRC Resident Enterprise Shareholder are subject to a 10% withholding tax while dividends paid to an individual holder of H Shares outside the PRC are currently exempted from PRC income tax.

We declared cash distributions of nil, nil, RMB169.0 million, RMB83.5 million and RMB38.5 million in the years ended December 31, 2007, 2008 and 2009 and the three months ended March 31, 2009 and 2010, respectively.

PRE-ESTABLISHMENT DISTRIBUTION AND SPECIAL DIVIDENDS

According to the Interim Provisions on the Management and Financial Treatment of State Owned Capital in Enterprise Corporate Restructuring (企業公司制改建有關國有資本管理與財務處理的暫行規定) (Cai Qi [2002] No. 313) issued by the MOF and effective on August 27, 2002, our Group is required to declare and pay the Pre-Establishment Distribution to HECIC in an amount equal to the profit of the Group attributable to the owner of the Company from June 30, 2009, the date on which our state-owned assets were valued, to February 9, 2010, the day of our incorporation.

Pursuant to an ordinary resolution passed by our Shareholders on February 9, 2010, we declared the Pre-Establishment Distribution payable to HECIC. Such Pre-Establishment Distribution, in the amount of RMB124.0 million, was based on the sum of: (1) the difference in the profit of the Group attributable to the owner of the Company as stated in the audited consolidated financial statements of the Company for the six-month period ended June 30, 2009 and the profit of the Group attributable to the owner of the Company as stated in the audited consolidated financial statements of the Company for the year ended December 31, 2009, and (2) the profit of the Group attributable to the owner of the Company from January 1, 2010 to February 9, 2010. The profit of the Group attributable to the owner of the Company from January 1, 2010 to February 9, 2010 equals the profit of the Group attributable to the owner of the Company prorated according to the actual number of days in the period from January 1, 2010 to February 9, 2010, based on the profit of the Group attributable to the owners of the Company as stated in the audited consolidated financial statements of the Company for the three-month period ended March 31, 2010. We paid the Pre-Establishment Distribution to HECIC in full from our available cash and cash equivalents on hand by the end of July 2010.

In addition, pursuant to an ordinary resolution passed by our Shareholders on February 9, 2010, our Shareholders approved that we will pay and distribute the First Special Dividends to our Promoters, HECIC and HECIC Water, according to their respective shareholdings. Based on the audited consolidated financial statements of the Company for the three months ended March 31, 2010, our Board of Directors declared the First Special Dividends to HECIC and HECIC Water on September 19, 2010 in an aggregate amount of approximately RMB42.7 million based on (i) the profit of the Group attributable to the owners of the Company, as stated in the audited consolidated financial statements of the Company for the three-month period ended March 31, 2010 minus (ii) the profit of the Group attributable to the owner of the Company from January 1, 2010 to February 9, 2010, prorated according to the actual number of days in the period from January 1, 2010 to February 9, 2010, based on the profit of the Group attributable to the owners of the Company, as stated in the audited consolidated financial statements of the Company for the three-month period ended March 31, 2010. We paid the First Special Dividends from our available cash and cash equivalents on hand prior to our Listing.

In addition, pursuant to an ordinary resolution passed by our Shareholders on February 9, 2010, our Shareholders also approved that we will pay and distribute the Second Special Dividends to our Promoters for the net profit of the Group attributable to the owners of the Company earned from April 1, 2010 up to the day immediately prior to Listing. We estimate the total amount of the Second Special Dividends will be RMB107.9 million, calculated on a pro rata projected basis based on the number of days from April 1, 2010 to the day immediately prior to Listing, and a per day calculation of the profit based on the profit estimate of the Group attributable to the owners of the Company for the six months ended June 30, 2010 minus the audited profit of the Group attributable to the owners of the Company for the three months ended March 31, 2010. Such amount is an estimate only and the approval for the distribution of the Second Special Dividends is subject to, among other things, the completion of a special audit as described below, which determine our actual distributable profit for the period between April 1, 2010 up to the day immediately prior to Listing.

We will determine the actual amount of the Second Special Dividends based on (1) the profit of the Group attributable to the owners of the Company as stated in the audited consolidated financial statements of the Company for the seven-month period ending October 31, 2010, minus (2) the profit of the Group attributable to the owners of the Company for the period from the day of Listing to October 31, 2010. The profit of the Group attributable to the owners of the Company for the period from the day of Listing to October 31, 2010 equals the profit of the Group attributable to the owners of the Company on a pro-rata basis based on the profit of the Group attributable to the owners of the Company, as stated in the audited consolidated financial statements of the Group for the seven-month period ending October 31, 2010. We will engage Ernst & Young to perform a special audit of our consolidated financial statements of the Group for the seven-month period ending October 31, 2010, expected to be completed and announced by March 31, 2011. We will finance the Second Special Dividends to HECIC and HECIC Water from our then available cash and cash equivalents on hand. As of July 31, 2010, the Company had a cash balance in excess of RMB700 million. The Company expects to have a positive cash flow from operating activities thereafter until June 2011. The Company does not expect to incur any significant one-off capital commitment, revenue or expenses outside the ordinary course of business (including listing expenses) in the second and third quarters of 2010 and expects to have sufficient cash or cash equivalent generated internally to settle the Second Special Dividends. Payment of the Second Special Dividends will take place after the Global Offering and after we complete the special audit of our consolidated financial statements of the Group for the seven-month period ending October 31, 2010, which is expected to be before June 30, 2011. The Company will take all necessary steps and also fulfill all necessary legal and regulatory requirements prior to settlement of the Second Special Dividends.

