

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 ESTABLISHMENT OF A JOINT VENTURE COMPANY

This is a voluntary announcement made by the Company.

The Board is pleased to announce that on 21 September 2010, Jinzhou Yangguang, a wholly-owned subsidiary of the Company, entered into a cooperation agreement with the Joint Venture Partner for the proposed establishment of the Joint Venture to engage in the business of manufacturing multicrystalline silicon solar ingots and wafers. The Joint Venture, when established, will be owned as to 63% equity interest by the Joint Venture Partner and the remaining 37% equity interest will be held by Jinzhou Yangguang.

The Board wishes to emphasize that the proposed establishment of the Joint Venture is subject to formal agreement and finalisation of the terms thereof and therefore 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 ESTABLISHMENT OF THE JOINT VENTURE

The board (the “**Board**”) of directors (“**Directors**”) of the Company is pleased to announce that on 21 September 2010, Jinzhou Yangguang Energy Co., Ltd. (“**Jinzhou Yangguang**”), a wholly-owned subsidiary of the Company, entered into a cooperation agreement (the “**Agreement**”) with Liaoning Oxiranchem, Inc. (遼寧奧克化學股份有限公司) (the “**Joint Venture Partner**”) for the proposed establishment of a joint venture company (the “**Joint Venture**”) to engage in the business of manufacturing multicrystalline silicon solar ingots and wafers. Subject to the formal documentation having been entered into and all necessary approvals having been granted in respect of the establishment of the Joint Venture,

the Joint Venture will be owned as to 63% equity interest by the Joint Venture Partner and the remaining 37% equity interest will be held by Jinzhou Yangguang. The amount of total investments and registered capital of the Joint Venture are proposed to be RMB675,000,000 and RMB200,000,000, respectively. It is intended that the Group's contribution to the registered capital of the Joint Venture will be funded by way of internal resources of the Group.

It is expected that the Joint Venture will commence the construction of a production plant in Longqiwan New Zone, Jinzhou, Liaoning Province in the People's Republic of China ("PRC") with a planned annual production capacity of 500MW of multicrystalline silicon solar ingots and wafers. The construction of the new production plant will be divided into 2 phases in 5 years. The capacity of the first phase will be 200MW and is expected to take 2 years to complete. 20 casting furnaces, 30 wiresaws and other equipment are expected to be installed. The capacity of the second phase will be 300MW and is expected to take 3 years to complete. 30 casting furnaces, 45 wiresaws and other equipment are expected to be installed.

In addition, the Company and the Joint Venture Partner has agreed that the sales of all the output from the production plant of the Joint Venture will be coordinated by the Company.

REASONS FOR THE PROPOSED ESTABLISHMENT OF THE JOINT VENTURE

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 Joint Venture Partner pursuant to the Agreement will be in line with the Group's aim of becoming a major manufacturer of multicrystalline silicon solar ingots and wafers. It will also accelerate the production expansion plan of the Group horizontally so as to satisfy the demand from customers.

BACKGROUND OF THE JOINT VENTURE PARTNER

The Joint Venture Partner is a company established in Liaoning Province, the PRC which is engaged in the business of manufacturing mineral oil for silicon wafer slicing process (硅片切割液), polyether monomers (聚醚單體) and polyethylene glycol (聚乙二醇), and its shares are listed on the Chinext of Shenzhen Stock Exchange (stock code: 300082.SZ). To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Mr. Tan Wenhua ("Mr. Tan"), who is an executive Director, is a supervisor of the Joint Venture Partner. Mr. Tan Xin, who is the son of Mr. Tan, holds approximately 2.43% equity interest in the Joint Venture Partner as of the date of this announcement. Notwithstanding the foregoing, the Directors considered that the Joint Venture Partner is not a connected person of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the proposed establishment of the Joint Venture will not constitute a connected transaction for the Company.

The Board wishes to emphasize that the proposed establishment of the Joint Venture is subject to formal agreement and finalisation of the terms thereof and therefore 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 establishment of the Joint Venture.

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

Hong Kong, 21 September 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.