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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 PROPOSED INVESTMENT IN A JOINT VENTURE COMPANY

This is a voluntary announcement made by the Company.

The Board is pleased to announce that on 6 July 2010, the Company entered into a cooperation agreement with the Xining Economic & Technology Development Zone Administration Committee whereby the Company intends to acquire 51% interest in Qinghai Chenguang by way of capital increase through cash injection. Qinghai Chenguang is a company established in Qinghai Province, the PRC to engage in the business of manufacturing monocrystalline silicon solar ingots.

The Board wishes to emphasize that as the Proposed Investment is subject to formal agreement and finalisation of the terms thereof, the Proposed Investment may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

PROPOSED INVESTMENT

The board (the “**Board**”) of directors (“**Directors**”) of the Company is pleased to announce that on 6 July 2010, the Company entered into a cooperation agreement (the “**Agreement**”) with the Xining Economic & Technology Development Zone Administration Committee (西寧經濟技術開發區管理委員會) (the “**Administration Committee**”) whereby the Company intends to acquire 51% interest in Qinghai Chenguang New Energy Co., Ltd. (青海辰光新能源有限公司) (“**Qinghai Chenguang**”) by way of capital increase through cash injection (the “**Proposed Investment**”). Qinghai Chenguang is a company established in Qinghai Province,

the People's Republic of China (the "PRC") to engage in the business of manufacturing monocrystalline silicon solar ingots. Upon completion of the Proposed Investment, the Company will hold 51% equity interest in Qinghai Chenguang and the remaining 49% will be held by independent third parties (the "JV Partners"). To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the JV Partners and their ultimate beneficial owners are independent of and not connected with the Company and its connected persons. The amount of total investments and registered capital of Qinghai Chenguang are proposed to be RMB300,000,000 and RMB90,000,000, respectively. It is intended that the Group's contribution to the registered capital of Qinghai Chenguang will be funded by way of internal resources of the Group.

It is expected that upon the completion of the acquisition of 51% interest in Qinghai Chenguang by the Company, Qinghai Chenguang will commence the construction of a production plant with a planned annual production capacity of 2,000 tonnes of monocrystalline silicon solar ingots. The construction of the new production plant will be divided into 2 phases. The first phase will commence in 2010 and 96 monocrystalline solar ingot pullers are expected to be installed by the end of 2010. The construction of the second phase will commence by the end of 2011 with an additional 96 monocrystalline solar ingot pullers to be installed at the end of 2012. Full capacity is expected to be reached in mid 2013. Upon the completion of the whole project, Qinghai Chenguang will have an annual production capacity of 2,000 tonnes of monocrystalline silicon solar ingots.

According to the Agreement, the Administration Committee will take charge in coordinating the tender invitation for the construction of Qinghai photovoltaic power station (青海省光伏电站) and will ensure the use of solar modules produced by the Company in Qinghai receive top priority as permitted under local law and regulations. In addition, Qinghai Chenguang intends to build a 200 KW photovoltaic demonstration power station in the production plant area, which will be sponsored by the Administration Committee under the national policy of "Golden Sun Programme".

REASONS FOR THE PROPOSED INVESTMENT

The Group is one of the leading manufacturers of monocrystalline silicon solar ingots and wafers in the PRC. It is principally engaged in the manufacturing of monocrystalline silicon solar ingots and wafers and the recycling and processing of scrap polysilicon. Silicon solar ingots and wafers are used for the manufacturing of photovoltaic cells which are important components of a solar energy generation system. The cooperation between the Company and the Administration Committee pursuant to the Agreement will be in line with the aim of the PRC Government to develop the solar ingots industry in the Xining Economic & Technology Development Zone and promote this industry to become a new strategic industry in Qinghai Province. It will also accelerate the production expansion plan of the Group so as to satisfy the demand from customers. The Board believes that the production efficiency of the Group will be enhanced with the competitive edges in resources and energy in Qinghai Province.

The Board wishes to emphasize that as the Proposed Investment is subject to formal agreement and finalisation of the terms thereof, the Proposed Investment may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

The Company will comply with the requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and make appropriate announcement as and when the Company enters into formal documentation in respect of the Proposed Investment.

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

Hong Kong, 6 July 2010

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.