

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

LEE R. ELLENBURG III, Individually and On	:	Civil Action No.
Behalf Of All Others Similarly Situated,	:	
	:	CLASS ACTION COMPLAINT FOR
Plaintiff,	:	VIOLATIONS OF FEDERAL SECURITIES
	:	LAWS
vs.	:	
	:	JURY TRIAL DEMANDED
JA SOLAR HOLDINGS CO., LTD., HUIJIN	:	
YANG and DANIEL LUI,	:	
	:	
Defendants.	:	

Plaintiff has alleged the following based upon the investigation of Plaintiff's counsel, which included a review of United States Securities and Exchange Commission ("SEC") filings by JA Solar Holdings Co., Ltd. ("JA Solar" or the "Company"), as well as securities analysts' reports and advisories about the Company, press releases and other public statements issued by the Company, and media reports about the Company. Plaintiff believes that substantial additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION

1. This is a federal class action on behalf of purchasers of the American Depository Shares ("ADS") of JA Solar between August 12, 2008 and November 12, 2008, inclusive (the "Class Period"), seeking to pursue remedies under the Securities Exchange Act of 1934 (the "Exchange Act").

2. Defendant JA Solar describes itself as a leading China-based manufacturer of high-performance solar cells. The Company was formed in May 2005 and commenced commercial operations in April 2006.

3. During the Class Period, Defendants made materially false and misleading statements about the Company's financial condition and operating results. Specifically, Defendants failed to disclose that JA Solar purchased from a subsidiary of Lehman Brothers Inc. ("Lehman Brothers") a three month, \$100 million note (the "Lehman note") on or about July 9, 2008. At the time of this purchase, Lehman Brothers, which guaranteed the Lehman note, was under severe financial distress. In fact, on or about the same day JA Solar purchased the Lehman note, Platts, a McGraw-Hill Companies pricing clearinghouse, suspended Lehman Brothers from participating in its Singapore oil trading pricing platform after weeks of mounting market concern about Lehman's credit worthiness.

4. Ultimately, at the end of the Class Period, JA Solar wrote off its \$100 million investment in the Lehman note. After JA Solar fully disclosed and recorded an impairment in the value of its investment in the Lehman note, the Company's stock price traded at \$2.38, a price that represented a decline of more than 87% from the high during the three month Class Period.

PARTIES

5. Plaintiff Lee R. Ellenburg III, as set forth in the accompanying certification, which is incorporated by reference herein, purchased the ADS of JA Solar at artificially inflated prices during the Class Period and has been damaged thereby.

6. Defendant JA Solar is principally involved in the development, manufacture and sale of high quality solar photovoltaic products to global markets. On February 7, 2007, JA Solar successfully completed its initial public offering ("IPO") of ADS, each representing one of the Company's ordinary shares. JA Solar's ADS trade was under the symbol JASO on the National Association of Securities Dealers Automated Quotations ("NASDAQ") stock exchange, an electronic equity securities trading market.

7. (a) Defendant Huaijin (a.k.a. Samuel) Yang ("Yang") is, and was at all relevant times, Chief Executive Officer ("CEO") and Director of JA Solar.

(b) Defendant Daniel Lui ("Lui") is, and was at all relevant times, Chief Financial Officer ("CFO") of JA Solar.

(c) Defendants Yang and Lui are collectively referred to herein as the "Individual Defendants."

8. During the Class Period, the Individual Defendants, as senior officers and/or directors of JA Solar, were privy to confidential and proprietary information concerning JA Solar, its operations, finances, financial condition, investments and present and future business prospects. The Individual Defendants also had access to material adverse non-public information concerning JA

Solar, as discussed in detail below. Because of their positions with JA Solar, the Individual Defendants had access to non-public information about its business, finances, products, markets and present and future business prospects via internal corporate documents, conversations and connections with other corporate officers and employees, attendance at management and/or board of directors meetings and committees thereof, and via reports and other information provided to them in connection therewith. Because of their possession of such information, the Individual Defendants knew or recklessly disregarded that the adverse facts specified herein had not been disclosed to, and were being concealed from, the investing public.

9. The Individual Defendants are liable as direct participants in the wrongs complained of herein. In addition, the Individual Defendants, by reason of their status as senior officers and/or directors, were “controlling persons” within the meaning of Section 20(a) of the Exchange Act and had the power and influence to cause the Company to engage in the unlawful conduct complained of herein. Because of their positions of control, the Individual Defendants were able to and did, directly or indirectly, control the conduct of JA Solar’s business.

10. The Individual Defendants, because of their positions with the Company, controlled and/or possessed the authority to control the contents of its reports, press releases and presentations to securities analysts and through them, to the investing public. The Individual Defendants were provided with copies of the Company’s reports and press releases, alleged herein to be misleading, prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Thus, the Individual Defendants had the opportunity to commit the fraudulent acts alleged herein.

