

CHINA RECYCLING ENERGY CORP
Form SC 13D/A
September 11, 2012

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 3)*

China Recycling Energy Corporation

(Name of Issuer)

Common Stock, par value \$0.001 per share
(Title of Class of Securities)

168913101
(CUSIP Number)

Jeffrey W. Ferguson

The Carlyle Group

Edgar Filing: CHINA RECYCLING ENERGY CORP - Form SC 13D/A

1001 Pennsylvania Avenue NW

Suite 220 South

Washington, DC 20004

(202) 347-2626

(Name, Address and Telephone Number of Person

Authorized to Receive Notices and Communications)

September 7, 2012

(Date of Event which Requires filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), Rule 13d-1(f) or Rule 13d-1(g), check the following box. "

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7(b) for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page. The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1 NAMES OF REPORTING PERSONS

Carlyle Group Management L.L.C.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7 SOLE VOTING POWER

NUMBER OF

SHARES

0

8 SHARED VOTING POWER

BENEFICIALLY

OWNED BY

12,465,938

9 SOLE DISPOSITIVE POWER

EACH

REPORTING

PERSON

0

10 SHARED DISPOSITIVE POWER

WITH

12,465,938

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

12,465,938

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

Not Applicable

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

26.8% (1)

14 TYPE OF REPORTING PERSON

OO (Delaware limited liability company)

(1) Based on 46,474,350 shares of Common Stock outstanding as of August 6, 2012, as reported in the Issuer's Quarterly Report on Form 10-Q filed on August 14, 2012.

1 NAMES OF REPORTING PERSONS

The Carlyle Group, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7 SOLE VOTING POWER

NUMBER OF

SHARES **0**

8 SHARED VOTING POWER

BENEFICIALLY

OWNED BY **12,465,938**

EACH 9 SOLE DISPOSITIVE POWER

REPORTING

PERSON **0**

10 SHARED DISPOSITIVE POWER

WITH

12,465,938

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

12,465,938

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

Not Applicable

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

26.8% (1)

14 TYPE OF REPORTING PERSON

PN (Delaware limited partnership)

(1) Based on 46,474,350 shares of Common Stock outstanding as of August 6, 2012, as reported in the Issuer's Quarterly Report on Form 10-Q filed on August 14, 2012.

1 NAMES OF REPORTING PERSONS

Carlyle Holdings II GP L.L.C.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7 SOLE VOTING POWER

NUMBER OF

SHARES

0

8 SHARED VOTING POWER

BENEFICIALLY

OWNED BY

12,465,938

9 SOLE DISPOSITIVE POWER

EACH

REPORTING

PERSON

0

10 SHARED DISPOSITIVE POWER

WITH

12,465,938

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

12,465,938

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

Not Applicable

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

26.8% (1)

14 TYPE OF REPORTING PERSON

OO (Delaware limited liability company)

(1) Based on 46,474,350 shares of Common Stock outstanding as of August 6, 2012, as reported in the Issuer's Quarterly Report on Form 10-Q filed on August 14, 2012.

1 NAMES OF REPORTING PERSONS

Carlyle Holdings II L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Québec

7 SOLE VOTING POWER

NUMBER OF

SHARES **0**

8 SHARED VOTING POWER

BENEFICIALLY

OWNED BY

12,465,938

EACH

9 SOLE DISPOSITIVE POWER

REPORTING

PERSON

0
10 SHARED DISPOSITIVE POWER

WITH

12,465,938

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

12,465,938

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

Not Applicable

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

26.8% (1)

14 TYPE OF REPORTING PERSON

PN (Québec société en commandite)

(1) Based on 46,474,350 shares of Common Stock outstanding as of August 6, 2012, as reported in the Issuer's Quarterly Report on Form 10-Q filed on August 14, 2012.

1 NAMES OF REPORTING PERSONS

TC Group Cayman Investment Holdings, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

7 SOLE VOTING POWER

NUMBER OF

SHARES

0

8 SHARED VOTING POWER

BENEFICIALLY

OWNED BY

12,465,938

9 SOLE DISPOSITIVE POWER

EACH

REPORTING

PERSON

0

10 SHARED DISPOSITIVE POWER

WITH

12,465,938

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

12,465,938

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

Not Applicable

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

26.8% (1)

14 TYPE OF REPORTING PERSON

PN (Cayman Islands exempted limited partnership)

(1) Based on 46,474,350 shares of Common Stock outstanding as of August 6, 2012, as reported in the Issuer's Quarterly Report on Form 10-Q filed on August 14, 2012.

