In addition to other information in this prospectus, you should carefully consider the following risk factors, which may not typically be associated with investing in equity securities of companies from other jurisdictions, before making any investment decision in relation to the Offer Shares. If any of the possible events described below occur, our business, financial condition or results of operations could be materially and adversely affected and the market price of the Offer Shares could fall significantly. The risks described in this prospectus are not the only risks the Group faces. Additional risk factors not currently known or which are currently deemed immaterial may also have a material adverse effect on the Group, its business, financial condition, results of operations and development.

Risks Relating to Our Business and Industry

We depend heavily on government support and incentives for renewable energies which may be changed or abolished.

We depend heavily on government policies, regulations and incentives that support renewable energies for the operation of our wind power business. During the past few years, the PRC government has adopted a number of policies and regulations to encourage the development of renewable energies and to enhance the economic feasibility of developing and operating wind power projects. These policies and regulations include, among others, higher on-grid tariffs (as compared with coal power plants operating in the same region), mandatory grid connection, mandatory power off-take and preferential tax treatments. Moreover, the PRC government also encourages state-owned commercial banks to provide companies engaging in the renewable energies business with debt financing facilities at relatively low interest rates and on more favorable terms. As the construction of wind farms requires substantial capital, government policies which affect the availability of financings have a direct and material effect on our operations. In addition to the preferential government policies and regulations, certain of our wind power projects also benefit from supplementary on-grid tariffs provided by local governments as part of their incentives for the development of wind power industry. Furthermore, we have received government grants which primarily consist of income from sale of CERs and VAT rebate and refund from governmental authorities. During the Track Record Period, we recorded government grants in the amount of RMB35.5 million, RMB65.9 million and RMB248.3 million in 2008, 2009 and 2010, respectively, representing 33.2%, 20.6% and 40.7% of our net profit for the respective year.

Other than the government policies and regulations of wind power sector, our business and operations may also be affected by government policies and regulations affecting upstream and downstream industries such as wind turbine manufacturing and grid sectors. For example, the PRC government has been supporting and encouraging the development of domestic wind turbine manufacturing industry during recent years, which is believed to have contributed to the technology advancement and decrease in wind turbine prices.

If any of these policies, regulations or incentives is changed or abolished, our business, financial condition and results of operations may be materially and adversely affected. For example, if the PRC government abolishes its policies of mandatory grid connection, mandatory power off-take and the fixed tariff regime, we may need to compete with not only renewable energy producers but also traditional power producers such as coal power plants in the sale of electricity. We cannot assure you that these favorable policies, regulations and incentives will not change in the future in a manner adverse to our business.

We rely on local grid companies for grid connection and electricity transmission and dispatch.

We rely on local grid companies for grid connection, including the construction and maintenance of the infrastructure and grids. Prior to obtaining the project approval from the NDRC or Provincial DRC, we need to obtain consent from the relevant local grid company to connect our wind farms to its grid. Under the current regulatory scheme, local grid companies are required by law to provide grid connection and related technical support for all the wind farms within their coverage. In practice, however, the local grid companies may take a number of factors into consideration in granting the consents, including the availability and stability of the existing grids, progress of construction and upgrade of local grids and the cost of grid connections. Many of these factors are beyond our control. We cannot assure you that we will be able to obtain all the consents from local grid companies in a timely manner, or at all. Failure or delays in obtaining such consents may prevent us from developing our wind power projects as planned, which may have a material adverse effect on our business, financial condition and results of operations.

We also rely on local grid companies for electricity transmission and dispatch services. Our revenue and profitability depend, to a large extent, upon the sale of electricity which is subject to dispatch to power grids. The dispatch of electricity generated by our wind farms is controlled by the dispatch centers of the relevant local grid companies pursuant to dispatch agreements between such local grid companies and us as well as applicable laws and regulations. According to the Renewable Energy Law and related regulations, grid companies in China are required to purchase in full amount the on-grid electricity generated by wind power projects which meet the grid connection technical standards in the areas covered by their power grids. Furthermore, wind power producers are entitled to the highest dispatch priority pursuant to the Provisional Measures on the Dispatch of Energy Saving Power Generation promulgated by the State Council in August 2007. Notwithstanding these favorable laws and regulations, the dispatch centers consider a variety of factors when dispatching electricity, including, among others, the local demand for electricity, interconnection agreements between power grids and the actual conditions of the grid such as equipment capacities and safety reserve margins. In certain areas of northern China, the local grid companies may also give dispatch priority to steam-electricity cogeneration companies to ensure the heat supply during the winter season. Moreover, the applicable laws and regulations require wind power producers to co-operate with grid companies to ensure the safety of power grids. As a result, the sale of electricity generated by our wind power projects may be limited by the actual conditions of the power grids such as grid congestion, restrictions on transmission capacity, grid connectivity and stability of the grid. In addition, we may need to compete with other power generation companies for grid connection in the event that the local grid does not have sufficient capacity to dispatch all the electricity produced by the power generation companies within its coverage.

In recent years the local grid companies in Inner Mongolia and Liaoning Province imposed restrictions on wind power generation companies, especially during winter season, to give priority to steam-electricity cogeneration companies which provide heat supply and to ensure the stability and safety of the local grids. Furthermore, local grid companies in West Inner Mongolia imposed additional restrictions on wind power generation companies because the rapid construction of wind farms resulting from quality wind resources in West Inner Mongolia outpaced the development of local grids during recent years. As a result, a few of our wind farms in Inner Mongolia and Liaoning Province temporarily shut down one or more wind turbines in 2009 and 2010. Given that power generation is affected by a number of interrelated and concurrent factors such as the wind speed, wind directions and wake effects, we are not able to estimate the financial impact attributable to such output limitations alone. However, such output limitations will negatively affect our net power generation and thus reduce our revenue. In addition, the PPAs we entered into with local grid companies do not specifically provide any compensation for any financial loss caused by grid congestion or grid companies' otherwise failure in purchasing full amount of electricity generated by our wind farms, which we believe is consistent with the industry practice in China. Based on the transmission capacity of the existing local grids, we expect that some of our wind farms may continue to experience electricity output constraints in the near future. Since we currently are not able to store the electricity generated by our wind power projects, a reduction by the dispatch center in the amount of electricity dispatched to the grids could result in reduced net power generation and thus may have a material adverse effect on our business, financial condition and results of operations. As of December 31, 2010, we had 1,567.7 MW of installed capacity in Inner Mongolia and 799.5 MW of installed capacity in Liaoning Province, which accounted for approximately 44.5% and 22.7% of our consolidated installed capacity, respectively.

Development of wind power projects are subject to various governmental approvals and permits. Failure to obtain necessary approvals and permits may materially and adversely affect our project development and results of operations.