The Pre-establishment Distribution was determined based on audited consolidated financial statements of the Group prepared in accordance with PRC GAAP. The First Special Dividends and the Second Special Dividends were and will be determined based on audited consolidated financial statements of the Group prepared in accordance with PRC GAAP and IFRSs, whichever is lower, after deducting any appropriation made by the Company to the statutory and discretionary reserve funds. The final declaration and payment of the Second Special Dividends are subject to the respective approvals of our Board of Directors. Investors in the Global Offering are not entitled to the Pre-establishment Distribution, the First Special Dividends and the Second Special Dividends. The Pre-establishment Distribution, the First Special Dividends and the Second Special Dividends are not indicative of the dividends that our Company may declare or distribute in the future. We will publish an announcement by March 31, 2011 of the final amount of the Second Special Dividends and the outcome of the special audit prior to the payment of the Second Special Dividends to HECIC and HECIC Water.

USE OF PROCEEDS

The net proceeds of the Global Offering (after deducting the relevant expenses) are estimated to be approximately HK$2,367.7 million before any exercise of the Over-allotment Option, assuming an Offer Price of HK$2.36 per H Share, being the mid-point of the stated range of the Offer Price between HK$2.06 and HK$2.66 per H Share. If the Over-allotment Option is exercised in full, we estimate that the additional net proceeds to our Company from the offering of these additional H Shares will be approximately HK$367.9 million, after deducting the relevant expenses, assuming an Offer Price of HK$2.36 per H Share. We intend to apply the net proceeds from the Global Offering (assuming the Over-allotment Option is not exercised) in the following manner:

- approximately 81% (approximately HK$1,917.8 million) of the net proceeds of the Global Offering will be used for investing in the construction of our wind power projects in the PRC, among which approximately 20% (approximately HK$473.5 million) of the net proceeds of the Global Offering will be used for purchasing equipment, key and spare parts manufactured by the foreign equipment manufacturers;

- approximately 9% (approximately HK$213.1 million) of the net proceeds of the Global Offering will be used for investing in the development of our natural gas projects in the PRC; and

- approximately 10% (approximately HK$236.8 million) of the net proceeds of the Global Offering will be used for working capital and other general corporate uses.

If the Offer Price is set at the high-end or the low-end of the indicative Offer Price range, being HK$2.66 or HK$2.06 per Share, respectively, the net proceeds to us from the Global Offering (assuming that the Over-allotment Option is not exercised) will respectively increase or decrease by approximately HK$311.8 million. In such case, we intend to modify the allocation of our additional or reduced net proceeds (as the case may be) in the manner stated above on a pro-rata basis.

If the Over-allotment Option is exercised in full, we estimate that we will receive total net proceeds of approximately HK$2,377.0 million at the low-end of the Offer Price range of HK$2.06 per Offer Share and HK$3,094.1 million at the high-end of the Offer Price range of HK$2.66 per Offer Share, after deducting the estimated underwriting fees and expenses payable by us. Any additional net proceeds received from the exercise of the Over-allotment Option will be applied pro rata to the abovementioned purposes.

To the extent that the net proceeds of the Global Offering are not immediately required for the above purposes, the Directors currently intend that such proceeds will be placed on short-term deposits and other short-term capital preservation products with licensed banks or financial institutions in Hong Kong or the PRC.

RISK FACTORS

We face certain risks, many of which are beyond our control. These risks can be categorized into: (i) risks relating to our natural gas business; (ii) risks relating to our wind power business; (iii) risks relating to our business; (iv) risks relating to the PRC and (v) risks relating to the Global Offering.

Risks Relating to Our Natural Gas Business

- We are affected by risks arising from PRC government's price control regime for natural gas.
- As of the Latest Practicable Date, we only have a single natural gas supplier and any instability in, shortages of or disruption to our natural gas supply from the supplier would materially harm our business.
- We rely on a limited number of customers to generate a majority of our revenue in our natural gas business.
- We do not have exclusive rights to supply natural gas to the cities and urban districts to which our long-distance transmission pipeline connect.
- The obligations of our customers under existing customer contracts may not correspond with our obligations under the supply contacts with our natural gas supplier.
- We may experience difficulties in expanding our natural gas business to new cities or regions where we do not have a presence.
- Economic benefits arising from the expansion of our natural gas pipeline network may not fully cover related construction costs.
- Our natural gas business is subject to seasonal fluctuations, which may cause our operating results to fluctuate from quarter to quarter.

