You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below, before making an investment in our H Shares. These risks could materially adversely affect our business, financial condition and results of operations. The trading price of our H Shares could significantly decrease due to any of these risks, and you may lose all or part of your investment. You should note that we are a PRC company governed by a legal and regulatory environment that may differ significantly from that of other countries. For more information concerning the PRC and certain related matters discussed below, see "Regulatory Environment," "Appendix VII — Summary of Principal PRC and Hong Kong Legal and Regulatory Provisions" and "Appendix VIII — Summary of The Articles of Association."

RISKS RELATING TO OUR NATURAL GAS BUSINESS

We are affected by risks arising from PRC government's price control regime for natural gas.

According to the PRC Pricing Law, the PRC government may direct, guide or fix the prices of public utilities according to pricing schedules prescribed by the central or the local governments. The Hebei Provincial DRC and the Hebei Provincial Price Control Bureau determine the pipeline transportation tariff of our piped natural gas available for wholesale customers based on a price schedule released by the NDRC. We are required to obtain approval from the relevant local pricing authorities for the retail price of piped natural gas sold in a particular region, as well as any adjustment to the retail price. For natural gas for residential use, the relevant local pricing authorities determine the end-user price and any price adjustments, subject to a hearing process involving the affected residence. The price of CNG in China is also determined by the relevant local pricing authorities.

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 DRC Price Increase Notice, which permitted the 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. The Hebei Provincial Price Control Bureau has permitted us to adjust our natural gas sales price to our downstream customers in accordance with the Hebei DRC Price Increase Notice.

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.

On June 12, 2010, we received a notice from PetroChina regarding the Price Increase pursuant to the NDRC Price Increase Notice, effective retroactively from June 1, 2010, which set out the new prices for natural gas as follows:

(i) for natural gas sold to our customers for commercial, industrial and CNG uses, 110% of the relevant New Benchmark Prices; and

(ii) for natural gas sold to our customers for residential use, the New Benchmark Price for natural gas for residential use.

Accordingly, we have notified our wholesale, retail and CNG customers (except for retail residential customers) to whom we will be passing on the full amount of price adjustments, effective retroactively from June 1, 2010. PetroChina has implemented the Price Increase, 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.

With regard to our retail residential customers, we are awaiting the relevant local authorities to commence the relevant hearing process in respect of the full amount of the sales price adjustment on them. As soon as such hearing process is complete and we obtain confirmation from the 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 cannot make any assurance 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. The timing of the completion of the relevant hearing process is also beyond our control. Nonetheless, in 2009, sales volume to retail residential customers accounted for only 0.3% of our total natural gas sales volume.

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

Additionally, on August 20, 2010 , the Hebei Provincial Price Control Bureau issued the Trial Measures. The Trial Measures stated that future natural gas prices for natural gas operators in Hebei Province will be determined with reference to industry average costs (including production, selling, administration and financial costs), reasonable return on equity (which shall not, for the purpose of their calculation, exceed 8%) and tax.

Following our consultation with Hebei Provincial Price Control Bureau, we understand that the Trial Measures are primarily targeted at and applicable to city gas pipeline network operators. Our natural gas business is primarily focused on long-distance natural gas transmission. On September 4, 2010, the Hebei Provincial Price Control Bureau issued a letter to us confirming that the existing prices on long-distance transmission of natural gas remain unchanged. Therefore, we do not expect the Trial Measures to materially affect on our long-distance natural gas transmission business. The PRC legal advisers of the Company, Jiayuan Law Firm, further confirmed that, as of September 4, 2010, the Trial Measures do not affect the legal validity of existing prices as stipulated in Hebei Provincial DRC's Price Notice on June 2, 2010. As our city gas pipeline business not material compared to our long-distance transmission business, we do not expect that the Trial Measures would have materially adversely impact the financial performance and operation of our natural gas business in the near future. For the three years ended December 31, 2007, 2008 and 2009 and the three months ended March 31, 2010, the net profits attributable to our city gas pipeline business amounted to 12.5%, 8.0%, 6.1% and 3.7% respectively of the total net profits of our Group.

In any event, our Company has limited control over the pricing of both our natural gas supplies and sales prices, which are strictly controlled by the PRC government and adjusted from time to time. If the prices of natural gas that we purchase from PetroChina or that we sell to our customers fluctuate due to changes in prevailing market conditions or regulatory policies and we are unable to pass the impact of the price adjustments to our customers in a timely manner, our revenue, cash flows and results of operation will be materially adversely affected.

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 could materially harm our business.

Natural gas constitutes the major raw material for our natural gas business. For the years ended December 31, 2007, 2008 and 2009 and the three months ended March 31, 2010, the cost of purchases of natural gas amounted to RMB447.4 million, RMB660.1 million, RMB891.0 million and RMB311.0 million, respectively, representing approximately 88.4%, 90.4%, 91.6% and 95.3%, respectively, of our cost of sales of our natural gas business, and 84.9%, 86.0%, 81.7% and 83.8%, respectively, of our total cost of sales. Hebei Province does not have any major natural gas resources and relies predominantly on external sources. As of the Latest Practicable Date, PetroChina is the only natural gas supplier of our Group. All of our natural gas supply is transmitted via the Shaanxi-Beijing Gas Pipeline No. 1 and Shaanxi-Beijing Gas Pipeline No. 2, which intersect with our Zhuozhou-Handan Gas Pipeline in Hebei Province.

On November 11, 2001, we entered into a master purchase agreement with PetroChina for a 20-year term for the supply of natural gas from the Shaanxi-Beijing gas pipelines. We usually sign a gas volume confirmation letter with PetroChina before April of each year to set the monthly volume of natural gas that we will purchase for the following 12 months. For the years ended December 31, 2007, 2008 and 2009 and the three months ended March 31, 2010, we purchased approximately 390.5 million m^3, 558.9 million m^3, 724.0 million m^3 and 249.5 million m^3 of natural gas from PetroChina, respectively.

We have experienced temporary supply shortages, as a result of temporary incidents in the winter of 2009 affecting the general supply of natural gas in Northern China. As we do not maintain a reserve of natural gas, we may need to impose temporary limitations on our distribution of natural gas to our customers when we receive an insufficient supply of natural gas from our supplier. Our purchase price for the natural gas is subject to negotiation with PetroChina, which is determined based on a combination of factors including but not limited to the applicable Percentage Allocation, the relevant government guided benchmark prices and settlement terms.

As we only have a single natural gas supplier, we may not be able to maintain a stable, sufficient and uninterrupted source of natural gas. If we are not able to source sufficient natural gas at a similar price to our existing purchase price, our business, results of operations and expansion of our natural gas business would be materially adversely affected.

We rely on a limited number of customers to generate a majority of our revenue in our natural gas business.

We generate a significant proportion of our revenue in our natural gas business from a limited number of customers, all of which are located in the PRC. The five largest customers of our natural gas business, which include local gas distributors and industrial customers, together accounted for approximately 53.5%, 51.4%, 47.2% and 47.6% of our total revenue derived from our natural gas business for the years ended December 31, 2007, 2008 and 2009 and the three months ended March 31, 2010, respectively.

We anticipate that the revenue generated by these major customers will represent a significant proportion of our total revenue in the near future. Any significant decline in the business and financial condition of any of our major customers, the industries in which our major customers operate or the PRC economy in general, could adversely affect our customers' ability to purchase natural gas from us, which would materially adversely affect our business, results of operations and financial condition.

We generally enter into 1-year gas sales contracts with our major wholesale, retail and CNG customers. During the Track Record Period, our major wholesale, retail and CNG customers have not terminated prematurely any of our gas sales contracts. However, if any of these customers terminates its respective sales contract prior to expiration of the contractual term, becomes insolvent, defaults on payments under the contract, fails to take delivery of our gas products in accordance with the contract or fails to comply with the price adjustment provisions in the contract with respect to any price increase directed by the PRC government, we may not be able to generate expected cash flows in our natural gas business, which would materially adversely affect our business, financial condition and results of operations.

We do not have exclusive rights to supply natural gas to the cities and urban districts to which our long-distance transmission pipeline connect.

We have built a network of over 400 km of natural gas pipelines in Hebei Province. We are responsible for distributing a significant portion of the natural gas in Hebei Province and we own and operate a long-distance transmission pipeline network covering central and southern Hebei Province.