1 NAMES OF REPORTING PERSONS

TC Group Cayman Investment Holdings Sub L.P.
2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO
5 Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

7 SOLE VOTING POWER

NUMBER OF

0
8 SHARED VOTING POWER

BENEFICIALLY

OWNED BY **12,465,938**
9 SOLE DISPOSITIVE POWER

EACH

REPORTING

0
10 SHARED DISPOSITIVE POWER

WITH

12,465,938
11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

12,465,938

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

Not Applicable

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

26.8% (1)

14 TYPE OF REPORTING PERSON

PN (Cayman Islands exempted limited partnership)

(1) Based on 46,474,350 shares of Common Stock outstanding as of August 6, 2012, as reported in the Issuer's Quarterly Report on Form 10-Q filed on August 14, 2012.

1 NAMES OF REPORTING PERSONS

CAGP, Ltd.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

7 **SOLE VOTING POWER**

NUMBER OF

SHARES **0** 8 **SHARED VOTING POWER**

BENEFICIALLY

OWNED BY **12,465,938**
EACH 9 **SOLE DISPOSITIVE POWER**

REPORTING

PERSON **0**
WITH 10 **SHARED DISPOSITIVE POWER**

11 **12,465,938**
AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

12,465,938

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

Not Applicable

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

26.8% (1)

14 TYPE OF REPORTING PERSON

OO (Cayman Islands Exempt Company)

(1) Based on 46,474,350 shares of Common Stock outstanding as of August 6, 2012, as reported in the Issuer's Quarterly Report on Form 10-Q filed on August 14, 2012.

1 NAMES OF REPORTING PERSONS

CAGP General Partner, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

7 SOLE VOTING POWER

NUMBER OF

SHARES **0**

8 SHARED VOTING POWER

BENEFICIALLY

OWNED BY

12,465,938

EACH

9 SOLE DISPOSITIVE POWER

REPORTING

PERSON

0
10 SHARED DISPOSITIVE POWER

WITH

12,465,938

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

12,465,938

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

Not Applicable

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

26.8% (1)

14 TYPE OF REPORTING PERSON

PN (Cayman Islands Exempt Limited Partnership)

(1) Based on 46,474,350 shares of Common Stock outstanding as of August 6, 2012, as reported in the Issuer's Quarterly Report on Form 10-Q filed on August 14, 2012.

1 NAMES OF REPORTING PERSONS

Carlyle Asia Growth Partners III, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

7 SOLE VOTING POWER

NUMBER OF

SHARES **0**

8 SHARED VOTING POWER

BENEFICIALLY

OWNED BY

EACH **11,935,014**

9 SOLE DISPOSITIVE POWER

REPORTING

PERSON

0

10 SHARED DISPOSITIVE POWER

WITH

11,935,014

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11,935,014

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

Not Applicable

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

25.7% (1)

14 TYPE OF REPORTING PERSON

PN (Cayman Islands Exempt Limited Partnership)

(1) Based on 46,474,350 shares of Common Stock outstanding as of August 6, 2012, as reported in the Issuer's Quarterly Report on Form 10-Q filed on August 14, 2012.

1 NAMES OF REPORTING PERSONS

CAGP III Co-Investment, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

7 **SOLE VOTING POWER**

NUMBER OF

0
SHARES 8 **SHARED VOTING POWER**

BENEFICIALLY

OWNED BY **530,924**
EACH 9 **SOLE DISPOSITIVE POWER**

REPORTING

0
PERSON 10 **SHARED DISPOSITIVE POWER**
WITH

530,924

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

530,924

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

Not Applicable

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

1.1%(1)

14 TYPE OF REPORTING PERSON

PN (Cayman Islands Exempt Limited Partnership)

(1) Based on 46,474,350 shares of Common Stock outstanding as of August 6, 2012, as reported in the Issuer's Quarterly Report on Form 10-Q filed on August 14, 2012.

