

## SUMMARY

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

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

### OVERVIEW

We are a leading solar-grade polysilicon producer and PV project contractor, engaging primarily in the upstream and downstream segments of the PV industry in China. According to Frost & Sullivan, in terms of polysilicon production output in 2014, we ranked second in the PRC with a market share of 13.3% and fifth globally with a market share of 6.2%. According to the same source, in 2014, we ranked first among PV project contractors in China (with a market share of 6.3%) in terms of completed PV installed capacity; and we ranked second among global PV project contractors in terms of completed and constructing PV installed capacity.

Our main business segments include:

- **Polysilicon Production:** We produce and sell solar-grade polysilicon, the main raw material for manufacturing PV products;
- **Sales of Electricity:** We own a coal-fired power plant which supplies electricity to our polysilicon production, and we sell its surplus electricity to the local power grid;
- **Engineering and Construction Contracting:** Operating under the EPC, PC or BT contracting model, we provide comprehensive energy solutions to PV and wind power projects, including engineering design, consultancy, construction, commissioning, as well as operations and maintenance;
- **Inverter Manufacturing:** We manufacture and sell inverters, which is a key component used in PV projects; and
- **PV Wafer and Module Manufacturing:** We manufacture PV wafers and sell them to PV cells manufacturers, and we manufacture PV modules primarily for in-house consumption.

The following table sets forth a breakdown of our revenue, gross profit and gross margin by business segment for the periods indicated:

	Year ended December 31,									Six months ended June 30,						
	2012			2013			2014			2014			2015			
	Revenue (RMB in millions)	Gross Profit (RMB in millions)	Gross Margin (%)	Revenue (RMB in millions)	Gross Profit (RMB in millions)	Gross Margin (%)	Revenue (RMB in millions)	Gross Profit (RMB in millions)	Gross Margin (%)	(unaudited)			Revenue (RMB in millions)	Gross Profit (RMB in millions)	Gross Margin (%)	
Polysilicon																
Production	259.8	(110.3)	(42.5)	866.6	99.9	11.5	2,049.0	838.9	40.9 <sup>(1)</sup>	867.3	371.1	42.8	988.7	320.6	32.4 <sup>(1)</sup>	
Sales of Electricity	—	—	—	328.8 <sup>(3)</sup>	125.1	38.0 <sup>(2)</sup>	397.2	59.2	14.9 <sup>(2)</sup>	220.8	37.2	16.9 <sup>(2)</sup>	213.0	53.9	25.3 <sup>(2)</sup>	
Engineering and Construction																
Contracting	1,539.5	170.7	11.1	4,026.3	350.0	8.7	4,143.7	478.7	11.6	1,486.3	137.4	9.2	2,371.8	250.1	10.5	
Inverter																
Manufacturing	94.6	21.3	22.5	373.4	87.0	23.3	431.5	86.6	20.1	166.1	33.0	19.9	207.9	46.7	22.5	
PV Wafer and Module																
Manufacturing	333.9	(163.9)	(49.1)	301.1	(48.4)	(16.1)	273.6	(51.0)	(18.6)	132.2	(6.2)	(4.7)	121.7	(22.2)	(18.2)	
Others <sup>(4)</sup>	12.0	1.5	12.5	11.1	1.0	9.0	107.5	16.3	15.2	16.2	4.9	30.2	47.5	3.9	8.2	
<b>Total</b>	<b>2,239.8</b>	<b>(80.7)</b>	<b>(3.6)</b>	<b>5,907.3</b>	<b>614.7</b>	<b>10.4</b>	<b>7,402.5</b>	<b>1,428.5</b>	<b>19.3</b>	<b>2,888.9</b>	<b>577.4</b>	<b>20.0</b>	<b>3,950.6</b>	<b>653.0</b>	<b>16.5</b>	

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## SUMMARY

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- (1) As we have made continuous technology upgrades and process improvements, we experienced a decrease in our manufacturing costs which offset decrease in gross profit margin of our Polysilicon Production business caused by the decreased average selling price (excluding VAT), which amounted to RMB126.2/kg and RMB106.5/kg in 2014 and for the six months ended June 30, 2015, respectively.
- (2) For discussion on the fluctuation of gross profit margin of such electricity sale, see “*Financial Information—Results of Operations—Gross Profit and Gross Margin.*”
- (3) For 2013 only, the calculation of the revenue excluded the electricity generated during the initial testing period of our coal-fired power plant from February 2013 to June 2013 where income attributable to the sales of electricity during this testing period is not included in the revenue of electricity sales, but is offset against the cost of our power plant.
- (4) Others include primarily revenues from providing logistics and transportation services to our customers and the trading of PV products sourced from third-party sources.

China’s PV market has been fast growing due to favorable regulatory environment and continuous technological improvement. As of December 31, 2014, the total PV installed capacity in the PRC reached 28.1GW, representing a substantial increase of 27.2GW from 2010. The PV industry in China consists primarily of three segments: upstream (polysilicon production), midstream (PV product and equipment manufacturing) and downstream (PV project construction and operations). Characterized by significantly high requirements for technology, capital and electricity, the polysilicon production market is highly concentrated in China, with the top five producers accounting for 79.6% of the total production output in 2014. The construction contracting sector for the PV projects is relatively fragmented, with the top five contractors accounting for less than 20% of the total annual PV installed capacity in China. We enjoy leading market positions in the upstream and downstream segments, which we believe are the most profitable segments in the entire PV industry.