Almost all aspects of our wind power operations, including the design and construction of the wind power project, power generation, transmission and dispatch and on-grid tariffs, are subject to strict regulations and require various governmental approvals and permits. In particular, before we can commence construction of any wind power project, we need to obtain approvals from Provincial DRC or the NDRC depending on the estimated capacity of such project. Other than the Provincial DRC or NDRC approvals, we also need a number of local governmental approvals and permits for the construction and operation of our wind power projects, including, among others, environmental approvals. We cannot assure you that we will be able to obtain all the approvals and permits necessary for the development of new projects before the commencement of construction, in a timely manner, or at all. Any denial of an approval essential to a project may impair our ability to develop that project and in turn materially and adversely affect our results of operations. In addition, some application process may be prolonged due to various reasons, including but not limited to requirement of additional documents and information by different governmental authorities. Any delay in the approval process could cause delay in our project development and give rise to substantial additional costs. Historically, we have experienced certain delays in the approval process due to changes in administrative procedures and requirements. Nevertheless, we have not suffered any material loss due to such delays. We may experience delays and incur substantial additional costs in the future.

The weighted average on-grid tariff for electricity generated by our wind power projects has decreased during the Track Record Period.

Our results of operations and financial condition are directly and significantly affected by the on-grid tariffs at which we sell the electricity generated by our wind power projects to the local grid companies. During the Track Record Period, our weighted average on-grid tariff per kWh (excluding VAT) was RMB0.581, RMB0.527 and RMB0.516 in 2008, 2009 and 2010, respectively. The weighted average on-grid tariff (excluding VAT) is calculated by dividing our revenue from sale of electricity by our net power generation of wind power projects. During the same periods, our weighted average on-grid tariff per kWh (including VAT) was RMB0.679, RMB0.617 and RMB0.604, respectively.

The on-grid tariffs for wind power projects in China are determined by government authorities. For onshore wind power projects approved on or after August 1, 2009, the on-grid tariff is determined based on the location of such wind power projects. The PRC government has categorized China's onshore wind resources into four wind resource zones and applies a universal on-grid tariff to all the wind power projects in the same wind resource zone. The benchmark on-grid tariffs (including VAT) for the four wind resource zones are RMB0.51/kWh, RMB0.54/kWh, RMB0.58/kWh and RMB0.61/kWh, respectively. For wind power projects approved prior to August 1, 2009 but on or after January 1, 2006, the on-grid tariff was determined by referring to either a "government guided price" or a "government fixed price." For wind power projects approved on or prior to December 31, 2005, the on-grid tariff was determined by the government on a project-by-project basis after considering various factors such as the wind resources, construction conditions and the on-grid tariffs of other wind power projects in the same or neighboring areas with similar conditions.

Our weighted average on-grid tariffs (including VAT) in 2008 and 2009 were higher than the current highest standard on-grid tariff, primarily because certain of our early wind power projects enjoyed relatively high on-grid tariffs prior to the implementation of the standard on-grid tariff regime on August 1, 2009, and that the standard on-grid tariffs only apply to wind power projects approved on or after August 1, 2009. Consistent with the industry trend in the wind power sector of the PRC, the decrease in the weighted average on-grid tariff of our wind power projects during the Track Record Period reflected the fact that some of our early wind power projects enjoyed higher on-grid tariffs as approved by relevant government authorities on a project-by-project basis.

Our weighted average on-grid tariff decreased over time due to change in the PRC government's policy in relation to wind power on-grid tariff and our expansion into areas with quality wind resources but lower on-grid tariffs as compared to earlier projects. We cannot assure you that our weighted average on-grid tariff will not further decrease in the future due to changes in government policies or our further expansion into areas with quality wind resources but lower on-grid tariffs. Any further decrease in the on-grid tariff may have an adverse effect on our business, financial condition and results of operations.

If our sole customers, local grid companies, fail to perform their obligations under the PPAs, our business, financial condition and results of operations may be materially and adversely affected.

We sell all of the electricity generated by our wind power projects to local grid companies where the wind farms are located pursuant to the terms and conditions of the PPAs we entered into with the local grid companies. See "Business — Sales and Distribution — Customers and PPA" for details. Currently we do not sell electricity to any corporate or individual end-users. As a result, we rely heavily on our sole customers, local grid companies, for our revenue and business operations.

Other than the grid companies in West Inner Mongolia which are owned by the government of Inner Mongolia, all grid companies which are our customers are ultimately owned by either State Grid or Southern Grid, two state-owned enterprises. Although we believe these grid companies are creditworthy, we cannot assure you that they will perform their contractual obligations pursuant to the terms and conditions of the PPAs and make full and timely payments for our electricity sold to them. In particular, the PPAs do not specifically provide any compensation for any financial loss caused by grid congestion or grid companies' otherwise failure in purchasing full amount of electricity generated by our wind farms. If these local grid companies are unable or unwilling to fulfill their contractual obligations, our business, financial condition and results of operations may be materially and adversely affected.

The interests of our controlling shareholder may be different from ours.

Immediately following the completion of this Global Offering, Huaneng Group will directly and through its wholly-owned subsidiary own approximately 67.00% of our outstanding shares, assuming that the Over-allotment Option is not exercised (or 63.68%, if the Over-allotment Option is exercised in full). Accordingly, Huaneng Group, as our controlling shareholder, will be able to exercise significant influence over us, including, among others, the timing and amount of the distribution of dividend, the issuance of new securities, the nomination of our Directors and Supervisors, the formulation of business strategies and policies, the approval of plans relating to transactions affecting our company, including mergers and acquisitions, amendments to our Articles of Association and other actions that require the approval of our Directors and Shareholders. See "Relationship with Controlling Shareholder." At times, the interests of Huaneng Group may not be consistent with the interests of our other Shareholders. There can be no assurance that Huaneng Group will always vote or direct its nominated Directors to act in a way that will benefit our other minority Shareholders.

We are Huaneng Group's sole renewable energy platform for the ultimate consolidation of its renewable energy businesses such as wind power. Nevertheless, Huaneng Group currently retains certain wind power business and engages in other renewable and non-renewable energy businesses. In the event of grid congestion or other situations that limit the local grid's dispatch or transmission capacity, we may need to compete with other power generation companies in the affected areas, which may include Huaneng Group. In addition, if the PRC government changes the currently favorable policies and regulations toward wind power industry, we may need to compete with non-renewable power generators, including Huaneng Group. Furthermore, Huaneng Group is not able to control all business decisions of its listed subsidiaries simply by virtue of its shareholding in such listed subsidiaries, including decisions on whether or not to compete with us. See "Relationship with Controlling Shareholder" for further information.

If we are not successful in converting our wind power pipeline projects into operating projects in accordance with our development plan and specifications, our expansion plan may be adversely affected and our revenue may fall below our expectations.

As of December 31, 2010, we had a portfolio of wind power pipeline projects reserved for future development with an estimated capacity of approximately 73,463.5 MW. According to our current development plan, we expect to increase our consolidated installed capacity to approximately 5,100 MW by the end of 2011. However, the development of wind power projects is a complex process which involves numerous risks and uncertainties and we may not be able to convert some of our pipeline projects into operating projects as planned. Successful development of a wind power project depends upon many factors that are beyond our control, including, among others, our ability to obtain all required approvals from different PRC governmental authorities. Unexpected delay or failure in obtaining the required governmental approvals could increase our cost or prevent the commercial operation of the affected projects. See "— Development of wind power projects are subject to various governmental approvals and permits. Failure to obtain necessary approvals and permits may materially and adversely affect our project development and results of operations."