1 NAMES OF REPORTING PERSONS

DBD Cayman Holdings, Ltd.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

7 SOLE VOTING POWER

NUMBER OF

SHARES **0**
8 SHARED VOTING POWER

BENEFICIALLY

OWNED BY **0**
EACH 9 SOLE DISPOSITIVE POWER

REPORTING

PERSON **0**
WITH 10 SHARED DISPOSITIVE POWER

11 **0**
AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

0
12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

Not Applicable
13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0%
14 TYPE OF REPORTING PERSON

OO (Cayman Islands Exempt Company)

1 NAMES OF REPORTING PERSONS

DBD Cayman, Ltd.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

7 **SOLE VOTING POWER**

NUMBER OF

SHARES **0**
8 **SHARED VOTING POWER**

BENEFICIALLY

OWNED BY **0**
EACH 9 **SOLE DISPOSITIVE POWER**

REPORTING

PERSON **0**
WITH 10 **SHARED DISPOSITIVE POWER**

11 **0**
AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

0
12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

Not Applicable
13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0%
14 TYPE OF REPORTING PERSON

OO (Cayman Islands Exempt Company)

1 NAMES OF REPORTING PERSONS

TCG Holdings Cayman II, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

7 **SOLE VOTING POWER**

NUMBER OF

SHARES **0** 8 **SHARED VOTING POWER**

BENEFICIALLY

OWNED BY **0**
EACH 9 **SOLE DISPOSITIVE POWER**

REPORTING

PERSON **0**
WITH 10 **SHARED DISPOSITIVE POWER**

11 **0**
AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

0
12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

Not Applicable
13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0%
14 TYPE OF REPORTING PERSON

PN (Cayman Islands Exempt Limited Partnership)

Explanatory Note

This Amendment No. 3 to Schedule 13D amends and supplements the Schedule 13D originally filed with the United States Securities and Exchange Commission (the "SEC") on June 8, 2009, as amended to date, (the "Statement"), as follows:

ITEM 2. Identity and Background

Item 2 of the Statement is amended and restated in its entirety by inserting the following information:

This statement is being filed by the following persons, (each is hereinafter individually referred to as a "Reporting Person" and collectively as the "Reporting Persons."):

Carlyle Group Management L.L.C.

The Carlyle Group, L.P.

Carlyle Holdings II GP L.L.C.

Carlyle Holdings II L.P.

TC Group Cayman Investment Holdings, L.P.

TC Group Cayman Investment Holdings Sub L.P.

CAGP, Ltd.

CAGP General Partner, L.P.

Carlyle Asia Growth Partners III, L.P.

CAGP III Co-Investment, L.P.

DBD Cayman Holdings, Ltd.

DBD Cayman, Ltd.

TCG Holdings Cayman II, L.P.

The address of each of Carlyle Group Management L.L.C., The Carlyle Group, L.P., Carlyle Holdings II GP L.L.C., and Carlyle Holdings II L.P. is c/o The Carlyle Group, 1001 Pennsylvania Ave., N.W., Suite 220 South, Washington, DC 20004-2505. The principal business address of each of the other Reporting Persons is c/o Walkers Corporate Services Limited, Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9001, Cayman Islands.

Each of Carlyle Group Management L.L.C., The Carlyle Group, L.P., Carlyle Holdings II GP L.L.C. is organized in the state of Delaware. Carlyle Holdings II L.P. is a Québec société en commandite. Each of the other Reporting Persons is organized under the laws of the Cayman Islands.

Carlyle Group Management L.L.C. is the general partner of The Carlyle Group L.P., which is the sole member of Carlyle Holdings II GP L.L.C., which is the general partner of Carlyle Holdings II L.P., which is the general partner of TC Group Cayman Investment Holdings, L.P., which is the general partner of TC Group Cayman Investment Holdings Sub L.P., which is the sole shareholder of CAGP, Ltd., which is the general partner of CAGP General Partner, L.P., which is the general partner of each of Carlyle Asia Growth Partners III, L.P. and CAGP III Co-Investment, L.P.

Carlyle Group Management L.L.C. is managed by its board of directors. William E. Conway, Jr., Daniel A. D Aniello, David M. Rubenstein, Jay S. Fishman, Lawton W. Fitt, James H. Hance, Jr., Janet Hill, Edward J. Matthias, Dr. Thomas S. Robertson and William J. Shaw

(collectively, the **Directors**) are the directors of Carlyle Group Management L.L.C. William E. Conway, Jr., Daniel A. D Aniello, David M. Rubenstein, James H. Hance, Jr., Glenn A. Youngkin, Adena T. Friedman and Jeffrey W. Ferguson (collectively, the **Executive Officers**) are the executive officers of Carlyle Group Management L.L.C. DBD Cayman Holdings, Ltd. is controlled by its ordinary members, William E. Conway, Jr., Daniel A. D Aniello and David M. Rubenstein (collectively, the **Ordinary Members**). William E. Conway, Jr., Daniel A. D Aniello, David M. Rubenstein Curtis Buser and Jeffrey W. Ferguson (collectively, the **CAGP Directors** and together with the **Directors**, the **Executive Officers** and the **Ordinary Members**, the **Related Persons**) are the **Directors** of CAGP, Ltd. Each of the **Related Persons** is a citizen of the United States. Each of the **Related Persons** disclaims beneficial ownership of any shares of the Issuer's Common Stock.

