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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)

CONTINUING CONNECTED TRANSACTIONS
PROCUREMENT FRAMEWORK AGREEMENT

PROCUREMENT FRAMEWORK AGREEMENT

The Board hereby announces that on 10 September 2025 (after trading hours), Liaoning Boxinke (as purchaser), an indirect non-wholly owned subsidiary of the Company, and Jinzhou Youxin (as supplier) entered into the Procurement Framework Agreement for a term commencing on 10 September 2025 and ending on 31 December 2027 (both days inclusive), pursuant to which Liaoning Boxinke agreed to procure quartz crucibles from Jinzhou Youxin.

LISTING RULES IMPLICATIONS

Jinzhou Youxin is a majority-controlled company held by Ms. Chen Man, the spouse of Mr. Tan Xin (chairman of the Board, chief executive officer of the Company and an executive Director). Therefore, Jinzhou Youxin is an associate of Mr. Tan Xin and a connected person of the Company under the Listing Rules. Accordingly, the Continuing Connected Procurement Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Continuing Connected Procurement Transactions, on an annual basis, is more than 0.1% but less than 5%, the Continuing Connected Procurement Transactions are subject to the announcement, reporting and annual review requirements but are exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

A. PROCUREMENT FRAMEWORK AGREEMENT

The Board hereby announces that on 10 September 2025 (after trading hours), Liaoning Boxinke (as purchaser), an indirect subsidiary of the Company, and Jinzhou Youxin (as supplier) entered into the Procurement Framework Agreement for a term commencing on 10 September 2025 and ending on 31 December 2027 (both days inclusive). The material terms of the Procurement Framework Agreement are set out as follows:

1. Date

10 September 2025 (after trading hours)

2. Parties

- (i) Liaoning Boxinke (an indirect non-wholly owned subsidiary of the Company) as purchaser; and
- (ii) Jinzhou Youxin as supplier.

3. Transaction nature

Liaoning Boxinke and Jinzhou Youxin entered into the Procurement Framework Agreement on 10 September 2025 (after trading hours) for a term commencing on 10 September 2025 and ending on 31 December 2027 (both days inclusive), pursuant to which Liaoning Boxinke agreed to procure quartz crucibles from Jinzhou Youxin.

4. Pricing principle and payment terms

Liaoning Boxinke and Jinzhou Youxin may, from time to time and based on actual procurement needs, enter into individual contracts. The terms of the individual contracts shall be negotiated by the parties at arm's length and on normal commercial terms in the ordinary course of business, and shall set out the specific terms and conditions of the purchase of products (including the types of products, quantities, and prices) according to the following principles:

The prices shall be determined with reference to the market prices of the same or comparable types of products provided by other independent third parties (the “**Market Price(s)**”) by obtaining quotations from at least two other independent third parties for similar products and in similar quantity before entering into individual contract for procurement in order to determine if the prices and specifications of the products offered by Jinzhou Youxin are comparable to those offered by such independent suppliers, and assess and review their fairness and reasonableness by taking into account multiple factors such as the type of products to be procured, delivery costs, quality and quantity of products, and technical specifications. Such quotations will be obtained from suppliers of quartz crucibles which price quotations are publicly available. If Liaoning Boxinke obtains more favourable prices and for similar products under the Procurement Framework Agreement from independent supplier(s), Liaoning Boxinke will negotiate with Jinzhou Youxin for reasonable price for such products, and has the full discretion not to procure such products from the Jinzhou Youxin.

The prices payable by Liaoning Boxinke shall be settled in accordance with the settlement terms of the individual contracts, to be determined with reference to market practice according to the nature of goods procured.

The Directors confirmed that the pricing principle agreed for the Continuing Connected Procurement Transactions is negotiated on an arm’s length basis and is fair and reasonable, and constitutes a normal commercial term.

5. Termination and renewal

Either party to the Procurement Framework Agreement may terminate it by providing at least thirty (30) days prior written notice to the counterparty. The Procurement Framework Agreement is renewable for another term of three (3) years (subject to the compliance of the relevant requirements under the Listing Rules by the Company) upon mutual agreement between the parties.