We may not be able to complete the construction of our wind farms on schedule or within budget.

We normally engage third-party contractors for the construction of our wind farms. The construction of a wind farm involves many risks, including, among others, inclement weather, shortages of equipment, materials and labor, labor disturbances, unforeseen delays and other problems and unanticipated cost increases, any of which could give rise to delays or cost overruns. Moreover, if the third-party contractors fail to complete construction according to specifications, we may suffer from decreased power generation efficiency, increased operation costs and reduced profits. We cannot assure you that all the construction of our wind power projects will be completed on schedule or within budget. Any setbacks or delays in the completion of a project and other unforeseen costs or cost overruns could have a material and adverse effect on our business, financial condition and results of operations.

We rely on suitable climatic conditions for the generation of electricity. If there are unforeseen climatic condition changes or if we fail to make correct assessment when selecting sites for wind farms, our electricity generation, revenue and results of operations may be materially and adversely affected.

We rely on climatic conditions, particularly wind conditions which are variable and difficult to predict, for the production of electricity and generation of revenue. Historical data during the Track Record Period show that we experienced relatively low utilization hours from June to September and relatively high utilization hours from November to January, with average lowest and highest utilization hours being recorded in August and November, respectively, during the Track Record Period. Generally our wind turbines can only generate power when the wind speed is between 3 meters per second and 25 meters per second. Moreover, if the wind speed falls within the range but is below the rated wind speed at or above which wind turbines are able to operate at full load, the power generation of our wind power projects will be adversely affected. As a result, our electricity generation and revenue depend on our ability to select suitable sites for our wind farms and place wind turbines at the most appropriate positions within the wind farm.

In selecting sites for the development of our wind power projects, we base our decisions in part on the meteorological and topographical data of the proposed area as well as the on-site exploration conducted by our technicians. Before we commence construction of a wind power project, we usually conduct continuous wind tests for at least twelve months, which measure, among others, the wind speed, prevailing direction and seasonal variations. We cannot assure you that (i) the actual wind conditions will conform to the historical measured data and (ii) the assumptions we make during our wind resource assessment will always be correct. Moreover, even if the actual wind conditions are consistent with our assessment, such conditions may be affected by variations in weather patterns which may change over time in a manner that may adversely affect our operations. As a result, the electricity generated by our wind power projects may fall below our expectations, which could in turn materially and adversely affect our business, financial condition and results of operations. Utilization of wind resources is also affected by wind turbine placement and interference between wind turbines, which involve uncertainties and exercise of considerable judgment. Any error of judgment in the site selection or placement of wind turbines may lead to less than optimal power generation, which in turn could cause the return on our investment in these projects to be lower than our expectations, and could have a material adverse effect on our business, financial condition and results of operations.

Our operations depend on the performance of wind turbines and we rely on warranties from suppliers to protect us against under-performance or non-performance of the wind turbines during the warranty period.

Our operations depend on the performance of our wind turbines. When we purchase wind turbines, we usually enter into a sales and purchase agreement with our suppliers with warranty clauses included. These warranties typically include (i) a power curve warranty, which entitles us to liquidated damages or deductions from warranty deposits if the power output of the wind turbine falls below a specified level, and (ii) an availability warranty, which entitles us to liquidated damages or deductions from warranty deposits and sometimes extension of warranty period if the annual utilization rate fails to reach a specified rate. However, we cannot assure you that the suppliers will fulfill their contractual obligations. If we incur losses and seek protection under warranties but the relevant supplier is unable or unwilling to perform its obligation thereunder, our results of operations may suffer and we may have to incur substantial costs to enforce our contractual rights.

In addition, the warranties expire in two to six years from the completion of commissioning and inspection, after which we may be exposed to the risks of under-performance or non-performance of the wind turbines. If any of our wind turbines fails to perform and we are not able to obtain sufficient indemnification under warranties, our financial condition and results of operations may be materially and adversely affected. Furthermore, we may experience a significant increase in the repair and maintenance expenses when the warranty periods expire. As of December 31, 2010, 149 units of wind turbines with an aggregate capacity of 154.8 MW, representing 6.1% of the total of 2,444 units of wind turbines installed as of December 31, 2010, or 4.4% of the consolidated installed capacity of 3,522.4 MW as of December 31, 2010, were out of warranty period and maintained at our own cost. Other than the 149 units, all of our wind turbines were still within warranty period and maintained by suppliers at no additional cost to us as of December 31, 2010. Upon expiration of the warranty periods, we will need to maintain the wind turbines at our own cost and may incur substantial costs in connection therewith.

Approximately 50% to 60% of our construction costs of a wind power project is attributable to the purchase price of wind turbines. The prices of wind turbines have a direct impact on our results of operations and financial condition through depreciation expenses. During the Track Record Period, our depreciation and amortization expenses as a percentage of our operating expenses (excluding the service concession construction costs) amounted to 62.4%, 74.6% and 71.7% in 2008, 2009 and 2010, respectively. Therefore, our business, financial condition and results of operations may be materially and adversely affected if the depreciation and amortization expenses increase significantly in the future due to increases in wind turbine prices.

Our operations may also be affected by a number of other factors, including, among others, aerodynamic losses resulting from wear and tear of the wind turbines, degradation of the blades or other components or the need to shut down one or more of the wind turbines to avoid damage from extreme weather conditions. Since many of these factors are beyond our control, we cannot assure you that we will be able to generate and sell electricity in accordance with our projections in any given period of time. Any of the above factors may have a material and adverse effect on our business, financial condition and results of operations.

Our sale of CERs depends on the continuing effectiveness of CDM arrangements under the Kyoto Protocol.

We registered our first CDM project in August 2006 and started to generate income from sale of CERs in 2007. During the Track Record Period, net income from sale of CERs amounted to RMB16.2 million, RMB28.7 million and RMB164.8 million in 2008, 2009 and 2010, respectively, representing 17.0%, 9.5% and 25.7% of our profit before taxation during the same periods. See "Business — Our Wind Power Business — Carbon Credit Transactions — Clean Development Mechanism and Sales of CERs" for details. We need to go through a rigorous and complicated process to get our wind power projects registered with the CDM EB in order to receive CER credits, including obtaining approval from the NDRC and validation from a DOE. We cannot assure you that the CDM EB will approve all of our applications for the CDM project registration in a timely manner, or at all. The CDM EB has declined to register some PRC wind power projects for CER credits in the past. Although none of our CDM applications had been rejected or delayed by the CDM EB as of the Latest Practicable Date, we cannot assure you that our applications will not be rejected or delayed in the future. Further, should there be any material changes to the verification standards in the registration process or other changes to the registration policy, we may be unable to register our wind and other renewable energy projects as CDM projects in the future, which in turn could have a material adverse effect on our income from the sale of CERs, our financial condition and results of operations.

