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## SUMMARY

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

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

### OVERVIEW

We are a leading manufacturer of wind turbine generators and provider of complete wind power solutions in China. Our primary business is WTG R&D, manufacturing and sales. We also engage in the provision of comprehensive wind power services and the development of wind farms for sale to wind farm operators and investors. As an enterprise with one of the longest track records in the PRC wind power equipment manufacturing industry, we possess substantial technical expertise, strong independent R&D capabilities and have successfully introduced innovative leading edge wind turbine technologies to the PRC market. Most of our core management team have specialized in wind power for many years, and possess significant industry experience in wind energy development and operation, giving us a deep understanding of our client base and their operational needs. Our comprehensive quality assurance system and after-sales service operations have also contributed to achieving our dominant market position. According to the *International Wind Energy Development — World Market Update* published by BTM, the accumulated installed capacity of WTGs manufactured by us reached 5.3 GW as of December 31, 2009, representing a market share in the PRC of approximately 21%. In 2009, our market share in the PRC in terms of newly installed capacity increased approximately 2 percentage points as compared to the previous year to approximately 20%, ranking us the fifth largest WTG manufacturer globally and the second largest in the PRC. The World Wind Energy Association, or WWEA, awarded us the World Wind Energy Award 2006 for our contribution to the development of the international wind power industry.

- For our WTG R&D, manufacturing and sales business, we focus on the research, design, manufacturing and sales of premium quality WTGs with high efficiency and availability. Our main product is currently the 1.5 MW direct-drive permanent magnet WTG, and we also produce the 750 kW stall-regulated WTG. Throughout our corporate history, our customers have primarily been China's large power producers and other enterprises investing in renewable energy, and our products and services have been sold across the PRC, with over 5,800 of our WTGs installed in 19 of China's provinces as of March 31, 2010. Apart from our business in the domestic market, we have also embarked on sales of our WTGs in international markets. For the three years ended December 31, 2007, 2008 and 2009, the revenue generated from our WTG R&D, manufacturing and sales business segment was RMB3,079.2 million, RMB6,299.3 million and RMB10,347.4 million, respectively, and accounted for 99.7%, 98.2% and 97.0% of our total revenue.
- For our wind power services business, we offer customers a complete range of services covering the whole process of developing a wind farm project, from preliminary investment consultancy and pre-construction project services such as feasibility studies and wind measurement, to project construction services such as EPC contracting, to post-construction operation and maintenance services such as equipment servicing and wind farm operation and maintenance. As of March 31, 2010, we had provided preliminary investment consultancy and pre-construction services for 275 projects, project construction

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services for 123 wind farms, and post-construction operation and maintenance services for 72 wind farms with total installed capacity of 4,129.1 MW. For the three years ended December 31, 2007, 2008 and 2009, the revenue generated from our wind power services business segment was RMB9.8 million, RMB29.5 million and RMB215.4 million, respectively, and accounted for 0.3%, 0.4% and 2.0% of our total revenue.

- For our wind farm investment, development and sales business, we are able to provide wind farm operators and investors with completed wind farms that we have invested in and developed, and equipped with our WTGs. As of March 31, 2010, we developed 14 wind farms with total installed capacity of 628.5 MW and attributable installed capacity of 471.5 MW, of which four completed wind farms were sold. We generate income from sale of equity interests in the project companies we set up to develop the wind farms, and income from such sale is recorded under other income and gains. During the Track Record Period, income from sale of completed wind farms was nil, RMB263.1 million and RMB189.8 million, respectively. For our completed wind farms yet to be sold, we put them into operation and generate revenue from the tariffs received from the power generated. As of March 31, 2010, we had three completed wind farms yet to be sold. For the three years ended December 31, 2007, 2008 and 2009, our revenue for this business segment was nil, RMB88.5 million and RMB103.7 million, respectively, and accounted for 0.0%, 1.4% and 1.0% of our total revenue.

