Potential investors should carefully consider all of the information set out in this Prospectus and, in particular, should consider the following risks and special considerations associated with an investment in our Company before making any investment decision in relation to our Company.

RISKS RELATING TO OUR BUSINESS

We rely on Concessions for the operation of our business, which will expire or may be terminated before expiration.

We conduct our core business based on Concessions granted by local governments. Each of our Project Companies has, since its inception, been the sole distributor of natural gas and coal gas, among other fuel gases, in Hebi City, Xuchang City and Shangjie District of Zhengzhou City, or our Operating Cities. Although the Concessions are valid for 30 years or longer, they are subject to renewal approval upon each of its expiration. In particular, the relevant Concession Agreements for two of our Project Companies, one in Hebi City and the other in Shangjie District of Zhengzhou City, stipulate that, subject to governmental approval, these Project Companies are entitled to renew the relevant Concessions upon: (i) their expiration using the tender process; (ii) meeting the tender requirements as set out by the relevant authority; and (iii) winning the bid. As to our Concession in Xuchang, Xuchang Tian Lun may renew the Concession subject to the *Measures on the Administration of the Franchising of Municipal Public Utilities* (市政公用事業特許經營管理辦法). In addition, the Concession grantor of Shangjie has the right to early termination of the Concession in Shangjie under certain circumstances, which include: (i) the occurrence of *force majeure* events; (ii) by mutual agreement of the parties; and (iii) cancellation of the Concession by the grantor. Circumstances which may give rise to cancellation of the Concession in Shangjie by the grantor include the following actions by us during the period of Concession: (i) unauthorized transfer or lease of the Concession by us to any third party; (ii) unauthorized dealing in or pledge of our operating assets; (iii) serious quality or production safety incidents due to poor management; (iv) unauthorized suspension of business and gases sold by us that causes serious public interest and safety concerns; and (v) engagement in any unlawful conduct. If our Concessions are terminated due to such circumstances before expiration, or we are not able to renew them, our business will be materially adversely impacted.

We place significant reliance on revenue generated from our gas pipeline connections operation.

During the Track Record Period, we placed significant reliance on the substantial revenue and gross profit generated from our gas pipeline connections operation. Our gas pipeline connections operation generated substantial revenue, received from one-off connection fees, representing 57.3%, 52.9%, 50.6% and 51.1% of our total revenue for the years ended 31 December 2007, 2008 and 2009 and the six months ended 30 June 2010, respectively; and we will depend on it for a significant portion of our operating revenue and cash flows. We operated significant gross profit margins from our gas pipeline connections operation of 71.7%, 66.0%, 71.3% and 71.4% for the years ended 31 December 2007, 2008 and 2009 and the six months ended 30 June 2010, respectively, as compared to gross profit margins from our transportation and sales of pipelined gas of 1.9%, 8.8%, 14.1% and 12.4% for the years ended 31 December 2007, 2008 and 2009 and the six months ended 30 June 2010, respectively. The gross profit from our gas pipeline connections operation amounted to RMB27.1 million, RMB44.6 million, RMB64.6 million and RMB41.9 million for the years ended 31 December 2007, 2008 and 2009 and the six months ended 30 June 2010, respectively, representing approximately 94.4%, 89.1%, 81.9% and 80.7% of our total gross profit during the same periods. During the Track Record Period, our gross profit margin for our gas pipeline connections operation did not fluctuate significantly although our gross profit margin for our transportation and sales of pipelined gas operation has increased. We cannot assure that such trend will continue in the future. Fluctuations in our gross profit margins in the future may adversely affect our financial condition and results of operations. In addition, if we fail to generate sufficient revenue from our gas pipeline connections operation in the near term, and revenue generated from our transportation and sales of pipelined gas operation is insufficient to cover our expenses, our financial condition and results of operations could be materially and adversely affected.

We may be unable to obtain natural gas at prices similar to the prices from our pipelined natural gas suppliers.

Our supply of natural gas from our pipelined natural gas suppliers are based on the benchmark volume allocated to us by the *Henan Development and Reform Commission*. When we anticipate shortfall in the supply of natural gas, we will approach the relevant pipelined natural gas supplier to demand additional quantities of natural gas. In the event where the relevant pipelined natural gas supplier could not supply us with additional quantities of natural gas, we would have to purchase natural gas from alternative suppliers to temporarily satisfy the shortfall.

During one of the months in the Track Record Period, as the relevant pipelined gas supplier could not provide the additional quantities of natural gas required by us, Hebi Tian Lun made small purchases of natural gas from an alternative supplier at a higher price as compared to the prices offered by our pipelined natural gas suppliers. As such, we cannot assure that we will be able to source natural gas from the alternative suppliers at prices similar to the prices from our pipelined natural gas suppliers.

If we are unable to source sufficient pipelined natural gas or to purchase natural gas from alternative suppliers at prices similar to the prices offered by our pipelined natural gas suppliers, our business and our profitability may be adversely affected.

Our transportation and sales of pipelined gas operation relies on limited suppliers.

Our purchased pipelined gases, including natural gas and coal gas, account for approximately 79.4%, 74.7%, 79.1% and 77.9% of total raw materials and consumables used for each of the three financial years ended 31 December 2009 and the six months ended 30 June 2010, respectively. As at the Latest Practicable Date, we purchased natural gas and coal gas primarily from three oil and gas transporters or distributors in China, namely, Henan Lantian Gas Co., Ltd* (河南藍天燃氣股份有限公司), Henan Ancai Energy Co., Ltd* (河南安彩能源股份有限公司) and Henan Gas (Group) Limited Pipeline Branch* (河南省煤氣(集團)有限責任公司管道輸氣分公司).

We renew our purchase arrangement of coal gas with Henan Gas (Group) Limited Pipeline Branch* on an annual basis. As our natural gas supply is based on an allocated benchmark volume issued by *Henan Development and Reform Commission*, we do not enter into any formal agreements with our other two suppliers. There can be no assurance that we will be able to obtain natural gas and coal gas from these suppliers on similar terms or without material interruption. In these circumstances, we may seek alternative suppliers for natural gas. We do not have any alternative suppliers for coal gas and if we are unable to obtain timely supply of coal gas from our coal gas supplier, our supply of coal gas to our users may be affected. In 2007, Hebi Tian Lun made a one-off exigent purchase for natural gas from a non-pipelined gas supplier at a higher price in order to maintain its supply of natural gas. There can be no assurance that we will be able to carry out similar contingency plan again for our Operating Cities for natural gas, or devise any contingency plan for coal gas, or that it be made promptly, on acceptable terms, or at all. Failures to secure supply from other pipelined gas suppliers on time will materially and adversely affect our results of operation, financial condition, as well as reputation.