Our focus on the upstream and downstream PV segments enabled us to capture significant profit from the PV industry:

- Our large-scale and state-of-the-art polysilicon production facilities, coal-fired power plant, leading technologies and enhanced production efficiency allowed us to enjoy substantial economies of scale and cost advantages which helped us maintain a reasonable level of gross profit margin and production utilization, despite declining polysilicon prices. In 2014, segment gross margin of our Polysilicon Production was 40.9% and our utilization rate was 116.7%, well above the industry average.
- In addition to providing comprehensive energy solutions to PV and wind power projects, we design and execute project solutions that are customized around customers’ needs and that can maximize value while increasing power generation efficiency. Our proven track records and long-term business relationship with various suppliers, customers and local government authorities have won us an increasing number of contracting mandates and gained us the development rights to multiple PV and wind power projects. We completed the construction of PV and wind power projects of 186.2MW, 617.7MW, 822.3MW and 444.7MW, respectively, in 2012, 2013 and 2014 and the six months ended June 30, 2015. During the same periods, segment gross margin of our Engineering and Construction Contracting business was 11.1%, 8.7%, 11.6% and 10.5%, respectively.

We believe that our focus on upstream and downstream segments of the PV industry also creates significant business synergies. We have established strategic relationships with our customers in our Polysilicon Production and Engineering and Construction Contracting businesses to share greater business opportunities in the entire PV industry value chain.

We have since 2013 been providing engineering and construction contracting services to wind power projects. As China’s wind power project construction market is highly fragmented, with the top

## SUMMARY

five constructors accounting for 13.1% of the market in terms of completed installed capacity in 2014, we had less than 1% of market share in 2014. During the Track Record Period, we completed an aggregate of wind power installed capacity of 353.3MW. Going forward, we expect the number of our wind power projects to increase and gradually gain its importance in our Engineering and Construction Contracting business. See “*Business—Our Products and Services—Engineering and Construction Contracting—EPC and PC Projects under Construction*” and “*Business—Our Products and Services—Engineering and Construction Contracting—Our Pipeline BT and BOO Projects.*”

We believe that as an operator of PV and wind power projects, we will enjoy stable cash flow from the sale of electricity and long-term government subsidies, which will help diversify our revenue source and increase our profit. We intend to actively develop BOO projects under which we are responsible for the engineering design, procurement, construction and installation, commissioning, operations and maintenance of a PV and wind power project as well as entering into the power purchase agreements with local power grids for the sale of electricity. With our competitive advantages in engineering and construction contracting services and our abundant reserves of PV and wind power projects, together with an experienced in-house operations and maintenance team, we aim to become a leading operator of PV and wind power projects in China.

### Polysilicon Production

We produce and sell solar-grade polysilicon which is an essential raw material for the manufacturing of PV cells. We produce polysilicon in rods, broken into chunks, which we sell to PV product manufacturers primarily in China, who further process it into ingots, wafers, cells and modules for PV projects. All of the polysilicon we currently produce and have produced during the Track Record Period is solar-grade, which is intended for manufacturing PV products. The following table sets forth the sales information of our Polysilicon Production business for the periods indicated:

	Year ended December 31,			Six months ended June 30,
	2012	2013	2014	2015
Sales volume (tonnes) . . . . .	2,223.1	8,093.7	16,165.6	9,257.3
Sales revenue (RMB in millions) . . . . .	258.0	858.4	2,040.4	985.6
Average selling prices (RMB/kg and excluding VAT) . . . . .	116.1	106.1	126.2	106.5

Our polysilicon production facilities are located at our headquarters in Urumqi, Xinjiang, China (“Xinjiang Plant”). It commenced production in 2009 and reached an annualized designed production capacity of 15,000 tonnes in 2013. The following table sets forth the key operating information of our polysilicon production during the periods indicated:

	As of or for the year ended December 31,			As of or for the six months ended June 30,
	2012	2013	2014	2015
Designed production capacity (tonne) . . . . .	3,000	15,000	15,000	15,000
Average production capacity <sup>(1)</sup> (tonne) . . . . .	3,000	7,000 <sup>(2)</sup>	15,000	7,500
Production output (tonnes) . . . . .	2,681.8	7,920.4	17,504.9	9,131.8
Utilization rate <sup>(3)</sup> . . . . .	89.4%	113.1%	116.7%	121.8%

(1) Average production capacity equals the aggregate of our production capacity for each month-end in a period divided by the number of months in such period.

(2) Our 12,000-tonne production capacity expansion project was completed in September 2013 and therefore our average production capacity in 2013 was 7,000 tonnes.

(3) Utilization rate equals our production output in a period divided by our average production capacity in such period.

