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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

ACQUISITION OF 51% INTEREST IN A JOINT VENTURE COMPANY

Reference is made to the announcement of the Company dated 6 July 2010.

This is a voluntary announcement made by the Company.

The Board is pleased to announce that on 24 September 2010, Rising Sun, a wholly owned subsidiary of the Company, entered into a subscription agreement and a joint venture agreement with three individual shareholders of the Joint Venture whereby Rising Sun agreed to acquire 51% interest in the Joint Venture by way of capital increase through cash injection in the amount of RMB45,900,000. The Joint Venture is a company established in Qinghai Province, the PRC to engage in the business of manufacturing monocrystalline silicon solar ingots.

Reference is made to the announcement of Solargiga Energy Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 6 July 2010.

This is a voluntary announcement made by the Company.

THE ACQUISITION

The board (the “**Board**”) of directors (“**Directors**”) of the Company is pleased to announce that on 24 September 2010, Rising Sun Investments Company Limited (“**Rising Sun**”), a wholly owned subsidiary of the Company entered into a subscription agreement and a joint venture agreement with three individual shareholders of Qinghai Chenguang New Energy Co., Ltd. (青海辰光新能源有限公司) (the “**Joint Venture**”) whereby Rising Sun agreed to acquire 51% equity interest in the Joint Venture by way of capital increase through cash injection in the amount of RMB45,900,000 (the “**Acquisition**”). The name of the Joint Venture will be changed to Solargiga Energy (Qinghai) Co., Ltd. (陽光能源(青海)有限公司) upon completion of the Acquisition. The Joint Venture 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 Acquisition, the Company will hold 51% equity interest in the Joint Venture and the remaining 49% will be held by the three individual shareholders (the “**JV Partners**”) who will hold approximately 12.25%, 12.25% and 24.5% equity interests in the Joint Venture respectively upon completion of the Acquisition. To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, the JV Partners are independent of and not connected with the Company and its connected persons as of the date of this announcement. The amount of total investments and registered capital of the Joint Venture will be RMB300,000,000 and RMB90,000,000, respectively upon completion of the Acquisition. The Group’s contribution to the registered capital of the Joint Venture pursuant to the Acquisition will be funded by way of internal resources of the Group. Upon completion of the Acquisition, the Joint Venture will become a subsidiary of the Company.

It is expected that upon completion of the Acquisition, the Joint Venture 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 construction of the first phase will commence in October 2010 and 96 monocrystalline solar ingot pullers are expected to be installed by the end of 2010. The construction of the second phase is expected to 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, the Joint Venture is expected to have an annual production capacity of 2,000 tonnes of monocrystalline silicon solar ingots.

REASONS FOR THE ACQUISITION

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 Acquisition 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.

GENERAL

As the applicable ratio under Rule 14.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) in respect of the Acquisition is less than 5%, the Acquisition does not constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

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

Hong Kong, 24 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.