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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Solargiga Energy Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

MAJOR TRANSACTION

DISPOSAL OF STATE-OWNED LAND USE RIGHTS

A notice convening the EGM of the Company to be held at Room 1402, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong on Tuesday, 29 December 2015 at 10:30 a.m. is set out on pages 72 to 73 of this circular.

A proxy form for use at the EGM is also enclosed with this circular. Whether or not you intend to attend and vote at the EGM in person, you are requested to complete, sign and return the enclosed proxy form in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the EGM or any adjournment thereof should you so wish.

Hong Kong, 30 November 2015

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Amended and Restated Disposal Agreement”	an agreement between the Vendor, Urban Building Investment and the Land Reserves Centre duly executed on 13 November 2015, pursuant to which certain terms and conditions of the Disposal Agreement were amended and restated
“Board”	the board of Directors of the Company
“Company”	Solargiga Energy Holdings Limited (陽光能源控股有限公司), a company incorporated in the Cayman Islands with limited liability, and the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the state-owned land use rights in respect of the Land and the factory premises and ancillary structures erected thereon pursuant to the Disposal Agreement
“Disposal Agreement”	the land use rights resumption and compensation agreement dated 21 September 2015 entered into between the Vendor and Urban Building Investment in respect of the Disposal, as amended and restated by the Amended and Restated Disposal Agreement
“EGM”	the extraordinary general meeting of the Company to be convened and held at Room 1402, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong on Tuesday, 29 December 2015 at 10:30 a.m., or any adjournment thereof and the notice of which is set out on pages 72 to 73 of this circular
“Group”	the Company and its subsidiaries
“HK Valuation Report”	the valuation report on the Land prepared by the HK Valuer dated 30 November 2015, the text of which is set out in Appendix II to this circular
“HK Valuer”	LCH (Asia-Pacific) Surveyors Limited, a qualified property valuer and an Independent Third Party

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a person or company who or which is, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, independent of and not connected with the Company and its connected persons
“Jinzhou Yangguang”	錦州陽光能源有限公司(Jinzhou Yangguang Energy Co., Ltd.), a limited liability company established under the laws of the PRC, a wholly-owned subsidiary of the Company
“Land”	a piece of state-owned land with an approximate area of 62,863 sq. m. located at the west side of Jinniang Line, Songshan New District, Jinzhou City, Liaoning Province, the PRC (中國遼寧省錦州市松山新區錦娘綫西側), which is currently occupied by the Vendor for industrial purpose together with the factory buildings and premises erected thereon
“Land Reserves Centre”	錦州市土地儲備中心 (Jinzhou City Land Reserves Centre), an institutional legal person under Jinzhou City Land and Resources Bureau (錦州市國土資源局) of the government of Jinzhou City, the PRC and is responsible for, among other things, land expropriation and reserve, provision of land resources and reserves for the exploration and utilisation of land and the implementation and execution of approved plans for land reservation in Jinzhou City, the PRC
“Latest Practicable Date”	26 November 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Liaoning Bohai”	遼寧渤海資產評估有限公司 (Liaoning Bohai Assets Appraisals Co., Ltd.), a qualified property valuer and an Independent Third Party
“Liaoning Tianli”	遼寧天力土地房地產估價有限公司 (Liaoning Tianli Land and Properties Valuation Co., Ltd.) , a qualified property valuer and an Independent Third Party
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“PRC”	the People’s Republic of China, for the purposes of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Valuation Reports”	the three valuation reports on (i) the Land and the value of the premises erected thereon as at 7 July 2015 prepared by Liaoning Tianli; (ii) the potential loss for cessation of operation as at 6 June 2015 prepared by Liaoning Bohai; and (iii) the anticipated costs of the Relocation as at 6 June 2015 prepared by Liaoning Bohai, respectively, the texts of which are set out in Appendix III to this circular
“PRC Valuers”	Liaoning Bohai and Liaoning Tianli
“Relocation”	the relocation of production lines and facilities from the Land to the Group’s production base at Nos. 1-5, Section 3, Chifeng Street, Jinzhou Economic and Technological Development Zone, Jinzhou City, Liaoning Province, the PRC (中國遼寧省錦州市經濟技術開發區赤峰街3段1-5號)
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“sq. m.”	square metre
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Urban Building Investment”	錦州市城市建設投資發展有限公司 (Jinzhou City Urban Building Investment Development Co., Ltd.), a company established in the PRC by 錦州市城鄉規劃建設委員會 (Jinzhou Municipal Urban and Rural Planning and Construction Commission), a governmental body in the PRC, with limited liability

DEFINITIONS

“Vendor” 錦州日鑫硅材料有限公司 (Jinzhou Rixin Silicon Materials Co., Ltd.), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company

“%” per cent.

English names of the companies/entities which are incorporated or established in the PRC in this circular are only translations of their official Chinese names for identification purpose only. In case of inconsistency, the Chinese names prevail.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. TAN Wenhua (*Chairman*)
Mr. HSU You Yuan
Mr. TAN Xin
Mr. WANG Chunwei

Independent Non-executive Directors:

Dr. WONG Wing Kuen, Albert
Ms. FU Shuangye
Mr. ZHANG Chun

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

*Principal Place of Business
in Hong Kong:*

Room 1402
Harbour Centre
25 Harbour Road
Wanchai
Hong Kong

30 November 2015

To the Shareholders,

Dear Sir/Madam,

MAJOR TRANSACTION

DISPOSAL OF STATE-OWNED LAND USE RIGHTS

INTRODUCTION

Reference is made to the announcements of the Company dated 21 September 2015, 23 October 2015, 13 November 2015 and 27 November 2015.

The purpose of this circular is to provide the Shareholders with, among other things, (i) further information regarding the Disposal; (ii) the HK Valuation Report; (iii) the PRC Valuation Reports; (iv) the financial information on the Group; and (v) the notice of EGM.

LETTER FROM THE BOARD

DISPOSAL OF STATE-OWNED LAND USE RIGHTS

On 21 September 2015 (after trading hours), the Vendor and Urban Building Investment entered into the Disposal Agreement, as amended and restated by the Amended and Restated Disposal Agreement between the Vendor, Urban Building Investment and the Land Reserves Centre duly executed on 13 November 2015, pursuant to which the Vendor has agreed to dispose of, and the Land Reserves Centre has agreed to acquire, the state-owned land use rights in respect of the Land together with the factory buildings and premises erected thereon at a cash consideration of RMB182,620,000. The principal terms of the Disposal Agreement are set out below.

Date

21 September 2015 (after trading hours)

Parties

- (a) the Vendor, an indirect wholly-owned subsidiary of the Company
- (b) the Land Reserves Centre, an institutional legal person under Jinzhou City Land and Resources Bureau (錦州市國土資源局) of the government of Jinzhou City, the PRC
- (c) Urban Building Investment, a company established in the PRC by 錦州市城鄉規劃建設委員會 (Jinzhou Municipal Urban and Rural Planning and Construction Commission), a governmental body in the PRC, with limited liability

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Land Reserves Centre, Urban Building Investment, and its ultimate beneficial owner(s) is an Independent Third Party.

Subject matter

State-owned land use rights of the Land and the factory premises and ancillary structures established thereon. Particulars of the land use rights in respect of the Land are set out below:

Address:	The west side of Jinniang Line, Songshan New District, Jinzhou City, Liaoning Province, the PRC (中國遼寧省錦州市松山新區錦娘綫西側)
Land use permit number:	Jinzhouguyong (2007) No. 000378
Size of total area of the Land:	62,863 sq. m.
Current land use:	Industrial

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Land and the factory premises and ancillary structure erected thereon (the “Pledged Properties”) were pledged to the Bank of Jinzhou Holdings Limited, Jinling Branch (the “Bank”) as security for the provision of a loan facility to the Vendor in the principal amount of RMB140,000,000, which was still outstanding as at the Latest Practicable Date. The Bank has agreed to release the Pledged Properties and replace them with certain properties held by 錦州佑華硅材料有限公司 (Jinzhou Youhua Silicon Materials Co., Ltd.), a wholly-owned subsidiary of the Company. It is expected that the Pledged Properties will be released before 31 December 2015 prior to the completion of the Disposal. Immediately after completion of the Disposal, the Land and the factory premises and ancillary structure erected thereon will no longer be subject to any pledge or encumbrance.

12 buildings and structures were erected on the Land with no building ownership certificates. As advised by the Company’s PRC legal advisers, the absence of the building ownership certificates constitutes a non-compliance with the applicable PRC laws and regulations on the part of the Vendor. The Vendor is subject to a maximum fine of approximately RMB235,000, being 10% of the construction costs of the relevant buildings and structures. As at the Latest Practicable Date, the Directors confirm that the Vendor has never been subject to any investigation or administrative penalty imposed by the relevant authorities as a result of such non-compliance. In the circumstances, the Directors consider that the impact of such non-compliance on the Company after the Disposal, if any, is immaterial.

Consideration and Payment Terms

The total consideration for the Disposal is RMB182,620,000, which shall be payable in cash by the Land Reserves Centre in the following manner:

- (i) RMB60,000,000 shall be paid by the Land Reserves Centre to the Vendor before 24 September 2015;
- (ii) RMB60,000,000 shall be paid by the Land Reserves Centre to the Vendor before 10 October 2015;
- (iii) RMB20,000,000 shall be paid by the Land Reserves Centre to the Vendor before 30 October 2015;
- (iv) RMB20,000,000 shall be paid by the Land Reserves Centre to the Vendor before 30 November 2015; and
- (v) RMB22,620,000 shall be paid by the Land Reserves Centre to the Vendor upon the issue of the land use rights certificate in respect of the Land to the Land Reserves Centre by the relevant authorities in the PRC.

The Land Reserves Centre shall direct Urban Building Investment to pay the consideration for the Disposal to the Vendor on behalf of the Land Reserves Centre. As at the Latest Practicable Date, the Company has received cash consideration of RMB140,000,000 for the Disposal.

LETTER FROM THE BOARD

The consideration for the Disposal was arrived at after arm's length negotiation between the Vendor and Urban Building Investment with reference to the PRC Valuation Reports in relation to the value of the land use rights in respect of the Land and the value of the premises erected thereon, the potential loss for cessation of operation and the anticipated costs of the Relocation. In preparing the PRC Valuation Reports, the valuers, who are Independent Third Parties, have taken into account, among other things, the value of comparable benchmark of the land and properties in the market and the valuations were conducted in accordance with the applicable PRC laws and regulations. Particulars of the valuations are set out as follows:

Item	Value (approximately) RMB'000	Date of valuation
(i) Land use rights	42,000	7 July 2015
(ii) Factory buildings and premises	37,000	7 July 2015
(iii) Ancillary structures	6,000	7 July 2015
(iv) Losses to be incurred from unremovable property	48,000	6 June 2015
(v) Potential loss for cessation of operation	40,000	6 June 2015
(vi) Costs of the Relocation (<i>Notes 1 & 2</i>)	26,500	6 June 2015

Notes:

- The original book value and the net book value of the "relocation expenses of removable equipment" and "losses incurred from irremovable equipment" referred to in the "Summary Table of the Asset Valuation Results" (Table 1) in the PRC Valuation Report on the anticipated costs of the Relocation as at 6 June 2015 prepared by Liaoning Bohai refer to the original book value and the net book value of the removable equipment and the irremovable equipment, respectively.
- The net book value of the removable equipment and the irremovable equipment refers to their net book value as at 31 May 2015.

In assessing the potential loss for cessation of operation as itemised in (v) above, the possible loss suffered by Jinzhou Yangguang, which operates a photovoltaic power plant for the supply of electricity to the Vendor prior to the Disposal, in the amount of approximately RMB16,880,000 has also been valued. However, in determining the consideration, such possible loss has not been taken into account. The parties to the Disposal have agreed that the consideration of RMB182,620,000 may be subject to upward adjustment taking account of the possible loss suffered by Jinzhou Yangguang. The amount of such upward adjustment is subject to review and assessment by the relevant land reserve commission in Jinzhou City. The Company will make further announcement in accordance with the Listing Rules in the event of any such upward adjustment of the consideration for the Disposal.

As shown from the PRC Valuation Report prepared by Liaoning Tianli, the aggregate value of the Land together with the factory buildings, premises and ancillary structures as at 7 July 2015 (i.e. items (i), (ii) and (iii) above) was approximately RMB85,000,000, while their value as at 22 October 2015 as shown in the HK Valuation Report was RMB77,000,000. The difference between the value stated in the HK Valuation

LETTER FROM THE BOARD

Report and the value stated in the PRC Valuation Report is due to the different approaches adopted by the HK Valuer and Liaoning Tianli, the relevant PRC Valuer, in conducting their respective valuation, details of which are set out below:

1. In the HK Valuation Report, the HK Valuer adopted the “depreciated replacement cost”, which requires an estimate of the new replacement cost of the buildings and other site works from which deductions are then made to allow for age, condition, and functional obsolescence taken into account of the site formation cost and those public utilities connection charges to the property (as referred to in the HK Valuation Report). The land use right of the property was determined from market-based evidences by analysing similar sales or offerings of comparable properties.
2. In preparing the PRC Valuation Report, Liaoning Tianli adopted “market comparison approach” for properties with certificates, the “cost approximation approach” for land use rights and the cost approach for other ancillaries.

The Vendor shall, within seven working days after signing of the Disposal Agreement, deliver the land use rights certificate and other title documents in respect of the Land to the Land Reserves Centre.

Condition Precedent

Completion of the Disposal is conditional upon the approval by the Shareholders of the Disposal Agreement and the transactions contemplated thereunder having been obtained in accordance with the Listing Rules.

Completion

Completion of the Disposal shall take place before 31 December 2015 whereupon the Vendor shall deliver, and the Land Reserves Centre shall resume, the Land together with all buildings then erected thereon.

For more information about the Land, please refer to the HK Valuation Report and the PRC Valuation Reports in Appendix II and Appendix III to this circular, respectively.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The principal activities of the Group are the manufacture of and provision of processing services for monocrystalline silicon solar ingots/wafers, and the production of photovoltaic cells and modules, the installation of photovoltaic systems and the operation of photovoltaic power plants. The Vendor, an indirect wholly-owned subsidiary of the Company, is principally engaged in manufacturing of monocrystalline ingots/wafers. The plants on the Land have been operated by the Vendor as its major production lines in Jinzhou City, Liaoning Province, the PRC.

