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. Information contained in our website, located at www.khjt.com.cn, does not form part of this prospectus.

There are risks associated with any investment. Some of the particular risks in investing in our Offer Shares are set out 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:

- the largest environmental protection and energy conservation solutions provider for coal-fired power plants operating in the PRC, based on cumulative installed capacity (in the case of our environmental protection solutions business) and contract value (in the case of our energy conservation solutions business) as of December 31, 2010; and

- a renewable energy equipment manufacturer and service provider, with a leading position in the PRC's WTG manufacturing industry, based on both newly installed capacity in 2010 and cumulative installed capacity as of December 31, 2010.

Our strong R&D capabilities, core technologies and innovative business models have allowed us to enjoy rapid growth in our operations. Our revenues and profits attributable to shareholders have grown significantly at a CAGR of 66.5% and 96.3% respectively between 2008 and 2010. We have dominant or leading market positions in many of the businesses in which we operate. For example, we are:

- the largest desulfurization EPC service provider and desulfurization concession operator in the PRC, based on cumulative installed capacity as of December 31, 2010 and June 30, 2011, according to Frost & Sullivan;

- the third largest desulfurization EPC service provider in the PRC, based on newly installed capacity in 2010, according to Frost & Sullivan;

- the fourth largest SCR denitrification service provider in the PRC, based on cumulative installed capacity as of December 31, 2010, according to Frost & Sullivan;

- the fifth largest SCR denitrification service provider and the largest SCR denitrification service provider in the PRC, based on newly installed capacity in 2010 and in the six months ended June 30, 2011, according to Frost & Sullivan;

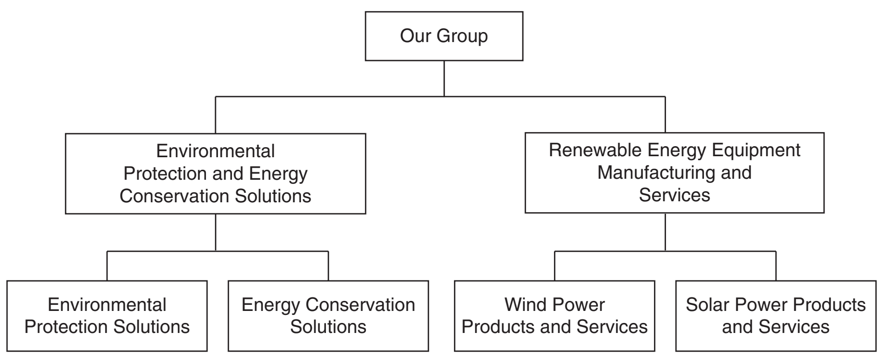
- the largest EMC service provider in the PRC's power industry and the largest steam turbine retrofit EMC service provider, based on contract value in 2010, according to Frost & Sullivan;

- the largest plasma ignition and combustion stabilization service provider in the PRC, based on cumulative installed capacity as of December 31, 2010 and newly installed capacity and sales volume in 2010, according to Frost & Sullivan;

- the fifth largest WTG manufacturer in the PRC, based on cumulative installed capacity as of December 31, 2010, according to Garrad Hassan; and

- the fourth largest WTG manufacturer in the PRC, based on newly installed capacity in 2010, according to Garrad Hassan.

The following chart illustrates our business segments and sub-segments:



The industries in which we operate have positive market outlooks. The demand for our services and products is significant. Our environmental protection and energy conservation solutions business serves the coal-fired power industry, which is subject to the most stringent environmental protection requirements in the power industry of the PRC and accounts for the majority of aggregate installed power capacity in the PRC; and our renewable energy equipment manufacturing and services business serves the wind and solar power industries, which have experienced significant growth. We believe that the industries in which we operate present ample potential for further development. For example, China is the world's largest consumer of fossil fuels and is also the largest producer of pollutants causing the greenhouse effect and other environmental damage, including carbon, sulfur and NOx. In recent years, the PRC Government has encouraged pollution reduction, energy efficiency and related adjustments to energy structures, and has promulgated policies to promote the environmental protection, energy conservation and renewable energy industries.

Our parent, the Guodian Group, is a Fortune Global 500 company and is one of the five largest power companies in the PRC. At the end of 2010, the installed capacity of the Guodian Group and its subsidiaries reached 95,310 MW, of which coal-fired power comprised 76,220 MW, making the Guodian Group the third largest coal-fired power producer in the PRC. The Guodian Group was also ranked as the largest wind farm operator in Asia and the second largest wind farm operator in the world (in terms of total installed capacity as at the end of 2010). We are the Guodian Group's flagship platform for environmental protection and energy conservation solutions and renewable energy equipment manufacturing and services.

Environmental protection and energy conservation solutions. We provide a variety of technologies and services to improve the efficiency of conventional coal-fired power plants and to reduce their emissions of pollutants. We have strategically leveraged the depth and breadth of our R&D and design, construction, service and operational capabilities to achieve synergies among various businesses under this segment and to provide various environmental protection and energy conservation solutions to coal-fired power plants on an integrated basis.

- *Environmental protection solutions*. We provide a range of products and services tackling various pollution control issues, including primarily: (i) SO_2 emissions reduction; (ii) NOx emissions reduction; (iii) ash removal; (iv) water treatment; and (v) air cooling systems. We are a leader in the coal-fired power environmental protection industry in China, with a leading market position in the SO_2 emissions reduction and NOx emissions reduction businesses, which comprise the main environmental protection services for coal-fired power plants. We are the largest desulfurization EPC service provider in China (based on cumulative installed capacity as of December 31, 2010) and the largest SCR denitrification service provider in China (based on newly installed capacity during the six months ended June 30, 2011). We believe that we are one of the few companies in the PRC which has the capacity to integrate and provide leading technologies in both combustion control methods and post-combustion methods and also has the capacity to commercially produce the catalyst used in SCR. We leverage our environmental protection services business through the application of various business models. We handled the first desulfurization concession project in the PRC and are the largest desulfurization concession operator in China (based on cumulative installed capacity as of June 30, 2011).

- *Energy conservation solutions*. Our products and services improve the energy efficiency of, and conserve energy for, coal-fired power plants and customers in other sectors primarily through: (i) plasma ignition and combustion stabilization systems and oil-free coal-fired power plant systems; (ii) steam turbine flow passage retrofitting; and (iii) waste heat recovery. We are the first company in the PRC to apply plasma ignition and combustion stabilization technology in mass production and have a dominant market position in providing related products and services, with a market share of more than 93% in the PRC. Leveraging our comprehensive capabilities as an integrated solutions provider in the energy conservation industry, we also provide EMC solutions which are tailor-made for our clients' unique operating conditions. In the PRC, we are the largest EMC service provider in the power industry and the largest steam turbine retrofit EMC provider (based on contract value in 2010).