## SUMMARY

### Sale of Electricity

We own a coal-fired power plant which commenced operation in February 2013 and supplies low-cost electricity to our Xinjiang Plant using coal supplies from our Controlling Shareholder and other third parties. We also sell surplus electricity from our coal-fired power plant to a local power grid company. Based on our current production efficiency, our coal-fired power plant is able to support the electricity consumption required by the production of up to approximately 50,000 tonnes of polysilicon per year. If we increase our designed polysilicon production capacity in the future, our surplus power generation will decrease accordingly. The following table sets forth the key operating data of our coal-fired power plant:

	As of or for the year ended December 31,		As of or for the six months ended June 30,	As of or for the three months ended September 30,
	2013	2014	2015	2015
Installed capacity . . . . .	2×350MW	2×350MW	2×350MW	2×350MW
Average utilization hours . . . . .	4,521.6	6,077.4	3,303.3	1,703.5
Gross electricity generation (MWh) . . . . .	3,165,132.5	4,254,162.0	2,312,324.0	1,192,456.0
On-grid electricity generation (MWh) . . . . .	2,765,015.0	3,775,987.8	2,046,975.0	1,025,090.0
—Power generation used by us in polysilicon production . . . . .	1,015,959.5	1,479,618.8	814,846.7	479,046.8
—Surplus power generation sold to the local power grid . . . . .	1,749,055.5	2,296,369.0	1,232,128.3	546,043.2
Tariff (RMB/MWh) <sup>(1)</sup> . . . . .	200.0 <sup>(2)</sup>	200.0	200.0	200.0
Gross margin (RMB/MWh) <sup>(3)</sup> . . . . .	119.0	116.8	126.9	124.8

- (1) Tariff refers to the unit price of electricity (including VAT) for our surplus power generation sold to the external local power grid company.
- (2) In 2013, we sold all of our on-grid power output from our coal-fired power plant to the local power grid company and purchased electricity for our polysilicon production from such power grid. The selling price of electricity to the power grid and the purchase price of electricity for our polysilicon production were identical, both at tariff rates of RMB250/MWh and sales of surplus electricity, being our purchase of electricity deducted from all of our on-grid power output, were at tariff rates of RMB200/MWh.
- (3) Gross margin of our coal-fired power plant, as measured in RMB/MWh, is the difference between the tariff of electricity we sold and the fuel cost (including transportation cost) incurred to produce that electricity. For 2013 only, the calculation of the gross margin excluded the electricity generated during the initial testing period of our coal-fired power plant from February 2013 to June 2013 where income attributable to the sales of electricity during this testing period is not included in the revenue of electricity sales, but is offset against the cost of our power plant.

We enter into power purchase agreements with a local power grid company, Xinjiang branch of the State Grid Corporation of China, for our purchase or sale of electricity. Our power purchase agreements generally have a term of one to three years and can be renewed upon expiry, which generally include delivery and supply terms, metering, pricing, billing and payments as well as liabilities for breach of contract. In addition, we intend to manage and operate our pipeline BOO projects upon completion and to sell the electricity generated by these projects. See “*Business—Our Products and Services—Engineering and Construction Contracting—Our Pipeline BT and BOO Projects*” beginning on page 150 of this prospectus.

### Engineering and Construction Contracting

We provide comprehensive energy solutions to PV and wind power projects, including engineering design, consultancy, construction and commissioning, as well as operations and maintenance in our Engineering and Construction Contracting business. Depending on our customers’ needs, we mainly use EPC, PC or BT contracting model to provide engineering and construction contracting services to PV and wind power projects. During the Track Record Period, we completed an

## SUMMARY

aggregate of 2,070.9MW of installed capacity. The table below sets forth our completed installed capacity of PV and wind power projects by contracting model for the periods indicated:

	Year ended December 31,						Six months ended June 30,	
	2012		2013		2014		2015	
	PV (MW)	Wind Power (MW)	PV (MW)	Wind Power (MW)	PV (MW)	Wind Power (MW)	PV (MW)	Wind Power (MW)
EPC .....	134.2	—	316.8	47.6	269.9	15.2	160.1	36.3
PC .....	52.0	—	121.7	—	239.1	78.5	76.4	61.1
BT .....	—	—	107.8	23.9	155.7	63.9	83.9	26.9
<b>Total</b> .....	<b><u>186.2</u></b>	<b><u>—</u></b>	<b><u>546.3</u></b>	<b><u>71.4</u></b>	<b><u>664.7</u></b>	<b><u>157.6</u></b>	<b><u>320.4</u></b>	<b><u>124.3</u></b>

The table below sets forth the success rate of our bidding activities for EPC and PC projects for the periods indicated:

	Year ended December 31,			Six months ended June 30,
	2012	2013	2014	2015
	Number of tender submitted .....	46	57	50
Number of tender won .....	15	27	18	11
Tender success rate .....	32.6%	47.4%	36.0%	52.4%

