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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)

VOLUNTARY ANNOUNCEMENT IN RELATION TO POSSIBLE LOAN AND THE GUARANTEES PROVIDED BY THE COMPANY AND AN EXECUTIVE DIRECTOR

This is a voluntary announcement made by Solargiga Energy Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to keep the shareholders and potential investors of the Company informed of the latest business development of the Group.

POSSIBLE LOAN AND THE GUARANTEES PROVIDED BY THE COMPANY AND AN EXECUTIVE DIRECTOR

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that, Jinzhou Yangguang Energy Co., Ltd.* (錦州陽光能源有限公司) (“**Jinzhou Yangguang**”), an indirect wholly-owned subsidiary of the Company (the “**Borrower**”), intends to enter into a working capital loan agreement (the “**Loan Agreement**”) with the Shenyang Branch of Industrial Bank Co., Ltd (興業銀行股份有限公司) (the “**Bank**”) on or before 15 August 2024 for a loan in the principal amount of RMB100,000,000 for one year (the “**Possible Loan**”). The performance of Jinzhou Yangguang’s obligations under the Loan Agreement will be guaranteed under the corporate guarantee (the “**Corporate Guarantee**”) (as amended from time to time) and the personal guarantee (the “**Personal Guarantee**”) (as amended from time to time) provided by each of the Company and Mr. Tan Wenhua (chairman of the Board, an executive Director and a substantial shareholder of the Company) (“**Mr. Tan**”), respectively, in favour of the Bank of up to RMB120,000,000. Upon the expiration of this loan term, if a new loan or other credit business is processed, the Corporate Guarantee and Personal Guarantee will remain effective until 21 June 2028. For further details of the Corporate Guarantee and Personal Guarantee, please refer to the Company’s announcement dated 15 June 2023.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT

The Group is principally engaged in (i) the manufacturing and trading of photovoltaic module business, (ii) the construction and operation of photovoltaic power systems and (iii) semiconductor business. Jinzhou Yangguang is principally engaged in the manufacturing and trading of photovoltaic modules. The availability of the Possible Loan reflects that the Bank has confidence in the business prospects and solvency of the Group, and is supportive of the Group's future development and growth potential in the photovoltaic market. Having considered that entering into the Loan Agreement would be conducive to improving the Group's financial management, optimising the Group's financial structure, diversifying financing sources and increasing leverage in finance cost negotiations to reduce future financing costs, the Board considers that the entering into of the Loan Agreement is in the interests of the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

Mr. Tan is an executive director and a substantial shareholder of the Company. As at the date of the announcement, Mr. Tan is interested in an aggregate of 712,244,751 shares of the Company, representing approximately 21.43% of the Company's total issued share capital. Mr. Tan had provided the Personal Guarantee without receiving any form of consideration. Accordingly, the provision of the Personal Guarantee by Mr. Tan constitutes financial assistance received by the Group and a connected transaction for the Group under Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

Given that the Personal Guarantee was not secured by any assets of the Group, and that the Directors considered that the terms of the Personal Guarantee were on normal commercial terms or better to the Group, the Personal Guarantee is fully exempt from the reporting, independent shareholders' approval, annual review and announcement requirements pursuant to Rule 14A.90 of the Listing Rules.

GENERAL

Further announcement(s) will be made upon the entering into of the Loan Agreement as and when appropriate.

The Possible Loan is subject to the entering into of the Loan Agreement and the fulfilment of the conditions precedent thereunder. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Solargiga Energy Holdings Limited
Tan Wenhua
Chairman

Hong Kong, 12 August 2024

As at the date of this announcement, the executive Directors are Mr. Tan Wenhua (Chairman), Mr. Tan Xin and Mr. Wang Junze, the non-executive Director is Mr. Hsu You Yuan and the independent non-executive Directors are Dr. Wong Wing Kuen, Albert, Ms. Chung Wai Hang and Ms. Tan Ying.

* *For identification purposes only*