

JA Solar Holdings Co., Ltd.  
Form 424B5  
May 12, 2008

**The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where such offer or sale is not permitted.**

**Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-150824**

**SUBJECT TO COMPLETION, DATED MAY 12, 2008**

PROSPECTUS SUPPLEMENT

(To Prospectus Dated May 12, 2008)

## **American Depositary Shares**

# **JA Solar Holdings Co., Ltd.**

## **Representing**

## **Ordinary Shares**

This is an offering from time to time of an aggregate of \_\_\_\_\_ American depositary shares, or ADSs. Each ADS represents one ordinary share of JA Solar Holdings Co., Ltd. The ADSs being offered hereby are ADSs that we will loan pursuant to ADS lending agreements to Lehman Brothers International (Europe) and Credit Suisse International, affiliates of Lehman Brothers Inc. and Credit Suisse Securities (USA) LLC, respectively, which are underwriters of this offering and the concurrent offering of \_\_\_\_\_ % Senior Convertible Notes due 2013 described below. In this prospectus supplement, we refer to such affiliates as the ADS Borrowers, these ADSs as the borrowed ADSs, these lending agreements as the ADS Lending Agreements, and the ADS loan transactions as the Registered ADS Borrow Facility.

The ADS Borrowers will receive all of the proceeds from the sale of the borrowed ADSs. We will not receive any proceeds from the sale of the borrowed ADSs pursuant to this prospectus supplement, but we will receive from the ADS Borrowers a nominal lending fee of \$0.0001 per ADS for each ADS that we loan pursuant to the ADS Lending Agreements.

Concurrently with this offering of borrowed ADSs, we are offering by means of a separate prospectus supplement and accompanying prospectus, \$300 million aggregate principal amount of \_\_\_\_\_ % Senior Convertible Notes due 2013 (\$345 million aggregate principal amount if the underwriters of the offering of Senior Convertible Notes exercise their option to purchase additional Senior Convertible Notes in full). In this prospectus supplement, we refer to such Senior Convertible Notes as the Notes and such separate prospectus supplement and accompanying prospectus as the Notes prospectus supplement. In addition, in connection with the offering of Notes, we expect to enter into privately negotiated capped call option transactions, which we refer to herein as the capped call transactions. The capped call transactions are designed to reduce the potential dilution upon any conversion of the Notes.

The Registered ADS Borrow Facility is designed to facilitate privately negotiated transactions or short sales by which investors in the Notes may hedge their investments in the Notes and/or by which the counterparties to the capped call transactions will hedge the capped call transactions. Up to \_\_\_\_\_ of the borrowed ADSs offered hereby are expected to be offered on a delayed basis and used for this purpose.

Subject to certain terms of the ADS Lending Agreements, the borrowed ADSs must be returned to us by May 15, 2013, the maturity date of the Notes. As a result, we believe that under the United States generally accepted accounting principles, or U.S. GAAP, as in effect on the date of this prospectus supplement, the borrowed ADSs will not be considered outstanding for the purpose of computing and reporting our earnings per ADS.

Our ADSs are listed on The Nasdaq Global Market under the symbol JASO. On May 9, 2008 the closing sale price of our ADSs was \$23.54 per ADS.

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The borrowed ADSs may be offered for sale in transactions, including block sales, on The Nasdaq Global Market, in the over-the-counter market, in negotiated transactions or otherwise. \_\_\_\_\_ of the borrowed ADSs will be initially offered at \$ \_\_\_\_\_ per ADS, and the remaining borrowed ADSs will subsequently be sold at prevailing market prices at the time of sale or at negotiated prices.

The delivery of the \_\_\_\_\_ borrowed ADSs being offered hereby is contingent upon the completion of the offering of the Notes. We expect that delivery of the \_\_\_\_\_ borrowed ADSs being initially offered will be made concurrently with the closing of the offering of Notes.

**Investing in the ADSs involves risks. See Risk Factors beginning on page S-12.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver approximately \_\_\_\_\_ of the borrowed ADSs on or about May \_\_\_\_\_, 2008. The ADSs will be delivered to purchasers in book-entry form through The Depository Trust Company and its direct and indirect participants, including Clearstream Banking, S.A. Luxembourg and Euroclear Bank S.A./N.A., as operator of the Euroclear System.

*Joint Book-Running Managers*

**LEHMAN BROTHERS**  
, 2008

**CREDIT SUISSE**

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**You should rely only on the information contained in this prospectus supplement and the related prospectus or in the documents incorporated by reference herein, or in any other offering material provided by us or the underwriters. We have not authorized anyone to provide you with information that is different. This prospectus supplement and the accompanying prospectus may only be used where it is legal to sell these securities. The information in this prospectus supplement may be accurate only as of its date.**

In making an investment decision regarding the securities offered by this prospectus supplement, you must rely on your own examination of our company and the terms of the offering, including, without limitation, the merits and risks involved. The offering is being made on the basis of this prospectus supplement and the accompanying prospectus and any other offering material provided by us or the underwriters. Any decision to purchase ADSs being offered in this offering must be based on the information contained in this prospectus supplement and the accompanying prospectus or the documents incorporated by reference herein or therein, or in any other offering material provided by us or the underwriters. No person is authorized in connection with any offering made by this prospectus supplement and the accompanying prospectus to give any information or to make any representation not contained in this prospectus supplement and the accompanying prospectus or incorporated by reference herein or therein, or in any other offering material provided by us or the underwriters and, if given or made, any other information or representation must not be relied upon as having been authorized by us or the underwriters. The information contained in this prospectus supplement is as of the date hereof and subject to change, completion or amendment without notice. Neither the delivery of this prospectus supplement at any time nor any subsequent commitment to enter into any financing shall, under any circumstances, create any implication that there has been no change in the information set forth in this prospectus supplement or in our affairs since the date of this prospectus supplement.



The information contained in this prospectus supplement has been furnished by us and other sources that we believe to be reliable. This prospectus supplement contains summaries, believed to be accurate, of some of the terms of specific documents, but reference is made to the actual documents, copies of which will be made available upon request, for the complete information contained in those documents. All summaries are qualified in their entirety by this reference.

Numerical figures included in this prospectus supplement have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in various tables may not be arithmetic aggregations of the figures that precede them.

The underwriters and we reserve the right to reject any commitment to subscribe for the ADSs, in whole or in part, and to allot to you less than the full amount of ADSs subscribed for by you.

We are making this offering subject to the terms described in this prospectus supplement.

This prospectus supplement does not constitute an offer to sell ADSs, nor a solicitation of an offer to buy ADSs, in any jurisdiction where the offering is not permitted.

**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part is the accompanying prospectus, which describes more general information, some of which may not apply to this offering. You should read both this prospectus supplement and the accompanying prospectus, together with the additional information described below under the heading Where You Can Find More Information.

If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

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**CONVENTIONS APPLICABLE TO THIS PROSPECTUS SUPPLEMENT**

Unless otherwise indicated, references in this prospectus supplement to:

China and the PRC are to the People's Republic of China, excluding, for the purposes of this annual report only, Taiwan and the special administrative regions of Hong Kong and Macau;

conversion efficiency are to the ability of solar power products to convert sunlight into electricity; conversion efficiency rate is commonly used in the solar power industry to measure the percentage of light energy from the sun that is actually converted into electricity;

cost per watt and price per watt are to the cost and price of solar power products, respectively, relative to the number of watts of electricity a solar power product generates;

JA Solar, we, us, the company, our company and our are to JA Solar Holdings Co., Ltd. and, unless otherwise indicated or as the context may otherwise require, its predecessor entities and its consolidated subsidiaries;

JA BVI are to JA Development Co., Ltd., our directly wholly-owned subsidiary, a British Virgin Islands company;

JA Fengxian are to Shanghai JA Solar Technology Co., Ltd., our indirectly wholly-owned subsidiary in Shanghai, China;

JA Hebei are to JingAo Solar Co., Ltd., our predecessor and indirectly wholly-owned subsidiary in China;

JA Hong Kong are to JA Solar Hong Kong Limited, our directly wholly-owned subsidiary in Hong Kong;

JA USA are to JA Solar USA Inc., our indirectly wholly-owned subsidiary in California, U.S.A.;

JA Yangzhou are to JA Solar Technology YangZhou Co., Ltd., our indirectly wholly-owned subsidiary in Jiangsu, China;

JA Zabei are to Shanghai JA Solar PV Technology Co., Ltd., our indirectly wholly-owned subsidiary in Shanghai, China;

Jinglong BVI are to Jinglong Group Co., Ltd., a British Virgin Islands company and our largest shareholder;

Jinglong Group are to Jinglong Industry and Commerce Group Co., Ltd. and its consolidated subsidiaries. Jinglong Group is controlled by the shareholders of Jinglong BVI;

photovoltaic effect are to a process by which sunlight is converted into electricity;

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rated manufacturing capacity are to the total amount of solar power products that can be made by a manufacturing line per annum operating at its maximum possible rate and is measured in megawatts, or MW;

RMB and Renminbi are to the legal currency of the PRC;

US\$, \$ and U.S. dollars are to the legal currency of the United States;

voltage or volts are to the rating of the amount of electrical pressure that causes electricity to flow in the power line; and

watts are to the measurement of total electrical power, where kilowatts or KW means one thousand watts and megawatts or MW means one million watts.

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**SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS**

This prospectus supplement contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements relate to future events, including our future operating results and conditions, our prospects and our future financial performance and condition. The forward-looking statements are contained principally in the sections entitled Summary, Risk Factors, Use of Proceeds and Recent Developments. These statements involve known and unknown risks, uncertainties and other factors, including those listed under Risk factors, which may cause our actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements.

Forward-looking statements typically are identified by words or phrases such as may, will, expect, anticipate, aim, estimate, intend, believe, potential, continue, is/are likely to or other similar expressions or the negative of these words or expressions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to:

our expectations regarding the worldwide demand for electricity and the market for solar energy;

our beliefs regarding the inability of traditional fossil fuel-based generation technologies to meet the demand for electricity;

our beliefs regarding the importance of environmentally friendly power generation;

our expectations regarding governmental incentives for the deployment of solar energy;

our beliefs regarding the solar power industry revenue growth;

our expectations with respect to advancements in our technologies;

our beliefs regarding the low-cost advantage of solar cell production in China;

our beliefs regarding the competitiveness of our solar power products;

our expectations regarding the scaling of our solar power capacity;

our expectations with respect to increased revenue growth and our ability to achieve profitability resulting from increases in our production volumes;

our expectations with respect to our ability to secure raw materials in the future;

our expectations with respect to our ability to develop relationships with customers in our target markets;

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our future business development, results of operations and financial condition; and

competition from other manufacturers of solar power products and conventional energy suppliers.

This prospectus supplement also contains data related to the solar power market worldwide and in China. These market data include projections that are based on a number of assumptions. The solar power market may not grow at the rates projected by the market data, or at all. The failure of the market to grow at the projected rates may have a material adverse effect on our business and the market price of our ADSs. In addition, the rapidly changing nature of the solar power market subjects any projections or estimates relating to the growth prospects or future condition of our market to significant uncertainties. If any one or more of the assumptions underlying the market data turns out to be incorrect, actual results may be materially different from the projections based on these assumptions. Therefore, you should not rely upon forward-looking statements as predictions of future events.

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The forward-looking statements made in this prospectus supplement relate only to events or information as of the date on which the statements are made in this prospectus supplement. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this prospectus supplement and the accompanying prospectus, as well as all the documents that we reference in this prospectus supplement and have filed as exhibits to the registration statement, of which this prospectus supplement is a part, completely and with the understanding that our actual future results may be materially different from what we expect.

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## SUMMARY

*You should read the entire prospectus supplement and the accompanying prospectus carefully, including the Risk Factors section beginning on page S-12 and the audited consolidated financial statements and the related notes thereto and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment decision.*

### **Our Company**

We were incorporated in May 2005 and commenced commercial operations in April 2006. We believe we are one of the leading manufacturers of high-performance solar cells based in China as measured by solar cell production in 2007.

We are focused on solar cell design and manufacturing, a stage in the solar power industry value chain that we believe has a significant amount of technology value added which results in higher profit potential and higher barriers to entry. We design, manufacture and market high-performance solar cells, which are made from specially processed silicon wafers. We sell our products to solar module manufacturers who assemble and integrate our solar cells into modules and systems and convert sunlight into electricity through a process known as the photovoltaic effect. Solar cells are the key components of solar modules. Solar modules and systems that incorporate our products are distributed globally, including to end-customers in China, Germany, South Korea, Spain, Sweden, and the United States.

With our experienced technical and production teams, we reached full production capacity on our first manufacturing line in July 2006. We have since added additional manufacturing lines and are building new lines which we expect will, upon their expected completion, significantly increase our yearly production capacity. In aggregate, we expect our production capacity to reach 500 MW per annum by the end of 2008. We are also building a new research and development center in Yangzhou, China.

Access to supplies of silicon wafers, the most important raw material for manufacturing solar cells, is crucial to the success of solar cell manufacturers, including us. We have entered into long term wafer supply contracts with, among others, Jinglong Industry and Commerce Group Co., Ltd., which is owned by the shareholders of our largest shareholder, Jinglong Group Co., Ltd., as well as M.SETEK Co., Ltd. (or M.SETEK), Jiangsu Shunda Semiconductor Development Co., Ltd., ReneSola Ltd. and Jiangsu Zhongneng Silicon Technology Development Co., Ltd., a subsidiary of GCL Silicon Technology Holdings Ltd. To further mitigate the industry-wide shortage of polysilicon, we have also entered into a 12-month polysilicon supply agreement with M.SETEK, under which polysilicon deliveries to us began in January 2008. In addition, to protect against supply shortfalls due to delays or failures by our suppliers to deliver amounts specified under these contracts, we actively engage in discussions with other potential suppliers to secure additional supplies of silicon wafers and/or polysilicon materials.