Renewable energy equipment manufacturing and services. We are primarily engaged in the research and development, design, manufacturing and sale of wind and solar power products, and the provision of integrated services to wind farms and solar power plants. We provide our renewable energy customers with integrated solutions and equipment developed with advanced technologies. We focus on the development of technologies and strategically control key elements of our industrial supply chain in order to optimize our production capacities.

- *Wind power products and services*. We focus on the research and development, design, manufacturing and sale of wind turbine generators, or WTGs. We have developed a full spectrum of products which are adaptable to different geographic regions (low wind velocity, in particular) and climates. We provide a range of services to our wind power customers, which at present primarily include WTG maintenance and repair services. Since the commencement of our wind power business in 2007, we have grown into a significant market player. We are the fourth largest WTG manufacturer in China, based on newly installed capacity in 2010. We were one of the first WTG manufacturers in the PRC to produce the 42-meter blade suitable for use in low wind speed wind farms. In China, we were also one of the first manufacturers to enter the IEC III and IEC IV wind farm industry, and have a relatively large market share of this industry. This industry represents a significant wind power resource in China. Our 1.5 MW WTG was the first PRC WTG to pass the LVRT test and our 1.5 MW double-fed WTG was the first to pass the zero-voltage ride-through test by GL. We are one of the PRC's WTG manufacturers which have full-power testing platforms. We are also equipped with the only National Key Laboratory of Wind Power Equipment and Control (風電設備及控制國家重點實驗室). We have in-house research and development and manufacturing capacities for core parts and components of WTGs, including blades and control systems, which ensure the quality of our WTGs and the security of supplies for our WTG manufacturing.

- *Solar power products and services*. We provide integrated solar power solutions, and develop, manufacture and sell solar cells and solar modules. With our advantage as an early-entrant and our substantial experience in constructing solar power stations of 151.5 MW, we provide value-added solar power services, from preliminary stage consultations and feasibility studies to solar power station construction. Going forward, with a broader product mix, we will strive to provide a "one-stop" shop type of service to our customers. Within this business sub-segment, we intend to focus primarily on EPC services for solar power plants, which are expected to be the main driving force in the development of our solar power-related business.

The table below shows our selected financial data during the Track Record Period.

	Year ended December 31,						Six months ended June 30,			
	2008		2009		2010		2010		2011	
	RMB millions	*% of Total*	*RMB millions*	*% of Total*	*RMB millions*	*% of Total*	*RMB millions (unaudited)*	*% of Total*	*RMB millions*	*% of Total*
Revenue										
Environmental protection and energy conservation solutions	3,531.4	89.0	3,469.0	64.9	3,813.7	34.7	1,490.9	40.5	1,993.9	29.4
Renewable energy equipment manufacturing and services	33.5	0.9	1,681.6	31.4	7,060.7	64.2	2,150.3	58.4	4,696.5	69.3
All others(1)	401.2	10.1	199.1	3.7	124.5	1.1	40.7	1.1	84.2	1.3
Total	3,966.1	100	5,349.7	100	10,998.9	100	3,681.9	100	6,774.6	100
Gross Profit										
Environmental protection and energy conservation solutions	587.9	89.7	582.9	64.0	682.4	36.7	261.9	40.4	417.1	38.4
Renewable energy equipment manufacturing and services	5.5	0.8	288.7	31.7	1,152.8	62.0	380.1	58.6	647.3	59.6
All others(1)	62.5	9.5	39.5	4.3	23.6	1.3	6.2	1.0	21.8	2.0
Total	655.9	100	911.1	100	1,858.8	100	648.2	100	1,086.2	100
Gross Margin(2)										
Environmental protection and energy conservation solutions	16.6%	—	16.8%	—	17.9%	—	17.6%	—	20.9%	—
Renewable energy equipment manufacturing and services	16.4%	—	17.2%	—	16.3%	—	17.7%	—	13.8%	—
All others	15.6%	—	19.8%	—	19.0%	—	15.2%	—	25.9%	—
Operating Profit										
Environmental protection and energy conservation solutions	310.3	118.4	261.8	79.1	307.1	36.0	105.8	41.2	217.9	43.9
Renewable energy equipment manufacturing and services	(57.7)	(22.0)	101.8	30.7	592.6	69.5	174.5	67.9	269.7	54.4
All others	35.5	13.6	4.6	1.4	0.5	0.1	(1.3)	(0.5)	5.1	1.0
Unallocated head office and corporate operating (loss) / profit	(26.1)	(10.0)	(37.1)	(11.2)	(47.8)	(5.6)	(22.1)	(8.6)	3.6	0.7
Total	262.0	100	331.1	100	852.4	100	256.9	100	496.3	100

Other Financial Information:

	Year ended December 31,			Six months ended June 30,
	2008	2009	2010	2011
Debt to Equity (%)(3)	(10.1)	102.7	84.2	78.1
Gearing (%)(4)	(11.2)	50.7	45.7	43.8
Current ratio (times)(5)	1.2	0.8	0.9	0.9
Stock turnover (days)(6)	101.5	181.9	217.4	253.4
Gross margin (%)(7)	16.5	17.0	16.9	16.0
Net profit margin (%)(8)	5.0	3.6	5.1	3.8

Notes:

(1) This comprises revenues or profits generated from other lines of business, which primarily include biomass power generation (which has since been disposed of) and other power-related products.

(2) Our by segment gross margin is calculated by dividing segment gross profit by revenue attributable to that segment.

(3) Our debt to equity ratio is determined as the percentage which our net indebtedness bears to our net assets. Net indebtedness is calculated as our total indebtedness (including interest-bearing other payables and loans) less our cash and cash equivalents.

(4) The gearing ratio is determined based on the percentage which our net indebtedness bears to the aggregate of our equity and net indebtedness.

(5) Our current ratio is determined as our current assets divided by our current liabilities.

(6) Our stock turnover days is determined by the aggregate carrying value of our inventory divided by our cost of sales for the period (being 365 days for each of 2008, 2009 and 2010 and 181 days for the six months ended June 30, 2011).

(7) Our gross margin is calculated based on the percentage which our consolidated gross profit bears to our consolidated total revenue.

(8) Our net profit margin is calculated based on the percentage which our net profit after taxes bears to our total revenue.