Our gas pipeline connections operation relies on property developers and a specific regional market.

For the years ended 31 December 2007, 2008 and 2009 and the six months ended 30 June 2010, approximately 57.3%, 52.9%, 50.6% and 51.1%, respectively, of our revenue was derived from connection fees from our gas pipeline connections operation, with gross profit margin of 71.7%, 66.0%, 71.3% and 71.4% respectively, for the same periods. The majority of such revenue was derived from our gas pipeline connections operation in new residential areas. As a result, our gas pipeline connections operation may depend on the performance of property markets. The timing and cost of completion of the gas pipeline networks in these residential areas will depend on a number of factors, including the costs and availability of financing to property developers of the residential areas, condition of the property market and local general economic conditions. The completion of these residential estate projects may also be adversely affected by factors generally associated with construction and expansion projects, including shortage or fluctuations in prices of construction equipment or materials, adverse weather conditions and other unforeseeable circumstances, such as structural damage to pipelines caused by earthquakes. Should all or any of these factors occur, it may result in delays in the completion of such residential estate projects, thus delaying the timing of construction of gas pipeline networks. Accordingly, such delay may increase our construction costs and may have an adverse impact on the profitability of our business.

Our pipelined gas users are all located within our Operating Cities as at the Latest Practicable Date. Our business expansion will, to a large extent, depend on the economic development of such cities. Due to our reliance on the urban market, there may be adverse effects on our sales and profit in the event that urban demand for natural gas and coal gas reduces significantly.

We engage subcontractors for certain services in relation to our gas pipeline connections operation.

We engage subcontractors, on an as-needed basis to provide certain services, pursuant to service contracts, that we are unable to or do not generally provide, such as gas pipeline construction. As a result, our operations and our financial results will be affected by factors such as the performance, the pricing and the ability of subcontractors to complete the projects. We may not be able to control the quality, safety and environmental standards of the work done by subcontractors to the same extent as when the work is performed by our own employees. Any failure by these subcontractors to meet our quality, safety and environmental standards may result in our liabilities to third parties and have a material adverse effect on our business, reputation, financial condition and results of operations. Any failure by these subcontractors could also affect our compliance with government rules and regulations, such as those relating to pipeline construction and workers' safety. During the Track Record Period, we have not experienced any of the said quality, safety and environmental standards issues with our subcontractors. However, we cannot assure that these issues will not arise in the future, which may have material adverse effects on our business and results of operations.

Any failure by us to retain any of our subcontractors or obtain replacements on favorable terms, or at all, may have material adverse effects on our business and results of operations.

We may be unable to generate sufficient cash flow to meet our current liabilities.

We recorded net current liabilities of RMB56.4 million, RMB49.9 million, RMB21.2 million and RMB18.9 million, as at 31 December 2007, 2008 and 2009 and 30 June 2010, respectively, which were mainly due to our reliance on short-term financing in respect of our capital investment prior to 2007 which was funded by bank borrowings and carried forward to the Track Record Period. As at 31 December 2007, 2008, 2009 and 30 June 2010, majority of our current liabilities were advances from customers primarily relating to our gas pipeline connections operation of RMB45.7 million, RMB48.7 million, RMB43.0 million and RMB35.9 million, due to the time gap between when we received payments and when we recognized revenue. Generally, it takes up to approximately six months after we receive advances from our customers before construction will commence. It can take approximately two to four months from the commencement of the construction to the completion of the construction. Hence, the time between when we receive advances from our customers and when we recognize such advances as revenue is generally within a year. Our gearing ratios as at 31 December 2007, 2008 and 2009 and 30 June 2010 were 0.81, 0.55, 0.35 and 0.04, respectively. In addition, our total borrowings as at 31 December 2007, 2008 and 2009 and 30 June 2010 amounted to RMB123.8 million, RMB88.5 million, RMB75.6 million and RMB87.9 million, respectively. As at 30 September 2010, the amount of borrowings was RMB31.3 million.

If we are unable to complete gas pipeline connections and recognize the advances as revenue, our business and cash flow may be adversely affected.

Our revenue and results of operations are subject to fluctuations in the supply or disruptions to transportation of natural gas.

Our natural gas is produced from gas fields in the Tarim Basin and transported through the suppliers' long-distance high-pressure pipeline system, owned and operated by CNPC, to Henan Province. If natural gas supply from the Tarim Basin or our suppliers' transportation of natural gas is substantially impaired, our transportation and sales of pipelined gas operation will be interrupted and there will be an adverse effect on our results of operations and financial condition.

The price of our products is subject to government price control.

Natural gas and coal gas prices charged by us are subject to the approval of the *Commodity Price Bureau* (物價局) of each Operating City, or the *Commodity Price Bureau*. According to *The Chinese Pricing Act* (《中華人民共和國價格法》), we are entitled to determine the price of natural gas and coal gas, subject to a ceiling price imposed by the local governments. The local governments may introduce policies to adjust the ceiling price. To operate in line with the local government's policies, we may re-adjust our selling price in accordance with the new ceiling price introduced from time to time. To do this, we must submit applications for price adjustment to the *Commodity Price Bureau* of the relevant Operating City. The *Commodity Price Bureau* will then convene a series of hearings to form an informed conclusion of the price. The price concluded by the *Commodity Price Bureau* will be reported to the local *Development and Reform Commission* (發展和改革委員會) of our Operating Cities for confirmation. Our Directors confirm that, from our past experience, the time required for obtaining the approval for price adjustments for our commercial and industrial users is approximately one month and that for our residential users is approximately six months. Should we fail to obtain price adjustment approval, or fail to secure such approval in a timely manner from the *Commodity Price Bureaus* or the local *Development and Reform Commission* of our Operating Cities, our profitability may be adversely affected.

During the Track Record Period, the approved retail prices, inclusive of VAT, of natural gas and coal gas sold to different categories of users remained stable or experienced different levels of increase. Generally, as changes in our selling price of our natural gas and coal gas were driven by the purchase price of the respective gas, and changes in our selling price of CNG was driven by the purchase price of our natural gas and market demand of CNG, such changes have not materially affected our overall track record results during the Track Record Period. For more information on our average selling prices, see "Financial Information — Factors Affecting Our Results of Operations and Financial Condition — Number of new connections completed" and "Financial Information — Factors Affecting Our Results of Operations and Financial Condition — Sales volume and price of pipelined gas" in this Prospectus. Should the nationwide prices of natural gas and coal gas and connection fees fall, causing us to make downward adjustments to such prices, our gross profit margin and our profitability may be adversely affected.

