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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)**

**PROFIT WARNING**

This announcement is made by Solargiga Energy Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that based on preliminary review on the unaudited management accounts, the consolidated gross profit margin of the Group for the financial year ended 31 December 2008 is expected to record a significant decline of over 13 percentage points as compared to the consolidated gross profit margin of approximately 31.8% as recorded for the financial year ended 31 December 2007. The Board considers that the significant decrease in consolidated gross profit margin for the year was mainly attributable to loss on diminution in value of inventories as a result of continuous fall in raw material prices and product selling prices after the financial year end. The Board therefore believes that the net profit for the financial year ended 31 December 2008 would be adversely affected by the loss on diminution in value of inventories accordingly.

In addition, the Board would also like to inform the shareholders of the Company and potential investors that in the fourth quarter of 2008, the Group’s business also experienced slowdown in revenue and decline in both raw material prices and product selling prices, which is considered to be in line with the recent global economic slowdown.

The Board believes that the financial position of the Group remains solid and that the Group is well-positioned to weather the current difficult environment. The Group is actively considering adjustments to its business strategy and seeking potential business opportunities to improve its performance.

In addition, for the avoidance of doubt, the Group has not been and is not engaged in trading derivatives and other structured financial products during 2008 or as at the date of this announcement.

Please note that the information contained in this announcement is only based on the preliminary assessment by the Board on the unaudited management accounts of the Group and currently available information, which have not been confirmed or audited by the Company's auditors. The Board intends to disclose details of the Group's results for the financial year ended 31 December 2008 in the results announcement of the Company as soon as practicable.

***Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.***

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

Hong Kong, 5 February 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.*