In order to enhance economies of scale and operational efficiency while minimising the overall operational and management costs, the Company has implemented an

LETTER FROM THE BOARD

integration and centralisation strategy to consolidate various production bases across Jinzhou City in Liaoning Province, the PRC, which are currently operated by different subsidiaries of the Company. As part of the integration plan, the Group has already relocated the majority of the production lines and facilities of the Vendor situated on the Land, and is in the course of relocating the remaining plants and machineries thereon, to another production base at Nos. 1–5, Section 3, Chifeng Street, Jinzhou Economic and Technological Development Zone, Jinzhou City, Liaoning Province, the PRC (中國遼寧省錦州市經濟技術開發區赤峰街3段1–5號), which is currently the largest production base of the Group. As at the Latest Practicable Date, the remaining plants and machineries on the Land have minimal operation and no material manufacturing activities are expected to take place on the Land. Meanwhile, the Directors note that pursuant to the directions of the government of Jinzhou City, Urban Building Investment (which was replaced by the Land Reserves Centre pursuant to the Amended and Restated Disposal Agreement) intends to acquire and resume the Land (which is currently assigned for industrial use only) as part of the urbanisation plan in Songshan New District, Jinzhou City. A proposal to purchase the Land was hence made to the Vendor by 錦州市城鄉規劃建設委員會 (Jinzhou Municipal Urban and Rural Planning and Construction Commission) through Urban Building Investment (which was replaced by the Land Reserves Centre pursuant to the Amended and Restated Disposal Agreement). In line with the directions of the government of Jinzhou City and the Group's integration plan, the Vendor has agreed to dispose of, and Urban Building Investment (which was replaced by the Land Reserves Centre pursuant to the Amended and Restated Disposal Agreement) has agreed to purchase, the Land pursuant to the Disposal Agreement. The Directors (including the independent non-executive Directors) consider that the Disposal and the Relocation are beneficial to the long term development of the Group.

On the other hand, having taken into account the market value of the Land, the net proceeds and possible gain arising from the Disposal, the Directors consider that the Disposal presents a good opportunity to realise the value of the Land so as to enable the Group to strengthen its working capital position and provide funding for the Group's future investments should suitable investment opportunities arise.

In light of the above, the Directors (including its independent non-executive Directors) consider that the terms of the Disposal and the consideration for the Disposal are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL

As a result of the Disposal, the Group is expected to recognise a gain of approximately RMB113,123,000 which is calculated with reference to the consideration for the Disposal (assuming no adjustment is made) and the current asset value of the Land and unremovable machineries, potential loss arising from cessation of operation and costs of the Relocation.

LETTER FROM THE BOARD

Set out below is a breakdown of the gain of the Disposal:

	Amount (approximately) RMB'000
Consideration for the Disposal	182,620
<i>Less:</i>	
Current asset value of the Land as at 31 May 2015	16,056
Current asset value of the unremovable machineries as at 31 May 2015	10,066
Potential loss arising from cessation of operation	16,875
Costs of Relocation	26,500
Total:	113,123

Shareholders should note that the exact amount of the gain of the Disposal accruing to the Group is subject to audit and therefore may be different from the amount mentioned above. Apart from the above-mentioned gain expected to be recognized, the Disposal and the Relocation will not have any impact on the Company's liabilities.

PROPOSED USE OF PROCEEDS

The sale proceeds from the Disposal amount to RMB182,620,000 (assuming no adjustment is made), of which RMB27,000,000 will be used for the Relocation and necessary costs and expenses incurred in connection with the Disposal and RMB155,620,000 will be used for general working capital of the Group and to capture any business and investment opportunities should suitable opportunity arise in future.

INFORMATION ON THE LAND RESERVES CENTRE AND URBAN BUILDING INVESTMENT

The Land Reserves Centre is an institutional legal person under Jinzhou City Land and Resources Bureau (錦州市國土資源局) of the government of Jinzhou City, the PRC and is responsible for, among other things, land expropriation and reserve, provision of land resources and reserves for the exploration and utilisation of land and the implementation and execution of approved plans for land reservation in Jinzhou City, the PRC.

Urban Building Investment is a company established in the PRC by 錦州市城鄉規劃建設委員會 (Jinzhou Municipal Urban and Rural Planning and Construction Commission), a governmental body in the PRC, with limited liability and is principally engaged in properties development, management of state-owned assets and investment in urban infrastructure construction projects.

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, each of the Land Reserves Centre, Urban Building Investment and its ultimate beneficial owner(s) is an Independent Third Party.

LETTER FROM THE BOARD

IMPLICATIONS UNDER THE LISTING RULES

As the applicable ratio under Rule 14.07 of the Listing Rules in respect of the Disposal is greater than 25% but less than 75%, the Disposal constitutes a major transaction for the Company under the Listing Rules and is subject to approval of the Shareholders. An EGM will be convened to consider and, if thought fit, approve the Disposal Agreement and the transactions contemplated thereunder.

As no Shareholder has a material interest in the Disposal Agreement, no Shareholder will be required to abstain from voting on the resolution(s) to be proposed at the EGM.

EGM

A notice convening the EGM to be held at Room 1402, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong on Tuesday, 29 December 2015 at 10:30 a.m. is set out on pages 72 to 73 of this circular.

A proxy form for use at the EGM is enclosed with this circular. Whether or not you intend to attend and vote at the EGM in person, you are requested to complete, sign and return the enclosed proxy form in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the proxy will not preclude you from attending and voting at the EGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting of a listed issuer must be taken by poll. Therefore, all the resolutions proposed at the EGM will be voted by poll.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the Disposal is in the interests of the Group and the Shareholders as a whole and accordingly recommend all the Shareholders to vote in favour of the relevant resolution in respect of the Disposal to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is also drawn to (i) the financial information on the Group; (ii) the HK Valuation Report; (iii) the PRC Valuation Reports; and (iv) additional general information as set out in the appendices to this circular.

By Order of the Board
Solargiga Energy Holdings Limited
Wang Chunwei
Executive Director

FINANCIAL INFORMATION ON THE GROUP

The unaudited financial information on the Group for the six months ended 30 June 2015 has been published by the Company on 26 August 2015.

The audited consolidated financial statements of the Group for the three years ended 31 December 2012, 2013 and 2014 are disclosed in the following documents:

- pages 67 to 168 in the annual report 2012 of the Company for the year ended 31 December 2012;
- pages 66 to 168 in the annual report 2013 of the Company for the year ended 31 December 2013; and
- pages 65 to 160 in the annual report 2014 of the Company for the year ended 31 December 2014.

Each of the unaudited financial information on the Group and the audited consolidated financial statements of the Group is incorporated by reference to this circular and forms part of this circular, and has been published on the websites of the Stock Exchange at *www.hkexnews.hk* and the Company at *www.solargiga.com*.

STATEMENT OF INDEBTEDNESS

As at 30 September 2015, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group's total indebtedness is set out below:

	<i>RMB'000</i>
Secured bank loans	143,956
Guaranteed bank loans	2,074,466
Unsecured loan from related parties	120,000
Unsecured loan from a third party	<u>2,182</u>
Total:	<u><u>2,340,604</u></u>

The secured bank loans were secured by the Group's pledged deposits, property, plant and equipment and available-for-sale investments.

Contingent liabilities

As at 30 September 2015, the Group has undertaken to guarantee a bank loan to an associate to the extent of RMB37,000,000. As the loan is also secured by the fixed assets of the said associate, the Directors consider the fair value of the above financial guarantee to be insignificant.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, normal trade and other payables, and receipt in advance as at 30 September 2015, the Group did not have any loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued term loans or other borrowings, indebtedness in the nature of borrowings, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured, or unsecured, guarantees or other material contingent liabilities outstanding at the close of business on 30 September 2015.

WORKING CAPITAL

After due and careful consideration, the Directors are of the opinion that, taking into account the Group's internal resources, available banking facilities and the financial effects of the Disposal and in the absence of unforeseen circumstances, the Group will have sufficient working capital for its present requirements for the period of twelve months from the date of this circular.

MATERIAL ADVERSE CHANGE

The Directors confirm that there was no material adverse change in the financial or trading position of the Group since 31 December 2014, being the date to which the latest published audited consolidated financial statements of the Group were made up.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group fully grasped the trend of industrial development by completing capacity expansion for its module business and successfully developing and putting into mass production the industry-leading 280W module products in 2014.

In future, the delivery volume of the Group's module products is expected to increase remarkably and contribute to promising profits of the Group. In future, the Group will adhere to its development strategy of vertical integration. By fully leveraging its technological advantage in monocrystalline products and focusing on the development of monocrystalline products, it will make good use of its vertically-integrated capacity with both upstream and downstream portions to raise the gross profit of the Group's module products and drive profit growth of the Group. While maintaining its leading position in upstream and downstream businesses, the Group will actively expand its downstream business of constructing, operating and maintaining photovoltaic power plants, and foster market development in emerging markets including Africa, Southeast Asia, Turkey, Pakistan and other Balkan countries on the basis of its existing market share, with a view to enhancing the Group's downstream businesses and raising its overall profitability.

By continually uplifting product quality and refining the structure of its full-industry chain businesses, the Group will, as always, provide the best product application development and one-stop services to the customers along its fully integrated photovoltaic industry chain, and aim at becoming a globally leading supplier of one-stop services in solar power generation.

The following is the text of a letter and the valuation certificate prepared for the purpose of incorporation in this circular received from LCH (Asia-Pacific) Surveyors Limited, an independent professional surveyor, in connection with its valuation as at 22 October 2015 of the property interests held by the Company.



利駿行測量師有限公司
LCH (Asia-Pacific) Surveyors Limited
PROFESSIONAL SURVEYOR
PLANT AND MACHINERY VALUERS
BUSINESS & FINANCIAL ASSETS VALUERS

The readers are reminded that the report which follows has been prepared in accordance with the reporting guidelines set by the International Valuation Standard 2013 (the “IVS”) published by the International Valuation Standards Council as well as the HKIS Valuation Standards 2012 Edition (the “HKIS Standards”) published by the Hong Kong Institute of Surveyors (the “HKIS”). Both standards entitle the valuer to make assumptions which may on further investigation, for instance by the readers’ legal representative, prove to be inaccurate. Any exception is clearly stated below. Headings are inserted for convenient reference only and have no effect in limiting or extending the language of the paragraphs to which they refer. Translations of terms in English or in Chinese are for reader’s identification purpose only and have no legal status or implication in this report. This report was prepared and signed off in English format, translation of this report in language other than English shall only be used as a reference and should not be regarded as a substitution for this report. Piecemeal reference to this report is considered to be inappropriate and no responsibility is assumed from our part for such piecemeal reference. It is emphasised that the findings and conclusion presented below are based on the documents and facts known to the valuer at the Latest Practicable Date of this circular. If additional documents and facts are made available, the valuer reserves the right to amend this report and its conclusion.

17th Floor
Champion Building
Nos. 287-291 Des Voeux Road Central
Hong Kong

30 November 2015

The Board of Directors
Solargiga Energy Holdings Limited
Room 1402
Harbour Centre
25 Harbour Road
Wanchai
Hong Kong

Dear Sirs,

In accordance with the instructions given by the present management of Solargiga Energy Holdings Limited (hereinafter referred to as the "Instructing Party") to us to conduct an agreed-upon procedures valuation of a *real property* (same as the word "*property*" in this report) in which Solargiga Energy Holdings Limited (hereinafter referred to as the "Company") and its subsidiaries (collectively, hereinafter together with the Company referred to as the "Group") have interest in the People's Republic of China (hereinafter referred to as the "PRC" or "China"), we confirm that we have conducted inspection, made relevant enquiries and obtained such further information as we consider necessary to support our findings and our conclusion of value of the real property as at 22 October 2015 (hereinafter referred to as the "Valuation Date") for the Instructing Party's internal management reference purpose.

We understand that the use of our work product (regardless of form of presentation) will form part of the Instructing Party's due diligence but we have not been engaged to make specific sales or purchase recommendations, or give opinion for financing arrangement. We further understand that the use of our work product will not supplant other due diligence which the Instructing Party should conduct in reaching its business decision regarding the property valued. Our work is designed solely to provide information that will give the Instructing Party a reference in its due diligence process, and our work should not be the only factor to be referenced by the Instructing Party. Our findings and conclusion of value of the subject property are documented in a valuation report and submitted to the Instructing Party at today's date (hereinafter referred to as the "Report Date").

At the request of the Instructing Party, we prepared this summary report (including this letter and the valuation certificate) to summarise our findings and conclusion of value as documented in the valuation report for the purpose of inclusion in this circular at the Report Date for the Company's shareholders' reference. Terms herein used without definition shall have the same meanings as in the valuation report, and the assumptions and caveats adopted in the valuation report also apply to this summary report.

BASIS OF VALUATION AND ASSUMPTIONS

According to the IVS which the HKIS Standards also follows, there are two valuation bases, namely market values basis and valuation bases other than market value. In this engagement, we have provided our conclusion of value of the property on the market value basis.

The term "Market Value" is defined by the IVS and the HKIS Standards as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Our valuation of the real property has been made on the assumptions that, as at the Valuation Date,

1. the legally interested party in the property has free and uninterrupted rights to assign its relevant property interest for the whole of the unexpired terms as granted, and any premium payable have already been fully paid;
2. the legally interested party in the property sells its relevant property interest in the market in its existing state without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement which could serve to increase the value of the property interest;
3. the legally interested party in the property has absolute title to its relevant property interest;
4. the legally interested party in the property has obtained relevant government's approvals for the sale of the property and is able to dispose of and transfer free of all encumbrances (including but not limited to the cost of transaction) in the market; and
5. the property can be freely disposed of and transferred free of all encumbrances as at the Valuation Date for its existing use in the market to both local and overseas purchasers without payment of any premium to the government.

Should any of the above not be the case, it will have adverse impact to the value as reported.

APPROACH TO VALUE

There are three generally accepted approaches in arriving at the market value of a property on an absolute title basis, namely the Sales Comparison Approach (or known as the Market Approach), the Cost Approach and the Income Approach.