11. As senior officers and/or directors and as controlling persons of a publicly traded company whose ADS were, and are, registered with the SEC pursuant to the Exchange Act, and

were, and are, traded on the NASDAQ and governed by the federal securities laws, the Individual Defendants had a duty to promptly disseminate accurate and truthful information with respect to JA Solar's operations, business, management, investments and present and future business prospects, and to correct any previously issued statements that had become materially misleading or untrue, so that the market price of JA Solar's ADS would be based upon truthful and accurate information. The Individual Defendants' misrepresentations and omissions during the Class Period violated these specific requirements and obligations.

12. The Individual Defendants are liable as participants in a fraudulent scheme and course of conduct, which operated as a fraud or deceit on purchasers of JA Solar ADS by disseminating materially false and misleading statements and/or concealing material adverse facts. The scheme: (i) deceived the investing public regarding JA Solar's business, operations, management, investments and the intrinsic value of JA Solar ADS; and (ii) caused Plaintiff and members of the Class (defined below) to purchase JA Solar ADS at artificially inflated prices.

JURISDICTION AND VENUE

13. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act [15 U.S.C. §§78j(b) and 78t(a)] and Rule 10b-5 promulgated there under by the SEC [17 C.F.R. §240.10b-5].

14. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §1331 and Section 27 of the Exchange Act. Many of the acts charged herein, including the dissemination of materially false and misleading information, occurred in substantial part in this District.

15. Venue is proper in this District pursuant to Section 27 of the Exchange Act and 28 U.S.C. §1391(b). The Company's ADS traded on NASDAQ Global Market, which is based in this District.

16. In connection with the acts alleged in this Complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone communications and the facilities of the national securities markets.

CLASS ACTION ALLEGATIONS

17. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class consisting of all those who purchased the ADS of JA Solar between August 12, 2008 and November 12, 2008, inclusive, and who were damaged thereby (the "Class"). Excluded from the Class are Defendants, the officers and directors of the Company, and, at all relevant times, the members of their immediate families, their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

18. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, JA Solar ADS were actively traded on the NASDAQ. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by JA Solar or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

19. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law complained of herein.

20. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class action and securities litigation.

21. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

(a) whether the federal securities laws were violated by Defendants' acts as alleged herein;

(b) whether statements made by Defendants to the investing public during the Class Period misrepresented material facts about the business, operations and reported results of JA Solar;

(c) whether the price of JA Solar ADS were artificially inflated during the Class Period; and

(d) to what extent the members of the Class have sustained damages and the proper measure of damages.

22. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

SUBSTANTIVE ALLEGATIONS

23. JA Solar, whose corporate headquarters is located in the northern Shanghai district of Zhabei, China, is principally involved in the development, manufacture and sale of solar photovoltaic products. The Company sells its products to solar module manufacturers who assemble and integrate its solar cells into modules and systems that convert sunlight into electricity.

24. The Class Period begins on August 12, 2008. On that date, JA Solar issued a press release for the quarter ended June 30, 2008:

Second Quarter 2008 Highlights

- Revenue increased 171% to RMB 1.24 billion (US\$180.3 million), compared to RMB 457.0 million (US\$66.6 million) in Q2 2007
- Total gross profit increased 162% to RMB 288.4 million (US\$42.1 million), compared to RMB 110.1 million (US\$16.1 million) in Q2 2007
- Gross margin of 23.3%, compared to 24.1% in Q2 2007 and 21.0% in Q1 2008
- Income from operations increased 155% to RMB 216.3 million (US\$31.5 million), compared to RMB 85.0 million (US\$12.4 million) in Q2 2007
- GAAP net income/loss of RMB 2.06 (US\$0.30) per basic ADS and fully diluted ADS of RMB -0.04 (US\$-0.01), compared to basic ADS of RMB 0.55 (US\$0.08) and fully diluted ADS of RMB 0.54 (US\$0.08) in Q2 2007
- Non-GAAP net income of RMB 1.04 (US\$0.15) per basic ADS and fully diluted ADS of RMB 0.99 (US\$0.14), adjusted for stock based compensation and change in fair value of certain non-cash derivative gain and loss (Please refer to reconciliation on page 10)
- Shipped 65.7 MW of solar cells during the quarter compared to 24.0 MW in Q2 2007
- Cash and cash equivalents sequentially increased to RMB 3.57 billion (US\$519.8 million), as compared to RMB 1.45 billion (US\$211.5 million) in Q1 2008, as a result of concurrent closing of its senior convertible public offering of US\$400 million of senior convertible notes

* * *

Second Quarter 2008 Balance Sheet

As of June 30, 2008, JA Solar had cash and cash equivalents of RMB 3.57 billion (US\$519.8 million), compared with RMB 1.57 billion (US\$228.3 million) at the end of the second quarter 2007, and RMB 1.45 billion (US\$211.5 million) at the end of the first quarter 2008.