Given our early entry into the natural gas industry in Hebei Province and the substantial costs associated with the construction of long-distance transmission pipelines, we expect to maintain competitive advantages over our competitors with respect to the distribution of natural gas in central and southern Hebei Province. However, we do not have any exclusive rights to supply natural gas to the cities and urban districts connected to our long-distance transmission pipeline network. Therefore, we may face competition from new entrants, such as CNG suppliers, who may distribute natural gas to these cities and urban districts through other more competitive means of transportation.

The obligations of our customers under existing customer contracts may not correspond with our obligations under the supply contacts with our natural gas supplier.

Our existing natural gas supply arrangement with PetroChina requires us, among other things, to purchase a minimum 90% of the annual purchase volume, which we and PetroChina confirm before April of each year. We and PetroChina set our annual purchase volume based on our historical sales patterns and our future sales estimates. Our purchase obligation is on a "take or pay" basis. If our actual consumption volume is less than 90% of the confirmed annual purchase volume, we must pay for any unconsumed volume in such year. If PetroChina fails to supply at least 90% of the confirmed annual purchase volume, it is required to make up the shortage in following years at the previously agreed price with a right to purchase such unconsumed volume in the remaining years of the contract term by paying the excess of the then prevailing price over the previous price on an interest-free basis.

On the other hand, our existing natural gas sales contracts with certain of our customers, including retail and CNG customers, do not contain any "take or pay" or penalty provision requiring them to purchase any minimum amount of natural gas from us. Even if there exists any "take or pay" provision requiring our customers to purchase a minimum amount of natural gas from us, as in the case of our wholesale customers, we cannot assure you that we will be successful in enforcing such obligations against our customers in practice.

While the arrangement with our customers conforms with industry practice and actual demand for natural gas from our customers usually exceeds the contractually agreed amounts originally required by our customers, there remains an inherent mismatch between our obligations to our supplier and the obligations of our customers to us. If a material percentage of our customers decides not to purchase or purchase significantly lower amounts of natural gas from us and we are unable to enforce our rights against them or to secure alternative customers to make up such shortfall, our business, financial condition and results of operations will be materially adversely affected.

We may experience difficulties in expanding our natural gas business to new cities or regions where we do not have a presence.

As a critical part of our strategy, we are considering establishing a presence in areas outside our existing operations. This includes the extension of our long-distance transmission pipeline network and our city gas pipeline network. To the extent that we invest in geographical areas where we have limited prior working relationships with the relevant local government authorities, we plan to structure our investments as alliances and partnerships with parties possessing the relevant local experience and resources. For example, we entered into a framework cooperation agreement with PetroChina Kunlun, Baoding Yingli Group, Baoding Development Zone and Baoding Zhongyou in June 2009 to establish a joint venture for developing a city gas pipeline network in the Baoding Development Zone, Hebei Province.

We may encounter unexpected difficulties such as unforeseen costs, delays in negotiating relevant agreements with counterparties and problems in dealing with local regulatory and governmental authorities, over which we have limited control. Any failure or delay of our expansion projects could materially adversely affect our prospects and financial position.

Economic benefits arising from the expansion of our natural gas pipeline network may not fully cover related construction costs.

We derive a significant portion of our revenue from our natural gas business from (i) the sale of piped natural gas to wholesale customers through our long-distance transmission pipeline and to retail customers through our city gas network; (ii) the sale of CNG to customers through the central CNG refueling station in Shijiazhuang and (iii) pipeline construction and connection services.

Although we undertake feasibility studies to assess the anticipated economic benefits of each project before we construct any new natural gas pipeline network, revenue from sales of natural gas and natural gas pipeline construction and connection fees collected from new customers may not fully cover related construction costs for a few infrastructure projects. If the number of new customers and the volume of future natural gas consumption substantially deviate from our projections, the return period of our investment to construct additional natural gas pipelines may be extended and our financial condition may be materially adversely impacted.

Our natural gas business is subject to seasonal fluctuations, which may cause our operating results to fluctuate from quarter to quarter.

We have experienced, and expect to continue to experience seasonal fluctuations in our revenue, cash flow and results of operations, primarily due to seasonal changes in temperature. Gas consumption by residential users in northern part of China is subject to seasonal peaks and lows. Natural gas demand peaks when the temperature in northern part of China reaches lows from November to April in the following year. Demand decreases relatively when the weather turns warmer from May to October.

However, our expenses do not necessarily correspond to changes in the demand of natural gas and revenue. We incur maintenance expenses, labor costs and other overhead expenses throughout the year. We expect fluctuations in our revenue, cash flow and results of operations to continue, which may materially adversely affect our cash flows and financial performance.

RISKS 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 PRC government has in recent years increased its support for renewable energy, emphasizing the development of the wind power industry, with the introduction of a series of favorable laws and regulations including the Renewable Energy Law (as amended from time to time), the Renewable Energy Development Plan and the Implementing Opinions on Promoting the Development of the Wind Energy Industry. These laws and regulations encourage the sustainable development of the wind power industry in the PRC. The preferential measures available under these laws and regulations include mandatory grid connections, guaranteed acceptance by grid companies of the entire electricity generated from wind farms, favorable on-grid tariff premiums (which is higher than the benchmark tariffs for coal-generated electricity) and tax benefits (such as a refund of 50% of the VAT levied on electricity generation from wind power and other tax reduction plans) (collectively the "Wind Farm Preferential Measures").

Taking advantage of the Wind Farm Preferential Measures, we have expanded our wind power business rapidly. As of December 31, 2007, 2008 and 2009, our total installed capacity was 60.6 MW, 233.6 MW and 604.7 MW, respectively, representing a CAGR of 215.9%. The revenue of our wind power business was RMB38.0 million, RMB86.5 million and RMB264.6 million in the respective years, representing a CAGR of 163.9%.

While the PRC government continues to formulate favorable policies to support the development of wind farms in the PRC, such as the Renewable Energy Development Plan, our Directors are not aware of any indications that the PRC government intends to change or discontinue the current incentives or favorable policies.

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 and other renewable energy companies in the sale of electricity and the setting of on-grid tariffs, including against our Controlling Shareholder, HECIC, which operates coal power, waste-to-energy and biomass businesses in the PRC, which could materially adversely affect our business, financial condition, results of operations and prospects. For details of HECIC's coal power, waste-to-energy and biomass businesses, please refer to the section headed "Relationship with HECIC — Delineation of Business and Competition — HECIC's waste-to-energy and biomass power businesses."

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 at our anticipated output levels remains critical to the success and growth of our business. The amount of electricity generated by our wind farms significantly depends on weather conditions, particularly wind conditions, that vary dramatically across seasons and locations. Our wind turbines only operate when the wind speed reaches a minimum level (approximately three to four meters per second) and must be turned off when wind speed exceeds a maximum level (approximately 20 to 25 meters per second). Therefore, if the actual wind speed is not within these limits, electricity output from our wind farms will decrease. During the project planning phase and before construction of any wind farm, we conduct wind tests to evaluate the site's potential installed capacity, and we base our core operational and financial assumptions and investment decisions on the findings of the tests.

We cannot assure you that actual climatic conditions at any project site or in Northern China, where all of our operating wind power projects are based, will conform to our assumptions during the project planning phase. As a result, we cannot guarantee that our wind farms will meet their anticipated electricity output. Historically, our wind farms located in Northern China usually reach peak electricity output in the months of October to April, and lowest electricity output in the months of June to August. If seasonal variations and fluctuations in wind conditions of Northern China do not conform to our historical observations or do not meet our assumptions, we may experience unexpected fluctuations in the electricity output of our wind farms. Similarly, extreme wind or weather conditions, particularly those affecting Northern China or nearby regions, could reduce our operational efficiency and electricity production, which could materially adversely affect our business, financial conditions and results of operations.

Our ability to generate electricity and, in turn, our financial condition and results of operations, depend on the operating performance of our wind turbines.

Similar to all wind power companies, our wind power business and our ability to generate revenue depend on the operating performance of our wind turbines. A wind turbine's non-performance or under-performance will negatively affect our wind farm operations.

Under our wind turbine supply agreements, our wind turbine suppliers typically provide performance warranties ranging from one to five years after a minimum of a 240-hour test run of such wind turbine. According to the performance warranties, should the relevant wind turbine fall short of the warranted performance level, our suppliers shall indemnify our loss based on (1) turbine purchase price, or (2) loss in electricity sales, usually subject to a cap amounting to a percentage of the total purchasing price agreed between our wind turbine suppliers and us. Although some wind turbine suppliers provide some level of limited indemnity for performance shortfalls under the turbine supply agreements, we cannot assure you that such indemnity will be adequate to cover any adverse effect on our financial performance as a result of any underperformance of our wind turbines.