We have strategically leveraged the depth of our R&D and manufacturing, services and wind farm development capabilities to achieve synergies among our three business segments and formed an advanced model as a provider of complete solutions covering multiple aspects of the wind power industry value chain. No other PRC WTG manufacturer is engaged in the provision of complete wind power solutions on a scale similar to ours.

Our main product technology is the direct-drive permanent magnet full-power rectification technology, which holds four significant advantages over other wind turbine technologies, being high efficiency, high reliability, superior grid connectivity, and low spare parts and consumable materials requirements. We believe these advantages are greatly valued by our customers and the power grids for whom they generate electricity. We have successfully introduced our specialized wind turbine series, which adopt this technology and are efficiently adapted to the PRC's diverse operating conditions, including low and high temperatures, high altitude, low wind velocity and coastal areas.

We possess a comprehensive technology development system and have established three R&D centers in Beijing and Urumqi, PRC and Neunkirchen, Germany, where the headquarters of our subsidiary, Vensys AG, is based, with specialized research teams that focus on developing next generation technology and product improvements. We are also engaged in the in-house design and manufacture of core parts and components. This reduces our production cost and also enables us to obtain independent rights for key wind turbine technologies. We have completed the design and production of our 2.5 MW direct-drive permanent magnet WTG and 3.0 MW hybrid-drive WTG prototypes, and achieved successful grid connection. Our 5.0 MW WTG is currently under development. We independently developed our MW-level WTGs through extensive R&D activities focused on our advanced direct-drive permanent magnet full-power rectification technology, whereas most Chinese WTG manufacturers generally acquire wind turbine technologies through licensing. The strength of our R&D capabilities is further evidenced by our ownership of six proprietary technologies, 25 patents, and 39 pending patents as of the Latest Practicable Date. In addition to achieving widespread customer acceptance, we have been called upon by the relevant PRC authorities to lead the drafting of eight national and local wind power industry technical standards, and are currently involved in the drafting of a further three such national standards.

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We undertook an initial public offering and listing of our A Shares on the SZSE in 2007. During the Track Record Period, we have experienced significant growth in revenues and maintained good profitability. For the three years ended December 31, 2007, 2008 and 2009, our revenue was RMB3,089.0 million, RMB6,417.3 million and RMB10,666.5 million, respectively, and our profit attributable to owners of our Company was RMB624.6 million, RMB906.4 million and RMB1,745.6 million, respectively, growing at a CAGR of 85.8% and 67.2%, between 2007 and 2009, respectively. During the same period, our sales volume of WTGs was 754.5 MW, 1,372.5 MW and 2,035.5 MW, respectively, growing at a CAGR of 64.3% between 2007 and 2009.

### OUR COMPETITIVE STRENGTHS

We believe our historical success and future prospects are underpinned by a combination of competitive strengths, including:

- We are a leader in the PRC WTG manufacturing industry with extensive sector experience, and have played an active role in the rapid growth of China's wind power market.
- We possess superior technology and strong independent R&D, design and product development capabilities.
- We have an advanced business model as a provider of complete wind power solutions and continue to discover new value along the entire wind power industry value chain.
- We are able to provide customers with comprehensive, timely and efficient after-sales services.
- We have strong capabilities to design and manufacture core components in-house and optimize our supply chain, enabling us to reduce cost of production while assuring quality.
- We have an experienced management team, and are continuously recruiting new talent.

### OUR STRATEGIES

We seek to maintain and further enhance our position in the business of WTG R&D, manufacturing and sales, continue to be a leading provider of complete wind power solutions, expand our business globally and create maximum customer value. To this end, we plan to carry out or are in the process of carrying out the following strategies:

- Maintain and enhance market leading position in China.
- Continue to focus on technology and product innovation to develop more advanced WTGs.
- Continuously reduce costs and further optimize our supply chain.
- Actively grow our wind power services and wind farm investment, development and sales businesses.
- Expand into attractive international markets.