6. Historical transaction amounts and the annual caps

The historical transaction amounts for the products supplied by Jinzhou Youxin to Liaoning Boxinke for the two years ended 31 December 2024 and the six months ended 30 June 2025 are as follows:

	For the year ended 31 December		For the six months ended
	2023	2024	30 June 2025
Historical transaction amounts (RMB) (VAT exclusive)	1,161,000 (Note)	5,615,000	2,868,000

Note: Upon the acquisition of all the equity interest in Jinzhou Youxin by Qujing Youxin in September 2023, Jinzhou Youxin became a connected person of the Company.

Set out below are the proposed annual caps, which are the proposed maximum transaction amounts to be payable by Liaoning Boxinke to Jinzhou Youxin for the Continuing Connected Procurement Transactions under the Procurement Framework Agreement for the three years ending 31 December 2027:

	For the year ending 31 December 2025	For the year ending 31 December 2026	For the year ending 31 December 2027
Annual caps (RMB) (VAT exclusive)	9,000,000	12,000,000	12,000,000

The annual caps are determined with reference to (i) the historical transaction amounts; (ii) the expected growth in demand of Liaoning Boxinke for the relevant products by approximately 30% to 60%, as the Group is focusing on the research and development, production and sales of semiconductor monocrystalline silicon for automotive chips; (iii) the expansion in scale of operation of Liaoning Boxinke's semiconductor business; and (iv) the Market Prices of the relevant products to be supplied by Jinzhou Youxin under the Procurement Framework Agreement which are expected to increase by up to 1.5% for the respective periods.

B. REASONS FOR AND BENEFITS OF ENTERING INTO THE PROCUREMENT FRAMEWORK AGREEMENT

In order to ensure the stable supply of quartz crucibles required for its production of electronic semiconductor materials, the Group, through Liaoning Boxinke, needs to procure such products from reliable suppliers, with Jinzhou Youxin having been identified as a capable supplier. Liaoning Boxinke and Jinzhou Youxin have an amicable business relationship with no major disputes in respect of the historical procurement from Jinzhou Youxin, therefore the Board considers that Jinzhou Youxin to be reliable business partners. Given the Group's relationship with Jinzhou Youxin, Jinzhou Youxin is expected to be able to supply the relevant products that meet the Group's requirements in a timely and efficient manner. As such, through the Continuing Connected Procurement Transactions, the Group can ensure a stable supply of the relevant products required for its production.

The Directors (excluding Mr. Tan Xin who has abstained from voting on the relevant resolutions of the Board for the reasons stated in the section headed "D. Listing Rules Implications" below in this announcement, but including the independent non-executive Directors) consider that the Continuing Connected Procurement Transactions are conducted in the ordinary and usual course of business of the Group and the terms of the Procurement Framework Agreement (including the annual caps) have been entered into on normal commercial terms after arm's length negotiation, and are fair and reasonable and in the interest of the Group and the Shareholders as a whole.

C. INTERNAL CONTROL PROCEDURES

The Company has adopted the following internal control measures to ensure that the Continuing Connected Procurement Transactions are and will be conducted in accordance with the pricing policies and the terms of the Procurement Framework Agreement, and in compliance with the Listing Rules:

- (i) by monitoring the publicly available price quotations of certain suppliers of quartz crucibles, the procurement department of the Company shall obtain and monitor quotations and/or pricing records to ensure that the prices of the relevant products supplied by Jinzhou Youxin are not higher than the prices offered by other independent third parties for the same or comparable types of products in accordance with the applicable pricing principles set out in the section headed “A. PROCUREMENT FRAMEWORK AGREEMENT – 4. Pricing principle and payment terms” above in this announcement;
- (ii) before entering into any individual contract, the procurement department of the Company will review and assess whether the prices and terms set out in the individual contract are consistent with the Procurement Framework Agreement;
- (iii) the finance department of the Company shall monitor and ensure that the Continuing Connected Procurement Transactions are conducted in accordance with the terms of the Procurement Framework Agreement and the respective annual caps are not exceeded; and
- (iv) the independent non-executive Directors shall, and the Company shall engage its external auditors to, conduct an annual review of the Continuing Connected Procurement Transactions and the annual caps in accordance with the requirements of the Listing Rules.