Furthermore, we cannot assure you that when we negotiate new turbine supply agreements, we will be able to negotiate warranty and other terms comparable to those in our existing supply agreements. As a result, project costs could increase due to shorter warranty periods or more restrictive warranties, any of which could materially adversely affect our business, financial condition and results of operations. In addition, our wind turbines may fail to perform or underperform upon the expiry of the relevant performance warranty periods.

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.

Our wind farms need to connect to their local power grids and rely on local grid companies to provide dispatch services and purchase the electricity generated from our wind farms.

The Renewable Energy Law (and its amendments) requires all grid companies to purchase all electricity generated by wind power companies within the coverage of their power grids. Our wind farms have benefited and are expected to continue to benefit from these mandatory purchase obligations of the grid companies. However, in the PRC wind power industry, underdeveloped grid infrastructure has often resulted in installed capacity not being fully utilized to generate electricity for sale because grids are unable to absorb additional electricity. Our wind farms have experienced temporary limitations on the electricity output due to underdevelopment of grid infrastructure, resulting in surplus electricity overburdening the local grids. Similar to other wind farms in the PRC, our wind farms are unable to store electricity and must transmit or consume electricity once it is generated. Accordingly, we may turn off some of the wind turbines when we are unable to transmit electricity due to grid congestion or other grid constraints. Such events could reduce the actual net power delivered to grid of our wind farms. The PPAs that our wind farms have entered into do not provide for any compensation by the relevant grid companies for any financial losses due to grid congestion or other shortfalls in purchasing the full amount of electricity generated by our wind farms. See “Business — Our Wind Power Business — Sale of Electricity.”

In addition, other factors, including wind speed, wind direction, wake effect and other weather conditions, the design and quality of wind turbines, and the locations of the wind farms may affect electricity output. Given that these variations are often interrelated, and that there exists no established industry standard to evaluate the impact of these factors and their interaction, we cannot reliably estimate the possible financial impact on our wind farms attributable to grid congestion alone.

Furthermore, various other grid constraints, such as unplanned outages due to system failures, accidents and severe weather conditions, temporary restrictions due to repair and maintenance, restrictions on transmission capacity of the relevant grid and restrictions on electricity dispatch during certain peak periods, may curtail the transmission and dispatch of the full output of our wind farms.

Therefore, our ability to connect to the power grid, to dispatch and sell our electricity are subject to various factors beyond our control. We are unable to assure you that the local grid companies could provide the prompt connection of our wind farms to the grid and purchase all of the electricity generated by our wind farms, or comply with their contractual obligations under the PPAs. Any deduction in dispatched output due to grid restriction or failure in performance of the PPAs may materially adversely affect the sales of electricity generated from our wind farms, our business prospects and results of operations.

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.

Pursuant to the Kyoto Protocol, which the PRC government ratified in August 2002, from the effective date of the Kyoto Protocol to December 31, 2012, public or private entities from the countries listed in Annex I of the Kyoto Protocol can purchase the CERs we generate from our registered CDM projects and use those CERs to comply with their domestic emission reduction targets or sell them in open market. We generate other net income from the sale of CERs, which improves the economic viability of our wind power projects. For the years ended December 31, 2007, 2008 and 2009 and the three months ended March 31, 2009 and 2010, we derived CER income of RMB5.4 million, RMB10.7 million, RMB34.8 million, RMB4.8 million and RMB11.4 million, respectively, accounting for 7.0%, 5.0%, 8.5%, 4.9% and 6.4% of our operating profit for each respective period. In 2007, the Group also generated other income in the amount of RMB0.5 million from sales of VERs, which are carbon credits that originate from climate change mitigation projects which have not been registered with UNFCCC and are not mandated or regulated by the Kyoto Protocol. Sales of VERs are not dependent on CDM arrangements under the Kyoto Protocol. See “Business — Our Wind Power Business — Carbon Credit Transactions.” If the Kyoto Protocol is not renewed before its expiration on December 31, 2012 or if the PRC government discontinues its support for CDM arrangements, our income from the sale of CERs would be materially adversely impacted.

In December 2009, the UNFCCC rejected CDM registration applications of ten Chinese wind power projects. While none of such rejected projects include our projects, we cannot assure you that we will be successful in the registration of our pending and future wind power projects with the CDM EB.

Since the process to register CDM projects with the CDM EB is relatively complicated, the timing and outcome of our registration applications remain uncertain. We cannot assure you that the CDM EB will approve any of our current pending and future applications for the CDM project registration in a timely manner, or at all. Further, if any of the verification standards in the registration progress or the CDM registration policy changes materially, we may be unable to register our wind and other renewable energy projects as CDM projects, which could materially adversely affect our income from CERs, our financial condition and results of operations.

Any reduction in our on-grid tariffs could materially and adversely affect our revenue and profit.

Our on-grid tariff is determined by the NDRC under the Renewable Energy Law. According to the On-grid Pricing Policy recently promulgated by the NDRC, a geographically unified fixed tariff scheme for wind power replaced an industry wide on-grid tariff scheme (determined by a government guided price). Our Directors believe that a geographically unified tariff scheme provides more certain and commercially viable on-grid tariffs to wind farms within the same area. Please refer to the section headed "Business — Our Wind Power Business — On-grid Tariff." However, our on-grid tariffs may change. If our current on-grid tariffs reduce over time and we are unable to mitigate such decrease with lower construction costs or enhanced operation efficiency, our financial performance and revenue will be materially adversely affected.

We may encounter difficulties and delays when expanding our wind power business.

In the wind power sector, competition focuses on securing wind resources, in particular sites with favorable wind conditions and existing grid connection infrastructure. As part of our strategy, we are establishing our wind power business in areas outside our current operations. This includes securing and developing new wind farm sites in provinces or regions where we do not currently have a presence. Our expansion depends on our ability to obtain, in a timely and cost-effective manner, required PRC government and other approvals and to enter into investment documents, power purchase agreements and wind farm construction and wind turbine supply contracts for our new wind farms.

When implementing our expansion strategy, we may encounter setbacks such as adverse weather conditions, difficulties in connecting to grids, construction defects, delivery failures or delays by suppliers, unexpected delays in obtaining permits and authorizations or legal actions brought by third parties. We may also encounter unexpected difficulties such as unforeseen costs, delays in negotiating relevant agreements with counterparties and issues with the local regulatory and governmental authorities, all of which are beyond our control. Any failure of or delay to our expansion projects could materially adversely affect our prospects and financial position.

We face competition from other wind power operators as well as other renewable energy generation companies.

In addition to the competition in securing new wind farm sites, we face competition in securing delivery and installation of key equipment, securing all necessary connection to local grids in a timely manner and accessing the latest technologies. Although we evaluate these competitive factors carefully, certain competitors, including other major state-owned wind power enterprises in the PRC, may have better access to government support, infrastructure, financing or other resources than we do, enabling them to be more competitive in the development and acquisition of new wind power projects.

In addition, we may encounter competition from other electricity producers. In particular, other renewable energy technologies may become more competitive or attractive in the future. Competition from such producers may intensify if the technology used to generate electricity from these other renewable energy sources becomes more sophisticated and cost-effective, or if the PRC government strengthens its support for such other renewable energy sources. While we are exploring opportunities in other renewable energy sectors, such as solar power, we cannot assure you that we will successfully develop projects in these sectors. If we are unable to maintain and increase our competitiveness in the future, our business, financial condition and results of operations will be materially adversely affected.

Construction costs of our wind power projects tend to concentrate in summer and autumn of each year.

Construction of wind farms significantly depends on weather conditions. Cold and other extreme weather conditions are generally not conducive to wind farm construction work. Accordingly, we generally commence construction of our wind power projects that are based in Northern China in April or May and complete them before December of each year, when winter season starts. As a result, we tend to incur a significant portion of our construction costs and cash outflow, such as design and planning expenses, costs of wind turbines and other equipment, during summer and autumn of each year.

We expect our construction costs will continue to concentrate in summer and autumn of each year. If we are unable to manage our cash flow adequately, particularly with respect to the timing of our capital expenditures and completion of our new wind power projects, our development plans and operations may be materially adversely affected.

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.