We operate our lines of business primarily through our subsidiaries. Set out below is a table summarizing our businesses, our revenue recognition policies for each business and our material subsidiaries engaged in the respective businesses:

Business Sub-segments	Key Businesses	Revenue Recognition Policies	Material Subsidiaries
Environmental Protection Solutions	Desulfurization EPC, denitrification EPC and water treatment EPC	Construction revenue from EPC contracts is recognized using the percentage of completion method	Longyuan Environmental Lucency Longyuan Technology
	Desulfurization concession operations	Revenue is recognized during the accounting period in which the incomes are earned	
	BOT	BOT revenue comprises BOT construction revenue and BOT operation revenue. BOT construction revenue is recognized using the percentage of completion method during the construction phase. BOT operation revenue is recognized upon the performance of water treatment services during the operation period	
	Sales of environmental protection products	Revenue is recognized when the customer has accepted the goods and the related risks and rewards of ownership	
Energy Conservation Solutions	EPC	Construction revenue from EPC contracts is recognized using the percentage of completion method	Longyuan Technology Longyuan Engineering
	EMC	Construction revenue from EMC is the fair value of the consideration received or receivable and is recognized using the percentage of completion method. The consideration receivables are amortized using the effective interest method	
	Sales of energy conservation products	Revenue is recognized when the customer has accepted the goods and the related risks and rewards of ownership	
Wind Power Products and Services	Sales of WTGs	Revenue is recognized when the customer has accepted the goods and the related risks and rewards of ownership	United Power Huadian Tianren Longyuan Electrical
Solar Power Products and Services	Sales of solar cells and modules	Revenue is recognized when the customer has accepted the goods and the related risks and rewards of ownership	GD Solar
	EPC	Construction revenue from EPC contracts is recognized using the percentage of completion method	

OUR COMPETITIVE STRENGTHS

We maintain dominant or leading market positions in many of our industries and have a strong track record of business expansion.

Our environmental protection and energy conservation solutions business services the coal-fired power industry, which is the largest power industry in the PRC. Our renewable energy equipment manufacturing and services business services the wind and solar power industries, which have experienced significant growth and are expected to continue to grow in the future. Furthermore, the PRC Government has committed to reduce carbon dioxide emissions per unit of GDP by up to 45% and reduce the energy consumption per unit of GDP by 31% in 2020 (as compared to the respective levels in 2005). According to Frost & Sullivan, during the 12th-Five Year Plan period, newly installed coal-fired power capacity fitted with desulfurization equipment for these five years in total is expected to reach approximately 369 GW, the retrofit capacity of FGD for these five years in total is expected to reach approximately 155 GW, newly installed coal-fired power capacity fitted with SCR equipment for these five years in total is expected to reach approximately 856 GW, and coal-fired power capacity fitted with low-NOx combustion (newly installed and retrofitted combined) for these five years in total is expected to reach approximately 424 GW in the PRC. According to Garrad Hassan, newly installed capacity of wind power is expected to reach approximately 119 GW. According to Solarbuzz, the cumulative solar demand in China is expected to reach 8.13 GW (balanced energy scenario), 11.66 GW (green world scenario) and 17.5 GW (production led scenario).

We maintain dominant or leading market positions in many of our industries. For example:

- We are the largest desulfurization EPC service provider and desulfurization concession operator in the PRC, based on cumulative installed capacity as of December 31, 2010 and June 30, 2011 (according to Frost & Sullivan);

- We are the third largest desulfurization EPC service provider in the PRC, based on newly installed capacity in 2010 (according to Frost & Sullivan);

- We are the fourth largest SCR denitrification service provider in the PRC, based on cumulative installed capacity as of December 31, 2010 (according to Frost & Sullivan);

- We are the fifth largest SCR denitrification service provider and the largest SCR denitrification service provider in the PRC, based on newly installed capacity in 2010 and in the six months ended June 30, 2011 (according to Frost & Sullivan);

- We are the largest EMC service provider in the PRC's power industry and the largest steam turbine retrofit EMC service provider, based on contract value in 2010 (according to Frost & Sullivan);

- We are the first company to apply plasma ignition and coal combustion technologies in mass production and the largest plasma ignition and combustion stabilization service provider in the PRC, based on cumulative installed capacity as of December 31, 2010 and newly installed capacity and sales volume in 2010 (according to Frost & Sullivan);

- We are the fifth largest WTG manufacturer in the PRC, based on cumulative installed capacity as of December 31, 2010 (according to Garrad Hassan) and

- We are the fourth largest WTG manufacturer in the PRC, based on newly installed capacity in 2010 (according to Garrad Hassan).

We also have a strong record in business expansion, evidenced by our success in a range of high-growth business areas. Our WTG business has gained a leading market position in the PRC within three years of commencing the business. We also started our solar power related business with a focus on solar system services and high-end thin-film and high efficiency solar cell technology. We believe that our business development strategy has provided us with fast-growing financial performance, as evidenced by our significant revenue and profit growth during the Track Record Period. Our revenues and profits attributable to shareholders have experienced significant growth at a CAGR of 66.5% and 96.3% between 2008 and 2010 respectively. We anticipate that our environmental protection and energy conservation solutions business will continue to maintain substantial growth.

We believe our dominant or leading market positions, proven track record of business expansion and our strong financial performance provide us with a solid foundation for our future growth.

We possess leading technologies and strong research and development, design and product development capabilities.

Our advanced technologies and strong research and development capabilities are key to our leading market position in the PRC. We have a large number of world-leading technologies in many of the industries in which we operate.

In our environmental protection and energy conservation solutions segment, we have a comprehensive portfolio of technologies and extensive project experience:

- we are the first domestic service provider to introduce world-leading WFGD technologies in the PRC;

- we have undertaken two 863 Programs on WFGD and have developed our Longyuan Wet FGD Process Integrated Technology (龍源濕法煙氣脱硫集成技術), which is a combination of 14 technologies with national patents;

- we have developed 11 patented seawater desulfurization technologies suitable for operating conditions in the PRC;

- we are among the first PRC companies to possess leading technologies in the design and manufacture of catalysts used in the SCR process and have undertaken two 863 Programs on relevant technologies;

- we have world-class technologies for manufacturing high-efficiency filter bags used in ash removal processes; and

- our plasma-assisted ignition and combustion technology is a world-class technology.

In our renewable energy equipment manufacturing and services segment, we possess technologies to develop our MW-level WTGs, giving us a competitive advantage in leading product development and market trends:

- we have developed a range of products which are adaptable to different geographic regions and climates;

- we are one of the first WTG manufacturers in the PRC to produce the 42-meter blade suitable for use on low wind speed wind farms, which gives us a competitive advantage in developing low wind speed wind resources;

- as an important indicator of our WTG's on-grid connection safety, our 1.5 MW WTG was the first WTG made in the PRC to pass the LVRT test;

- our 1.5 MW double-fed WTG was the first to pass the zero-voltage ride through test conducted by GL;

- we are one of the PRC WTG manufacturers to have a full-power testing platform; and

- we are equipped with the only National Key Laboratory of Wind Power Equipment and Control (風電設備及控制國家重點實驗室) in the PRC, which focuses on the research and development of wind power equipment and control systems.