D. LISTING RULES IMPLICATIONS

Jinzhou Youxin is a majority-controlled company held by Ms. Chen Man, the spouse of Mr. Tan Xin (chairman of the Board, chief executive officer of the Company and an executive Director). Therefore, Jinzhou Youxin is an associate of Mr. Tan Xin and a connected person of the Company under the Listing Rules. Accordingly, the Continuing Connected Procurement Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Continuing Connected Procurement Transactions, on an annual basis, is more than 0.1% but less than 5%, the Continuing Connected Procurement Transactions are subject to the announcement, reporting and annual review requirements but are exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Mr. Tan Xin is considered to have a material interest in the Continuing Connected Procurement Transactions, Mr. Tan Xin has abstained from voting on the relevant resolutions of the Board approving the Procurement Framework Agreement and the Continuing Connected Procurement Transactions contemplated thereunder.

Save as disclosed above, no other Director has a material interest in the Continuing Connected Procurement Transactions and is required to abstain from voting on the relevant resolutions of the Board approving the Procurement Framework Agreement and the Continuing Connected Procurement Transactions contemplated thereunder.

E. NON-COMPLIANCE WITH THE LISTING RULES

In respect of the historical procurement of products by Liaoning Boxinke (a subsidiary of the Company) from Jinzhou Youxin for the year ended 31 December 2024 and the six months ended 30 June 2025 (the “**Historical Transactions**”), as the highest applicable percentage ratio (as defined under the Listing Rules), calculated on an annual basis, is more than 0.1% but less than 5%, and the aggregate annual consideration amount exceeds HK\$3,000,000, the Historical Transactions are subject to the announcement, reporting and annual review requirements but are exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Historical Transactions had not been announced by the Company in a timely manner in accordance with the relevant requirements under Rule 14A.35 of the Listing Rules.

In the course of the Company's recent internal review and compliance checks, it came to the attention of the Company that there were past procurement transactions between the Group and Jinzhou Youxin. The Board would like to emphasise that the omission to announce the Historical Transactions earlier was entirely unintentional and the Company sincerely regrets the oversight. The situation arose due to a gap in internal communication concerning the acquisition of Jinzhou Youxin by Qujing Youxin, which was completed in September 2023. The transaction was overseen by the finance manager of Qujing Youxin, who did not report the completion of the acquisition to the head of the finance department of Qujing Youxin. Both individuals are members of the management of Qujing Youxin and not part of the Group's management. As the head of Qujing Youxin's finance department, who was responsible for liaising with the Group's management, was not informed of the completion of the acquisition, the matter was not brought to the attention of the Company at the relevant time. Consequently, Jinzhou Youxin was not identified as a connected person, and the corresponding updates to the connected person records and disclosure obligations under Chapter 14A of the Listing Rules were inadvertently overlooked. Once the existence of the Historical Transactions was identified, the Group took prompt action by: (a) halting the procurement of products by Liaoning Boxinke from Jinzhou Youxin, (b) entering into the Procurement Framework Agreement with Jinzhou Youxin for the Continuing Connected Procurement Transactions in respect of future procurement of products from Jinzhou Youxin, thereby ensuring full compliance with the Listing Rules going forward; and (c) disclosing the Historical Transactions and the Continuing Connected Procurement Transactions through this announcement.

Moving forward, the Company has implemented the following remedial measures to strengthen communication and reporting mechanisms within the Group to avoid recurrence, and will continue to apply them on an ongoing basis:

- (a) Continue to maintain and update the connected persons register, which will be periodically reviewed, updated and circulated to the Company's subsidiaries by the management of the Company on (i) a monthly basis; and (ii) an event-triggered basis when the senior management and/or the directors of the Company are aware of any event that may lead to any change(s) to the register;
- (b) Require all subsidiaries of the Company to review the information on the background and shareholding structure of a supplier or counterparty before entering into a potential transaction, and seek the Company's approval by reporting to the finance department of the Company before conducting transactions with connected persons of the Company, the amount of which exceeds RMB1,000,000;

- (c) Institute enhanced cross-checking between procurement and finance departments, including performing monthly check on the transactions conducted by the Company's subsidiaries and assessing the Listing Rules implications of such transactions on both standalone and aggregate basis; and
- (d) Once potential transactions with connected persons of the Company that would trigger any possible reporting, announcement, annual review and/or independent shareholders' approval requirements under Chapter 14A of the Listing Rules have been identified, the finance department of the Company shall report to the Board promptly for the Board to assess the actions to be taken in order to ensure compliance with the Listing Rules.