Our future growth strategies may not succeed.

As part of our growth strategy, we may pursue acquisitions or enter into strategic alliance or joint venture arrangements that we believe would benefit us. Our ability to grow through acquisitions depend upon our ability to, among others, procure and allocate resources to fund our future expansion. Due to the nature of our business, we are required to make a substantial initial investment in the construction of gas pipeline infrastructure for each gas project. The initial investments are usually financed by our internal resources, bank loans or equity fund raising. There can be no assurance that we can secure the necessary resources to implement our future expansion plan, for example, if we fail to obtain the necessary initial capital to fund our future projects, our future expansion plan may be readjusted or some of our future expansion plan may not be achieved. Even if we successfully implement our future expansion plan we may still face challenges in, but not limited to, the following areas:

- difficulties in integrating any acquired companies, technologies, personnel or products into our existing business;

- difficulties in implementing management and internal control mechanisms that timely and adequately respond to our expanded scope of operations; and

- costs of integration that exceed our anticipation.

Any difficulties in securing the necessary financial resources or the integration of acquired business, companies or technologies, our results of operations and financial condition may be adversely affected.

The revenue and results of our transportation and sales of pipelined gas operation are seasonal.

A substantial portion of our revenue is derived from transportation and sales of pipelined gas operation. The demand for natural gas and coal gas sales to residential, commercial and industrial users is seasonal. Our revenue and results of operations are therefore subject to seasonality. In 2009, approximately 68% of the total sales volume of our natural gas and coal gas occurred in the first and fourth quarters. These patterns reflect the higher demand for natural gas and coal gas for heating purposes during those periods, which may result in shortages of gas supply.

We may be subject to unreasonable price competition from our competitors in our distribution and sales of CNG.

We enjoy steady profits from our distribution and sales of CNG as at the Latest Practicable Date. Unlike natural gas and coal gas, our distribution and sales of CNG does not require concessions. We own one of the three CNG filling stations currently operating in Xuchang City, where we encounter competition. There can be no assurance that we will not face hostile price competition from competitors in the future in our Operating Cities, such as through cost cutting and pricing CNG below our current price. Other than providing guidance on the selling price of CNG in 2010, the PRC Government has not placed any regulatory control on the selling price of CNG during the Track Record Period. In the event that we face aggressive price competition, our current market share, results of operations and financial condition may be materially and adversely affected.

Changes in favorable taxation treatment could reduce our profits.

According to the current rules and regulations of the PRC on taxation, sino-foreign equity joint venture enterprises or WFOEs with an operational period of over ten years may, after obtaining approval from the relevant PRC taxation authorities, recoup prior years' retained losses from the first profit-making year (such recoupment not to exceed five consecutive years). Thereafter, such companies are exempt from profit tax for the first two years after becoming profitable and will also be provided with a 50% reduction in the rate of profit tax for the following three years. Hebi Tian Lun currently enjoys the reduced tax rate pursuant to such regulations and the preferential taxation treatment will expire at the end of 2011. In addition, there can be no assurance that the preferential taxation treatment will not be changed in the future. In the event of any such change, our profits may be materially and adversely affected.

Accidents or occurrences of public safety concerns may occur; we lack adequate insurance coverage.

We conduct a highly hazardous business due to the flammable and explosive nature of natural gas and coal gas. There can be no assurance that accidents or occurrences of public safety concerns or any industry-related accidents will not occur during our operations in the future. For example, an earthquake in any of our Operating City may cause destruction of, or damage to, our pipelines and a leak of natural gas. Significant operational hazards and natural disasters may cause interruptions in our operations that could have a material adverse impact on our business and financial condition, as well as our reputation.

We do not currently maintain fire, casualty or other property insurance policies covering our facilities, properties or equipment, other than with respect to vehicles. In addition, we do not maintain any business interruption insurance or any third-party liability insurance to cover claims in respect of personal injury, property or environmental damage arising from accidents on its properties or relating to its operations, other than third-party liability insurance with respect to vehicles and insurance as required under the *Labor Law of the PRC*. Any uninsured losses and liabilities incurred by us or a successful claim made against us that is not covered by any insurance policies could have a material adverse effect on our results of operations and financial condition. Our directors believe that we have adequate insurance coverage as we have maintained policies which are mandatory under the relevant PRC laws and regulations and in accordance with the industry practice.

Operations of our business rely on key management and employees.

The success of our operations is, to a significant extent, built upon the technical expertise, operational ability and in-depth industry knowledge and experience possessed by our senior management and certain technical personnel in construction, sales and internal management. Mr. Zhang and Mr. Xian have substantial industry expertise and company management experience. Each of them has entered into a service agreement with our Company for a fixed term of three years, which allows early termination by giving the other party not less than three month's notice in writing. Each of the key technical and management personnel has entered into a service agreement with us for a fixed term of three years, such service agreement allows early termination by the employee giving not less than one month's notice in writing. Should any of the key management and/or employees cease to serve our Company or our Project Companies, and we fail to engage capable replacement in time, it may lead to a material adverse impact on the operations of our business.

We may need to raise capital to fund our operations, and our failure to obtain funding when needed may force us to delay, reduce or eliminate acquisitions and business development plans.

If in the future it happens that we are unable to generate sufficient revenue from our operations and our capital resources are insufficient to finance the implementation targets as described in the section headed "Future Plans and Use of Proceeds" in this Prospectus, we may have to internally generate funds and/or raise funds, such as through bank borrowing and equity financing to continue the development, commercialization and marketing of our business.

We cannot be certain that funding will be available. To the extent that we raise additional funds by issuing equity securities, our stockholders may experience significant dilution. Any debt financing, if available, may involve restrictive covenants that impact our ability to conduct our business. If we are unable to raise the required additional capital or on acceptable terms, we may have to delay, scale back, discontinue our planned acquisitions or business development plans or obtain funds by entering into agreements on unattractive terms.

We have not obtained building ownership certificates for some of the buildings we occupy or use.

As at the Latest Practicable Date, we have not obtained the necessary approvals, permits and certificates for a total aggregate floor area of 432 m^2, mainly as shelters for our staff and facilities built on the parcels of land we owned and/or used. As advised by Grandall Legal Group, pursuant to the confirmations issued in June 2010 by the *Housing and Construction Bureaux* in the cities where those buildings are located, the responsible government authorities, it was confirmed that: (i) we are entitled to use such buildings without obtaining the relevant approvals, permits and/or certificates; and (ii) we will not be penalized for not obtaining the relevant approvals, permits and/or certificates. We intend to apply for the relevant approvals, permits and certificates in respect of a portion of these properties.

