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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)**

### **TERMINATION OF THE SALE AND PURCHASE AGREEMENT AND THE SUBSCRIPTION AGREEMENT**

This announcement is made pursuant to Rule 14.36 of the Listing Rules.

Reference is made to the Proposed Acquisition and the Subscription as announced on 1 June 2009 and 11 June 2009.

Completion of the Proposed Acquisition under the Sale and Purchase Agreement was conditional upon fulfilment of certain conditions precedent on or before 6:00 pm on 31 December 2009 (or such other date as the parties thereto may agree in writing). The Proposed Acquisition of Kinmac, a company incorporated in Taiwan, was subject to the approval of the Investment Commission of the Ministry of Economic Affairs of Taiwan, being one of the conditions precedent to the Proposed Acquisition. Given that such approval was not obtained as at 6:00 pm on 31 December 2009, the parties to the Sale and Purchase Agreement agreed to terminate the Sale and Purchase Agreement.

Completion of the Subscription Agreement was conditional on the Sale and Purchase Agreement having been completed in accordance with its terms. In view of the termination of the Sale and Purchase Agreement, the parties to the Subscription Agreement agreed to terminate the Subscription Agreement.

Accordingly, the Sale and Purchase Agreement and the Subscription Agreement were not completed whereupon all rights and obligations of the parties thereto have ceased and terminated and none of the parties thereto will have any claim against one another.

The Directors consider that the termination of the Sale and Purchase Agreement and the Subscription Agreement has no material adverse impact on the business or financial position of the Company.

The Group will strengthen the cooperation with Kinmac by developing the downstream solar module and system installation businesses through Jinzhou Jinmao Photovoltaic Technology Co., Ltd., a joint venture company with Kinmac. Leveraging on this newly established platform in Jinzhou, the Group will continue to capture potential opportunity proactively in an effort to developing the downstream business in both the PRC and abroad in the photovoltaic industry.

This announcement is made pursuant to Rule 14.36 of the Listing Rules.

Reference is made to the announcements of the Company dated 1 June 2009 and 11 June 2009. Capitalised terms used herein have the same meaning as those defined in the announcement of the Company dated 11 June 2009, unless otherwise defined herein.

On 11 June 2009, the Company announced that:

- (a) Solar Technology Investment (Cayman) Corp. (“**STIC**”), a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement dated 11 June 2009 with the Vendors whereby the Vendors agreed to sell and STIC agreed to purchase an aggregate of 44,239,980 Sale Shares, representing approximately 77.17% of the existing issued share capital of Kinmac at a consideration of NT\$22.00 per Sale Share. In addition, the Vendors also agreed to procure the Minority Shareholders to sell to STIC the Minority Sale Shares, representing approximately 22.2% of the existing issued share capital of Kinmac. It was expected that the acquisition of the Sale Shares would be completed at the same time with completion of the acquisition of the Minority Sale Shares. The acquisition of the Sale Shares and the Minority Sale Shares (the “**Proposed Acquisition**”) would constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules; and
- (b) the Company, the Vendors and the Minority Shareholders entered into the Subscription Agreement dated 11 June 2009 whereby the Vendors and the Minority Shareholders agreed to apply the proceeds from the sale of the Sale Shares and the Minority Sale Shares to subscribe an aggregate of 101,633,954 new Shares at the subscription price of HK\$2.92 per Share.

Completion of the Proposed Acquisition under the Sale and Purchase Agreement was conditional upon fulfilment of certain conditions precedent on or before 6:00 pm on 31 December 2009 (or such other date as the parties thereto may agree in writing). The Proposed Acquisition of Kinmac, a company incorporated in Taiwan, was subject to the approval of the Investment Commission of the Ministry of Economic Affairs of Taiwan being one of the conditions precedent to the Proposed Acquisition. Given that such approval was not obtained as at 6:00 pm on 31 December 2009, the parties to the Sale and Purchase Agreement agreed to terminate the Sale and Purchase Agreement.

Completion of the Subscription Agreement was conditional on the Sale and Purchase Agreement having been completed in accordance with its terms. In view of the termination of the Sale and Purchase Agreement, the parties to the Subscription Agreement agreed to terminate the Subscription Agreement.

Accordingly, the Sale and Purchase Agreement and the Subscription Agreement were not completed whereupon all rights and obligations of the parties thereto have ceased and terminated and none of the parties thereto will have any claim against one another.

The Directors consider that the termination of the Sale and Purchase Agreement and the Subscription Agreement has no material adverse impact on the business or financial position of the Company.

The Group will strengthen the cooperation with Kinmac by developing the downstream solar module and system installation businesses through Jinzhou Jinmao Photovoltaic Technology Co., Ltd., a joint venture company with Kinmac. Leveraging on this newly established platform in Jinzhou, the Group will continue to capture potential opportunity proactively in an effort to developing the downstream business in both the PRC and abroad in the photovoltaic industry.

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

Hong Kong, 31 December 2009

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