



NEWS

Renesola Divests Interest in Polysilicon Joint Venture
SOLAR ENERGY NEWS CENTER
[Africa](#)[Asia/Pacific](#)[Europe](#)[North America](#)[South America](#)[Companies](#)[Governments/
Funding](#)[Manufacturing](#)[Projects](#)[Products](#)[Technology](#)[Home](#)**December 8, 2008****Jiashan, China: Renesola Divests Interest in Polysilicon Joint Venture**

Chinese wafer manufacturer, ReneSola has sold its 49% equity interest in Linzhou Zhongsheng Semiconductor Silicon Material Co., Ltd.

In August 2007, ReneSola and Linzhou Zhongsheng Steel Co., Ltd. established the Joint Venture to engage in virgin polysilicon production in Linzhou, Henan Province, China. The Company invested approximately RMB103 million for an equity interest of 49% in the Joint Venture. In June 2008, the Company and Zhongsheng Steel amended the commercial arrangement in the joint venture contract to reduce the contracted obligation of the Company to purchase the output of the Joint Venture from 90% to a minimum of 55% at market price with a term of three years, instead of 30 years in the original agreement.

For the nine months ended September 30, 2008, the Joint Venture recorded revenues of RMB266 million and a net profit of approximately RMB131 million. Prior to the Divestment ReneSola equity accounted for its interest in the Joint Venture. In the three months ended September 30, 2008, the Company's equity interest in the earnings of the Joint Venture was US\$5.2 million.

The Company has sold its 49% equity interest in the Joint Venture to Zhongsheng Steel for a total consideration of RMB200 million, represented by cash paid on completion of RMB44 million and either a credit of RMB156 million through a discount of RMB500/kg to the polysilicon spot price for future supplies or cash in the amount of RMB156 million.

"As part of our ongoing evaluation of our raw material sourcing strategy for 2009 we have determined it is in the best interests of our shareholders to divest our equity interest in the Henan polysilicon production facility," said Mr. Xianshou Li, ReneSola's chief executive officer.

Mr. Li continued, "The Linzhou facility will continue to provide us with polysilicon at a discounted price until the RMB156 million is fully credited. Our existing polysilicon purchase contracts, combined with the additional production from our Sichuan polysilicon plant and the Linzhou facility and expected tolling arrangements, should fully support our required feedstock for our 2009 wafer production output."

Further details about: [ReneSola](#)