No commercial value has been attributed to such buildings which we have not obtained the necessary approvals, permits and certificates in the valuation of properties. In the event that the occupation and use of these buildings, for which we do not hold the necessary approvals, permits and certificates, are interrupted beyond our control, we may be require to relocate our business operations and such relocation may adversely affect our financial condition and results of operations.

We may not be able to register our trademark in Hong Kong.

As at the Latest Practicable Date, we have applied for the trademark registration of our trademark set out in the paragraph headed "Statutory and General Information — Further Information about the Business — Intellectual property rights" set out in Appendix VI to this Prospectus. However, there is no assurance that this application for trademark registration in Hong Kong will eventually be approved or that we would be granted exclusive rights to use this mark as registered trademark in Hong Kong. If the trademark could not be registered, or if the registration process is delayed, our trademark may be infringed, which may materially and adversely affect our business, prospects, results of operations and financial condition. In addition, there is no assurance that the use of the trademark by us on this Prospectus will not infringe the intellectual property rights of any other third party or in breach of the laws of Hong Kong before the registration process is completed. Any claim in relation to the use of the trademark by us, made or threatened to be made against us, in the future, regardless of merits, could result in litigation and could be detrimental to our business, results of operations and financial conditions.

RISKS RELATING TO THE INDUSTRY

There may be alternative energy sources other than natural gas.

The cost of natural gas in comparison with alternative fuel sources will affect the demand for our transportation and sales of pipelined gas operation. Coal gas, petroleum, LPG and electricity are the main substitutes for natural gas. End-users will consider certain factors such as cost, reliability, convenience and safety when choosing a fuel. Connection fees, gas usage charges and heat content are the major considerations affecting customers' choice of fuel. In most of our Operating Cities there is no assurance that existing natural gas users will not shift to use other forms of energy other than natural gas.

In addition, alternative fuels, such as fuel oil for industries and power plants and LPG for residential users and smaller commercial users, are currently used when and where natural gas supply is unavailable or is interrupted and they are continued to be used as substitutes for natural gas. No assurance can be given that future increases in natural gas prices or reductions in the prices of alternative fuels will not eventually cause these alternative fuels to be more attractive to users and thereby materially and adversely affecting our financial condition, results of operations or prospects for future growth.

Changes in government policies could affect our business.

Our business will be affected by changes in policies, laws and regulations (or the interpretation thereof) in the PRC energy industry. For example, if the PRC Government favors a particular type of energy, other than natural gas and coal gas, due to the energy structure change or cost concern, our financial condition and results of operations will be materially adversely affected. In addition, recent global concerns over carbon emission may cause the PRC Government to introduce policies that may lead to restrictions on the industry, such as the imposition of carbon emissions tax.

The NDRC has promulgated the *Circular on Raising Domestically-produced Onshore Natural Gas Benchmark Prices* (《關於提高國產陸上天然氣出廠基準價格的通知》) on 31 May 2010. It mainly includes the following provisions: (i) to increase natural gas benchmark prices by RMB230 per thousand cubic meters or almost 25% to further reform its natural gas pricing mechanism and to better allocate resources; (ii) the existing "dual-track" natural gas pricing mechanism has been cancelled and price-float range has been expanded to allow producers and buyers to determine specific natural gas prices based on the ex-factory benchmark prices, raising the benchmark prices by the maximum of 10%, meanwhile lowering the ones without limits; (iii) as the prices of domestic natural gas are much lower than that of the prices of alternative energy, CNG shall be priced at or above three quarters of the highest 90 gasoline retail price, which would be applicable to all of the PRC expect areas where the current CNG prices are too low and such areas could adjust the CNG prices to at least 60% of the 90 gasoline retail price during the two-year transition period.

The General Office of the *State Council* has promulgated the *Circular on Facilitate Stable and Sound Development of the Real Estate Market* (《國務院辦公廳關於促進房地產市場平穩健康發展的通知》) on 10 January 2010. The circular listed 11 specific measures targeting the supply of housing in order to: (i) increase the supply of economic housing for low-income families and common residential households; (ii) encourage reasonable house purchases while restrain purchases for speculative and investment purposes; (iii) strengthen the risk management for real estate project loans and market supervision; (iv) speed up the construction of housing projects for low-income households; and (v) specify the responsibilities of the local governments.

The *Notice on Resolutely Curbing the Soaring of Housing Prices in Some Cities* (《關於堅決遏制部分城市房價過快上漲的通知》) was promulgated by the *State Council* on 17 April 2010, which provides for: (i) the measures aimed at restricting speculative property purchase and cool down the property market; (ii) first-home buyers have to pay more than 30 percent of property prices if the property area is above 90 square meters; (iii) increase of the amount of down-payment to 50% of the property price for the purchase of the second property and the mortgage interest rate to be no less than 1.1 times the benchmark rate in China; (iv) the amount of down-payment and the mortgage interest rate for additional properties to be increased significantly as determined by the banks in accordance with their risk management policies; and (v) provincial and municipal governments in areas with soaring prices can turn down or even suspend third-home loans.

The *Notice on Regulating the Identification Criteria on the Second House related to Individual Housing Loan from Commercial Banks* (《關於規範商業性個人住房貸款中第二套住房認定標準的通知》) was promulgated by the *Ministry of Housing and Urban-Rural Development*, the People's Bank of China and the China Banking Regulatory Commission on 26 May 2010, which provides for: (i) the quantities of the houses owned by the home-buyer's family, who are contemplating to buy the new house, shall be calculated and identified according to the quantities of the houses actually owned by the family members, including the borrower, the spouse and their children; (ii) the relevant administration shall make inquiries as to the record of the property right registration related to the borrower's family through the housing registration system and issue the results thereof; and (iii) the commercial bank shall implement tighter loan policies on the borrower's second house and subsequent home purchases.

We cannot assure you that the recent government policies on gas and property industries will not affect our future business and operations. Should the amendments to these policies or the promulgation of new policies be adverse to us, our business, results of operations and financial condition may be materially and adversely affected.

RISKS RELATING TO CONDUCTING BUSINESS IN THE PRC

China's economic policies could affect our business.

Substantially all of our assets are located in China and substantially all of our revenue are derived from our operations in China. Accordingly, our results of operations and prospects are subject, to a significant extent, to the economic, political and legal developments in China.

While China's economy has experienced significant growth in the past twenty years, growth has been irregular, both geographically and among various sectors of the economy. The government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall economy of China, but may also have a negative effect on us. For example, our operating results and financial condition may be adversely affected by the government control over capital investments or changes in tax regulations.