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### SUMMARY FINANCIAL INFORMATION

The following tables set forth summary consolidated financial information of our Group. We have derived the consolidated financial information for the three years ended December 31, 2007, 2008 and 2009 and the three months ended March 31, 2010 from the Accountants' Report in Appendix I and the unaudited interim financial report in Appendix IV to this prospectus. The summary consolidated financial information should be read together with, and is qualified in its entirety by reference to, the consolidated financial statements set forth in the Accountants' Report in Appendix I to this prospectus, including the related notes.

#### *Consolidated Statements of Comprehensive Income*

	Year ended December 31,			Three months ended March 31,
	2007	2008	2009	2010
	RMB in million			(unaudited)
Revenue . . . . .	3,089.0	6,417.3	10,666.5	1,838.7
Cost of sales . . . . .	(2,177.2)	(4,895.9)	(7,908.9)	(1,326.5)
Gross profit . . . . .	911.8	1,521.4	2,757.6	512.2
Other income and gains, net. . . . .	38.2	337.3	335.6	35.5
Selling and distribution costs . . . . .	(107.2)	(286.7)	(689.8)	(123.5)
Administrative expenses . . . . .	(161.9)	(237.0)	(276.3)	(62.6)
Other expenses . . . . .	(36.3)	(145.9)	(77.4)	(29.4)
Finance costs . . . . .	(22.9)	(43.0)	(62.8)	(13.1)
Share of profits and losses of:				
Jointly-controlled entities . . . . .	—	—	(0.3)	—
Associates . . . . .	—	—	4.0	(1.0)
PROFIT BEFORE TAX . . . . .	621.7	1,146.1	1,990.6	318.1
Income tax . . . . .	8.1	(120.9)	(200.0)	(60.5)
PROFIT FOR THE YEAR/PERIOD . . . . .	629.8	1,025.2	1,790.6	257.6
Other comprehensive income:				
Exchange differences on translation of foreign operations . . . . .	1.8	(24.3)	7.9	(18.8)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD, NET OF TAX . . . . .	631.6	1,000.9	1,798.5	238.8
Profit attributable to:				
Owners of the Company . . . . .	624.6	906.4	1,745.6	248.4
Minority interests . . . . .	5.2	118.8	45.0	9.2
	629.8	1,025.2	1,790.6	257.6
Total comprehensive income attributable to:				
Owners of the Company . . . . .	626.4	889.2	1,753.5	229.6
Minority interests . . . . .	5.2	111.7	45.0	9.2
	631.6	1,000.9	1,798.5	238.8
Earnings per share attributable to ordinary equity holders of the Company:				
Basic and diluted . . . . .	RMB0.31	RMB0.40	RMB0.78	RMB0.11

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### Consolidated Statements of Financial Position