Pursuant to the CDM arrangements under the Kyoto Protocol, which was ratified by the PRC government in 2002, qualified emission-reduction projects in developing countries may earn CER credits which could be sold to industrialized countries with a greenhouse gas reduction commitment (the "Annex 1 Countries"). The Annex 1 Countries may use these CER credits to achieve compliance with their quantified emission reduction targets. Our sale of CERs depends on the continuing effectiveness of CDM arrangements under the Kyoto Protocol, the first commitment period of which will expire at the end of 2012. If the Kyoto Protocol is not renewed or if the PRC government discontinues its support for CDM arrangements, our sale of CERs and profit may be materially and adversely affected.

We have a limited operating history and our historical growth rate during the Track Record Period may not be indicative of our growth rate in the future.

We started wind power operations in the late 1990s. We commenced the construction of Nan'ao Project, our first wind power project, in July 1999. Phase I of Nan'ao Project was connected to grid and began operation in July 2000. In 2002, our predecessor, Huaneng New Energy Industrial Co., Ltd., was established as a wholly-owned subsidiary of Huaneng Group. In 2007, we put our first MW-class wind power project into commercial operation and commenced our large-scale wind power operations. Accordingly, we have a limited operation history for you to evaluate the performance of our business.

During the Track Record Period, our consolidated installed capacity increased from 402.3 MW as of December 31, 2008 to 3,522.4 MW as of December 31, 2010. Our revenue increased from RMB570.3 million in 2008 to RMB1,768.5 million in 2010. However, due to our limited operating history, our historical growth rate may not be indicative of our future performance. We cannot assure you that we will grow at the same rate as we did during the Track Record Period.

Development and acquisition of wind power projects require substantial capital. If we fail to obtain capital on reasonable commercial terms, we may suffer from increased finance expenses and may not be able to expand as planned.

We operate a capital intensive business and rely heavily on borrowings and finance leases as well as capital contributions from our Shareholders to meet our capital expenditure requirements. Similar to other wind power generators, it usually takes a long period of time for us to recover our investment in a wind power project. As a result, the cash generated from operations may not be sufficient to meet our capital needs and we may have to rely on debt and equity financing for the expansion of our business.

According to our business plan, we expect to increase our consolidated installed capacity to approximately 5,100 MW by the end of 2011. One of our important business strategies is to expand our wind power business through converting pipeline projects into operating projects and acquiring wind farms in various development stages on commercially attractive terms. We intend to finance our expansion mainly with bank borrowings and proceeds from this Global Offering, supplemented by cash generated from operations and other existing financing resources, including equity financing. Our finance expenses amounted to RMB72.2 million, RMB251.4 million and RMB515.1 million in 2008, 2009 and 2010, respectively. Our ability to obtain financing and the related finance expenses depend on numerous factors, including the macroeconomic and capital market conditions, government regulations and policies, credit availability from banks or other lenders and the continued success of our wind power business.

Since the beginning of 2010, the PRC government started to tighten its monetary policy, and the People's Bank of China has increased nine times the reserve requirement ratio for the PRC financial institutions from January 1, 2010 to March 31, 2011. In addition, the People's Bank of China increased the benchmark one-year lending interest rate by 75 basis points during the same period. We cannot assure you that the lending interest rates will not further increase in the future if the PRC government decides to further tighten its monetary policy. Given the significant capital expenditure requirements in connection with the development of our wind power projects, any increase in the lending interest rate may lead to a substantial increase in our finance expenses and reduction in profit.

In addition, we cannot assure you that financing for the development and acquisition of future wind power projects will be available on the same terms as historical ones or, on terms acceptable to us at all. In the event that we are not able to obtain sufficient financing through debt instruments on commercially acceptable terms, we may have to rely on equity financing through share offerings, which may result in dilution to the then existing Shareholders. If we are not able to obtain sufficient debt or equity financings, we may not be able to develop our wind power projects and implement our business strategies, in which case our growth rate and results of operations may be materially and adversely affected.

Our significant net current liabilities and borrowing levels may limit our ability to obtain additional funding for our operations.

We have relied on borrowings during the Track Record Period to fund the expansion of our wind power business and expect to continue to rely on borrowings as one of the most important financing resources for our future development. We typically fund 70% to 80% of the capital expenditure of a wind power project with bank loans and other borrowings. As of December 31, 2010, our net current liabilities totaled RMB8,832.3 million and our gearing ratio (which is calculated by dividing (i) the long-term and short-term borrowings and obligations under finance leases minus cash and cash equivalents (the "Net Debt") by (ii) Net Debt plus total equity (including non-controlling interests)) reached 75.4%. As of the same date, our gross outstanding borrowings totaled approximately RMB18,018.9 million, among which RMB4,817.6 million will mature in less than one year.

Our substantial indebtedness and the relative proportion with short-term maturities may constrain our operational flexibility and affect our business and operations. For example, it could require us to dedicate a large portion of our cash flow to repay principal and interest of our debt, which in turn may affect our ability to plan for and react to business opportunities. It could also subject us to various restrictive covenants, although as of the Latest Practicable Date, there were no restrictive covenants under our indebtedness. The high leverage level may also make us vulnerable to adverse changes in general economic and capital market conditions, especially to the fluctuations in interest rates. Given our reliance on borrowings, increases in interest rates may result in significant increases in our finance expenses and in turn have a material adverse effect on our financial condition and results of operations. As of December 31, 2008, 2009 and 2010, it was estimated that a general increase or decrease of 100 basis points in interest rates of net floating borrowings, with all other variables held constant, would have decreased or increased our profit after taxation and retained profits by approximately RMB11.7 million, RMB37.3 million and RMB103.5 million, respectively. Furthermore, our significant net current liabilities may limit our ability to obtain, or increase the cost of, additional financings to fund the further expansion of our business.

Any of these consequences could materially and adversely affect our financial condition and results of operations. We cannot assure you that we will always be able to obtain financing on favorable terms, or at all. If we are unable to obtain sufficient debt financing, we may have to rely on equity financing or curtail our development, which could have a material adverse effect on our business, financial condition and results of operations.

We face competition from other renewable energy companies, in particular, other wind power developers. We may also face competition from non-renewable power developers.

We face competition primarily from other renewable energy companies, especially wind power developers in the PRC. Renewable energy resources in the PRC, including wind, solar, hydro, biomass, geothermal and ocean power, benefit from various governmental incentives such as on-grid tariff premiums and dispatch priorities. If the PRC government strengthens its support for other renewable energy sources, we may face intensified competition from other renewable energy companies and our results of operations may be adversely affected.

The competition among wind power generation companies occurs mainly during the development stage, especially in selecting suitable sites and obtaining rights to develop wind power projects at a specific site. The development of wind power projects is limited by natural conditions, especially the quality wind resources that are found in limited geographic areas and at particular sites. We compete with other national or local wind power developers for desirable sites through entering into development agreements with local governments which provide us with exclusive rights or priority to develop wind power projects within a specific area during a specified period of time. We also compete with our competitors in a number of other areas, including obtaining relevant governmental approvals, adding our projected capacity into the local grid planning and securing bank borrowings. The preferential government policies, regulations and incentives for the wind power industry may attract new entrants into the market despite the relatively high barrier caused by the substantial capital requirement. Some of our existing or future competitors may have better access to local governmental support, financial and other resources than we do, providing them with competitive advantages in certain areas. Our business, financial condition and results of operations may be adversely affected as a result of such competition.

