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Solargiga Energy

Solargiga Energy Holdings Limited

陽光能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 757)

ANNOUNCEMENT ESTABLISHMENT OF A JOINT VENTURE COMPANY

Reference is made to the announcement made by the Company dated 15 April 2009 regarding, among other things, the entering into the MOU for the formation of the Joint Venture for the production and sales of photovoltaic modules as well as design and installation of photovoltaic systems.

The Board is pleased to announce that on 27 April 2009, Jinzhou Yangguang, a wholly-owned subsidiary of the Company, entered into a formal Joint Venture Agreement and related Articles of Association for the establishment of the Joint Venture Company.

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

Reference is made to the announcement made by the Company dated 15 April 2009 (the “**Announcement**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

JOINT VENTURE COMPANY

The Board is pleased to announce that on 27 April 2009, Jinzhou Yangguang, a wholly-owned subsidiary of the Company, entered into a formal joint venture agreement (the “**Joint Venture Agreement**”) and related articles of association (the “**Articles of Association**”) with two independent third parties (the “**Joint Venture Partners**”) for the establishment of Jinzhou Jinmao Photovoltaic Technology Co., Ltd. (the “**Joint Venture Company**”) in Jinzhou, Liaoning Province of the People’s Republic of China (“**PRC**”). Subject to the approval of the relevant PRC government authorities, the Joint Venture Company will principally engage in the production and sales of photovoltaic modules as well as design and installation of photovoltaic systems.

JOINT VENTURE AGREEMENT

Date 27 April 2009

Parties

- (A) Jinzhou Yangguang, a wholly-owned subsidiary of the Company;
- (B) Kinmac Holdings Limited (“**Kinmac Holdings**”); and
- (C) An independent third party.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiry, prior to the establishment of Joint Venture Company, Kinmac Holdings, and the other Joint Venture Partner and their respective ultimate beneficial owners are independent of the Group and its connected persons (as defined in the Listing Rules).

Registered Capital and Total Investments

Pursuant to the Joint Venture Agreement, the amount of registered capital of the Joint Venture Company will be RMB40,000,000, of which RMB20,400,000 will be contributed by Jinzhou Yangguang in cash to be funded by way of internal resources of the Group. Kinmac Holdings and the other Joint Venture Partner will contribute RMB14,000,000 and RMB5,600,000, in cash to the registered capital of the Joint Venture Company, respectively.

According to the Joint Venture Agreement, the amount of total investments of the Joint Venture Company will be changed from RMB100,000,000 (as announced in the Announcement) to RMB90,000,000.

Upon establishment, the Joint Venture Company will be held as to 51% by Jinzhou Yangguang, as to 35% by Kinmac Holdings and as to 14% by the other Joint Venture Partner, respectively. The Joint Venture Company will become a non-wholly owned subsidiary of the Company.

Board of Directors

The board of directors of the Joint Venture Company will comprise five directors, of which three will be appointed by Jinzhou Yangguang and two will be appointed by Kinmac Holdings. The chairman of the board of directors of the Joint Venture Company will be nominated by Jinzhou Yangguang.

Reasons for the Establishment of Joint Venture Company

The Group is one of the leading manufacturers of monocrystalline silicon ingots in the PRC. It principally engages in the manufacturing of monocrystalline silicon ingots and wafers and the recycling and processing of scrap polysilicon. Silicon ingots and wafers are used for the manufacturing of photovoltaic cells which are important components of the solar energy generation system.

The establishment of the Joint Venture Company is in line with the memorandum of understanding entered into between Jinzhou Municipal Government and the Group, and it enables the Group to capitalise on its existing business structure to expand its product range throughout the photovoltaic supply chain.

INFORMATION ON KINMAC HOLDINGS

Kinmac Holdings is a wholly-owned subsidiary of Kinmac Solar Corporation (formerly known as Lucky Power Technology Company Limited), a company incorporated in Taiwan in 2004. Kinmac Solar Corporation and its subsidiaries principally engaged in the production of standard photovoltaic modules, design and installation of solar panel modules as well as building integrated photovoltaic in Europe and Taiwan.

GENERAL

With reference to the relevant applicable percentage ratios (as defined in the Listing Rules) for the establishment of the Joint Venture Company, the establishment of the Joint Venture Company will not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

By Order of the Board
Solargiga Energy Holdings Limited
Hsu You Yuan
Executive Director

Hong Kong, 27 April 2009

As at the date of this announcement, Mr. Tan Wenhua, Mr. Hsu You Yuan and Ms. Zhang Liming are executive directors of the Company; Mr. Chiao Ping-hai and Mr. Chong Kin Ngai are non-executive directors of the Company; and Ms. Fu Shuangye, Dr. Lin Wen, Mr. Wong Wing Kuen, Albert and Mr. Zhang Chun are independent non-executive directors of the Company.