While our categorization of our wind power project in this prospectus reflects how we internally classify our wind power projects, this classification methodology is not generally accepted by the industry, and it has not been verified or audited by any third party. Our project classification methodology divides our wind power projects into three stages: operating projects, projects under construction and pipeline projects. We further categorize our pipeline projects into three phases that denote the maturity of our wind power pipeline projects. See “Business — Our Wind Power Business — Pipeline Projects” for more details about our wind power pipeline projects.

No single project classification methodology is generally accepted in the wind power industry, and we expect that our project classification methodology differs from that used by other companies in the industry. As such, our project descriptions or our historical or projected operations results may not be comparable with those of other companies.

We may need to purchase and install additional equipment to comply with grid safety and stability requirements.

In order to meet grid safety and stability requirements, grid companies may require us to purchase and install, at our cost, additional equipment at our wind farms, after some of our wind farms (in particular for larger wind farms with greater installed capacity) have been constructed and connected to the grid. Although we have not yet been required to install any additional equipment, if we become subject to stricter grid safety and stability requirements, we would incur additional expenses to comply with such requirements, which could adversely affect our results of operations.

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 are required to make substantial initial investments to construct new gas pipeline infrastructure and develop new wind farms. The capital investment required to develop and construct wind farms, natural gas facilities or other clean energy facilities varies based on the cost of fixed assets, such as turbines or reinforced steel pipes, and cost of construction. The price of such equipment and/or construction may increase if market demand for such equipment or construction is greater than the available supply, or if the prices of key components, commodities and raw materials necessary to build such equipment increase. Other factors affecting the amount of capital expenditures include, among others, labor costs and finance expenses. A significant increase in the costs of developing and constructing our wind farms, natural gas facilities or other clean energy facilities could materially adversely affect our business, financial condition and results of operations.

Historically, we have financed our development through capital injections, funds generated from our operations and/or bank loans. We cannot assure you that, at the time of developing our new wind farms, natural gas facilities or other clean energy facilities, we will be able to secure financing from the above mentioned sources on commercially viable terms to fund required capital expenditures. If we fail to obtain adequate financing, our ability to expand our business may be hindered and the prospects of our future operations may be materially adversely affected.

We may not be able to execute our business strategy successfully or manage our growth effectively.

Historically, we derived a majority of our revenue from our natural gas business. For the three years ended December 31, 2007, 2008 and 2009 and the three months ended March 31, 2010, our natural gas business accounted for 94.0%, 91.5%, 82.6% and 76.1% of our total revenue, respectively. However, in view of the significant growth potential of the PRC wind power industry and the large size of our wind farm pipeline portfolio, we intend to use a majority of the net proceeds from the Global Offering to invest in the development 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."

Our wind power business contributed a relatively small portion to our total revenue during the Track Record Period. While we anticipate that the expected revenue contribution of our wind power business will increase as we make substantial investments in the development of our wind farm portfolio, if we are unable to execute our business strategy successfully, which depends on a variety of factors (including but not limited to our ability to develop and expand our existing portfolio of projects (including obtaining necessary financing), operate our existing and new assets successfully, maintain the Group's profitability and obtain the necessary wind power related equipment and construction services in a timely manner) our business and financial results may be materially adversely affected.

In addition, we must address risks frequently encountered by companies that experience significant growth in a short time, including but not limited to our ability to effectively manage large scale projects, maintain adequate control over our expenses and obtain sufficient financing on favorable terms. As such, we cannot assure you that we will be able to execute our business plan successfully within the expected timetable or at all, or that we will be able to manage our growth effectively, and our failure to do so could materially adversely affect our business, prospects, financial condition and results of operations.

Disputes with our joint venture and other business partners may adversely affect our business.

We have formed, and expect to form, joint ventures, consortiums or other cooperative relationships with other parties, including foreign entities, to jointly engage in certain business activities.

A dispute with our joint venture or other business partners may result in the loss of business opportunities or disruption to or termination of the relevant project or venture. A dispute may also give rise to litigation or other legal proceedings, which will divert our management attention and other resources. If a decision or award is rendered against us, we could be required to pay significant monetary damages, assume other liabilities and suspend or terminate the related project or operations. If we encounter any of the foregoing problems, our business, results of operations and financial condition may be materially adversely affected.

Failure to hire and retain sufficient management executives, technicians and other qualified personnel could adversely affect our business and prospects.

The sustainable growth of our business depends upon the continued service of our senior management. The industry experience, expertise and contributions of our executive directors and other members of our senior management listed in this prospectus under "Directors, Supervisors, Senior Management and Employees" remain essential to our continuing success. We will require an increasing number of experienced and competent executives to implement our growth plans. If we lose a number of our key management members and are unable to recruit and retain personnel with equivalent qualifications, the growth of our business could be adversely affected.

Our business, financial performance and prospects also depend on our ability to employ, train and retain highly skilled personnel, including managerial, design, engineering and other technical professionals. We need to retain and recruit a large number of highly qualified wind turbine mechanical engineers, civil engineers, pipeline engineers and other skilled workers for our wind farms and natural gas projects. In addition, we need to hire qualified managerial, technical, marketing and other personnel to implement our business initiatives as we expand our operations.

Competition for skilled personnel is generally intense in the PRC. We cannot assure you that we will be able to maintain an adequate skilled labor force necessary to execute our projects or to perform other corporate activities, and staff costs may increase as a result of a shortage in supply of qualified personnel. If we fail to attract and retain personnel with suitable managerial, technical or marketing expertise or if we fail to maintain an adequate labor force, our business operations could be materially adversely affected and our future growth and expansion may be hindered.

We may not be able to adequately protect our intellectual property rights, which could reduce our competitiveness.

We rely on a combination of trademarks and contractual rights to protect our intellectual property. As at the Latest Practicable Date, we had three registered trademarks in the PRC. We cannot guarantee that the measures we take will be sufficient to prevent any misappropriation of our intellectual property.

China's intellectual property laws are evolving and the protection and enforcement of intellectual property rights in China differ from that of other jurisdictions. Enforcement of our intellectual property rights could be costly, and we may not be able to detect unauthorized use of our intellectual property and take the necessary steps to enforce our rights in a timely manner. If the measures taken by us or the protection afforded by law do not adequately safeguard our intellectual property rights, we could suffer losses in revenue.

Any future changes in environmental laws or enforcement policies could materially adversely affect our business, results of operations and financial condition.

The power generation industry is subject to a broad range of increasingly stringent environmental laws and regulations in the PRC. As a clean energy company, the impact of the existing environmental laws and regulations and the corresponding compliance costs on our operations are relatively low compared to that of traditional fuel based power companies. However, changes to existing environmental laws and regulations could require us to incur additional compliance costs or require costly and time-consuming changes to our operations, either of which could materially adversely affect our business, results of operations or financial condition. For details of such laws and regulations, see the section headed "Regulatory Environment."

We are unable to predict future changes in environmental laws or enforcement policies or estimate the ultimate cost of compliance with such laws and regulations. The requirements of existing environmental laws and enforcement policies have generally become stricter in recent years, and the trend is likely to continue. The regulatory environment in which we operate is subject to frequent changes and has become more heavily regulated in recent years. We may be adversely affected as a result of new or revised legislation or regulations or by changes in the interpretation or enforcement of existing laws and regulations. New regulations could require us to acquire costly equipment, refit existing facilities or to incur other significant expenses.

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.

We had net current liabilities of RMB380.8 million, RMB 308.1 million, RMB 1,186.3 million, and RMB 793.4 million as of December 31, 2007, 2008 and 2009 and March 31, 2010. Our net current liabilities position as of such dates was primarily attributable to the high levels of short-term bank borrowings to finance our working capital requirements. Our short-term interest-bearing bank and other borrowings increased significantly from RMB377.0 million as of December 31, 2008 to RMB879.0 million as of December 31, 2009 and further to RMB1,162.0 million as of March 31, 2010.

We may continue to have a net current liabilities position in the future. The degree to which we are leveraged and the high level of our net current liabilities could materially adversely affect our operational flexibility and our liquidity. Our future liquidity and our ability to repay outstanding debt obligations when they become due will primarily depend on our ability to maintain adequate cash inflows from operating activities and our ability to obtain adequate external financing. Our future cash flows from operating activities could be adversely affected by many factors beyond our control, including changes of on-grid tariffs and prices of natural gas. Our ability to obtain additional external financing will depend on a number of factors including but not limited to the economic policies of the PRC government, our future financial strength and our relationships with the lenders. We may not have sufficient future cash flows or obtain additional external financing in time or on terms acceptable to us and, as a result, we may not be able to refinance our short-term loans as they become due.