We have been given awards for our leading technologies:

- Under the environmental protection and energy conservation solutions segment:

  - Our research projects on energy conservation and desulfurization concession project management were granted the Management Achievement Innovation Award First Prize (管理成果創新一等獎) by the China Electricity Council in 2010;

  - Longyuan Environmental, our primary subsidiary in the environmental protection business, was awarded the China Independent Innovation Enterprises TOP 100 (中國自主創新企業TOP 100) by the China Enterprises Evaluation Association (中國企業評價協會) in 2010;

  - Longyuan Environmental's proprietary wet FGD technology was awarded the China Electricity Power Technology Second Prize (中國電力科技二等獎) in 2010;

  - Longyuan Environmental's SCR catalysts were awarded "The Innovative Product with the Best Investment Value" (最具投資價值自主創新產品) by the China Enterprises Valuation Council (中國企業評價協會) in 2010;

  - Our Plasma Oil-free Ignition and Combustion Stabilization Technology was awarded the National Energy Administration Technology Advance First Prize (國家能源局科技進步一等獎) in 2010;

  - Our Plasma Oil-free Power Station Systems Technology was awarded the China Power Science and Technology First Prize (中國電力科學技術一等獎) and the National Science and Technology Advance Second Prize (國家科學技術進步二等獎) in 2010;

  - China Energy Conservation Council (中國節能協會) named us as one of China's Top Ten Companies with Energy Conservation Contribution (中國十大節能貢獻企業獎) Award in 2011; and

- Under the renewable energy equipment manufacturing and services business segment:
  - United Power was ranked second in Deloitte's "High Technology and High Growth 50" competition in 2010 and ranked as fastest-growing among all wind power-related companies; and
  - Our 1.5 MW WTG Introducing and Re-innovating and Its Domestic Production Project (1.5兆瓦風力發電機組技術引進與再創新及其國產化項目) was awarded the China Electricity Science and Technology Third Prize (中國電力科學技術三等獎) by the Chinese Society for Electrical Engineering (中國電機工程學會) in 2010.

Our professional research and development team has extensive experience in the power industry and comprehensive expertise, which is focused on continually improving our technologies and product quality and maintaining our leading market position in technological development. As of September 30, 2011, we held 222 patents and had won more than 40 national or provincial/ministerial level science and technology awards. We have undertaken seven 863 Programs. We have research and development centers located in Beijing and Shandong, one of which is a national-level research center, three laboratories of which are equipped with leading facilities in their respective research areas and one post-doctoral research center. We have more than 900 employees who hold master's or higher degrees and 20 experts entitled to receive the State Council's Special Allowance. We believe that the combination of our advanced technologies and our comprehensive capabilities in research and development will enable us to continue to maintain our market leadership.

Our comprehensive technologies and integrated capacity to provide "one-stop shop" services assist the creation of synergies across our business segments.

We are the largest environmental protection and energy conservation solutions provider for coal-fired power plants in China, providing market-leading technologies through diverse business models. Our environmental protection and energy conservation solutions business has been developed to address various issues relating to pollution emissions and energy inefficiency of the coal power industry in China, through our core businesses of SO_2 and NOx emissions reductions, plasma-assisted ignition and combustion stabilization, water treatment and other services (such as ash removal, slag disposal, steam turbine flow passage retrofitting, waste heat recovery and power plant digital control systems). In our renewable energy business, we have a comprehensive capability to provide integrated solutions and diversified WTG products to our customers. We also deliver customized solar cells and modules based on the different requirements and needs of our customers. We provide solutions to tackle different issues that wind farms or solar power plants may encounter at various stages of development or operation, including WTG repair and maintenance and consultancy and feasibility studies for solar power station development and construction.

We have strong synergies among our various business segments, based on similar types of demands on management and research and development capabilities, mutually complementary technologies, and shared clientele and supplier networks. Because our services address various issues commonly faced by our customers and operators in the power industry, the knowledge and skills needed to provide these services across these industries are generally quite similar. Furthermore, in pursuing efficiency, our target customers typically require services from several of our business lines, creating cross-sale opportunities amongst our businesses. As a result, we may cultivate existing and potential customer relationships for various businesses at the same time, particularly among the various environmental protection and energy conservation solutions sectors. Our businesses may also share sales and marketing resources, supplier networks and capacities for procurement, storage and shipment of raw materials.

Synergies among our various business lines also create additional value for our customers. For example, through designing and implementing an environmental protection and energy conservation solutions scheme (which includes services such as SO_2 and NOx removal and water treatment) for an entire coal-fired power plant, we typically expect to reduce overall project costs and operational costs for our customers. Another example is that if we combine technologies for combustion control methods for denitrification developed by one of our subsidiaries with post-combustion methods for denitrification developed by another of our subsidiaries, we may reduce up to 20% of aggregate construction costs for the entire project. We believe that these advantages will give us a significant competitive advantage and highlight our integrated capabilities and extensive qualifications in project design and construction.

Our diversified business segments and varied business models facilitate our continued rapid growth.

We offer diversified products and services and use a variety of business models in conducting our businesses. Our lines of business complement each other and provide us with different growth and risk profiles. We regard our environmental protection and energy conservation solutions as our primary business, focusing on providing clean and efficient solutions to our coal-fired power plant customers. As the PRC Government increasingly tightens the country's environmental protection requirements, our environmental protection and energy conservation solutions businesses (especially businesses aligned with governmental policies such as our desulfurization, denitrification and ash removal businesses) are expected to continue to grow.

Our renewable energy business, which positions us as a technology-intensive, high-end service provider, has enjoyed rapid growth. With the steady progress of the wind power industry and exploration of low wind speed wind resources, our wind power products and services business has enjoyed rapid growth and has become a significant source of our recent revenues. The solar power industry in China is expected to grow in the next few years, promoted by the recent promulgation of the solar power on-grid tariff. We intend to focus on developing solar power integrated solutions by leveraging our technologies in high-end solar cell design and manufacturing.

Furthermore, we expect our portfolio of various business models to provide us with short-term and long-term cash flows. We expect our desulfurization concession operations, EMC services and WTG maintenance and repair services businesses to provide us with stable cash flows in the long term. We expect our desulfurization and denitrification EPC services, WTG and solar module sales, and solar system integration solutions to provide sources for our revenue growth and cash flows in the short term.

We have direct access to significant clientele and abundant resources within the Guodian Group network and receive strong policy support from the Guodian Group.

Our Controlling Shareholder, the Guodian Group, is a Fortune Global 500 company and one of the five largest power companies in the PRC. By the end of 2010, the Guodian Group controlled coal-fired power plants with an aggregate installed capacity of 76,220 MW and was ranked as the third largest coal-fired power company in the PRC. The Guodian Group was also ranked as the largest wind farm operator in Asia and second largest wind farm operator globally (in terms of total wind installed capacity as of 2010). The Guodian Group also intends to promote the development of its solar power segment during the 12th Five-Year Plan period. As the flagship platform for environmental protection and energy conservation solutions within the Guodian Group, we have priority access to affiliated power companies within the Guodian Group, which are our customers or potential customers. Our renewable energy equipment manufacturing and services business also directly benefits from the Guodian Group's abundant resources in the renewable power industries.