In addition, we may also face competition from power generators using nuclear energy and fossil fuels such as coal, petroleum and natural gas. Technological innovations in nuclear energy or fossil based power generation or discovery of large-scale new deposits of fossil fuel may reduce the operational cost of these nuclear energy or fossil based power generators or enable them to strengthened governmental support, which in turn may render our wind power projects less competitive.

We procure a majority of our wind turbines and related components from a limited number of PRC suppliers, who may not have as long operating history as foreign suppliers.

As an important component of our business strategy, we procure a majority of our wind turbines and related components from PRC domestic-brand suppliers. Wind turbine is the primary equipment of our wind power projects and costs for wind turbines constitute approximately 50% to 60% of our construction costs.

Consequently, fluctuations in wind turbine prices could have a significant and direct impact on our business, financial condition and results of operations. In 2008, 2009 and 2010, capacity of domestic-brand wind turbines accounted for approximately 100.0%, 91.4% and 97.5% of the total capacity installed during each respective year. Capacity of wind turbines supplied by Sinovel, our largest wind turbine supplier, accounted for approximately 82.4%, 48.4% and 45.4%, respectively, of the total capacity installed in 2008, 2009 and 2010.

The wind turbine manufacturing industry in China is still in its early stage of development. There are a limited number of manufacturers that have the expertise and capabilities to produce multi-megawatt class wind turbines. Our reliance on a limited number of suppliers may expose us to certain risks such as difficulty in finding replacement suppliers at comparable prices in the event that we lose one or more of our primary wind turbine suppliers.

Moreover, compared with overseas wind turbine suppliers, the PRC domestic-brand suppliers generally have a relatively shorter operating history. Due to their limited operating history, the technologies employed by the PRC suppliers may be less sophisticated and the performance of domestic-brand wind turbines may be less desirable than those supplied by foreign manufacturers. Furthermore, wind turbine quality testing and certification by professional third-party experts is a relatively new concept in China, and no regulatory or mandatory requirements have been established in this regard. Although we believe we have benefited tremendously from our current strategy given the relatively low cost and in-time after-sales services provided by the PRC domestic-brand suppliers, we may suffer from under-performance or non-performance of wind turbines caused by technical or manufacturing defects, which may materially and adversely affect our power generation and results of operations.

In the past, demand for wind turbines and related components exceeded supply and many wind power developers experienced difficulties in obtaining qualified wind turbines or related components necessary for their operations. Due to the shortage of supply, the prices we paid for wind turbines increased by approximately 8.4% in 2008. Although the prices have decreased since the end of 2008 due to the advancement of wind turbine technology, the increasing competition and the decrease in the manufacturing cost resulting from increased economies of scale and decreasing raw material cost, we cannot assure you that the wind turbine prices will not increase again in the future. If another shortage in supply occurs, it may lead to delay in delivery, increase in price, less favorable terms or even insufficient supply of wind turbines to meet our growth needs. The occurrence of any such events could have a material adverse effect on our business, financial condition and results of operations. We cannot assure you that we will be able to obtain a sufficient quantity of wind turbines and other related components on commercially reasonable terms, or at all, if any shortage in supply occurs.

The slow-down of economic growth in China and the global economic downturn may adversely affect our business growth and profitability.

The global financial markets have experienced significant disruptions since 2008 and most of the world's major economies have been or are still in recession. To the extent that there has been improvement in some areas, it is unclear whether the recovery is sustainable. China's economy also faces challenges. In an effort to counteract the impact of international financial crisis on China's economy, the PRC government has implemented a number of stimulus plans and other measures. There can be no assurance, however, that these measures will successfully avert an economic downturn if the global economic recession is prolonged or worsens.

Although our business is not directly affected by the economic downturn because of the preferential government policies providing for mandatory grid connection and mandatory power off-take, a slowdown in China's economy may lead to less business activities and in turn reduced demand for electricity in general. Unexpected significant decreases in electricity demand may cause local grid companies to impose temporary electricity output constraints on electricity generation companies to avoid overburdening the grid. In general, local grid companies tend to impose such restrictions on non-renewable power plants in order to comply with the mandatory power off-take regulations in favor of renewable energy producers such as wind farms. However, they may have to impose similar restrictions on wind power generators in the event of a severe and dramatic reduction in electricity demand in order to maintain the safety and stability of the grid which can only be achieved when electricity generated from non-intermittent sources accounts for a certain percentage of the total electricity dispatched by the grid. Decreases in electricity demand may also affect grid companies' financial condition and may eventually expose us to higher credit risks. Our suppliers may also experience difficulties and may not be able to supply us with equipment in a timely manner or on the same terms as before.

Moreover, our expansion requires substantial capital. A slowdown in China's economy or the recurrence of any severe financial disruption in the global financial market may have a material adverse impact on financing available to us. The weakness in the economy could erode investors' confidence which constitutes the basis of the credit market. Furthermore, the latest financial turmoil affecting the financial markets and banking system may significantly restrict our ability to obtain financing in the capital markets or from financial institutions on commercially reasonable terms, or at all. Although we are uncertain about the extent to which the recent global financial and economic crisis and slow-down of the Chinese economy may impact our business in the short term and long term, there is a risk that our business, financial condition, results of operations and prospects would be materially and adversely affected by the continuing global economic downturn and the slow-down of the Chinese economy.

The growth of our business depends on our ability to identify suitable sites and develop new wind power projects in a timely manner. If we fail to do so, our business and prospects may be adversely affected.

Our business expansion and future success depend, in part, upon our ability to identify suitable sites and develop new wind power projects at such sites. A site suitable for the development of wind power projects needs to be not only featured with quality wind resources, but also suitable for the construction of a wind power project in various aspects. The factors determining suitability of a site include, among others, its geographical conditions, proximity to transmission networks and availability of related facilities. We need to compete with other wind power developers by identifying such limited sites in a timely manner and securing our right to develop wind power projects at these sites by entering into investment and development agreements with local government.

Some of the investment and development agreements with the local government provide that if we fail to commence wind test or construction or power generation within a specified period of time, the local government has the right to reclaim the land use rights at no cost. As the construction and development of a wind power project involves numerous risks and uncertainties, including but not limited to our ability to obtain necessary governmental approvals and financing for the project, we may not be able to commence wind test, construction or power generation within the agreed period of time and may thus lose our land use rights and suffer substantial losses.

The standards we use to categorize our projects and the underlying assumptions are internally developed and may not be comparable to classifications used by other companies.

As disclosed in this prospectus, we categorize our projects into three categories based on the stage of development: operating projects, projects under construction and pipeline projects reserved for future development. We further divide our wind power pipeline projects into three categories in accordance with their maturity: Advanced-stage Projects, Developing-stage Projects and Early-stage Projects. See "Business — Pipeline Projects."

The standards we use to categorize our projects and the underlying assumptions are internally developed based on our experience and have not been verified by any third party. There is no unified or generally accepted standard or methodology in the wind power industry in the PRC for such categorization. Therefore, our categorization may not be comparable to classifications used by other companies.

