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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)

CAPITAL INJECTION INTO JINZHOU YANGGUANG MOTECH RENEWABLE ENERGY CO., LTD. CONSTITUTING DISCLOSEABLE TRANSACTION AND DEEMED DISPOSAL

CAPITAL INJECTION AGREEMENT

The Board is pleased to announce that on 12 November 2015, Jinzhou Jinmao, a wholly-owned subsidiary of the Company, Motech Solar and the Target Subsidiary entered into the Capital Injection Agreement, pursuant to which Jinzhou Jinmao and Motech Solar agreed to inject a capital of RMB8.6 million and RMB11.4 million, respectively, into the Target Subsidiary by way of cash contribution.

In order to cope with the significant growth in demand from the Company's customers for photovoltaic modules, Jinzhou Jinmao established the Target Subsidiary in October 2015, which engages in the manufacturing of photovoltaic modules and the undertaking, design and installation of photovoltaic system and engineering. The Target Subsidiary has a planned annual production capacity of 600MW, of which 400MW will commence production in February 2016 and the remaining 200MW is set to follow in the third quarter of 2016. The Company's total annual production volume of photovoltaic modules will then reach 1,200MW. Given the strong customer demand for domestic photovoltaic modules, the Company's competitive edge in terms of cost effectiveness will be strengthened in relation to the vertical integration strategy. The Directors considered that it would be in the interest of the Company and it has resolved as a whole for Jinzhou Jinmao and Motech Solar to inject the capital in the aggregate of RMB20 million into the Target Subsidiary to enable its production capacity and to meet its general working capital requirement. Though the Capital Injection, the Group has also established a strategic alliance with Motech Solar, whereby both parties will leverage their respective strength and experience in laying a solid foundation for broader co-operation in the future.

Upon completion of the Capital Injection, the Target Subsidiary will be held at 81% by Jin hao Jinmao and 19% by Motech Software.

LISTING RULES IMPLICATIONS

Since the applicable percentage ratio (as defined in the Listing Rules) in effect of the capital injection of RMB8.6 million by Jin hao Jinmao into the Target Subsidiary, when aggregated with the capital contribution of RMB40 million by Jin hao Jinmao, on the establishment of the Target Subsidiary on 26 October 2015, is not less than 14.22% of the

Under the terms of the Capital Injection Agreement, Jin hao Jinmao and Motech S sho agreed to inject a capital of RMB8.6 million and RMB11.4 million, respectively, into the Target S b idia b a of cash contribution. The amount of the Capital Injection is determined after a month's length negotiation between Jin hao Jinmao and Motech S sho with reference to the estimated funding and general working capital required for the operation of the Target S b idia for the period described in the section headed Reason for and the Benefit of the Capital Injection below. Upon completion of the Capital Injection, the Target S b idia will be held at 81% by Jin hao Jinmao and 19% by Motech S sho and the total registered capital of the Target S b idia will be increased from RMB40 million to RMB60 million.

(b) Financial information

The audited net asset value of the Target Subsidiary as at the date of the Capital Injection Agreement is RMB40,000,000. Given that the Target Subsidiary has not commenced any business operation, the Target Subsidiary has not recorded any profit or loss since the date of its establishment.

FINANCIAL IMPACT OF THE CAPITAL INJECTION ON THE GROUP

Following completion of the Capital Injection, the registered capital of the Target Subsidiary will be increased from RMB40 million to RMB60 million, which shall be owned as to 81% by Jin hao Jinmao and as to 19% by Motech Share. The Target Subsidiary will continue to be a subsidiary of the Company and the financial result of the Target Subsidiary will continue to be consolidated by the Group.

Based on the existing information available to the Company, the expected gain from the Capital Injection will amount to approximately RMB8.6 million, which is based on the net asset value of the Target Subsidiary attributable to the Group after completion of the Capital Injection less the net asset value of the Target Subsidiary attributable to the Group before completion of the Capital Injection. This expected gain from the Capital Injection will account for a share dilution action and will be recognized as a movement in the equity of the Group. The Capital Injection will not result in any significant impact to the profitability of the Group.

APPLICATION OF THE CAPITAL INJECTION

The Target Subsidiary intend to utilize the proceeds from the Capital Injection for expansion of mobile business and its general working capital.

REASONS FOR AND BENEFITS OF THE CAPITAL INJECTION

The Group is a leading provider of team and do not team ethical integrated solar energy service. Its product line not only sold to the customer in the team and mid-team industry but also directly sold to end customer. Accordingly, each and every photovoltaic product is for the final sale, which include the manufacture and sale of monocrystalline silicon solar ingot and wafer; the manufacture and sale of photovoltaic cell; the manufacture and sale of photovoltaic module; the installation of photovoltaic system; and construction of photovoltaic power plant. It business covers the whole industrial chain of the photovoltaic industry, focusing on providing one-to-one energy service.