	As at December 31,			As at March 31,
	2007	2008	2009	2010 (unaudited)
	RMB in million			
<b>Non-current assets</b>				
Property, plant and equipment . . . . .	404.2	1,303.4	2,440.6	2,651.7
Investment properties . . . . .	53.3	76.9	81.0	80.4
Prepaid land lease payments . . . . .	62.8	79.1	160.6	170.7
Goodwill . . . . .	—	240.2	249.9	234.0
Other intangible assets . . . . .	17.7	320.1	346.6	333.8
Interests in jointly-controlled entities . . . . .	—	—	69.7	49.5
Interests in associates . . . . .	—	—	47.4	46.3
Available-for-sale investments . . . . .	4.2	26.2	9.0	9.0
Deferred tax assets . . . . .	11.7	101.9	190.5	181.7
Prepayments . . . . .	—	0.3	1.9	2.3
Other long-term assets . . . . .	—	2.1	—	—
<b>Total non-current assets . . . . .</b>	<b>553.9</b>	<b>2,150.2</b>	<b>3,597.2</b>	<b>3,759.4</b>
<b>Current assets</b>				
Inventories . . . . .	971.6	2,119.2	2,853.5	4,006.0
Trade and bills receivables . . . . .	764.1	2,619.0	2,919.6	2,912.8
Prepayments, deposits and other receivables . . . . .	498.3	1,036.1	830.4	1,292.2
Derivative financial instruments . . . . .	—	—	4.7	—
Pledged deposits . . . . .	—	—	218.5	323.2
Cash and cash equivalents . . . . .	2,679.7	3,286.4	4,459.0	2,388.1
<b>Total current assets . . . . .</b>	<b>4,913.7</b>	<b>9,060.7</b>	<b>11,285.7</b>	<b>10,922.3</b>
<b>Current liabilities</b>				
Trade and bills payables . . . . .	934.5	2,544.5	3,760.2	3,545.5
Other payables . . . . .	862.2	2,671.4	2,055.8	1,436.1
Derivative financial instruments . . . . .	—	2.3	10.7	18.1
Interest-bearing bank and other borrowings . . . . .	470.0	50.0	601.9	924.2
Tax payable . . . . .	—	184.4	212.3	110.1
Dividend payable . . . . .	—	—	—	140.0
Provision . . . . .	7.9	51.1	241.3	280.8
<b>Total current liabilities . . . . .</b>	<b>2,274.6</b>	<b>5,503.7</b>	<b>6,882.2</b>	<b>6,454.8</b>
<b>Net current assets . . . . .</b>	<b>2,639.1</b>	<b>3,557.0</b>	<b>4,403.5</b>	<b>4,467.5</b>
<b>Total assets less current liabilities . . . . .</b>	<b>3,193.0</b>	<b>5,707.2</b>	<b>8,000.7</b>	<b>8,226.9</b>
<b>Non-current liabilities</b>				
Interest-bearing bank and other borrowings . . . . .	153.0	1,281.7	2,022.1	2,145.3
Deferred tax liabilities . . . . .	—	85.6	90.9	82.1
Provision . . . . .	16.0	80.3	195.8	210.0
Government grants . . . . .	75.1	98.4	140.6	141.1
Other long-term liabilities . . . . .	—	23.5	24.0	22.3
<b>Total non-current liabilities . . . . .</b>	<b>244.1</b>	<b>1,569.5</b>	<b>2,473.4</b>	<b>2,600.8</b>
<b>Net assets . . . . .</b>	<b>2,948.9</b>	<b>4,137.7</b>	<b>5,527.3</b>	<b>5,626.1</b>
<b>Equity attributable to owners of the Company</b>				
Issued share capital . . . . .	500.0	1,000.0	1,400.0	1,400.0
Reserves . . . . .	2,333.3	2,442.5	3,661.1	3,106.7
Proposed dividend . . . . .	50.0	280.0	140.0 <sup>(1)</sup>	784.0 <sup>(2)</sup>
<b>Minority interests . . . . .</b>	<b>2,883.3</b>	<b>3,722.5</b>	<b>5,201.1</b>	<b>5,290.7</b>
<b>Total equity . . . . .</b>	<b>65.6</b>	<b>415.2</b>	<b>326.2</b>	<b>335.4</b>
<b>Total equity . . . . .</b>	<b>2,948.9</b>	<b>4,137.7</b>	<b>5,527.3</b>	<b>5,626.1</b>

*Notes:*

- On March 25, 2010, our Company's 2009 annual general meeting approved the distribution of our Company's consolidated actual distributable profits of RMB1,767.8 million as of December 31, 2009. As partial settlement of this distribution, on April 6, 2010, our Company issued 840 million A Shares and paid cash of RMB140.0 million to holders of our A Shares funded with cash from profits generated by our business.
- On May 26, 2010, our Board of Directors approved the distribution of RMB784.0 million in the form of a cash dividend paid out of our internal cash resources (and not out of our net proceeds from the Global Offering), subject to approval of our Shareholders in a general meeting to be held on June 12, 2010, the settlement date of which will be determined after the general meeting and is expected to be after the Listing. Our H Shareholders shall not be entitled to any portion of this cash dividend. Please see the section entitled "Financial Information — Dividend Policy" in this prospectus.

