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HANERGY SOLAR GROUP LIMITED

漢能太陽能集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 566)

VOLUNTARY ANNOUNCEMENT 19MW SOLAR POWER PLANT PROJECT IN THE UNITED STATES

This announcement is made by Hanergy Solar Group Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) on a voluntary basis.

TRANSACTION BACKGROUND

The Board of directors of the Company (the “**Board**”) is pleased to announce that on 14 August 2013, HGSG-NA Land Power 1, LLC (the “**Buyer**”), a wholly owned subsidiary of the Company as buyer entered into a purchase and sale agreement (together with certain ancillary documents, as amended, the “**Transaction**”) with LSP Generation Holdings, LLC (the “**Seller**”) a Delaware, United States of America (“**United States**”) limited liability company, for the acquisition of the entire equity interests of Columbia Solar Energy, LLC (the “**Target Company**”). The Transaction is anticipated to close on or before 25 November 2013.

The Target Company is a company formed in Delaware, United States, and is in the course of developing a 19MW AC solar photovoltaic electric generating facility in Pittsburg, California, the United States (the “**Project**”). The Buyer plans to utilise thin-film copper indium gallium selenide (“**CIGS**”) solar modules for the Project. The Target Company has signed a power purchase agreement to sell 100% of the electricity generated from the Project over a contract term of at least 20 years. The facility is expected to commence operations in or about November 2014.

Further to the Group’s proposed launch of the ground-mounted solar power plant projects in Qinghai and Xinjiang provinces in the People’s Republic of China as disclosed in the Company’s announcement on 24 September 2013, this Project is the Group’s first large-scale overseas downstream solar power development project. As disclosed in the Company’s annual report for the year ended 31 December 2012, the Group has aspirations of going global and to diversify our global presence, customer footprint and risk profile, and enhance our ability to attract talent. The Transaction marks a significant milestone in the development of the Group’s business in North America, a new overseas market for the Group’s downstream solar power generation business, representing another significant step in the Group’s success and efforts to expand its global foot print. Through the development of the Project, the Group can realise its strategy of building a global thin-film photovoltaic platform that delivers new and advanced solar technology to its customers all over the world.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Seller and its ultimate beneficial owner(s) are independent of and not connected with the Company and its connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)).

The terms of the Transaction (including the purchase price) were arrived at after arm’s length negotiations between the Buyer and the Seller with reference to, among others, the development potential of the Project. The directors of the Company, including the independent non-executive directors, consider that the proposed Transaction is in the ordinary and usual course of business of the Group and the terms of the agreement (including the purchase price) are based on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Pursuant to the agreement, Hanergy Holding Group Limited*, controlling shareholder of the Company, has given a guarantee in favour of the Seller to guarantee the payment of the Buyer under the agreement.

LISTING RULES IMPLICATION

As the relevant percentage ratios are all less than 5%, the Transaction shall not fall under a notifiable transaction under Chapter 14 of the Listing Rules.

FAVOURABLE UNITED STATES SOLAR PHOTOVOLTAIC MARKET

According to the latest NPD Solarbuzz *North America PV Markets Quarterly* report, there were 976MW new solar photovoltaic installation in the United States during the second quarter of 2013, up 24% quarter to quarter from 788MW in the first quarter of 2013, of which California alone accounted for 521MW new photovoltaic installation in the second quarter of 2013, representing 53% of new photovoltaic installation in the United States.

USE OF CUTTING-EDGE THIN-FILM TECHNOLOGY

The Group recently acquired advanced thin-film CIGS technologies of Solibro and MiaSolé. Reference is also made to the announcements of the Company dated 2 and 18 September 2013. These technologies have among the world's highest conversion efficiency rates in commercialised thin-film technology. With the Group's cutting-edge thin-film technology, the Group will continue to take significant steps in extending the solar business industry chain from upstream to downstream in a large scale to provide an alternative clean, efficient and sustainable source of energy.

ABOUT LS POWER

To the best of the Directors' knowledge and information, the Seller is affiliated with LS Power. As informed by the Seller, LS Power is a power generation and transmission group with a proven track record of successful development activities, operations management and commercial execution. As advised by the Seller, LS Power has been involved in the development, construction, or operations of over 28,000MW of power generation throughout the United States and LS Power is actively developing both power generation and transmission infrastructure to serve the need for new generation and improve the aging transmission system.

ABOUT THE GROUP

The Group is principally engaged in the manufacture of equipment and turnkey production lines for the manufacture of thin film solar photovoltaic modules, and is currently developing its downstream solar application business.

The Group is committed to becoming the industry leader of global high-tech thin-film solar business through active venture into global downstream business for solar power generation and various new solar applications for industrial, commercial and consumer/residential uses. As disclosed in the Interim Report of the Company for the financial period ended 30 June 2013, the Group will continue to actively look for opportunities to expand its operations into downstream solar projects, either by acquiring early stage existing solar projects that can utilize the Group's solar modules or developing the solar projects on its own. The Group is determined to capture a larger local and global market share in the downstream solar market by (i) building and selling the power plants; (ii) building and self-operating the power plants; and (iii) engaging in engineering, procurement and construction contracts of power plants projects. The Group has set up six regional offices all over the world, including the North America regional offices, the South America regional offices, the Europe and the Middle East regional offices, the Asia Pacific regional offices, the Africa regional offices and the Greater China regional offices. In addition, the Group has set up four business units for the development of its downstream solar business, including the Building Integrated Photovoltaic Business Unit, the Building Attached Photovoltaic Business Unit, the Ground-mounted Photovoltaic Power Business Unit and the Photovoltaic Applications Business Unit. The Project will be built and operated by the North America regional offices.

The Group believes that the entering into the downstream solar power market not only diversifies the Group's revenue and customer base that complements its existing revenue from upstream business, but also secures a more widespread use of thin-film solar modules in which the Group is specialised. To pave the way for the Group's successful venture into downstream solar business, the Group has formed four strong working teams, including (i) a solar project management team equipped with the capabilities in sourcing and operating solar power generation projects; (ii) construction teams capable of managing the engineering, procurement and construction of solar power projects; (iii) sales team to identify potential buyers for the Group's solar power plants and products; and (iv) a finance team to source financing for the downstream projects.

By order of the Board
Hanergy Solar Group Limited
Frank Mingfang Dai
Chairman and Chief Executive Officer

Hong Kong, 29 October 2013

Website: <http://www.hanergysolargroup.com/en>

As at the date of this announcement, the executive directors of the Company are Mr. Frank Mingfang Dai (Chairman and Chief Executive Officer), Dr. Li Yuan-min (Deputy Chairman and Chief Technology Officer), Mr. Hui Ka Wah, Ronnie J.P. (Finance Director and Senior Vice-President), Mr. Chen Li and Mr. Li Guangmin; and the independent non-executive directors of the Company are Ms. Zhao Lan, Mr. Wong Wing Ho and Mr. Wang Tongbo.