The **Reporting Persons** are principally engaged in the business of investments in securities. To the best knowledge of the **Reporting Persons** and the **Related Persons**, none of the **Reporting Persons** nor the **Related Persons** has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

To the best knowledge of the **Reporting Persons** and the **Related Persons**, none of the **Reporting Persons** nor the **Related Persons** has, during the last five years, been a party to any civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

ITEM 4. Purpose of Transaction

Item 4 of the Statement is amended and supplemented by inserting the following information:

On September 7, 2012, Carlyle Asia Growth Partners III, L.P. and CAGP III Co-Investment, L.P. (together, the **Carlyle Entities**) sold to Great Essentials, Ltd. (**Great Essentials**) the 8% Secured Convertible Promissory Note in the amount of \$3,000,000 pursuant to the Convertible Promissory Note Transfer Agreement. The 8% Secured Convertible Promissory Note bears an interest rate of 8% and, as amended by the Convertible Promissory Note Transfer Agreement, will mature on September 26, 2012. The 8% Secured Convertible Promissory Note is convertible into 3,750,000 shares of Common Stock of the Issuer at the conversion price per share of \$0.80. Great Essentials paid the Carlyle Entities aggregate consideration of approximately \$3,000,000 for the 8% Secured Convertible Promissory Note.

ITEM 5. Interest in Securities of the Issuer

Item 5 of the Statement is amended and restated in its entirety by inserting the following information:

(a) (b)

The following table sets forth the aggregate number and percentage of Shares beneficially owned by each of the Reporting Persons, as well as the number of Shares as to which each Reporting Person has the sole power to vote or to direct the vote, sole power to dispose or to direct the disposition, or shared power to dispose or to direct the disposition of as of the date hereof.

| Reporting Person | Amount | Percent | Sole power to vote or direct the vote | Shared power to vote or to direct the vote | Sole power to dispose or to direct the disposition | Shared power to dispose or to direct the disposition |
|---|--------------------|---------|---------------------------------------|--|--|--|
| | beneficially owned | | | | | |
| Carlyle Group Management L.L.C. | 12,465,938 | 26.8% | 0 | 12,465,938 | 0 | 12,465,938 |
| The Carlyle Group, L.P. | 12,465,938 | 26.8% | 0 | 12,465,938 | 0 | 12,465,938 |
| Carlyle Holdings II GP L.L.C. | 12,465,938 | 26.8% | 0 | 12,465,938 | 0 | 12,465,938 |
| Carlyle Holdings II L.P. | 12,465,938 | 26.8% | 0 | 12,465,938 | 0 | 12,465,938 |
| TC Group Cayman Investment Holdings, L.P. | 12,465,938 | 26.8% | 0 | 12,465,938 | 0 | 12,465,938 |
| TC Group Cayman Investment Holdings Sub, L.P. | 12,465,938 | 26.8% | 0 | 12,465,938 | 0 | 12,465,938 |
| CAGP, Ltd. | 12,465,938 | 26.8% | 0 | 12,465,938 | 0 | 12,465,938 |
| CAGP General Partner, L.P. | 12,465,938 | 26.8% | 0 | 12,465,938 | 0 | 12,465,938 |
| Carlyle Asia Growth Partners III, L.P. | 11,935,014 | 25.7% | 0 | 11,935,014 | 0 | 11,935,014 |
| CAGP III Co-Investment, L.P. | 530,924 | 1.1% | 0 | 530,924 | 0 | 530,924 |
| DBD Cayman Holdings, Ltd. | 0 | 0% | 0 | 0 | 0 | 0 |
| DBD Cayman, Ltd. | 0 | 0% | 0 | 0 | 0 | 0 |
| TCG Holdings Cayman II, L.P. | 0 | 0% | 0 | 0 | 0 | 0 |

(1) Based on 46,474,350 shares of Common Stock outstanding as of August 6, 2012, as reported in the Issuer's Quarterly Report on Form 10-Q filed on August 14, 2012.