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### FINANCIAL DISCLOSURES AFTER GLOBAL OFFERING

Following the listing of our A Shares on the SZSE, we have been subject to periodic reporting and other information disclosure requirements in the PRC and, as a result, may publicly release information in the PRC from time to time. However, such information and the prospectus for the A Share offering do not form part of this prospectus. Further, under the rules of the SZSE, we are required to publish quarterly results of operations in the PRC containing unaudited financial statements. Pursuant to Rule 13.09(2) of the Listing Rules, our Company will release price sensitive information simultaneously in Hong Kong and China after the listing of our H Shares in Hong Kong, including our Company's quarterly, interim and annual reports released on the SZSE.

### PROFIT FORECAST FOR THE YEAR ENDING DECEMBER 31, 2010

Barring unforeseen circumstances, and based on the bases and assumptions set out in Appendix II to this prospectus, the Directors forecast that the consolidated profit attributable to owners of our Company for the year ending December 31, 2010 will be not less than RMB2,235 million.

All statistics in the following table are based on the assumption that the Over-allotment Option is not exercised.

Forecast net profit attributable to owners of our Company <sup>(1)</sup> . . . . .	not less than RMB2,235 million
Unaudited pro forma fully diluted forecast earnings per Share <sup>(2)</sup> . . . . .	no less than RMB0.85 (HK\$0.97)

*Notes:*

- (1) The bases and assumptions on which the profit forecast has been prepared are set out in Appendix II to this prospectus. The forecast net profit attributable to owners of our Company for the year ending December 31, 2010 is extracted from the section entitled "Financial Information — Profit forecast for the year ending December 31, 2010" in this prospectus.
- (2) The calculation of the unaudited pro forma fully diluted forecast earnings per Share is based on the forecast net profit attributable to owners of our Company for the year ending December 31, 2010, assuming that the Global Offering had been completed on January 1, 2010 and a total of 2,635,294,000 Shares were in issue during the entire year ending December 31, 2010. The translation of Renminbi into Hong Kong dollars has been made at the rate of RMB0.8772 to HK\$1.00, the PBOC Rate prevailing on the Latest Practicable Date.

### OFFER STATISTICS

All statistics in this table are based on the assumption that the Over-allotment Option is not exercised.

	<u>Based on offer price of HK\$19.80</u>	<u>Based on offer price of HK\$23.00</u>
Market capitalization of H Shares <sup>(1)</sup> . . . . .	HK\$8,610 million	HK\$10,001 million
Forecast fully diluted price/earnings multiple on a pro forma basis <sup>(2)</sup> . . . . .	20.4 times	23.7 times
Unaudited pro forma adjusted consolidated net tangible asset per Share <sup>(3)</sup> . . . . .	HK\$4.83	HK\$5.29

*Notes:*

- (1) The calculation of market capitalization is based on that 434,823,400 H Shares (including 395,294,000 H Shares and 39,529,400 H Shares converted from A Shares and transferred to the NSSF) are expected to be outstanding immediately following the Global Offering.
- (2) The calculation of the forecast fully diluted price/earnings multiple on a pro forma basis is based on the unaudited pro forma forecast earnings per Share for the year ending December 31, 2010 and the respective Offer Prices of HK\$19.80 and HK\$23.00 per H Share.
- (3) The unaudited pro forma adjusted consolidated net tangible asset per Share is calculated after making the adjustments referred to in Appendix III and on the basis that 2,635,294,000 Shares are expected to be in issue immediately following the Global Offering.

