

SEG sells solar stake, to exit from industry

Shanghai Electric Group Co, China's largest maker of power equipment, has sold its stake in Shanghai Topsolar Green Energy Co and exited the solar energy business to focus on its core businesses like wind power.

Shanghai Electric sold the 36 percent stake in solar cell maker Topsolar to Yancheng Dongtou New Energy Equipment Co for 138.6 million yuan, it said in a statement to the Shanghai Stock Exchange.

The company said it decided to move away from the solar energy business as it had limited synergy with its other businesses.

Shanghai Electric also plans to sell its balance 25.35 percent stake in Topsolar soon, the statement said.

Established in 2002, Topsolar's major products include varieties of photovoltaic modules and photovoltaic power generation system.

Shanghai Electric is expected to net a gain of 3.38 million yuan from the transaction, equivalent to 0.12 percent of its 2007 net income.

The company also completed the disposal of its entire 50 percent stake in Shanghai Diesel, it said in a separate statement. It did not, however, say who had bought the shares.

The company has also accelerated its expansion plans in the wind power industry. Earlier this month, it announced its development strategy for the sector and said it intends to clock sales of around 14 billion yuan from its wind power projects in the next five years. Shanghai Electric also said it intends to be among the top three wind power equipment manufacturers in China.

From 2009 to 2011, the company would look at producing 2-megawatt wind power generator sets, and its annual sales are predicted to hit 5.6 billion in 2010.

With a total installed capacity of 425 megawatts, up to 393 power generators in Shanghai Electric Group's 11 wind farms are under construction.

This month, the company started construction of a 40,000-sq-m wind power base in Shanghai's Lingang New City area, with an investment of 143 million yuan.

The unit is scheduled for completion in the fourth quarter of 2009, and then would have an annual production capacity of 600 2-megawatt wind turbines. The company plans to release a model version of a 3.6-megawatt, 116-m diameter wind turbine currently under development in June 2010.

Shanghai Electric is also planning to produce 500-megawatt wind power equipment in 2009, said a company executive.

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