For information regarding recent developments in our business, please see **Recent Developments** in this Summary.

We are a publicly traded Cayman Islands company. Our ADSs representing our ordinary shares are listed on the NASDAQ Global Market under the symbol **JASO**. Our headquarters and principal executive offices are located at Jinglong Group Industrial Park, Jinglong Street, Ningjin, Hebei Province 055550, the People's Republic of China. Our telephone number at this address is (86) 319-580-0760 and our website address is <http://www.jasolar.com>. Information contained in or linked to from our website does not constitute part of this prospectus.

**The Offering**

*The following summary contains basic information about our borrowed ADSs being offered. It may not contain all the information that is important to you. For a more complete understanding of our ADSs, please see Description of Share Capital and Description of American Depositary Shares in the accompanying prospectus.*

<b>Issuer</b>	JA Solar Holdings Co., Ltd., a company incorporated under the laws of the Cayman Islands with limited liability.
<b>Borrowed ADSs offered</b>	Up to            borrowed ADSs, of which            of these borrowed ADSs will be initially offered at \$            per ADS and the remaining borrowed ADSs will subsequently be sold at prevailing market prices at the time of sale or at negotiated prices.
<b>ADSs to be outstanding immediately after this offering</b>	Up to            ADSs.
<b>ADSs</b>	Each ADS represents one ordinary share, par value \$0.0001 per share, that will be held on deposit with The Hongkong and Shanghai Banking Corporation Limited, as custodian for The Bank of New York, as depositary. As an ADS holder, you will not be treated as one of our shareholders. You will have rights as provided in the deposit agreement. Under the deposit agreement, you may instruct the depositary to vote the ordinary shares underlying your ADSs. You must pay a fee for each issuance or cancellation of an ADS, distribution of securities by the depositary or any other depositary service. For more information about our ADSs, see Description of American Depositary Shares in the accompanying prospectus and the deposit agreement, which is an exhibit to the registration statement that includes this prospectus supplement and the accompanying prospectus.
<b>Ordinary shares to be outstanding immediately after this offering</b>	Up to            ordinary shares (including up to            ordinary shares represented by borrowed ADSs offered hereby).
<b>Nasdaq symbol for our ADSs</b>	Our ADSs are listed on The Nasdaq Global Market under the symbol JASO.
<b>Use of proceeds</b>	The ADS Borrowers will receive all of the proceeds from the sale of the borrowed ADSs. We will not receive any proceeds from the sale of the borrowed ADSs pursuant to this prospectus supplement, but we will receive from the ADS Borrowers a nominal lending fee of \$0.0001 per ADS for each ADS that we loan pursuant to the ADS Lending Agreements. See Description of the Registered ADS Borrow Facility.
<b>Dividend policy</b>	We do not intend to pay any cash dividends on our ordinary shares in the foreseeable future. We intend to retain most, if not all, of our

available funds and any future earnings for use in the operation and expansion of our business. Our board of directors has complete discretion as to whether we will pay dividends in the future subject to approval by our shareholders.

**Dividends and other distributions**

The depositary agrees to pay you any cash dividend or other distribution it receives on our ordinary shares or other deposited securities after deducting its fees and expenses.

**Deposit and withdrawal of our ordinary shares**

The depositary will issue ADSs, subject to the satisfaction of certain conditions, if you or your broker deposits ordinary shares or evidence of rights to receive ordinary shares with the custodian. You may turn in your ADSs at the depositary's corporate trust office and, upon payment of its fees and expenses and of any taxes or charges, the depositary will deliver the underlying ordinary shares and any distributions thereon to an account designated by you.

**Risk factors**

You should carefully consider the information set forth in the sections of this prospectus supplement and the accompanying prospectus entitled "Risk Factors," as well as other information included in or incorporated by reference into this prospectus supplement and the accompanying prospectus before deciding whether to invest in the ADSs.

**Concurrent offering**

Concurrently with this offering of borrowed ADSs, we are offering, by means of the Notes prospectus supplement, \$300 million aggregate principal amount of Notes (\$345 million aggregate principal amount if the underwriters of the offering of Notes exercise their option to purchase additional Notes in full). See "Concurrent Offering of Senior Convertible Notes" for a description of the offering of Notes.

**Capped call transactions**

In connection with the offering of Notes, we expect to enter into capped call transactions relating to our ADSs initially issuable upon the conversion of the Notes with affiliates of the underwriters of this offering. We expect to use a portion of the proceeds from the sale of the Notes to enter into the capped call transactions. These capped call transactions are expected to reduce the potential dilution upon conversion of the Notes to the extent described in "Description of Capped Call Transactions."

If the underwriters of the offering of Notes exercise their option to purchase additional Notes to the extent they sell more than \$300 million aggregate principal amount of Notes, we expect to use a portion of the proceeds from the sale of the additional Notes to increase the notional size of the capped call transactions so that they also relate to our ADSs initially issuable upon conversion of the additional Notes.

In connection with hedging these transactions, we have been advised by the counterparties (and/or their affiliates) that they expect to enter into various over-the-counter cash-settled derivative transactions with respect to our ADSs concurrently with or shortly after the pricing of the ADSs being offered hereby and purchase our ADSs in secondary market transactions shortly after the pricing of the ADSs being offered hereby. These activities could have the effect of increasing or preventing a decline in the price of our ADSs concurrently with or following the pricing of the ADSs offered hereby.

In addition, we have been advised by the counterparties (and/or their affiliates) that they expect to modify or unwind their hedge positions by purchasing or selling our ADSs in secondary market transactions and/or entering into or unwinding various derivative transactions prior to maturity of the Notes (including during any conversion period related to conversion of the Notes). These activities could have the effect of increasing, preventing a decline in, or adversely impacting the price of our ADSs and our Notes.

For a discussion of the impact of any market or other activity by the counterparties (and/or their affiliates) in connection with the capped call transactions, see [Risk Factors](#) [Risks Relating to Our Ordinary Shares and Our ADSs](#). The capped call transactions may affect the value of our ADSs, [Description of Capped Call Transactions](#) and [Underwriting](#).

### Summary Historical Consolidated Financial Data

You should read the summary historical consolidated financial data set forth below in conjunction with Operating and Financial Review of Prospects and the consolidated financial statements and the related notes included in our annual report on Form 20-F for the fiscal year ended December 31, 2007, which is incorporated by reference in the prospectus accompanying this prospectus supplement. The summary consolidated financial data presented below as of December 31, 2005, 2006 and 2007 and for the period from inception (May 18, 2005) to December 31, 2005 and the years ended December 31, 2006 and 2007 have been prepared in accordance with U.S. GAAP and are derived from our audited consolidated financial statements.

	Year ended December 31,			US\$( <sup>1</sup> )
	From inception to December 31, 2005	2006	2007	
	(in millions, except for share and per share data)			
	RMB	RMB	RMB	
<b>Consolidated Statements of Operations Data:</b>				
Net revenues				
Solar products to third parties		565.3	2,532.4	347.2
Solar products to related parties		131.2	62.2	8.5
Solar cells processing			99.1	13.6
Total revenues		696.5	2,693.7	369.3
Cost of revenues				
Solar products		(524.2)	(2,066.6)	(283.3)
Solar cells processing			(26.2)	(3.6)
Total cost of revenues		(524.2)	(2,092.8)	(286.9)
Gross profit		172.3	600.9	82.4
Selling, general and administrative expenses	(2.6)	(39.7)	(150.3)	(20.6)
Research and development expenses	(0.4)	(1.3)	(4.2)	(0.6)
Total operating expenses	(3.0)	(41.0)	(154.5)	(21.2)
Income/ (loss) from operations	(3.0)	131.3	446.4	61.2
Interest expense		(5.1)	(6.6)	(0.9)
Interest income	0.04	0.8	62.6	8.6
Foreign exchange gain/(loss)	(0.1)	1.3	(112.8)	(15.5)
Other income		0.1	5.2	0.7
Income/ (loss) before income taxes	(3.1)	128.4	394.8	54.1
Income tax benefit			5.6	0.8
Net income/ (loss)	(3.1)	128.4	400.4	54.9
Preferred shares accretion		(1.6)	(0.5)	(0.1)
Preferred shares beneficial conversion charge		(34.7)		
Allocation of net income to participating preferred shareholders		(5.7)	(1.7)	(0.2)
Net income/ (loss) available to ordinary shareholders.	(3.1)	86.4	398.2	54.6



	Year ended December 31,			
	From inception to			
	December 31,			
	2005	2006	2007	
(in millions, except for share and per share data)				
	RMB	RMB	RMB	US\$( <sup>1</sup> )
<b>Net income/ (loss) per share:</b>				
Basic	(0.04)	1.08	2.96	0.41
Diluted	(0.04)	1.08	2.93	0.40
<b>Weighted average number of shares outstanding:</b>				
Basic	80,000,000	80,000,000	134,525,226	134,525,226
Diluted.	80,000,000	80,166,178	136,721,772	136,721,772
<b>Consolidated Statements of Cash Flows Data:</b>				
Cash flows (used in) or provided by				
Operating activities	(1.6)	(61.8)	(1,146.5)	(157.2)
Investing activities	(38.0)	(107.6)	(1,232.6)	(169.0)
Financing activities	50.7	254.8	3,519.6	482.6
Effect of exchange rate changes on cash and cash equivalents	(0.1)	(0.6)	(91.3)	(12.5)

	As of December 31,			
	2005	2006	2007	
	(in millions, except for share and per share data)			
	RMB	RMB	RMB	US\$( <sup>1</sup> )
<b>Consolidated Balance Sheet Data:</b>				
Cash and cash equivalents	11.0	95.8	1,145.0	157.0
Available-for-sale securities			803.1	110.1
Account receivable from third party customers		47.7	28.9	4.0
Account receivable from related party customers			24.7	3.4
Inventories		154.7	157.3	21.6
Advance to related party supplier		39.8	389.9	53.4
Advance to third party supplier		1.6	898.7	123.2
Other current assets	0.4	6.7	42.3	5.8
Deferred tax assets			1.2	0.2
Total current assets	11.4	346.3	3,491.1	478.7
Property and equipment, net	39.4	139.4	532.0	72.9
Intangible asset, net	8.3	7.2	6.7	0.9
Deferred tax assets			4.4	0.6
Advances to third party supplier			536.3	73.5
Short-term bank borrowings	59.1	492.9	4,570.5	626.6
Total debt		150.0	200.0	27.4
Total liabilities	2.5	187.1	434.0	59.5
Preferred shares		110.0		
Total shareholders equity	56.6	195.8	4,136.5	567.1

	From	Year ended December 31,	
	inception to December 31, 2005	2006	2007
<b>Other Consolidated Financial Data (in percentages)</b>			
Gross margin		24.7%	22.3%
Operating margin		18.8%	16.6%
Net margin		18.4%	14.9%
<b>Selected Operating Data</b>			
Products sold (in million units)		10.9	54.8
Products sold (in MW)		26.3	132.9
Average selling price per watt of solar cells (in RMB)		25.9	22.5
Average selling price per watt of solar cells (in US\$)		3.32	3.08

- (1) Translations of RMB amounts in U.S. dollars were made at a rate of RMB 7.2946 to US\$1.00, the noon buying rate for U.S. dollars in effect on December 31, 2007 in New York City for cable transfers of Renminbi as certified for customs purposes by the Federal Reserve Bank of New York. We make no representation that any amounts of Renminbi or U.S. dollar could be or could have been converted into each other at any particular rate or at all.

### Recent Developments

The following unaudited selected interim consolidated financial data for the three months ended March 31, 2007 and 2008 and as of March 31, 2008 have been derived from our unaudited interim consolidated financial statements for the three months ended and as of March 31, 2007 and 2008. The following selected consolidated balance sheet data as of December 31, 2007 have been derived from our audited consolidated balance sheet as of December 31, 2007 which was included in our annual report on Form 20-F for the year ended December 31, 2007 that was filed with the U.S. Securities and Exchange Commission on May 9, 2008. You should read the following financial information together with our audited financial statements and the related notes as well as Item 5 Operating and Financial Review and Prospects included in our annual report on Form 20-F for the year ended December 31, 2007. Our unaudited interim financial statements for the three months ended March 31, 2007 and 2008 and as of March 31, 2008 reflect all adjustments, consisting only of normal and recurring adjustments, that are, in the opinion of our management, necessary for a fair presentation of our financial position and results of operations in the interim periods presented. Results for the three months ended March 31, 2008 are not necessarily indicative of the results that may be expected for the full year. The historical results are not necessarily indicative of results to be expected in any future period.