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### DIVIDEND POLICY

After completion of the Global Offering, our Shareholders will be entitled to receive dividends declared by our Company. The proposal of payment and the amount of our dividends will be made at the discretion of the Board and will depend on our general business condition and strategies, cash flows, financial results and capital requirements, interests of the Shareholders, taxation conditions, statutory and regulatory restrictions and other factors that the Board deems relevant. Any dividend distribution shall also be subject to the approval of the Shareholders in the Shareholders' meeting.

Under the PRC Company Law and the Articles of Association, we will pay dividends out of our after-tax profit only after we have made the following allocations:

- recovery of accumulated losses, if any;
- allocations to the statutory reserve fund equivalent to 10% of our Company's after-tax profit; and
- allocations, if any, to a discretionary reserve fund approved by the Shareholders in a Shareholders' meeting.

When the statutory reserve fund reaches and is maintained at or above 50% of our registered capital, no further allocations to this statutory fund will be required. Our profit distributable for the above-mentioned allocations and our dividend distribution shall be our after-tax profit as determined by PRC GAAP or IFRS, whichever is lower. All of our Shareholders have equal rights to dividends and distributions in the form of stock or cash. For holders of our H Shares, cash dividend payments, if any, will be declared by the Board in Renminbi and paid in Hong Kong dollars. According to the Articles of Association, the cumulative profit distribution in cash by our Company for any last-three-most-recent-years period shall be not less than 30% of the average of the same three years' annual distributable profits.

We distributed dividends in the form of shares and cash amounting to RMB500.0 million and RMB680.0 million during the two years ended December 31, 2007 and 2008, respectively. The Board of Directors on August 31, 2009 and the Shareholders in general meeting on September 25, 2009 approved a resolution that holders of our A Shares are entitled to our distributable profits accumulated prior to January 1, 2010, and holders of our H Shares and A Shares upon the completion of the Global Offering will be equally entitled to our distributable profits accumulated between January 1, 2010 and the Listing Date. On March 25, 2010, our Company's 2009 annual general meeting approved the distribution of our Company's consolidated actual distributable profits of RMB1,767.8 million<sup>(1)</sup>. As partial settlement of this distribution, on April 6, 2010, our Company issued 840 million A Shares and paid cash of RMB140.0 million to holders of our A Shares funded with cash from profits generated by our business. On May 26, 2010, our Board of Directors approved the distribution of RMB784.0 million in the form of a cash dividend paid out of our internal cash resources (and not out of our net proceeds from the Global Offering), subject to approval of our Shareholders in a general meeting to be held on June 12, 2010, the settlement date of which will be determined after the general meeting and is expected to be after the Listing. Our H Shareholders shall not be entitled to any portion of this cash dividend. Our PRC legal advisor has confirmed that the declaration and payment of the foregoing dividend distribution is legal and valid under applicable PRC laws and regulations and our Articles of Association. Our historical dividends may not be indicative of the amount of our future dividends.

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<sup>(1)</sup> Equal to the retained profits of our Group in the amount of RMB1,871.0 million as of December 31, 2009 according to PRC GAAP minus the statutory surplus reserve appropriated by our subsidiaries not distributable to our Shareholders, in the amount of RMB103.2 million.



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### USE OF PROCEEDS

Assuming an Offer Price of HK\$21.40 per H share (which is the mid-point of the indicative Offer Price range set forth on the cover page of the prospectus), we estimate that we will receive net proceeds of approximately HK\$8,078.6 million from the Global Offering after deducting the underwriting commissions and other estimated expenses, if the Over-allotment Option is not exercised. If the Over-allotment Option is exercised in full, we estimate that the additional net proceeds to us from the offering of these additional H Shares will be approximately HK\$1,211.8 million, after deducting the underwriting commissions and other estimated expenses, assuming an Offer Price of HK\$21.40 per H Share.