On May 19, 2008, the Company issued US\$400 million 4.50% senior convertible notes due May 15, 2013 (“Notes”). The terms of the Notes include certain conversion, early redemption option and conversion rate adjustment features. The Notes are convertible into shares of the Company’s stock, cash, or a combination of stock and cash. Concurrent with this offering, the Company entered into capped call transactions with financial institutions that are affiliates of the joint book-running managers of the Notes offering. The capped call transactions are expected to reduce the potential dilution upon conversion of the Notes. Total issuance costs of the senior convertible notes were approximately US\$11 million. Total consideration of the capped call options was approximately US\$32 million.

2008 Outlook

Based on current customer demand and market forecasts, the Company reiterated its expectations for revenue for the full year 2008 in the range of RMB 7.22 billion (US\$1.05 billion) to RMB 8.02 billion (US\$1.17 billion). The revenue guidance in RMB remains unchanged from the first quarter of 2008. The higher amount in USD is due to a lower USD/RMB exchange rate used in the second quarter 2008 than in the first quarter 2008. Gross margin for 2008 is expected to remain above 20%.

Our target for total production output has been updated to the range of 340MW to 350MW for 2008, with total annual production capacity in the range of 500MW to 600MW by year-end 2008. Ten new solar cell manufacturing lines are scheduled to go on line in Ningjin, Hebei province, where four of these lines were installed as of July 31, 2008 and the remaining six will be installed by October 31, 2008. At the new Yangzhou production facility, the Company plans to install three 25 MW lines by the end of the fourth quarter 2008, totaling 75 MW of new capacity at this facility. Total capital expenditures for 2008 are expected to be RMB 966.8 million (US\$141.0 million), primarily for capacity expansion. R&D expense is expected to be RMB 34.3 million (US\$5.0 million).

25. Defendant Yang commented on the results stating:

JA Solar continues to be recognized as one of the global cost leaders in the solar market. The strong second quarter operating results are a testament to the execution of our high growth business plan. Overall demand and ASP for the second half of 2008 remain strong and steady. We are confident that our diversified customer base, long term competitively priced polysilicon wafer contracts, and strategic alliances with key upstream and downstream industry players will continue to drive JA Solar's sales revenue growth as planned into 2009 with gross margin in excess of 20%.

26. Following the press release JA Solar held a conference call with analysts and investors to discuss the earnings release and the Company's operations. During the call Defendant Yang spoke positively about the Company's financial condition and results stating, in pertinent part, as follows:

[A] state of the art business intelligence system and a governance risk and control system have also been concurrently deployed to provide real-time what-if analysis to executives and keep track of the corrective action status of all control issues identified by the routine soft [Sarbanes Oxley section] 404 testing of controls. In fact, since the controls represent more than soft 404 compliance to JA, management is convinced that internal controls are about transparency, scientific cost control,

management efficiency and, most important of all, continuous improvement of operation processes.

Capital expenditures totaled \$38.5m for the quarter ended June 30. Total capital expenditure for '08 and '09 I expect to be approximately \$141m and \$150m, largely for capacity expansion, out of which the Company has planned to install approximately \$16.7m-worth of the research and testing equipment over the next 12 months for R&D facilities and IT equipment, to provide high efficiency and lower-cost sales.

* * *

We are very pleased with the progress we have made in the second quarter and are very excited about the Company's market position going into the second half of '08 and into '09. Our management team is working diligently to maximize our supply relationship and to broaden our diversified customer base. We see robust growth opportunities, both between China and internationally, and plan to capitalize on these markets going forward. Thank you very much.

Defendant Lui also commented stating, in pertinent part, as follows:

First, I'd like to discuss our financial position. On May 19, 2008, the Company issued \$400m 4.5% senior convertible notes, due May 15, 2013, for financing of our production capacity expansion and wafer material prepayment plans. This has significantly strengthened our competitive financial position.

And as of the period end, we have working capital of \$739m, including approximately \$520m of cash on hand and approximately \$294m of supplier advances that were made to secure raw material needs of silicon wafers, which will then be offset against future purchases.

At such a dynamic period in the industry and financial markets, we believe our strong financial position and projected operating cash inflows will provide us with necessary financial flexibility to take up any industry challenges and make strategic investments.

Concurrent with the issuance of our convertible bond, we entered into capped call options that are expected to reduce the potential dilution upon conversion of the notes.

* * *

Now, turning to guidance. To reiterate Samuel's comments with regard to capacity, our target for total production output is in the range of 340 megawatts to 350 megawatts for 2008, with a total annual production capacity in the range of 500 megawatts to 600 megawatts by year end 2008. We expect 2009 production output in the range of 650 megawatts to 700 megawatts. Based on our current customer demand and market forecast, we reiterate our expectations for revenue for the full

year 2008 in the range of \$1.05b to \$1.17b. Our revenue guidance in RMB remains unchanged from Q1. The higher amount in US dollars is due to lower US dollar/RMB exchange rate used in the second quarter 2008 than the first quarter 2008. Gross margin for 2008 is expected to remain above 20%.