Having considered the general and inherent characteristics of the property, we have adopted the depreciated replacement cost ("DRC") approach. The DRC approach is a procedural valuation approach and is an application of the Cost Approach in valuing specialised properties like the property that there is no readily identifiable market sale comparable and the building cannot be valued by comparable market transactions. The use of this approach requires an estimate of the market value of the land use rights for its existing use, and an estimate of the new replacement cost of the buildings and other site works from which deductions are then made to allow for age, condition, and functional obsolescence taken into account of the site formation cost and those public utilities connection charges to the property. The land use right of the property has been determined from market-based evidences by analysing similar sales or offerings of comparable properties.

The valuation of the property is on the assumption that the property is subject to the test of adequate potential profitability of the business having due regard to the value of the total assets employed and the nature of the operation.

By using this approach, the land should be assumed to have the benefit of planning permission for the replacement of the existing buildings and it is always necessary when valuing the land, to have regard to the manner in which the land is developed by the existing buildings and site works, and the extent to which these realise the full potential value of the land. When considering a notional replacement site, it should normally be regarded as having the same physical and location characteristics as the actual site, other than characteristics of the actual site which are not relevant, or are of no value, to the existing use. In considering the buildings, the gross replacement cost of the buildings should take into consideration everything which is necessary to complete the construction from a new green field site to provide buildings as they are, at the valuation date, fit for and capable of being occupied and used for the current use. These costs to be estimated are not to erect buildings in the future but have the buildings available for occupation at the valuation date, the work having commenced at the appropriate time.

We need to state that our opinion of value of the property is not necessarily intended to represent the amount that might be realised from disposition of land use rights or various buildings of the property on piecemeal basis in the open market.

Unless otherwise stated, we have not carried out a valuation on a redevelopment basis and the study of possible alternative development options and the related economics do not come within the scope of our work.

MATTERS THAT MIGHT AFFECT THE VALUE REPORTED

For the sake of valuation, we have adopted the areas as appeared in the copies of the documents as provided and no further verification work has been conducted. Should it be established subsequently that the adopted areas were not the latest approved, we reserve the right to revise our report and the valuation accordingly.

No allowance has been made in our valuation for any charges, mortgages, outstanding premium or amounts owing on the property valued nor any expenses or taxation which may be incurred in affecting a sale of the property. Unless otherwise stated, it is assumed that the property is free from all encumbrances, restrictions, and outgoing of an onerous nature which could affect its value.

We have noticed that several structures without title certificates were erected on the land. In our valuation, we have taken into account of these structures on the assumption that agreed with the Instructing Party that they are able to be transferred together with the land and other buildings as a unique interest without further encumbrances/premium. Should this not be the case, we reserve the right to adjust the value reported herein.

In valuing the property, we have assumed all relevant approvals, consents, and licences from the relevant government authorisations could be obtained according to the proposed development proposal. We have also assumed that the design and construction of the development are in accordance with the relevant rule and regulations. Should it not be the case, we reserve the right to revise our report and valuation accordingly.

In our valuation, we have assumed that the property is able to be sold and purchased in the market without any legal impediment (especially from the regulators). Should this not be the case, it will affect the reported value significantly. The readers are reminded to have their own legal due diligence work on such issue. No responsibility or liability from our part is assumed.

As at the Latest Practicable Date of this circular, we were unable to identify any adverse news against the property which may affect the reported value in our work product. Thus, we are not in the position to report and comment on its impact (if any) to the property. However, should it be established subsequently that such news did exist at the Valuation Date, we reserve the right to adjust the value reported herein.

ESTABLISHMENT OF TITLES

Due to the purpose of this engagement, the Instructing Party or the appointed personnel of the Company provided us the necessary documents to support that the legally interested party has free and uninterrupted rights to assign, to transfer, to mortgage or to let the property at its existing use (in this instance, an absolute title), for the whole of the unexpired terms as granted, free of all encumbrances and any premiums payable have already been paid in full or outstanding procedures have been completed, and that the Group has the right to occupy and to use the property. Our procedures to value, as agreed with the Instructing Party, did not require us to conduct legal due diligence on the legality and formality on the way that the legally interested party obtained the property from the relevant authorities. We agreed with the Instructing Party that this should be the responsibility of the legal advisor to the Instructing Party. Thus, no responsibility or liability is assumed from our part to the origin and continuity of the titles to the property.

Unless otherwise stated in the valuation certificate as attached, we have been provided with copies of the title documents of the property. We have not examined the original documents to verify the ownership and encumbrances or to ascertain the existence of any amendments, which may not appear on the copies handed to us. All documents disclosed (if any) are for reference only and no responsibility is assumed for any legal matters concerning the legal titles and the rights (if any) to the property valued. Any responsibility for our misinterpretation of the documents cannot be accepted.

The land registration system of China forbids us to search the original documents of the property from the relevant authorities to verify legal titles or to any material encumbrances which may not appear on the copies handed to us. We need to state that we are not legal professionals and are not qualified to ascertain the title and to report any encumbrances that may be registered against the property. No responsibility or liability is assumed.

In our report, we have assumed that the Group has obtained all the approval and/or endorsement from the relevant authorities to own or to use the property, and that there would be no legal impediment (especially from the regulators) for the Group to continue the legal titles to the property. Should this not be the case, it will affect our findings or conclusion of value in this report significantly. The readers are reminded to have their own legal due diligence work on such issues. No responsibility or liability from our part is assumed.

INSPECTIONS AND INVESTIGATIONS OF THE PROPERTY

We have conducted inspections to the exterior, and where possible, the interior of the property in respect of which we have been provided with such information as we have requested for the purpose of engagement. The property was inspected by our graduate surveyor Mr. Ivan Mak Kin Hong in October 2015 (see end note). We have not inspected those parts of the property which were covered, unexposed or inaccessible and such parts have been assumed to be in a reasonable condition. We cannot express an opinion about or advice upon the condition of the property and our work product should not be taken as making any implied representation or statement about the condition of the property. No structural survey, investigation or examination has been made, but in the course of our inspections, we did not note any serious defects in the property inspected. We are not, however, able to report that the property is free from rot, infestation or any other structural defects. No tests were carried out to the utilities (if any) and we are unable to identify those utilities covered, unexposed or inaccessible.

We have not carried out on-site measurements to verify the correctness of the areas of the property, but have assumed that the areas shown on the documents and official layout plans handed to us are correct. All dimensions, measurements and areas are approximations.

Our engagement and the agreed procedures to value the property did not include an independent land survey to verify the legal boundaries of the property. We need to state that we are not in the land survey profession, therefore, we are not in the position to verify or ascertain the correctness of the legal boundaries of such property that appeared on the documents handed to us. No responsibility from our part is assumed. The management of the Company or interested party in the property should conduct their own legal boundaries due diligence work.

We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material has been used in the construction or formation of the property, or has since been incorporated, and we are therefore unable to report that the property is free from risk in this respect, and therefore we have not considered such factors in our valuation.

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination. In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative uses have ever been carried out in the property. We have not carried out any investigation into past or present uses, either of the property or of any neighbouring land, to establish whether there is any contamination or potential for contamination to the property from these uses or sites, and have therefore assumed that none exists. However, should it be established subsequently that contamination, seepage or pollution exists at the property or on any neighbouring land, or that the premises have been or are being put to a contaminative use, this might reduce the value now reported or affect our findings.

SOURCES OF INFORMATION AND ITS VERIFICATION

In the course of our work, we have been provided with copies of the documents regarding the property, and these copies have been referenced without further verifying with the relevant bodies and/or authorities. Our procedures did not require us to conduct any searches or to inspect the original documents to verify ownership or to verify any amendment which may not appear on the copies handed to us. We need to state that we are not legal professionals, therefore, we are not in the position to advise and comment on the legality and effectiveness of the documents provided by the Instructing Party or the appointed personnel of the Company.

We have relied solely on the information provided by the Instructing Party or the appointed personnel of the Company without further verification and have fully accepted advice given to us on such matters as planning approvals or statutory notices, locations, titles, easements, tenure, occupation, site and floor areas and all other relevant matters.

Our valuation has been made only based on the advice and information made available to us. While a limited scope of general inquiries had been made to the local real property market practitioners, we are not in a position to verify and ascertain the correctness of the advice given by the relevant personnel. No responsibility and liability from our part is assumed.

Information furnished by others, upon which all or portions of our report are based, is believed to be reliable but has not been verified in all cases. Our procedures to work do not constitute an audit, review, or compilation of the information provided. Thus, no warranty is made nor liability assumed for the accuracy of any data, advice, opinions, or estimates identified as being furnished by others which have been used in formulating our work product.

When we adopted the work products from other professions, external data providers and the Instructing Party or its appointed personnel of the Company in our works, the assumptions and caveats that adopted by them in arriving at their figures also applied to this report. The procedures we have taken do not provide all the evidence that would be required in an audit and, as we have not performed an audit, accordingly, we do not express an audit opinion.

We are unable to accept any responsibility for the information that has not been supplied to us by the Instructing Party or the appointed personnel of the Company. Also, we have sought and received confirmation from the Instructing Party or the appointed personnel of the Company that no material factors have been omitted from the information supplied. Our analysis and valuation are based upon full disclosure between us and the Instructing Party of material and latent facts that may affect the works.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Instructing Party or the appointed personnel of the Company. We consider that we have been provided with sufficient information to reach an informed view, and have had no reasons to suspect that any material information has been withheld.

Unless otherwise stated, all monetary amounts are in Renminbi Yuan ("RMB").

LIMITING CONDITIONS IN THIS SUMMARY REPORT

Our findings and conclusion of value of the property in this summary report are valid only for the stated purpose and only for the Valuation Date, and for the sole use of the Instructing Party. We or our personnel shall not be required to give testimony or attendance in court or to any government agency by reason of this summary report, and the valuer accepts no responsibility whatsoever to any other person.

Our valuation has been made on the assumption that no unauthorized alteration, extension or addition has been made in the property, and that the inspection and the use of this report do not purport to be a building survey of the property. We have assumed that the property is free of rot and inherent danger or unsuitable materials and techniques.

No responsibility is taken for changes in market conditions and local government policy, and no obligation is assumed to revise this summary report to reflect events or conditions which occur or make known to us subsequent to the date hereof.

Neither the whole nor any part of this summary report or any reference made hereto may be included in any published documents, prospectus or statement, or published in any way, without our written approval of the form and context in which it may appear. Nonetheless, we consent to the publication of this summary report in this circular for the Company's shareholders' reference.

Our maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the charges paid to us for the portion of its services or work products giving rise to liability. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, lost profits, opportunity costs, etc.), even if it has been advised of their possible existence.

The Company and the Instructing Party are required to indemnify and hold us and our personnel harmless from any claims, liabilities, costs and expenses (including, without limitation, attorney's fees and the time of our personnel involved) brought against, paid or incurred by us at a time and in any way based on the information made available in connection with our work product except to the extent that any such losses, expenses, damages or liabilities are ultimately determined to be the result of gross negligence of our engagement team in conducting its work. This provision shall survive even after the termination of this engagement for any reason.

STATEMENTS

The attached valuation certificate is prepared in line with the requirements contained in Chapter 5 and Practice Note No. 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as well as the guidelines contained in the IVS and the HKIS Standards. The valuation has been undertaken by valuer, acting as external valuer, qualified for the purpose of this valuation.

We retain a copy of this summary report and the detailed valuation report together with the data from which it was prepared, and these data and documents will, according to the Laws of Hong Kong, keep for a period of 6 years from the date of this report and to be destroyed thereafter. We considered these records confidential, and we do not permit access to them by anyone, with the exception for law enforcement authorities or court order, without the Instructing Party's authorization and prior arrangement made with us. Moreover, we will add the Company's information into our client list for our future reference.

The analysis or valuation of the property depends solely on the assumptions made in this report and not all of which can be easily quantified or ascertained exactly. Should some or all of the assumptions prove to be inaccurate at a later date, it will affect the reported findings or conclusion of value significantly.

We hereby certify that the fee for this service is not contingent upon our conclusion and we have no significant interest in the property, the Group, or the value reported.

The valuation certificate is attached.

Yours faithfully,
For and on behalf of

LCH (Asia-Pacific) Surveyors Limited

Elsa Ng Hung Mui B.Sc. M.Sc. RPS (GP)

Executive Director

Contributing valuer:

Ivan Mak Kin Hong B.Sc

Notes:

- 1. Sr Elsa Ng Hung Mui has been conducting valuation of real properties in Hong Kong, Macau and mainland China since 1994. She is a Member of The HKIS and a valuer on the List of Property Valuers for Undertaking Valuation for Incorporation or Reference in Listing Particulars and Circulars and Valuation in Connection with Takeovers and Mergers published by The HKIS.*
- 2. Mr. Ivan Mak Kin Hong is a graduate surveyor (graduated from bachelor degree in surveying) and probationer of The HKIS. He has been involved in valuation of real properties both in Hong Kong and mainland China for around 3 years. He has been involved in conducting real property valuations for publicly listed companies for various purposes including merger and acquisition, initial public offering, financing and accounts reporting purposes.*

VALUATION CERTIFICATE

Property held and occupied by the Group in the PRC and valued on the Market Value basis

Property	Description and tenure	Particulars of occupancy	Amount of valuation in its existing state as at 22 October 2015
A factory complex located at No. 266-(1-7) Jinniang Road Songshan New District Jinzhou City Liaoning Province the PRC 121001	<p>The property comprises a parcel of land having a site area of approximately 62,863.00 sq.m. with 7 major buildings and structures and other supporting ancillary facilities erected thereon (<i>See Notes 1 and 2 below</i>).</p> <p>The property is located at an industrial district of Songshan New District and surrounded by various industrial complexes.</p> <p>The major buildings and structures include 2 single to 2-storey workshops, a 3-storey office building, a 4-storey dormitory and 3 single storey supporting ancillary facilities which were completed in 2010. They have a total gross floor area of approximately 15,450.11 sq.m. (<i>See Note 2 below</i>).</p> <p>The property is subject to a right to use the land for a term till 27 August 2057 for industrial usage.</p>	As inspected and confirmed by the Instructing Party and the appointed personnel of the Company, the property was occupied by the Group as an office as at the Valuation Date.	RMB77,000,000 (100% interest to the Group) (RENMINBI SEVENTY SEVEN MILLION YUAN ONLY)

Notes:

1. The right to possess the land is held by the State and the rights to use the land has been granted by the State to Jinzhou Rixin Silicon Materials Company Limited and hereinafter referred to as "Jinzhou Rixin" (錦州日鑫硅材料有限公司), via the following ways:
 - (i) Pursuant to a Contract for the Grant of State-owned Land Use Rights (國有土地使用權出讓合同) dated 27 August 2007 and made between Jinzhou City Land and Resources Bureau (錦州市國土資源局) and Jinzhou Rixin, a parcel of land having a site area of 62,863 sq.m. was granted to Jinzhou Rixin for a term of 50 years commencing from 27 August 2007 for industrial usage.
 - (ii) Pursuant to a State-owned Land Use Rights Certificate known as Jin Zhou Guo Yong 2007 Zi Di 000378 Hao (錦州國用 2007 字第 000378 號) dated August 2007 and issued by the Jinzhou City Land and Resources Bureau (錦州市國土資源局), Jinzhou Rixin has the right to use the land which having a site area of 62,863 sq.m. for a term till 27 August 2057 for industrial usage.