	Three months ended March 31,		
	2007 (unaudited) (in thousands, except for per share data and number of shares)	2008 (unaudited) (in thousands, except for per share data and number of shares)	2008 (unaudited) (in thousands, except for per share data and number of shares)
	RMB	RMB	US\$( <sup>1</sup> )
<b>Consolidated Statements of Operations Data:</b>			
Net revenues			
Solar products to third parties	334,669.2	999,077.2	142,481.1
Solar products to related parties	480.5	112,106.8	15,987.9
Solar cells processing	0	10,848.6	1,547.1
<b>Total revenues</b>	<b>335,149.7</b>	<b>1,122,032.6</b>	<b>160,016.1</b>
Cost of revenues			
Solar products	(266,394.8)	(882,422.1)	(125,844.6)
Solar cells processing	(0)	(3,752.8)	(535.2)
<b>Total cost of revenues</b>	<b>(266,394.8)</b>	<b>(886,174.9)</b>	<b>(126,379.8)</b>
<b>Gross profit</b>	<b>68,754.9</b>	<b>235,857.7</b>	<b>33,636.3</b>
Selling, general and administrative expenses	(9,772.0)	(69,605.1)	(9,926.5)
Research and development expenses	(920.2)	(2,696.6)	(384.6)
<b>Total operating expenses</b>	<b>(10,692.2)</b>	<b>(72,301.7)</b>	<b>(10,311.1)</b>
<b>Income from operations</b>	<b>58,062.7</b>	<b>163,556.0</b>	<b>23,325.2</b>
Interest expense	(2,815.6)	(492.4)	(70.2)
Interest income	11,492.1	11,930.7	1,701.4
Foreign exchange loss	(6,232.7)	(38,605.4)	(5,505.6)
Change in fair value of embedded foreign exchange derivatives		40,722.7	5,807.6
Loss from sale of investments		(16,823.9)	(2,399.3)
Other income		3,196.7	455.9
<b>Income before income taxes</b>	<b>60,506.5</b>	<b>163,484.4</b>	<b>23,315.0</b>
Income tax expense		(9,016.8)	(1,286.0)
<b>Net income</b>	<b>60,506.5</b>	<b>154,467.6</b>	<b>22,029.0</b>
Preferred shares accretion	(515.2)		
Preferred shares beneficial conversion charge			
Allocation of net income to participating preferred shareholders	(1,648.0)		
<b>Net income available to ordinary shareholders</b>	<b>58,343.3</b>	<b>154,467.6</b>	<b>22,029.0</b>

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Net income per share:			
Basic	0.53	1.00	0.14
Diluted	0.52	0.99	0.14
Weighted average number of shares outstanding:			
Basic	110,279,889	154,058,500	154,058,500
Diluted	111,228,304	155,773,928	155,773,928

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	As of	As of	
	December 31, 2007	March 31, 2008 (unaudited)	March 31, 2008 (unaudited)
	RMB	(in thousands) RMB	US\$(1)
<b>Consolidated Balance Sheet Data:</b>			
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	1,145,032.9	1,450,424.7	206,848.9
Available for sale securities	803,121.4	109,636.8	15,635.6
Accounts receivable from third party customers	28,819.5	109,994.1	15,686.6
Accounts receivable from related party customers	24,730.7	82,513.5	11,767.5
Inventories	157,334.3	146,681.8	20,918.7
Advances to related party supplier	389,871.7	366,880.1	52,321.7
Advances to third party supplier	898,722.7	888,329.4	126,687.0
Other current assets	42,315.1	189,885.4	27,080.1
Deferred tax assets	1,214.2		
<b>Total current assets</b>	<b>3,491,162.5</b>	<b>3,344,345.8</b>	<b>476,946.1</b>
Property and equipment, net	532,012.0	594,441.3	84,774.9
Intangible asset, net	6,687.6	6,351.6	905.8
Deferred tax asset	4,355.4	2,979.7	424.9
Advances to third party suppliers	536,332.2	495,744.2	70,699.4
<b>Total assets</b>	<b>4,570,549.7</b>	<b>4,443,862.6</b>	<b>633,751.1</b>
<b>Liabilities And Shareholders Equity</b>			
Current liabilities:			
Short-term bank borrowings	200,000.0		
Accounts payable to third parties	10,119.2	35,950.4	5,127.0
Accounts payable to related parties		22,280.9	3,177.4
Tax payables	342.0	30,487.3	4,347.9
Advances from third party customers	70,285.9	38,724.9	5,522.7
Other payables to third parties	16,841.5	18,232.8	2,600.2
Payroll and welfare payable	6,364.4	5,779.0	824.2
Accrued expenses	15,279.8	22,104.3	3,152.4
Amounts due to related parties	113,890.2	931.5	132.8
<b>Total current liabilities</b>	<b>433,123.0</b>	<b>174,491.1</b>	<b>24,884.6</b>
Accrued warranty cost	929.2	1,144.9	163.3
<b>Total liabilities</b>	<b>434,052.2</b>	<b>175,636.0</b>	<b>25,047.9</b>
<b>Shareholders equity:</b>			
Ordinary shares (US\$0.0001 par value; 493,480,000 shares authorized, 154,058,500 and 154,058,500 shares issued and outstanding as of December 31, 2007 and March 31, 2008)	123.3	123.3	17.6
Additional paid-in capital	3,655,194.1	3,709,091.7	528,963.5
Statutory reserves	71,617.9	71,617.9	10,213.6
Retained earnings	417,203.2	571,670.8	81,527.5
Accumulated other comprehensive income	(7,641.0)	(84,277.1)	(12,019.0)
<b>Total shareholders equity</b>	<b>4,136,497.5</b>	<b>4,268,226.6</b>	<b>608,703.2</b>
<b>Total liabilities and shareholders equity</b>	<b>4,570,549.7</b>	<b>4,443,862.6</b>	<b>633,751.1</b>



<b>Other Consolidated Financial Data (in percentages)</b>	<b>Three months ended March 31,</b>	
	<b>2007</b>	<b>2008</b>
Gross margin	20.5%	21.0%
Operating margin	17.3%	14.6%
Net margin	18.1%	13.8%
<b>Selected Operating Data</b>		
Products sold (in MW)	14.4	51.4
Average selling price per watt of solar cells (in RMB)	22.8	22.7

- (1) Translations of RMB amounts in U.S. dollars were made at a rate of RMB 7.0120 to US\$1.00, the noon buying rate for U.S. dollars in effect on March 31, 2008 in New York City for cable transfers of Renminbi as certified for customs purposes by the Federal Reserve Bank of New York. We make no representation that any amounts of Renminbi or U.S. dollar could be or could have been converted into each other at any particular rate or at all.

***Three Months Ended March 31, 2008 Compared to Three Months Ended March 31, 2007***

**Total Revenues.** Total revenues for the three months ended March 31, 2008 were RMB 1.12 billion (US\$160.0 million), representing an increase of 234.8%, compared to total revenues for the three months ended March 31, 2007 of RMB 335.1 million. The increase in our total revenues was primarily due to the increase of our solar cell sales volume as a result of our ramp-up of four 25MW manufacturing lines in August 2007, which increased our manufacturing capacity from 75 MW per annum to 175 MW per annum. We shipped approximately 51.4 MW of solar cells in the first quarter 2008, representing an increase of 256.9%, compared to 14.4 MW in the first quarter 2007. The significant increase in shipments helped to offset a slight reduction in the average selling price for our solar cells, which decreased from RMB 22.8 per watt in the first quarter 2007 to RMB 22.7 per watt in the first quarter 2008. While we had no revenues from processing solar cells for third parties in the first quarter of 2007, these revenues amounted to RMB 10.8 million in the first quarter of 2008, and represented approximately 1% of our total revenues in the first quarter 2008.

**Cost of Revenues.** Our cost of revenues increased significantly from RMB 266.4 million in the first quarter 2007 to RMB 886.2 million (US\$126.4 million) in the first quarter 2008. The increase in our cost of revenue was due primarily to the increased quantity of silicon wafers that we processed as our production capacity expanded as well as an increase in the average cost of silicon wafers as a result of the rising market price of polysilicon and silicon wafers. For the first quarter 2008, cost of silicon wafers represented approximately 90.1% of our cost of revenues, which was generally in line with that of the full year 2007.

**Gross Profit and Gross Margin.** As a result of the foregoing, our gross profit increased from RMB 68.8 million in the first quarter 2007 to RMB 235.9 million (US\$33.6 million) in the first quarter 2008, representing an increase of 243.0%. Our gross margin increased slightly from 20.5% in the first quarter 2007 to 21.0% in the first quarter 2008. Our gross margin for the full year 2007 was 22.3%.

**Total Operating Expenses.** Our total operating expenses increased from RMB 10.7 million in the first quarter 2007 to RMB 72.3 million (US\$10.3 million) in the first quarter 2008. The increase in our total operating expenses was due primarily to significant increases in our selling, general and administrative expenses associated with our increased sales volume, as well as an increase in our research and development expenses. Total operating expenses as a percentage of our total revenue increased from 3.2% in the first quarter 2007 to 6.4% in the first quarter 2008 as we enhanced our marketing efforts in response to the increase in production capacity.

**Selling, General and Administrative Expenses.** Our selling, general and administrative expenses increased from RMB 9.8 million in the first quarter 2007 to RMB 69.6 million (US\$9.9 million) in the

first quarter 2008, and as percentage of our total revenues, it increased from 2.9% in the first quarter 2007 to 6.2% in the first quarter 2008. The increase in our selling, general and administrative expenses was due primarily to increases in our selling expenses, advertising expenses associated with our increased product sales, an increased amount of salary and benefits paid to our sales and marketing personnel as a result of increased headcount, as well as an increase in the share-based compensation expenses. For the first quarter 2008, the company recognized a total of RMB 52.2 million (US\$7.4 million) share-based compensation expenses relating to our stock options and RSUs granted to certain employees and consultants, as compared to RMB 2.0 million in first quarter 2007 due to an increased number of members of our senior management receiving our stock options and/or RSUs.

*Research and Development Expenses.* Our research and development expenses increased from RMB 0.9 million in the first quarter 2007 to RMB 2.7 million (US\$0.4 million) in the first quarter 2008. The increase in our research and development expenses was due primarily to increases in raw material costs related to our increased research and development activities, and to a lesser extent, additional compensation and benefits for our expanded team of research and development personnel as compared to the first quarter 2007.

*Interest Income, Net.* We generated net interest income of RMB 11.5 million in the first quarter 2007 and RMB 11.9 million (US\$1.7 million) in first quarter 2008. Our net interest income was generated primarily from the net proceeds from our initial public offering in January 2007 and follow-on offering in October 2007.

*Foreign Exchange Gain (Loss).* We incurred a foreign exchange loss of RMB 6.2 million in the first quarter 2007 and RMB 38.6 million (US\$5.5 million) in the first quarter 2008. In the first quarter 2008, we had a RMB 40.7 million (US\$5.8 million) gain from a positive change in fair value of embedded foreign exchange derivatives relating to our U.S. dollar denominated purchase obligations in some of our supply agreements. The foreign exchange losses were incurred in both quarters primarily because a significant portion of our cash assets were dominated in U.S. dollars, which has been depreciating against the Renminbi since 2005.

*Investment Loss.* We incurred an investment loss of RMB 16.8 million (US\$2.4 million) in the first quarter 2008 as a result of our disposal of certain available-for-sale securities at a loss. We hold different types of available-for-sale securities for cash management purposes and for strategic objectives. We may incur additional investment loss in the future if we choose to divest our available-for-sale securities below our cost basis.

*Income Tax.* We had an income tax expense of RMB 9.0 million (US\$1.3 million) in the first quarter 2008 as a portion of our operating subsidiaries' profit became subject to PRC corporate income tax.

*Net Income.* As a result of the cumulative effect of the above factors, our net income increased from RMB 60.5 million in the first quarter 2007 to RMB 154.5 million (US\$22.0 million) in the first quarter 2008.

### **Balance Sheet Analysis**

As of March 31, 2008, we had RMB 1,450.4 million (US\$206.8 million) in cash and cash equivalents, compared to RMB 1,145.0 million as of December 31, 2007. Our cash and cash equivalents consist primarily of cash on hand and demand deposits. The increase of cash and cash equivalents was primarily due to our disposal of certain of our available for sale securities. In addition, we have repaid all of our bank borrowings in the first quarter 2008. Accounts receivables increased from RMB 53.6 million as of December 31, 2007 to RMB 192.5 million (US\$27.5 million) as of March 31, 2008, primarily because we increased credit sales to customers. The level of our working capital was relatively stable, which increased slightly from RMB 3,058.0 million as of December 31, 2007 to RMB 3,169.9 million (US\$452.1 million) as of March 31, 2008. Capital expenditures were RMB 69.5 million (US\$9.9 million) in the first quarter 2008, as compared to RMB 101.2 million in the first quarter 2007.



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## RISK FACTORS

*An investment in our ADSs involves risks. Before you decide to buy our ADSs, you should consider carefully all of the information in this prospectus supplement and the accompanying prospectus, including the risks and uncertainties described below, as well as the section titled Item 3. Key Information D. Risk Factors included in our 2007 annual report on Form 20-F as filed with the SEC and incorporated herein by reference and all the other documents incorporated herein by reference. Any of these risks could have a material adverse effect on our business, prospects, financial condition and results of operations. In any such case, the trading price of our ADSs could decline, and you could lose all or part of your investment.*

### **Risks Relating to Our Ordinary Shares and Our ADSs**

*Changes in the accounting guidelines relating to the borrowed ADS could decrease our earnings per share and potentially our ADS price.*

The ADS Borrowers are hereby offering ADSs, which are being borrowed pursuant to the ADS Lending Agreements by the ADS Borrowers (which are Lehman Brothers International (Europe) and Credit Suisse International, affiliates of Lehman Brothers Inc. and Credit Suisse Securities (USA) LLC, respectively, which are underwriters of this offering). The ADS Borrowers will receive all of the proceeds from the sale of the borrowed ADSs. We will not receive any proceeds from the sale of the borrowed ADSs pursuant to this prospectus supplement, but we will receive a nominal lending fee for the use of those ADSs.