27. Following the Individual Defendants prepared remarks, Defendant Lui made the following statements in response to questions posed by securities analysts:

Jesse Pichel, Analyst with Piper Jaffray

Well, what is your dollar exposure and do you have any hedge out there? I was under the impression that you had a hedge.

Defendant Lui

Well, as -- I suppose you are referring to the US dollar, cash US dollar on hand?

Jesse Pichel

Yes.

Defendant Lui

As opposed to using a hedge, because that will not be a very effective hedge that we consider, we have -- instead, we have adopted the -- used the short-term investments instead to manage the exposure. During the quarter, we have engaged Credit Suisse, Lehman Brothers and Citigroup to help manage our cash. Altogether, we had approximately \$400m in cash in our bank at the end of June -- at the end of Q2. And these funds have invested our cash in some capital protected funds, to help boost the return of those cash that are not used.

* * *

Sanjay Shrestha, Analyst with Lazard Capital Markets

[G]oing back to Jesse's question here, guys, you guys had a great quarter but I think all this one-time non-operational (inaudible) end up masking what your true earnings power is on a reported number basis, right. So how should we then start to think about going forward, whether it's related to foreign currency gain, or loss or the derivative-related line item that ends up impacting exactly what the true earnings power of the Company is? Is there a better way that you guys are thinking about how you might actually start to manage that going forward?

Defendant Lui

Okay. Thank you for the question. I think, first, let's go back to the foreign loss -- foreign exchange loss question, answer that question first. As I said, I think, first

things first, I don't think -- a simple forward contract to hedge the US dollar on hand would only cause us to recognize a one-time loss instantly, rather than waiting for like six months, 10 months down the road, so we elected to choose not to do that, because that's not effective.

Sanjay Shrestha

Okay.

Defendant Lui

That's why we have engaged three professional firms to help manage the idle funds, so that hopefully, at the end of the day, at least parts of the, if not all the, foreign exchange loss will be offset by the extra interest income we will receive from those funds.

* * *

Julie Chen, analyst with CRT Capital

I'm just doing a delta difference in terms of your cash position as of last quarter and the net proceeds that you received from your \$400m capital raised and what you reported this quarter, so that's the difference. So I would like to know -- and that difference is the \$90m I'm referring to, so I'd like to know where that cash burn is happening.

Defendant Lui

Okay. So the big ones are going to be the amounts to the prepayments, because that was one of the major reasons we raised the convertible bond. And another reason was the CapEx, as we continue to ramp up our production facilities -- I mean to install our production capacities in Yangzhou. And these two are the big ones. But otherwise, you know we had a positive operating cash flow, otherwise we would have positive operating cash flow from our Ningjin plant.

28. On or about August 18, 2008, JA Solar filed Form 6-K, which was signed by Defendant Yang, that confirmed the financial information announced in conjunction with the issuance of the Company's 2008 second quarter results.

29. The statements referenced in ¶¶24-28 above were each materially false and misleading because they failed to disclose and misrepresented the following material facts which were known to Defendants or recklessly disregarded by them:

(a) that JA Solar had made a material, highly speculative investment in a subsidiary of Lehman Brothers, an entity that was then undergoing a credit crisis and under significant financial distress;

(b) that the value of JA Solar's investment in the Lehman note had diminished considerably; and

(c) that, as a result of the foregoing, the Defendants' positive statements concerning JA Solar's financial performance, outlook and earnings guidance were materially false and misleading and without reasonable basis.

30. On September 16, 2008 JA Solar issued a press release announcing certain financial transactions with Lehman Brothers and its subsidiary:

On May 19, 2008, JA Solar Holdings Co., Ltd. ("JA Solar") (Nasdaq:JASO) closed its public offerings of \$400 million aggregate principal amount of senior convertible notes due 2013 and up to 13,125,520 American depositary shares, or ADSs, which ADSs were borrowed by Lehman Brothers International (Europe) ("Lehman Europe") and Credit Suisse International ("CS"), affiliates of Lehman Brothers Inc. and Credit Suisse Securities (USA) LLC who were the joint book-running managers of the notes offering, pursuant to ADS lending agreements with JA Solar.

In connection with the senior note offering, JA Solar entered into a 6.56 million share lending agreement with each of Lehman Europe and CS. Under the stock lending agreement with Lehman Europe, the shares must be returned to the Company no later than May 15, 2013, the maturity date of the Senior Notes. Until that time, the shares are considered to be issued and outstanding for corporate law purposes. The Company is investigating the bankruptcy and insolvency proceedings involving Lehman Brothers Holdings Inc. ("Lehman") and Lehman Europe. At this time, the Company is unaware of the intentions of Lehman Europe with respect to the return of the 6.56 million shares attributed to Lehman Europe under the share lending agreement or whether Lehman Europe will be able to fulfill its obligation to return the borrowed shares in 2013. Until such further information is available, the Company will continue to consider the shares not outstanding for the purpose of computing and reporting per share results. The Company intends to vigorously assert its rights with respect to such shares, including, taking advantage of applicable insolvency laws that specifically protect financial market transactions similar to these.