Performance of our wind power projects may be adversely affected by nearby objects.

Performance of our wind power projects depends on the suitable climatic conditions at the sites they are located. Even if we have successfully identified the suitable sites and secured our rights to develop wind power projects, the climatic conditions of the relevant sites may be adversely affected by nearby objects developed later by third parties. Objects such as buildings or other large-scale structures near our wind farms may disrupt wind flows and result in reduced wind resources on a specific site. The investment and development agreements between the local government and us typically provide that we have the exclusive right or priority to develop wind farms at a specific site. Such agreements, however, do not prevent the local government from granting to third parties land use rights for nearby lands which, once developed, may have a negative impact on the climatic conditions of the sites on which we intend to develop wind farms. The performance of our wind turbines may be adversely affected by the development of objects nearby, which in turn may have an adverse impact on our results of operations.

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

We have experienced rapid growth during the Track Record Period, increasing the consolidated installed capacity of our wind power projects from 402.3 MW as of December 31, 2008 to 3,522.4 MW as of December 31, 2010. We target to increase our consolidated installed capacity to approximately 5,100 MW by the end of 2011. We also plan to develop other renewable energies to expand our power generation capabilities and to diversify our revenue base. However, the successful execution of our business strategy and management of our growth depend on a number of factors, including, among others, our ability to develop and expand our portfolio of operating projects, to manage our existing and future assets, to maintain adequate control over our expenses and to obtain sufficient financing on favorable terms. Furthermore, our ability to execute our business strategy and manage our growth successfully are also subject to many risks which are beyond our control.

We are in the process of developing solar power business. As of December 31, 2010, we have entered into investment and development agreements with local governments to develop solar power projects with an estimated capacity of 1,740 MW and have been awarded by the PRC government two solar power concession projects with a total capacity of 50.4 MW. In addition, we are also developing offshore wind power projects and have commenced commercial operation of one project in Shandong Province. However, large-scale development of solar power projects and offshore wind power projects is subject to the establishment of economic feasibility which in turn depends on the promulgation and development of the pricing mechanism for such projects by the PRC government. If the economic feasibility cannot be established, our expansion in these areas may not be successful and our business and growth prospects may be adversely affected.

Discontinuance of preferential tax treatments may have an adverse impact on our results of operations and financial condition.

Prior to January 1, 2008, PRC entities were generally subject to the statutory income tax rate of 33% on their taxable income. A number of our subsidiaries, however, were taxed at various preferential income tax rates due to their engagement in state encouraged industries located in the western regions, their status as production-type foreign investment enterprises ("FIEs") or their location in the designated coastal open area.

On January 1, 2008, the New EIT Law came into effect, which sets a unified 25% income tax rate for both foreign-invested and domestic enterprises. The New EIT Law, together with its implementation rules, provides a five-year transition period for the PRC entities established prior to March 16, 2007 that enjoyed preferential tax rates of less than 25% to gradually increase the applicable income tax rates to 25%. Accordingly, certain of our subsidiaries which were taxed at preferential income tax rates of less than 25% are now subject to the transitional rates and will eventually be subject to the statutory rate of 25% by the end of 2012. Such increase in tax rates may have a material adverse impact on our financial condition and results of operations.

Furthermore, certain of our wind power projects which have obtained government approval on or after January 1, 2008 are entitled to full tax exemption for three years, followed by 50% tax exemption for another three years commencing from the first year they generate operating income. Certain of our subsidiaries, being foreign-invested manufacturing enterprises scheduled to operate for a period of not less than ten years, are entitled to full tax exemption for two years followed by 50% tax exemption for another three years commencing from their respective first profit-making year after offsetting accumulated tax losses, if any.

In addition, pursuant to the "Notice on Value Added Tax Policy Regarding Comprehensive Utilization of Resources and Other Products" (《關於資源綜合利用及其他產品增值税政策的通知》), the wind power projects are entitled to a tax rebate equivalent to 50% of the VAT payable by the wind power business. During the Track Record Period, we recorded VAT rebate and refund in the amount of RMB19.3 million, RMB36.9 million and RMB42.5 million in 2008, 2009 and 2010, respectively. If the PRC government discontinues any of the aforesaid preferential tax treatments or exemptions, our tax payable will increase and our financial condition and results of operations may be materially and adversely affected.

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

Wind power generators in China are required by laws and regulations to cooperate with grid companies to ensure the safety and stability of power grids. In order to comply with such laws and regulations, we may need to incur significant costs to purchase and install additional equipment, such as low voltage ride-through equipment, at our wind farms if requested by grid companies. The installation of additional equipment may also result in interruption to the normal operation of our wind farms and thus have a negative effect on our net power generation. If the PRC government adopts stricter grid safety and stability requirements, our business, financial condition and results of operations may be adversely affected.

Acquisition of wind farms involves risks.

We may acquire wind farms in various development stages, complete their development and put them into operation. Acquisition of wind farms or wind energy assets may involve risks. For example, we may not be able to complete the development of such wind farms and commence commercial operations as planned. We may also incur unanticipated costs and expenses or be exposed to unanticipated liabilities in connection with the acquisitions. The integration of acquired wind farms or wind energy assets into our business may require substantial resources and management attention, and may ultimately be unsuccessful. In addition, if the wind farms or wind energy assets are in new markets, we may be exposed to numerous risks associated with entering into new markets where we have limited experience. We cannot assure you that we will be able to achieve the financial returns as we expect at the time such acquisitions are made. Any failure in the potential acquisitions may have a material adverse effect on our business, financial condition and results of operations.

Title defects in relation to certain lands and buildings may adversely affect our operations.

As of February 28, 2011, we did not hold title certificates in relation to approximately 38.7% of the land and 27.0% of the buildings used or occupied by us. As a result, our rights to use such land or buildings may be challenged by third parties and we may have to vacate if any of the challenges succeeds. If we lose rights to use these land, we may have to relocate and may not be able to expand our wind power business as planned, which may have a material adverse effect on our business, financial condition and results of operations. We are currently applying for title certificates for these land and buildings. However, we cannot assure you that we will be able to obtain all the title certificates in a timely manner, or at all. See "Business — Property" for further details.

The services of our senior management and key employees are crucial to our success, and we may not be able to recruit and retain the personnel we need.

Our success depends on the continuous effort and services of our experienced senior management team and key employees. Because the wind power industry is relatively new in the PRC, there is a scarcity of highly qualified personnel with relevant experience and expertise. If we lose one or more members of our management team or key employees, we may have difficulty in finding his or her replacement in a timely manner, or at all, which may be disruptive to our business. In addition, we need to recruit and retain highly skilled and dedicated employees for our operations and expansion. We may not be able to successfully compete with other wind power producers in the recruitment and retention of desired employees. Training of new employees with no prior relevant experience could be time consuming and require a significant amount of resources. If we are not able to recruit and retain sufficient qualified employees, our business and results of operations may be materially and adversely affected.

We may not be able to keep up with technological innovations.