Furthermore, in response to the PRC Government's policies on energy conservation, pollution reduction, and clean energy development, the Guodian Group has focused on promoting clean coal-fired power plants and developing renewable energy within its organization, providing us with a favorable platform to apply our technologies and our services. In 2010, the Guodian Group established its New Energy Research Institute, which makes its research results available to us. In addition, the Guodian Group provides a platform for our technology research and development by establishing illustrative projects at power plants within its network. For example, Kangping Power Station Oil-free Coal-fired Power Station Illustration Project (康平電廠無燃油燃煤火電廠示範項目) was the first power project applying plasma ignition and combustion stabilization oil-free power plant systems in the PRC. The platform provided by the Guodian Group enables us to develop and implement new technologies, obtain first-hand customer information and apply new technologies in commercial production.

We have an experienced management team and highly skilled technical staff.

We were among the first PRC companies to tackle the pollution and energy inefficiency issues of coal-fired power plants, and have been a leader in PRC's environmental protection and energy conservation solutions business for coal-fired power companies ever since. A substantial number of our senior management and personnel in core operations, strategic planning and technology development are professionals who have long served the environmental protection and energy conservation industry in China. In addition, our senior management team has an average of 20 years of experience in the power industry. Collectively, our management team members have an in-depth understanding of all aspects relating to power plants, from their design and structure to operations and management of the business. As a result, we are able to anticipate and identify potential problems that customers may encounter and tailor our solutions to address such.

Because of our management's deep roots in the power industry and our strong research and development culture, many of our innovative technologies are at the forefront of industrial application in the PRC. For example, Longyuan Environmental has set industry standards for wet flue gas desulfurization applications in the PRC power industry. It also maintains a comprehensive set of desulfurization technologies and possesses extensive project experience. In addition, Longyuan Technology was the first company to apply plasma ignition and combustion technology in mass production in the PRC. The Guidelines on Designing and Operating Plasma Ignition Systems (《等離子體點火系统設計與運行導則》), which were drafted by Longyuan Technology, were published on October 1, 2010 and adopted as the official PRC power industry standards. We have also participated in many national science and technology projects. In flue gas treatment alone, we have participated in five 863 Programs, China's national science and technology research programs.

OUR STRATEGIES

Our goal is to become the leading cleantech solutions provider in the world, maximizing shareholder returns and contributing to China's energy conservation and pollution abatement efforts. To achieve this goal, we intend to pursue the following strategies.

Strengthen our dominant or leading market positions in the PRC.

We are the largest environmental protection and energy conservation solutions provider for coal-fired power plants in the PRC; and a renewable energy equipment manufacturer and service provider, with a leading position in the PRC's WTG manufacturing industry. We plan to maintain and further strengthen our leadership in the PRC market. In light of China's pollution issues, which have become increasingly severe, and China's energy structure, which is dominated by coal power, it is expected that the PRC Government will continue to promote development in the environmental protection and energy conservation and renewable energy industries. As such, we believe that our businesses have positive market outlooks.

Leveraging our competitive strengths, we intend to identify and develop new projects to capture market opportunities and to increase our profitability. We also plan to adopt the following measures:

- In our environmental protection and energy conservation solutions business, focus on the development of desulfurization concession operations, denitrification EPC business and concession operations, ash removal, power station water island, EMC and environmental friendly coal-fired power plant EPC businesses; and

- In our renewable energy equipment manufacturing and services business, focus on the development of large-capacity onshore and offshore WTGs and low wind speed WTGs, offshore wind farm EPC service and solar power station system integration services.

In particular, we intend to leverage our capability to provide one-stop shop environmental protection and energy conservation solutions to coal-fired power plants to explore this market focusing on environmentally friendly coal-fired power plant EPC projects with a capacity of approximately 900 MW to 1,200 MW per year in 2012 and onwards. Furthermore, we intend to leverage our capabilities in the design and manufacture of offshore WTGs and knowledge and experience gained from installing and testing our offshore WTGs to explore the offshore wind farm EPC market, focusing on the provision of general contracting services including design, procurement, testing and construction of offshore wind farms.

Continue to enhance our R&D capabilities and to promote technological innovation and development in our businesses.

Technological advancement provides a distinctive competitive advantage in the industries in which we operate. We intend to further enhance our R&D capabilities. In particular, we plan to enhance our technological reserve and to create innovative solutions which create additional value for our customers. For example, R&D activities for our flue gas desulfurization service, one of our core businesses, is expected to be focused on the development of resource-recycling and high-efficiency desulfurization technology. Our NOx reduction service is expected to be focused on achieving increased boiler combustion efficiency and SCR denitrification efficiency at the same time. We also intend to focus on development of offshore WTGs with a capacity of 3.0 MW or more and large-capacity onshore WTGs, to align with the trend in the wind power industry. In terms of solar power, we intend to focus on developing new solar cells such as high efficiency solar cells and increasing efficiency of the solar power station. We intend to further increase our R&D capability by various means, including increasing R&D investment and recruiting additional talent. We believe that our R&D efforts will ensure our sustainable development.

Continue to reduce costs and further optimize our supply chain.

We plan to continue to reduce costs through cost control measures and by optimizing our supply chain. The measures we intend to adopt include:

(i) *Diversify finance sources and reduce finance costs.* Our business expansion requires adequate financing. With our established credit history and close relationship with financial institutions in the PRC, we believe we will continue to obtain favorable financing terms. We also intend to exploit alternative sources of funding, such as through domestic or international capital markets, to improve our capital structure and reduce our financing costs. Currently, bank borrowing is still our primary source of debt financing;

(ii) *Further strengthen our in-house design and manufacturing capabilities for certain core parts and components*. We intend to further develop our manufacturing facilities for environmental protection and energy conservation products (including denitrification catalysts, filter bags for ash removal and filtering membranes for water treatment), core WTG parts and components (including blades, gearboxes, generators, converters and variable pitch bearings) and solar cells, to minimize costs and increase the profitability of our business;

(iii) *Continue to implement stringent quality control measures*. We intend to continue to strengthen our quality control, thereby effectively reducing costs incurred; and

(iv) *Strengthen supplier relationships.* We intend to continue to maintain close relationships with our suppliers, and to invest in selected suppliers, in order to ensure stability, quality and cost-effectiveness of our parts and components supply chain.

Develop selected overseas markets and expand our international market share.

We intend to enter into or further develop selected overseas markets and continue our international expansion. We have made some progress in entering into the international market. During the Track Record Period, we completed the Hong Kong Lamma Power Station project, undertook three other desulfurization projects overseas and exported 36 plasma ignition and combustion stabilization appliances. We also exported six WTGs to the U.S. and certain solar products to customers in Europe. We believe that expanding our international market share may assist us to identify new market opportunities and to promote our brand awareness. Leveraging our comprehensive technologies and services, we intend to select key overseas markets including certain European countries (such as Germany, Italy, France, Belgium, Spain, Czech Republic), the U.S. and Brazil to formulate our expansion plans.