Subject to certain terms of the ADS Lending Agreements, such borrowed ADSs must be returned to us by May 15, 2013 or earlier in certain circumstances. Because the borrowed ADSs being offered hereby (or identical ADSs) must be returned to us at the end of the loan availability period under the ADS Lending Agreements or earlier in certain circumstances, we believe that, under U.S. GAAP (as in effect on the date of this prospectus supplement), the borrowed ADSs will not be considered outstanding for the purpose of computing and reporting our earnings per share. If these accounting guidelines were to change in the future, we may become required to treat the borrowed ADSs as outstanding for purposes of computing earnings per share, our earnings per share would be reduced and our ADS price could decrease, possibly significantly.

*The effect of the issuance of our ADSs under this prospectus supplement may be to lower the market price of our ADSs.*

The sale of borrowed ADSs under this prospectus supplement could have a negative effect on the market price of our ADSs. In addition, because the Registered ADS Borrow Facility is intended to facilitate privately negotiated transactions or short sales of our ADSs by which investors in the Notes will hedge their investment in the Notes and/or by which the counterparties to the capped call transactions will hedge the capped call transactions, the market price of our ADSs could be further negatively affected by these short sales of our ADSs.

*The capped call transactions may affect the value of our ADSs.*

In connection with our concurrent offering of the Notes, we expect to enter into capped call transactions relating to our ADSs initially issuable upon the conversion of Notes with counterparties that are affiliates of the underwriters of this offering. If the underwriters of the Notes exercise their option to purchase additional Notes to the extent they sell more than \$300 million aggregate principal amount of Notes, we expect to increase the notional size of the capped call transactions so that they also relate to our ADSs initially issuable upon conversion of the additional Notes.

In connection with establishing their initial hedge of these capped call transactions, we have been advised by the counterparties described above (and/or their affiliates) that they expect to enter into various over-the-counter cash-settled derivative transactions with respect to our ADSs concurrently with, or shortly after, the pricing of

the ADSs being offered hereby and purchase ADSs in secondary market transactions shortly after the pricing of the ADSs being offered hereby. These activities could have the effect of increasing or preventing a decline in the price of our ADSs concurrently with or following the pricing of the ADSs being offered hereby.

In addition, we have been advised by the counterparties described above (and/or their affiliates) that they expect to modify or unwind their hedge positions by purchasing or selling our ADSs in secondary market transactions and/or entering into or unwinding various derivative transactions prior to maturity of the Notes (including during any conversion period related to conversion of the Notes). The effect, if any, of these transactions and activities on the market price of our ADSs will depend in part on market conditions and cannot be ascertained at this time, but any of these activities could adversely affect the value of our ADSs.

We do not make any representation or prediction as to the direction or magnitude of any potential effect that the transactions described above may have on the price of our ADSs. In addition, we do not make any representation that the counterparties described above (and/or their affiliates) will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

The capped call transactions are expected to reduce the potential dilution upon conversion of the Notes, as described in detail under Description of Capped Call Transactions. However, if the market value per ADS (as measured under the terms of the capped call transactions) at the time of early termination or automatic exercise (in each case, as described under Description of Capped Call Transactions ) exceeds the cap price of the capped call transactions (as described under Description of Capped Call Transactions ), if the capped call transactions are net share settled, the number of our ADSs we expect to receive in the early termination or automatic exercise will be capped and the anti-dilutive effect of the capped call transactions will be limited because, to the extent that the then market value per ADS exceeds the cap price of the capped call transactions, the number of ADSs we issue upon conversion of the Notes may exceed the number of ADSs delivered to us under the capped call transactions.

We have agreed to indemnify the counterparties (and/or their affiliates) for losses incurred in connection with a potential unwinding of their hedge positions under certain circumstances, and in other limited circumstances. See Description of Capped Call Transactions.

***As a result of the concurrent offering of the Notes, we will take on a significant amount of debt. The amount and structure of this debt could, depending on market conditions that are difficult to forecast, adversely affect our business, financial condition and results of operations and our ability to meet our payment obligations under the Notes.***

We will incur a significant amount of debt and substantial debt service requirements as a result of the concurrent offering of the Notes. The level and structure of such debt could have significant consequences on our future operations, including:

making it more difficult for us to meet payment and other obligations that arise in the course of our business;

increasing our exposure to additional charges, including interest expenses caused by factors such as market volatility and fluctuation in exchange rates;

limiting our flexibility in planning for or reacting to, and increasing our vulnerability to, changes in our business, the industry in which we operate and the general economy; and

placing us at a competitive disadvantage compared to our competitors who have less debt or are less leveraged.

Any of the above-listed factors could have an adverse effect on our business, financial condition and results of operations and our ability to meet our payment obligations under the Notes.

Our ability to meet our payment and other obligations depends on our ability to generate significant cash flow in the future. This, to some extent, is subject to general economic, financial, competitive, legislative and regulatory factors as well as other factors that are beyond our control. We cannot assure you that our business will generate sufficient cash flows from operations, or that future borrowings will be available to us in amounts sufficient and on terms reasonable to us to support our liquidity needs. If we are not able to generate sufficient cash flow to service our debt obligations, we may need to refinance or restructure our debt, including the Notes, sell assets, reduce or delay capital investments, or seek to raise additional capital. If we are unable to implement one or more of these alternatives, we may not be able to meet our payment obligations with respect to our debt, including the Notes.

***The effect on our net income of the financial instruments and derivative features used to structure the Notes is uncertain.***

The Notes being offered in this offering are structured using a number of sophisticated financial instruments and derivative features, including capped call transactions. See Description of the Notes in this prospectus supplement. The effect on our net income of these financial instruments and derivative features depends on market conditions that are difficult to forecast. As a result, we are unable to estimate with any degree of certainty the exposure of these financial instruments and derivative features on our prospective financial conditions and results of operations. Such exposure could have a material adverse effect on our financial condition and results of operations.

***The market price for our ADSs has been highly volatile.***

The market price for our ADSs has been, and may continue to be, highly volatile and subject to wide fluctuations. Since our ADSs became listed on the Nasdaq Global Market on February 7, 2007, the closing sale prices of our ADSs have ranged from \$5.43 to \$25.75 per ADS, after giving effect to the 3-for-1 ADS split we conducted in February 2008, and the closing sale price of our ADSs on May 9, 2008 was \$23.54 per ADS. The price of our ADSs may continue to fluctuate in response to factors including the following:

announcements of technological or competitive developments;

regulatory developments in our target markets affecting us, our customers, our potential customers or our competitors;

announcements regarding patent litigation or the issuance of patents to us or our competitors;

announcements of studies and reports relating to the conversion efficiencies of our products or those of our competitors;

actual or anticipated fluctuations in our quarterly operating results;

changes in operational and financial estimates by securities research analysts;

changes in the economic performance or market valuations of other photovoltaic technology companies;

addition or departure of our executive officers and key research personnel;

fluctuations in the exchange rate between the U.S. dollar and Renminbi;

release or expiration of lock-up or other transfer restrictions on our outstanding ordinary shares or ADSs; and

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sales or perceived sales of additional ordinary shares or ADSs.

In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are not related to the operating performance of particular companies. These market fluctuations may also have a material adverse effect on the market price of our ADSs.

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***Future sales of our ordinary shares or ADSs in the public market or the issuance of securities senior to our ordinary shares could adversely affect the trading price of our ADSs and our ability to raise funds in new share offerings.***

Except as described under "Underwriting," we are not restricted from issuing additional ordinary shares or ADSs. Future sales of substantial amounts of our ordinary shares or ADSs or other equity-related securities in the public market, including sales by Jinglong BVI, our largest shareholder, or members of our management or any other shareholder, or the perception that such sales could occur, could adversely affect prevailing trading prices of our ADSs and could impair our ability to raise capital through future offerings of equity or equity-related securities. No prediction can be made as to the effect, if any, that future sales of our ordinary shares or ADSs or the availability of our ordinary shares or ADSs for future sale, will have on the trading price of our ADSs.

***Conversion of the Notes being offered concurrently may dilute the ownership interest of existing shareholders, including holders who had previously converted their Notes.***

To the extent we issue ADSs upon conversion of the Notes, the conversion of some or all of the Notes will dilute the ownership interests of existing shareholders. Any sales in the public market of shares of the ADSs issuable upon such conversion could adversely affect prevailing market prices of shares of our ADSs. In addition, the existence of the Notes may encourage short selling by market participants because the conversion of the Notes could depress the price of our ADSs.

***You will have fewer rights than holders of ordinary shares and must act through the depositary to exercise those rights.***

You will not have the same rights as holders of our ordinary shares, and you may only exercise the voting rights with respect to the underlying ordinary shares in accordance with the provisions of the deposit agreement. Under our third amended and restated articles of association, the minimum notice period required to convene a general meeting will be ten days. When a general meeting is convened, you may not receive sufficient notice of a shareholders' meeting to permit you to withdraw your ordinary shares to allow you to cast your vote with respect to any specific matter. In addition, the depositary and its agents may not be able to send voting instructions to you or carry out your voting instructions in a timely manner. We will make all reasonable efforts to cause the depositary to extend voting rights to you in a timely manner, but we cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote your ADSs. Furthermore, the depositary and its agents will not be responsible for any failure to carry out any instructions to vote, for the manner in which any vote is cast or for the effect of any such vote. As a result, you may not be able to exercise your right to vote and you may lack recourse if your ADSs are not voted as you requested. In addition, in your capacity as an ADS holder, you will not be able to call a shareholder meeting.

***You may not receive dividends if it is impractical to make them available to you.***

In addition, the depositary of our ADSs has agreed to pay to you the cash dividends or other distributions it or the custodian receives on our ordinary shares or other deposited securities after deducting its fees and expenses. You will receive these distributions in proportion to the number of ordinary shares your ADSs represent. However, the depositary may, at its discretion, decide that it is inequitable or impractical to make a distribution available to any holders of ADSs. For example, the depositary may determine that it is not practicable to distribute certain property through the mail, or that the value of certain distributions may be less than the cost of mailing them. In these cases, the depositary may decide not to distribute such property and you will not receive such distribution.

***You may be subject to limitations on transfers of your ADSs.***

Your ADSs will be transferable on the books of the depositary. However, the depositary may close its transfer books at any time or from time to time when it deems expedient in connection with the performance of its duties. In addition, the depositary may refuse to deliver, transfer or register transfers of ADSs generally when

our books or the books of the depositary are closed, or at any time if we or the depositary deem it advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason.

***Your right to participate in any future rights offerings may be limited, which may cause dilution to your holdings.***

We may from time to time distribute rights to holders of our ordinary shares, including rights to acquire our securities. However, we cannot make rights available to holders of our ADSs in the United States unless we register the rights and the securities to which the rights relate under the Securities Act or an exemption from the registration requirements is available. Also, under the deposit agreement, the depositary bank will not make rights available to holders of our ADSs unless the distribution to ADS holders of both the rights and any related securities are either registered under the Securities Act, or exempted from registration under the Securities Act. We are under no obligation to file a registration statement with respect to any such rights or securities or to endeavor to cause such a registration statement to be declared effective. Moreover, we may not be able to establish an exemption from registration under the Securities Act. Accordingly, you may be unable to participate in our rights offerings.

***Our third amended and restated articles of association contain anti-takeover provisions that could have a material adverse effect on the rights of holders of our ADSs.***

Our third amended and restated articles of association limit the ability of others to acquire control of our company or cause us to engage in change-of-control transactions. These provisions could have the effect of depriving the holders of our ordinary shares and holders of our ADSs of an opportunity to sell their ordinary shares and ADSs, as applicable, at a premium over prevailing market prices by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transaction. For example, our board of directors has the authority, without further action by our shareholders, to issue preferred shares in one or more series and to fix their designations, powers, preferences, privileges, and relative participating, optional or special rights and the qualifications, limitations or restrictions, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights associated with our ordinary shares (directly or in the form of ADSs). Preferred shares could be issued quickly with terms calculated to delay or prevent a change in control of our company or make removal of management more difficult. If our board of directors decides to issue preferred shares, the price of our ADSs may fall and the voting and other rights of the holders of our ordinary shares and ADSs may be materially and adversely affected.

***Provisions of the Notes being offered concurrently could also discourage an acquisition of us by a third party.***

Certain provisions of the Notes could also make it more difficult or more expensive for a third party to acquire us, or may even prevent a third party from acquiring us. For example, upon the occurrence of certain transactions constituting a fundamental change, holders of the Notes will have the right, at their option, to require us to repurchase all of their Notes or any portion of the principal amount of such Notes in integral multiples of \$1,000. We may also be required to increase the conversion rate for conversions in connection with certain fundamental changes. By discouraging an acquisition of us by a third party, these provisions could have the effect of depriving the holders of our ordinary shares and holders of our ADSs of an opportunity to sell their ordinary shares and ADSs, as applicable, at a premium over prevailing market prices.

***We are a Cayman Islands company and, because judicial precedent regarding the rights of shareholders is more limited under Cayman Islands law than that under U.S. law, you may have less protection for your shareholder rights than you would under U.S. law.***

Our corporate affairs are governed by our third amended and restated articles of association, the Cayman Islands Companies Law and the common law of the Cayman Islands. The rights of shareholders to take action

against the directors, actions by minority shareholders and the fiduciary responsibilities of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as that from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The rights of our shareholders and the fiduciary responsibilities of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a less developed body of securities laws than the United States. In addition, some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. As a result of all of the above, public shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of the board of directors or controlling shareholders than they would as shareholders of a U.S. public company.