The economy of China has been transitioning from a planned economy to a more market-oriented economy. In recent years the PRC Government has implemented measures emphasizing the utilization of market forces for economic reform and the reduction of state ownership of productive assets and the establishment of corporate governance in business enterprises; however, a substantial portion of productive assets in China are still owned by the PRC Government. In addition, the PRC Government continues to play a significant role in regulating industry development by imposing industrial policies. It also exercises significant control over China's economic growth through the allocation of resources, controlling payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies.

Adverse changes in China's economic, political, and social conditions as well as government policies could have a material adverse effect on China's overall economic growth, which could in turn adversely affect our financial condition and results of operations.

For the past three decades, the PRC Government has implemented economic reform measures to emphasize the utilization of market forces in economic development. However, China's economy differs from the economies of most developed countries in many respects, including:

- socialist market economic structure;
- level of government involvement;
- level of development;
- growth rate;
- control of foreign exchange; and
- allocation of resources.

Although China has been one of the world's fastest growing economies in the world as measured by growth in gross domestic product in recent years, its economic growth has been uneven, both geographically and across various sectors of the economy. Concerned that such growth rates and distributions of growth are not sustainable, the PRC Government has in recent years implemented a series of measures, including but not limited to macroeconomic control measures, export policies and elimination or adjustment of VAT refund for exported goods, to curb the rapid growth of the economy in relation to certain industries. The key purposes of the measures are to forestall threatening inflation and to stabilize China's economy. Such measures include tightening control over investments and bank loans in certain sectors, raising the deposit-reserve ratio for financial institutions, raising the proportion of equity investment in certain sectors, strict enforcement of land acquisition and land use regulations and abandoning or delaying of industrial projects which are expected to lead to economic inefficiencies. These measures may benefit the overall economy of China in the long term but may also have a negative effect on us.

An economic downturn in China may result in decreased demand for our products. All of our revenue for the year ended 31 December 2009 and the six months ended 30 June 2010 was generated within China. As such, our future success is, to some extent, dependent on the economic conditions in China, and any significant downturn in market conditions, particularly in China's natural gas and coal gas market, may adversely affect our business prospects, financial condition and results of operations. Moreover, we cannot assure you that the demand for natural gas and coal gas in China will not be adversely affected by further macro-economic measures implemented by the PRC Government and result in a material adverse effect on our business and financial condition.

Restrictions by the PRC Government on foreign exchange may limit the liquidity of our Company and movement in exchange rate of the RMB may adversely affect our financial condition and results of operations.

At present, the RMB is not freely convertible into other foreign currencies, and conversion and remittance of foreign currencies are subject to Chinese foreign exchange regulations. Under current Chinese laws and regulations, payments of current account items, including profit distributions, interest payments and operation-related expenditures, may be made in foreign currencies without prior approval from the SAFE, but are subject to procedural requirements including presenting relevant documentary evidence of such transactions and conducting such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business. Strict foreign exchange control continues to apply to capital account transactions. These transactions must be approved by or registered with the SAFE, and repayment of loan principal, distribution of return on direct capital investment and investment in negotiable instruments are also subject to restrictions.

Under our current Group structure, our Company's source of funds will primarily consist of dividend payments and repayment of inter-company loans by its subsidiaries in China denominated in RMB. We cannot assure you that we will be able to meet all of our foreign currency obligations or to remit profits out of China. If the subsidiaries are unable to obtain the SAFE approval to repay loans to our Company, or if future changes in relevant regulations were to place restrictions on the ability of the subsidiaries to remit dividend payments to our Company, our Company's liquidity and ability to satisfy its third-party payment obligations, and its ability to distribute dividends in respect of the Shares, could be materially adversely affected.

In addition, any depreciation of the RMB may adversely affect the value of, and dividends payable on, the Shares in foreign currency terms as well as our financial performance since our revenue and profits are denominated in RMB. It is uncertain if the exchange rates of Hong Kong and U.S. dollars against RMB will further fluctuate. Because the proceeds we receive from the Global Offering are dominated in Hong Kong dollars, a continuous appreciation of the RMB will reduce the value when we remit the proceeds to our subsidiaries in China. Our results of operations and financial condition may also be affected by changes in the value of certain currencies, other than RMB, in which the Company's obligations are denominated. In particular, a depreciation of the RMB is likely to increase the Company's cash flow required to satisfy its foreign currency-denominated obligations.

We are a holding company that relies heavily on dividend payments from our subsidiaries for funding.

Our Company is a holding company incorporated in the Cayman Islands and operates our core business through our subsidiaries in China. Therefore, the availability of funds to pay dividends to our Shareholders depends upon dividends received from these subsidiaries. If our subsidiaries incur debt or losses, such indebtedness or loss may impair their ability to pay dividends or other distributions to us. As a result, our ability to pay dividends will be restricted. Chinese law requires dividends to be paid only out of the net profit calculated according to China's accounting principles, which differ in many aspects from generally accepted accounting principles in other jurisdictions, including HKFRS and IFRS. Chinese laws also require foreign-invested enterprises to set aside part of their net profit as statutory reserves. These statutory reserves are not available for distribution as cash dividends. In addition, restrictive covenants in bank credit facilities or other agreements that we or our subsidiaries may enter into in the future may also restrict the ability of our subsidiaries to provide capital or declare dividends to us and our ability to receive distributions. Therefore, these restrictions on the availability and usage of our major source of funding may impact our ability to pay dividends to our Shareholders.

In addition, we are incorporated in the Cayman Islands and hold interests in our subsidiaries in China through Upsky Holdings, a BVI incorporated company, and Tian Lun New Energy, a Hong Kong incorporated company. Under the existing CIT Law, if a foreign entity is deemed to be a "non-resident enterprise" as defined under the CIT Law and its implementation rules, a withholding tax at the rate of 10% will be applicable to any dividends for earnings accumulated since 1 January 2008, payable to the foreign entity, unless it is entitled to reduction or elimination of such tax, including by tax treaties or agreements. According to the double taxation avoidance arrangement between China and Hong Kong, dividends paid by a China foreign-invested enterprise, such as Hebi Tian Lun, in China to its shareholder(s) incorporated in Hong Kong, such as Tian Lun New Energy, will be subject to withholding tax at a rate of 5% if the Hong Kong company directly holds 25% or more interest in the PRC enterprise. The *State Administration of Taxation* (the "SAT") issued Circular 601 on 27 October 2009, which addresses the types of entities that are treated as "beneficial owners" under the treaty articles on dividends, interest and royalties. According to Circular 601, the Chinese tax authorities must evaluate whether an applicant (income recipient) qualifies as a "beneficial owner" on a case-by-case basis based on the "substance over form" principle. It is possible, based on these principles, that the Chinese tax authorities may not consider our Hong Kong subsidiary Tian Lun New Energy as the "beneficial owner" of any dividends paid from our subsidiaries in China and would deny the claim for the reduced rate of withholding tax. Under current Chinese tax law, this would result in dividends from our subsidiaries in China to Tian Lun New Energy being subject to PRC withholding tax at a 10% rate instead of a 5% rate. This would negatively impact us and it would impact our ability to pay dividends.