Our environmental protection and energy conservation solutions business is expected to target countries and markets where, similar to China, coal-fired power is the main source of energy, including the U.S. and certain Southeast Asian countries. Our renewable energy equipment manufacturing and services business is expected to target countries and markets which support the development of renewable energy through governmental policies and incentives, including certain South American countries, the U.S. and certain European countries, such as Germany and Spain. We intend to build an international sales network and to construct overseas manufacturing bases to explore international business opportunities, and to enter into strategic partnerships with local operators in certain overseas markets to jointly develop our international business.

SUMMARY HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary consolidated financial information of our Group. We have derived the consolidated financial information for the years ended December 31, 2008, 2009 and 2010 and for the six months ended June 30, 2010 (unaudited) and 2011 and as of December 31, 2008, 2009 and 2010 and June 30, 2011 from our consolidated financial information set forth in the Accountants' Report in Appendix I 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 information in this prospectus, including the related notes.

Our consolidated financial information was prepared in accordance with IFRS.

Summary consolidated income statements

	Year ended December 31,						Six months ended June 30,			
	2008	% of Total Revenue	2009	% of Total Revenue	2010	% of Total Revenue	2010	% of Total Revenue	2011	% of Total Revenue
			(RMB millions)				*(unaudited)*	(RMB millions)		
Revenue	3,966.1		5,349.7		10,998.9		3,681.9		6,774.6	
Cost of sales	(3,310.2)	83.5	(4,438.6)	83.0	(9,140.1)	83.1	(3,033.7)	82.4	(5,688.4)	84.0
Gross Profit	655.9	16.5	911.1	17.0	1,858.8	16.9	648.2	17.6	1,086.2	16.0
Other revenue	31.8	0.8	42.2	0.8	148.9	1.4	54.8	1.5	56.9	0.8
Other net income/ (loss)	1.2	0.0	(1.8)	0.0	(6.7)	0.1	(23.2)	0.6	71.3	1.1
Selling and distribution expenses	(71.7)	1.8	(155.9)	2.9	(402.8)	3.7	(126.7)	3.4	(237.3)	3.5
Administrative expenses	(355.2)	9.0	(464.5)	8.7	(745.8)	6.8	(296.2)	8.0	(480.8)	7.1
Profit from operations	262.0	6.6	331.1	6.2	852.4	7.7	256.9	7.0	496.3	7.3
Finance costs	(41.1)	1.0	(107.8)	2.0	(199.2)	1.8	(100.8)	2.7	(207.9)	3.1
Share of profits less losses of associates	20.4	0.5	24.5	0.5	27.3	0.2	3.5	0.1	16.9	0.2
Profit before taxation	241.3	6.1	247.8	4.6	680.5	6.2	159.6	4.3	305.3	4.5
Income tax	(41.2)	1.0	(53.3)	1.0	(118.7)	1.1	(40.1)	1.1	(48.0)	0.7
Profit for the year/ period	200.1	5.0	194.5	3.6	561.8	5.1	119.5	3.2	257.3	3.8
Profit attributable to:										
Equity owners/ shareholders of the Company	90.9	2.2	95.6	1.8	350.3	3.2	57.8	1.5	181.1	2.7
Non-controlling interests	109.2	2.8	98.9	1.8	211.5	1.9	61.7	1.7	76.2	1.1
Profit for the year/ period	200.1	5.0	194.5	3.6	561.8	5.1	119.5	3.2	257.3	3.8
Basic and diluted earnings per share (RMB)	0.02		0.02		0.07		0.01		0.04	

Summary consolidated balance sheet information

	At December 31, 2008	At December 31, 2009	At December 31, 2010	At June 30, 2011
	(RMB millions)			
Non-current assets				
Property, plant and equipment	1,170.3	4,586.9	9,492.6	10,225.7
Investment properties	15.5	14.7	159.1	254.8
Lease prepayments	172.5	234.2	553.7	553.1
Intangible assets	90.7	289.7	626.8	658.6
Goodwill	7.1	14.4	14.4	7.1
Interests in associates	177.4	189.2	209.7	308.3
Unquoted equity investments	7.3	7.0	75.0	77.7
Other non-current assets	180.2	881.6	2,142.8	2,234.2
Deferred tax assets	26.3	55.1	97.7	151.2
Total non-current assets	1,847.3	6,272.8	13,371.8	14,470.7
Current assets				
Inventories	920.5	3,502.7	7,387.2	8,541.9
Gross amounts due from customers for contract work	1,023.1	873.9	1,021.5	1,027.4
Trade and bills receivables	1,297.0	2,489.8	5,613.5	6,697.8
Deposits, prepayments and other receivables	1,091.1	1,003.8	2,070.7	2,061.8
Tax recoverable	21.9	22.8	149.8	156.0
Restricted deposits	113.7	484.8	86.9	245.3
Cash at bank and in hand	1,152.9	1,255.1	2,766.9	4,041.5
Interest in an associate classified as held for sale	—	—	—	15.2
Total current assets	5,620.2	9,632.9	19,096.5	22,786.9
Current liabilities				
Borrowings	660.2	2,368.5	4,443.9	7,659.5
Trade and bills payables	1,741.2	4,219.7	9,402.1	10,623.5
Other payables	1,489.2	4,252.2	6,607.6	7,123.6
Gross amounts due to customers for contract work	803.8	484.0	588.5	274.9
Income tax payable	75.3	87.0	157.9	113.6
Provision for warranty	—	—	19.9	58.5
Total current liabilities	4,769.7	11,411.4	21,219.9	25,853.6
Net current assets/(liabilities)	850.5	(1,778.5)	(2,123.4)	(3,066.7)
Total assets less current liabilities	2,697.8	4,494.3	11,248.4	11,404.0
Non-current liabilities				
Borrowings	263.6	1,128.4	2,508.7	2,515.9
Deferred income	55.7	115.4	185.7	270.4
Provision for warranty	3.9	54.7	209.0	274.4
Other non-current liabilities	101.6	115.8	245.0	91.3
Total non-current liabilities	424.8	1,414.3	3,148.4	3,152.0
Net assets	2,273.0	3,080.0	8,100.0	8,252.0
Capital and reserves				
Paid-in capital/share capital	910.8	1,537.7	4,822.6	4,850.0
Reserves	804.8	794.4	1,334.6	1,492.7
Total equity attributable to the equity owners/ shareholders of the Company	1,715.6	2,332.1	6,157.2	6,342.7
Non-controlling interests	557.4	747.9	1,942.8	1,909.3
Total equity	2,273.0	3,080.0	8,100.0	8,252.0

In 2008, 2009 and 2010 and for the six months ended June 30, 2011, our inventories were approximately RMB920.5 million, RMB3,502.7 million, RMB7,387.2 million and RMB8,541.9 million respectively, and our trade and bill receivables were approximately RMB1,297.0 million, RMB2,489.8 million, RMB5,613.5 million and RMB6,697.8 million, respectively. The increases in our inventories were primarily due to our entering into new business lines, particularly the WTG business. The increases in our accounts receivables were primarily due to our increased sales in our WTG business.