Carlyle Asia Growth Partners III, L.P. and CAGP III Co-Investment, L.P. are the record holders of 11,935,014 and 530,924 shares, respectively, of Common Stock of China Recycling Energy Corporation. Carlyle Group Management L.L.C. is the general partner of The Carlyle Group L.P., which is a publicly traded entity listed on NASDAQ. The Carlyle Group L.P. is the managing member of Carlyle Holdings II GP L.L.C., which is the general partner of Carlyle Holdings II L.P., which is the general partner of TC Group Cayman Investment Holdings, L.P., which is the general partner of TC Group Cayman Investment Holdings Sub L.P., which is the sole shareholder of CAGP, Ltd., which is the general partner of CAGP General Partner, L.P., which is the general partner of each of Carlyle Asia Growth Partners III, L.P. and CAGP III Co-Investment, L.P. Accordingly, each of Carlyle Group Management L.L.C., The Carlyle Group L.P., Carlyle Holdings II GP L.L.C., Carlyle Holdings II L.P., TC Group Cayman Investment Holdings, L.P., TC Group Cayman Investment Holdings Sub L.P., CAGP, Ltd. and CAGP General Partner, L.P. may be deemed to share beneficial ownership of the shares of the common stock owned of record by each of Carlyle Asia Growth Partners III, L.P. and CAGP III Co-Investment, L.P.

(e) Following an internal reorganization on May 2, 2012, TCG Holdings Cayman II, L.P. is no longer the general partner of TC Group Cayman Investment Holdings, L.P. Accordingly, TCG Holdings Cayman II, L.P. and its general partner, DBD Cayman, Ltd. and its sole shareholder, DBD Cayman Holdings, Ltd., may no longer be deemed to beneficially own any shares of the Issuer's Common Stock.

ITEM 7. Materials to be Filed as Exhibits

| Exhibit Number | Description |
|---------------------------|--|
| 1 | Joint Filing Agreement, dated September 11, 2012, by and among the Reporting Persons |
| 24 | Power of Attorney |

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: September 11, 2012

CARLYLE GROUP MANAGEMENT L.L.C.

By: /s/ Norma Kuntz, attorney-in-fact
Name: Daniel D Aniello
Title: Chairman

THE CARLYLE GROUP L.P.

By: Carlyle Group Management L.L.C., its general partner

By: /s/ Norma Kuntz, attorney-in-fact
Name: Daniel D Aniello
Title: Chairman

CARLYLE HOLDINGS II GP L.L.C.

By: The Carlyle Group L.P., its managing member
By: Carlyle Group Management L.L.C., its general partner

By: /s/ Norma Kuntz, attorney-in-fact
Name: Daniel D Aniello
Title: Chairman

CARLYLE HOLDINGS II L.P.

By: /s/ Norma Kuntz, attorney-in-fact
Name: Daniel D Aniello
Title: Chairman

TC GROUP CAYMAN INVESTMENT HOLDINGS, L.P.

By: Carlyle Holdings II L.P., its general partner

By: /s/ Norma Kuntz, attorney-in-fact
Name: Daniel D Aniello
Title: Chairman

TC GROUP CAYMAN INVESTMENT HOLDINGS SUB L.P.

By: TC Group Cayman Investment Holdings, L.P., its general partner
By: Carlyle Holdings II L.P., its general partner

By: /s/ Norma Kuntz, attorney-in-fact
Name: Daniel D Aniello
Title: Chairman

CAGP LTD.

By: /s/ Norma Kuntz, attorney-in-fact
Name: Daniel D Aniello
Title: Director

CAGP GENERAL PARTNER, L.P.

by: CAGP Ltd., its general partner

By: /s/ Norma Kuntz, attorney-in-fact
Name: Daniel D Aniello
Title: Director

CARLYLE ASIA GROWTH PARTNERS III, L.P.

by: CAGP General Partner, L.P., its general partner
by: CAGP Ltd., its general partner

By: /s/ Norma Kuntz, attorney-in-fact
Name: Daniel D Aniello
Title: Director

CAGP III CO-INVESTMENT, L.P.

by: CAGP General Partner, L.P., its general partner
by: CAGP Ltd., its general partner

By: /s/ Norma Kuntz, attorney-in-fact
Name: Daniel D Aniello
Title: Director

DBD CAYMAN HOLDINGS, LTD.

By: /s/ Norma Kuntz, attorney-in-fact
Name: Daniel D Aniello
Title: Ordinary Member

DBD CAYMAN, LTD.

By: DBD Cayman Holdings, Ltd., its sole shareholder

By: /s/ Norma Kuntz, attorney-in-fact
Name: Daniel D Aniello
Title: Ordinary Member

TCG HOLDINGS CAYMAN II, L.P.

By: DBD Cayman, Ltd., its general partner
By: DBD Cayman Holdings, Ltd., its sole shareholder

By: /s/ Norma Kuntz, attorney-in-fact
Name: Daniel D Aniello
Title: Ordinary Member