In addition, the Company will arrange compliance training on a regular basis for relevant directors and management to strengthen their knowledge of the Listing Rules and to improve their awareness of the importance of compliance with the relevant requirements under the Listing Rules.

In light of the above and taking into account the reason for the non-compliance with the Listing Rules as disclosed above, the Board is of the view that the above remedial measures are sufficient and effective to prevent similar non-compliances in the future.

The Directors have reviewed the Historical Transactions and noted that the individual contracts between Liaoning Boxinke and Jinzhou Youxin in relation thereto were all entered into under normal commercial terms. Prices of goods procured by the Group were negotiated on an arm's length basis based on prevailing market prices, with payment terms no less favourable than those available to the Group from independent third parties. Having reviewed the Historical Transactions, the Board (excluding Mr. Tan Xin who has abstained from voting on the relevant resolutions of the Board, but including the independent non-executive Directors) is of the view that the Historical Transactions were entered into on normal commercial terms, in the ordinary and usual course of business of the Group, and confirms that the terms of the Historical Transactions were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

F. GENERAL INFORMATION

The Group: The Group is principally engaged in (i) the manufacture and trading of photovoltaic modules; (ii) the construction and operating of photovoltaic power plants; and (iii) the manufacture and trading of semiconductor, and others.

Liaoning Boxinke: Liaoning Boxinke is a company established in the PRC and is engaged in the manufacturing and trading of electronic semiconductor materials. Liaoning Boxinke is an indirect non-wholly owned subsidiary of the Company.

Jinzhou Youxin: Jinzhou Youxin is a company established in the PRC and is principally engaged in the production, sales, and technical services of quartz glass products; import and export of goods and technology.

To the best of the Directors' knowledge, information and belief having made reasonable enquiries, Jinzhou Youxin has been a wholly-owned subsidiary of Qujing Youxin since it was acquired by Qujing Youxin on 4 September 2023, and (i) Ms. Chen Man (spouse of Mr. Tan Xin) indirectly holds approximately 66.5% equity interests in Qujing Youxin, (ii) Mr. Chong Chun Kit, Jack indirectly holds approximately 28.5% equity interests in Qujing Youxin; and (iii) the remaining 5% equity interests in Qujing Youxin are indirectly held by eight individuals through a limited partnership established in the PRC.

To the best of the Directors' knowledge, information and belief having made reasonable enquiries, save for Ms. Chen Man (spouse of Mr. Tan Xin) who is a connected person of the Company, all of the other ultimate beneficial owners of Jinzhou Youxin are third parties independent of the Company and its connected persons.

G. DEFINITIONS

In this announcement, the following expressions shall have the following respective meanings:

“Board”	the board of Directors
“Company”	Solargiga Energy Holdings Limited (陽光能源控股有限公司) (stock code: 757), a company incorporated under the laws of the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Continuing Connected Procurement Transactions”	the continuing connected transactions in respect of the procurement of products by Liaoning Boxinke from Jinzhou Youxin contemplated under the Procurement Framework Agreement
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries

“Jinzhou Youxin”	Jinzhou Youxin Quartz Technology Co., Ltd.* (錦州佑鑫石英科技有限公司), a limited liability company established in the PRC
“Liaoning Boxinke”	Liaoning Boxinke Semiconductor Material Co., Ltd.* (遼寧博芯科半導體材料有限公司), an indirect non-wholly owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Procurement Framework Agreement”	the procurement framework agreement entered into between Liaoning Boxinke and Jinzhou Youxin on 10 September 2025 (after trading hours) for a term commencing on 10 September 2025 and ending on 31 December 2027 (both days inclusive)
“Qujing Youxin”	Qujing Development Zone Youxin Quartz Co., Ltd* (曲靖開發區佑鑫石英有限公司), a limited liability company established in the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the shares of the Company

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

Hong Kong, 10 September 2025

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

* *For identification purposes only*