Our levels of indebtedness and potential unavailability of credit may materially adversely affect our business.

Our current levels of debt and the instability in debt markets may affect our ability to secure funding for current operations and future business expansions. During the Track Record Period, we incurred an increasing amount of indebtedness (including bank borrowings and other borrowings) to finance our operations. As of December 31, 2007, 2008 and 2009 and March 31, 2010, our total short-term and long-term bank and other borrowings were RMB894.0 million, RMB2,206.0 million, RMB3,024.8 million and RMB3,647.7 million, respectively. As of the same dates, our gearing ratios, defined as (i) net debt divided by (ii) total equity plus net debt, were 59%, 64%, 65% and 58%, respectively. For the years ended December 31, 2007, 2008 and 2009 and the three months ended March 31, 2010 our finance costs were RMB31.2 million, RMB52.4 million, RMB104.0 million and RMB35.5 million respectively. See "Financial Information — Indebtedness — Gearing."

We also have significant capital commitments, mostly relating to the development of our wind power pipeline projects. As of December 31, 2007, 2008 and 2009 and March 31, 2010, our total capital commitments amounted to RMB2,115.0 million, RMB4,523.8 million, RMB4,559.5 million and RMB5,450.4 million, respectively. In light of our net current liabilities and current indebtedness positions, we may not have sufficient funds to meet our capital commitment in the future.

We may seek additional financing in the form of loans for planned capital expenditures and expansion plans. The level of our indebtedness and the amount of our interest payments could limit our ability to obtain the necessary financing or obtain favorable terms for the financing to fund future capital expenditures and working capital. Such limitations could reduce our competitiveness and increase our exposure and sensitivity to adverse economic and industry conditions, which could materially adversely affect our financial condition and results of operations.

We do not possess all the title certificates or construction permits in respect of certain land and buildings we own and occupy.

As at June 30, 2010, approximately 7.3% of the land and 5.0% of the buildings (including buildings for construction in progress) that our natural gas facilities and wind farms held and occupied had defective titles, respectively. We are applying for State-owned Land Use Right Certificates, Building Ownership Certificates and relevant construction permits for the land and buildings with title defects, although we have obtained written confirmations from the relevant local land or building authorities that they had not and will not impose penalties or challenge our defective titles for some of the buildings for which we have not obtained Building Ownership Certificate and the buildings for construction in progress for which we have not obtained the necessary construction permits. However, our use and occupation of the relevant land and buildings may be challenged. If we cannot obtain the relevant certificates or permits in a timely manner and our legal rights to use or occupy the relevant land and buildings are challenged, our operations or construction in the affected buildings could be interrupted, which in turn could materially adversely effect our business, financial condition or results of operations.

Failure by HECIC to fulfill its obligations to us in connection with the Reorganization may materially adversely impact our business and operating results.

In connection with the Reorganization, HECIC has entered into certain arrangements with us, including but not limited to the Non-Competition Agreement, the Reorganization Agreement, the Promoters' Agreement and a number of connected transaction agreements. See "History, Reorganization and Corporate Structure" and "Relationship with the HECIC" and "Connected Transactions." HECIC has agreed (i) not to compete, or (ii) to cause its other subsidiaries not to compete, with us in our principal businesses. If, for any reason, any of the arrangements between us and HECIC were to terminate or changes detrimental to us were made to the terms of these arrangements, our business and operating results could be materially adversely affected.

Our business may be affected by fluctuations in interest rates.

We are exposed to interest rate risk resulting from fluctuations in interest rates on our debt, and changes in interest rates affect our finance expenses and, ultimately, our results of operations. As we have relied and will continue to rely heavily on external financing to secure investment capital to finance the expansion of our wind power and natural gas business, we are sensitive to the cost of capital in securing such financing. Our finance expenses include capitalized interest amounted to RMB35.3 million, RMB111.8 million, RMB148.2 million and RMB48.3 million during the years ended December 31, 2007, 2008 and 2009 and the three months ended March 31, 2010, respectively. On December 23, 2008 the PBOC lowered the benchmark one-year lending rate to 5.31% as well as the lending rates on loans of other maturities. The PBOC also abolished the upper limit on Renminbi lending rates, which could result in higher interest rates, and permitted banks to offer deposit rates below the PBOC benchmark rate, which could cause us to earn lower interest income on our cash deposits. Although rates have been lowered, they may not remain at or near this level. If the PBOC were to raise benchmark lending rates, our finance expenses would increase, materially adversely affecting our business, financial condition and results of operations.

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.

Our wind farms and natural gas pipelines are subject to strict PRC laws and regulations in relation to their development, construction, licensing and operation. These laws and regulations relate to, among others, project approvals and other government approvals and licensing requirements for wind power and natural gas companies, building and construction of new projects, landscape conservation and power and natural gas dispatch and transmission.

Before we construct and operate our wind farms or natural gas pipelines, we must obtain operational and construction permits from various authorities. Procedures for granting operational and construction permits vary by local areas, and certain provinces may deny requests for permits for a variety of reasons. Finally, we must comply with laws and regulations and the conditions contained in the operational and construction permits, and our failure to do so may result in fines, sanctions, criminal penalties and/or suspension, revocation or non-renewal of approvals, licenses or permits. These factors could have an adverse effect on our business, financial condition or results of operations. See “Regulatory Environment.”

We may fail to manage our interests in assets, projects and subsidiaries in which we do not have control.

We may not be able to fully or successfully execute our business strategy with respect to assets, projects or subsidiaries in which we do not have control, either because we have equity interests of under 50% or we have entered into special contractual arrangements deferring control over our joint venture or business partners. Our control over such assets, projects and subsidiaries is generally subject to the terms of applicable agreements and arrangements.

Furthermore, for some of our wind power projects, we conduct our project development activities through one or more joint venture companies with local partners. In general, local partners may be involved in sourcing new projects and carrying out various activities during the development phase. We enter into partnerships where we believe we are able to benefit from the strong local insight and experience of local partners. We also have equity interests of less than 50% in certain project companies for historical reasons.

Under current contractual arrangements, if other equity owners or our local partners fail to perform their respective obligations or otherwise breach the terms and conditions of our shareholding arrangements or partnerships, our business, financial condition and results of operations may be materially adversely affected.

We rely on third-party suppliers and our in-house team to maintain our key equipment.

Our wind turbine suppliers are contractually obliged to provide technical support services typically from one to five years after each wind turbine commences operations, under which they undertake to (i) increase the operating efficiency of the wind turbines, (ii) conduct scheduled and unscheduled technical support in accordance with operational guidelines and maintenance routines and (iii) provide component repair or replacement. Our in-house wind power technicians perform our operational and maintenance activities following the expiration of such terms.

With respect to our key natural gas facilities, such as natural gas pipelines and the central CNG refueling station, we rely primarily on our operations and maintenance team for regular inspections, routine maintenance and repairs. Our operations also rely on computer information and communications technology and related systems to operate properly.

If the third-party suppliers or our in-house operations and maintenance team fail to provide technical support, inspection, maintenance or repair work for our key equipment and systems in a timely manner or at all, our power generation and natural gas business operations could be interrupted, possibly without warning. The occurrence of any of these events could materially adversely affect our business, financial condition and results of operations.

Future acquisitions may be expensive and may ultimately fail.

Any potential acquisitions or alliances for the purpose of business growth may result in material transaction expenses, or increased interest, amortization, depreciation and operating expenses, which could materially adversely affect our operating results. Acquisitions may require integration and management of new businesses and could divert management resources otherwise available for ongoing development of our business. Although we would consider potential investment opportunities or potential acquisition targets, we have not, as of the Latest Practicable Date, identified any definitive investment or acquisition targets nor had we entered into any definitive agreements with respect to any acquisitions or strategic investments. We may be unable to identify suitable acquisition candidates, obtain financing on acceptable terms or consummate any future acquisitions. Further, any acquisitions or alliances may expose us to unanticipated business uncertainties or legal liabilities relating to those acquired businesses or alliances, and the sellers of the acquired business or alliance partners may not indemnify us for such risks. Future acquisitions may also cause us to issue securities that will dilute our Shareholders. Any of these events could materially adversely affect our business, financial condition or results of operations.

Any preferential tax treatments currently or previously available to our subsidiaries in the PRC could be discontinued.