PROFIT FORECAST FOR THE YEAR ENDING DECEMBER 31, 2011

Unaudited forecasted consolidated profit attributable to shareholders of our Company(1)(3)	not less than RMB840.6 million (equivalent to approximately HK$1,031.7 million)
Unaudited pro forma forecasted earnings per Share(2)(3)	not less than RMB0.12 (equivalent to approximately HK$0.15)

Notes:

(1) The unaudited forecasted consolidated profit attributable to shareholders of our Company for the year ending December 31, 2011 is extracted from the section headed "Financial Information — Profit Forecast for the Year Ending December 31, 2011" in this prospectus. The bases and assumptions on which the above profit forecast has been prepared are set out in Appendix II to this prospectus.

(2) The calculation of the unaudited pro forma forecasted earnings per Share for the year ending December 31, 2011 is based on the above unaudited forecasted consolidated profit attributable to our shareholders for the year ending December 31, 2011 assuming that a total of 6,928,571,000 Shares were in issue during the entire year, without taking into account any Shares which may be allotted and issued upon the exercise of the Over-allotment Option.

(3) For the purpose of this unaudited pro forma forecasted earnings per Share, the translation of RMB into HK$ was made at an exchange rate of RMB0.8148=HK$1.00, the PBOC middle rate prevailing on December 2, 2011. No representation is made that the RMB amounts have been, could have been or may be converted into HK$, or vice versa, at that rate.

OFFER STATISTICS

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

	Based on an Offer Price of HK$2.16	Based on an Offer Price of HK$2.42
Market capitalization of our Shares(1)	HK$14,965.7 million	HK$16,767.1 million
Estimated fully diluted price/earnings multiple on a pro forma basis(2)	14.51 times	16.25 times
Unaudited pro forma adjusted consolidated net tangible assets per Share(3)	HK$1.60	HK$1.67

Notes:

(1) The calculation of market capitalization is based on 2,078,571,000 H Shares expected to be issued under the Global Offering and assuming that 6,928,571,000 Shares are issued and outstanding following the Global Offering.

(2) The calculation of the estimated price/earnings multiple on a pro forma and fully diluted basis is based on the forecast earnings per Share for the year ending December 31, 2011 on a pro forma and fully diluted basis at the respective Offer Prices of HK$2.16 and HK$2.42 per H Share.

(3) The unaudited pro forma adjusted consolidated net tangible assets per Share is calculated after making the adjustments referred to in Appendix IIIA and on the basis that 6,928,571,000 Shares are in issue following the Global Offering.

SPECIAL DIVIDEND

According to the *Interim Provisions on the Management and Financial Treatment of State Owned Capital in Enterprise Corporate Restructuring* (企業公司制改建有關國有資本管理與財務處理的暫行規定) issued by the Ministry of Finance and effective on August 27, 2002, it is a mandatory requirement for our Group to declare and pay a special distribution to Guodian and GD Power in an amount equal to our Group's net profit from November 1, 2010, the date following the day on which our state-owned assets were valued, to May 16, 2011, the date of our incorporation (the "**Mandatory Distribution**"). Pursuant to an ordinary resolution passed by our shareholders on June 3, 2011, a special dividend (the "**Special Dividend**") will be paid to the Guodian Group and GD Power in an amount equal to the net profit generated by the Group from November 1, 2010 to June 30, 2011, which also satisfies the Mandatory Distribution requirement. The Special Dividend would cover the Mandatory Distribution such that the Group would not be required to pay the Mandatory Distribution separately. Kaiwen, our PRC legal adviser, is of the opinion that the Special Dividend will satisfy the Mandatory Distribution requirement.

We currently estimate such Special Dividend amounting to no more than RMB300.0 million based on our unaudited net profit from November 1, 2010 to June 30, 2011. The actual amount of the Special Dividend will be determined after a special audit by an independent accounting firm in PRC to be conducted after the Global Offering. We expect that the special audit will be completed after the completion of the Global Offering, and expect to pay the Special Dividend shortly after the approval thereof at the annual general meeting of our shareholders, which is expected to be held in April 2012. We will pay the Special Dividend through cash generated from our operations.

DIVIDEND POLICY

After completion of the Global Offering, our Shareholders will be entitled to receive dividends declared by us. The proposal dividend and the amount of declared 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 our Shareholders, taxation conditions, statutory and regulatory restrictions and other factors that our Board deems relevant. Any dividend distribution shall also be subject to the approval of our Shareholders in general 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 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 dividend distribution shall be determined by PRC GAAP or IFRS, whichever is lower. All of our Shareholders shall 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 in RMB and paid in Hong Kong dollars after the Global Offering, having taken into account our financial condition, cash at hand and anticipated cash flow.

We have not distributed any dividend during the Track Record Period.

USE OF PROCEEDS

Assuming an Offer Price of HK$2.29 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$4,511.7 million from the Global Offering after deducting the underwriting commissions and other estimated expenses of approximately HK$248.2 million payable by us, 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$690.7 million, after deducting the underwriting commissions and other estimated expenses, assuming an Offer Price of HK$2.29 per H Share. In line with our strategies, we intend to use the net proceeds from the Global Offering for the purposes and in the amounts set forth below (assuming that the Over-allotment Option is not exercised):

- Approximately 30% of the net proceeds, or HK$1,353.5 million, will be used for our environmental protection and energy conservation solutions business, among which (i) approximately 25%, or HK$1,127.9 million, is expected to be used for our desulfurization concession operations, of which, approximately 60%, or HK$676.8 million, will be used in payment for equipment, approximately 30%, or HK$338.3 million, will be used in construction and installation and approximately 10%, or HK$112.8 million, will be used in design and technical services payments, and (ii) approximately 5%, or HK225.6 million, is expected to be used for our EMC operations, of which, on average, approximately 75%, or HK$169.2 million, will be used in equipment procurement, approximately 15%, or HK$33.8 million, will be used in construction, installation and testing of equipment, and approximately 10%, or HK$22.6 million, will be used in technical services, management and miscellaneous administration; the specific proportion for each project may vary depending on the specific scope of the EMC project;

- Approximately 30% of the net proceeds, or HK$1,353.5 million, will be used for our renewable energy equipment manufacturing and services business, among which (i) approximately 10%, or HK$451.2 million, is expected to be used in our wind power products and services business for technology upgrade, new model WTG production facilities construction and production capacity expansion of the core parts and components of WTGs, of which approximately 30%, or HK$135.3 million, will be used in production equipment procurement, approximately 30%, or HK$135.3 million, will be used in construction, installation and testing of production equipment, and the remaining will be used in land and technology acquisition and working capital of the production base, and (ii) approximately 20%, or HK$902.3 million, is expected to be used in our solar power products and services business mainly for working capital used in strengthening and developing our solar power plant EPC business;

- Approximately 5% of the net proceeds, or HK$225.6 million, will be used to support our technical R&D projects in the areas of environmental protection and energy conservation solutions, wind power and solar power products and services;

- Approximately 5% of the net proceeds, or HK$225.6 million, will be used to increase the working capital of our overseas subsidiaries and develop our international sales and marketing network, in order to expand our international market shares in the areas of energy conservation solutions, and wind power and solar power products and services;

- Approximately 20% of the net proceeds, or HK$902.3 million, will be used for repayment of bank loans; and

- Approximately 10% of the net proceeds, or HK$451.2 million, will be used for working capital and other general corporate purposes.