Risk Relating to Our Wind Power Business

- Our wind power business depends on the support of renewable energy industry by the governmental policies and favorable regulatory regime of the PRC. If these policies change or are otherwise discontinued, we may not be able to maintain profitability.
- The profitability of our wind farms depends on consistent and suitable local weather conditions as well as our ability to assess such conditions when selecting new wind farm sites.

- Our ability to generate electricity and, in turn, our financial condition and results of operations, depend on the operating performance of our wind turbines.
- We rely on local grid companies to provide connection and dispatch services and to purchase the electricity we generate and we may experience limitations on the dispatch of our electricity output in the future due to grid congestion or other grid constraints.
- Sales of CERs depend on the CDM arrangements under the Kyoto Protocol, and any change or expiration of these CDM arrangements could materially adversely affect our financial condition and results of operation.
- Any reduction in our on-grid tariffs could materially and adversely affect our revenue and profit.
- We may encounter difficulties and delays when expanding our wind power business.
- We face competitions from other wind power operators as well as other renewable energy generation companies.
- Construction costs of our wind power projects tend to concentrate in summer and autumn of each year.
- The basis and underlying assumptions we adopt to classify our wind power projects are internally developed, and have not been audited or verified by any third party.
- We may need to purchase and install additional equipment to comply with grid safety and stability requirements.

Risks Relating to Our Business

- Our business requires significant start-up capital expenditures, and any failure to obtain sufficient funding may materially adversely affect our business, financial performance and prospects.
- We may not be able to execute our business strategy successfully or manage our growth effectively.
- Disputes with our joint venture and other business partners may adversely affect our business.
- Failure to hire and retain sufficient management executives, technicians and other qualified personnel could adversely affect our business and prospects.
- We may not be able to adequately protect our intellectual property rights, which could reduce our competitiveness.
- Any future changes in environmental laws or enforcement policies could materially adversely affect our business, results of operations and financial condition.
- We had net current liabilities in recent periods. We may not be able to service our debts with our cash generated from operations and may continue to have net current liabilities in the future.
- Our levels of indebtedness and potential unavailability of credit may materially adversely affect our business.
- We do not possess all the title certificates or construction permits in respect of certain land and buildings we own and occupy.
- Failure by HECIC to fulfill its obligations to us in connection with the Reorganization may materially adversely impact our business and operating results.

- Our business may be affected by fluctuations in interest rates.
- We may fail to comply with laws and regulations in the PRC relating to the development, construction and operation of wind farms and natural gas pipelines.
- We may fail to manage our interests in assets, projects and subsidiaries in which we do not have control.
- We rely on third-party suppliers and our in-house team to maintain our key equipment.
- Future acquisitions may be expensive and may ultimately fail.
- Any preferential tax treatment currently or previously available to our subsidiaries in the PRC could be discontinued.
- Our historical dividends may not be indicative of our future dividend policy.
- Our assets and operations are subject to hazards customary to the electricity generation and natural gas industry, and we may not have adequate insurance to cover all these hazards.

Risks Relating to the PRC

- The PRC's economic, political and social conditions, as well as regulatory policies, will significantly affect financial markets in China, as well as our liquidity, access to capital and ability to operate our business.
- We are exposed to risks associated with entering into contracts with PRC governmental entities and other public organizations, and our performance may be significantly affected by government spending on infrastructure and other projects.
- The slowdown of the PRC's economy caused in part by the recent challenging global economic conditions may adversely affect us.
- The global credit and capital markets have been, and may continue to be, subject to significant disruption.
- Uncertainties with respect to the PRC legal system could materially adversely affect us.
- Fluctuation of Renminbi could materially affect our financial condition and results of operations.
- The PRC government's control of foreign currency conversion may limit our foreign exchange transactions, including dividend payment on our H Shares.
- It may be difficult to enforce any judgments obtained from non-PRC courts against our Company or our Directors, Supervisors or senior executive officers residing in China.
- Foreign individual holders of our H Shares may become subject to PRC income tax and the PRC tax obligations of foreign enterprises that are holders of our H Shares remain uncertain.
- Payment of dividends is subject to restrictions under PRC law.
- A widespread public health problem may occur.
- The potential conversion of Domestic Shares into H Shares may result in an increase in the number of H Shares available on the market and may affect the price of the H Shares.

Risks relating to the Global Offering

- There has been no prior public market for our H Shares; the liquidity and market price of our H Shares may be volatile.
- Future sales, or market perception of sales, of substantial amounts of our H Shares or other securities relating to our H Shares in the public market could materially adversely affect the prevailing market price of our H Shares.
- HECIC has substantial control over our Company whose interests may not be aligned with the interests of our other Shareholders.
- You will experience immediate dilution and may experience further dilution if we issue additional Shares.
- Certain facts and statistics derived from government sources contained in this prospectus may not be reliable.