We may be deemed as a Chinese resident enterprise under the CIT Law and be subject to the Chinese taxation on our worldwide income.

Under the CIT Law, enterprises established outside China whose "de facto management bodies" are located in China are considered "resident enterprises" and will generally be subject to the uniform 25% enterprise income tax rate as to their global income. Under the implementation rules for the CIT Law, "de facto management bodies" is defined as the bodies that have material and overall management control over the business, personnel, accounts and properties of an enterprise. In April 2009, the SAT promulgated a circular to clarify the criteria to determine whether the "de facto management bodies" are located within China for enterprises incorporated overseas with controlling shareholders being Chinese enterprises.

The CIT Law and its implementation rules are relatively new and ambiguities exist with respect to the interpretation of the provisions relating to resident enterprise issues. As substantially all of our management is currently based in China and may remain in China in the future, we may be treated as a Chinese resident enterprise for Chinese enterprise income tax purposes. If we are deemed as a Chinese resident enterprise, we will be subject to Chinese enterprise income tax at the rate of 25% on our worldwide income. In that case, however, dividend income we receive from our subsidiaries in China may be exempt from Chinese enterprise income tax because the CIT Law and its implementation rules generally provide that dividends received by a Chinese resident enterprise from its directly invested entity that is also a Chinese resident enterprise is exempt from enterprise income tax. However, as there is still uncertainty as to how the CIT Law and its implementation rules will be interpreted and implemented, we cannot provide assurance that we are eligible for such Chinese enterprise income tax exemptions or reductions.

Gains on the sales of our Shares by foreign investors and dividends on our Shares payable to foreign investors may become subject to Chinese income taxes.

Under the PRC CIT Law and its implementation rules, our Company may in the future be recognized as a Chinese tax resident enterprise by the Chinese tax authorities. As such, we may be required to withhold Chinese income tax on capital gains realized from sales of our Shares and dividends distributed to Shareholders, as such income may be regarded as income from "sources within China". In such case, our foreign corporate Shareholders may become subject to a 10% withholding income tax under the Chinese CIT Law, unless any such foreign corporate Shareholder is qualified for a preferential withholding rate under a tax treaty.

If the Chinese tax authorities recognize the Company as a Chinese resident enterprise, Shareholders who are not Chinese tax residents and seek to enjoy preferential tax rates under relevant tax treaties will need to apply to the Chinese tax authorities for recognition of eligibility for such benefits in accordance with Circular 124, issued by the SAT on 24 August 2009. It is likely that eligibility will be based on a substantive analysis of the Shareholder's tax residency and economic substance. With respect to dividends, the beneficial ownership tests under Circular 601 will also apply. If determined to be ineligible for treaty benefits, such a Shareholder would become subject to higher Chinese tax rates on capital gains realized from sales of our Shares and on dividends on our Shares.

In such circumstances, the value of such foreign Shareholders' investment in our Offer Shares may be materially and adversely affected.

The legal protections available to potential investors may be limited in China's legal system.

The legal system in China is based on the civil law system. Unlike the common law system, prior legal decisions and judgments have limited significance for guidance. China is still in the process of developing a comprehensive statutory framework. Since 1979, the PRC Government has established a commercial law system, and has made significant progress in promulgating laws and regulations relating to economic affairs and matters such as corporate organization and governance, foreign investment, commerce, taxation and trade. However, many of these laws and regulations are relatively new, and the implementation and interpretation of these laws and regulations remain uncertain in many areas. In addition, the Chinese legal system is based in part on government policies and administrative rules that may have a retroactive effect. As a result, we may not be aware of our violation of these policies and rules until some time after the violation. Furthermore, the legal protections available to us under these laws, rules and regulations may be limited. Any litigation or regulatory enforcement action in China may be protracted and could result in substantial costs and diversion of resources and management attention.

It may be difficult to enforce any judgments obtained from non-Chinese courts against our Company or our Directors or senior executive officers residing in China.

The legal framework in China that our Directors, senior management members and substantially all our assets are subject to is materially different in certain areas from that of other jurisdictions, including Hong Kong and the United States, particularly with respect to the protection of minority shareholders. In addition, the mechanisms for enforcement of rights under the corporate governance framework in China are also relatively underdeveloped and untested. However, in 2005, the PRC company law was amended to allow shareholders to commence an action against the Directors, supervisors, officers or any third party on behalf of a company under certain limited circumstances.

China does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with countries such as the United States, the United Kingdom and Japan, and therefore enforcement of court judgments from these jurisdictions in China may be difficult or impossible.

Failure to comply with the SAFE regulations relating to the establishment of offshore special purpose vehicles by our beneficial owners may materially and adversely affect our business operations.

On 21 October 2005, the SAFE issued a public circular which became effective on 1 November 2005. The circular requires PRC residents to register with the local SAFE branch before establishing or controlling any company, referred to in the circular as an "offshore special purpose vehicle", outside of the PRC for the purpose of capital financing and to register again after completing an investment in or acquisition of any operating subsidiaries in the PRC, which we refer to herein as a round-trip investment. Also, any change of shareholding or any other material capital alteration in such offshore special purpose vehicle shall be filed within 30 days starting from the date of shareholding transfer or capital alteration. Our beneficial owners fall within the definition of PRC residents and thus are required to comply with the relevant requirements in all material respects in connection with our investments and financing activities. As advised by Grandall Legal Group, Mr. Zhang, Ms. Sun, Mr. Zhang DY and Mr. Xian who are Chinese residents have made their SAFE registrations for their foreign investment at the SAFE Henan Branch. However, if such beneficial owners fail to comply with the relevant requirements, such failure may subject the beneficial owners to fines and legal sanctions, which consequently may also materially and adversely affect our business operations.

As a foreign company, our acquisitions of Chinese domestic companies may take a longer time and be subject to higher levels of scrutiny by the PRC Government.