As of June 30, 2015, the total estimated value of our uncompleted contracts for EPC, PC and BT projects, also known as backlog, was RMB3,716.6 million, including RMB1,572.7 million for PV projects and RMB2,143.9 million for wind power projects. As of June 30, 2015, we have abundant reserves of PV and wind power projects, which are available for development under BT or BOO model, including completed projects but not transferred and sold of 109.0MW, projects under construction of 468.0MW, advanced pipeline projects of 2,277.5MW and early pipeline projects of 17,690.0MW. See “*Business—Our Products and Services—Engineering and Construction Contracting—Our Pipeline BT and BOO Projects*” beginning on page 150 of this prospectus. In each of 2015 and 2016, for BOO projects, we aim to construct and operate not less than 300.0MW of wind power projects and not less than 150.0MW of PV projects. The table below sets forth our backlog by contracting model as of June 30, 2015:

	As of June 30, 2015			
	EPC contracts	PC contracts	BT contracts	Subtotal
	(RMB in millions)			
<b>PV projects</b> .....	804.2	417.3	351.2	1,572.7
<b>Wind power projects</b> .....	917.1	1,006.6	220.1	2,143.9
<b>Total</b> .....	<b><u>1,721.3</u></b>	<b><u>1,424.0</u></b>	<b><u>571.3</u></b>	<b><u>3,716.6</u></b>

The above backlog does not include our pipeline BT and BOO projects. Of our total backlog as of June 30, 2015, we expect to recognize approximately RMB1,380 million and RMB2,337 million, respectively, in the second half of 2015 and in 2016.

The BT and BOO models of our Engineering and Construction Contracting business are capital intensive. Further, BT and BOO projects require significant initial cash outlays during the construction phase which typically lasts from six to twelve months and features long payback periods, and therefore subject us to liquidity risk. See “*Risk factors—Risks relating to Our Business and Industry—Risks relating to Our Engineering and Construction Contracting Business—BT and BOO projects typically require significant initial cash outlays and feature long payback periods and we may require*

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## SUMMARY

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*substantial funding for these projects.*” The expected investment payback period of our PV power projects and wind power project generally ranges from 7 to 11 years and five to nine years, respectively, with an estimated operational period of 25 years and 20 years, respectively. As we intend to actively develop BT and BOO projects in the future, we plan to implement various risk control measures to manage exposure to such liquidity risk. See “*Business—Our Products and Services—Engineering and Construction Contracting—Our Pipeline BT and BOO Projects—Liquidity risk control measures*” beginning on page 154 of this prospectus.

### **Inverter Manufacturing**

We also manufacture and sell ancillary equipment used in PV projects, principally inverters. An inverter is a key component of a PV project and is responsible for converting the direct current output of the PV cells into alternating current that can be fed into a commercial power grid. Our inverter manufacturing facility is located in Xi’an, China, which commenced commercial operation in 2010 and reached an annualized designed production capacity of 1,500.0MW in 2013. The following table sets forth the key operating information of our inverter manufacturing facility as of the dates or during the periods indicated:

	As of or for the year ended December 31,			As of or for the six
	2012	2013	2014	months ended June 30,
				2015
Designed production capacity (MW) . . . . .	200.0	1,500.0	1,500.0	1,500.0
Average production capacity <sup>(1)</sup> (MW) . . . . .	200.0	1,200.0	1,500.0	750.0
Production output (MW) . . . . .	257.0	1,128.0	1,349.0	840.0
Utilization rate <sup>(2)</sup> . . . . .	128.5%	94.0%	89.9%	112.0%

(1) Average production capacity equals the aggregate of our production capacity for each month-end in a period divided by the number of months in such period.

(2) Utilization rate equals our production output in a period divided by our average production capacity in such period.

### **PV Wafer and Module Manufacturing**

We commenced the manufacturing of PV wafers and PV modules in 2005 to take advantage of emerging opportunities in the PV market in China. Our PV Wafer and Module Manufacturing business was profitable before 2011, and since 2011, such business has been suffering losses due to depressed market prices of PV products, as a result of technology advancement, intense competition and overcapacity in the PV industry. As we will continue to focus on Polysilicon Production and Engineering and Construction Contracting going forward, we do not consider PV Wafer and Module Manufacturing as a principal business line. We expect our PV Wafer and Module Manufacturing to continue to suffer losses in the foreseeable future after the Global Offering.

### **OUR COMPETITIVE STRENGTHS**

We believe the following competitive strengths contribute to our success and distinguish us from our competitors:

- We are a leading solar-grade polysilicon producer and PV project contractor, engaging primarily in the upstream and downstream segments of the PV industry in China;
- We benefit from the rapid development of, and government support for, the renewable energy industry in China, particularly in the PV market;
- We have advanced production facilities and strong research and development capabilities to further enhance production efficiency and lower production costs;

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## SUMMARY

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- Our strategic geographical location and power self-sufficiency allow us to have competitive cost advantages; and
- We have visionary management team and skilled professional staff, supported by strategic investors.

### OUR STRATEGIES

We will continue to strengthen our leading positions in China's solar-grade polysilicon production and PV and wind power project construction contracting markets. Our long-term goal is to become a leading renewable energy services provider in China and overseas. In order to achieve such objectives, we intend to adopt the following strategies:

- Continue to enhance our competitive edges and market share in Polysilicon Production and Engineering and Construction Contracting;
- Actively develop and operate PV and wind power projects by capitalizing on our abundant PV and wind power resources and long-term experience in engineering and construction contracting;
- Continue to devote resources to the research and development, production and sales of inverter products;
- Upgrade our IT management systems to improve our operational and management efficiency; and
- Attract professional talent in China and overseas.