In order to cope with the significant growth in demand from the Company's customer for photovoltaic module, Jin hao Jinmao established the Target Subsidiary in October 2015, which engage in the manufacturing of photovoltaic module and the undertaking, design and installation of photovoltaic system and engineering. The Target Subsidiary has a planned annual production capacity of 600MW, of which 400MW will commence production in February 2016 and the remaining 200MW is set to follow in the third quarter of 2016. The Company's total annual production volume of photovoltaic module will then reach 1,200MW. Given the long-term demand for do not team photovoltaic module, the Company's

competitive edge in terms of cost effectiveness will be strengthened in relation to the ethical integration strategy. The Directors considered that it would be in the interest of the Company and it has held a shareholder vote for Jinzhou Jinmao and Motech Suzhou to inject the capital in the aggregate of RMB20 million into the Target Subsidiary to ensure production capacity and to meet its general working capital requirement.

The Directors considered that the Capital Injection will strengthen the Target Subsidiary's capital base which in turn will meet its capital need and facilitate the growth of the mobile business of the Group. Though the Capital Injection, the Group has also established a strategic alliance with Motech Suzhou, the two parties will leverage their respective strength and experience in laying a solid foundation for broader co-operation in the future.

Taking account of the benefit of the Capital Injection described above, the Directors (including the independent non-executive Directors) believe that the Capital Injection is in the interest of the Company and the terms of the Capital Injection Agreement are on normal commercial terms, fair and reasonable and in the interest of the Company and it has held a shareholder vote.

INFORMATION ON JINZHOU JINMAO

Jinzhou Jinmao is principally engaged in the research and development, design, production and sale of photovoltaic modules and provision of comprehensive service as an integrated business and operate as the production base for the photovoltaic module business of the Group.

INFORMATION ON MOTECH SUZHOU

Motech Suzhou, established on 31 December 2006, is principally engaged in the research, development, and manufacture of high quality solar products and service, ranging from Photovoltaic (PV) cell, PV module to PV power system.

INFORMATION ON TARGET SUBSIDIARY

The Target Subsidiary is principally engaged in the manufacture of photovoltaic modules and undertaking, design and installation of photovoltaic system and engineering.

LISTING RULES IMPLICATIONS

Since the applicable percentage ratio (as defined in the Listing Rules) in respect of the capital injection of RMB8.6 million by Jinzhou Jinmao into the Target Subsidiary, when aggregated with the capital contribution of RMB40 million by Jinzhou Jinmao upon establishment of the Target Subsidiary on 26 October 2015 is not less than 5% pursuant to Rule 14.22 of the Listing Rules, exceed 5% but does not exceed 25%, the capital injection of an aggregate amount of RMB48.6 million into the Target Subsidiary by Jinzhou Jinmao will therefore constitute a discloseable transaction for the Company under the Listing Rules.

On the other hand, following the completion of the Capital Injection, the Company's interest in the Target Subsidiary will be diluted and the capital injection of RMB11.4 million into the Target Subsidiary by Motech Shareholders constitute a deemed disposal amount to Rule 14.29 of the Listing Rules. As none of the applicable percentage ratio (as defined in the Listing Rules) in respect of each capital injection by Motech Shareholders exceed 5%, each capital injection does not constitute a disclosureable transaction of the Company under the Listing Rules.

DEFINITIONS

Unless otherwise defined, the following expressions in this announcement have the following meaning:

Board	the board of Directors of the Company
Capital Injection	the capital injection in the amount of RMB8.6 million and RMB11.4 million by Jin Hong Jinmao and Motech Shareholders, respectively, to the registered capital of the Target Subsidiary by way of cash contribution pursuant to the Capital Injection Agreement

Jin ho Jinmao	錦州錦懋光伏科技有限公司 (Jin ho Jinmao Photo voltaic Technolog Co., Ltd.), a com an e tabli hed in the PRC ith limited liabilit and a holl o ned b idia of the Com an
Listing Rule	the Rule Governing the Listing of Securities on the Stock Exchange
Motech S ho	茂迪(蘇州)新能源有限公司 (Motech (S ho) Renewable Energy Co., Ltd.), a com an e tabli hed in the PRC and an Independent Third Party
MW	megawatt
PRC	the People's Republic of China, for the purpose of this announcement, including Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
RMB	Renminbi, the lawful currency of the PRC
Stock Exchange	The Stock Exchange of Hong Kong Limited
Ta gao S b idia	錦州陽光茂迪新能源有限公司 (Jin ho Yangg ang Motech Renewable Energy Co., Ltd.), a com an e tabli hed in the PRC ith limited liabilit and a holl o ned b idia of the Com an immediatel io to the Capital Injection
%	percent.

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

Hong Kong, 12 November 2015

As at the date of this announcement, the executive Directors are Mr. Tan Wenhua (Chairman), Mr. Hsu You Yuan, Mr. Tan Xin and Mr. Wang Chunwei and the independent non-executive Directors are Ms. Fu Shuangye, Dr. Wong Wing Kuen, Albert and Mr. Zhang Chun.

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