* * *

In addition, the Company has approximately \$100 million worth of USD 3-Month LCMNER Index-Linked Note (the “Note”), issued by Lehman Brothers Treasury Co. B.V. incorporated in The Netherlands, guaranteed by Lehman. Lehman Europe is the dealer of the Note. This note is linked to an index of Lehman Brothers Commodity Alpha Trading Strategies I Excess Return (LCMNER). The maturity date of the Note is October 9th, 2008, with 100% principal protection. We are monitoring the development of the Lehman insolvency proceedings closely, but based on our review of the information made publicly available by Lehman, Lehman Brothers Treasury Co. B.V., the issuer with respect to this transaction, is not presently the subject of insolvency proceedings.

Defendant Lui commented on the situation stating:

The agreements in question are with affiliates of Lehman Brothers Holdings Inc., some of which have not filed for bankruptcy protection. In addition, these financial markets transactions are structured to provide JA Solar with as much legal protection as is customarily available in transactions such as these, and the law protects such transactions even in circumstances of insolvency. While the ultimate impact of the situation is expected to unfold over the next few months, we are availing ourselves of all legal remedies to protect our Company and its shareholders in this very fluid situation.

We have funds on deposit with other international commercial banks. We have sufficient cash to complete our Yangzhou facility and support our other operating needs as we drive to profitability in 2009.

At this point, we do not foresee that these financial transactions with Lehman Brothers will impact our 2008 and 2009 outlook. As such, we are reconfirming our full year 2008 guidance with revenue in the range of RMB 7.22 billion (US\$1.05 billion) to RMB 8.02 billion (US\$1.17 billion) and gross margin in excess of 20%, along with our full year 2009 guidance with revenue in the range of RMB 13.6 billion (US\$2.0 billion) to RMB 15.0 billion (US\$2.2 billion) and gross margin in excess of 20%.

31. That same day, JA Solar held a conference call with analysts and investors to discuss the Company’s announcement. During the call, Defendants Yang and Lui attempted to bolster the Company’s financial outlook, while concealing the full extent of the Company’s exposure to Lehman Brothers:

Defendant Yang

I wanted to take this opportunity to open today’s call by providing a few remarks related to our recent financial transaction with Lehman Brothers, and the potential impact on JA Solar of the Chapter 11 filing on Monday. We issued a press release

early today that outlines the three transactions related to our May year 2008 convertible offering with Lehman, along with the \$100 million worth of notes issued by Lehman Brothers Treasury Company incorporated in the Netherlands. We are working closely to evaluate alternatives for these transactions in order to limit our potential exposure. I will turn it over to our CFO, Dan Lui.

Defendant Lui

Thanks, Samuel. As outlined in today's release, we completed our public offering of \$400 million equity principal amount of senior convertible notes through 2013 and up to 13,125,520 American Depository Shares, or ADS, which ADS were followed by Lehman Brothers International Europe and hereafter we call them Lehman Europe, and Credit Suisse international, hereinafter we call them CS. Affiliates of Lehman Brothers, Inc., and Credit Suisse Securities USA, LLC, who were the joint stock-running managers of the notes offering pursuant to ADS lending agreement with JA Solar.

In connection with the senior note offering, we entered into a 6.56 million share lending agreement with each of Lehman Europe and CS. Under the stock lending agreement with Lehman Europe, the shares must be returned to the company no later than May 15th, 2013. The maturity date of the senior notes, until that time, the shares are considered to be issued and outstanding for corporate law purposes. In connection with the senior note offering, JA Solar entered into a 6.56 million share lending agreement with the -- the company is investigating the bankruptcy and insolvency proceedings involving Lehman Brothers Holdings, Inc., hereafter we call them Lehman, and Lehman Europe. At this time the company is unaware of the intentions of Lehman Europe with respect to the return 6.56 million shares attributed to Lehman Europe under the share lending agreement, or whether Lehman Europe will be able to fulfill its obligation to return the borrowed shares in 2013.

* * *

In addition, we have an approximately \$100 million US three-month LCMNER index linked notes, hereafter we call them the notes, issued by Lehman Brothers Treasury Company, incorporated in the Netherlands, guaranteed by Lehman. Lehman Europe is the dealer of the note. This note is linked to an index of Lehman Brothers commodity alpha trading strategies, except recurred. The maturity date of the note is October 9th, 2008, with 100% principal protection. We are monitoring the development of the Lehman insolvency proceedings closely, but based on our review of the information made publicly available by Lehman, Lehman Brothers Treasury Company believes the issuer with respect to this transaction is not presently the subject of insolvency proceedings.