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**USE OF PROCEEDS**

The ADS Borrowers, which are affiliates of the underwriters of this offering and the concurrent offering of Notes, will receive all of the proceeds from the sale of the borrowed ADSs. We will not receive any proceeds from the sale of the borrowed ADSs pursuant to this prospectus supplement, but we will receive from the ADS Borrowers a nominal lending fee of \$0.0001 per ADS for each ADS that we loan pursuant to the ADS Lending Agreements. This offering is being conducted in connection with the offering of our Notes and is conditioned upon the closing of the offering of the Notes.

The Registered ADS Borrow Facility, which in this prospectus supplement refers to the ADS loan transactions pursuant to the ADS Lending Agreements with the ADS Borrowers, is intended to facilitate privately negotiated transactions or short sales by which investors in the Notes being offered concurrently will hedge their investment in the Notes and/or by which the counterparties to the capped call transactions which are being entered into in connection with the offering of the Notes will hedge the capped call transactions.

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## CAPITALIZATION

The following table shows our capitalization as of March 31, 2008:

on an actual basis; and

on an as adjusted basis to give effect to (i) the concurrent offering of Notes and the application of the net proceeds (assuming the underwriters' option to purchase additional Notes is not exercised), after deducting the underwriting discount, estimated offering expenses and the cost of the capped call transactions, and (ii) this offering of borrowed ADSs (because we will receive no proceeds from the sale of the borrowed ADSs offered hereby, this offering is reflected below only with respect to the number of ordinary shares issued and outstanding on an as adjusted basis).

You should read this table together with our consolidated financial statements and related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations in our annual report on Form 20-F for the fiscal year ended December 31, 2007 incorporated by reference in this prospectus supplement.

	As of March 31, 2008			
	Actual		As adjusted	
	RMB (in thousands)	US\$( <sup>1</sup> )	RMB (in thousands)	US\$ (in thousands)
<b>Debt:</b>				
Senior Convertible Notes offered hereby				
<b>Total debt</b>				
<b>Shareholders' equity:</b>				
Ordinary shares (par value US\$0.0001 per share; 493,480,000 shares authorized, 154,058,500 shares issued and outstanding on an actual basis, shares issued and outstanding on an as adjusted basis) <sup>(2)</sup>	123	18		
Additional paid-in capital	3,709,092	528,963		
Statutory reserves	71,618	10,214		
Retained earnings	571,671	81,527		
Accumulated other comprehensive income	(84,277)	(12,019)		
<b>Total shareholders' equity</b>	<b>4,268,227</b>	<b>608,703</b>		
<b>Total capitalization</b>	<b>4,268,227</b>	<b>608,703</b>		

(1) Translations of RMB amounts into U.S. dollars were made at a rate of RMB 7.0120 to US\$1.00, the noon buying rate for U.S. dollars in effect on March 31, 2008 in New York City for cable transfers of Renminbi as certified for customs purposes by the Federal Reserve Bank of New York.

(2) Ordinary shares issued and outstanding on an as adjusted basis give effect to the concurrent offering by the ADS Borrowers of borrowed ADSs pursuant to the ADS prospectus supplement. The borrowed ADSs will be reflected as issued and outstanding in shareholders' equity. We believe that under U.S. GAAP, as in effect on the date of this prospectus supplement, the borrowed ADSs will not be considered outstanding for the purpose of computing and reporting our earnings per ADS. See Description of the Registered ADS Borrow Facility.



### CURRENCIES AND EXCHANGE RATES

We conduct almost all of our business operations in China in Renminbi. Solely for your convenience, unless otherwise indicated, this prospectus supplement contains translations of Renminbi amounts into U.S. dollar amounts at US\$1.00 = RMB 7.0120, the noon buying rate for U.S. dollars in effect on March 31, 2008 in New York City for cable transfers of Renminbi as certified for customs purposes by the Federal Reserve Bank of New York. We make no representation that any amounts of Renminbi or U.S. dollar could be or could have been converted into each other at any particular rate or at all. See Risk Factors Risks Related to Doing Business in China Fluctuation in the value of the Renminbi versus that of other foreign currencies may have a material adverse effect on our business and on your investment in our annual report on Form 20-F for the fiscal year ended December 31, 2007 incorporated by reference in this prospectus. On May 9, 2008, the noon buying rate was RMB 6.9876 to US\$1.00.

The following table sets forth, for the periods indicated, the noon buying rates for U.S. dollars in New York City for cable transfers in Renminbi as certified for customs purposes by the Federal Reserve Bank of New York:

Period	Period end	Noon buying rate		
		Average <sup>(1)</sup>	High	Low
(RMB per US\$1.00)				
2003	8.2767	8.2771	8.2800	8.2765
2004	8.2765	8.2768	8.2774	8.2764
2005	8.0702	8.1826	8.2765	8.0702
2006	7.8041	7.9579	8.0702	7.8041
2007	7.2946	7.5806	7.8127	7.2946
November	7.3850	7.4212	7.4582	7.3800
December	7.2946	7.3682	7.4120	7.2946
2008				
January	7.1818	7.2405	7.2946	7.1818
February	7.1115	7.1644	7.1973	7.1100
March	7.0120	7.0722	7.1110	7.0105
April	6.9870	6.9997	7.0185	6.9840
May (through May 9)	6.9876	6.9880	7.000	6.9815

Source: Federal Reserve Bank of New York.

- (1) Annual averages are calculated by averaging the noon buying rates on the last business day of each month or the elapsed portion thereof during the relevant period. Monthly averages are calculated using the average of the daily rates during the relevant period.

**PRICE RANGE OF OUR ADSs**

Our American depositary shares, or ADSs, each representing one of our ordinary shares, par value US\$0.0001 per share, have been listed on the NASDAQ Global Market under the symbol JASO, and commenced trading on February 8, 2007. Prior to that time, there was no public market for our ADSs or ordinary shares.

The following table sets forth, for the periods indicated, the high and low closing prices of our ADSs on the NASDAQ Global Market.

		<b>Closing price per ADS</b>	
		<b>High</b>	<b>Low</b>
		<b>(US\$)</b>	<b>(US\$)</b>
<b>Before our 3-for-1 ADS Split on February 7, 2008</b>			
2007	February 8 through March 31	20.46	16.30
	April 1 through June 30	34.40	18.80
	July 1 through September 30	46.84	28.67
	October 1 through December 31	75.43	40.98
2008	January	75.07	50.83
	February (up to February 7, 2008)	56.20	46.45
<b>After our 3-for-1 ADS Split on February 7, 2008</b>			
2008	February (from February 8, 2008)	20.34	14.29
	March	19.00	12.39
	April	25.75	18.87
	May (through May 9)	23.54	21.49

*Source: Bloomberg*

On February 7, 2008, our Board of Directors approved a change in the ratio of one ADS to three ordinary shares of the company to one ADS to one ordinary share of the company. Each shareholder of record at the close of business on February 6, 2008 received two additional ADSs for every ADS held on the record date. There was no change to the rights and preferences of the underlying ordinary shares. No action was required on the part of any ADS holder to effect the ratio change. As of May 9, 2008, there were 154,355,500 ordinary shares issued and outstanding and 104,615,500 were held by ten registered holders of American depositary receipts evidencing 104,615,500 ADSs. The depositary of our ADSs is The Bank of New York.

### **DIVIDEND POLICY**

We have never declared or paid any dividends on our ordinary shares. We do not anticipate paying any cash dividends in the foreseeable future. We currently intend to retain future earnings, if any, to finance operations and to expand our business.

Our board of directors has complete discretion on whether to pay dividends, subject to the approval of our shareholders. Even if our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial conditions, contractual restrictions and other factors that the board of directors may deem relevant. Cash dividends on our ADSs, if any, will be paid in U.S. dollars.

PRC regulations currently permit payment of dividends only out of accumulated profits, if any, as determined in accordance with PRC accounting standards and regulations. Under current PRC laws and regulations, each of our PRC subsidiaries is required to allocate at least 10% of its after-tax profits each year, if any, to fund a statutory reserve until such reserve reaches 50% of its respective registered capital. As of May 9, 2008, the registered capital of JA Hebei was \$134.7 million, the registered capital of JA Fengxian was \$7.4 million, the registered capital of JA Yangzhou was \$60.0 million) and the registered capital of JA Zhabei was \$20.0 million. Neither the registered capital nor these reserves are distributable as cash dividends. In addition, at the discretion of its board of directors, each of our PRC subsidiaries may allocate a portion of its after-tax profits to its staff welfare and bonus funds. These reserve funds may not be distributed as cash dividends either. Further, if any of our PRC subsidiaries incurs debt in the future, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us.

Under the new PRC Corporate Income Tax Law, which became effective on January 1, 2008, dividends from our PRC subsidiaries to us are ordinarily subject to a withholding tax rate of 20.0%. Pursuant to the implementation rules of this law, the withholding tax rate has been temporarily reduced to 10%; there is no clear indication as to when such reduction will expire.

**CONCURRENT OFFERING OF SENIOR CONVERTIBLE NOTES**

Concurrently with this offering of ADSs, we are offering, by means of the Notes prospectus supplement, \$300 million aggregate principal amount of our Notes. The underwriters of the offering of Notes have a 30 day option to purchase up to an additional \$45 million aggregate principal amount of Notes to the extent they sell more than \$300 million aggregate principal amount of Notes in the offering of Notes.

The Notes will be convertible, at the holder's option, based on an initial conversion rate of \_\_\_\_\_ ADSs per \$1,000 principal amount (equivalent to an initial conversion price of approximately \$ \_\_\_\_\_ per ADS), subject to adjustment. Prior to February 15, 2013, the Notes will be convertible upon specified events and, thereafter, at any time. In the event of certain types of fundamental changes, we will increase the conversion rate by a number of additional ADSs. Upon conversion, JA Solar will have the right to deliver (i) ADSs or (ii) cash and, if applicable, ADSs.

We intend to use the net proceeds, after deducting underwriting discounts, estimated offering expenses and the cost of the capped call transactions, for the purchase and construction of manufacturing equipment and facilities, the purchase and prepayment of raw materials, working capital and other general corporate purposes.

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## DESCRIPTION OF CAPPED CALL TRANSACTIONS

In connection with the concurrent offering of Notes, we expect to enter into capped call transactions relating to our ADSs initially issuable upon conversion of Notes with counterparties that are affiliates of the underwriters of this offering. We expect to use a portion of the proceeds from this offering to fund the cost of the capped call transactions. If the underwriters of the Notes exercise their option to purchase additional Notes to the extent they sell more than \$300 million aggregate principal amount of Notes, we expect to use a portion of the proceeds from the sale of the additional Notes to increase the notional size of the capped call transactions so that they also relate to our ADSs initially issuable upon conversion of the additional Notes.

In connection with establishing their initial hedge of these capped call transactions, we have been advised by the counterparties described above (and/or their affiliates) that they expect to enter into various over-the-counter cash-settled derivative transactions with respect to our ADSs concurrently with or shortly after the pricing of the ADSs being offered hereby and to purchase ADSs in secondary market transactions shortly after the pricing of the ADSs being offered hereby. These activities could have the effect of increasing or preventing a decline in the price of our ADSs concurrently with or following the pricing of the ADSs being offered hereby.

In addition, we have been advised by the counterparties described above (and/or their affiliates) that they expect to modify or unwind their hedge positions by purchasing or selling our ADSs in secondary market transactions and/or entering into or unwinding various derivative transactions prior to maturity of the Notes (including during any conversion period related to conversion of the Notes). The effect, if any, of these transactions and activities on the market price of our ADSs or the Notes will depend in part on market conditions and cannot be ascertained at this time, but any of these activities could adversely affect the value of our ADSs and the value of the Notes, and as a result, the value the holder of Notes will receive upon the conversion of the Notes and, under certain circumstances, a holder's ability to convert the Notes.

In connection with any conversion of the Notes prior to February 15, 2013, we expect to terminate a pro rata portion of each capped call transaction (we refer to such termination as an early termination). We expect the remaining portion of each capped call transaction to be automatically exercised during the conversion period beginning on the 22nd scheduled trading day immediately preceding the maturity date. Subject to the terms of the capped call transactions, we have the right to elect net share settlement or net cash settlement to apply to any such early termination or automatic exercise.

If we early terminate all or a portion of the capped call transactions, to the extent net share settlement applies, we expect to receive from the counterparties a number of our ADSs with an aggregate market value equal to the fair value of the capped call transactions or portion thereof, as the case may be, being early terminated. If all or a portion of the capped call transactions are automatically exercised and the market value per ADS (as measured under the terms of the capped call transactions) at the time of automatic exercise exceeds the strike price of the capped call transactions (which corresponds to the initial conversion price of the Notes and is subject to certain anti-dilutive or anti-concentrative adjustments) to the extent net share settlement applies, we expect to receive from the counterparties a number of our ADSs with an aggregate market value approximately equal to the product of such excess per ADS (to the extent that such excess does not exceed the difference between the cap price of the capped call transactions (which is % higher than the closing sale price of our ADSs on the date of this prospectus supplement) and the strike price of the capped call transactions) times the number of our ADSs relating to the capped call transactions or portion thereof, as the case may be, subject to the automatic exercise. As a result, whether upon early termination or automatic exercise, the capped call transactions are expected to reduce the potential dilution upon conversion of the Notes. However, if the market value per ADS (as measured under the terms of the capped call transactions) at the time of early termination or automatic exercise exceeds the cap price of the capped call transactions, the number of our ADSs we expect to receive in the early termination or automatic exercise will be capped and the anti-dilutive effect of the capped call transactions will be limited because, to the extent that the then market value per ADS exceeds the cap price of the capped call transactions, the number of ADSs we issue upon conversion of the Notes may exceed the number of ADSs delivered to us under the capped call transactions.