2. Pursuant to 7 Building Ownership Certificates issued by the People's Government of Jinzhou City (錦州市人民政府), the legally interested party in 7 various major buildings and structures having a total gross floor area of approximately 15,450.11 sq.m. is Jinzhou Rixin. They are listed as follows:

Building Ownership Certificates	Issue Date	Buildings	No. of storeys	Gross Floor Area (sq.m.)
錦房權證01字第00454851號	28/5/2012	Workshop	1-storey	3,700.64
錦房權證01字第00454852號	28/5/2012	Workshop	2-storey	4,902.50
錦房權證01字第00454853號	28/5/2012	Office	3-storey	1,846.14
錦房權證01字第00454854號	28/5/2012	Pumping Room	1-storey	254.00
錦房權證01字第00454855號	28/5/2012	Warehouse	1-storey	1,102.98
錦房權證01字第00454856號	28/5/2012	Sewage Treatment Station	1-storey	512.85
錦房權證01字第00455047號	28/5/2012	Dormitory	4-storey	3,131.00
			Total:	15,450.11

3. According to the on-site inspection in October 2015, 12 various structures (listed below) without any Building Ownership Certificates and having a total gross floor area of approximately 3,323.26 sq.m. were erected on the land in Note 1. In our valuation, we have taken into account of these structures on the assumption that they are able to be transferred together with the land and other buildings as a unique interest without further encumbrances/premium.

Buildings	No. of storeys	Gross Floor Area (sq.m.)
Warehouse	1-storey	36.00
Warehouse	1-storey	69.30
Water Tower Basement	1-storey	71.50
Warehouse	1-storey	449.50
Repair Room	1-storey	144.46
Switch Room	1-storey	311.04
Water Station	1-storey	321.36
House	1-storey	398.63
Golf Training Platform	1-storey	912.00
Car port	1-storey	566.40
Warehouse	1-storey	12.00
Guardhouse	1-storey	31.07
Total:		3,323.26

4. Pursuant to a copy of the Enterprise Legal Person Business Licence (企業法人營業執照) dated 28 April 2013, Jinzhou Rixin is a limited liabilities company registered in the PRC for an operational period commencing from 9 May 2007 to 8 May 2017.
5. The property is pledged to Bank of Jinzhou Holdings Limited Jinling Branch and registered under a Maximum Limit of Collateral Contract No. 錦銀(金凌支)行(2015)年最抵字第(003)號.
6. According to the information provided by the appointed personnel of the Company, on 21 September 2015, Jinzhou Rixin and Urban Building Investment, a governmental body in the PRC entered into a Disposal Agreement at a consideration of RMB182,620,000.

7. According to the legal opinions as prepared by the Company's PRC legal advisor dated 30 November 2015, various ancillary structures with a total gross floor area of 3,323.26 sq. m. were erected without completing the construction completion procedures. According to the PRC law and regulations, disciplinary actions should be taken by the relevant government authority. According to the advice given by the Company, no investigation or disciplinary action were taken by the relevant government authorities from the completion date of those various ancillary structures in 2008 till the date of the PRC legal opinion, and the risk of Jinzhou Rixin to be disciplined by the relevant government authority is low.

The following are the texts of (i) the valuation report prepared by Liaoning Tianli in connection with the valuation of the Land and the premises erected thereon as at 7 July 2015; (ii) the valuation report prepared by Liaoning Bohai in connection with the potential loss for cessation of operation as at 6 June 2015; and (iii) the valuation report prepared by Liaoning Bohai in connection with the anticipated costs of the Relocation as at 6 June 2015, all prepared for the purpose of incorporation in this circular:

(I) VALUATION REPORT ON PROPERTY EXPROPRIATION

Letter to the Instructing Party of the Valuation

Jinzhou City Land Reserves Centre,

Under your engagement, our company (hereinafter referred to as “we”) has conducted a valuation on the properties of Jinzhou Rixin Silicon Materials Co., Ltd. (hereinafter the “Subject Property”), which comprise seven buildings including office buildings, workshops and dormitories with a total gross floor area of 15,450.11 sq.m. and a land use right area of 62,863 sq.m., at No. 266, Jinniang Road, Songshan New District, Jinzhou in accordance with the relevant PRC rules and requirements.

Valuation purpose: To provide the authority responsible for expropriation and the affected parties with the basis for determining the compensation for the value of the expropriated properties and to evaluate the value of the expropriated properties.

Reference day: 7 July 2015.

Based on the valuation purpose, valuation principles and valuation procedures, and after on-site inspection and market research, by adopting scientific and reasonable valuation approaches on the basis of careful analysis of existing information, combined with their valuation experience and the factors affecting the market price of the property, the valuers have ultimately determined the market value of the Subject Property when satisfying all the assumed limitations as at the reference day to be 85,054,387.00 yuan, i.e. RENMINBI EIGHTY-FIVE MILLION FIFTY-FOUR THOUSAND THREE HUNDRED AND EIGHTY-SEVEN YUAN ONLY, after analysis, estimation and judgement.

The detailed results, procedures and relevant explanations of the valuation are set out in the appended valuation results report.

The valuation report is effective for one year from the date of issue of the valuation report, i.e. from 10 July 2015 to 9 July 2016, provided that there is no significant volatility in the property market.

Liaoning Tianli Land and Properties Valuation Co., Ltd.

Legal representative:

10 July 2015

(A) DECLARATION OF CERTIFIED PUBLIC VALUERS

We solemnly represent that:

1. We confirm that the facts set out herein are true and accurate.
2. All analysis, opinions and conclusions set out herein are our own professional analysis, opinions and conclusions, subject to the assumptions and limitations stated in herein.
3. We have no interest in the Subject Property hereunder, nor any interest in or prejudice to any relevant parties.
4. This valuation report is prepared based on our analysis, opinions and conclusions under the Code for Real Estate Appraisal (GB/T50291-1999), which is the national standard of the People's Republic of China.
5. The valuers have conducted on-site survey on the Subject Property hereunder as well as kept record of the on-site survey and photograph the current condition. The survey conducted by the valuers on the Subject Property was only restricted to the appearance and service condition of the Subject Property. After the reference day, where there is any changes in the quality and pricing standard of the Subject Property within the validity period of the valuation report that exert significant influence on the valuation of the Subject Property, the valuation conclusions herein cannot be directly used.
6. No professional assistance of material importance was sought by us for this valuation report.
7. This valuation report is based on the information relating to the gross floor area of and interests in the Subject Property provided by the instructing party of the valuation, who shall be responsible for the truthfulness and reliability of such information. The valuers only issue opinions on the market value of the Subject Property itself. The valuation firm should not assume the responsibility for inaccuracy or concealments of such information. In case of adjustments in the scope and content of the Subject Property, adjustments should be made to the valuation results herein or even a re-valuation should be made.
8. The valuation results herein have not taken into consideration the potential impact of other creditor's rights, debts and other disputes that may exist in the ordinary course of the Subject Property on its value. Readers of this report shall consider other relevant taxes arising in the transaction. The valuation results herein shall be adjusted in line with the changes in time, market conditions and other relevant conditions.

9. The valuation results of this report are denominated in RMB according to the specific conditions of its usage, Subject Property and the parties involved.
10. This valuation report is in quadruplicate of which three are held by the instructing party of the valuation and one is held by us.
11. Certified public valuers involved in this valuation:

Name	Certificate number	Signature	Chop
Wang Peng	2120070078	<i>Signed and stamped on the original</i>	
Wang Jianguang	2120040112	<i>Signed and stamped on the original</i>	

(B) ASSUMPTIONS AND LIMITATIONS IN THE VALUATION

I. Assumptions in the Valuation

1. The Subject Property has clearly established ownership and completed all necessary registrations. It can be transferred freely on the open market and maintain the present status to continue to be used as offices, workshops and dormitories for corporate production and operation purposes. The valuation does not take into account the influences of third-party rights, such as mortgage, pledge and lease, on the price of the property.
2. The report does not take into account the impact of the change of national macro-economic policies and the natural force or other force majeure on the price of the Subject Property, nor does it take into account influences on its valuation results caused by special trading modes. Within the validity period of the report, market supply relations and market structure remain stable without any material or substantive changes.
3. The report relies on the information pertaining to the property ownership and ancillary facilities supplied by the instructing party of the valuations. The instructing party should be responsible for the truthfulness and reliability of the information, and supply to us all information without withholding or concealing any facts. The valuation firm assumes no

responsibility for errors arising from the inaccuracy of the information supplied by the instructing party.

4. The valuation assumes that the Subject Property has no material quality problems on its foundation and structure.
5. Any ways of operations and procedures in connection to the Subject Property shall comply with the relevant national and local laws and regulations.
6. The valuation result of the report is based on the valuation purposes, valuation principles, valuation basis, valuation approaches and valuation procedures of this valuation. The valuation result is arrived at only under the condition that the aforesaid purposes, principles and basis are available.

II. Limitations of the Valuation

1. Purpose of the valuation: To provide the authority responsible for expropriation and the affected parties with the basis for determining the compensation for the value of the expropriated properties and to evaluate the value of the expropriated properties.
2. The valuation report is effective for one year from the date of issue of the valuation report, i.e. from 10 July 2015 to 9 July 2016, provided that there is no significant volatility in the property market. With the changes in the property market condition and the development of the Subject Property, corresponding changes will also reflect in the instructing party's valuation results. The property should be reassessed and recognized.
3. The instructing party shall use the report in its entirety. The valuation firm shall not assume the responsibility for any losses arising from the partial or piecemeal use of the contents of this report.
4. Figures in the report have been rounded to the nearest two decimals places or to the unit, which may result in discrepancies between the two sides of individual equations but will not affect the accuracy of the final valuation results.
5. We reserve the right of final interpretation of the valuation report.

(C) REPORT ON VALUATION RESULTS***I. Instructing party of the valuation***

Jinzhou Land Reserves Centre

II. Valuation firm

Name of valuation firm: Liaoning Tianli Land and Properties Valuation Co., Ltd.

Address: No. 6-85, Heping Road, Guta District, Jinzhou

Legal representative: Zhao Hui

Telephone number: 0416-2910096

Industrial and commercial registration no.: 210700004038110

Qualification grade: Grade One

Decision on the Administrative Approval no.: 2014030407001

Valuation firm Qualification Certificate No.: 070200001

Validity period: Until 3 March 2017

III. Subject Property***(1) Scope of the Subject Property***

The Subject Property is the properties located at No. 266, Jinniangu Road, Taihe District, Jinzhou, comprising seven buildings and the value of facilities and equipment erected thereon that are immovable or necessary for meeting functional needs, including the land use right within the occupied area but excluding the internal movables of the Subject Property and other properties and interests attached to it such as creditors' rights and debts and franchises.

(2) *Physical Conditions of the Subject Property*

1. Physical conditions of the buildings

After on-site inspection, the nature of use of the Subject Property is workshops, office buildings, pumping rooms, warehouses, sewage treatment plants and dormitories etc., with a total gross floor area (“GFA”) of 15,450.11 sq.m. The construction of the Subject Property was completed in around 2007 and it is currently in use. The property is confirmed as in sound condition according to the extent of soundness and damage of the structure, decoration and equipment of the buildings. The details of building conditions are set out as the following Table 2-1:

Table 2-1 Summary of the basic conditions of the buildings

No.	Name of building	GFA (m^2)	Basic conditions
1	Wafer slicing workshop	3,700.64	The Subject Property has a mixed structure. The total number of storeys is 1. The height of the ceiling is around 5 m. The surface of external walls is covered with cement and coated with paints, while coloured steel plates are installed on the roof. The interior floor is rendered with cement and sprayed with dustproof paints. Part of the ground is tiled. The inner walls are whitewashed. The ceilings are sprung roofs with UPVC boards. The outer windows are made of UPVC. The main entrance is installed with a floor spring doors made of super white glass.
2	Workshop	4,902.5	The Subject Property has a reinforced concrete structure. The total number of storeys is 2. The surface of external walls is covered with cement and coated with paints. The interior floor is rendered with cement. Part of the ground is tiled. The inner walls and ceilings are whitewashed. Installed with high-speed-steel handrails and fibrous-gypsum paths. The outer windows are made of UPVC. The main entrance is installed with a floor spring doors made of super white glass.

No.	Name of building	GFA (<i>m</i> ²)	Basic conditions
3	Office building	1,846.14	The Subject Property has a reinforced concrete structure. The total number of storeys is 3. The surface of external walls are covered with cement and coated with paints. The inner ground is tiled. The inner walls are whitewashed. The ceilings are sprung roofs with gypsum boards or foam boards. Installed with high-speed-steel handrails and fibrous-gypsum paths. The outer windows are made of UPVC. The main entrance is installed with a floor spring doors made of super white glass.
4	Pumping room	254	The Subject Property has a mixed structure. The total number of storeys is 1. The surface of external walls are covered with cement and coated with paints, while the roof is pressed with cement-faced asphalt. The inner ground is made of cement. The inner walls and ceilings are whitewashed. The outer windows are made of UPVC. Installed with security doors.
5	Warehouse	1,102.98	The Subject Property has a mixed structure. The total number of storeys is 1. The height of the ceiling is around 4 m. The surface of external walls are covered with cement and coated with paints, while coloured steel plates are installed on the roof. The interior floor is rendered with cement. The inner walls are whitewashed. The ceilings are not sprung roofs. The outer windows are made of UPVC, fitted with security bars. The main entrance is a two-sided, push-and-pull door made of coloured steel plates.