On 8 August 2006, the MOFCOM, the *State Administrations for Industry and Commerce* (the "SAIC"), the SAT, the SAFE, the *State-owned Assets Supervision and Administration Commission* (the "SASAC") and the CSRC jointly promulgated rules governing the approval process by which a PRC domestic entity's assets or equity interests may be acquired (the "M&A Rules"). These rules became effective on 8 September 2006 and were revised and reissued by the MOFCOM in June 2009. The M&A Rules established additional procedures and requirements, including, but not limited to, the requirement that foreign investors must obtain MOFCOM's approval when they acquire equity or assets of a Chinese domestic enterprise through a cross-border share swap. It is generally expected that compliance with the regulations will be more time consuming and costly than in the past and will result in a more extensive evaluation by the PRC Government and result in increased control over the terms of the transaction. Therefore, acquisitions in China by non-Chinese entities may face difficulties in completion because the terms of the transaction may not satisfy terms required by regulatory authorities in the approval process. If we decide to acquire a Chinese company, the execution of our acquisition plan may become more time-consuming, complex and uncertain, and as a result, our growth prospects would be adversely affected.

Concerns over China's high growth and measures taken by the PRC Government may lead to a significant increase in interest rates and a slowdown in economic growth.

In response to concerns regarding China's high rate of growth in industrial production, bank credit, fixed investment and money supply, the PRC Government has taken measures to slow down economic growth to a more manageable level. Among the measures that the PRC Government has undertaken are restrictions on bank loans in certain sectors and raising interest rates. These measures and any additional such measures, including additional increases in interest rates, could contribute to a slowdown in the Chinese economy.

An outbreak of severe acute respiratory syndrome ("SARS"), avian influenza A ("H5N1"), influenza A virus subtype H1N1 ("H1N1") or other epidemics if uncontrolled could impact our operations.

An outbreak in the future of SARS, H5N1, H1N1 or other epidemics, if protracted and uncontrolled, may result in the contraction of such disease amongst our employees or those with whom we conduct business on a regular basis, making it necessary to suspend or close certain parts of our operations to prevent the spread of the disease. In addition, if there is an outbreak of SARS, H5N1, H1N1 or other epidemics, there is no guarantee that the World Health Organization or the PRC Government will not recommend, or even impose, travel restrictions and/or restrictions on the flow of goods to and from areas affected by the virus. An outbreak of SARS, H5N1, H1N1 or other epidemics could cause significant interruption to our business. The wide spread effects of such diseases could have a significant impact upon our revenue and profitability.

We may be directly or indirectly adversely affected by acts of God, war or terrorism.

Our business is subject to the general economic and social conditions in China. Natural disasters, epidemics and other acts of God which are beyond our control may adversely affect the economy, infrastructure and livelihood of the people of China. Many major cities in China are under the threat of flood, earthquake, sandstorm, snowstorm or drought and for instance, the unexpected snowstorm in China around the Chinese Lunar New Year in 2008 and the devastating earthquake in Sichuan Province in May 2008 had caused disruptions to economic activities in China.

In late August 2010, we have temporarily suspended the supply of coal gas in Shangjie District due to the suspension of supply of coal gas from our coal gas supplier, Henan Gas (Group) Limited Pipeline Branch*, a state-owned enterprise. The suspension of the supply of coal gas was due to one of the upstream pipelines of Henan Gas (Group) Limited Pipeline Branch* experienced a sudden loss of pressure and for safety reason, the supply of coal gas must be suspended for emergency repair. The said pipeline was laid below a riverbed. Due to the floods in the area, the said pipeline was exposed from the riverbed and suffered damage. As we do not have any alternative suppliers of coal gas, we could not obtain alternative supply of coal gas to supply to our users in Shangjie District during the said suspension period. As a result of the suspension of supply of coal gas from the said supplier, we temporarily suspended the supply of coal gas to our end-users in Shangjie District. The supply of coal gas resumed within one week after Henan Gas (Group) Limited Pipeline Branch* resumed the supply of coal gas to us. Our Directors confirmed that, the impact on our business operations and financial condition as a result of the temporarily suspension of coal gas supply was insignificant. Furthermore, except for the said temporarily suspension, our Directors confirmed that we did not experienced any other suspension of the supply of pipelined gas during the Track Record Period.

Our business, operating results and financial condition may be adversely affected if such natural disasters occur, and in the worst case scenario, the supply of gas to our users could be temporarily suspended. Acts of war and terrorist attacks may cause damage or disruption to us, our employees, our distributors and our markets, any of which could adversely impact our revenue, cost of sales, overall results and financial condition. Potential wars or terrorist attacks may also bring about uncertainty and cause our business to suffer.

RISKS RELATING TO THE GLOBAL OFFERING AND OUR SHARES

There has been no prior public market for our Shares.

Prior to the Global Offering, there has been no public market for our Shares. The initial issue price range for our Shares was the result of negotiations among us and the Global Coordinator on behalf of the Underwriter(s) and the Offer Price may differ significantly from the market price for our Shares following the Global Offering. We have applied for listing of and permission to deal in our Shares on the Stock Exchange. There is no assurance that the Global Offering will result in the development of an active, liquid public trading market for our Shares. Factors such as variations in our revenue, earnings and cash flows or any other developments of our Company may affect the volume and price at which our Shares will be traded.

The liquidity, trading volume and trading price of our Shares may be volatile, which could result in substantial losses for Shareholders.

The price at which the Shares will trade after the Global Offering will be determined by the marketplace, which may be influenced by many factors some of which are beyond our control, including:

- our financial results;
- changes in securities analysts' estimates, if any, of our financial performance;
- the history of, and the prospects for, us and the industry in which we compete;
- an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenue and cost structures, such as the views of independent research analysts, if any;
- the present state of our development;
- the valuation of publicly traded companies that are engaged in business activities similar to ours; and
- general market sentiment regarding the natural gas and coal gas industry and companies.

In addition, the Stock Exchange has from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of companies quoted on the Stock Exchange. As a result, investors in our Shares may experience volatility in the market price of their Shares and a decrease in the value of Shares regardless of our operating performance or prospects.

Prior dividends distributions are not an indication of our future dividend policy.

No dividend has been paid or declared by our Company since its incorporation. Dividends disclosed for the years ended 31 December 2007, 2008 and 2009 and the six months ended 30 June 2009 and 2010, in this Prospectus represent dividends declared or proposed by relevant subsidiaries of our Group out of their retained earnings to the then equity holders of the respective companies, after eliminating intra-group dividends. In July 2010, in accordance with resolutions of shareholders of Shangjie Tian Lun, retained earnings of approximately RMB7,339,000 and RMB816,000 were appropriated to Hebi Tian Lun and the minority shareholder of Shangjie Tian Lun, respectively. Such dividend was paid in August 2010. Please refer to "Financial Information — Management's

Discussion and Analysis of Financial Condition and Results of Operations — Dividend policy" and the Accountant's Report attached in Appendix I to this Prospectus for details of our dividend policy.