The capped call transactions are separate transactions entered into by us and the counterparties, are not part of the terms of the Notes and will not affect the holders' rights under the Notes. Holders of the Notes will not have any rights with respect to the capped call transactions.

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**DESCRIPTION OF THE REGISTERED ADS BORROW FACILITY**

To facilitate transactions by which investors in the Notes may hedge their investment in the Notes, we have entered into ADS Lending Agreements, each dated May , 2008, with each of the ADS Borrowers, pursuant to which we have agreed to loan to the ADS Borrowers up to of our ADSs, on the first date on which any ADSs being offered pursuant to this prospectus supplement are delivered to investors. The Registered ADS Borrow Facility may also be used in connection with hedging of the capped call transactions.

The ADS Borrowers, which are affiliates of the underwriters in this offering, will receive all of the proceeds from the sale of the borrowed ADSs. We will not receive any proceeds from the sale of the borrowed ADSs pursuant to this prospectus supplement, but we will receive from the ADS Borrowers a nominal lending fee of \$0.0001 per ADS for each ADS that we loan pursuant to the ADS Lending Agreements.

Subject to the terms of the ADS Lending Agreements, the ADSs borrowed pursuant to the ADS Lending Agreements must generally be returned to us on the earliest of:

May 15, 2013;

the date as of which we have notified the ADS Borrowers in writing of our intention to terminate the ADS Lending Agreements at any time after the later of (x) the date on which the entire principal amount of the Notes ceases to be outstanding, and (y) the date on which the entire principal amount of any additional convertible securities of ours that we have in writing consented to permit the ADS Borrowers to hedge under the ADS Lending Agreements ceases to be outstanding, in each case, whether as a result of conversion, redemption, repurchase, cancellation or otherwise; and

the date on which the ADS Lending Agreements shall terminate in accordance with their terms.

We refer to this period as the loan availability period.

The ADS loans under the ADS Lending Agreements will terminate and any borrowed ADSs must be returned to us (i) if the offering of the Notes is not consummated and (ii) at the end of the loan availability period. In addition, (i) each ADS Borrower may terminate all or any portion of their ADS loan under the ADS Lending Agreements at any time and (ii) we may terminate the ADS loan with an ADS Borrower upon a default of that ADS Borrower under the ADS Lending Agreement we have with that ADS Borrower, including certain breaches by the ADS Borrower of its representations and warranties, covenants or agreements under the same ADS Lending Agreement, or the bankruptcy of that ADS Borrower.

If an ADS Borrower is legally prevented from returning borrowed ADSs to us or if it is commercially impracticable or, in certain other circumstances, upon our request, that ADS Borrower may pay us the value of the borrowed ADSs in cash instead of returning the borrowed ADSs.

The ordinary shares underlying the borrowed ADSs that we will issue to the ADS Borrowers will be issued and outstanding for company law purposes, and accordingly, the holders of the borrowed ADSs will have all of the rights of a holder of our outstanding ADSs, including the right, through the ADS depository, to vote on all matters on which our ADSs holders have a right to vote (except the ADS Borrowers and their respective affiliates have agreed not to vote the borrowed ADSs held by them) and the right, through the ADS depository, to receive any dividends or other distributions made to ADS holders in respect of any dividend or other distribution that we may pay or make on our outstanding ordinary shares. However, under the ADS Lending Agreements, the ADS Borrowers have agreed to:

pay to us an amount equal to any cash dividends or cash distributions that are paid on the borrowed ADSs (net of any fees and expenses of the Depository and any applicable withholdings or deductions on account of taxes or other governmental charges); and

pay or deliver to us any other dividends or distributions that are paid or made on the borrowed ADSs (other than a dividend or distribution of ADSs and net of any fees and expenses of the Depositary and any applicable withholdings or deductions on account of taxes or other governmental charges).

Because we may cause the ADS Borrowers at the end of the loan availability period or earlier in certain circumstances to return to us all borrowed ADSs (or identical ADSs), we believe that under U.S. GAAP, as in effect on the date of this prospectus supplement, the borrowed ADSs will not be considered outstanding for the purpose of computing and reporting our earnings per share. Notwithstanding the foregoing, the borrowed ADSs will nonetheless be issued and outstanding and will be eligible for trading on The Nasdaq Global Market.

The ADS Borrowers are initially offering for sale, pursuant to this prospectus supplement, of the borrowed ADSs they are entitled to borrow under the ADS Lending Agreements. The ADS Borrowers expect to sell the remaining borrowed ADSs pursuant to the ADS prospectus supplement on a delayed basis in various transactions at any time and from time in amounts to be determined by the ADS Borrowers. We refer to these borrowed ADSs as supplemental hedge ADSs. In connection with the sale of these supplemental hedge ADSs, the ADS Borrowers, or their affiliates, may effect such transactions by selling the supplemental hedge ADSs to or through dealers, and these dealers may receive compensation in the form of discounts, concessions or commissions from purchasers of shares for whom the dealers may act as agents or to whom they may sell as principals. Over the same period that the ADS Borrowers, or their affiliates, sell these supplemental hedge ADSs, each ADS Borrower may, in its discretion, purchase a number of our ADSs at least equal to the number of the supplemental hedge ADSs it is selling on the open market to facilitate hedging transactions by investors in the Notes and counterparties to the capped call transactions.

The ADS Borrowers have also agreed under the ADS Lending Agreements that they will not transfer or dispose of any borrowed ADSs, except pursuant to a registration statement that is effective under the Securities Act, other than to an affiliate so long as such affiliate transferee does not transfer or dispose of such borrowed ADSs to any non-affiliated transferee except pursuant to a registration statement that is effective under the Securities Act.

The existence of the Registered ADS Borrow Facility and the sale of the borrowed ADSs under this prospectus supplement could have the effect of causing the market price of our ADSs to be lower over the term of the ADS Lending Agreements than it would have been had we not entered the ADS Lending Agreements. In addition, any purchases of ADSs in connection with the termination of any portion of the ADS Lending Agreements may have the effect of increasing, or preventing a decline in, the market price of our ADSs during or following the loan unwind period. See Risk Factors Risks Relating to Our Ordinary Shares and Our ADSs The effect of the issuance of our ADSs under this prospectus supplement may be to lower the market price of our ADSs.

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## TAXATION

### Cayman Islands Taxation

The following discussion of certain material Cayman Islands income tax consequences of an investment in our ordinary shares or ADSs is based upon laws and relevant interpretations thereof in effect as of the date of this annual report, all of which are subject to change. This summary does not deal with all possible tax consequences relating to an investment in our ordinary shares or ADSs, such as the tax consequences under state, local and other tax laws. To the extent that the discussion relates to matters of Cayman Islands tax law, it represents the opinion of Conyers Dill & Pearman, special Cayman Islands counsel to us.

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the Government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or after execution brought within the jurisdiction of the Cayman Islands. The Cayman Islands is not party to any double tax treaties. There are no exchange control regulations or currency restrictions in the Cayman Islands.

The Cayman Islands currently has no income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax applicable to us or to any holder of ADSs or of ordinary shares. Accordingly, any payment of dividends or any other distribution made on the ordinary shares will not be subject to taxation in the Cayman Islands, no Cayman Islands withholding tax will be required on such payments to any shareholder and gains derived from the sale of ordinary shares or ADSs will not be subject to Cayman Islands capital gains tax.

The Company has obtained an undertaking from the Governor-in-Cabinet of the Cayman Islands that, in accordance with section 6 of the Tax Concessions Law (Revised) of the Cayman Islands, for a period of 20 years from July 18, 2006, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations will apply to us or our operation and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of the estate duty or inheritance tax will be payable (i) on or in respect of our shares, debentures, or other obligations, or (ii) by way of withholding in whole or in part of a payment of dividend or other distribution of income or capital by us.

### People's Republic of China Taxation

In accordance with the PRC's Foreign Enterprise Income Tax (FEIT) Law and the related implementation rules, foreign-invested enterprises, or FIEs, established in the PRC are generally subject to FEIT at a state tax rate of 30% plus a local tax rate of 3% on PRC taxable income. Our operating subsidiary, JA Hebei, was established as a foreign-invested enterprise in the PRC and is thus subject to PRC enterprise income tax of 33%. The PRC government has provided certain incentives to foreign invested companies in order to encourage foreign investments, including tax exemptions, tax reductions and other measures. Under the FEIT Law and the related implementation rules, FIEs are entitled to be exempted from FEIT for a 2-year period starting from their first profit-making year followed by a 50% reduction of FEIT payable for the subsequent three years, provided that they fall into the category of production-oriented enterprises with an operational period of more than 10 years in China, subject to approval from and modification by local taxation authorities. Specifically, with respect to income generated by assets acquired by JA Hebei during the fiscal years 2005 and 2006, JA Hebei will receive a two-year enterprise income tax exemption for 2006 and 2007, as well as a 50% enterprise income tax reduction for 2008, 2009 and 2010; with respect to income generated by assets newly acquired by JA Hebei during 2007, JA Hebei will receive a two-year enterprise income tax exemption for 2007 and 2008, as well as a 50% enterprise income tax reduction for 2009, 2010 and 2011.

In March 2007, the National People's Congress of China enacted a new Corporate Income Tax Law, or CIT Law, which became effective on January 1, 2008 and replaced the FEIT Law. The CIT Law imposes a unified

income tax rate of 25% on all domestic enterprises and FIEs unless they qualify under certain limited exceptions. The CIT Law provides a 5-year transition period to FIEs, during which they are permitted to continue to enjoy their existing preferential income tax treatment until such treatment expires in accordance with its current terms. In December 2007, the State Council promulgated the Notice on Implementation of Enterprise Income Tax regarding Transition Period Preferential Treatment (the Transition Period Implementation Rules). According to such regulations, the CIT Law and the Taxation Period Implementation does not affect the preferential income tax treatment enjoyed by JA Hebei during the transition period. When our currently available tax benefits expire or otherwise become unavailable, the effective income tax rate of JA Hebei will increase significantly, and any increase of JA Hebei's income tax rate in the future could have a material adverse effect on our financial condition and results of operations.

In accordance with the CIT Law, FIEs which were duly approved before the promulgation of the CIT Law may still enjoy their fixed period tax exemption and reduction preferential treatment after the date of effectiveness of the CIT Law. Such fixed term of tax exemption and reduction preferential treatment for FIEs which have not made profit yet shall be calculated from January 1, 2008. JA Yangzhou was incorporated on September 7, 2006 as an FIE and subsequently acquired by JA BVI on November 19, 2007. It might enjoy a two-year enterprise income tax exemption for 2008 and 2009, as well as a 50% enterprise income tax reduction for 2010, 2011 and 2012 subject to the approval of its competent tax authority. In the event that JA Yangzhou could not obtain such approval, it might not enjoy such enterprise income tax preferential treatment and our profit might be adversely affected.

The CIT Law provides that enterprises established outside of China whose de facto management bodies are located in China are considered resident enterprises and are generally subject to the uniform 25% enterprise income tax rate as to their worldwide income. Under the implementation regulations for the CIT Law issued by the PRC State Council, de facto management body is defined as a body that has material and overall management and control over the manufacturing and business operations, personnel and human resources, finances and treasury, and acquisition and disposition of properties and other assets of an enterprise. If we are treated as a resident enterprise for PRC tax purposes, we will be subject to PRC tax on our worldwide income at the 25% uniform tax rate, which could have an impact on our effective tax rate and an adverse effect on our net income and results of operations, although dividends distributed from our PRC subsidiaries to us could be exempt from Chinese dividend withholding tax, since such income is exempted under the new CIT Law to a PRC resident recipient.

Under the CIT Law and implementation regulations issued by the State Council, PRC income tax at the rate of 10% is applicable to interest and dividends payable to investors that are non-resident enterprises, which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such interest and dividends have their sources within the PRC. Similarly, any gain realized on the transfer of ADSs or shares by such investors is also subject to 10% PRC income tax if such gain is regarded as income derived from sources within the PRC. If we are considered a PRC resident enterprise, it is unclear whether the interest and dividends we pay with respect to our Notes, ordinary shares or ADSs, or the gain you may realize from the disposition of our Notes (whether through exchange for ADSs upon conversion or otherwise) or transfer of our ordinary shares or ADSs, would be treated as income derived from sources within the PRC and be subject to PRC tax. It is also unclear whether, if we are considered a PRC resident enterprise, holders of our ordinary shares or ADSs might be able to claim the benefit of income tax treaties entered into between China and other countries.

#### **Material United States Federal Income Tax Considerations**

The following is a summary of the material United States federal income tax considerations relating to an investment in our ADSs or ordinary shares by U.S. Holders (as defined below) that will hold their ADSs or ordinary shares as capital assets (generally, property held for investment) under the United States Internal

Revenue Code (the Code). This summary is based upon existing United States federal income tax law, which is subject to differing interpretations or change, possibly with retroactive effect. This summary does not discuss all aspects of United States federal taxation that may be important to particular investors in light of their individual investment circumstances, including investors subject to special tax rules (for example, financial institutions, insurance companies, broker-dealers, partnerships and their partners, and tax-exempt organizations (including private foundations)), holders who are not U.S. Holders, holders who own (directly, indirectly, or constructively) 10% or more of our voting stock, investors that will hold ADSs or ordinary shares as part of a short sale of our ADSs by which a U.S. holder may hedge its investment in our Notes as contemplated under the Registered ADS Borrow Facility, or otherwise as part of a straddle, hedge, conversion, constructive sale, or other integrated transaction for United States federal income tax purposes, or investors that have a functional currency other than the United States dollar, all of whom may be subject to tax rules that differ significantly from those summarized below. In addition, this summary does not discuss any non-United States, state, or local tax considerations and assumes that the deposit agreement, and all other related agreements, will be performed in accordance with their terms. Prospective investors are urged to consult their tax advisors regarding the United States federal, state, local, and non-United States income and other tax considerations of an investment in our ADSs or ordinary shares.

