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## China sovereign buys 20 pct stake in clean energy company

Wednesday, 25 Nov, 2009

It is reported that China Investment Corporation, the nation sovereign wealth fund would spend HKD 5.5 billion to buy about 20% stake in a Hong Kong based new energy company.

The company said it had entered into a binding framework agreement with GCL-Poly Energy Holdings Ltd and would subscribe for 3.108 billion new shares at a price of HKD 1.79 per share. The two sides also agreed to set up a JV or JV Company to invest and develop photovoltaic or other solar energy projects with an initial capital of USD 500 million.

Mr Zhu Gongshan chairman of GCL-Poly said "This transaction marks an important step for GCL-Poly. With our industry expertise in the renewable and clean energy business and our newly gained financial flexibility, the deal will strengthen our financial position and enhance the company's leading role in the renewable energy industry."

GCL-Poly said in a statement that it intended to use the net proceeds raised from the subscription for general working capital, repayment of borrowings and exploration of new business opportunities including investment in and development of the JV Company.

CIC will hold 49% shares of the joint venture and GCL-Poly, 51%.

(Sourced from [www.chinamining.org](http://www.chinamining.org))

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