## SUMMARY

### SUMMARY FINANCIAL INFORMATION

The following table present our summary consolidated financial information as of and for the years ended December 31, 2012, 2013 and 2014, and for the six months ended June 30, 2015. We have derived this summary from our financial information set forth in the Accountant’s Report in Appendix I to this prospectus. You should read this summary in conjunction with our consolidated financial information included in the Accountant’s Report in Appendix I to this prospectus, including the accompanying notes, and the information set forth in “*Financial Information*” beginning on page 237 of this prospectus.

	Year ended December 31,			Six months ended June 30,	
	2012	2013	2014	2014	2015
	(RMB in millions)				
	(unaudited)				
<b>Revenue</b>	<b>2,239.8</b>	<b>5,907.3</b>	<b>7,402.5</b>	<b>2,888.9</b>	<b>3,950.6</b>
Cost of revenue	(2,320.5)	(5,292.6)	(5,974.0)	(2,311.5)	(3,297.6)
<b>Gross (loss)/profit</b>	<b>(80.7)</b>	<b>614.7</b>	<b>1,428.5</b>	<b>577.4</b>	<b>653.0</b>
Selling and marketing expenses	(76.8)	(152.6)	(189.0)	(70.6)	(86.3)
General and administrative expenses	(168.0)	(231.9)	(371.7)	(124.3)	(202.9)
Other income:	123.1	128.5	138.5	66.7	105.2
—government grants in relation to research and development	105.7	90.1	79.0	36.0	56.4
—government grants in relation to the construction or improvement of production facilities for polysilicon, inverter and PV wafer	8.2	10.8	45.5	26.4	27.4
—sales of raw materials	8.4	15.2	12.2	2.8	8.8
—commission	0.8	12.4	1.8	1.5	12.6
Other gains—net	19.1	12.9	17.5	3.4	(3.0)
<b>Operating (loss)/profit</b>	<b>(183.3)</b>	<b>371.6</b>	<b>1,023.8</b>	<b>452.8</b>	<b>466.1</b>
Interest income	13.2	7.4	24.5	20.6	15.6
Finance expenses	(53.8)	(138.7)	(389.0)	(202.0)	(172.9)
Financial expenses—net	(40.6)	(131.4)	(364.5)	(181.4)	(157.3)
Share of profit of investments accounted for using the equity method	—	16.5	2.2	5.7	(0.1)
<b>(Loss)/profit before income tax</b>	<b>(223.9)</b>	<b>256.7</b>	<b>661.5</b>	<b>276.9</b>	<b>308.7</b>
Income tax (expense)/benefit	32.9	(56.3)	(8.1)	(4.7)	(37.9)
<b>(Loss)/profit for the year/period</b>	<b>(191.0)</b>	<b>200.4</b>	<b>653.4</b>	<b>272.2</b>	<b>270.8</b>
Profit/(loss) for the year/period attributable to:					
—Owners of the Company	(129.5)	193.4	574.8	253.0	268.7
—Non-controlling interests	(61.5)	7.0	78.6	19.2	2.1
	<u>(191.0)</u>	<u>200.4</u>	<u>653.4</u>	<u>272.2</u>	<u>270.8</u>

For illustrative purpose only, in 2012, 2013 and 2014 and the six months ended June 30, 2014 and 2015, respectively, our adjusted loss or profit (excluding government grants) was a loss of RMB304.9 million, a profit of RMB99.5 million, a profit of RMB528.9 million, a profit of RMB209.8 million and a profit of RMB187.0 million. The adjusted profit or loss is not standard measures under IFRSs, but is presented here for illustration purpose only after excluding the effects of our receipt of government grants. Prospective investors should be aware that the adjusted profit or loss presented may not be comparable to other similarly titled measures reported by other companies due to different calculation methods or assumptions.

### Government Grant

As part of our other income, we received government grants from central or local PRC government authorities, mainly in relation to our research and development activities and the



## SUMMARY

construction or improvement of our production facilities for polysilicon, inverters and PV wafers. Our government grants were RMB113.9 million, RMB100.9 million, RMB124.5 million, RMB62.4 million and RMB83.8 million in 2012, 2013 and 2014 and the six months ended June 30, 2014 and 2015, respectively, which represented approximately 5.1%, 1.7%, 1.7%, 2.2% and 2.1% of our revenue, respectively, and 50.3%, 19.1%, 22.9% and 30.9% of our profit in 2013, 2014 and the six months ended June 30, 2014 and 2015, respectively. See “*Financial Information—Results of Operations—Other income*” on page 257 of this prospectus for a detailed breakdown of our government grants and “*Risk Factors—Risks relating to Our Business and Industry—Risks relating to Our General Business Operations—Any loss of or significant reduction in the preferential tax treatment and government grant we currently enjoy in China may negatively affect our financial condition*” beginning on page 47 of this prospectus.

Although government grants are generally awarded to us every year, they are not recurring in nature and the grant itself and the amount of the grant are made on a case-by-case basis by the relevant government authorities in accordance with the applicable national or local policies, depending on the nature and extent of our engagement in the encouraged activities. For government grants in relation to the fixed assets, we will not be able to receive such benefits if we cease to expand or upgrade our production facilities for polysilicon, inverters and PV wafers in the future. Based on our past experience and the fact that a certain portion of our government grants are deferred, our Directors expect that we will continue to carry out various encouraged activities and be able to enjoy government grants in the foreseeable future.

The following table sets forth a summary of our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of June 30,	As of October 31,
	2012	2013	2014	2015	2015
					(unaudited)
	(RMB in millions)				
Total current assets	4,341.0	8,237.8	9,781.5	11,736.2	12,684.3
Total current liabilities	4,790.7	9,006.9	10,324.2	10,939.9	12,400.7
Net current assets/(liabilities)	(449.7)	(769.1)	(542.7)	796.3	283.6
Total non-current assets	8,275.1	9,344.6	8,981.8	8,798.5	9,853.2
Total non-current liabilities	4,917.4	5,466.8	4,051.9	3,532.9	3,873.7
Total assets	12,616.1	17,582.4	18,763.3	20,534.8	22,537.5
Total liabilities	9,708.1	14,473.7	14,376.1	14,472.9	16,274.4
Total equity	2,908.0	3,108.7	4,387.2	6,061.9	6,263.1

The following table sets forth a summary of our consolidated cash flow statements for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2012	2013	2014	2014	2015
					(unaudited)
	(RMB in millions)				
Net cash generated from/(used in) operating activities <sup>(1)</sup>	(1,042.2)	114.7	50.0	(495.1)	1,035.8
Net cash generated from/(used in) investing activities	(3,270.8)	(985.4)	(457.1)	(213.5)	84.9
Net cash generated from financing activities	4,368.8	927.9	282.1	583.4	751.8
Net increase/(decrease) in cash and cash equivalents	55.8	57.1	(124.9)	(125.2)	1,872.5
<b>Cash and cash equivalents at end of the year/period</b>	<b>1,030.8</b>	<b>1,087.7</b>	<b>962.7</b>	<b>962.4</b>	<b>2,835.2</b>

## SUMMARY

(1) Our cash flow from operating activities was negative in 2012 and the six months ended June 30, 2014 principally because, as we significantly expanded our business, we used a substantial amount of cash to purchase raw materials, equipment and consumables and to engage subcontractors, had increased inventories as a result of our increased construction contracting work as well as accumulated increased receivables from our clients due largely to our increased business scale.

The following table sets forth certain key financial ratio as of the dates or for the periods indicated:

	As of or for the year ended December 31,			As of or for the six months ended June 30,
	2012	2013	2014	2015
Current ratio (times) <sup>(1)</sup> . . . . .	0.9	0.9	0.9	1.1
Debt ratio (%) <sup>(2)</sup> . . . . .	76.9	82.3	76.6	70.4
Net gearing ratio (%) <sup>(3)</sup> . . . . .	192.4	213.4	156.5	75.9
Return on equity (%) <sup>(4)</sup> . . . . .	(4.7)	6.5	15.5	10.4 <sup>(5)</sup>
Net profit margin (%) <sup>(6)</sup> . . . . .	(8.5)	3.4	8.8	6.9

(1) Current ratio = current assets/current liabilities

(2) Debt ratio = total liabilities/total assets

(3) Net gearing ratio = (total borrowings – cash and cash equivalents)/total equity

(4) Return on equity = profit or loss attributable to owners of the company/average balance of equity attributable to owners of the company

(5) This figure has been annualized

(6) Net profit margin = profit for the year or period/revenue

### ELIGIBILITY OF LISTING

Based on the offering statistics set out below, the market capitalization of our Company is more than HK\$4,000,000,000 at the time of listing and as set out in the summary financial information above, the revenue arising from our principal activities in 2014 was more than HK\$500,000,000. Therefore, we satisfy the market capitalization/revenue test requirements in Rule 8.05(3) of the Listing Rules. For details of our financial information, see “*Financial Information*” beginning on page 237 of this prospectus.

### MAJOR CUSTOMERS AND SUPPLIERS

In 2012, 2013 and 2014 and the six months ended June 30, 2015, sales to our five largest customers in aggregate accounted for approximately 38.9%, 28.5%, 26.3% and 42.5% of our revenue, respectively, and our largest customer accounted for approximately 16.2%, 8.6%, 6.8% and 15.7% of our revenue during those same periods, respectively.

In 2012, 2013 and 2014 and the six months ended June 30, 2015, purchase from our five largest suppliers in aggregate accounted for approximately 18.9%, 22.7%, 25.2% and 18.9% of our total purchase, respectively, and purchase from our largest supplier accounted for approximately 5.0%, 7.6%, 8.5% and 6.3% of our total purchase, respectively.

During the Track Record Period, we engaged in the entire PV industry, which consists of upstream segment (polysilicon production), midstream segment (inverter, PV wafer and module manufacturing) and downstream segment (engineering and construction contracting). We therefore, had certain overlapping customers in one business segment who were also suppliers in another business segment, during the Track Record Period.