### **General**

For purposes of this summary, a U.S. Holder is a beneficial owner of ADSs or ordinary shares that is, for United States federal income tax purposes, (i) an individual who is a citizen or resident of the United States, (ii) a corporation, or other entity taxable as a corporation for United States federal income tax purposes, created in, or organized under the law of the United States or any state thereof or the District of Columbia, (iii) an estate the income of which is includible in gross income for United States federal income tax purposes regardless of its source, or (iv) a trust (A) the administration of which is subject to the primary supervision of a United States court and which has one or more United States persons who have the authority to control all substantial decisions of the trust or (B) that has otherwise elected to be treated as a United States person under the Code.

If a partnership is a holder of our ADSs or ordinary shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership.

For United States federal income tax purposes, U.S. Holders of ADSs will be treated as the beneficial owners of the underlying shares represented by the ADSs.

### **Threshold PFIC Classification Matters**

A non-United States corporation, such as our company, will be classified as a passive foreign investment company (a PFIC), for United States federal income tax purposes, if 75% or more of its gross income consists of certain types of passive income or 50% or more of its assets are passive. For this purpose, cash is categorized as a passive asset and the company's unbooked intangibles are taken into account.

Based on our current income and assets and our anticipated utilization of the cash received upon the issuance of the Notes, we presently do not believe that we should be classified as a PFIC for the current taxable year. While we do not anticipate becoming a PFIC in future taxable years, the composition of our income and assets will be affected by how, and how quickly, we spend our liquid assets and the cash received upon the issuance of the Notes. We anticipate utilizing a significant portion of the cash received upon the issuance of the Notes for the purchase and construction of manufacturing equipment and facilities, the purchase of and prepayment for raw materials, working capital and other general corporate purposes. Under circumstances where we determine not to deploy significant amounts of cash in respect of the foregoing matters, our risk of becoming classified as a PFIC may substantially increase.

In estimating the value of our goodwill and other unbooked intangibles, we have taken into account our market capitalization. If our market capitalization subsequently declines, we may be or become classified as a PFIC for the current or one or more future taxable years. We believe our valuation approach is reasonable. It is possible, however, that the Internal Revenue Service may challenge the valuation of our goodwill and other unbooked intangibles, which may result in the company being or becoming classified as a PFIC for the current or one or more future taxable years.

Because PFIC status is a fact-intensive determination made on an annual basis, no assurance can be given that we are not or will not become classified as a PFIC and will depend on whether we continue to follow our capital expenditure plans and the continued existence of goodwill. The discussion below is written on the basis that we will not be classified as a PFIC for United States federal income tax purposes, other than as set forth below under *Passive Foreign Investment Company Considerations*.

### *Dividends*

Any cash distributions (including the amount of any PRC tax withheld) paid on ADSs or ordinary shares out of our earnings and profits, as determined under United States federal income tax principles, will be includible in the gross income of a U.S. Holder as dividend income. Because we do not intend to determine our earnings and profits on the basis of United States federal income tax principles, any distribution paid will generally be treated as a dividend for United States federal income tax purposes. For taxable years beginning before January 1, 2011, a non-corporate recipient of dividend income generally will be subject to tax on dividend income from a qualified foreign corporation at a maximum United States federal tax rate of 15% rather than the marginal tax rates generally applicable to ordinary income provided that certain holding period requirements are met. A non-United States corporation (other than a corporation that is classified as a PFIC for the taxable year in which the dividend is paid or the preceding taxable year) generally will be considered to be a qualified foreign corporation (i) if it is eligible for the benefits of a comprehensive tax treaty with the United States which the Secretary of Treasury of the United States determines is satisfactory for purposes of this provision and which includes an exchange of information program, or (ii) with respect to any dividend it pays on stock (or ADSs in respect of such stock) which is readily tradable on an established securities market in the United States. Because the ADSs are traded on the Nasdaq Global Market, they are considered readily tradable on an established securities market in the United States. Our ordinary shares do not presently meet the foregoing conditions required for the 15% tax rate described above. If we are deemed to be a PRC resident enterprise under PRC tax law, however, we may be eligible for the benefits of the United States-PRC income tax treaty, see *People's Republic of China Taxation*, thereby enabling our ordinary shares to meet the foregoing conditions required for such 15% tax rate. Dividends received on the ADSs or ordinary shares will not be eligible for the dividends received deduction allowed to corporations.

Dividends generally will be treated as income from foreign sources for United States foreign tax credit purposes. A U.S. Holder may be eligible, subject to a number of complex limitations, to claim a foreign tax credit in respect of any foreign withholding taxes imposed on dividends received on ADSs or ordinary shares. A U.S. Holder who does not elect to claim a foreign tax credit for foreign tax withheld, may instead claim a deduction, for United States federal income tax purposes, in respect of such withholdings, but only for a year in which such holder elects to do so for all creditable foreign income taxes.

### *Sale or Other Disposition of ADSs or Ordinary Shares*

A U.S. Holder will generally recognize capital gain or loss upon the sale or other disposition of ADSs or ordinary shares in an amount equal to the difference between the amount realized upon the disposition and the holder's adjusted tax basis in such ADSs or ordinary shares. Any capital gain or loss will be long-term if the ADSs or ordinary shares have been held for more than one year and will generally be United States source gain or loss for United States foreign tax credit purposes. If any such gain from the disposition of the ADSs or ordinary shares may be taxed in the PRC, such gain may be treated as PRC source gain under the United States-PRC income tax treaty. See *People's Republic of China Taxation*. Each U.S. investor is urged to consult its

tax advisor regarding the tax consequences if a foreign withholding tax is imposed on a disposition of the ADSs or ordinary shares, including the availability of a foreign tax credit. The deductibility of a capital loss may be subject to limitations.

***Passive Foreign Investment Company Considerations***

If we were to be classified as a PFIC in any taxable year, a U.S. Holder would be subject to special rules generally intended to reduce or eliminate any benefits from the deferral of United States federal income tax that a U.S. Holder could derive from investing in a non-United States company that does not distribute all of its earnings on a current basis. In such event, a U.S. Holder may be subject to tax at ordinary income tax rates on (i) any gain recognized on the sale of ADSs or ordinary shares and (ii) any excess distribution paid on ADSs or ordinary shares (generally, a distribution in excess of 125% of the average annual distributions paid by us during the shorter of the three preceding taxable years or the U.S. Holder's holding period of the ADSs or ordinary shares). In addition, a U.S. Holder may be subject to an interest charge on such gain or excess distribution. Finally, the 15% maximum rate on our dividends would not apply if we are or become classified as a PFIC. Each U.S. Holder is urged to consult its tax advisor regarding the potential tax consequences to such holder if we are or become classified as a PFIC, as well as certain elections that may be available to mitigate such consequences.

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## UNDERWRITING

The borrowed ADSs being offered hereby are ADSs that we have agreed pursuant to the ADS Lending Agreements to loan to Lehman Brothers International (Europe) and Credit Suisse International, affiliates of Lehman Brothers Inc. and Credit Suisse Securities (USA) LLC, respectively, which are underwriters of this offering. In this prospectus supplement, we will refer to such underwriters as the ADS Underwriters. We have entered into an underwriting agreement with the ADS Underwriters whereby each ADS Underwriter has agreed to purchase approximately 50% of the number of borrowed ADSs offered hereby. Lehman Brothers Inc.'s address is 745 Seventh Avenue, New York, New York 10019 U.S.A. Credit Suisse Securities (USA) LLC's address is Eleven Madison Avenue, New York, New York 10010-3629 U.S.A.

The borrowed ADSs may be offered for sale in transactions, including block sales, on The Nasdaq Global Market, in the over-the-counter market, in negotiated transactions or otherwise. \_\_\_\_\_ of these borrowed ADSs will be initially offered at \$ \_\_\_\_\_ per ADS, and the remaining borrowed ADSs will subsequently be sold at prevailing market prices at the time of sale or at negotiated prices. We cannot assure you that prices at which our ADSs sell in the public market after this offering will not be lower than the offering price.

The Registered ADS Borrow Facility is designed to facilitate privately negotiated transactions or short sales by which investors in the Notes will hedge their investment in the Notes and/or by which the counterparties to the capped call transactions will hedge the capped call transactions. See Description of the Registered ADS Borrow Facility and Description of Capped Call Transactions. The ADS Underwriters determined the number of our ADSs to be initially offered by soliciting indications of interest from Note investors seeking to establish short positions in our ADS and discussing with these investors the size of their desired short positions. The ADS Underwriters determined the offering price of the approximately \_\_\_\_\_ borrowed ADSs initially offered hereby by initially soliciting indications of interest from potential purchasers of our ADSs and conducting customary negotiations with those potential purchasers during the offering period. These potential purchasers of our ADSs may include potential purchasers in the Notes. The initial price for the privately negotiated swap transactions between each ADS Borrower or its affiliate and investors in the Notes by which those investors in the Notes establish their short positions will be the offering price of the borrowed ADSs initially offered hereby. This offering price hereunder may be at a discount to the market price of our ADSs at the time the offering is commenced.

In addition, in connection with facilitating such transactions, the ADS Borrowers or their respective affiliates expect to receive customary negotiated fees from investors in our Notes, which may be deemed to be underwriter's compensation. The ADS Borrowers and their respective affiliates may engage in such transactions at any time and from time to time during the term of the ADS Lending Agreements in ADS amounts to be determined by the ADS Borrowers and such affiliates.

The ADS Borrowers have advised us that they expect to offer up to approximately \_\_\_\_\_ of additional borrowed ADSs on a delayed basis from time to time. We refer to these ADSs as the supplemental hedge ADSs in this prospectus supplement. Following the initial sale of borrowed ADSs pursuant to this offering, the ADS Borrowers, or their respective affiliates, will sell, from time to time the supplemental hedge ADSs in transactions, including block sales, on The Nasdaq Global Market, in the over-the-counter market, in negotiated transactions or otherwise. These supplemental hedge ADSs will be sold at market prices prevailing at the time of sale or at negotiated prices. In connection with the sale of these supplemental hedge ADSs, the ADS Borrowers, or their respective affiliates, may effect such transaction by selling the ADSs to or through dealers, and these dealers may receive compensation in the form of discounts, concessions or commissions from the forward counterparties and/or from purchasers of ADSs for whom the dealers may act as agents or to whom they may sell as principals. Over the same period that the ADS Borrowers, or their respective affiliates, sells these supplemental hedge ADSs, each ADS Borrower or such affiliate may, in its discretion, purchase a number of ADSs on the open market at least equal to number of our ADSs at least equal to the number of the supplemental hedge ADSs it is selling to facilitate hedging transactions by investors in the Notes and counterparties to the



capped call transactions. See Description of the Registered ADS Borrow Facility and Concurrent Offering of Senior Convertible Notes above.

The ADS Borrowers will receive all of the proceeds from the sale of the borrowed ADSs. We will not receive any proceeds from the sale of borrowed ADSs offered hereby. Under each ADS Lending Agreement, we will receive a fee of \$0.0001 per ADS from the ADS Borrowers. The expenses of this offering, which are payable by us, are estimated to be \$ .

Because the ADS Borrowers, affiliates of the ADS Underwriters, are receiving all of the proceeds of this offering of borrowed ADSs, this offering is being conducted in accordance with Rule 2710(h) of Financial Industry Regulatory Authority. Because a bona fide independent market exists for our ADSs, the Financial Industry Regulatory Authority does not require that we use a qualified independent underwriter for this offering.

We have agreed under the underwriting agreement to indemnify the ADS Underwriters against certain liabilities, including liabilities under the Securities Act, and to contribute any payments that the ADS Underwriters may be required to make for these liabilities.

Our ADSs are listed on The Nasdaq Global Market under the symbol JASO.

We, all of our directors and executive officers and Jinghong BVI have agreed that, subject to certain exceptions, including the issuances pursuant to the exercise of employee share options outstanding on the date hereof, we and they will not, directly or indirectly, (1) offer, sell, issue, contract to sell, pledge or otherwise dispose of, sell or grant options, warrants or rights with respect to, or file with the SEC a registration statement or prospectus supplement under the Securities Act relating to, any of our Notes, ordinary shares or ADSs or securities convertible into or exchangeable or exercisable for any of our Notes, ordinary shares or ADSs, (2) enter into any swap, hedge or any other agreement that transfers, in whole or in part, the economic consequences of ownership of or establish or increase a put equivalent position or liquidate or decrease a call equivalent position in any of our Notes, ordinary shares or ADSs or securities convertible into or exchangeable or exercisable for any of our Notes, ordinary shares or ADSs, or (3) publicly disclose the intention to take such actions, without the prior written consent of the ADS Underwriters, for a period commencing on the date of this prospectus supplement and continuing until 90 days after the date of this prospectus supplement. Notwithstanding the foregoing, each of Mr. Baofang Jin, our chairman of the Board of Directors, and Huaijin Yang, our chief executive officer, may, and intends to, establish and adopt a stock trading plan pursuant to Rule 10b5-1 under the Exchange Act, shortly after this offering to sell certain of the shares they hold. They have agreed that they will not sell any ordinary shares or ADSs under such plans prior to the expiry of the lock-up period.