No.	Name of building	GFA (m^2)	Basic conditions
6	Sewage treatment plant	512.85	The structure of the Subject Property is in coloured plate steel. The total number of storeys is 1. The height of the ceiling is around 4 m. It has a 1.2 m tall cement foundation. Both the wall structure and ceilings are made of coloured steel plates. The inner ground is made of cement. The inner walls are made of coloured steel plates. The ceilings are not sprung roofs. The outer windows are made of UPVC. The main entrance is a two-sided, push-and-pull door made of coloured steel plates.
7	Dormitory	3,131	The Subject Property has a reinforced concrete structure. The total number of storeys is 4. The surface of external walls are covered with cement and coated with paints. The ground of the interior is tiled. The inner walls and ceilings are whitewashed. Installed with high-speed-steel handrails and fibrous-gypsum paths. The outer windows are made of UPVC. The main entrance is installed with a floor spring doors made of super white glass.
	Total	15,450.11	-

2. Physical state of the land

The land occupied by the Subject Property is located in the southwestern side of Jinniangu Road, Songshan New District in Xiwang Fenchang Shaxi Village (松山新區錦娘路西南側、西王分場沙西村) and the land use right area is 62,863 sq.m. With one side facing a street and having Jinniangu Road to the east, the shape of land is moderately regular and there is no adverse effect on layout planning. The bearing pressure of foundation has no impact on the utilization of land by the buildings erected thereon, and is able to satisfy the needs of industrial production. The land has a level topography with sound geology, which has no impact on the structural works of the building and structures. The infrastructure outside the land is sound, which have all the 'six kinds of utilities' (transportation, electricity, telecommunication, water supply, drainage, heat supply). There are 'six kinds of utilities' (transportation, electricity, telecommunication, water supply, drainage, heat supply) inside the land and the land is levelled.

(3) Status of Interests of the Subject Property

1. Status of interests of the buildings

As recorded in the Building Ownership Certificates issued by the People's Government of Jinzhou City, which is the ownership proof provided by the instructing party of valuation, the status of interests of the buildings of the Subject Property is set out below:

No.	Ownership Certificate Number	Owner	Location	Storey	Planned use	GFA (m ²)
1	Jin Fang Quan Zheng 01 Zi Di No. 00454851 (錦房權證 01字 第00454851號)	Jinzhou Rixin Silicon Materials Co., Ltd.	No. 266-6 Jinniangu Road, Taihe District	1/1	Wafer slicing workshop	3,700.64
2	Jin Fang Quan Zheng 01 Zi Di No. 00454852 (錦房權證 01字 第 00454852號)	Jinzhou Rixin Silicon Materials Co., Ltd.	No. 266-7 Jinniangu Road, Taihe District	1-2/2	Workshop	4,902.5
3	Jin Fang Quan Zheng 01 Zi Di No. 00454853 (錦房權證 01字 第 00454853號)	Jinzhou Rixin Silicon Materials Co., Ltd.	No. 266-2 Jinniangu Road, Taihe District	1-3/3	Office building	1,846.14
4	Jin Fang Quan Zheng 01 Zi Di No. 00454854 (錦房權證 01字 第 00454854號)	Jinzhou Rixin Silicon Materials Co., Ltd.	No. 266-5 Jinniangu Road, Taihe District	1/1	Pumping room	254
5	Jin Fang Quan Zheng 01 Zi Di No. 00454855 (錦房權證 01字 第 00454855號)	Jinzhou Rixin Silicon Materials Co., Ltd.	No. 266-4 Jinniangu Road, Taihe District	1/1	Warehouse	1,102.98

No.	Ownership Certificate Number	Owner	Location	Storey	Planned use	GFA (m ²)
6	Jin Fang Quan Zheng 01 Zi Di No.00454856 (錦房權證 01字 第 00454856號)	Jinzhou Rixin Silicon Materials Co., Ltd.	No. 266-3 Jinniangu Road, Taihe District	1/1	Sewage treatment plant	512.85
7	Jin Fang Quan Zheng 01 Zi Di No.00455047 (錦房權證 01字 第 00455047號)	Jinzhou Rixin Silicon Materials Co., Ltd.	No. 266-1 Jinniangu Road, Taihe District	1-4/4	Dormitory	3,131

2. The status of land rights

As recorded in the State-owned Land Use Certificate issued by the People's Government of Jinzhou City, which is the ownership proof provided by the instructing party of valuation, the rights status of the land occupied by the Subject Property is set out below:

Land rights certificate number	Jin Zhou Guo Yong (2007) Zi No. 000378 (錦州國用(2007)字 第 000378 號)
User of land use rights	Jinzhou Rixin Silicon Materials Co., Ltd.
Location	The southwestern side of Jinniangu Road, Songshan New District in Xiwang Fenchang Shaxi Village
Land use	Industrial land
Level of land	Industrial Lu Level
Area of land use rights	62,863 m ²
Type of land use rights	Grant
Termination Date	27 August 2057
Land lot number	11801/043/180
Chart number	22.50-81.75

3. Status of third-party rights

According to the information provided by the instructing party of the valuation, as at the reference day, the Subject Property has neither defaulted on the payment of construction cost nor registered any third-party rights, such as security, right of lease, right of pledge and easements etc.

IV. Valuation purpose

To provide the authority responsible for expropriation and the affected parties with the basis for determining the compensation for the value of the expropriated properties and to evaluate the value of the expropriated properties.

V. Reference Day

The reference day of this report is 7 July 2015.

VI. Definition of Value

According to the requirements of the relevant national laws and regulations, information provided by expropriated owners and the actual situation of the on-site inspection by our valuers, the valuation results of this valuation report represent the open market value of the Subject Property under present conditions as at the reference day. This open market value is the sum which knowledgeable parties would make the deal on the reference day and in an arm's length transaction, taking no account of factors such as lease, pledge and sequestration.

VII. Basis of Valuation

- (i) Laws, regulations and policy documents in relation to property valuation promulgated by national and local governments
 - 1. Land Administration Law of the People's Republic of China, Decree No. 28 of the President of the People's Republic of China (2004);
 - 2. Law of the People's Republic of China on the Administration of Urban Real Estate (30 August 2007);
 - 3. Code for Real Estate Appraisal, National Standard (GB/T 50291-1999);
 - 4. Measures of Expropriation and Valuation of Properties on State-owned Land of the Ministry of Construction;
 - 5. Regulation on the Expropriation and Compensation of Buildings on State-owned Land, Decree No. 590 of the State Council of the People's Republic of China (21 January 2011);
 - 6. International Valuation Standards;
 - 7. Other information provided by the instructing party related to this valuation;

8. Information about the real property market held by the valuation firm;
 9. Property Rights Law of the People's Republic of China;
 10. Other relevant laws, regulations and documents;
- (ii) Information obtained by the valuers during on-site inspections;
- (iii) Market information investigated and held by the valuers based on the characteristics of the Subject Property.

VIII. Principles of Valuation

Independence, impersonality and impartiality are the basic principles for real property valuation. The technical principles are as follows:

1. *Principle of legitimacy*

The interests of the Subject Property shall be determined legally, including the types and vesting of rights legally determined, and rights such as utilization and penalties.

2. *Principle of maximum and best utilization*

It means the most likely utilization which, after sufficient and reasonable vindication, is legally allowed, technically possible, commercially viable and can maximize the value of the Subject Property. Nevertheless, the maximum and best utilization is one allowed within the scope of law, rather than one without any conditions. It includes the best in the senses of application, scale, intensity and grade.

3. *Principle of replacement*

It requires the results of valuation not to deviate unreasonably from the normal prices of similar real properties under the same conditions.

4. *Principle of reference day*

The conclusions of real property valuation should remain effective for a long time, mainly due to the consideration of the time value of capital and the volatility of the real property market. Hence the results of valuation reflect the price of the Subject Property as at the reference day and shall not be regarded as the price of the Subject Property at any other point of time.

IX. Valuation approaches

The valuers have conducted on-site inspection and market enquiries on the Subject Property in accordance with the relevant national rules and regulations concerning property valuation on an objective, independent, impartial and rational basis. Based on the actual conditions of the Subject Property, the valuers have adopted the market comparison approach for properties with certificates, the cost approximation approach for land use rights and the cost approach for other ancillaries.

The market comparison approach is a valuation approach under which the objective and reasonable price or value of the Subject Property is estimated by comparing the Subject Property with similar properties traded at dates close to the reference day and making appropriate adjustments to the known prices of such similar properties.

The cost approach is a valuation approach under which the objective and reasonable price or value of the Subject Property is arrived at based on re-acquisition price of the Subject Property as at the date of valuation less the depreciation.

X. Valuation results

Based on the valuation purpose, valuation principles and valuation procedures, and after on-site inspection and market research, by adopting scientific and reasonable valuation approaches on the basis of careful analysis of existing information, combined with their valuation experience and the factors affecting the market price of the property, the valuers have ultimately determined the market value of the Subject Property when satisfying all the assumed limitations as at the reference day to be 85,054,387.00 yuan, i.e. RENMINBI EIGHTY-FIVE MILLION FIFTY-FOUR THOUSAND THREE HUNDRED AND EIGHTY-SEVEN YUAN ONLY, after analysis, estimation and judgement.

XI. Valuers

Name	Certificate number	Signature	Chop
Wang Peng	2120070078	<i>Signed and stamped on the original</i>	
Wang Jianguang	2120040112	<i>Signed and stamped on the original</i>	

XII. Valuation period

From 18 May 2015 to 10 July 2015.

XIII. Validity period of the valuation report

The valuation report is effective for one year from the date of issue of the valuation report, i.e. from 10 July 2015 to 9 July 2016, provided that there is no significant volatility in the property market.

Liaoning Tianli Land and Properties Valuation Co., Ltd.

10 July 2015

(II) LOSSES ARISING FROM RELOCATION AND CESSATION OF OPERATION OF JINZHOU RIXIN SILICON MATERIALS CO., LTD. – ASSET VALUATION REPORT

Declaration of Certified Public Valuers

1. The instructing party and the related parties are responsible for the provision of the necessary information and the authenticity, legitimacy and integrity of the information provided, and the proper use of the valuation report. It is the certified public valuers' responsibility to analyze, estimate and give professional opinions on the value of the valuation subject as at the valuation base date for the specific purpose based on the principles of independence, impersonality and impartiality, in accordance with the relevant laws, regulations and asset valuation standards.
2. The analysis and conclusions of the valuation report are formed based on the principles of independence, impersonality and impartiality, and are only valid under the valuation assumptions and limitations stipulated by the valuation report. The valuation results should not be considered as a guarantee of the future realizable value of the valuation subject.
3. The goal of the certified public valuers to perform the asset valuation operation is to estimate and give professional opinions on the value of the valuation subject, and the certified public valuers shall not be accountable for the decision making of the relevant parties.
4. The certified public valuers have conducted necessary inspection only on the ownership information of the valuation subject and the relevant assets provided by the asset owner and its sources without providing any guarantee as to the legal ownership of the valuation subject. The report shall not be regarded as a confirmation or guarantee of the legal ownership of the valuation subject and the relevant assets.
5. The usage of the valuation report is limited to the purpose specified in the valuation report, and the consequence of improper use shall be irrelevant to the signing certified public valuers and the valuation firm they belong to.

Extract of the Asset Valuation Report**Important**

The following is an excerpt from the asset valuation report. For a comprehensive understanding of the project, the assumptions and premises used for the asset valuation results to be tenable and the correct evaluation of the asset valuation results, please read the asset valuation report in full carefully.

Liaoning Bohai Assets Appraisals Co., Ltd. (hereinafter referred to as “we”) was engaged by 錦州市土地儲備中心 (Jinzhou City Land Reserves Centre*) to evaluate the losses arising from cessation of operation involved in the general relocation of Jinzhou Rixin Silicon Materials Co., Ltd. based on the principle of independence, impersonality, impartiality and rationality by adopting statutory or generally accepted approaches and procedures in accordance with the laws, regulations and policies of the state in respect of asset valuation in order to determine the losses arising from cessation of operation due to the general relocation of Jinzhou Rixin Silicon Materials Co., Ltd. With the close cooperation and generous support of the relevant staff members of the instructing party and the appraised unit, our valuers have carried out physical inspection and verification on the assets to be valued, made necessary market investigations and enquiries and performed other valuation procedures that we deem necessary to fairly reflect the replacement value of the losses arising from cessation of operation due to the general relocation of Jinzhou Rixin Silicon Materials Co., Ltd. as at 6 June 2015.

The asset valuation reporting information and property rights documents relating to this valuation were provided by the instructing party and the appraised unit. The asset valuation and valuation results are now reported as follows:

I. Purpose of Valuation

Jinzhou Rixin Silicon Materials Co., Ltd. is planning for a relocation. The purpose of this valuation is to provide a value reference for Jinzhou Land Reserves Centre and Jinzhou Rixin Silicon Materials Co., Ltd. to determine the losses arising from cessation of operation due to the relocation of Jinzhou Rixin Silicon Materials Co., Ltd.

II. Subject and Scope of Valuation

The subject of this valuation is the estimated losses arising from cessation of operation due to the general relocation of Jinzhou Rixin Silicon Materials Co., Ltd.

The scope of the valuation is the losses arising from cessation of operation involved in the general relocation of Jinzhou Rixin Silicon Materials Co., Ltd. as at the valuation base date, i.e. 6 June 2015.

For details, please refer to the asset checking form enclosed herewith.

III. Type of Value

Based on the purpose of this valuation, the type of the appraised value is replacement value.

IV. Valuation Base Date

The valuation base date is 6 June 2015.