The wind power industry is rapidly evolving and subject to continuous technological innovations. Our continuous success will depend on our ability to keep up with the changes in technology in a timely and effective manner. For example, technological innovations may improve the performance of wind turbines and increase the availability factor. If we are not able to upgrade our equipments and technologies to keep up with technological changes in this regard, our competitiveness and results of operations may be negatively affected. Furthermore, technological innovations may require substantial capital expenditures in research and development as well as in upgrade of equipment. If our efforts in technological innovations are not successful, our results of operations and prospects may be materially and adversely affected.

Our Special Distribution is not indicative of our future dividend policy.

We have agreed to declare a special distribution to Huaneng Group in an amount of RMB316.2 million, which is equal to our audited consolidated net profits attributable to equity owner/shareholders of the Company for the year ended December 31, 2010, prorated according to the number of days from January 1, 2010, the date immediately after the date on which our assets were valued for the establishment of our Company as a joint stock limited company, to August 5, 2010, the date of our establishment (the "Special Distribution"). We expect to pay such Special Distribution to Huaneng Group within six months commencing from the Listing Date with cash generated from operating activities. See "Financial Information — Special Distribution" for further details.

The Special Distribution was not determined in accordance with our dividend policy as described in "Financial Information — Dividend Policy." Investors of H Shares will not participate in the Special Distribution. The Special Distribution is not an indication of our future dividend policy.

We are not able to insure against all potential risks and may suffer economic losses if our operation is interrupted.

Our business is exposed to risks inherent in the construction and operation of wind power projects, such as manufacturing defects, failure or substandard performance of wind turbines, improper installation or operation of equipment, labor disturbances, natural disasters, environmental hazards and industrial accidents. Occurrence of material operational problems, including but not limited to the above events, may materially and adversely affect the profitability of a wind power project.

We currently maintain insurance coverage that is typical in the wind power industry in the PRC and in amounts that we believe to be in line with the customary practice of other PRC wind power generators. However, our insurance coverage may not provide adequate coverage in certain circumstances. In particular, in line with industry practice in the PRC, our wind farms do not maintain business interruption insurance, or any third party liability insurance other than that included in construction all risks insurance or erection all risks insurance to cover claims in respect of bodily injury or property or environmental damage arising from accidents on our property or relating to our operation. We cannot assure you that such accidents will not occur in the future. A serious uninsured loss or a loss significantly exceeding the limits of our insurance policies could have a material adverse effect on our business, financial condition and results of operations.

Our assets could be damaged and our operations could be disrupted by natural and man-made disasters, and we could face civil liabilities or other losses as a result.

Our assets, including, among others, wind turbines, transformers, interconnection infrastructure, buildings, vehicles and other equipment, could be damaged by fire, earthquake, flood, acts of terrorism and other natural or man-made disasters. Such natural or man-made disasters may also result in a severe disruption to our business operations. While we seek to take precautions against such disasters and purchase levels of insurance coverage that we regard as commercially appropriate, should any damage occur and be substantial, we could incur significant losses and damages not recoverable under insurance policies in force. See "— We are not able to insure against all potential risks and may suffer economic losses if our operation is interrupted."

We may also face civil liabilities or fines in the ordinary course of business as a result of damages to third parties caused by natural or man-made disasters mentioned above. These liabilities may result in us being required to make indemnification payments in accordance with applicable laws that may not be fully covered by our insurance policies, which could have an adverse effect on our business, financial condition and results of operations.

Our development and operation of wind farms are subject to various environmental, health and safety laws and regulations.

Our development and operation of wind farms are subject to various environmental, health and safety laws and regulations. These laws and regulations require us to undergo environmental impact assessments and review processes and implement environmental, health and safety programs and procedures to control risks associated with the siting, design, construction and operation of wind power projects. For example, we are required to prepare and submit an environmental impact assessment report to the relevant environmental protection authorities for approval before we can start the construction of a wind power project. When the construction is completed, the wind power project also needs to go through certain inspection process to ensure its satisfaction of environmental protection requirements prior to commercial operation.

If we do not comply with applicable laws and regulations, we may be subject to penalties or fines or may even be required to cease operations of the relevant projects. In addition, the PRC government may adopt more stringent environmental, health and safety laws and regulations in the future. Any such change could result in a substantial increase in the costs of compliance, which in turn could materially and adversely affect our business, financial condition and results of operations.

Risks Relating to Doing Business in China

Changes in China's economic, political or social conditions or government policies could have a material adverse effect on our business, financial condition, results of operations and prospects.

All of our assets and operations are located in China. Accordingly, our business, financial condition, results of operations and prospects may be influenced to a significant degree by political, economic and social conditions in China generally and by continued economic growth in China as a whole.

The Chinese economy differs from the economies of most developed countries in many aspects, including the level of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. Although the Chinese government has implemented measures since the late 1970s emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets, and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in China is still owned by the Chinese government. In addition, the Chinese government continues to play a significant role in regulating industry development by imposing industry policies. The Chinese government also exercises significant control over the Chinese economic growth through allocating resources, controlling payment of foreign currency denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies.

While the Chinese economy has experienced significant growth over the past decades, growth has been uneven, both geographically and among various sectors of the economy. The Chinese government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall Chinese economy, but may have a negative effect on us. For example, the Chinese government has implemented certain measures, including interest rate increases, to control the pace of economic growth. These measures may cause decreased economic activity in China, which could in turn reduce the demand for electricity and adversely affect our business and results of operations.

Uncertainties in the interpretation and enforcement of Chinese laws and regulations could limit the available legal protections.

We and all of our subsidiaries through which we conduct our operations are organized under the PRC laws. The PRC legal system is based on written statutes. 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, in particular, the regulatory regime relating to renewable energy projects, are relatively new and will likely continue to evolve, are subject to different interpretations and may be inconsistently implemented and enforced. In addition, there are only limited volumes of published court decisions that 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 available legal remedies and protections, and can adversely affect the value of your investment.

In particular, the PRC power industry, including the renewable energy sector, is a highly regulated industry. Many aspects of our business, such as electricity generation, grid connection and the setting of on-grid tariffs, are subject to PRC laws and regulations. As the PRC legal system and the PRC power industry develop, we cannot assure you that changes in such laws and regulations, or in their interpretation or enforcement, will not have a material adverse effect on our business, financial condition or results of operations.

Fluctuations in exchange rates could have a material adverse effect on our results of operations and the value of your investment.

The value of the RMB against Hong Kong dollar, U.S. dollar and other currencies is affected by, among others, changes in China's political and economic conditions and China's foreign exchange policies. The conversion of Renminbi into foreign currencies, including U.S. dollars and Hong Kong dollars, is based on rates set by PBOC. The PRC government allowed the Renminbi to appreciate by more than 20% against the U.S. dollar between July 2005 and July 2008. Between July 2008 and June 2010, this appreciation halted and the exchange rate between the Renminbi and the U.S. dollar remained within a narrow band. Since June 2010, the PRC government has allowed the Renminbi to appreciate slowly against the U.S. dollar again. It is difficult to predict how market forces or the respective policy of the PRC or the U.S. government may impact the exchange rate between the Renminbi and the U.S. dollar and other currencies in the future.