In line with our strategies, we intend to use our proceeds from the Global Offering for the purposes and in the amounts set out below:

- approximately 40.2% will be used for the construction of production bases and optimization of our business operations;
- approximately 14.6% will be used for the design and development of more advanced WTGs and certain related components;
- approximately 24.1% will be used for expansion into the international market, primarily the United States, Australia and Europe, and promotional activities as described in the section entitled “Business — Our Strategies — Expand into attractive international markets” in this prospectus;
- approximately 11.1% will be used for the repayment of bank loans, including, among others (i) two three-year floating term loans in the total amount of EUR16.4 million at an annual interest rate of 120 basis points (bps) above EURIBOR, and EUR20.0 million at an annual interest rate of 115 bps above EURIBOR for the initial 12 months, and subsequently at 115 bps above six-month EURIBOR, which will be due for repayment on March 15, 2011 and April 15, 2011, respectively; (ii) a one-year floating rate short-term bank facility of EUR19.0 million for our subsidiary Vensys AG’s working capital purposes at an annual interest rate of 120 bps above EURIBOR, which will be due on June 15, 2010; (iii) a 10-year term loan in the total amount of EUR3.5 million at an annual interest rate of 7% before June 30, 2013 and adjustable rate after July 1, 2013, which will be due for repayment on September 30, 2018; and
- approximately 10.0% will be used as our general working capital.

The allocation of the proceeds used for the above will be adjusted in the event that the Offer Price is fixed at a higher or lower level compared to the mid-point of the estimated offer price range. Assuming the Over-allotment Option is not exercised, if the Offer Price is fixed at HK\$23.00 per H Share, being the high end of the stated Offer Price range, the net proceeds will be increased by approximately HK\$604.0 million. In such circumstances, we presently intend to use such additional proceeds to increase the net proceeds applied to the same purposes above (other than for the repayment of bank loans and as general working capital) on a pro rata basis. If the Offer Price is fixed at HK\$19.80 per H Share, being the low end of the stated Offer Price range, the net proceeds will be decreased by approximately HK\$604.0 million. In such circumstances we presently intend to reduce the net proceeds applied to our general working capital.

In the event that the Over-allotment Option is exercised in full, the additional net proceeds of approximately HK\$1,211.8 million (assuming the Offer Price is determined at the mid-point of the stated range), approximately HK\$1,302.4 million (assuming the Offer Price is determined at the high end of the stated Offer Price range) or approximately HK\$1,121.2 million (assuming the Offer Price is determined at the low end of the stated Offer



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Price range) will be applied by our Company for the same purposes above (other than for the repayment of bank loans and as general working capital) on a pro rata basis.

To the extent that the net proceeds of the Global Offering are not immediately required for the above purposes, the Directors currently intend that such proceeds will be placed on short-term deposits with licensed banks or financial institutions in Hong Kong or the PRC.

### RISK FACTORS

We believe that there are certain risks involved in our operations. Many of these risks are beyond our control and can be categorized into: (i) risks relating to our business; (ii) risks relating to the industry in which we operate; (iii) risks relating to the PRC; and (iv) risks relating to the Global Offering.

#### Risks relating to our business

- We may be affected if the government reduces or ceases its support and encouragement of the wind power industry.
- We may not be able to continue our rapid growth and implement our business expansion plans successfully.
- We face intense competition in our major markets.
- We may not be able to obtain timely and stable supply of the core parts and components required for our business.
- A significant portion of our revenue is derived from our major customers and changes in their requirements may have a material and adverse effect on our business.
- We may not be able to develop new products that meet changing market demands or successfully introduce new products in a timely manner.
- We may not be able to adequately protect our intellectual property rights.
- If we fail to maintain an effective quality control system, our product quality and thus our business may be materially and adversely affected.
- If we fail to effectively control costs, in particular the cost of parts and components, our results of operations and financial condition may be materially and adversely affected.
- Our revenue may fluctuate through the year due to seasonality of business.
- We are subject to risks associated with changes in preferential tax treatment.
- Failure to fulfill customer orders due to delays in our production process may have a material and adverse effect on our business prospects, results of operations and financial condition.
- Clauses in our contracts with customers may be modified.
- Availability of credit and fluctuations in the interest rates of our bank borrowings and other loans may affect our business expansion or financial performance.
- We may not be able to obtain wind farm projects with suitable wind resources or realize the expected profit from our development of wind farm projects.