* * *

While the ultimate impact of the situation is expected to unfold over the next few months, we are availing ourselves of all legal remedies to protect our company and

its shareholders in this very dynamic situation. We have funds on deposit with other international commercial banks. We have sufficient cash to complete our Yangzhou facility as planned. And support our other operating needs as we drive to profitably in 2009. At this point, we do not foresee that these financial transactions with Lehman brothers will impact our 2008 and 2009 outlook. As such, we are reconfirming our full year 2008 guidance with revenue in the range of RMB 7.22 billion, US dollar \$1.05 billion, to RMB 8.02 billion, or US \$1.17 billion, and gross margin in excess of 20%, along with our full year 2009 guidance with revenue in the range of RMB 13.6 billion, or US dollar \$2.0 billion to RMB 15 billion, or US dollar \$2.2 billion, and gross margin in excess of 20%.

32. Following the Individual Defendants prepared remarks, Defendant Lui made the following statements in response to questions posed by securities analysts:

Emily Louis, Analyst with Aretes Research

I have a question regarding the short-term investment you mentioned you made with Lehman Brothers. You referred to \$100 million US I see on the index, I didn't see the item -- I know there's an item called available for sale security in the first quarter of the balance sheet, about \$109 million, and I didn't see the item in second quarter. I just wondered, when you guys entered this contract with Lehman Brothers. Did it happen during the third quarter?

Defendant Lui

Yes that is correct. Actually, I had disclosed this process our plan to the Street at the Q2 earnings announcement conference call, because at the time we already knew that the prime was pretty much in that zone, and the Company decided to act prudent, but it's quite unfortunate it was the benefit of hind sight, pretty unfortunate, but at the time the Company decided to treat the net proceeds of the commercial bond into full portion, for \$100 million a pop. One part, the money market fund.

Emily Louis

That's current, what? Current situation? Current.

Defendant Lui

With Citigroup -- sorry.

Emily Louis

Yeah.

Defendant Lui

And the other three parts with Lehman, Credit Suisse, and Citigroup Asset Management, Trust Management Company, and in that case we tried to diversify our exposure and quite unfortunately end up one of our three trustees got stuck in this current turmoil.

Emily Louis

Okay. And just another follow-up on that. Can you tell, what exactly the content of available for sale security, in the first quarter balance sheet? Because I noticed that there are also a loss from sales investment during the second quarter 2008 --

Defendant Lui

Related to other marketable securities, housing for one, comprised of when they sold the stock and the so-called currency accrual.

Emily Louis

Okay. And to follow up, this \$100 million worth of index notes, is it nominal value or the actual transaction value of the contract? Even like the structure, nominal value, nominal contract value was not how much premium paid to get option to buy.

Defendant Lui

It's in the form of a note to that particular index fund. Basically Lehman has a fund, has a special fund incorporated, and under the UK firm, and that fund, its mandate is to invest in other trusts between -- commodity fund. Like I said earlier, it's supposed to be principal protection, and it's a three-month long. At the end of the three months, there will be principal and interest returned to us, and maturity is --

Emily Louis

Okay. Thanks. I have no further questions.

* * *

Hermie Lee, Analyst with Goldman Sachs

Thank you. One more question on the short-term investment. The \$100 million short-term investment issued by Lehman Brothers Netherlands is not guaranteed by any entity, right?

Defendant Lui

It's guaranteed by Lehman Holdings, Inc.

Hermie Lee

It actually has filed bankruptcy, right? It's not technically, I guess, accurate when you said that the issue has not filed bankruptcy but is a shell company.

Defendant Lui

It had filed for Chapter 11. So it's still operating. It's just that right now the administrator, they have appointed PWW as their asset administrator, and now it's no longer – the assets are no longer under control of the Lehman management.

Hermie Lee

Sure. I understand. But my point, I guess is Lehman Brothers Netherlands is basic a shell company that's ultimately being backed by Lehman Brothers, Inc., which is the company that filed Chapter 11.

Defendant Lui

That part again I don't know because when we purchased the investment, Lehman Netherlands was unrated, which the Lehman holdings with Standard & Poors were great.

Hermie Lee

Right, right. If Lehman Brothers Netherlands had been a shell company, no ability to repay, it will have recourse back to Lehman Brothers, Inc., which is under the liquidation provision right now.

Defendant Lui

Yes.

Hermie Lee

Thank you very much.

33. The statements in ¶¶30-32 only partially disclosed JA Solar's exposure to Lehman Brothers and, accordingly, the price of the Company's ADS continued to be artificially inflated following the Defendants September 16, 2008 statements.

34. The Class Period ends on November 12, 2008. On that date, JA Solar announced its 2008 third quarter results for the period ending September 30, 2008. The Company issued a press release announcing a \$100 million impairment on short-term investments purchased from Lehman Brothers Treasury Co. B.V.:

Total revenue in the third quarter of 2008 was RMB 2.12 billion or \$312.3 million, an increase of 149.5 percent from third quarter of 2007 revenue of RMB 850.0 million or \$125.2 million, and an increase of 71.5 percent from the second quarter of 2008 revenue of RMB 1.24 billion or \$182.1 million.