V. Valuation Approach

Based on the purpose of valuation and the characteristics of each asset, the cost approach was adopted for this valuation.

VI. Valuation Conclusions

As at the valuation base date, i.e. 6 June 2015, the appraised value of the estimated losses arising from cessation of operation due to the general relocation contemplated by Jinzhou Rixin Silicon Materials Co., Ltd. is 40,278,642.00 yuan (in capital letters: FORTY MILLION TWO HUNDRED AND SEVENTY-EIGHT THOUSAND SIX HUNDRED AND FORTY-TWO YUAN ONLY).

Set out below is the detailed valuation conclusions.

Table 5-2-1 Valuation Breakdown of the Losses Arising from Cessation of Operation and Additional Expenses
Valuation Base Date: 6 June 2015

Appraised unit: Jinzhou Rixin Silicon Materials Co., Ltd.

Unit: RMB

No.	Item	Measurement unit	Quantity	Appraised value	
				Unit price	Amount
I	Losses arising from cessation of operation	month	6	1,853,102.63	18,531,026.00
1	Including: Loss of trading profit	month	6	1,028,201.63	10,282,016.00
2	Wages of production workers	month	6	583,794.00	5,837,940.00
3	Insurance charges of production workers	month	6	241,107.00	2,411,070.00
II	Discounted value of travelling expenses of new workers after relocation	year	5		4,086,886.00
	Annual travelling expenses of workers				1,093,854.00
1	Including: Depreciation for the purchase of coaches	year	1	340,830.00	340,830.00
2	Fuel charges	year	1	327,816.00	327,816.00
3	Wages and other operating and maintenance expenses	year	1	425,208.00	425,208.00
III	Compensation for loss of office due to relocation	person	30	25,200.00	756,000.00
IV	Recruitment and training costs of new workers	person	30	1,000.00	30,000.00
V	Discounted value of losses of power plant	year	17		16,874,730.00
	Annual losses of power plant	kWh	9,224,460	0.1685	<u>1,554,322.00</u>
Total					<u>40,278,642.00</u>

The valuation report and valuation conclusions are for use only by the instructing party for the purpose of this valuation and are effective until 5 June 2016.

The above is an excerpt from the valuation report. For a comprehensive understanding of this valuation project, please read the valuation report in full carefully.

Liaoning Bohai Assets Appraisals Co., Ltd.

Losses Arising from Relocation and Cessation of Operation of Jinzhou Rixin Silicon Materials Co., Ltd.

Valuation Report

Liao Bo Ping Bao Zi [2015] No. 105

Liaoning Bohai Assets Appraisals Co., Ltd. (hereinafter referred to as “we”) was engaged by Jinzhou City Land Reserves Centre to evaluate the losses arising from cessation of operation involved in the general relocation of Jinzhou Rixin Silicon Materials Co., Ltd. based on the principle of independence, impersonality, impartiality and rationality by adopting statutory or generally accepted approaches and procedures in accordance with the laws, regulations and policies of the state in respect of asset valuation in order to determine the losses arising from cessation of operation due to the general relocation of Jinzhou Rixin Silicon Materials Co., Ltd. With the close cooperation and generous support of the relevant staff members of the instructing party and the appraised unit, our valuers have carried out physical inspection and verification on the assets to be valued, made necessary market investigations and enquiries and performed other valuation procedures that we deem necessary to fairly reflect the replacement value of the losses arising from cessation of operation due to the general relocation of Jinzhou Rixin Silicon Materials Co., Ltd. as at 6 June 2015.

The asset valuation reporting information and property rights documents relating to this valuation were provided by the instructing party and the appraised unit. The asset valuation and valuation results are now reported as follows:

I. Instructing party, appraised unit and users of the valuation report other than the instructing party

Instructing party:	Jinzhou Land Reserves Centre
Appraised unit:	Jinzhou Rixin Silicon Materials Co., Ltd.
Residential address:	No. 266, Jinniang Road, Songshan New District, Jinzhou
Legal representative:	Tan Wenhua
Registered capital:	RENMINBI ONE HUNDRED AND NINETY MILLION YUAN ONLY
Type of company:	Limited liability company

Scope of operations: Manufacturing and sale of silicon materials; consultation services on electricity supply operations. (For legally approved items, business operations may commence only after receipt of permission granted by the relevant authorities.)

Users of the valuation report other than the instructing party:
Departments relating to such relocation

II. Purpose of Valuation

Jinzhou Rixin Silicon Materials Co., Ltd. is planning for a relocation. The purpose of this valuation is to provide a value reference for Jinzhou Land Reserves Centre and Jinzhou Rixin Silicon Materials Co., Ltd. to determine the losses arising from cessation of operation due to the relocation of Jinzhou Rixin Silicon Materials Co., Ltd.

III. Subject and Scope of Valuation

The subject of this valuation is the estimated losses arising from cessation of operation due to the general relocation of Jinzhou Rixin Silicon Materials Co., Ltd.

The scope of the valuation is the losses arising from cessation of operation involved in the general relocation of Jinzhou Rixin Silicon Materials Co., Ltd. as at the valuation base date, i.e. 6 June 2015.

IV. Type of Value and Definition

Based on the purpose of this valuation, the type of the appraised value is replacement value.

Replacement value refers to the total expenses necessary for the replacement, reconstruction or formation of the new asset which is identical or basically similar to the valuation subject under present conditions.

In this report, replacement value refers to the capital expenditure or expenses necessary for the appraised unit to restore its original production profitability and number of staff, etc.

V. Valuation Base Date

After negotiating with the instructing party, the valuation base date of this project has been determined to be 6 June 2015.

VI. Basis of Valuation*(i) Main laws and regulations*

1. Enterprise Income Tax Law of the People's Republic of China, Decree No. 63 of the President of the People's Republic of China (2007);
2. Notice of the Ministry of Finance on Issuing the Asset Valuation Standards – Basic Standards and the Professional Ethics Standards for Asset Valuation – Basic Standards (Cai Qi [2004] No. 20);
3. Notice of the China Appraisal Society on Issuing the Guiding Opinions on Business Valuation (Trial) (Zhong Ping Xie [2004] No. 134);
4. Guiding Opinions for Certified Public Valuers on the Legal Ownership of Valuation Subjects issued by the Chinese Institute of Certified Public Accountants on 14 January 2005;
5. 8 asset valuation standards published by the China Appraisal Society, including the "Valuation Report", "Valuation Procedures", "Engagement Letter", "Working Papers", "Machinery and Equipment", "Immovable Property" and "Guiding Opinions on the Types of Value under Asset Valuation";
6. Accounting Standards for Business Enterprises – Basic Standards (Order of the Ministry of Finance No. 33);
7. Other relevant laws, regulations, standards and rules relating to the asset valuation.

(ii) Basis of valuation activities

The Asset Valuation Engagement Letter entered into between Liaoning Bohai Assets Appraisals Co., Ltd. and Jinzhou City Land Reserves Centre.

(iii) Basis of ownership of assets

1. The asset valuation form filed by the instructing party;

2. Financial statements and financial information provided by the appraised unit, including the relevant agreements, contracts, original purchase invoices and accounting evidence;
3. Others.

(iv) Basis of pricing

1. Other information obtained by the valuers through market price inquiry;
2. Accounting information and technical documents relating to the valuation provided by the appraised unit.

VII. Valuation Approach

Based on the purpose of valuation and the characteristics of the valuation subject, the cost approach was adopted for this valuation.

The cost approach is an asset valuation method that makes reference to the difference derived from deducting the physical depreciation, functional depreciation and economic depreciation incurred by the appraised assets from the total costs necessary for the replacement or construction of the new appraised assets under present conditions when determining the appraised value of the appraised assets.

In this report, the costs refer to the capital expenditure or expenses necessary for the appraised unit to recover its original production profitability and number of staff, etc.

VIII. Valuation Process

After accepting this asset valuation engagement, Liaoning Bohai Assets Appraisals Co., Ltd. visited the appraised unit, commenced on-site inspection and collected documents and information about the valuation on 6 June 2015. The valuation process can be generally divided into five stages:

(i) Acceptance of the engagement and signing of the letter

1. We discussed the specific operational issues relating to this valuation project with the instructing party and identified the fundamentals, such as the purpose of valuation, scope and subject of valuation and valuation base date.

2. After fully understanding the issues relating to this valuation project and conducting project risk assessment, we decided to accept the valuation engagement of the instructing party and set up a valuation project team.
3. Based on the purpose of valuation, scope and subject of valuation and conditions and characteristics of the assets to be valued, the valuers devised the asset valuation proposal and formulated the asset valuation work plan.

(ii) *Asset checking stage*

1. With the guidance of the valuers, the appraised unit checked its assets, collected and prepared the relevant information and filed the asset checking form.
2. The valuers enquired the relevant staff of the appraised unit about the general conditions of the assets to be valued.
3. The valuers checked and verified the assets filed by the appraised unit and verified the ownership of the assets.

First, we cross-checked the amounts set out in the financial statements, general ledger, subsidiary ledger and checking registration form filed by the appraised unit and the other relevant data records, and performed spot checks on the accounting evidence depending on the specific conditions. With respect to fixed assets, we collected and inspected the property rights documents and verified the property rights. Together with the relevant staff of the appraised unit, we performed on-site checking, verification and inspection in order to understand the usage, maintenance and adaptation status as well as the present conditions of the assets.

4. Based on the checking and verification results, we highlighted, supplemented, amended and corrected any inconsistent or substandard (such as mistakes, repetition, misses and omission) items and contents in the asset checking form filed by the appraised unit. Reasonable adjustments were made to the book value in light of the specific conditions.
5. We collected the relevant information and property rights proof and verified the information gathered.

(iii) *Assessment and estimation stage*

Based on the real situation and characteristics of the assets to be valued, specific valuation approaches were selected for the valuation and calculation of the assets to be valued so as to assess each of their appraised value.

(iv) *Valuation summarization stage*

1. The valuers summarized and analyzed the preliminary valuation results of each type of assets.
2. The valuation results were adjusted, revised and refined according to the summary and analysis.
3. The valuation report and valuation descriptions were compiled to form the preliminary draft of the valuation report.
4. Three-step checking was performed on the preliminary draft of the valuation report, the valuation conclusions and the working papers supporting such conclusions.
5. The valuation report was issued after amendments were made based on the review comments.

(v) *Report submission stage*

The valuation report was submitted to the instructing party.

IX. Valuation Assumptions

1. The appraised unit will maintain the current production and operation approach and production capacity after relocation.
2. The information provided by the instructing party is true, legal and complete.
3. The appraised assets are unsecured, unguaranteed and not subject to any other contingent liabilities.

X. Valuation Conclusions

As at the valuation base date, i.e. 6 June 2015, the appraised value of the estimated losses arising from cessation of operation due to the general relocation contemplated by Jinzhou Rixin Silicon Materials Co., Ltd. is 40,278,642.00 yuan (in capital letters: FORTY MILLION TWO HUNDRED AND SEVENTY-EIGHT THOUSAND SIX HUNDRED AND FORTY-TWO YUAN ONLY).

Set out below is the detailed valuation conclusions.

Table 5-2-1 Valuation Breakdown of the Losses Arising from Cessation of Operation and Additional Expenses
Valuation Base Date: 6 June 2015

Appraised unit: Jinzhou Rixin Silicon Materials Co., Ltd.		Unit: RMB			
No.	Item	Measurement unit	Quantity	Appraised value Unit price	Amount
I	Losses arising from cessation of operation	month	6	1,853,102.63	18,531,026.00
1	Including: Loss of trading profit	month	6	1,028,201.63	10,282,016.00
2	Wages of production workers	month	6	583,794.00	5,837,940.00
3	Insurance charges of production workers	month	6	241,107.00	2,411,070.00
II	Discounted value of travelling expenses of new workers after relocation	year	5		4,086,886.00
	Annual travelling expenses of workers				1,093,854.00
1	Including: Depreciation for the purchase of coaches	year	1	340,830.00	340,830.00
2	Fuel charges	year	1	327,816.00	327,816.00
3	Wages and other operating and maintenance expenses	year	1	425,208.00	425,208.00
III	Compensation for loss of office due to relocation	person	30	25,200.00	756,000.00
IV	Recruitment and training costs of new workers	person	30	1,000.00	30,000.00
V	Discounted value of losses of power plant	year	17		16,874,730.00
	Annual losses of power plant	kWh	9,224,460	0.1685	<u>1,554,322.00</u>
Total					<u><u>40,278,642.00</u></u>

XI. Special

1. We based our valuation only on the valuation declaration form, books of account and the relevant ownership proof provided by the instructing party without defining the complete property rights of the assets. We only provided professional opinions on the replacement value of the valuation subject as at the valuation base date.

2. We have not conducted any independent verification on the proof and information provided by the property rights owners and the instructing party or on the liabilities involved. Nor do we accept any responsibility for the truthfulness of such information.
3. The valuation firm and valuers disclaim any responsibility for any defects in the assets to be appraised that may affect the asset valuation but have not been specified by the instructing party during the engagement and were generally unknown to the valuers based on their professional experience.
4. The appraisal of the assets to be valued as set out in this report is to reflect the value of the appraised assets in an objective manner. We do not intend to request the asset owner to make account treatment according to the results and presentation in this report. The superior financial and tax authorities of the asset owner should decide whether and how to make relevant account treatment in compliance with the national accounting rules.
5. The valuation results of this report reflect the replacement value under normal conditions, without considering the impact of any special transactions (such as quick realization) on the price of the valuation subject.

XII. Limitations of the Valuation Report

1. This valuation report shall be used only for the purposes set out herein and shall not be used for other purposes;
2. This valuation report shall only be used by the users of the valuation report specified herein;
3. Term of the valuation report: The valuation conclusions of this report shall be valid for one year from the base date of the valuation report, i.e. 6 June 2015, to 5 June 2016.