However, in the event that either (1) during the last 17 days of the lock-up period, we release earnings results or material news or a material event relating to us occurs or (2) prior to the expiration of the lock-up period, we announce that we will release earnings results during the 16-day period beginning on the last day of the lock-up period, then in either case the expiration of the lock-up will be extended until the expiration of the 18-day period beginning on the date of the release of the earnings results or the occurrence of the material news or event, as applicable, unless the ADS Underwriters waive, in writing, such an extension.

The ADS Underwriters may engage in over-allotment, stabilizing transactions, covering transactions, penalty bids and passive market making in accordance with Regulation M under the Exchange Act.

Over-allotment transactions involve sales in excess of the offering size, which creates a syndicate short position.

Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.

Covering transactions involve purchases of shares in the open market after the distribution has been completed in order to cover syndicate short positions.

In passive market making, market makers in the shares who are underwriters or prospective underwriters may, subject to limitations, make bids for or purchase shares until the time, if any, at which a stabilization bid is made.

A copy of this prospectus supplement and the accompanying prospectus in electronic format will be made available on websites maintained by the ADS Underwriters.

The ADS Underwriters and their respective affiliates have performed investment banking, commercial banking, financial advisory and lending services for us and our affiliates from time to time, for which they have received customary compensation, and may do so in the future. In addition, affiliates of the ADS Underwriters are the counterparties under the capped call transactions, as described below and under Description of Capped Call Transactions. and the ADS Underwriters, together with additional underwriters, are the underwriters of the concurrent offering of Notes, as described under Concurrent Offering of Senior Convertible Notes.

### **The Capped Call Transactions**

In connection with the concurrent offering of Notes, we expect to enter into capped call transactions relating to our ADSs initially issuable upon conversion of Notes with counterparties that are affiliates of the underwriters of the offering of Notes. If the underwriters of the Notes exercise their option to purchase additional Notes to the extent they sell more than \$300 million aggregate principal amount of Notes, we expect to use a portion of the proceeds from the sale of the additional Notes to increase the notional size of the capped call transactions so that they also relate to our ADSs initially issuable upon conversion of the additional Notes.

In connection with establishing their initial hedge of these capped call transactions, we have been advised by the counterparties described above (and/or their affiliates) that they expect to enter into various over-the-counter cash-settled derivative transactions with respect to our ADSs concurrently with or shortly after the pricing of the ADSs being offered hereby and to purchase ADSs in secondary market transactions shortly after the pricing the ADS being offered hereby. These activities could have the effect of increasing or preventing a decline in the price of our ADSs concurrently with or following the pricing of the ADSs being offered hereby.

In addition, we have been advised by the counterparties described above (and/or their affiliates) that they expect to modify or unwind their hedge positions by purchasing or selling our ADSs in secondary market transactions and/or entering into or unwinding various derivative transactions prior to maturity of the Notes (including during any conversion period related to conversion of the Notes). The effect, if any, of these transactions and activities on the market price of our ADSs or the Notes will depend in part on market conditions and cannot be ascertained at this time, but any of these activities could adversely affect the value of our ADSs.

### **Selling Restrictions**

#### **Australia**

This prospectus is not a formal disclosure document and has not been lodged with the Australian Securities and Investments Commission (ASIC). It does not purport to contain all information that an investor or their professional advisers would expect to find in a prospectus for the purposes of Chapter 6D.2 of the Australian Corporations Act 2001 (Act) in relation to the securities or our company.

This prospectus is not an offer to retail investors in Australia generally. Any offer of securities in Australia is made on the condition that the recipient is a sophisticated investor within the meaning of section 708(8) of the Act or a professional investor within the meaning of section 708(11) of the Act, or on condition that the

offer to that recipient can be brought within the exemption for Small-Scale Offerings (within the meaning of section 708(1) of the Act). If any recipient does not satisfy the criteria for these exemptions, no applications for securities will be accepted from that recipient. Any offer to a recipient in Australia, and any agreement arising from acceptance of the offer, is personal and may only be accepted by the recipient.

If a recipient on-sells their securities within 12 months of their issue, that person will be required to lodge a disclosure document with ASIC unless either:

the sale is pursuant to an offer received outside Australia or is made to a sophisticated investor within the meaning of 708(8) of the Act or a professional investor within the meaning of section 708(11) of the Act; or

it can be established that our company issued, and the recipient subscribed for, the securities without the purpose of the recipient on-selling them or granting, issuing or transferring interests in, or options or warrants over them.

### **Hong Kong**

Our securities may not be offered or sold in Hong Kong, by means of any document, other than (a) to professional investors as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made under that Ordinance or (b) in other circumstances which do not result in the document being a prospectus as defined in the Companies Ordinance (Cap. 32, Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to our securities may be issued, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to our securities which are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) or any rules made under that Ordinance. The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.

### **India**

This prospectus has not been and will not be registered as a prospectus with the Registrar of Companies in India. This prospectus or any other material relating to these securities may not be circulated or distributed, directly or indirectly, to the public or any members of the public in India. Further, persons into whose possession this prospectus comes are required to inform themselves about and to observe any such restrictions. Each prospective investor is advised to consult its advisors about the particular consequences to it of an investment in these securities. Each prospective investor is also advised that any investment in these securities by it is subject to the regulations prescribed by the Reserve Bank of India and the Foreign Exchange Management Act and any regulations framed thereunder.

### **Japan**

Our securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948 as amended, the FIEL), and we will not offer or sell any of our securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan.

### **People's Republic of China**

This prospectus may not be circulated or distributed in the PRC and our securities may not be offered or sold, and we will not offer or sell to any person for re-offering or resale directly or indirectly to any resident of the PRC, except pursuant to applicable laws and regulations of the PRC. For the purpose of this paragraph, PRC does not include Taiwan and the special administrative regions of Hong Kong and Macau.

### **Singapore**

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of our securities may not be circulated or distributed, nor may our securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Future Act, Chapter 289 of Singapore (the SFA), (ii) to a relevant person, or any person pursuant to Section 275 (1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where our securities are subscribed and purchased under Section 275 by a relevant person which is (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole whole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries rights and interest in that trust shall not be transferable in six months after that corporation or that trust has acquired our securities under Section 275 except (i) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275 (1A), and in accordance with the conditions, specified in Section 275 of the SFA; (ii) where no consideration is given for transfer; or (iii) by operation of law.

### **Korea**

Our securities may not be offered, sold and delivered directly or indirectly, or offered or sold to any person for reoffering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the Securities and Exchange Act and the Foreign Exchange Transaction Law and the decrees and regulations thereunder. Our securities have not been registered with the Financial Supervisory Commission of Korea for public offering in Korea. Furthermore, our securities may not be resold to Korean residents unless the purchaser of our securities complies with all applicable regulatory requirements (including but not limited to government approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with the purchase of our securities.

### **European Economic Area**

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a relevant member state), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the relevant implementation date), an offer of securities described in this prospectus may not be made to the public in that relevant member state other than:

to any legal entity that is authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

to any legal entity that has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts;

to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the ADS Underwriters; or

in any other circumstances that do not require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive, provided that no such offer of securities shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For purposes of this provision, the expression an offer of securities to the public in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe the securities, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each relevant member state.

We have not authorized and do not authorize the making of any offer of securities through any financial intermediary on their behalf, other than offers made by the underwriters with a view to the final placement of the securities as contemplated in this prospectus. Accordingly, no purchaser of the securities, other than the underwriters, is authorized to make any further offer of the securities on behalf of us or the underwriters.

#### **United Kingdom**

This prospectus is only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive ( "Qualified Investors" ) that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order" ) or (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons" ). This prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant persons should not act or rely on this document or any of its contents.

## NOTICE TO CANADIAN RESIDENTS

### Resale Restrictions

The distribution of the borrowed ADSs in Canada is being made only on a private placement basis exempt from the requirement that we and the selling shareholders prepare and file a prospectus with the securities regulatory authorities in each province where trades of borrowed ADSs are made. Any resale of the borrowed ADSs in Canada must be made under applicable securities laws which will vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the borrowed ADSs.

### Representations of Purchasers

By purchasing borrowed ADSs in Canada and accepting a purchase confirmation a purchaser is representing to us, the selling shareholders and the dealer from whom the purchase confirmation is received that:

the purchaser is entitled under applicable provincial securities laws to purchase the borrowed ADSs without the benefit of a prospectus qualified under those securities laws;

where required by law, that the purchaser is purchasing as principal and not as agent;

the purchaser has reviewed the text above under Resale Restrictions; and

the purchaser acknowledges and consents to the provision of specified information concerning its purchase of the borrowed ADSs to the regulatory authority that by law is entitled to collect the information.

Further details concerning the legal authority for this information is available on request.

### Rights of Action – Ontario Purchasers Only

Under Ontario securities legislation, certain purchasers who purchase a security offered by this prospectus during the period of distribution will have a statutory right of action for damages, or while still the owner of the borrowed ADSs, for rescission against us and the selling shareholders in the event that this prospectus contains a misrepresentation without regard to whether the purchaser relied on the misrepresentation. The right of action for damages is exercisable not later than the earlier of 180 days from the date the purchaser first had knowledge of the facts giving rise to the cause of action and three years from the date on which payment is made for the borrowed ADSs. The right of action for rescission is exercisable not later than 180 days from the date on which payment is made for the borrowed ADSs. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against us or the selling shareholders. In no case will the amount recoverable in any action exceed the price at which the borrowed ADSs were offered to the purchaser and if the purchaser is shown to have purchased the securities with knowledge of the misrepresentation, we and the selling shareholders will have no liability. In the case of an action for damages, we and the selling shareholders will not be liable for all or any portion of the damages that are proven to not represent the depreciation in value of the borrowed ADSs as a result of the misrepresentation relied upon. These rights are in addition to, and without derogation from, any other rights or remedies available at law to an Ontario purchaser. The foregoing is a summary of the rights available to an Ontario purchaser. Ontario purchasers should refer to the complete text of the relevant statutory provisions.

### Enforcement of Legal Rights

All of our directors and officers as well as the experts named herein and the selling shareholders may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon us or those persons. All or a substantial portion of our assets and the assets of those persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against us or those persons in Canada or to enforce a judgment obtained in Canadian courts against us or those persons outside of Canada.

### Taxation and Eligibility for Investment

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Canadian purchasers of the borrowed ADSs should consult their own legal and tax advisors with respect to the tax consequences of an investment in the borrowed ADSs in their particular circumstances and about the eligibility of the borrowed ADSs for investment by the purchaser under relevant Canadian legislation.

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## LEGAL MATTERS

Certain legal matters with respect to U.S. federal and New York law will be passed upon for us by Skadden, Arps, Slate, Meagher & Flom. Certain legal matters with respect to U.S. federal and New York law in connection with this offering will be passed upon for the underwriters by Simpson Thacher & Bartlett LLP. The validity of our ordinary shares represented by the ADSs offered in this offering will be passed upon for us by Conyers, Dill & Pearman. Legal matters as to Chinese law will be passed upon for us by Tian Yuan Law Firm, Beijing, China and for the underwriters by King & Wood, Beijing, China. Skadden, Arps, Slate, Meagher & Flom may rely upon Conyers, Dill & Pearman, with respect to matters governed by the laws of the Cayman Islands and upon Tian Yuan Law Firm, Beijing, China with respect to matters governed by Chinese law.

## EXPERTS

The consolidated financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control Over Financial Reporting) incorporated in this Prospectus by reference to JA Solar's annual report on Form 20-F for the year ended December 31, 2007 have been so incorporated in reliance on the report of PricewaterhouseCoopers Zhong Tian CPAs Limited Company, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

## WHERE YOU CAN FIND MORE INFORMATION

We have filed with the U.S. Securities and Exchange Commission a registration statement (including relevant exhibits and schedules) on Form F-3 (File No. 333-150824) under the Securities Act with respect to the ADSs offered hereby.

This prospectus supplement and the accompanying prospectus are a part of that registration statement. As allowed by SEC rules, this prospectus supplement and the accompanying prospectus do not contain all of the information that is in the registration statement and the exhibits to the registration statement. For further information about JA Solar, you should read the registration statement, its exhibits and schedules, as well as all the other documents incorporated by reference therein and herein, for further information with respect to us and our ADSs. Information regarding the contents of contracts or other documents described in this prospectus supplement is not necessarily complete and you should refer to the actual contracts and documents filed as exhibits to the registration statement for more detailed and complete information.

We are subject to periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers. Accordingly, we are required to file reports, including annual reports on Form 20-F, and other information with the SEC. As a foreign private issuer, we are exempt from the rules of the Exchange Act prescribing the furnishing and content of proxy statements to shareholders. The registration statement, reports and other information so filed can be inspected and copied at the public reference facility maintained by the SEC at Room 1580, 100 F. Street, N.E., Washington, D.C. 20549. You can request copies of these documents upon payment of a duplicating fee by writing to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facility. Our SEC filings, including the registration statement and other information may also be inspected at the offices of The Nasdaq Stock Market, Reports Section, 1735 K Street, N.W., Washington, D.C. 20006.

Our SEC filings are also available to the public on the SEC's Internet Web site at <http://www.sec.gov>.



**American Depositary Shares**

**JA Solar Holdings Co., Ltd.**

*(Incorporated in the Cayman Islands with limited liability)*

**Representing                      Ordinary Shares**

PROSPECTUS SUPPLEMENT

, 2008

*Joint Book-Running Managers*

**LEHMAN BROTHERS**

**CREDIT SUISSE**