Total gross profit in the third quarter of 2008 was RMB 458.1 million or \$67.5 million compared with RMB 199.3 million or \$29.4 million in the third quarter 2007, and RMB 288.4 million or \$42.5 million in the second quarter 2008. Gross margin was 21.6 percent in the third quarter 2008, compared with 23.45 percent in the third quarter 2007, and 23.3 percent in the second quarter 2008.

Interest expense in the third quarter of 2008 was RMB 63.5 million or \$9.4 million, compared with RMB 1.3 million or \$0.19 million in the third quarter of 2007. This compares with RMB 32.9 million or \$4.9 million in the second quarter of 2008.

Net loss available to ordinary shareholders in the third quarter 2008 was RMB 142.8 million or \$21.0 million compared with net profit of RMB 165.9 million or \$ 24.4 million in the third quarter 2007, and RMB 318.6 million or \$46.9 million in the second quarter 2008.

Basic and diluted loss per ADS was RMB 0.92 or \$0.13 and RMB 2.47 or \$0.36, respectively. This compares with basic and diluted net income per ADS of RMB 1.20 or \$ 0.18 and RMB 1.18 or \$ 0.17, respectively, in the same period of 2007; and RMB 2.06 or \$0.30 and RMB -0.04 or \$-0.01, respectively, in the second quarter 2008.

The bankruptcy of Lehman Brothers and its affiliates had a material impact on our third quarter net income and EPS. ***Firstly, the company recorded a \$100 million other than temporary impairment adjustment against short term investments purchased from Lehman Brothers Treasury Co. B.V. (“Lehman Treasury”) due to its bankruptcy and related default on repayment of this investment at maturity of 9th October 2008.*** Further in connection with the senior convertible notes offering, JA Solar entered into a 6.56 million share lending agreement with Lehman Brothers International (Europe) (“Lehman Europe”). Under the share lending agreement with Lehman Europe, the shares must be returned to the Company no later than May 15, 2013, the maturity date of the senior notes. Until that time, the shares are considered to be issued and outstanding for corporate law purposes. Under current accounting rules, since there was an obligation of Lehman Europe to return the borrowed shares, such shares would have been excluded from the company’s per share calculation. However, due to the recent bankruptcy filing by Lehman Europe, the Company will now include these shares in its per share calculation on a weighted average basis. Approximately 1.1 million shares were included in the per share computation for the third quarter related to the Lehman Europe share lending arrangement. Also in connection with the senior note offering, JA Solar entered into a capped call transaction with Lehman Brothers OTC Derivatives Inc. (“Lehman OTC”) and the company recorded a \$7.35 million loss in Q3 given Lehman OTC bankruptcy.

35. On November 12, 2008, JA Solar's stock closed at \$2.38 per share, a price that represented a decline of more than 87% from the high during the three month Class Period.

36. The market for JA Solar ADS was open, well-developed and efficient at all relevant times. As a result of these materially false and misleading statements and failures to disclose, JA Solar ADS traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired JA Solar ADS relying upon the integrity of the market price of JA Solar ADS and market information relating to JA Solar, and have been damaged thereby.

37. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of JA Solar ADS, by publicly issuing false and misleading statements and omitting to disclose material facts necessary to make Defendants' statements, as set forth herein, not false and misleading. Said statements and omissions were materially false and misleading in that they failed to disclose material adverse information and misrepresented the truth about the Company, its business and operations, as alleged herein.

38. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false or misleading statements about JA Solar's business, prospects and operations. These material misstatements and omissions had the cause and effect of creating in the market an unrealistically positive assessment of JA Solar and its business, prospects and operations, thus causing the Company's ADS to be overvalued and artificially inflated at all relevant times. Defendants' materially false and misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's ADS at artificially inflated prices, thus causing the damages complained of herein.

ADDITIONAL SCIENTER ALLEGATION

39. As alleged herein, Defendants acted with scienter in that Defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and misleading, knew that such statements or documents would be issued or disseminated to the investing public, and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, Defendants, by virtue of their receipt of information reflecting the true facts regarding JA Solar, their control over, and/or receipt and/or modification of JA Solar's allegedly materially misleading misstatements, and/or their associations with the Company which made them privy to confidential proprietary information concerning JA Solar, participated in the fraudulent scheme alleged herein.

LOSS CAUSATION/ECONOMIC LOSS

40. During the Class Period, as detailed herein, Defendants engaged in a scheme to deceive the market and a course of conduct which artificially inflated the price of JA Solar ADS and operated as a fraud or deceit on Class Period purchasers of JA Solar ADS by failing to disclose that JA Solar's investment in the Lehman note that subjected the Company to significant risks, the diminution in the value of which had a materially adverse effect on JA Solar's financial condition and results of operation.