XIII. Date of the Valuation Report

26 July 2015.

(III) EQUIPMENT RELOCATION OF JINZHOU RIXIN SILICON MATERIALS CO., LTD. – ASSET VALUATION REPORT**Declaration of Certified Public Valuers**

1. The instructing party and the related parties are responsible for the provision of the necessary information and the authenticity, legitimacy and integrity of the information provided, and the proper use of the valuation report. It is the certified public valuers' responsibility to analyze, estimate and give professional opinions on the value of the valuation subject as at the valuation base date for the specific purpose based on the principles of independence, impersonality and impartiality, in accordance with the relevant laws, regulations and asset valuation standards.
2. The analysis and conclusions of the valuation report are formed based on the principles of independence, impersonality and impartiality, and are only valid under the valuation assumptions and limitations stipulated by the valuation report. The valuation results should not be considered as a guarantee of the future realizable value of the valuation subject.
3. The goal of the certified public valuers to perform the asset valuation operation is to estimate and give professional opinions on the value of the valuation subject, and the certified public valuers shall not be accountable for the decision making of the relevant parties.
4. The certified public valuers have conducted necessary inspection only on the ownership information of the valuation subject and the relevant assets provided by the asset owner and its sources without providing any guarantee as to the legal ownership of the valuation subject. The report shall not be regarded as a confirmation or guarantee of the legal ownership of the valuation subject and the relevant assets.
5. The usage of the valuation report is limited to the purpose specified in the valuation report, and the consequence of improper use shall be irrelevant to the signing certified public valuers and the valuation firm they belong to.

Extract of the Asset Valuation Report**Important**

The following is an excerpt from the asset valuation report. For a comprehensive understanding of the project, the assumptions and premises used for the asset valuation results to be tenable and the correct evaluation of the asset valuation results, please read the asset valuation report in full carefully.

Liaoning Bohai Assets Appraisals Co., Ltd. (hereinafter referred to as “we”) was engaged by 錦州市土地儲備中心 (Jinzhou City Land Reserves Centre*) to evaluate the equipment assets involved in the general relocation of Jinzhou Rixin Silicon Materials Co., Ltd. based on the principle of independence, impersonality, impartiality and rationality by adopting statutory or generally accepted approaches and procedures in accordance with the laws, regulations and policies of the state in respect of asset valuation in order to determine the equipment relocation expenses (including losses arising from the relocation, hereinafter referred to as “relocation expenses”) required for the general relocation contemplated by Jinzhou Rixin Silicon Materials Co., Ltd. With the close cooperation and generous support of the relevant staff members of the instructing party and the appraised unit, our valuers have carried out physical inspection and verification on the assets to be valued, made necessary market investigations and enquiries and performed other valuation procedures that we deem necessary to fairly reflect the replacement value of the equipment relocation expenses required for the general relocation of Jinzhou Rixin Silicon Materials Co., Ltd. as at 6 June 2015.

The asset valuation reporting information and property rights documents relating to this valuation were provided by the instructing party and the appraised unit. The asset valuation and valuation results are now reported as follows:

I. Purpose of Valuation

Jinzhou Rixin Silicon Materials Co., Ltd. is planning for a relocation. The purpose of this valuation is to provide a value reference for Jinzhou City Land Reserves Centre and Jinzhou Rixin Silicon Materials Co., Ltd. to determine the equipment relocation expenses of Jinzhou Rixin Silicon Materials Co., Ltd.

II. Subject and Scope of Valuation

The subject of this valuation is the estimated relocation expenses to be incurred from the relocation of equipment of Jinzhou Rixin Silicon Materials Co., Ltd.

The scope of the valuation is the equipment assets involved in the general relocation of Jinzhou Rixin Silicon Materials Co., Ltd. as at the valuation base date, i.e. 6 June 2015.

III. Type of Value

Based on the purpose of this valuation, the type of the appraised value is replacement value.

IV. Valuation Base Date

The valuation base date is 6 June 2015.

V. Valuation Approach

Based on the purpose of valuation and the characteristics of each asset, the cost approach was adopted for this valuation.

VI. Valuation Conclusions

As at the valuation base date, i.e. 6 June 2015, the appraised value of the equipment relocation expenses (including losses arising from the relocation) required for the general relocation contemplated by Jinzhou Rixin Silicon Materials Co., Ltd. is 74,257,142.00 yuan (in capital letters: SEVENTY-FOUR MILLION TWO HUNDRED AND FIFTY-SEVEN THOUSAND ONE HUNDRED AND FORTY-TWO YUAN ONLY).

Set out below is the detailed valuation conclusions.

Table 1 Summary Table of the Asset Valuation Results

Valuation base date: 6 June 2015

Appraised unit: Jinzhou Rixin Silicon Materials Co., Ltd.

Unit: RMB

Items	Original book value	Net book value	Appraised value of relocation expenses	Remarks
I Relocation expenses of removable equipment	202,968,616.89	96,397,897.50	26,532,729.00	
II Losses incurred from irremovable equipment	20,545,031.25	10,066,383.91	47,724,413.00	
Total	223,513,648.14	106,464,281.41	74,257,142.00	

The valuation report and valuation conclusions are for use only by the instructing party for the purpose of this valuation and are effective until 5 June 2016.

The above is an excerpt from the valuation report. For a comprehensive understanding of this valuation project, please read the valuation report in full carefully.

Liaoning Bohai Assets Appraisals Co., Ltd.

Equipment Relocation of Jinzhou Rixin Silicon Materials Co., Ltd.

Valuation Report

Liao Bo Ping Bao Zi [2015] No. 079

Liaoning Bohai Assets Appraisals Co., Ltd. (hereinafter referred to as “we”) was engaged by Jinzhou City Land Reserves Centre to evaluate the equipment assets involved in the general relocation of Jinzhou Rixin Silicon Materials Co., Ltd. based on the principle of independence, impersonality, impartiality and rationality by adopting statutory or generally accepted approaches and procedures in accordance with the laws, regulations and policies of the state in respect of asset valuation in order to determine the equipment relocation expenses (including losses arising from the relocation, hereinafter referred to as “relocation expenses”) required for the general relocation contemplated by Jinzhou Rixin Silicon Materials Co., Ltd. With the close cooperation and generous support of the relevant staff members of the instructing party and the appraised unit, our valuers have carried out physical inspection and verification on the assets to be valued, made necessary market investigations and enquiries and performed other valuation procedures that we deem necessary to fairly reflect the replacement value of the equipment relocation expenses required for the general relocation of Jinzhou Rixin Silicon Materials Co., Ltd. as at 6 June 2015.

The asset valuation reporting information and property rights documents relating to this valuation were provided by the instructing party and the appraised unit. The asset valuation and valuation results are now reported as follows:

I. Instructing party, appraised unit and users of the valuation report other than the instructing party

Instructing party:	Jinzhou Land Reserves Centre
Appraised unit:	Jinzhou Rixin Silicon Materials Co., Ltd.
Residential address:	No. 266, Jinniang Road, Songshan New District, Jinzhou
Legal representative:	Tan Wenhua
Registered capital:	RENMINBI ONE HUNDRED AND NINETY MILLION YUAN ONLY
Type of company:	Limited liability company

Scope of operations: Manufacturing and sale of silicon materials; consultation services on electricity supply operations. (For legally approved items, business operations may commence only after receipt of permission granted by the relevant authorities.)

Users of the valuation report other than the instructing party:
Departments relating to such relocation

II. Purpose of Valuation

Jinzhou Rixin Silicon Materials Co., Ltd. is planning for a relocation. The purpose of this valuation is to provide a value reference for Jinzhou Land Reserves Centre and Jinzhou Rixin Silicon Materials Co., Ltd. to determine the equipment relocation expenses of Jinzhou Rixin Silicon Materials Co., Ltd.

III. Subject and Scope of Valuation

The subject of this valuation is the estimated relocation expenses to be incurred from the relocation of equipment of Jinzhou Rixin Silicon Materials Co., Ltd.

The scope of the valuation is the equipment assets involved in the general relocation of Jinzhou Rixin Silicon Materials Co., Ltd. as at the valuation base date, i.e. 6 June 2015.

IV. Type of Value and Definition

Based on the purpose of this valuation, the type of the appraised value is replacement value.

Replacement value refers to the total expenses necessary for the replacement, reconstruction or formation of the new asset which is identical or basically similar to the valuation subject under present conditions.

In this report, replacement value refers to the relocation expenses necessary for restoring the relocated equipment to its original production state or the replacement expenses of the irremovable equipment.

V. Valuation Base Date

After negotiating with the instructing party, the valuation base date of this project has been determined to be 6 June 2015.

VI. Basis of Valuation*(i) Main laws and regulations*

1. Enterprise Income Tax Law of the People's Republic of China, Decree No. 63 of the President of the People's Republic of China (2007);
2. Notice of the Ministry of Finance on Issuing the Asset Valuation Standards – Basic Standards and the Professional Ethics Standards for Asset Valuation – Basic Standards (Cai Qi [2004] No. 20);
3. Notice of the China Appraisal Society on Issuing the Guiding Opinions on Business Valuation (Trial) (Zhong Ping Xie [2004] No. 134);
4. Guiding Opinions for Certified Public Valuers on the Legal Ownership of Valuation Subjects issued by the Chinese Institute of Certified Public Accountants on 14 January 2005;
5. 8 asset valuation standards published by the China Appraisal Society, including the "Valuation Report", "Valuation Procedures", "Engagement Letter", "Working Papers", "Machinery and Equipment", "Immovable Property" and "Guiding Opinions on the Types of Value under Asset Valuation";
6. Accounting Standards for Business Enterprises – Basic Standards (Order of the Ministry of Finance No. 33);
7. Other relevant laws, regulations, standards and rules relating to the asset valuation.

(ii) Basis of valuation activities

The Asset Valuation Engagement Letter entered into between Liaoning Bohai Assets Appraisals Co., Ltd. and Jinzhou City Land Reserves Centre.

(iii) Basis of ownership of assets

1. The asset valuation form filed by the instructing party;

2. Financial statements and financial information provided by the appraised unit, including the relevant agreements, contracts, original purchase invoices and accounting evidence;

3. Others.

(iv) *Basis of pricing*

1. Manual for General Data and Parameters of Asset Valuation (Second Edition);

2. Price Quotation Manual for Electrical and Mechanical Products;

3. Budget Preparation Measures and Budget Indicators for Construction Projects in the Mechanical Industry;

4. Standard Budgeted Physical Quantity for Construction Projects in Liaoning Province, Standard Budgeted Charge for Installation Projects in China – Summary Table of Unit Price Estimation in Liaoning Province, Pricing Standards for Construction Projects and Standard Budgeted Charge for Equipment Installation Projects in Liaoning Province and the relevant pricing and charging standards;

5. Price information provided by manufacturers (operators) of the relevant equipment;

6. Other information obtained by the valuers through market price inquiry;

7. Accounting information and technical documents relating to the valuation provided by the appraised unit.

VII. Valuation Approach

(i) For movable equipment (including manufacturing equipment, office equipment and furniture, etc.), the relocation expenses were determined based on the demolition expenses, packing expenses, loading, unloading and transportation fees, installation and testing fees and losses incurred from the relocation, etc.

(ii) Immovable pipelines and cables and equipment that are not suitable to be moved were assessed by adopting the cost approach.

The cost approach is an asset valuation method that makes reference to the difference derived from deducting the physical depreciation, functional depreciation and economic depreciation incurred by the appraised assets from the total costs necessary for the replacement or construction of the new appraised assets under present conditions when determining the appraised value of the appraised assets.

$$\text{Appraised value} = \text{Replacement cost} \times \text{Newness rate}$$

VIII. Valuation Process

After accepting this asset valuation engagement, Liaoning Bohai Assets Appraisals Co., Ltd. visited the appraised unit, commenced on-site inspection and collected documents and information about the valuation on 6 June 2015. The valuation process can be generally divided into five stages:

(i) Acceptance of the engagement and signing of the letter

1. We discussed the specific operational issues relating to this valuation project with the instructing party and identified the fundamentals, such as the purpose of valuation, scope and subject of valuation and valuation base date.
2. After fully understanding the issues relating to this valuation project and conducting project risk assessment, we decided to accept the valuation engagement of the instructing party and set up a valuation project team.
3. Based on the purpose of valuation, scope and subject of valuation and conditions and characteristics of the assets to be valued, the valuers devised the asset valuation proposal and formulated the asset valuation work plan.

(ii) Asset checking stage

1. With the guidance of the valuers, the appraised unit checked its assets, collected and prepared the relevant information and filed the asset checking form.
2. The valuers enquired the relevant staff of the appraised unit about the general conditions of the assets to be valued.
3. The valuers checked and verified the assets filed by the appraised unit and verified the ownership of the assets.

First, we cross-checked the amounts set out in the financial statements, general ledger, subsidiary ledger and checking registration form filed by the appraised unit and the other

relevant data records, and performed spot checks on the accounting evidence depending on the specific conditions. With respect to fixed assets, we collected and inspected the property rights documents and verified the property rights. Together with the relevant staff of the appraised unit, we performed on-site checking, verification and inspection in order to understand the usage, maintenance and adaptation status as well as the present conditions of the assets.

4. Based on the checking and verification results, we highlighted, supplemented, amended and corrected any inconsistent or substandard (such as mistakes, repetition, misses and omission) items and contents in the asset checking form filed by the appraised unit. Reasonable adjustments were made to the book value in light of the specific conditions.
5. We collected the relevant information and property rights proof and verified the information gathered.

(iii) Assessment and estimation stage

Based on the real situation and characteristics of the assets to be valued, specific valuation approaches were selected for the valuation and calculation of the assets to be valued so as to assess each of their appraised value.

(iv) Valuation summarization stage

1. The valuers summarized and analyzed the preliminary valuation results of each type of assets.
2. The valuation results were adjusted, revised and refined according to the summary and analysis.
3. The valuation report and valuation descriptions were compiled to form the preliminary draft of the valuation report.
4. Three-step checking was performed on the preliminary draft of the valuation report, the valuation conclusions and the working papers supporting such conclusions.
5. The valuation report was issued after amendments were made based on the review comments.

(v) Report submission stage

The valuation report was submitted to the instructing party.

IX. Valuation Assumptions

1. The appraised unit will maintain the current production and operation approach and production capacity after relocation.
2. The information provided by the instructing party is true, legal and complete.
3. The appraised assets are unsecured, unguaranteed and not subject to any other contingent liabilities.