The foregoing dividend distributions are to the then equity holders of our subsidiaries prior to the Global Offering only. Historical dividend distributions are not indicative of our future distribution policy and we give no assurance that dividends of similar amounts or at similar rates will be paid in the future. Any future dividend declaration and distribution by our Company will be at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors deem relevant. Any declaration and payment as well as the amount of dividends will also be subject to our constitutional documents and the Cayman Companies Law, including (where required) the approval of Shareholders. In addition, our future dividend payments will depend upon the availability of dividends received from our subsidiaries in China, which are subject to restrictions described in "Gains on the sales of our Shares by foreign investors and dividends on our Shares payable to foreign investors may become subject to Chinese income taxes" above. For further details of the dividend policy of our Company, please refer to the section headed "Financial Information — Management's Discussion and Analysis of Financial Condition and Results of Operations — Dividend Policy" in this Prospectus.

Potential investors will experience immediate and substantial dilution as a result of the Global Offering.

Potential investors will pay a price per Share that substantially exceeds the per Share value of the Company's tangible assets after subtracting the Company's total liabilities and will therefore experience immediate dilution when potential investors purchase the Offer Shares in the Global Offering. As a result, if the Company were to distribute its net tangible assets to the Shareholders immediately following the Global Offering, potential investors would receive less than the amount they paid for their Shares.

Sales of substantial amounts of our Shares in the public market after the Global Offering could adversely affect the prevailing market price of our Offer Shares.

Sales of substantial amounts of Shares in the public market after the completion of the Global Offering, or the perception that these sales could occur, could adversely affect the market price of our Shares and could materially impair our future ability to raise capital through offerings of our Shares. There will be 798,000,000 Shares outstanding immediately after the Global Offering, assuming the Underwriters do not exercise their Over-allotment Option and no Shares may be issued upon the exercise of any options that may be granted under the Share Option Scheme. Although certain of our Shareholders, subject to certain exceptions, have agreed to a lock-up with the Underwriters until six months after the Listing Date, the Underwriters may release these securities from these restrictions at any time and such Shares will be freely tradable after the expiry of the lock-up period. Shares which are not subject to a lock-up represent approximately 25% of the total issued share capital immediately after the Global Offering (assuming no exercise of the Underwriters' Over-allotment Option) and will be freely tradable immediately after the Global Offering.

Shareholders' interests may be diluted as a result of additional equity fund-raising.

We may need to raise additional funds in the future to finance further expansion of our new developments relating to our existing operations or new acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of our Company other than on a pro-rata basis to existing Shareholders, the percentage ownership of such Shareholders in our

Company may be reduced and such new securities may confer rights and privileges that take priority over those conferred by the Shares.

The costs of share options to be granted under the Share Option Scheme will adversely affect our results of operations and any exercise of the options granted may result in dilution to our Shareholders.

We have also adopted the Share Option Scheme pursuant to which we will in the future grant to our employees options to subscribe to Shares. Such options if exercised in full will represent approximately 10% of the issued share capital of our Company immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised).

The fair value of the options at the date of which they are granted with reference to the valuer's valuation will be charged as share-based compensation which may have a negative affect on our results of operations. Issuance of Shares for the purpose of satisfying any award made under the Share Option Scheme will also increase the number of Shares in issue after such issuance, and thus may result in the dilution to the percentage of ownership of the Shareholders, the earnings per Share and the net asset value per Share.

Details of the Share Option Scheme are set out in the section headed "Share Option Scheme" in Appendix VI to this Prospectus.

Forward-looking information included in this Prospectus may prove inaccurate.

This Prospectus contains certain forward-looking statements and information relating to us and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this Prospectus, the words "aim," "anticipate," "believe," "continue," "could," "estimate," "expect," "going forward," "intend," "may," "plan," "potential," "predict," "project," "seek," "should," "will," "would" and similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this Prospectus. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing us which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our business prospects;
- our future debt levels and capital needs;
- future developments, trends and conditions in the markets in which we operate;
- our strategies, plans, objectives and goals;
- general economic conditions;
- changes to regulatory or operating conditions in the markets in which we operate;
- our ability to reduce costs;

- our dividend policy;
- our capital expenditure plans;
- the amount and nature of, and potential for, future development of our business;
- capital market developments;
- the actions and developments of our competitors;
- other statements in this Prospectus that are not historical facts.

Subject to the requirements of the Listing Rules, we do not intend to publicly update or otherwise revise the forward-looking statements in this Prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Prospectus might not occur in the way we expect, or materialize at all. Accordingly, undue reliance should not be placed on any forward-looking information. All forward-looking statements in this Prospectus are qualified by reference to this cautionary statement.

We cannot guarantee the accuracy of facts, forecasts and other statistics with respect to China, the Chinese economy and the pipelined gas industry as contained in this Prospectus.

Facts, forecasts and other statistics in this Prospectus relating to China, the Chinese economy and the pipelined gas industry have been derived from various publicly available official government publications and industry-related sources. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. However, we cannot guarantee the quality or reliability of official publications and sources. In addition, statistics derived from official sources may not be prepared on a comparable basis. While we believe that the sources of the information are appropriate sources and have taken reasonable care in extracting and reproducing such information, they have not been independently verified by us, the Sole Global Coordinator, the Sole Bookrunner, the Sole Sponsor, the Sole Lead Managers, the Underwriters, nor any of their or our affiliates or advisors. We cannot assure that such facts and statistics are stated or complied on the same basis or with the same degree of accuracy as may be the case elsewhere. Due to possibly flawed or ineffective collection methods or discrepancies between official publications and market practice and other problems, the statistics herein may be inaccurate or may be incomparable to statistics produced for other economies and should not be unduly relied upon for your investment in our Shares or otherwise.

Investors should read the entire Prospectus carefully and we strongly caution investors not to place any reliance on any information contained in press articles or other media relating to us and/or the Global Offering.

We wish to emphasize to potential investors that we do not accept any responsibility for the accuracy or completeness of the information regarding us and the Global Offering revealed by public press or any other sources without authorization by us (the "Information"). We make no representation as to appropriateness, accuracy, completeness or reliability of any of the Information and the underlying assumptions. To the extent that any of the Information is inconsistent with, or conflicts with, the information contained in this Prospectus, we disclaim it. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this Prospectus only and should not rely on any other information.