To the extent that our net proceeds are either more or less than expected (assuming that the Over-allotment Option is not exercised), we will adjust our allocation of the net proceeds for the above purposes on a pro rata basis.

If the Over-allotment Option is exercised in full, we intend to use the additional HK$690.7 million in our environmental protection and energy conservation solutions business.

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 and investors in the Offer Shares are subject to risks relating to our business and industry, and investors in the Offer Shares are also subject to risks relating to the Global Offering and the Offer Shares. These risks can be categorized into: (i) risks relating to our businesses and industries; (ii) risks relating to the PRC; and (iii) risks relating to the Global Offering. For descriptions of these and other risks, see “Risk Factors.”

Risks Relating to Our Businesses and Industries

- The development of the environmental protection industry is highly dependent on the PRC Government’s pollution control policies.

- Reduction or termination of government support or subsidy for renewable energy industries in China or elsewhere could adversely affect our businesses.

- We face risks associated with undertaking EMC, BOT and other similar projects.

- A significant portion of our revenue is derived from the Guodian Group and its various subsidiaries; we will continue to engage in connected transactions with our Connected Persons.

- 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 continue our rapid growth and implement our business expansion plans successfully.

- We face intense competition in most of the industries in which we operate.

- We may not be able to develop our new business models successfully.

- We may experience delays in accounts receivable, progress payments or releases of performance bonds or retention funds by our customers.

- We have net current liabilities and need to roll over our short-term borrowings on a periodic basis.

- We experienced negative net operating cash flows and an increase in our receivable turnover days during the Track Record Period.

- The slowdown of the Chinese economy may have a material and adverse effect on our results of operations and financial condition.

- We may not be able to obtain a timely and stable supply of the core parts and components required for our WTG business.

- Failure to obtain sufficient quantities of raw materials, or to do so on commercially acceptable terms could decrease our revenues and limit our ability to fulfill expansion plans.

- Our businesses rely heavily on technologies and techniques that are subject to continuous change and we may not be able to develop new technology that meets changing market demands or to successfully introduce new technology in a timely manner.

- If we are unable to accurately estimate the overall risks, revenues or costs of our contracts, or if we fail to agree to the pricing of work done pursuant to change orders, we may gain lower than anticipated profits or incur losses on our contracts.

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

- The growth of our business depends on our ability to identify profitable projects, further develop our current business operations and expand into new businesses or markets. If we fail to do so, our business and prospects may be adversely affected.

- Our revenues may fluctuate over the course of any calendar year due to the seasonality of our business.
- 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 costs of parts and components, our results of operations and financial condition may be materially and adversely affected.
- 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.
- Availability of financing on reasonable commercial terms may affect our business expansion or financial performance.
- Acquisition of new businesses involves risks.
- We will continue to be controlled by the Guodian Group, whose interests may differ from yours or those of our other shareholders.
- We are dependent on our key management team and technical specialists. Failure to retain or hire qualified personnel at reasonable costs could materially and adversely affect our results of operations.
- Our international marketing and sales plans and strategies may not yield the desired results.
- If expansion of China's coal-fired power installed capacity slows down, our business growth may be affected.
- If major breakthroughs in other renewable energy technologies result in those 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 products and services may be affected.
- Our business operations are subject to various environmental, health and safety laws and regulations.
- 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.
- We may not be able to protect our patents and other intellectual property rights, which could have a material and adverse impact on our business.
- Substantial damage to persons or loss of property may occur in the course of our production and construction processes.
- Our Special Distribution is not an indication of our future dividend policy.
- Any decline in the ability of our operating subsidiaries to pay dividends to us would adversely affect our cash flows.
- As we do not wholly own some of our subsidiaries, we may not have the ability to cause them to take actions that we believe would be most beneficial to us.
- We previously made advances and loans that were not in compliance with PRC laws.
- Our production and operations may be affected by factors beyond our control.

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.
- Because the PRC's legal system is still evolving, there exist uncertainties as to the interpretation and enforcement of PRC laws.
- Government control over foreign currency exchange and requirements for governmental approval may affect our results of operations and financial condition.
- We face foreign exchange and currency conversion risks, and fluctuation in the value of the RMB may have a material and adverse effect on our business.
- 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.
- Payment of dividends is subject to restrictions under PRC law.

Risks Relating to the Global Offering

- The sale of 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, and future additional issuance of securities may dilute 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 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.
- Investors will experience dilution in pro forma adjusted net tangible assets because the Offer Price is higher than our net tangible assets per Share.
- Certain industry statistics contained in this prospectus are derived from various publicly available official sources and may not be reliable.
- Forward-looking information in this prospectus may prove inaccurate.
- 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 or the Global Offering.

INDEPENDENCE FROM THE GUODIAN GROUP

We operate independently from the Guodian Group on the following basis:

- We have an independent Board and management;
- We have independent business operations;
- We have independent staff; and
- We are financially independent from the Guodian Group.

For details of the independence of our Board and management, business operations, staff and finance, please see the section headed "Relationship with the Guodian Group—Independence from the Guodian Group" of this prospectus.

Measures in Reducing Reliance

Although our relationship with the Guodian Group has historically been of significant benefit to us, as part of our business strategy, we have undertaken, and expect to undertake, measures to reduce our proportion of revenues attributable to the Guodian Group and its affiliates, such as developing and expanding our international operations, diversifying our domestic PRC operations through acquiring additional customers which are not connected to the Guodian Group and continuing to develop businesses in additional markets in which the Guodian Group may not be involved. For example, in our international expansion efforts, we have established overseas sales channels, executed agreements to develop projects in Sri Lanka, Cambodia and the Philippines, and have completed one project located in the Hong Kong SAR. We also have more than 300 independent domestic customers and 8 independent international customers as at the Latest Practicable Date.

We believe that our ongoing disclosure requirements under the Listing Rules, as well as the review by our independent Directors of all connected transactions, will be sufficient to provide the appropriate safeguards for potential conflicts between our Company and the Guodian Group. In addition, we will adopt certain internal procedures and processes to manage connected transactions and strengthen internal reporting processes for such transactions, including the adoption of a maximum value threshold for aggregate connected transactions.