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Solargiga Energy

Solargiga Energy Holdings Limited

陽光能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 757)

ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING RELATING TO THE PROPOSED FORMATION OF JOINT VENTURE

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Board of the Company is pleased to announce that on 15 April 2009, Jinzhou Yangguang, a wholly-owned subsidiary of the Company entered into the MOU with the Joint Venture Partners for the proposed formation of the Joint Venture for the production and sales of photovoltaic modules as well as design and installation of photovoltaic systems.

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

This announcement is made by Solargiga Energy Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors (the “**Board**”) of the Company is pleased to announce that on 15 April 2009, Jinzhou Yangguang Energy Co., Ltd. (“**Jinzhou Yangguang**”), a wholly-owned subsidiary of the Company, entered into a memorandum of understanding (the “**MOU**”) with two independent third parties (the “**Joint Venture Partners**”) for the proposed formation of a joint venture company (the “**Joint Venture**”).

The principal terms of the MOU are as follows:

1. The Joint Venture will be established in Jinzhou, Liaoning Province of the People’s Republic of China (the “**PRC**”).

2. The Joint Venture will principally engage in the production and sales of photovoltaic modules as well as design and installation of photovoltaic systems.
3. Jinzhou Yangguang will hold 51% equity interest in the Joint Venture and the remaining 49% will be held by the Joint Venture Partners. The amount of total investments and registered capital of the Joint Venture are proposed to be RMB100,000,000 and RMB40,000,000, respectively. It is intended that the Group's contribution to the registered capital of the Joint Venture will be funded by way of internal resources of the Group.

REASONS FOR THE JOINT VENTURE

The Group is one of the leading manufacturers of monocrystalline silicon solar ingots and wafers in the PRC. It principally engages in the manufacturing of monocrystalline silicon solar ingots and wafers and the recycling and processing of scrap polysilicon. Silicon solar ingots and wafers are used for the manufacturing of photovoltaic cells which are important components of solar energy generation system.

The proposed formation of the Joint Venture is in line with the memorandum of understanding entered into between Jinzhou Municipal Government and the Group in relation to the development of 10 megawatt building integrated photovoltaic systems in Jinzhou, Liaoning Province. It enables the Group to capitalise on its existing business structure to expand its product range throughout the photovoltaic supply chain and to develop the downstream business in the photovoltaic industry.

GENERAL

With reference to the relevant applicable percentage ratios (as defined in the Listing Rules) for the proposed formation of the Joint Venture, the formation of the Joint Venture, if effected, will not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

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

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

Hong Kong, 15 April 2009

As at the date of this announcement, Mr. Tan Wenhua, Mr. