You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below before making an investment in our H Shares. Our business, financial condition or results of operations could be materially and adversely affected by any of the risks mentioned in this section. The trading price of our H Shares could decline due to any of these risks, and you may lose all or part of your investment. You should pay particular attention to the fact that we are a company incorporated in the PRC, our business is primarily located in China and we are governed by a legal and regulatory environment that may differ from that which prevails in other countries and jurisdictions. For more information concerning China and certain related matters discussed below, see "Regulatory Environment," "Appendix IV—Summary of Principal PRC and Hong Kong Legal and Regulatory Provisions" and "Appendix V—Summary of Articles of Association" in this prospectus for further details.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Risks relating to Our Polysilicon Production Business

Our future growth and profitability depend highly on PV market and industry trends as well as macro-economic factors.

As we manufacture and sell polysilicon, the primary raw material for producing PV cells, our business and revenue growth are affected by PV market and industry trends as well as various macro-economic factors, which are beyond our control. The PV market in general is at an early stage of development and the extent of acceptance of PV technology and products is uncertain. Market data on the PV industry are not as readily available as that on other more established industries where trends can be assessed more reliably from data gathered over a longer period of time. As a result, the average selling price and the market demand for polysilicon and PV products are highly volatile and subject to many factors which are beyond our control, including:

- wide commercial adoption and application of PV technology;
- cost-effectiveness, performance and reliability of PV technology and products compared to conventional and other renewable energy sources and products;
- success of PV technologies other than crystalline silicon;
- change in government policy including priority over power dispatch, on-grid tariff and guarantee power purchase and availability of government subsidies and incentives to support the development of the PV industry;
- success of, or increased government support for, other alternative energy generation technologies, such as fuel cells, wind power, hydroelectric power and biomass energy, nuclear and geothermal energy;
- fluctuations in economic and market conditions that affect the financing and viability of renewable energy sources, such as increases or decreases in the prices of oil and other fossil fuels;
- deregulation of the electric power industry and the energy industry as a whole; and
- levels of capital expenditures by end-users of PV products, which tend to decrease when economic growth slows.

Our business has been and will continue to be affected by PV market and industry trends as well as macro-economic factors and therefore our revenue may be volatile.

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.

We sell our polysilicon to PV product manufacturers in China who process it into PV products, such as PV wafers and modules, and further sell these PV products to PV operators in China. As a result, the prices of our polysilicon depend on, among other factors, demand for PV products in China. If the average selling price or demand for polysilicon and PV products, decrease dramatically, we may not be able to grow our Polysilicon Production business or generate sufficient revenues to sustain our profitability. For example, partially due to the overcapacity of the PV product manufacturers, coupled with the overall global economic downturn in 2012, the average price (including VAT) of solar-grade polysilicon in China decreased by nearly 70% from RMB481.2/kg in 2011 to RMB167.6/kg in 2012. Accordingly, the average selling price of our polysilicon decreased significantly in 2012, which led to a substantial decrease in the segment revenue of our Polysilicon Production business compared to 2011. We cannot assure you that polysilicon prices will not decrease significantly in the future. Any decline in polysilicon prices will have a negative impact on the net realizable value of our inventory and average selling prices. If we are unable to lower our production costs in line with such price decline, our gross margins will be adversely affected and we may be required to make write-downs on inventory and even relevant production machinery and equipment.

During the Track Record Period, we have not sold our polysilicon directly to solar cell and solar module manufacturers, which the anti-dumping measures are mainly implemented to target. Yet, PV wafer manufacturers, which we sell our polysilicon directly to, may enter into transactions with solar cell and solar module manufacturers and may therefore be subject to anti-dumping measures which would restrict their export of PV products to countries where such measures are imposed. Should their business be affected, their demand in our polysilicon may decrease significantly. On the other hand, the global supply of polysilicon has increased significantly and is expected to continue to increase as polysilicon manufacturers worldwide, including us, continue to expand their manufacturing capacity. The annual production of solar-grade polysilicon has grown by 29% from 218,000 tonnes in 2012 to 280,500 tonnes in 2014. Aggressive expansion of production capacity by polysilicon manufacturers may result in an oversupply of polysilicon, inventory build-up and further declines in polysilicon prices if demand for polysilicon does not increase at a rate commensurate with increased production capacity.

We face local and international competition from PV divisions of large integrated manufacturers of PV products and other polysilicon manufacturers, many of which have greater resources than ours.

A majority of our revenue is derived from the PRC. The PRC PV product market is intensely competitive. The number of polysilicon manufacturers in the PRC has been increasing due to the growth of actual and forecasted demand for PV products. If we fail to attract and retain customers for our polysilicon products, we will be unable to increase our revenues and market shares. We also compete with international polysilicon manufacturers that are substantially larger than us, including the PV divisions of large conglomerates, polysilicon products manufacturers and integrated PV product manufacturers. In addition, some of our competitors have become, or are becoming, vertically integrated in the PV industry value chain, from Polysilicon Production to PV system sales and installation. This could further erode our competitive advantage.

As many of our existing and potential competitors in China and around the world have substantially greater financial, technical, manufacturing and other resources than we do, the greater size of many of our competitors enjoy cost advantages as a result of their economies of scale and their ability to obtain volume discounts and purchase raw materials at lower prices. Our competitors may also have stronger bargaining power with their suppliers and have an advantage over us in pricing as well as securing sufficient supply of metallurgic-grade silicon. Our competitors, some with better brand name recognition, more established distribution networks, larger customer bases or more in-depth knowledge of the target markets, may be able to devote greater resources to research and development, promotion and sale of their products and respond more quickly to evolving industry standards and changes in market conditions than we will be able to. Our failure to adapt to changing market conditions and to compete successfully with existing or future competitors would have a material adverse effect on our business, prospects and results of operations.

Failure to secure sufficient quantities of metallurgic-grade silicon on commercially reasonable terms could adversely affect our business and results of operations.

We rely on third-party suppliers to procure sufficient quantities of metallurgic-grade silicon on a timely basis and on commercially reasonable terms for our polysilicon production. According to Frost & Sullivan, the price of metallurgic-grade silicon remained stable for the past three years at an average price of around RMB15/kg. In 2012, 2013 and 2014 and for the six months ended June 30, 2015, our polysilicon products were sold at an average selling price (excluding VAT) of RMB116.1/kg, RMB106.1/kg, RMB126.2/kg and RMB106.5/kg. Most of our metallurgic-grade silicon supply agreements are subject to fluctuating market prices or price negotiations with our suppliers. In addition to price changes, suppliers may delay or default in their delivery obligations under the supply agreements. We cannot assure you that we will continue to be able to acquire metallurgic-grade silicon in sufficient quantities and on commercially reasonable terms or that we will be able to pass on any increased costs of metallurgic-grade silicon to our customers.

Further, if we fail to develop or maintain our relationships with metallurgic-grade silicon suppliers, if any of our major suppliers fails or becomes unwilling to deliver the metallurgic-grade silicon we have ordered on time or at all, or if any of them encounters difficulties in its production or shipment of silicon feedstock to us, whether due to natural disasters, labor unrest, adverse global economic conditions, or any other reasons, it may be difficult for us to find alternative sources on a timely basis and on commercially reasonable terms or at all, which would adversely affect our business, profitability and cash flow.

If we are unable to maintain optimal utilization at our production facility, our growth and operating margins may decline and we may incur disproportionately high depreciation expenses.

In 2012, 2013 and 2014 and the six months ended June 30, 2015, production output at our polysilicon facility in Xinjiang, China was 2,681.8 tonnes, 7,920.4 tonnes, 17,504.9 tonnes and 9,131.8 tonnes, reaching an utilization rate of 89.4%, 113.1%, 116.7% and 121.8%, respectively. After technology upgrades and modifications, our production facility can properly perform at an optimal annual utilization rate between 120% and 140%. Absent sustained growth in demand in the PV market, this high level of production capacity may eventually lead to underutilization of production capacity and disproportionately high depreciation expenses. Furthermore, the PV industry may be slow to react to declines in demand due to its capital-intensive nature and the need to make commitments for equipment purchases well in advance of the planned expansion. If we are unable to maintain optimal utilization of our production facility, our growth and operating margins may decline.

Unexpected equipment failures or accidents, including any accidental release of hazardous gases or materials, may lead to production curtailments or shutdowns, personal injuries or even deaths or damage to properties.

Our polysilicon production process involves the use of complex and potentially hazardous equipment, such as CVD reactors and STC thermal converters, which require skill and experience for safe operation. For the production of polysilicon, we employ volatile materials and involves chemical reactions that are sensitive to temperature and pressure. Therefore, intricate and meticulous external controls are mandatory to maintain safe operation. We could experience events, such as equipment failures, explosions or fires due to employee error, equipment malfunction, accidents, electric power or cooling water supply interruptions, natural disasters, or other disruptions. A catastrophic event at one of our plants could disrupt or destroy a significant portion of our production capacity, and we would not be able to restore the disrupted or destroyed capacity for a significant period of time, if at all. In addition, such an event could damage properties or cause personal injuries or even death, not only within our own facilities but also occurring in the communities in which our plants are situated.

Our polysilicon operations also involve the use, handling, generation, processing, storage, transportation, and disposal of hazardous materials that may result in fires, explosions, spills, leakage, and other unexpected or dangerous accidents causing personal injuries or death, property damage, environmental damage and/or business interruptions. During the Track Record Period, we have not experienced any material accidents in our production facilities. However, we cannot assure that accidents at our plants due to machinery malfunctions or mishandling of hazardous materials or other reasons will not occur in the future or will not result in serious damage or even death. Any event of this kind could result in civil lawsuits or regulatory enforcement proceedings and significant liabilities. Damage from any of such events or disruptions could also harm our reputation in the industry and among our customers and potential customers. Any such event or disruption could have a material adverse effect on our business, results of operations and financial condition.

Interruptions to our coal-fired power plant or violation of relevant environment government laws and regulations may adversely affect our manufacturing facilities, production and results of operations.

Our Polysilicon Production relies substantially on the continuous supply of low-cost electricity from our coal-fired power plant, in which the power generation process is fueled by coal supplied by our Controlling Shareholder and third-party sources. If we fail to obtain sufficient quantities of coal in a timely manner, or in the event of interruption in the operation of our power plant due to various reasons, among others, unexpected equipment failures, industrial accidents and environmental hazards, the power shortage may disrupt our production and cause us to purchase electricity from the local market with much higher selling prices compared to our own electricity. This could increase our cost of sales and adversely affect the gross margin of our Polysilicon Production business.

In addition, our coal-fired power plant is subject to central and local government environmental protection laws and regulations, which currently impose base-level discharge fees for various polluting substances and graduated schedules of fees for the discharge of waste substances. The amount of discharge fees is determined by the local environmental protection authority based on periodic inspections of the type and volume of pollution discharges. Failure to comply with the applicable environmental protection laws and regulations could result in sanctions and fines, and possible closure of any coal-fired power plant which fails to comply with orders requiring it to cease or cure certain activities causing environmental damage. During the Track Record Period, our coal-fired power plant has not been subject to any sanction or fine due to non-compliance with the environmental protection laws and regulations. New environmental laws and regulations, and changes in the interpretation or enforcement of currently existing laws and regulations may also increase our compliance costs. Should our coal-fired power plants be found to be in violation of such laws and regulations, our manufacturing facilities, production and results of operations may be adversely affected.

We also compete with alternative polysilicon technologies, and we may not be able to compete successfully.

The PV industry is characterized by evolving technologies and standards. We adopt a modified Siemens process as the basis for our polysilicon production. There are various methods for the production of polysilicon, including, among others, modified Siemens process, silane-based FBR process or other alternative crystalline silicon-based production processes. Further developments in competing polysilicon production technologies may result in lower manufacturing costs or higher product performance. As a result, we may need to invest significant resources in research and development to maintain our market position, keep pace with technological advances in the PV industry and compete effectively in the future. Our failure to further refine and enhance our products or to keep pace with evolving technologies and industry standards could cause our products and production facilities to become uncompetitive or obsolete, which could in turn reduce our market share and cause our net sales and profits to decline.

We compete with alternative PV and other renewable energy technologies, and we may not be able to compete successfully.

We compete with alternative PV technologies. The PV industry is characterized by evolving technologies and standards. The PV technologies in general also compete with other renewable energy technologies, such as biomass, hydroelectric, wind and geothermal technologies, as well as nuclear power technologies, in addition to conventional power generation, for, among other things, government subsidies, market share and public acceptance and support. If prices for conventional and other renewable energy sources decline, or if these sources enjoy greater policy support than solar power, the PV industry could suffer and our business and results of operations may be adversely affected.

Failure to adapt to changing market conditions and to improve manufacturing efficiency or yield commercially viable products in a timely manner may adversely and materially affect our business prospects and results of operations.

Currently, we are devoting substantial research and development resources to improve our production processes and improve the quality of our polysilicon products. We cannot assure you that such efforts will improve the efficiency of manufacturing processes or yield products that are superior in quality. In addition, the failure to realize the intended benefits from our product development initiatives could limit our ability to keep pace with rapid technological changes, which in turn would hurt our business and prospects.

Risks relating to Our Engineering and Construction Contracting Business

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.

Our Engineering and Construction Contracting business and its growth are subject to various macroeconomic and political risks, which principally include, among others:

- changes in the government support in the PV and wind power industry, such as less preferential tax treatment and government grant;
- changes in the government policy in the PV and wind power industry which may pose a less favorable operating environment, such as more stringent regulatory environment and approval process, change in priority over power dispatch, on-grid tariff and guarantee power purchase; and
- changes in the PV and wind power market and industry which may lower demand for services of our Engineering and Construction Contracting business.

There is no assurance that we can predict changes to the above factors or any other factors which could have a material adverse effect on our Engineering and Construction Contracting business and its growth. In the event of the occurrence of various macroeconomic and political risks, our business, prospects, financial condition and results of operation could be materially and adversely affected.

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.

Our contract price is based on our estimated project costs (which mainly include material costs and subcontracting costs) at the time when we submit our tenders for projects or our initial proposals to our potential customers. We currently generate, and expect to continue to generate, a substantial portion of our revenue from contracts with a pre-agreed price in our Engineering and Construction Contracting business. The terms of these contracts require us to complete a project for a pre-agreed price and therefore expose us potentially to cost overruns.

Our estimates of the costs for completing a project are subject to a number of assumptions, including future economic conditions, the cost and availability of labor and raw materials, subcontractors' performance, facility utilization rates, and construction and technical standards to be applied to the project. However, these assumptions may prove to be inaccurate. To a certain extent, we are exposed to raw material price fluctuation risks in some projects, depending on the terms agreed in specific contracts. In addition, delays caused by inclement weather, technical issues and an inability to obtain the requisite permits and approvals, as well as other variations and risks inherent in the performance of contracts, may cause our actual overall risks and costs to substantially differ from our original estimates despite buffers we may build into our bids for increases in labor, raw materials and other costs. Cost overruns can result in a lower-than-expected profit or a loss on a project.

Similarly, we may be unable to complete a project in accordance with the schedule set forth in the relevant contract. A project can be delayed for a number of reasons, including those relating to market conditions, policies and regulations of the PRC and other relevant jurisdictions, availability of funding, disputes with business partners, technology and equipment suppliers and other contractors, employees, local governments and communities, natural disasters, power and other energy supplies, and availability of technical or human resources. Our overseas engineering and construction contracting projects may also be affected by factors such as any adverse changes in the relations between China and relevant foreign governments, war or other significant adverse developments in international relations.

From time to time, we may need to perform extra work or "change caused by owner" work in connection with our contracts. "Change caused by owner" work is necessary when the project owner changes the design for non-technical reasons after the design plan is confirmed. This may result in disputes over whether the work performed is beyond the scope of work included in the original project specifications, or over what price the customer should pay for the extra work. Although some of our contracts stipulate that the customer should be responsible for costs of the extra work or "change caused by owner" work, we may be required to advance the cost of such work for a lengthy period of time until the design change is approved and funded by the owner. In addition, any delay caused by the extra work may impact the progress of our projects and our ability to meet specific contract milestone dates. We may also incur costs due to design changes not approved by the project owner or contract disputes. We cannot assure you that we will be able to recover the cost of the extra work or "change caused by owner" work in full or at all, which may lead to business disputes, or may otherwise adversely affect our business, financial condition, results of operations and prospects. Moreover, the performance of extra work or "change caused by owner" work may cause delays in our other project commitments and may have a negative impact on our ability to meet the specified deadlines of our other projects.

Due to the foregoing reasons, we cannot guarantee that we will not encounter cost overruns or delays in our current and future projects. If such cost overruns or delays occur, our costs could exceed our budget or we could be required to pay liquidated damages in accordance with the terms of our contracts, with a consequent reduction in profits or even loss on our contracts.

Our customers and other contractual counterparties may not be able to fulfill their contractual obligations to us on time or at all, which could negatively impact our working capital, cash flow and results of operations.

Most of our construction contracting projects take a long period of time, usually three to six months, to complete. Therefore, the contracts for our Engineering and Construction Contracting business generally require our clients to make payments to us in installments upon our achieving of certain project milestones or with regard to the portion of work completed, and the contracts for our construction business generally require our clients to make progress payments on a regular basis. See "*Business—Our Products and Services—Engineering and Construction Contracting—Progress Payments under EPC/PC Contracts*" for further details. Delays in or failures to make payment by our clients may negatively influence our cash flow position and our ability to meet our working capital requirements. Although we did not encounter major difficulty in collecting our contract fees or progress payments from our customers during the Track Record Period, we have, from time to time, experienced late payments from certain customers, resulting in unexpected increases in accounts receivables and cash outflows. If we are unable to collect our contract fees or amounts owed are not paid to us in full or on a timely basis, our cash flow and our financial condition will be adversely affected. In addition, we incur costs associated with a project, primarily materials, equipment and labor costs, on an ongoing basis, and quite frequently at the beginning of a project or before achieving relevant project milestones. In respect of the projects on which we have already incurred significant costs and expenditures, customers' defaults in making payments or a lapse in time between our receipt of installed payment from our customers and the payment due to our suppliers, could materially and adversely affect our results of operations and reduce our working capital.

Additionally, approximately 5% to 10% of the contract value is typically withheld by our clients as retention funds against any possible defects in the quality of our work and will only be released after expiration of the warranty period, which typically lasts one to three years after completion of a project. As a result, we are often required to bear some costs and expenditures for projects prior to receiving sufficient payment from our clients to cover such costs and expenditures. Furthermore, our clients generally require us to provide advance payment guarantees and performance guarantees to secure our contractual obligations. If our clients make demands on such guarantees, claiming that we have failed to perform our obligations (whether or not such claims are merited), or if our clients delay or refuse to repay retention funds, our liquidity could be materially and adversely affected in a direct or indirect way. See "*Business—Our Products and Services—Engineering and Construction Contracting—Progress Payments under EPC/PC Contracts*" for further details. As a result, we may have substantial receivables on any particular date. As of December 31, 2012, 2013 and 2014 and June 30, 2015, our total trade and notes receivables were RMB1,717.3 million, RMB2,843.1 million, RMB2,992.7 million and RMB2,622.0 million, respectively. Any default in payments of receivables and progress payments or delays in payments of retention funds owed to us or any unilateral demands on performance and quality guarantees by our clients may lead to a decrease of working capital available for our other operations. While we may file claims against clients for uncompensated costs we have incurred pursuant to our contracts, dispute resolutions may require significant time, financial and other resources, and the outcome is often uncertain.

In addition, we face the risk that our clients may be unable to perform their contractual obligations to us due to failure to obtain sufficient funding for project development, general financial difficulties or other reasons. When our clients require bank financing for engineering and construction contracting services, the availability and terms of financing in the market will have a significant influence on clients' demand for our services. To the extent there is instability in the credit markets, the availability of credit may be limited and it may be difficult or expensive to obtain financing. This situation could negatively impact our clients' ability to fund their projects and purchase our services. Accordingly, if our clients are unable to obtain financing in a timely manner or at a reasonable cost, relevant projects may be adversely affected, and our financial performance and prospects may be materially and adversely affected.

We also routinely enter into contracts with counterparties, including vendors, suppliers and subcontractors that may be negatively impacted by the credit market. If those counterparties are unable to perform their obligations to us or our clients, we may be required to provide additional services or make alternate arrangements on less favorable terms with other parties to ensure adequate performance and delivery of services to our clients. Moreover, we may be subject to disputes brought by clients, subcontractors or suppliers that seek to avoid payment to us of costs exceeding forecasted expenditures or who deny their obligation to perform certain duties under their contracts with us. These circumstances could also lead to disputes and litigation with our clients or other contractual counterparties, which could have a material adverse impact on our reputation, business, financial condition and results of operations.

We have incurred substantial trade receivables for the Track Record Period, which pose potential risk in clients' failure to be paid in a timely manner or at all.

In general, we make provisions for bad debts relating to both ongoing and completed projects primarily based on the period of delay in payment and other factors affecting the perceived likelihood of collection on the receivables. Our trade receivables are mainly attributable to progress payment for our engineering and construction contracting and most of our trade receivables are due upon issuance of the invoices. As of December 31, 2012, 2013 and 2014 and June 30, 2015, our trade receivables that were past due but not impaired were RMB1,075.9 million, RMB1,255.0 million, RMB1,314.3 million and RMB184.2 million, respectively. Our average trade receivables turnover days in 2012, 2013 and 2014 and the six months ended June 30, 2015 were 166, 107, 96 and 83 days, respectively. We cannot assure you that our clients will make payments to us in full or at all on a timely basis or that we will be able to efficiently manage the level of bad debt arising from receipt of payments in installments. Further, our trade receivables are highly concentrated in certain key customers, which expose us to increased risk within certain particular groups of counterparties. Any default in payments of receivables by our clients may lead to a decrease in working capital available for our other operations, and in turn our financial performance and cash flow may be materially and adversely affected.

Further, the engagement of subcontractors is subject to certain risks, including difficulties in overseeing the performance of such subcontractors in a direct and effective manner, failure to complete a project where we are unable to hire suitable subcontractors or losses as a result of unexpected subcontracting cost overruns. As the subcontractors have no direct contractual relationship with our clients, we are subject to risks associated with non-performance, late performance or poor performance by our subcontractors. As a result, we may experience deterioration in the quality of our projects, incur additional costs, or be exposed to liability in relation to the performance of subcontractors under the relevant contracts, which may have an impact on our profitability, financial performance and reputation, and may result in litigation or damages claims.

In addition, we may also be subject to claims arising from defective work performed by subcontractors. While we may attempt to seek compensation from the relevant subcontractors, who may not be able to perform or perform in a timely manner their obligations, we may be required to compensate our clients before receiving compensation from the subcontractors. If no corresponding claim can be asserted against a subcontractor, or the amounts of the claim cannot be recovered in full or at all from the subcontractor, we may be required to bear some or all the costs of the claims. Claims arising from defective work may then lead to a loss of clients or decrease in revenue, harm to our brand and reputation, the incurrence of unexpected expenses, loss of market share, and diversion of the attention of our technical and management personnel to address these problems, any one of which may materially and adversely affect our business, financial condition and results of operations.

Our Engineering and Construction Contracting business depends on the availability of an adequate supply of labor services, raw materials and key equipment at acceptable prices, in satisfactory quality and in a timely manner.

Our successful operation depends on our ability to obtain from suppliers sufficient quantities of labor services, raw materials and key equipment at acceptable prices, in satisfactory quality and in a timely manner. We are exposed to the price fluctuations in raw materials, particularly labor services and other materials that we use for our engineering and construction contracting business, which represent a significant portion of our cost of sales.

We procure some components and parts from independent third-party suppliers for our engineering and construction contracting business, such as PV module and wind turbine suppliers. As we do not have exclusive or long-term contracts with our suppliers, we may not be able to obtain sufficient key components and parts in a timely manner from such suppliers to meet our delivery schedule as agreed with our customers. As a result, if we are unable to purchase the key components and parts from those suppliers upon agreed terms or in a cost-effective manner and if we cannot find alternative suppliers on commercially acceptable terms in a timely manner, we may experience delays in our production and incur substantial costs.

In 2012, 2013 and 2014 and for the six months ended June 30, 2015, our costs of raw materials in Engineering and Construction Contracting amounted to RMB1,043.5 million, RMB2,892.3 million, RMB2,702.5 million and RMB1,490.1 million, representing 76.2%, 78.7%, 73.7% and 70.2% of our cost of sales in Engineering and Construction Contracting business, respectively. For the same periods, our subcontracting costs represented 20.7%, 21.1%, 25.4% and 21.3% of the cost of sales of our Engineering and Construction Contracting business in 2012, 2013 and 2014 and for the six months ended June 30, 2015, respectively. Such prices and availability may vary significantly from period to period due to factors such as consumer demand, supply, market conditions and costs. During the Track Record Period, we did not experience any material shortage of labor services, raw materials or key equipment. However, we cannot assure you that any shortages will not occur in the future or that we will be able to pass on any cost increases to our customers and any failure to obtain adequate supply, in satisfactory quality or in a timely manner, or at all, could materially and adversely affect our business, results of operations and financial condition.

BT and BOO projects typically require significant initial cash outlays and feature long payback periods and we may require substantial funding for these projects.

Projects under BT or BOO models typically require significant initial cash outlays and feature long payback periods. BT or BOO projects require us to make substantial financial investments during the construction phase of the projects, which typically lasts from six to twelve months. We are generally responsible for the costs of construction of facilities before transfer of equity interest of BT project company. As we plan to actively develop BT projects in the future, our inventories may be subject to further increase going forward. See "*Financial Information—Inventory*" for our average turnover days.

Due to the capital intensive and long term nature of our BT model and projected BOO model, there is no assurance that we will be able to secure adequate funding for these projects on terms that are acceptable to us or at all or that these projects will achieve their initial expected returns. Our ability to arrange for external financing and the cost of such financing are dependent on various factors, including general economic conditions, interest rates and credit availability from PRC banks. If we fail to obtain short-term or long-term project financing for such projects in the amount budgeted or at all, we may need to finance these projects from our internal resources, which may strain our resources for developing or acquiring other projects and other corporate purposes. Additionally, we may fail to properly perform our obligations in respect of these projects as a result of a funding shortage, and this may lead to a reduction in our returns and to the loss of part of our initial capital investment. This may also have a material adverse effect on our business, financial condition and results of operations.

Inaccurate estimates in applying percentage-of-completion accounting for our engineering and construction contracting may result in a reduction of previously reported profits and have a significant impact on our period-to-period results of operations.

We use the percentage-of-completion method to recognize and account for the turnover derived from our engineering and construction contracting business. During the Track Record Period, in determining the percentage-of-completion for each relevant reporting period, we used the actual construction cost incurred during the period over the total estimated construction cost during the entire construction phase. Going forward, we need to estimate the amount of construction costs based on our assessment of, among other things, the market conditions and the costs of raw materials and equipment and other operating costs. The timing of our recognition of turnover may differ materially from the timing of our actual receipt of contract payments. The timing of our recognition of turnover and the amount of turnover recognized are affected by our ability to reliably measure the percentage of completion, total estimated costs and actual costs incurred. Inaccuracies or flaws in our measurements for any given project or in our estimation methodology as a whole could have a material and adverse effect on the timing of our recognition of turnover and the amount of turnover recognized. Where our expectation related to turnover recognition is different from our previous estimation, the differences will be charged to our profit or loss account in the period when such estimate has been changed. In addition, because many of these contracts are completed over a period of several months, the timing of our recognition of the related turnover may adversely affect our results of operations.

Our backlog may not be a reliable indicator for our future results of operations.

As of December 31, 2012, 2013 and 2014 and June 30, 2015, our backlog, which is the total estimated value of uncompleted contracts for EPC, PC and BT projects as of a certain date, was RMB1,385.8 million, RMB2,168.6 million, RMB4,122.1 million and RMB3,716.6 million, respectively. The figures are calculated based on the assumption that the relevant contracts will be performed in accordance with their terms. Any modification, termination or suspension of these contracts by our clients, especially with regard to any one or more sizeable contracts, may have a substantial and immediate effect on our backlog. Projects may also remain in our backlog for an extended period of time beyond the initial period anticipated due to various factors beyond our control. Moreover, backlog is not a measure defined by the PRC GAAP or IFRSs. Due to various reasons, including some projects commencing and ending within a short period of time, not all past or anticipated revenue can be recorded in our backlog. Therefore, our backlog only reflects the general volume of our future projects under uncompleted contracts and may not be indicative of future results of operations. See "*Business—Our Products and Services—Engineering and Construction Contracting—Backlog*." We cannot guarantee that the estimated amount of our backlog will be realized in time, or at all, or even realized, and that we will be able to record profit. As a result, investors should not unduly rely on our backlog or consider it as a reliable indicator of our future profits or results of operations.

The growth of our BT/BOO business depends upon our ability to convert our pipeline projects into operating projects.

As part of our business strategy, we intend to actively develop our own PV and wind power projects, also known as BOO projects, as well as BT projects. In particular, we aim to increase our consolidated installed capacity of PV and wind power BOO projects to approximately 450.0MW in the first half of 2016 and approximately 900.0MW by the end of 2016. This strategy is expected to place significant demands on our capital, management, administrative and human resources. We may not be successful in completing our pipeline BT/BOO projects as anticipated, or at all.

The development and construction of PV and wind power projects involves numerous risks and uncertainties. These risks and uncertainties may prevent some projects from progressing to construction, in particular when we have limited operating history in project operation as we mainly focused on engineering construction and contracting work during the Track Record Period, cause us difficulty in accurately evaluating our operation and predicting future prospects and plans, fail to meet the targets of our development plan, or prevent us from achieving our goals. Our ability to develop PV and wind power projects is dependent on, among other things, the availability of sufficient external financing and transmission lines with adequate capacity, the negotiation and signing of power purchase agreement, equipment procurement, subcontracting and weather conditions, all of which may be beyond our control. In addition, we may decide not to proceed with a pipeline project that we deem unsuitable for development. Finally, those PV and wind power projects that are under construction may not meet our return expectations due to schedule delays, cost overruns or revenue shortfalls or are unable to be sold to purchasers with a profit, or at all, or may not generate the electricity production levels that we anticipate or result in revenue in the originally anticipated time period.

Our BOO projects rely on local grid companies for grid connection and electricity transmission.

After our BOO projects are completed and connected to the power grid, we depend on the power grids owned and operated by local grid companies to transmit the electricity we generate. We cannot assure you that grid companies will purchase and dispatch all electricity generated by power companies within the coverage of their grids. Further, we also rely on local grid companies to construct the interconnection facilities and to provide the electricity transmission and dispatch services necessary to connect our PV and wind power projects to their grids. We cannot assure you that the local grid companies will do so in a timely manner, or at all, and therefore we may not be able to dispatch electricity when our PV and wind power projects commence operations, which could have a material adverse effect on our revenue and results of operations.

In addition, some of our BOO projects are located in remote areas, where the local power grids may have insufficient transmission capacity to deliver all the potential electricity that our PV and wind power projects could generate when operating under full load, especially at peak seasons, such as winter. Various transmission limitations, such as grid congestion caused by the underdevelopment of the local power grids and temporary transmission interruption, may curtail our electricity generation, impairing our ability to fully capitalize on a particular power project's potential. As electricity generated from us is not stored and must be transmitted or used once generated, we may temporarily suspend some of our PV and wind power projects to accommodate the transmission limitations from time to time. Such events could adversely affect our electricity generation and, in turn, our results of operations.

Risks relating to Our Inverter Manufacturing business and PV Wafer and Module Manufacturing business

Our manufacturing of inverters is subject to various risks that are beyond our control.

Our manufacturing of inverters is subject to various risks that are beyond our control. These risks principally include:

- the market demand and selling price for inverters in China;

- the prices and availability of key components and raw materials used to produce inverters;
- rapidly-changing technology for producing inverters, which put undue stress on our research and development efforts; and
- intensified competition from other inverter manufacturers in China and round the world.

We cannot predict the changes to the above factors which could all have a material and adverse effect on our Inverter Manufacturing business and, consequently, our business, prospects, financial condition and results of operations.

We may suffer losses, damage to our reputation and loss of market shares due to defective or harmful products.

Our products may be subject to product defects or other harmful condition. If any of our products is proven to have quality issues, fails to meet the national or industrial standards or poses potential risks to the human safety and to properties, we may have to exchange such products, be subject to penalties, have our operating licenses or permits revoked, or be ordered to take corrective measures. This could result in increased costs, damage to our reputation, or loss of revenue and market share. During the Track Record Period, we have not experienced any material return of our inverters, PV wafers and modules products. However, we cannot assure you that product quality issues will not arise in the future. Any sales returns or claims against us, regardless of their merits, could materially and adversely affect our financial condition.

Our PV Wafer and Module Manufacturing business has been and is expected to continue to be loss-making after the Global Offering.

We started to manufacture PV wafer and PV modules in 2005 to take advantage of the emerging opportunities of the PV market in China. Our PV Wafer and Module Manufacturing business was profitable before 2011. However, since 2011 such business has been suffering losses due to depressed market prices of PV products, as a result of technology advancement and overcapacity of the PV products industry. Although we have scaled down our production of PV wafers and modules in recent years given our business focus has been Polysilicon Production and Engineering and Construction Contracting (including BOO projects), we expect that the market prices for PV products will continue to decrease and our PV Wafer and Module Manufacturing business will continue to suffer losses in the foreseeable future after the Global Offering. See "*Business—Our Products and Services—PV Wafer and Module Manufacturing*" for how we plan to improve the profitability of this business.

Risks relating to Our General Business Operations

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.

We make significant capital expenditures on a regular basis to develop our business. We invest in areas, such as building BT and BOO projects, production capacity expansion, research and development, maintenance and upgrading of facilities, and improving the efficiency of our processes, using the cash generated from our operations and financing activities. However, we cannot assure you that these sources of funding will continue to adequately meet our business needs, particularly in regard to our growth and expansion plans. We may also require further funding for working capital, investments, potential acquisitions, debt servicing and other capital requirements. If we are unable to secure sufficient external funds when required, we may not be able to fund necessary capital expenditures. The availability of external funding is subject to various factors beyond our control, including governmental approval, prevailing capital market conditions, credit availability, interest rates and our business performance. If the PBOC increases interest rates in the future, our funding costs will increase accordingly and our access to funding may be reduced. Our inability to arrange additional financing in a timely manner on terms that are satisfactory to us could materially and adversely affect our business, results of operations and expansion plans.

Our levels of indebtedness and interest payment obligations and net current liabilities could adversely affect our ability to raise additional capital to fund our operations and react to changes in the economy or our industry.

Due to the rapid expansion of our business during the Track Record Period, we have relied on bank and other borrowings to fund a substantial portion of our capital requirements, and expect to continue to do so in the foreseeable future. We had approximately RMB4,248.9 million outstanding short-term borrowings (including the current portion of long-term borrowings) and RMB3,184.2 million outstanding long-term borrowings (excluding the current portion of long-term borrowings) as of June 30, 2015. As of December 31, 2012, 2013 and 2014, our net current liabilities amounted to RMB449.6 million, RMB769.1 million and RMB542.7 million, respectively. This level of indebtedness and net current liabilities could have significant consequences on our operations, including:

- reducing the availability of our cash flow to fund working capital requirements, capital expenditures, strategic initiatives and other purposes as a result of our debt servicing obligations;
- limiting our flexibility in planning for, or reacting to, changes in our business, the industry in which we operate and the general economy; and
- limiting our ability to obtain additional financing and potentially increasing the cost of any such financing.

Our ability to generate sufficient cash flow from operations to make scheduled payments on our debt will depend on a range of economic, financial, competitive, business, legislative and regulatory factors, many of which are beyond our control. We cannot assure you that our business will generate adequate cash flow from operations to support our operations and service our debt obligations, or that future borrowings will be available to us under our existing or any future credit facilities or otherwise, in an amount sufficient to enable us to meet our payment obligations under our outstanding debt while continuing to fund our other liquidity needs. If we are not able to generate sufficient cash flow to service our debt obligations, we may need to refinance or restructure our debt, sell assets, reduce or delay capital investments, or seek to raise additional capital. If we are unable to implement one or more of these alternatives on commercially reasonable terms or at all, we may not be able to meet our payment and other obligations under our outstanding debt, which may have a material adverse effect on our operations and financial condition.

We have experienced negative cash flow in operating activities in certain periods during our Track Record Period and our high debt ratio and net gearing ratio may have a material adverse effect on our cash flow to fund working capital requirements and our financial condition to support our future plans.

In 2012 and for the six months ended June 30, 2014, we had net cash used in operating activities of RMB1,042.2 million and RMB495.1 million, respectively. We had net cash flow from operating activities primarily 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 and had increased inventories as a result of our increased construction contracting work as well as accumulated increased receivables (including bills receivable used to secure short-term borrowings) from our clients due largely to our increased business scale. During the Track Record Period, we funded our capital expenditure primarily with operating cash flow and bank and other borrowings. Our planned capital expenditures for 2015 and 2016 is approximately RMB2.5 billion and RMB3.1 billion, respectively.

Our debt ratio, calculated as total liabilities divided by total assets, was 76.9%, 82.3%, 76.6% and 70.4% as of December 31, 2012, 2013 and 2014 and June 30, 2015, respectively. Our net gearing ratio, which is our total borrowings net of cash and cash equivalents as a percentage of total equity at the end of each period, was 192.4%, 213.4%, 156.5% and 75.9% as of December 31, 2012, 2013 and 2014 and June 30, 2015, respectively. Our high degree of leverage could subject us to various significant risk exposure, including but not limited to: (i) a substantial portion of our cash flow from operations being dedicated to the payment of principal and interest on indebtedness and thereby reducing the funds available for operations, future business opportunities and capital expenditures; (ii) our limited ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate purposes in the future; (iii) certain of the borrowings are at variable rates of interest, which will increase our vulnerability to increases in interest rates; (iv) our position at a competitive disadvantage to less leveraged competitors; (v) our inability to adjust rapidly to changing market conditions; and (vi) our vulnerable position in an economic downturn and therefore unable to carry out activities that are important to our growth.

As our operating cash flows may be adversely affected by a variety of competition, macroeconomic and other related factors that are beyond our control, we cannot assure you that we will not experience negative net operating cash flows in the future. Our future liquidity, as well as the repayment of any potential debt obligations as and when they become due, will primarily depend on our ability to maintain adequate cash inflows from operating activities and possibly proceeds from external financings. Further, as we expect to finance our operations and our debt service requirements with net cash flows generated from our operations and, if required, additional debt or equity financing in the future, if we are unable to maintain adequate cash inflows, we may default on our payment obligations and may not be able to meet our capital expenditure requirements. As a result, our business, financial position, results of operations and prospects may be materially and adversely affected.

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.

We have benefited from tax incentives and have also received government grants. As of December 31, 2014, our Company and a number of our subsidiaries were recognized as high and new technology enterprises by the PRC government, which entitled each of them to a reduced income tax (rate of 15% (compared to the statutory income tax rate of 25%). We cannot assure you that we or our subsidiaries that are currently qualified as high and new technology enterprises will continue to qualify for such status in the future. If we or our subsidiaries fail to maintain the high and new technology enterprise qualifications or renew these qualifications when the relevant term expires, their applicable income tax rates would increase to 25%, which could have a material adverse effect on our financial condition and results of operations. Moreover, the PRC government could eliminate any of these preferential tax treatments before their scheduled expiration.

In addition, in 2012, 2013 and 2014 and for the six months ended June 30, 2015, we received government grants of RMB113.9 million, RMB100.9 million, RMB124.5 million and RMB83.8 million, respectively, mainly in relation to our research and development activities and the construction or improvement of our production facilities for polysilicon, inverter and PV wafer. The amounts of and conditions attached to such grants were determined at the sole discretion of the relevant governmental authorities. We cannot assure you that we will be eligible to continue to receive such government grants or that the amount of any such grants will not be reduced in the future, in particular for government grants in relation to 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. Even if we continue to be eligible to receive such grants, we cannot guarantee that any conditions attached to the grants will be as favorable to us as they historically have been.

Expiration or elimination of, or other adverse changes to, any of these tax incentives, or reduction or discontinuation of these government grants could adversely affect our financial condition and results of operations. In addition, the PRC government from time to time adjusts or changes its policies on value-added tax, business tax and other taxes. Such adjustments or changes, together with any uncertainty resulting therefrom, could have an adverse effect on our business, 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.

Our customer base is concentrated in a relatively small group of companies. During the Track Record Period, revenue from our major customers accounted for a significant portion of our revenue. 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. 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.

In particular, a substantial portion of the segment revenue from our Engineering and Construction Contracting business was historically derived from a group of companies which are subsidiaries or affiliates of the five largest state-owned power generation enterprises in China. As such, the loss of one of such large state-owned power generation enterprise may result in a substantial change in orders placed with us directly from its respective subsidiaries or affiliates. We constantly seek to expand our customer base in our Engineering and Construction Contracting business; however, we believe we will continue to rely on a group of companies which are subsidiaries or affiliates of the state-owned power generation enterprises to generate a majority of our revenue due to their strong market position, abundant financial resources and support from the PRC government.

We rely on third parties, including subcontractors and equipment suppliers, to complete certain projects and are also subject to risks arising from the non-performance, late performance or poor performance by such third parties.

We usually engage third-party subcontractors and suppliers to carry out different parts of our business. We are dependent on our suppliers and subcontractors for our business operation, in particular, the implementation of our Engineering and Construction Contracting contracts. 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. As we do not have exclusive or long-term contracts with our suppliers and subcontractors, we cannot assure that they will be able to continue to provide supplies or services at prices acceptable to us or whether we can maintain our relationship with them in the future. In the event that any of the major suppliers and subcontractors is unable to provide us required supplies or services and we are unable to obtain alternative providers on similar or more favorable terms to us, or if the costs for them to provide those required supplies or services increase substantially, our business, results of operations, profitability and liquidity may be adversely affected.

Our operations may be adversely affected by the extremities of climate and political and social instabilities in Xinjiang.

Most of our production premises and facilities are located in Xinjiang, north-western China. The difference in daily temperature and the extreme climate conditions during summer and winter may have an adverse impact on our operations. Although the original designs and construction of our facilities have taken into account the extreme climate of Xinjiang, in case of prolonged adverse climate, our operations may still be adversely affected.

The population of Xinjiang consists of different ethical groups. In recent years, rampant violence and terrorist attacks have taken place in Xinjiang which are alleged to be caused by minority groups that are called separatists and are considered to be terrorists by the PRC government. If terrorist activities in Xinjiang occurs, our operations may be directly or indirectly affected, interrupted or damaged, resulting in lower revenues and unbudgeted costs for remedying any damage.

Our operations and plans for overseas business development are subject to risks associated with our international businesses and operations.

As part of our business strategy, we are considering expansion in overseas markets. See "*Business—Our Strategies—Continue to devote resources to the research and development, production and sales of inverter products.*" As we expand into other regions, we will be subject to additional risks that could materially and adversely affect our results of operations. These risks include, but are not limited to:

- unsettled political conditions, war, civil unrest and hostilities in countries and regions where we operate or intend to invest;
- breach of contract by the central or local government or our main business partners in the countries and regions where our overseas business is located or we intend to invest;
- undeveloped legal systems or changes in government policies;
- political and economic instability in foreign markets;
- natural disasters;

- fluctuations in market demand;
- fluctuations and changes in foreign exchange rates;
- PRC regulations and approval processes related to overseas investments; and
- governmental actions such as expropriation of assets, changes in general legislative or regulatory environment, exchange controls, cancellation of contract rights, and changes in global trade policies such as trade restrictions and embargoes imposed by any country.

We cannot predict the effect that current conditions affecting various foreign economies or future changes in economic or political conditions abroad could have on the feasibility and costs of the projects we intend to invest in or acquire. Any of the above factors may have a material and adverse effect on our overseas expansion plans and, consequently, our business, prospects, financial condition and results of operations.

We may not be able to adequately protect our intellectual property rights, which could reduce our competitiveness, and may be exposed to infringement or misappropriation claims by third parties for improperly using intellectual property owned by others or otherwise infringing their rights in intellectual property, which could damage our reputation, cause us to pay significant damage awards or adversely affect our financial condition and profitability.

Our success depends on our ability to use and develop our technology and know-how without infringing the intellectual property or other rights of third parties. We may be subject to litigation involving claims of patent infringement or violation of intellectual property, trade secrets or other rights of third parties. As of the Latest Practicable Date, we are involved in a legal proceeding involving claims of infringements of intellectual property rights and trade secrets. See "*Business—Legal Compliance and Proceedings.*" The validity and scope of claims relating to PV technology patents involve complex scientific, legal and factual questions and analyses and therefore may have highly uncertain outcomes. The defense and prosecution of intellectual property suits, patent infringement proceedings and related legal and administrative proceedings can be both costly and time consuming and may significantly divert our resources and the efforts of our technical and management personnel. An adverse ruling in any such litigation or proceedings could subject us to significant liability to third parties, require us to seek licenses from third parties, cause us to pay ongoing royalties or to redesign our products or subject us to injunctions prohibiting the manufacture and sale of our products or the use of our technologies. Protracted litigation could also result in our customers or potential customers deferring or limiting their purchase or use of our products until resolution of such litigation.

We are subject to litigation risks.

In our ordinary course of business, we may be involved in litigation with our customers or suppliers from time to time. See "*Business—Legal Compliance and Proceedings.*" Claims may be brought against us for delayed payments to our suppliers, alleged defective or incomplete work, liabilities for defective products, delayed delivery of goods and services, personal injuries and deaths, breaches of warranty, or late completion of projects or other contracts. If we were found to be liable on any of the claims, we would have to incur additional costs. Both claims brought against us and by us, if not resolved through negotiation, may be subject to lengthy and expensive litigation or arbitration proceedings. Charges associated with claims brought against us and write-downs associated with claims brought by us could have a material adverse impact on our financial condition, results of operations and cash flow. Moreover, legal proceedings resulting in judgments or findings against us may harm our reputation and damage our prospects for future contract awards.

Insurance coverage for our business, products and properties may not be sufficient to protect us from potential losses.

We purchase and maintain insurance policies in accordance with the needs of our business. However, we cannot guarantee that our insurance policies will provide adequate coverage should we face extraordinary occurrences that result in losses. We do not carry any insurance for business interruption or loss of profit arising from accidents at any of our manufacturing facilities or other disruptions of our operations such as demonstrations and protests by residents living in close proximity to our facilities. In addition, unless otherwise required by our customers, we do not carry product liability insurance for any of our products. We may not obtain certain insurance coverage or may experience difficulties in obtaining the insurance coverage we need, which could negatively affect our business, financial condition and results of operations.

Accidents or natural disasters may also result in significant property damage, disruption of our operations and personal injuries or fatalities, and our insurance coverage may be inadequate to cover such losses. In the event of an uninsured loss or a loss in excess of our insured limits, we could suffer damage to our reputation and/or lose all or a portion of our production capacity as well as future revenues expected to be generated by the relevant facilities. Any material loss not covered by our insurance could adversely affect our business, financial condition and results of operations.

Our operations are subject to various governmental approvals, registrations, permits, licenses, certificates and reviews, and the failure to obtain, maintain, revocation, cancellation, or non-renewal of such on a timely basis, or at all, could materially and adversely affect our business, results of operations and financial condition. In addition, we are subject to periodic inspections, examinations, inquiries and audits by regulatory authorities.

We are required to obtain and maintain valid permits, licenses, certificates and approvals from various governmental authorities or institutions under relevant laws and regulations for some of our businesses. We must comply with the restrictions and conditions imposed by various levels of governmental agencies to maintain our permits, licenses, approvals and certificates. For our licenses and permits, see "*Business—Licenses and Qualifications.*" If we fail to comply with any of the regulations or satisfy any of the conditions required for the maintenance of our permits, licenses, approvals and certificates, our permits, licenses, approvals and certificates could be temporarily suspended or even revoked, or the renewal thereof, upon expiry of their original terms, may be delayed or rejected, which could materially and adversely impact our business, financial condition and results of operations.

In order to ensure our compliance with the restrictions and conditions required for maintaining our permits, licenses, approvals and certificates, the PRC governmental authorities at various levels conduct routine or special inspections, examinations, inquires and audits on us. We may be subject to suspension or revocation of the relevant permits, licenses, approvals or certificates, or fines or other penalties due to any non-compliance identified as a result of such inspections, examinations, inquiries and audits. During the Track Record Period and up to the Latest Practicable Date, we did not experience any revocation or cancellation of our permits, licenses, approvals and certificates. We cannot assure you that we will be able to maintain or renew our existing permits, licenses, approvals and certificates or obtain future permits, licenses, approvals and certificates required for our continued operation on a timely basis or at all. In the event that we fail to comply with applicable laws and regulations or fail to maintain, renew or obtain the necessary permits, licenses, approvals or certificates, our qualification to conduct our various businesses may be adversely impacted.

Loss of our directors, senior management executives, senior technicians and employees with expertise could adversely affect our business and prospects.

The growth of our business operations depends on the continuous service of our directors and senior management executives. We will require an increasing number of experienced and competent senior management executives in the future to implement our growth plans. If one or more of our directors and senior management executives were unable or unwilling to continue in their present positions, we might not be able to replace them easily, or at all, and our business, financial condition and results of operations may be materially and adversely affected.

Our future success also depends, to a significant extent, on, among other things, our ability to attract and retain a large number of qualified, highly skilled and experienced research and development personnel, designers and engineers as well as other skilled employees with industry related experience and expertise. Our research and development team with expertise is critical to our technology development. Our senior technicians and quality control team are also essential to ensure the sufficient supply and high quality of our products. Our ability to attract and retain key personnel is a critical aspect of our competitiveness. However, competition for these individuals could require us to offer higher compensation and other benefits in order to attract and retain them, which would increase our operating expenses and in turn materially and adversely affect our financial condition and results of operations.

Our operations are subject to adverse weather conditions, acts of war, political unrest, epidemics, natural disasters and occupational hazards.

Some of our manufacturing facilities, raw materials and certain finished products may be potentially destructive and dangerous under uncontrollable or catastrophic circumstances, including operational hazards, fires, explosions and political unrest as well as adverse weather conditions and natural disasters such as snowstorms, typhoons, landslides, floods and earthquakes. Our operations are also subject to a number of operational risks, some of which may be beyond our control. These operational risks include unexpected machinery maintenance and critical equipment failures, which may occur from time to time to machinery and equipment that are essential to our operations, for which we cannot obtain insurance at a reasonable cost, or at all, or have enough insurance coverage. Should we experience machinery and equipment damage or failure and if we are unable to make the necessary repairs or replacements in a timely manner, our operations may be temporarily disrupted or suspended, which would lead to an increase in our labor costs or result in property damage, or affect our results of operation.

Moreover, we operate in an industry that involves occupational hazards. We may experience difficulties in operations as a result of factors including, but not limited to, adverse weather conditions, and failure of employees to follow proper safety procedures when using large-scale machinery. During the Track Record Period, we did not experience any material work-related injury or fatality. For further details of these incidents, see "*Business—Health and Safety Compliance.*"

Compliance with environmental and safety production regulations can be costly, while non-compliance with such regulations may result in adverse publicity and potentially significant monetary damages, fines and suspension of our business operations.

Our operations are subject to environmental laws and regulations relating to, among others, gas and water emissions, hazardous substances and waste management. We must obtain clearances and authorizations from governmental authorities for the treatment and disposal of any discharge. As the environmental laws and regulations continue to evolve, we cannot assure you that we will be able to obtain all the safe production and environmental permits for our operations in a timely manner or at all or that we will not be penalized by the relevant government authorities for any non-compliance with the PRC environmental protection and safe production regulations. See "*Business—Legal Compliance and Proceedings.*" Failure to promptly obtain any necessary safe production and environmental permits and approvals, including the pollutant discharge permit, could result in administrative fines and suspension of operations and may materially and adversely affect our business, financial condition and results of operations. In addition, the construction and operation of our production facilities may have an impact on the environment. We cannot assure you that our facilities and equipment will maintain a condition that continuously meets at all times all the standards under applicable environmental laws and regulations. Any violation of these laws and regulations may result in substantial fines, revocations of operating permits, shutdown of our facilities and obligations to take corrective measures.

Moreover, the PRC government may take steps towards the adoption of more stringent environmental regulations. Due to the possibility of unanticipated regulatory or other developments, the amount and timing of environmental expenditures may vary substantially from those originally anticipated. If there is any change in the environmental regulations, we may need to incur substantial capital expenditures to comply with environmental protection laws and regulations, including the costs of installing, replacing or upgrading our equipment related to pollution control and the costs of operational changes to limit any adverse impact of our operations on the environment. Any limitations or costs incurred as a result of our non-compliance with environmental laws and regulations may have an adverse effect on our business, financial condition and results of operations. If we fail to comply with the future environmental and safe production laws and regulations, we may be required to pay fines, suspend construction or production, or cease operations. Moreover, any failure by us to control the use of, or to adequately restrict the discharge of, dangerous substance could subject us to potentially significant monetary damages of our business operations.

We have not obtained valid title certificates for some of the properties and land that we own and occupy, and we may be requested to relocate from these properties.

For some of the properties we occupy in the PRC, we, or our landlords, have not yet obtained valid title certificates that allow us to freely use or transfer the properties that we occupy or lease. As of the Latest Practicable Date, we are in the process of obtaining valid land use right certificates and relevant government approvals for seven parcels of land with an aggregate site area of approximately 2,684,670.0 square meters, accounting for approximately 16.2% of our owned and leased land. On the other hand, as of the Latest Practicable Date, our landlords had not obtained the relevant building ownership certificates for 53 leased buildings with an aggregate gross floor area of 19,016.4 square meters, representing approximately 3.9% of the total gross floor area of the buildings we owned and leased. Further, as of the Latest Practicable Date, the local government of Ganzi, Sichuan Province, being our landlord for one parcel of land with a site area of approximately 1,022,671.9 square meters, has not provided us with the valid land use right certificate. See "*Business—Properties*" for more information. We cannot predict how our rights as owner, lessee or occupant of these properties and our business operations and financial condition may be materially and adversely affected as a result of the absence of legal title to these properties or rights to lease these properties. We cannot assure you that ownership disputes or claims will not occur or that third parties will not assert any claims against us for compensation in respect of any illegal and/or unauthorized use of their land.

The interests of our Controlling Shareholder may differ from those of other Shareholders, which may adversely affect our business and financial condition.

Upon completion of the Global Offering, our Controlling Shareholder, TBEA, will directly and indirectly hold approximately 61.40% of our Company's issued share capital, assuming the Over-allotment Option is not exercised. As our Controlling Shareholder and pursuant to our Company's Articles of Association, it will be able to influence significantly our operational and financial decisions (including dividend plans and investment decisions) that require a vote by our Shareholders. In addition, our Controlling Shareholder will be able to influence the composition of our Board of Directors, will have the power to indirectly influence the selection of our senior management and will have influence over the management of our Company through its representatives on our Board of Directors. It is possible that differences in opinion may arise between our Controlling Shareholder and our remaining Shareholders from time to time. We cannot guarantee that the influence our Controlling Shareholder has on our Company is in the best interests of our remaining Shareholders.

We may be affected as a result of our sales to certain countries that are subject to evolving economic sanctions of the United States and other relevant sanctions authorities.

The United States and other jurisdictions have comprehensive or broad economic sanctions targeting Crimea, Cuba, Iran, North Korea, Sudan and Syria (collectively, "Sanctioned Countries") or certain targeted persons or entities, including, without limitation, those named on the U.S. specially designated nationals ("SDN") list, the U.S. sectoral sanctions identification list or the U.S. foreign sanctions evaders list and any entity owned or controlled by any of the foregoing (collectively, "Sanctioned Persons" and, together with Sanctioned Countries, "Sanctions Targets"). During the Track Record Period, an insignificant amount of third-party PV products was sold through one of our trading subsidiaries to customers located in Sudan and Iran. Revenue derived from the sales to these countries in aggregate accounted for less than 0.02% of our total revenue in each of 2012, 2013 and 2014. These transactions involved the sales of third-party non-US origin PV products for civilian use, such as PV panels and wafers, and were made on a contract-by-contract basis. The customers to these transactions are generally PV companies or trading companies located in Sudan and Iran that do not appear on the SDN list. Subsequent to December 2014, we have not sold any products to customers located in Sanctioned Countries. We have decided not to engage in any future business dealings with or relating to Sanctions Targets, in each case except to the extent that economic sanctions are lifted against such Sanctions Targets.

As a company established and based in China, we will comply with all PRC laws and applicable laws in the jurisdictions where we have operations. We have obtained legal advice to the effect that there is little or no risk to us of extraterritorial sanctions due to our business activities and operations during the Track Record Period. We have not been notified of any sanctions that may be imposed on us due to our business activities and operations during the Track Record Period and up to the Latest Practicable Date. However, there can be no assurance that regulators will not take the position that our past, current or future activities globally include sanctionable activities or business, including for example as a consequence of future amendments to the United States and/or other jurisdictions' sanctions laws and regulations. If our past, current or future activities or business in relation to our contracts are considered in violation of any of the United States and/or other jurisdictions' sanctions laws and regulations, we may become subject to the applicable penalties or sanctions pursuant to such laws or regulations. There is no assurance that investors who are subject to the jurisdictions of the United States and/or other jurisdictions will be willing to make investments, or may divest their investment, in us, which may have an adverse impact on the Global Offering and the future prevailing market price of our H Shares. Furthermore, we will also undertake to the Hong Kong Stock Exchange that we will not use the proceeds from the Global Offering to finance or facilitate, directly or indirectly, activities or business with, or for the benefit of, any Sanctions Targets, regardless of the purpose, and that we will provide timely update as to our exposure to risks related to Sanction Targets in our annual and interim reports. If we breach these undertakings to the Hong Kong Stock Exchange after the Listing, it is possible that the Hong Kong Stock Exchange may delist our H Shares.

RISKS RELATING TO THE OPERATIONS IN THE PRC

Our business could be materially adversely affected by changes in the economic, political and social conditions in China, as well as by changes in policies adopted by the PRC governments.

Since most of our revenue comes from sales in the PRC, our financial condition, results of operations and prospects can be substantially affected by developments in PRC economic, political and legal conditions. The PRC government exerts substantial control over the growth of the domestic economy by means of resource allocation, setting policy on foreign exchange and payment of debts denominated in foreign currencies, setting monetary policy and giving preferential treatment to specific industries or companies. In recent years, the PRC government has implemented market-oriented reforms. Such economic reform measures could be adjusted or revised and may differ between industries or various regions in the PRC. As such, we may not benefit from such measures.

As calculated by GDP, China is one of the fastest growing economies in the world in recent years. However, China may fail to sustain its growth rate. In order to maintain economic growth in China, the PRC government has taken and may continue to implement a range of monetary policies and other economic measures to expand the investment in infrastructure projects, increase the liquidity of credit market and encourage employment. But there can be no assurance that such monetary or economic measures will be successful. If there is slow growth or even a recession in the PRC economy, there may be fewer projects that we can acquire or invest in, the growth of power demand in the regions where we are located may be lower than expected or the demand may even decrease, our interest expenses may increase, or we may face reduced access to credit. Such changes in the PRC economy and relevant markets in future may adversely affect our business, financial condition and results of operations.

The PRC legal system is still evolving and there are inherent uncertainties as to interpretation, implementation and enforcement of laws and regulations, which could limit the legal protection available to us and to our shareholders.

We are incorporated and exist under the laws of the PRC. The PRC legal system is based on written statutes. Prior court decisions may be cited for reference but have limited precedential value. Since 1979, the PRC government has been developing a comprehensive system of commercial laws, and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, corporate organization and governance, commerce, taxation and trade. However, as many of these laws and regulations are relatively new, and due to the limited number of published cases and judicial interpretations and their lack of precedential force, interpretation and enforcement of these laws and regulations involve significant uncertainties. In particular, the PRC power generation industry is a highly regulated industry. Many aspects of our business such as the determination of power generation, grid connection and on-grid tariffs are subject to PRC laws and regulations. As the PRC legal system develops together with the PRC power generation industry, there can be no assurance that changes in such laws and regulations, or in their interpretation or enforcement, will not have a material and adverse effect on our business operations.

Furthermore, certain important aspects of PRC corporate law are different from the corporate laws of common law jurisdictions such as Hong Kong and the United States, particularly with respect to investor protection, such as shareholder class-action suits and measures protecting the non-controlling shareholders, restrictions on directors, disclosure requirements, different rights of classified shareholders, general meeting procedure and disbursement of dividends. Our Articles of Association include the provisions required under the Hong Kong listing rules. Although such provisions have been included, we cannot assure you that no discrepancy exists between the protections given to our investors and those given to investors in companies formed in common law jurisdictions.

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

Currently, RMB still cannot be freely converted into any foreign currency, and conversion and remittance of foreign currencies are subject to PRC foreign exchange regulations. There is no assurance that we will have sufficient foreign exchange to meet our foreign exchange requirements. Under the current PRC foreign exchange control system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within the PRC that have the requisite licenses to conduct foreign exchange business. Foreign exchange transactions under the capital account conducted by us, however, must be approved in advance by SAFE.

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

Fluctuations in the value of Renminbi could have a material adverse effect on our financial condition and results of operations.

During the Track Record Period, some of our overseas businesses were paid in US dollars and we anticipate to continue receiving payment denominated in US dollars from overseas business going forward. Further, following the Global Offering, we may also maintain a significant portion of the proceeds from the offering in Hong Kong dollars before they are used in our PRC operations. The value of the Renminbi against the US dollar, Hong Kong dollar and other currencies may be affected by changes in the PRC's policies and international economic and political developments. On July 21, 2005, the PRC government changed its policy of pegging the value of the Renminbi to the US dollar. Under the new policy, the Renminbi is permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. Effective May 21, 2007, the PBOC enlarged the floating band for the trading prices in the inter-bank foreign exchange market of the Renminbi against the US dollar from 0.3% to 0.5% around the central parity rate. This allows the Renminbi to fluctuate against the US dollar by up to 0.5% above or below the central parity rate published by the PBOC. On June 19, 2010, the PBOC announced that the PRC government will reform the Renminbi exchange rate regime and increase the flexibility of the exchange rate. The floating band was further enlarged to 1% on April 16, 2012 and 2% on March 17, 2014. Under the current policy, the RMB is pegged against a basket of currencies, as determined by the PBOC, against which it can rise or fall within stipulated ranges each day. These changes in currency policy resulted in the Renminbi appreciating against the US dollar by approximately 24.5% from July 21, 2005 to June 6, 2014. As a result of these and any future changes in currency policy, the exchange rate may become volatile, the Renminbi may be revalued further against the US dollar or other currencies or the Renminbi may be permitted to enter into a full or limited free float, which may result in an appreciation or depreciation in the value of the Renminbi against the US dollar or other currencies. Fluctuations in exchange rates may adversely affect the value, translated or converted into US dollars or Hong Kong dollars (which are pegged to the US dollar), of our cash flows, revenues, earnings and financial position, and the value of, and any dividends payable to us by, our PRC subsidiaries. For example, an appreciation of the Renminbi against the US dollar or the Hong Kong dollar would make any new Renminbi-denominated investments or expenditures more costly to us, to the extent that we need to convert a larger amount of US dollars or Hong Kong dollars into Renminbi for such purposes.

Holders of H Shares may experience difficulties in effecting service of legal process and enforcing judgments against us, our Directors, Supervisors or senior management and in taking action on the basis of violations of the Listing Rules. The interpretation and implementation of the PRC law and regulations could limit the protections available to you.

We are a company incorporated under the laws of the PRC and all of our assets and substantially most of our subsidiaries are located in the PRC. Most of our Directors, Supervisors and senior management reside within the PRC. Most of the assets of these Directors, Supervisors and senior management may also be located within the PRC. As a result, it may not be possible to effect service of process outside the PRC upon most of our Directors, Supervisors and senior management. Moreover, the PRC does not have treaties providing for reciprocal recognition and enforcement of court judgments in the United States, the United Kingdom, Japan or most other countries. In addition, Hong Kong has no arrangement for the reciprocal enforcement of judgments with the United States. As a result, in the PRC or Hong Kong, recognition and enforcement of court judgments from the jurisdictions mentioned above may be difficult or impossible in relation to any matter that is not subject to a binding arbitration provision. On July 14, 2006, the Supreme People's Court of the PRC and the Government of the Hong Kong Special Administrative Region signed an Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》). Under this arrangement, where any designated People's Court of the PRC 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 of the PRC 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 remain uncertain.

Our Articles of Association provide that disputes between holders of our H Shares and our Company, our Directors, Supervisors or senior management, arising out of our Articles of Association, the PRC Company Law and related regulations, concerning the affairs of our Company are to be resolved through arbitration by the CIETAC or the HKIAC. Awards made by PRC arbitral authorities recognized under the Hong Kong Arbitration Ordinance can be enforced in Hong Kong. Hong Kong arbitral awards are also enforceable in the PRC, subject to the satisfaction of certain PRC legal requirements. However, we are uncertain whether any action brought in the PRC to enforce an arbitral award made in favor of holders of H Shares would succeed.

Foreign individual holders of our H Shares are subject to PRC income tax and there are uncertainties as to the PRC tax obligations of foreign enterprises that are holders of our H Shares.

Under current PRC tax laws, regulations and rules, non-PRC resident individuals and Non-PRC Resident Enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of H Shares.

Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate under China's Individual Income Tax Law (《中華人民共和國個人所得稅法》). Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdiction in which the applicable foreign individual resides reduce or provide an exemption for the relevant tax obligations. Generally, a withholding tax rate of 10% shall apply to the dividends paid by a company listed in Hong Kong to foreign individuals according to the treaties. When a tax rate of 10% is not applicable, the withholding company shall: (a) return the excessive tax amount pursuant to due procedures if the applicable tax rate is lower than 10%, (b) withhold such foreign individual income tax at the applicable tax rate if the applicable tax rate is between 10% and 20%, and (c) withhold such foreign individual income tax at a rate of 20% if no double taxation treaty is applicable.

For Non-PRC Resident Enterprises that do not have establishments or premises in China, and for those which have establishments or premises in China but whose income is not related to such establishments or premises, under the China's Enterprise Income Tax Law (《中華人民共和國企業所得稅法》) dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are ordinarily subject to PRC enterprise income tax at a 20% rate. In accordance with the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprise to Shareholders Which are Overseas Non-resident Enterprises (《關於中國居民企業向境外H 股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the State Administration of Taxation, such tax rate has been reduced to 10%, subject to a further reduction under a special arrangement or applicable treaty between China and the jurisdiction of the residence of the relevant Non-PRC Resident Enterprise.

Despite the arrangements mentioned above, there are significant uncertainties as to the interpretation and application of applicable PRC tax laws and regulations due to several factors, including whether the relevant preferential tax treatment will be revoked in the future such that all non-PRC resident individual holders will be subject to PRC individual income tax at a flat rate of 20%.

In addition, there remains significant uncertainty as to the interpretation and application of applicable PRC tax laws and regulations by the PRC's tax authorities, including the taxation of capital gains by the non-PRC Resident Enterprises, individual income tax on dividends to non-PRC resident shareholders of our H Shares and on gains realized on sale or other disposition of our H Shares. The PRC's tax laws and regulations may also change. If there is any change to applicable tax laws and regulations or in the interpretation or application of such laws and regulations, the value of your investment in our H Shares may be materially affected.

Payment of dividends is subject to restrictions under PRC law.

Under PRC law, dividends may be paid only out of distributable profit. Distributable profit is our profit as determined under PRC GAAP or IFRSs, whichever is lower, less any recovery of accumulated losses and appropriations to other reserves that we are required to make. As a result, we may not have sufficient or any distributable profit to enable us to make dividend distributions to our Shareholders, including in periods in which we are profitable. Any distributable profit not distributed in a given year is retained and available for distribution in subsequent years. Moreover, because the calculation of distributable profit under PRC GAPP is different from the calculation under IFRSs in certain respects, our operating subsidiaries may not have distributable profit as determined under PRC GAAP, even if they have profit for that as determined under IFRSs, or vice versa. Accordingly, we may not receive sufficient distributions from our subsidiaries. Failure by our operating subsidiaries to pay us dividends could negatively impact our cash flow and our ability to make dividend distributions to our Shareholders, including periods in which we are profitable. According to the dividend distribution rules prescribed by the relevant PRC regulatory authorities, where a company distributes its after-tax profits of the current year, it shall draw 10% of the profits as the company's statutory common reserve. The company may stop drawing the profits if the aggregate balance of the common reserve has already accounted for over 50% of the company's registered capital. A company can only distribute the remaining profits after the losses have been made up and common reserves have been drawn. Any further amendment to the dividend distribution rules for listed companies in China in the future could significantly affect the amount of capital available to support the development and growth of our business.

Any future occurrence of force majeure events, natural disasters or outbreaks of contagious diseases in the PRC may have a material adverse effect on our business operations, financial condition and results of operations.

Any future occurrence of force majeure events, natural disasters or outbreaks of epidemics and contagious diseases, including avian influenza, severe acute respiratory syndrome, swine influenza caused by the H1N1 virus or H1N1 influenza and Middle East Respiratory Syndrome, may materially and adversely affect our business and results of operations. In 2009, there were reports of the occurrence of H1N1 influenza in certain regions of the world, including the PRC and Hong Kong, where we operate our business. An outbreak of an epidemic or contagious disease could result in a widespread health crisis and restrict the level of business activities in affected areas, which may, in turn, adversely affect our business. Moreover, the PRC has experienced natural disasters like earthquakes, floods and droughts in the past few years. Any future occurrence of severe natural disasters in the PRC may materially and adversely affect its economy and therefore our business. We cannot assure you that any future occurrence of natural disasters or outbreaks of epidemics and contagious diseases, including avian influenza, severe acute respiratory syndrome, H1N1 influenza, Middle East Respiratory Syndrome or other epidemics, or the measures taken by the PRC government or other countries in response to such contagious diseases, will not seriously disrupt our operations or those of our customers, which may have a material and adverse effect on our business and results of operations.

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior public market for our H Shares and their liquidity and market price may be volatile. If the price of the Shares declines or fluctuates, this could result in substantial losses for investors purchasing Shares in the Global Offering.

Prior to the Global Offering, there has been no public market of our H Shares. The initial Offer Price for our H Shares to the public will be agreed by us and the Underwriters, and the Offer Price may differ significantly from the market price of the H Shares following this Global Offering. We have applied to the Stock Exchange for the listing of, and permission to deal in, the H Shares. A listing on the Stock Exchange, however, does not guarantee that an active and liquid trading market for the H Shares will develop, or if it does develop, that it will be sustained. In addition, the trading price and trading volume of the H Shares may be subject to significant volatility as a result of various factors, including:

- variations in our operating results or differences between our operating results and those expected by investors and analysts;
- changes in securities analysts' estimates of our financial performance;
- announcements made by us or our competitors;
- regulatory developments or market changes in the PRC affecting us or our industry;
- any business interruptions resulting from natural disasters or accidents;
- investors' perception of us and of the investment environment in Asia, including Hong Kong and the PRC;
- announcements of or completions of acquisitions, strategic alliances or joint ventures by us or our competitors;
- addition or departure of our key personnel;
- release or expiration of lock-up or other transfer restrictions on our Shares;
- liability claims brought against us;
- involvement in litigation; and
- general political, economic, financial, social development and stock market conditions and other factors.

Moreover, in recent years, stock markets in general, and the H Shares issued by other issuers in the PRC and listed on the Hong Kong Stock Exchange, both have experienced price and volume fluctuations, some of which were unrelated or did not fully correspond to the operating performance of related companies. These broad market and industry fluctuations may adversely affect the market price of our H Shares in a similar manner.

There will be a time gap of several business days between pricing and trading of our H Shares offered under the Global Offering.

The Offer Price of our H Shares sold to the public under the Global Offering will be determined on the Price Determination Date. However, trading of our H Shares on the Hong Kong Stock Exchange will not commence until they are delivered, which is expected to be several business days after the Price Determination Date. During that period, investors of our H Shares may not be able to sell or otherwise deal in our H Shares. Accordingly, holders of our H Shares may be subject to the risk that our H Share trading price could fall before trading begins as a result of adverse market conditions or other unfavorable circumstances that may arise during the period between the Price Determination Date and the date on which the dealing begins.

Future sales or a major divestment of Shares by any of our Shareholders could materially and adversely affect the prevailing market price of our Shares.

The future sale of a significant number of our Shares in the public market after the Global Offering, or the possibility of such sales, by any one of our Shareholders or financial investors could materially and adversely affect the market price of our Shares and could materially impair our future ability to raise capital through offerings of our Shares. Although such Controlling Shareholder and financial investors have agreed to a lock-up on their Shares, any major disposal of our Shares by any of such Controlling Shareholder and financial investors upon expiry of the relevant lock-up periods (or the perception that these disposals may occur) may cause the prevailing market price of our Shares to fall which could negatively impact our ability to raise equity capital in the future.

Dividends distributed in the past may not be indicative of our dividend policy in the future.

During the Track Record Period, we did not declare any dividend to our Shareholders. A declaration of dividends is proposed by our Board of Directors and the amount of any dividends will depend on various factors, including, without limitation, our results of operations, financial condition, future prospects and other factors which our Board of Directors may determine are important. Accordingly, our historical dividend distributions are not indicative of our future dividend distribution policy and potential investors should be aware that the amount of dividends paid previously should not be used as a reference or basis upon which future dividends are determined.

Facts and other statistics in this document derived from official government publications or public database sources may not be fully reliable.

This prospectus, particularly the section headed "*Industry Overview*" in this prospectus, contains information and statistics, including but not limited to information and statistics relating to the PRC, PRC economy and the PV and wind power industry in the PRC. Such information and statistics have been derived from various official government and other publications and from a third party report commissioned by us. We believe that the sources of such information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading in any material respect or that any fact has been omitted that would render such information false or misleading in any material respect. The information has not been independently verified by our Company, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Joint Sponsors, the Underwriters, any of our or their respective directors, officers or representatives or any other person involved in the Global Offering and no representation is given as to its accuracy. We cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, in other jurisdictions. Therefore, you should not unduly rely upon the industry facts and statistics contained in this prospectus.

The price and trading volume of our Shares may be volatile which could result in substantial losses for investors purchasing our Shares in the Global Offering.

The price and trading volume of our Shares may be volatile. The market price of our Shares may fluctuate significantly and rapidly as a result of the following factors, among others, some of which are beyond our control:

- variations of our results of operations (including variations arising from foreign exchange rate fluctuations);
- changes in securities analysts' estimates of our financial performance;
- announcement by us of significant acquisitions, strategic alliances or joint ventures;
- addition or departure of key personnel;
- fluctuations in stock market price and volume;
- involvement in litigation; and
- general economic and stock market conditions.

These broad market and industry fluctuations may materially and adversely affect the market price of our Shares.

The market price of our Shares when trading begins could be lower than the Offer Price as a result of, among other things, adverse market conditions or other adverse developments that could occur between the time of sale and the time trading begins.

The Offer Price will be determined on the Price Determination Date. However, the Offer Shares will not commence trading on the Stock Exchange until they are delivered, which is expected to be the fifth business day after the Price Determination Date. As a result, investors may not be able to sell or otherwise deal in the Offer Shares during that period. Accordingly, holders of the Offer Shares are subject to the risk that the price of the Offer Shares when trading begins could be lower than the Offer Price as a result of adverse market conditions or other adverse developments that may occur between the time of sale and the time trading begins.

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

Investors will pay a price per Share that substantially exceeds the per Share value of the Company's tangible assets after subtracting the Company's total liabilities and will therefore experience immediate dilution when investors purchase the Shares in the Global Offering. As a result, if the Company were to distribute its net tangible assets to the Shareholders immediately following the Global Offering, investors purchasing in the Global Offering would receive less than the amount they paid for their Shares. See the section headed "*Appendix II—Unaudited Pro Forma Financial Information.*"

Forward-looking statements contained in this prospectus are subject to risks and uncertainties.

This prospectus contains certain statements and information that are forward-looking and uses forward-looking terminology such as "anticipate," "believe," "could," "going forward," "intend," "plan," "project," "seek," "expect," "may," "ought to," "should," "would" or "will" and similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this prospectus should not be regarded as representations or warranties by us that our plans and objectives will be achieved and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this prospectus are qualified by reference to this cautionary statement.

You should read the entire prospectus carefully and should not rely on any information contained in press articles or other media regarding us and the Global Offering.

There has been coverage in the media regarding the Global Offering and our operations. We do not accept any responsibility for the accuracy or completeness of such media coverage or forward-looking statements and make no representation as to the appropriateness, accuracy, completeness or reliability of any information disseminated in the media. We disclaim any information in the media to the extent that such information is inconsistent or conflicts with the information contained in this prospectus. Accordingly, prospective investors should not rely on any of the information in press articles or other media coverage.