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## SUMMARY

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- Our results of operations may be materially and adversely affected if we fail to retain or hire qualified personnel at reasonable costs.
- Our success depends on the stability of our senior management team and successful implementation of our management incentive system.
- Our international marketing and sales plans and strategies may not yield the desired results.
- If we are unable to obtain power generation business licenses for wind farms that we own and operate, there may be a material and adverse effect on our business.
- We have not obtained valid title certificates for some of the properties and land that we own and occupy.
- We are subject to the risk of product liability claims and in some cases may not have sufficient insurance coverage.
- Substantial damage to persons or loss of property may occur in the course of our production and construction processes.
- Our production and operations may be affected by factors beyond our control.

### **Risks relating to the industry in which we operate**

- If major breakthroughs in other renewable energy technologies result in these technologies being superior to wind power, or the utilization of wind power is affected by the unpredictability of local weather conditions, demand for wind power projects may be affected.
- The lack of grid infrastructure may restrict or otherwise affect the development of wind farms and the timing of their development and therefore affect our ability to maintain or increase our historical level of operations, and the timing of revenue recognition from those operations.
- Demand for wind power is dependent upon the overall demand for electric power, and if the overall demand for electric power declines because of an economic downturn in the major markets, our business will be affected.

### **Risks relating to the PRC**

- Changes in the economic, political and social conditions in the PRC may have a material and adverse effect on our results of operations and financial condition.
- The slowdown of the Chinese economy may have a material and adverse effect on our results of operations and financial condition.
- The PRC's legal system is still evolving, there exist uncertainties as to the interpretation and enforcement of PRC laws, and PRC laws are different from those of common law countries.
- The recurrence of Severe Acute Respiratory Syndrome or an outbreak of other epidemics, such as bird flu or Type A H1N1 influenza, may materially and adversely affect our results of operations and financial condition.
- Government control over the conversion of foreign exchange may affect our results of operations and financial condition.

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## SUMMARY

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- We face foreign exchange and conversion risks, and fluctuation in the value of the RMB may have a material and adverse effect on our business and your investment.
- It may be difficult to enforce judgments rendered by courts other than PRC courts against us or the Directors, Supervisors or senior management residing in China.

### **Risks relating to the Global Offering**

- Characteristics of the A Share and H Share markets may differ.
- The conversion of A Shares to H Shares could have a material and adverse effect on the prevailing market price of the H Shares and our ability to raise capital in the future.
- As the Offer Price of the H Shares is higher than the net tangible asset value per share, you will experience immediate dilution.
- The sales or potential sales of substantial amounts of the H Shares in the public market (including any future offering) may affect the prevailing market price of the H Shares and our ability to raise capital in the future, and future additional issuance of securities may dilute your shareholdings.
- There exist uncertainties about the Vensys Option and potential issuance of additional Shares pursuant to the exercise of the Vensys Option will cause dilution in your shareholdings.
- There will be a five-Business-Day time gap between pricing and trading of the H Shares offered pursuant to the Global Offering.
- There is no assurance that we will adopt the same dividend policy as we have adopted in the past.
- There has been no prior public market for the H Shares, and the liquidity, market price and trading volume of the H Shares may be volatile.
- Certain industry statistics contained in this prospectus are derived from various publicly available official sources and may not be reliable.
- Holders of the H Shares may be subject to PRC taxation.
- You should read the entire prospectus carefully and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us and the Global Offering.