Enterprise Income Tax

Prior to January 1, 2008, companies established in the PRC were generally subject to enterprise income tax, or EIT, on their assessable profit, at the statutory rate of 33%, consisting of a 30% state income tax and a 3% local income tax. However, various preferential tax treatments applied to different enterprises. For instance, foreign invested manufacturing enterprises with a tenure in excess of ten years were fully exempt from PRC state income tax for two years starting from the first profit-making year and were 50% exempt from such tax for three years thereafter. Some of our subsidiaries in the PRC that are foreign invested enterprises enjoyed such preferential tax treatment applicable to foreign invested enterprises.

Pursuant to Circular 46, an enterprise set up after January 1, 2008 and engaged in cataloged public infrastructure projects is entitled to a tax holiday of a three-year full exemption followed by a three-year 50% exemption commencing from the first year it generates operating income. Accordingly, each of wind power projects that has obtained government approval on or after January 1, 2008 is fully exempt from EIT for three years starting from the year in which such project generates operating income from the sale of wind electricity, and is 50% exempt from EIT for three years thereafter.

The New EIT Law, which took effect on January 1, 2008, adopted a unified EIT rate of 25% for all enterprises, including foreign invested enterprises, and revoked any previous tax exemptions, reductions and other preferential treatments applicable to foreign invested enterprises. The EIT Law Implementation Rules and Circular 39 were promulgated in December 2007. Pursuant to the New EIT Law, the Implementation Rules and Circular 39, entities established before March 16, 2007 that were entitled to tax holidays and/or reduced tax rates under selected preferential tax treatments granted by the then-effective tax laws and regulations can enjoy preferential transitional treatments for a period from 2008 to 2012. Furthermore, an enterprise entitled to tax holidays for a fixed term may continue to enjoy such treatment until such fixed term expires or initiate the tax holding from 2008, regardless of whether it is the first profit-making year. However, the affected entity shall be subject to a standard EIT rate of 25% in the PRC from 2013. In addition, a qualified foreign invested enterprise is permitted to use 40% of the purchase costs of domestically manufactured equipment to offset the amount by which its income tax in the year of purchase exceeds the income tax paid in the previous year. The enterprise is allowed to carry forward such tax credits for four years.

Any increase in the EIT rate applicable to us, or discontinuation or reduction of any of the preferential tax treatments or financial incentives our PRC subsidiaries currently enjoy, could adversely affect our business, results of operations and financial condition.

Value Added Tax

Effective from January 1, 2009, the PRC government abolished the VAT refund policy available to certain foreign invested enterprises that purchase domestically manufactured equipment, pursuant to the Notice on the Abolishment of the Tax Refund Policy. Foreign invested enterprises that have purchased domestically manufactured equipment, received VAT invoices and submitted VAT refund applications with the relevant tax authorities on or prior to June 30, 2009 were still entitled to receive VAT refunds. After June 30, 2009, our subsidiaries that previously enjoyed this VAT refund policy can no longer claim a VAT refund for the input VAT incurred on the equipment purchases, and must pay VAT on the purchase of equipment. However, under the new VAT rules, our subsidiaries are allowed to recover the input VAT at the time when they sell electricity and natural gas by offsetting the excess input VAT on equipment purchases.

In addition, prior to January 1, 2009, pursuant to the Notice on Value Added Tax Policy Regarding Comprehensive Utilization of Part of the Resources and Other Products (Cai Shui [2001] No. 198) (《關於部分資源綜合利用及其他產品增值稅政策問題的通知》(財稅[2001]198號)), we were entitled to 50% VAT deduction for sales of electricity generated from our wind farms. Effective from January 1, 2009, pursuant to the Notice on Value Added Tax Policy Regarding Comprehensive Utilization of Resources and Other Products (Cai Shui [2008] No. 156) (《關於資源綜合利用及其他產品增值稅政策的通知》(財稅[2008]156號)), we are entitled to 50% VAT refund upon collection for sales of electricity generated from our wind farms.

As a result of VAT reform, after utilizing the entire amount of input VAT incurred on the equipment purchases and from the date on which we need to start paying VAT on sales of electricity, our cash flow, financial position or results of operations of wind power companies may be adversely affected. Also, any material changes to the existing VAT policies in the future may adversely affect our business, results of operations and financial conditions.

Our historical dividends may not be indicative of our future dividend policy.

In accordance with the Provisional Regulation Relating to Corporate Reorganization of Enterprises and Related Management of State-owned Capital and Financial Treatment issued by the MOF, the Reorganization Agreement entered into between HECIC and us and our Shareholders' meeting resolution on February 9, 2010, we have made a Pre-establishment Distribution to the HECIC. In addition, pursuant to resolutions of our Shareholders' meeting dated February 9, 2010, the First Special Dividends and the Second Special Dividends were approved to be distributed to our promoters, HECIC and HECIC Water, according to their respective shareholdings in our Company.

The Pre-establishment Distribution is determined based on the audited consolidated financial statements of the Company prepared in accordance with PRC GAAP. The First Special Dividends and the Second Special Dividends were and will be determined based on the audited consolidated financial statements of the Company prepared in accordance with PRC GAAP and IFRSs, whichever is lower, after deducting any appropriate amount made by the Company to the statutory and discretionary reserve funds. Pursuant to the regulation, agreement and Shareholders' meeting resolution referred to above, the Pre-establishment Distribution to HECIC was approximately RMB124.0 million.

Holders of our H Shares under the Global Offering will not be entitled to the Pre-establishment Distribution, the First Special Dividends or the Second Special Dividends. In addition, any distributable profit available for distribution to our Shareholders after the Global Offering will exclude the Pre-establishment Distribution, the First Special Dividends and the Second Special Dividends. The payment of Pre-establishment Distribution, the First Special Dividends and the Second Special Dividends may adversely impact our cash position.

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 cannot guarantee whether and when any dividends will be paid. The amount of dividends that we may have declared historically is not indicative of the amount of dividends that we may pay in the future. Details of our Company's dividend policy after the completion of the Global Offering are set out in "Financial Information — 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.

Our main assets include, among others, wind turbines, natural gas pipelines, blades, transformers, interconnection infrastructure and a central CNG refueling station. Operating these assets involves risks and hazards, including equipment failures, natural disasters, environmental hazards and industrial accidents. These hazards can cause significant personal injury or death, severe damage to and destruction of property, plant and equipment, contamination of, or damage to the environment and suspension of operations. We may also face civil liabilities or fines as a result of damages suffered by third parties, which may require us to make indemnification payments in accordance with applicable laws.

We have entered into insurance policies to cover certain other risks associated with our businesses. See the section entitled "Business — Insurance." While we believe this insurance coverage is commensurate with our business nature and risk profile, we cannot assure you that our insurance policies will insure us fully against all risks and losses that may arise. In addition, our insurance policies are subject to annual review by our insurers, and we cannot assure you that we will be able to renew these policies on similar or otherwise acceptable terms, if at all. If we were to incur a serious uninsured loss or a loss that significantly exceeded the limits of our insurance policies, our business, financial condition or results of operations would be materially adversely affected.

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.

All of our wind farms and natural gas pipelines are located in, and we derive all of our revenue from our operations in, the PRC. Accordingly, our results of operations, financial condition and prospects are subject to economic, political and legal developments in China. China's economy differs from the economies of developed countries in many respects, including the amount of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. While the PRC economy has experienced significant growth in the past 30 years, growth has been uneven across different regions and economic sectors. The PRC government has implemented various measures to encourage economic development and guide the allocation of resources. Some of these measures benefit the overall PRC economy, but may negatively affect us. For example, our financial condition and results of operations may be adversely affected by government control over capital investments or changes in tax regulations applicable to us. If the business environment in China deteriorates, our business in China may also be materially adversely affected.

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.

We typically enter into investment and development agreements with agencies or entities owned or otherwise controlled by the PRC government that give us the right to invest, develop and operate our new wind power and gas pipeline projects. The PRC government's plans with respect to the development of wind power and natural gas projects have historically been, and will continue to be cyclical and vulnerable to fluctuations in China's economy and changes in the PRC government's policies. We therefore have significant exposure to the risks associated with contracting with public organizations.

In addition, disputes with governmental entities and other public organizations could potentially lead to contract termination if unresolved or may take considerably longer to resolve than disputes with counterparties in the private sector, and payments from these entities and organizations may be delayed as a result. Such entities and organizations may claim sovereign immunity as a defense to any claims we may have against them. Government agencies generally exercise significant discretion in the performance of their contracts. If a governmental entity or other public organization terminates or fails to renew a contract with us, our investment plan may be hampered and our business and financial performance may be materially adversely affected.