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## SUMMARY

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### OUR PARENT COMPANY IS AN A SHARE LISTED COMPANY

TBEA, our parent company, is an A share listed company which was listed on the Shanghai Stock Exchange in June 1997 with the stock code (600089). According to the Circular of the China Securities Regulatory Commission on Several Issues Concerning the Standardization on Overseas Listing of Subordinated Enterprises of Domestically-Listed Companies (中國證券監督管理委員會關於規範境內上市公司所屬企業到境外上市有關問題的通知) (the “Listing of Subordinated Enterprises Circular”), the listed companies shall comply with the conditions set out in the Listing of Subordinated Enterprises Circular and obtain approvals from the CSRC. As advised by the PRC Legal Adviser, Grandall Law Firm (Beijing), we have obtained the approvals from the CSRC in relation to the Listing on August 7, 2015.

### OUR CONTROLLING SHAREHOLDER

Our Controlling Shareholder, TBEA, is a joint stock company incorporated in the PRC on February 26, 1993. As of the Latest Practicable Date, its registered capital was RMB3,249.1 million. TBEA and its close associates (excluding our Group) (the “TBEA Group”) are principally engaged in (i) the manufacturing and sale of transformers, reactors, wires, cables and other electrical and mechanical equipments; and (ii) domestic and overseas engineering and construction contracting for power transmission projects, hydro power and thermal power station projects.

Immediately following the completion of the Global Offering, TBEA will be interested in approximately 61.40% of our enlarged total issued share capital assuming the Over-allotment Option is not exercised or approximately 60.12% of our enlarged total issued share capital if the Over-allotment Option is fully exercised. Therefore, TBEA will remain as our sole Controlling Shareholder after the Listing.

As of the Latest Practicable Date, TBEA Group is currently engaged in a small amount of engineering and construction contracting for new energy projects which are similar to our business:

<u>TBEA Group</u>	<u>Percentage of Beneficial Interest Directly or Indirectly Held by TBEA</u>	<u>Place of Incorporation</u>	<u>Relevant Project</u>
Shenyang Transformer Group . . . . .	100%	PRC	CNNC Xudabao Nuclear Power Plant Non-core Area PV EPC Project (Phase II)
TBEA . . . . .	100%	PRC	Tai’an Roof Construction of PV Station EPC Project

Our Directors are of the view that the competition between TBEA Group and us is not severe. See “*Relationship with our Controlling Shareholder—Delineation of Business and Competition*” beginning on page 184 of this prospectus.

### GLOBAL OFFERING STATISTICS

All statistics in the following table, unless otherwise noted, are based on the assumptions that: (i) the Global Offering has been completed and 146,500,000 H Shares are issued and sold in the Global

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## SUMMARY

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Offering; (ii) the Over-allotment Option is not exercised; and (iii) 1,024,228,362 Shares are issued and outstanding following completion of the Global Offering.

	Based on an Offer Price of HK\$8.80 per H Share	Based on an Offer Price of HK\$9.28 per H Share
Market capitalization <sup>(1)</sup> . . . . .	HK\$9,013.2 million	HK\$9,504.8 million
Unaudited pro forma adjusted net tangible assets per Share <sup>(2)</sup> . . . . .	HK\$8.22	HK\$8.29

(1) The calculation of market capitalization is based on 1,024,228,362 Shares expected to be outstanding immediately following the Global Offering.

(2) The unaudited pro forma adjusted net tangible assets per Share is arrived at after the adjustments referred to in the section headed “Financial Information—Unaudited Pro Forma Statement of Adjusted Net Tangible Assets” of this prospectus.

### USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$1,239.4 million (assuming an Offer Price of HK\$9.04 per H Share, being the mid-point of the stated range of the Offer Price of between HK\$8.80 and HK\$9.28 per H Share), after deducting the underwriting fees and commissions and other estimated expenses payable by us in connection with the Global Offering and assuming that the Over-allotment Option is not exercised. In line with our strategies, we intend to use our proceeds from the Global Offering for the purposes and in the amounts set out below:

- Approximately 65%, or HK\$805.6 million, will be used for the construction and operations of our BOO projects;
- Approximately 20%, or HK\$247.9 million, will be used to repay certain long-term bank loans; and
- Approximately 5%, or HK\$62.0 million, will be used for investing in research and development activities and purchasing or upgrading IT systems;
- Approximately 10%, or HK\$123.9 million, will be used for working capital and other general corporate uses.

For details of our future plans and use of proceeds, see “Future Plans and Use of Proceeds” on page 286 in this prospectus.

### DIVIDEND POLICY

In 2012, 2013 and 2014 and the six months ended June 30, 2015, we did not declare any dividend in cash. After the Global Offering, we expect to distribute no less than 10.0% of our annual distributable earnings as dividends. There is, however, no assurance that we will be able to declare dividends of such an amount or any amount each year or in any year. See “Financial Information—Dividend Policy” on page 283 in this prospectus for further details.

### RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

For the four months ended October 31, 2015, we continued to experience stable growth in revenue and gross profit compared to the same period in 2014.