X. Valuation Conclusions

As at the valuation base date, i.e. 6 June 2015, the appraised value of the equipment relocation expenses (including losses arising from the relocation) required for the general relocation contemplated by Jinzhou Rixin Silicon Materials Co., Ltd. is 74,257,142.00 yuan (in capital letters: SEVENTY-FOUR MILLION TWO HUNDRED AND FIFTY-SEVEN THOUSAND ONE HUNDRED AND FORTY-TWO YUAN ONLY).

Set out below is the detailed valuation conclusions.

Table 1 Summary Table of the Asset Valuation Results

Valuation base date: 6 June 2015

Appraised unit: Jinzhou Rixin Silicon Materials Co., Ltd.

Unit: RMB

Items	Original book value	Net book value	Appraised value of relocation expenses	Remarks
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II Losses incurred from irremovable equipment	<u>20,545,031.25</u>	<u>10,066,383.91</u>	<u>47,724,413.00</u>	
Total	<u>223,513,648.14</u>	<u>106,464,281.41</u>	<u>74,257,142.00</u>	

XI. Special Notes

1. We based our valuation only on the valuation declaration form, books of account and the relevant ownership proof provided by the instructing party without defining the complete property

rights of the assets. We only provided professional opinions on the replacement value of the valuation subject as at the valuation base date.

2. We have not conducted any independent verification on the proof and information provided by the property rights owners and the instructing party or on the liabilities involved. Nor do we accept any responsibility for the truthfulness of such information.
3. The valuation firm and valuers disclaim any responsibility for any defects in the assets to be appraised that may affect the asset valuation but have not been specified by the instructing party during the engagement and were generally unknown to the valuers based on their professional experience.
4. The appraisal of the assets to be valued as set out in this report is to reflect the value of the appraised assets in an objective manner. We do not intend to request the asset owner to make account treatment according to the results and presentation in this report. The superior financial and tax authorities of the asset owner should decide whether and how to make relevant account treatment in compliance with the national accounting rules.
5. The valuation results of this report reflect the replacement value under normal conditions, without considering the impact of any special transactions (such as quick realization) on the price of the valuation subject.

XII. Limitations of the Valuation Report

1. This valuation report shall be used only for the purposes set out herein and shall not be used for other purposes;
2. This valuation report shall only be used by the users of the valuation report specified herein;
3. Term of the valuation report: The valuation conclusions of this report shall be valid for one year from the base date of the valuation report, i.e. 6 June 2015, to 5 June 2016.

XIII. Date of the Valuation Report

26 July 2015.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interest and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company and the shares, underlying shares and debentures of its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the Chief Executive of the Company in the Shares, underlying Shares and debentures of the Company or the shares, underlying shares and debentures of any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO or were required, pursuant to the Model Code for Securities

Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange were as follows:

Name of Director	Nature of interest	Number of ordinary shares held (Note 1)	Approximate percentage of shareholding (%)
Mr. TAN Wenhua ("Mr. Tan")	Beneficial interest (Note 2)	528,624,443 (L)	16.46
	Interest of a controlled corporation (Note 2)	155,320,308 (L)	4.84
Mr. HSU You Yuan	Beneficial interest	13,861,346 (L)	0.43
	Interest in options (Note 3)	239,835 (L)	0.01
	Security interest (Note 3)	239,835 (L)	0.01
	Trustee's interest	7,252,085 (L)	0.23
Mr. WANG Chunwei	Beneficial interest (Note 4)	100,500 (L)	Less than 0.01
	Family interest (Note 4)	262 (L)	Less than 0.01

Notes:

- The letter "L" denotes the person's long position in such securities.
- Mr. Tan is interested in an aggregate of 683,944,751 Shares, of which 528,624,443 Shares are directly held by Mr. Tan and 155,320,308 Shares are held by You Hua Investment Corporation, which is wholly-owned by Mr. Tan.
- Mr. Hsu You Yuan had security interest in these Shares pursuant to a share charge granted by the relevant employees and consultants to secure their obligations to pay for the purchase price of the Shares and their obligations to comply with the relevant regulatory requirements to which they are subject (if any).
- Mr. Wang Chunwei is interested in an aggregate of 100,762 Shares, of which 100,500 Shares are directly held by Mr. Wang Chunwei and 262 Shares are held by Mr. Wang Chunwei's spouse.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their associates has any interests or short positions in any Shares, underlying Shares and debentures of the Company or any shares, underlying shares and debentures of any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange.

(b) Interest and short positions of substantial Shareholders in Shares, underlying Shares and debentures

As at the Latest Practicable Date, so far as is known to any Directors, the following persons (other than a Director) have interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name	Nature of interest	Number of ordinary shares held <i>(Note 1)</i>	Approximate percentage of shareholding <i>(%)</i>
Hiramatsu International Corp.	Beneficial owner	349,118,692 (L)	10.87
Hiramatsu Hiroharu <i>(Note 2)</i>	Interest of a controlled corporation	349,118,692 (L)	10.87
Wafer Works Investment Corp. <i>(“WWIC”)</i>	Beneficial owner	248,759,822 (L)	7.75
Wafer Works Corp. <i>(“WWX”) (Note 3)</i>	Interest of a controlled corporation	248,759,822 (L)	7.75

Notes:

1. The letter “L” denotes the person’s long position in such securities.
2. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, Hiramatsu International Corp. is wholly-owned by Hiramatsu Hiroharu as at the Latest Practicable Date. By virtue of the SFO, Hiramatsu Hiroharu is deemed to be interested in the Shares held by Hiramatsu International Corp.
3. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, WWIC is wholly-owned by WWX as at the Latest Practicable Date. By virtue of the SFO, WWX is deemed to be interested in the Shares held by WWIC.

Save as disclosed above, the Directors were not aware that there was any person (other than a Director) who, as at the Latest Practicable Date, had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or in any options, in respect of such capital.

3. DIRECTORS' INTERESTS IN POTENTIALLY COMPETING BUSINESS

Mr. Tan, being the executive Director, is interested in other related businesses, particulars of which are set out below:

Mr. Tan held approximately 40% interests in 錦州昌華碳素製品有限公司 (Jinzhou Changhua Carbon Products Company Limited) ("**Jinzhou Changhua**"). Jinzhou Changhua is engaged in the manufacturing of graphite and graphite related products. The business of Jinzhou Changhua does not compete with that of the Group. Jinzhou Changhua, as a company which manufactures graphite and graphite related products, is not a competitor of the Group because (a) the Group is not engaged in the manufacturing of graphite or any graphite related products; and (b) graphite is not a substitute for polysilicon in the manufacturing of solar products currently produced by the Group.

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or their respective close associates had any interest in any business, which competes or may compete, either directly or indirectly, with the business of the Group.

4. DIRECTORS' INTERESTS IN CONTRACT OR ARRANGEMENT OF SIGNIFICANCE

As at the Latest Practicable Date, save for the continuing connected transactions and connected transaction as disclosed in the Company's annual report for the year ended 31 December 2014, none of the Directors is interested in any contract or arrangement entered into by the Company or any of its subsidiaries which contract or arrangement is subsisting at the date of this circular and which is significant in relation to the business of the Company.

Save as disclosed in the Company's annual report for the year ended 31 December 2014 under the heading "Report of Directors – Connected Transactions", none of the Directors has had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2014, being the date of the latest published audited financial statements of the Company.

5. MATERIAL CONTRACTS

The following contracts (not being contract in the ordinary course of business of the Group) have been entered into by members of the Group which are or may be material within the two years immediately preceding the date of this circular:

- (a) a capital injection agreement dated 17 December 2013 entered into between Jinzhou Yangguang, Kinmac Holding Limited and Sunvision Capital Investment Limited pursuant to which Jinzhou Yangguang shall inject a further capital of RMB100,000,000 into 錦州錦懋光伏科技有限公司 (Jinzhou Jinmao Photovoltaic Technology Co., Ltd.) ("**Jinzhou Jinmao**"), a non-wholly

owned subsidiary of the Company, details of which are set out in the announcement of the Company dated 28 April 2014;

- (b) an equity transfer agreement dated 3 March 2014 entered into between Jinzhou Yangguang as purchaser and 錦州市結華電子材料經營部 and 文特客國際集團公司 as vendors in respect of the sale and purchase of 100% equity interests in 錦州文特客硅材料有限公司 (Jinzhou Wintek Silicon Materials Co. Ltd.), a limited liability company incorporated under the laws of the PRC, details of which are set out in the announcement of the Company dated 3 March 2014;
- (c) a sale and purchase agreement dated 28 April 2014 entered into between Jinzhou Yangguang as purchaser and Kinmac Holding Limited as vendor in respect of the sale and purchase of 10% equity interests in Jinzhou Jinmao, details of which are set out in the announcement of the Company dated 28 April 2014;
- (d) a capital injection agreement dated 12 November 2015 entered into between Jinzhou Jinmao, 茂迪(蘇州)新能源有限公司 (Motech (Suzhou) Renewable Energy Co., Ltd.) (“**Motech Suzhou**”) and 錦州陽光茂迪新能源有限公司 (Jinzhou Yangguang Motech Renewable Energy Co., Ltd.) (the “**JV**”) pursuant to which Jinzhou Jinmao and Motech Suzhou shall inject a capital of RMB8.6 million and RMB11.4 million, respectively, into the JV, a wholly-owned subsidiary of the Company immediately prior to such capital injection, details of which are set out in announcement of the Company dated 12 November 2015; and
- (e) the Disposal Agreement, the terms of which are set out in this circular.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

8. EXPERTS' QUALIFICATIONS AND CONSENT

Each of the HK Valuer and the PRC Valuers has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears.

The following is the qualifications of each of the experts who has given its opinion or advice which is contained in this circular:

Name	Qualification
LCH (Asia-Pacific) Surveyors Limited	Professional valuers
遼寧渤海資產評估有限公司 (Liaoning Bohai Assets Appraisals Co., Ltd.)	Professional valuers
遼寧天力土地房地產估價有限公司 (Liaoning Tianli Land and Properties Valuation Co., Ltd.)	Professional valuers

9. EXPERTS' INTERESTS

As at the Latest Practicable Date, each of the HK Valuer and the PRC Valuers did not have any direct or indirect interest in any asset which had been acquired, or disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group, since 31 December 2014, the date to which the latest audited financial statements of the Group were made up; and was not beneficially interested in the share capital of any member of the Group and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

10. GENERAL

- (a) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (b) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited of Rooms 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (c) The secretary of the Company is Mr. Yuen Kin Shan, a member of the Hong Kong Institute of Certified Public Accountants and CPA Australia.
- (d) The auditor of the Company is Ernst & Young of 22/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong.

- (e) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the principal place of business of the Company in Hong Kong at Room 1402, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong during normal business hours on any business days from the date of this circular up to and including the date of the EGM:

- (a) the memorandum and articles of associations of the Company;
- (b) the material contracts referred to in the section headed "Material Contracts" in this Appendix;
- (c) the annual reports of the Company for the two years ended 31 December 2013 and 2014;
- (d) the HK Valuation Report;
- (e) the PRC Valuation Reports; and
- (f) a copy of this circular.

NOTICE OF THE EGM



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)

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “EGM”) of Solargiga Energy Holdings Limited (the “Company”) will be held at Room 1402, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong on Tuesday, 29 December 2015 at 10:30 a.m. to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolution:

“THAT

1. the land use rights resumption and compensation agreement (the “**Disposal Agreement**”) dated 21 September 2015 entered into between 錦州日鑫硅材料有限公司 (Jinzhou Rixin Silicon Materials Co., Ltd.*) (the “**Vendor**”) and 錦州市城市建設投資發展有限公司 (Jinzhou City Urban Building Investment Development Co., Ltd.*) (“**Urban Building Investment**”) (as amended and restated by an agreement between the Vendor, Urban Building Investment and 錦州市土地儲備中心 (Jinzhou City Land Reserves Centre*) duly executed on 13 November 2015) in connection with the disposal of the state-owned land use rights in respect of a piece of state-owned land with an approximate area of 62,863 square metres located at the west side of Jinniang Line, Songshan New District, Jinzhou City, Liaoning Province, the People’s Republic of China (中華人民共和國遼寧省錦州市松山新區錦娘綫西側) and the factory premises and ancillary structures erected thereon, a copy of which is tabled before the meeting and initialled by the chairman of the meeting for identification purpose, and the terms of the transactions contemplated under the Disposal Agreement be and are hereby approved, confirmed and ratified; and
2. the directors of the Company be and are hereby authorised to do all such things and take all other steps which, in their opinion, may be necessary or desirable for the purpose of giving effect to the Disposal Agreement and the transactions contemplated thereby.”

By Order of the Board
Solargiga Energy Holdings Limited
Wang Chunwei
Executive Director

Hong Kong, 30 November 2015

* For identification purpose only

NOTICE OF THE EGM

Registered Office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

*Principal Place of Business
in Hong Kong:*
Room 1402
Harbour Centre
25 Harbour Road
Wanchai
Hong Kong

Notes:

1. The register of members of the Company will be closed from 24 December 2015 to 29 December 2015, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the EGM to be held on 29 December 2015, all transfers accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, of Rooms 1712-16, 17th Floor Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 23 December 2015.
2. Every shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
3. In the case of a joint holding, any one of such persons may vote at the EGM, either in person or by proxy; but if more than one joint holders are present at the EGM in person or by proxy, the said person whose name stands first on the register of members of the Company in respect of the relevant joint holding shall alone be entitled to vote in respect thereof.
4. To be valid, a proxy form in the prescribed form together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 48 hours before the time fixed for holding the EGM.
5. If a "black" rainstorm warning signal or a tropical cyclone warning signal number 8 or above is in force in Hong Kong at any time between 7:00 a.m. and 10:30 a.m. on Tuesday, 29 December 2015, an announcement will be made in such event to notify the shareholders of the Company of any alternative date for the EGM.
6. The circular of the Company dated 30 November 2015 and the accompanying proxy form have been sent to the shareholders of the Company.

As at the date of this notice, Mr. Tan Wenhua, Mr. Hsu You Yuan, Mr. Tan Xin and Mr. Wang Chunwei are the executive directors of the Company; and Dr. Wong Wing Kuen, Albert, Ms. Fu Shuangye and Mr. Zhang Chun are the independent non-executive directors of the Company.