The slowdown of the PRC's economy caused in part by the recent challenging global economic conditions may adversely affect us.

Although the PRC's economy has recently grown more quickly than most developed economies, its real GDP growth rate declined from 13.0% in 2007 to 9.0% in 2008 and 8.7% in 2009. A number of factors have contributed to this slowdown, including the appreciation of the RMB, which has adversely affected China's exports, and the PRC government's austerity measures and monetary policies aimed at preventing overheating of the PRC's economy and controlling China's high level of inflation. The slowdown has been further exacerbated by the challenging global economic conditions in the financial and credit markets, which in recent years have resulted in extreme volatility and dislocation in the global capital and credit markets.

It is uncertain how long the challenging global economic conditions in the financial services and credit markets will continue, and the extent of the adverse effect on the global economy and the PRC economy in particular. In response to the challenging global financial conditions, in September 2008 the PRC government began to loosen economic measures and monetary policies by reducing interest rates and decreasing statutory reserve rates for banks. On November 5, 2008, the State Council announced a RMB4 trillion economic stimulus plan to stimulate economic growth and bolster domestic demand. The economic stimulus plan includes, among others things, increasing spending on basic infrastructure construction projects for water, electricity, gas and heat to improve the standard of living in China and protect the environment. We cannot assure you that the economic stimulus plan or various macroeconomic measures and monetary policies adopted by the PRC government to guide economic growth and the allocation of resources will sustain the growth of the PRC economy. The slowdown of the PRC economy could lead to a decrease in business and construction activities nationwide, which could reduce demand for electricity and could materially adversely affect our business, financial condition and results of operations.

The global credit and capital markets have been, and may continue to be, subject to significant disruption.

The availability of credit to entities operate in emerging markets, including our Company, is significantly influenced by investor confidence in such markets. Any factors that affect market confidence could affect the price or availability of funding for entities within any of these markets, including us. Since the second half of 2007, global credit and capital markets, particularly in the United States and Europe, have experienced difficult conditions. Recently, the instability of the Greek and Spanish credit and financial markets has threatened the stability of the European Union's monetary policies, which may negatively impact the Euro, the members of the European Union and the world economy. These challenging market conditions have resulted in reduced liquidity, greater volatility, widening of credit spreads, lack of price transparency in credit markets, reduction in available financing and lack of market confidence. It is difficult to predict how long these conditions will exist and the extent to which we could be affected. It is also difficult to evaluate and predict how much the PRC economy has been and will be adversely affected by the current market uncertainties elsewhere. While as of the Latest Practicable Date, we have not experienced any difficulties or tighter credit terms in renewing our existing bank borrowings or obtaining new banking facilities, and have been able to borrow funds necessary to finance our operations in the current market environment, prolonged disruptions to the credit and capital markets could limit our ability to borrow funds from existing funding sources or raise the cost of our capital or subject our borrowings to less favorable terms. Furthermore, there can be no assurance that measures implemented by governments around the world to stabilize the credit and capital markets, new financial and economic policies, and rules and regulations in the PRC will improve market confidence, the credit environment or the overall economy. As a result, continued disruption to the global credit and capital markets may materially adversely affect our business, financial condition and results of operations.

Uncertainties with respect to the PRC legal system could materially adversely affect us.

PRC laws and regulations govern our operations in China. We and all of our operating subsidiaries are organized under PRC laws. The PRC legal system is based on written statutes. Prior court decisions may be cited for reference but have limited precedential value. Since the late 1970s, the PRC has promulgated laws and regulations dealing with economic matters, such as the issuance and trading of securities, shareholder rights, foreign investment, corporate organization and governance, commerce, taxation and trade.

However, many of these laws and regulations, particularly with respect to clean energy projects, are relatively new and evolving, are subject to different interpretations and may be inconsistently implemented and enforced. In addition, only limited volumes of published court decisions may be cited for reference, and such cases have limited precedential value as they are not binding on subsequent cases. These uncertainties relating to the interpretation, implementation and enforcement of the PRC laws and regulations and a system of jurisprudence that gives only limited precedential value to prior court decisions can affect the legal remedies and protections available to you, and can adversely affect the value of your investment.

In particular, the PRC power industry, including the clean energy sector, is highly regulated. Many aspects of our business, such as the amount and timing of electricity generation and the setting of tariffs, depend upon the receipt of the relevant government authority's approval. As the PRC legal system and the PRC power industry develop, changes in such laws and regulations, or in their interpretation or enforcement, could materially adversely affect our business, financial condition or results of operations.

Fluctuation of Renminbi could materially affect our financial condition and results of operations.

We collect substantially all of our revenue in RMB, some of which will need to be converted into foreign currencies to pay dividends to our Shareholders. The value of the RMB fluctuates and is subject to changes in China's political and economic conditions. Since July 21, 2005, the RMB has no longer been pegged solely to the U.S. dollar. Instead, the PRC government introduced a managed floating exchange rate system to allow the value of the RMB to rise or fall by as much as 0.3% each day, based on market supply and demand and by reference to a basket of other currencies. It is likely that the exchange rates of the Hong Kong dollar and the U.S. dollar against the RMB will fluctuate further. In the event of significant change in the exchange rates of Hong Kong and U.S. dollars against RMB, our ability to pay dividends in foreign currencies may be adversely affected. Accordingly, our financial condition and results of operations could also be adversely affected. In addition, any dividends in respect of our H Shares will be declared in RMB and paid in Hong Kong dollars. Accordingly, holders of H Shares in countries other than the PRC are subject to risks arising from adverse movements in the value of the RMB against the Hong Kong dollar, which may reduce any dividends paid in respect of the H Shares.

It is possible that PRC authorities may lift restrictions on fluctuations in the RMB exchange rate and lessen intervention in the foreign exchange market. To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk.

The PRC government's control of foreign currency conversion may limit our foreign exchange transactions, including dividend payment on our H Shares.

The RMB generally cannot be freely converted into any foreign currencies. Conversion and remittance of foreign currencies are subject to PRC foreign exchange regulations. Under a certain exchange rate, we may not have sufficient foreign exchange to meet our foreign exchange requirements. Under the current PRC foreign exchange control system, foreign exchange transactions conducted by us, including the payment of dividends, do not require advance approval from the SAFE. However, we are required to present documentary evidence of such transactions and conduct transactions at designated foreign exchange banks in China that have licenses to carry out foreign exchange business. However, the SAFE must approve in advance any foreign exchange transactions conducted by us.

Under existing foreign exchange regulations, following the completion of the Global Offering, we will be able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, there is no assurance that these foreign exchange policies regarding payment of dividends in foreign currencies will continue. In addition, any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to Shareholders or to satisfy any other foreign exchange requirements. If we fail to obtain approval from the SAFE to convert RMB into any foreign exchange for any of the above purposes, our capital expenditures, business, operating results and financial condition may be materially adversely affected.

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.

All of our Directors, Supervisors and executive officers reside in the PRC. In addition, substantially all of our assets and those of our Directors, Supervisors and executive officers are located in the PRC. The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with the United States, the United Kingdom, Japan and many other countries. As a result, it may not be possible for investors to serve process upon us or those persons in the PRC, or to enforce against us or them in the PRC, any judgments obtained from non-PRC courts. In addition, judgments of a court of any other jurisdiction related to any matter not subject to a binding arbitration provision may be difficult or impossible to enforce.

Our Articles of Association and the Listing Rules provide that most disputes between holders of H Shares and our Company, our Directors, Supervisors or executive officers arising out of the Articles of Association or the Company Law and related regulations concerning our Company's affairs, are to be resolved through arbitration. Under the current arrangement for reciprocal enforcement of arbitral awards between the PRC and Hong Kong, awards made by the PRC arbitral authorities that are recognized under the Arbitration Ordinance can be enforced in Hong Kong. Hong Kong arbitration awards are also enforceable in the PRC. On July 14, 2006, the Supreme People's Court of the PRC and the Government of the Hong Kong Special Administrative Region signed an Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters. Under this arrangement, where any designated People's Court or Hong Kong court has made an enforceable final judgment requiring payment of money in a civil and commercial case pursuant to a choice of court agreement, any party concerned may apply to the relevant People's Court or Hong Kong court for recognition and enforcement of the judgment. Although this arrangement became effective on August 1, 2008, the outcome and effectiveness of any action brought under the arrangement remains uncertain.

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.