We have seen a substantial decrease in the average market price (including VAT) of polysilicon by 24.0% from RMB159.5/kg for the four months ended October 31, 2014 to RMB121.3/kg for the

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## SUMMARY

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four months ended October 31, 2015, according to Frost & Sullivan. For analysis in relation to the impact on our net profit resulting from changes in average selling price of polysilicon during the Track Record Period, see “*Financial Information—Market Risk Disclosure—Price Risk.*” However, the following factors have contributed to largely offsetting the adverse impact of the declining polysilicon prices on our Polysilicon Production business:

- a 41.4% increase in sales volume of polysilicon in the four months ended October 31, 2015 compared to the same period in 2014; and we anticipate our polysilicon production output to reach 21,000 tonnes by the end of 2015 which is an increase of 20.0% compared to the production output as of December 31, 2014;
- lower cost in raw materials for polysilicon production which decreased from RMB15,311 per tonne in the four months ended October 31, 2014 to RMB13,374 per tonne for the same period in 2015; and
- our enhanced production efficiency and continuous technology upgrade which lowered our consumptions of raw materials and electricity, with our cost of electricity consumption decreasing from RMB15,982 per tonne in the four months ended October 31, 2014 to RMB12,687 per tonne in the same period in 2015.

For the four months October 31, 2015, our revenue in Engineering and Construction Contracting business continued to experience a stable growth compared to the same period in 2014. For the four months ended October 31, we have:

- transferred and sold two PV projects under BT model, totaling 90MW of installed capacity;
- added 12 additional EPC and PC projects under construction, totaling an estimated installed capacity of 466MW;
- completed six additional PV and wind power projects under BT model (which have not been transferred and sold), totaling 179.5MW;
- added five additional BT projects under construction with a total estimated installed capacity of 220MW; and
- progressed our three BOO projects to the stage of construction with a total estimated installed capacity of 450MW.

Given the foregoing reasons and the growing revenue contribution of our Engineering and Construction Contracting business, we therefore believe we have mitigated the impact of the decreased average selling price of polysilicon on our gross profit margin.

In light of the above, our Directors have confirmed, after performing all the due diligence work which the Directors consider appropriate, that there is no event which could materially affect the information shown in our consolidated financial statements included in the Accountant’s Report set forth in Appendix I to this prospectus since June 30, 2015 (being the latest date of our audited consolidated financial statements) and as of the date of this prospectus, there has been no material adverse change in our financial, operational or trading position.

## RISK FACTORS

There are certain risks and considerations relating to an investment in our H Shares. These risks can be summarized into three categories: (i) risks relating to our business and industry; (ii) risks

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## SUMMARY

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relating to the operations in the PRC; and (iii) risks relating to the Global Offering. Additional risks and uncertainties not presently known to us, or not expressed or implied below, or that we deem immaterial, could also harm our business, financial condition and operating results. We believe that the following are some of the major risks that we face:

- Our future growth and profitability depend highly on PV market and industry trends as well as macro-economic factors.
- Supply of polysilicon may exceed demand, which could cause polysilicon prices to decline, and our revenue and results of operations may be affected by the prevailing market prices of polysilicon.
- Our Engineering and Construction Contracting business and its growth are subject to various risks, including change in government policy, market demand and macroeconomic environment, that are beyond our control.
- Tender price may not reflect the actual construction costs involved. If we fail to accurately estimate the overall risks or cost of contracts, or the time needed to complete the relevant projects under such contracts, we may experience cost overruns, schedule delays, additional expenses, lower profitability or losses, or could even encounter events giving rise to contract disputes.
- Any failure to raise sufficient capital for our business and operations in a timely manner and on commercially acceptable terms may adversely affect our financial condition and results of operations.
- A significant portion of our revenue is derived from a relatively small group of companies. As such, the loss of one or more of our major customers or changes in their orders may have a material and adverse effect on our business.

### LEGAL COMPLIANCE AND PROCEEDINGS

We are a party to a number of legal proceedings arising in the ordinary course of our business. As of the Latest Practicable Date, our Directors confirmed that there is no legal proceeding pending or threatened against us or our Directors that could cause a material adverse effect on our business, financial condition and results of operations. However, during the Track Record Period, we were involved in two material legal proceedings, each of which had a potential claim against us of over RMB10 million. See “*Business—Legal Compliance and Proceedings*” beginning on page 179 of this prospectus.

### LISTING EXPENSES

As of June 30, 2015, we incurred RMB7.9 million of listing expenses for the Global Offering, which was charged to our consolidated statements of comprehensive income. We expect to incur approximately RMB70.2 million of additional listing expense (assuming an offer price of HK\$9.04 per H Share, which is the mid-point of the stated range of the Offer Price between HK\$8.80 and HK\$9.28 per H Share) until the completion of the Global Offering, of which RMB11.6 million is expected to be charged to our consolidated statements of comprehensive income and RMB58.6 million is expected to be accounted for as a deduction from our equity. The listing expenses above are the latest practicable estimate for reference only and the actual amount may differ from this estimate. We do not expect these listing expenses to have a material impact on our results of operations for the year ending December 31, 2015.