There remains significant international pressure on the PRC government to adopt a substantial liberalization of its currency policy, which could result in further appreciation in the value of the RMB against the Hong Kong dollar and the U.S. dollar. Significant revaluation of the RMB may have a material adverse effect on your investment. For example, to the extent that we need to convert U.S. dollars or Hong Kong dollars we receive from this Global Offering to pay our bank loans and operating expenses, appreciation of the RMB against the U.S. dollar or Hong Kong dollar would have an adverse effect on the RMB amount we would receive from the conversion.

You may experience difficulties in effecting service of legal process and enforcing judgments against us and our management.

We are a company established under the laws of the PRC and all of our business, assets and operations are located in China. In addition, a majority of our Directors, Supervisors and executive officers reside in China and substantially all of their assets are located in China. As a result, it may not be possible to effect service of process elsewhere outside China upon us or such Directors, Supervisors or executive officers. Moreover, China does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with the United States, the United Kingdom, Japan or many other countries. As a result, recognition and enforcement in China of judgments of a court in other jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult or impossible.

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 or in connection with 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 competent 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 Hong Kong Government 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 may still be uncertain.

Risks Relating to the Global Offering

An active trading market for our H Shares may not develop and the trading price for our H Shares may fluctuate significantly.

We applied to list our H Shares on the Stock Exchange. Prior to the completion of this Global Offering, there has been no public market for our H Shares, and we cannot assure you that a liquid public market for our H Shares will develop. If an active public market for our H Shares does not develop following the completion of this Global Offering, the market price and liquidity of our H Shares may be materially and adversely affected. The initial Offer Price for our H Shares will be determined by negotiation between us and the Underwriters based upon several factors, and we can provide no assurance that the trading price of our H Shares after this Global Offering will not decline below the initial Offer Price. As a result, investors in our securities may experience a significant decrease in the value of their H Shares.

The trading prices of our H Shares could be volatile, which could result in substantial losses to investors.

The trading prices of our H Shares could be volatile and could fluctuate widely due to factors beyond our control. This may happen because of broad market and industry factors, like the performance and fluctuation of the market prices of other companies with business operations located mainly in China that have listed their securities on the Stock Exchange. A number of Chinese companies have listed their securities on the Stock Exchange. The securities of some of these companies have experienced significant volatility, including price declines after their initial public offerings. The trading performances of these Chinese companies' securities after their offerings may affect the attitudes of investors toward Chinese companies listed in Hong Kong in general and consequently may impact the trading performance of our H Shares, regardless of our actual operating performance.

In addition to market and industry factors, the price and trading volume for our H Shares may be volatile due to factors specific to our own operations, including but not limited to the following: variations in our revenues, earnings and cash flow; announcements of new investments, acquisitions, strategic partnerships, or joint ventures; announcements of new developments and expansions by us or our competitors; changes in financial estimates by securities analysts; additions or departures of key personnel; release of lock-up or other transfer restrictions on our outstanding equity securities; sales or conceivable sales of additional equity securities; potential litigation or regulatory investigations; and changes in governmental policies affecting our business. Any of these factors may result in large and sudden changes in the volume and price at which our H Shares will trade. We cannot assure you that these factors will not emerge in the future.

The sale or availability for sale of substantial amounts of our H Shares or other securities relating to our H Shares could adversely affect the market price of our H Shares.

As of the date of this prospectus, our registered share capital is RMB5,800 million, divided into 5,800,000,000 Domestic Shares with a nominal value of RMB1.00 each. Assuming the Over-allotment Option is not exercised, immediately after the Global Offering we will have 5,551,430,000 Domestic Shares, 248,570,000 H Shares to be converted from Domestic Shares and held by NSSF and 2,485,710,000 H Shares to be issued under the Global Offering. In addition, Domestic Shares can be converted into H Shares after Listing subject to relevant laws and regulations and approvals. Sales of substantial amounts of our H Shares in the public market after the completion of this Global Offering, or the perception that these sales could occur, could adversely affect the market price of our H Shares and could materially impair our ability to raise capital through equity offerings in the future. See "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering" for a detailed discussion of restrictions on future sales of our H Shares. After these restrictions lapse, sales of substantial amount of our H Shares may occur and we cannot predict what effect, if any, such sales of H Shares or the availability of these securities for future sale will have on the market price of our H Shares.

We will incur increased costs as a result of being a public company.

Upon completion of this Global Offering, we will become a public company and expect to incur significant legal, accounting and other expenses that we did not incur before. The Listing Rules, as well as rules subsequently implemented by the Stock Exchange, impose various requirements on the corporate governance practices of public companies. We expect these rules and regulations to increase our legal and financial compliance costs and to make some corporate activities more time-consuming and costly. In addition, we will incur additional costs associated with our public company reporting requirements. It may also be more difficult for us to find qualified persons to serve on our Board of Directors or as executive officers. We are currently evaluating and monitoring developments with respect to these rules and regulations, and we cannot predict or estimate with any degree of certainty the amount of additional costs we may incur or the timing of such costs being incurred.

Investors should not place undue reliance on industry and market information and statistics derived from official government publications contained in this prospectus.

This prospectus contains information and statistics relating to the PRC, the PRC economy and the PRC power industry. With respect to information and statistics derived from various official government publications, while we have exercised reasonable care in compiling and reproducing such information and statistics, it has not been independently verified by us or any of our affiliates or advisers, nor by the Underwriters or any other parties involved in the Global Offering or their respective affiliates or advisers. In particular, due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, such information and statistics may be inaccurate or may not be comparable to information and statistics produced with respect to other countries. Further, there can be no assurance that such information and statistics are stated or compiled on the same basis or with the same degree of accuracy as the case may be in other countries. We cannot ensure the accuracy of such information and statistics, and such information and statistics may not be consistent with other information prepared within or outside the PRC. You should not place undue reliance on any of such information and statistics contained in this prospectus.

Investors should not rely on any information contained in press articles or other media regarding us and the Global Offering.

Prior to the publication of this prospectus, there has been press and media coverage regarding our Company and the Global Offering. Such press and media coverage may include references to certain events or information that do not appear in this prospectus, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept responsibility for any such press or media coverage or the accuracy or completeness of any such information. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent such statements are inconsistent with, or conflict with, the information contained in this prospectus, we disclaim responsibility for them. Accordingly, prospective investors should not rely on any such information and should only rely on information included in this prospectus in making any decision as to whether to purchase our H Shares.

Purchasers of our H Shares will experience immediate dilution because the Offer Price is higher than our net tangible asset value per H Share.

Because the Offer Price of our Offer Shares is higher than the net tangible assets per Share immediately prior to the Global Offering, purchasers of our Offer Shares in the Global Offering will experience an immediate dilution in pro forma adjusted net tangible assets of HK$1.36 per Share (assuming an Offer Price of HK$2.28 per Share), or HK$1.56 per Share (assuming an Offer Price of HK$2.98 per Share). If we issue additional Shares in the future, purchasers of our Shares may experience further dilution in their ownership percentage.