Under current PRC tax laws, regulations and rules, foreign individuals and foreign enterprises that are not PRC residents are subject to different tax obligations with respect to the dividends paid to them by us or the gains realized upon the sale or other disposition of H Shares.

Foreign individuals who are not PRC residents are currently exempted from PRC individual income tax on dividends paid to them by us and gains realized by such individuals upon the sale or other disposition of H Shares. If the PRC government withdraws the exemption, such foreign individuals may be required to pay PRC individual income tax or we may be required to withhold such tax from dividend payments, subject to applicable tax treaties between the PRC and the jurisdictions in which the foreign individuals reside that reduce or provide an exemption for the relevant tax obligations.

For foreign enterprises that do not have establishments or premises in the PRC, or have establishments or premises in the PRC but their income is not related to such establishments or premises, under the new PRC Enterprise Income Tax Law, which became effective from January 1, 2008, dividends paid by us and the gains realized by such foreign enterprises upon the sale or other disposition of H Shares are ordinarily subject to PRC enterprise income tax at a 20% rate. In accordance with the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends paid by Chinese Resident Enterprise to Shareholders which are Overseas

Non-resident Enterprises issued by the State Administration of Taxation, such tax rate has been reduced to 10%, subject to a further reduction under a special arrangement or applicable treaty between the PRC and the jurisdiction of the relevant foreign enterprise's residence.

As the New EIT Law and the implementation rules thereto are new, there remains significant uncertainty as to their interpretation and application by the PRC tax authorities. The implementation of enterprise income tax on capital gains remains uncertain. The PRC tax laws, rules and regulations may also change. If the tax rates stipulated in the new tax law and the related implementation rules are amended, the value of your investment in our H Shares may be materially affected. See "Appendix VI — Taxation and Foreign Exchange" for further details.

Payment of dividends is subject to restrictions under PRC law.

Under PRC law, dividends may be paid only out of distributable profit. Distributable profit are our net profit as determined under PRC GAAP or IFRSs, whichever is lower, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, we may not have sufficient or any distributable profit to enable us to make dividend distributions to our Shareholders, including periods in which we are profitable. Any distributable profit not distributed in a given year are retained and available for distribution in subsequent years.

Moreover, because the calculation of distributable profit under PRC GAAP is different from the calculation under IFRSs in certain respects, our operating subsidiaries may not have distributable profit as determined under PRC GAAP, even if they have profit for that year as determined under IFRSs, or vice versa. Accordingly, we may not receive sufficient distributions from our subsidiaries. Failure by our operating subsidiaries to pay us dividends could negatively impact our cash flow and our ability to make dividend distributions to our Shareholders, including periods in which we are profitable.

A widespread public health problem may occur.

An outbreak of any widespread public health problem in China, such as Severe Acute Respiratory Syndrome ("SARS"), avian influenza or H1N1 influenza, could negatively affect our business, operations and financial results. Our operations may be affected by a number of health-related factors, including quarantines or closures of some of our offices and manufacturing facilities, travel restrictions, major sickness or death of our key officers and employees and import and export restrictions.

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.

Subject to the approval by the securities supervisory and administrative authorities of the State Council, holders of Domestic Shares may convert their Domestic Shares into H Shares and transfer such H Shares to overseas investors. Such H Shares may be listed or traded on an overseas securities exchange. Any listing or trading of the above-mentioned H Shares on an overseas securities exchange shall also comply with the regulatory procedures, rules and requirements of the relevant overseas securities exchange. Unless otherwise required by the overseas securities exchange, there is no requirement for the listing and trading of the above-mentioned H Shares to be approved in a class meeting of our Company. Potential conversion of a substantial amount of Domestic Shares into H Shares could further increase the supply of our H Shares in the market and could negatively impact the market price of our 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.

Prior to the Global Offering, there has been no public market for our H Shares. The initial issue price range for our H Shares was the result of negotiations among us and the Joint Bookrunners on behalf of the Underwriters, and the Offer Price may differ significantly from the market price for our H Shares following the Global Offering. We have applied for listing of, and permission to deal in, our H Shares on the Stock Exchange. A listing on the Stock Exchange, however, does not guarantee that an active trading market for our H Shares will develop, or if it does develop, will be sustained following the Global Offering. The market price of our H Shares may also decline following the Global Offering. In addition, the Global Offering may not result in the development of an active and liquid public trading market for our H Shares. Furthermore, the price and trading volume of our H Shares may be volatile. Factors such as the following may affect the volume and price at which our H Shares will trade:

- actual or anticipated fluctuations in our revenue and results of operations;
- news regarding recruitment or loss of key personnel by us or our competitors;
- announcements of competitive developments, acquisitions or strategic alliances in our industry;
- changes in earnings estimates or recommendations by financial analysts;
- potential litigation or regulatory investigations;
- general market conditions or other developments affecting us or our industry;
- the operating and stock price performance of other companies, other industries and other events or factors beyond our control; and
- release of lock-up or other transfer restrictions on our outstanding H Shares or sales or perceived sales of additional H Shares by us or other Shareholders.

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.

Future sales by our Shareholders of substantial amounts of our H Shares or other securities relating to our H Shares in the public markets after the Global Offering, or the perception that these sales may occur, could adversely affect market prices. Please see the section headed "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering" of this prospectus for a more detailed discussion of restrictions that may apply to future sales of our Shares.

After these restrictions lapse, the market price of our H Shares may decline as a result of future sales of substantial amounts of our H Shares or other securities relating to our H Shares in the public market, the issuance of new H Shares or other securities relating to our H Shares, or the perception that such sales or issuances may occur. This could also materially adversely affect our ability to raise capital at a time or at a price we deem appropriate.

HECIC has substantial control over our Company whose interests may not be aligned with the interests of our other Shareholders.

Upon completion of the Global Offering, HECIC will own directly and indirectly an aggregate of approximately 61.5% of our H Shares assuming no exercise of the Over-allotment Option (or approximately 57.9% if the Underwriters exercise the Over-allotment Option in full).

As a result, by virtue of its controlling ownership of our share capital, HECIC will be able to exert significant influence over our business and otherwise on matters of significance to us and other Shareholders by voting at the general meetings of Shareholders, including:

- election of directors;
- selection of senior management;
- amount and timing of dividends and other distributions;
- acquisition of or merger with another entity;
- overall strategic and investment decisions;
- issuance of securities and adjustment to our capital structure; and
- amendments to our Articles of Association.

The interests of HECIC may differ from the interests of our other Shareholders and HECIC is free to exercise its votes according to its interests. HECIC will have the power to prevent or cause a change in control of our Company. Without the consent of HECIC, we may be prevented from entering into transactions that could be beneficial to us and our other Shareholders. In connection with the Global Offering, HECIC has given an undertaking in the Non-competition Agreement that it and its affiliates, other than our Company, will not engage in clean energy business that may compete with us. To the extent the interests of HECIC conflict with the interests of other Shareholders, the interests of other Shareholders can be disadvantaged and harmed.

You will experience immediate dilution and may experience further dilution if we issue additional Shares.

The Offer Price of the H Shares is higher than the net tangible asset value per H Share immediately prior to the Global Offering. Therefore, you and other purchasers of the H Shares in the Global Offering will experience an immediate dilution in pro forma net tangible asset value of approximately HK$0.84 per H Share (assuming an Offer Price of HK$2.36 per H Share, being the mid-point of our Offer Price range between HK$2.06 and HK$2.66 per H Share), and existing holders of our Shares will receive an increase in net tangible asset value per share of their H Shares. If we issue additional H Shares or equity-linked securities at a price lower than the net tangible asset value per H Share at the time of issuance, you and other purchasers of our H Shares may experience further dilution in the net tangible asset value per H Share.

Certain facts and statistics derived from government sources contained in this prospectus may not be reliable.

We have derived certain facts and other statistics in this prospectus, particularly those relating to the PRC, the PRC economy, the PRC wind power industry and the PRC natural gas industry from various government publications or communications with various PRC government agencies that we believe to be reliable. While our Directors have taken reasonable care in the reproduction of the information, they have not been prepared or independently verified by us, the underwriters or any of our or their respective affiliates or advisers and, therefore, we may not be able to make any assurance as to the accuracy and reliability of such facts and statistics, which may not be consistent with other information compiled within or outside the PRC. The facts and other statistics include the facts and statistics included in the sections entitled "Risk Factors," "Industry Overview," "Business" and "Appendix V — Technical Report." Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and you should not place undue reliance on them. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, you should consider carefully how much weight or importance you should attach to or place on such facts or statistics.