
FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

We plan to implement the following business strategies to strengthen our market position in the clean energy industry in the PRC and expand our businesses:

- Increase the scale of our gas-fired power and heat energy generation business to strengthen our dominant leading position of our gas-fired power business in Beijing;
- Continue to expand our wind power operation in strategically selected locations with abundant wind resources and attractive returns;
- Develop other renewable energy businesses to capture suitable value creation opportunities;
- Continue to enhance the operational and managerial efficiency of each business segment to improve our profitability;
- Diversifying financing sources and reduce financing costs.

Please refer to the section “Business—Business Strategies” for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$1,561 million (assuming an Offer Price of HK\$1.67 per Offer Share, being the mid-point of the estimated Offer Price range), before any exercise of the Over-allotment Option and after deducting the underwriting fees and commissions and estimated expenses payable by us in relation to the Global Offering.

Assuming we receive the estimated net proceeds as described above, we intend to use the net proceeds for the following purposes:

- approximately 50% of net proceeds to us (approximately HK\$781 million, assuming an Offer Price of HK\$1.67 per Offer Share, being the mid-point of the estimated Offer Price range) will be used for investing in the construction of wind power and gas-fired power projects, among which (i) approximately 62% will mostly be used within 2012 for the construction of gas-fired power projects in the PRC; and (ii) approximately 38% will mostly be used within 2012 for the construction of wind power projects in the PRC;
- approximately 20% of net proceeds to us (approximately HK\$312 million, assuming an Offer Price of HK\$1.67 per Offer Share, being the mid-point of the estimated Offer Price range) will be used for purchasing key equipment and parts and technological consultancy for maintenance as well as equipment improvement for existing projects;

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- approximately 20% of net proceeds to us (approximately HK\$312 million, assuming an Offer Price of HK\$1.67 per Offer Share, being the mid-point of the estimated Offer Price range) will be used to repay certain amounts of the following bank loans, (as detailed below); and

<u>Name of Bank</u>	<u>Maturity Date</u>	<u>Principal Amount</u> <i>(RMB in million)</i>	<u>Balance</u> <i>(RMB in million)</i>	<u>Interest Rate as at the Latest Practicable Date</u>	<u>Loan Purpose</u>
Agricultural Bank of China	9/8/2016	200	200	6.555%	Construction of power projects
Shanghai Pudong Development Bank	12/21/2018	160	160	6.345%	Construction of power projects
	Total:	<u>360</u>			

- approximately 10% of net proceeds to us (approximately HK\$156 million, assuming an Offer Price of HK\$1.67 per Offer Share, being the mid-point of the estimated Offer Price range) will be used for working capital.

To the extent our net proceeds are either more or less than expected, for instance, in the event that the Offer Price is set at the high end of the estimated Offer Price range or the Over-allotment Option is exercised or the Offer Price is set at the low end of the estimated Offer Price range, we will adjust our allocation of the net proceeds for the above purposes on a pro rata basis.

The possible use of proceeds outlined above may change in light of our evolving business needs and conditions and management requirements. In the event of any material modification to the use of proceeds as described above, we will issue an announcement and make disclosure in our annual report for the relevant year as required by the Stock Exchange. To the extent that the net proceeds of the Global Offering are not immediately used for the purposes described above they will be placed in short term demand deposits and/or money market instruments.