41. When Defendants' prior misrepresentations and fraudulent conduct were disclosed and became apparent to the market, the price of JA Solar ADS declined as the prior artificial inflation in such securities came out. As a result of their purchases of JA Solar ADS during the Class Period, Plaintiff and the other Class members suffered economic loss, *i.e.*, damages, under the federal securities laws.

42. The decline in the price of JA Solar ADS after the adverse undisclosed information came to light was a direct result of the nature and extent of Defendants' fraud finally being revealed to investors and the market. The timing and magnitude of the price decline in JA Solar ADS negates any inference that the loss suffered by Plaintiff and the other Class members was caused by changed market conditions, macroeconomic or industry factors or Company-specific facts unrelated to the Defendants' fraudulent conduct. The economic loss, *i.e.*, damages, suffered by Plaintiff and the other Class members was a direct result of Defendants' fraudulent scheme to artificially inflate the prices of JA Solar ADS and the subsequent significant decline in the value of JA Solar ADS when Defendants' prior misrepresentations and other fraudulent conduct were revealed.

**APPLICABILITY OF PRESUMPTION OF RELIANCE:
FRAUD ON THE MARKET DOCTRINE**

43. At all relevant times, the market for JA Solar ADS was an efficient market for the following reasons, among others:

(a) JA Solar ADS met the requirements for listing, and was listed and actively traded on the NASDAQ, a highly efficient and automated market;

(b) As a regulated issuer, JA Solar filed periodic public reports with the SEC and the NASDAQ;

(c) JA Solar regularly communicated with public investors via established market communication mechanisms, including through regular disseminations of press releases on the national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and

(d) JA Solar was followed by several securities analysts employed by major brokerage firms who wrote reports which were distributed to the sales force and certain customers of

their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

44. As a result of the foregoing, the market for JA Solar ADS promptly digested current information regarding JA Solar from all publicly available sources and reflected such information in JA Solar's share price. Under these circumstances, all purchasers of JA Solar ADS during the Class Period suffered similar injury through their purchase of JA Solar ADS at artificially inflated prices and a presumption of reliance applies.

NO SAFE HARBOR

45. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. Many of the specific statements pleaded herein were not identified as "forward-looking statements" when made. To the extent there were any forward-looking statements, there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. Alternatively, to the extent that the statutory safe harbor does apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the particular speaker knew that the particular forward-looking statement was false, and/or the forward-looking statement was authorized and/or approved by an executive officer of JA Solar who knew that those statements were false when made.

COUNT I

Violation of Section 10(b) of the Exchange Act and Rule 10b-5 Promulgated Thereunder Against All Defendants

46. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

47. During the Class Period, Defendants disseminated or approved the materially false and misleading statements specified above, which they knew or deliberately disregarded were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

48. Defendants: (a) employed devices, schemes, and artifices to defraud; (b) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (c) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's ADS during the Class Period.

49. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of the market, they paid artificially inflated prices for JA Solar ADS. Plaintiff and the Class would not have purchased JA Solar ADS at the prices they paid, or at all, if they had been aware that the market prices had been artificially and falsely inflated by Defendants' misleading statements.

50. As a direct and proximate result of these Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their purchases of JA Solar ADS during the Class Period.

COUNT II

Violation of Section 20(a) of the Exchange Act Against the Individual Defendants

51. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

52. The Individual Defendants acted as controlling persons of JA Solar within the meaning of Section 20(a) of the Exchange Act as alleged herein. By reason of their positions as officers and/or directors of JA Solar, and their ownership of JA Solar ADS, the Individual

Defendants had the power and authority to cause JA Solar to engage in the wrongful conduct complained of herein. By reason of such conduct, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act.

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

A. Determining that this action is a proper class action, designating Plaintiff as Lead Plaintiff and certifying Plaintiff as a Class representative under Rule 23 of the Federal Rules of Civil Procedure and Plaintiff's counsel as Lead Counsel;

B. Awarding compensatory damages in favor of Plaintiff and the other Class members against all Defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;

C. Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

D. Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

DATED: December 3, 2008

COUGHLIN STOIA GELLER RUDMAN
& ROBBINS LLP
SAMUEL H. RUDMAN
DAVID A. ROSENFELD
MARIO ALBA, JR.

SAMUEL H. RUDMAN

58 South Service Road, Suite 200
Melville, New York 11747
Telephone: 631/367-7100
631/367-1173 (fax)

HOLZER HOLZER & CANNON, LLC
COREY D. HOLZER
MICHAEL I. FISTEL, JR.
1117 Perimeter Center West, Suite E-107
Atlanta, GA 30338
Telephone: 770/392-0090
770/392-0029 (fax)

DYER & BERENS LLP
ROBERT J. DYER III
JEFFREY A. BERENS
682 Grant Street
Denver, Colorado 80203
Telephone: 303/861-1764
303/395-0393 (fax)

Attorneys for Plaintiff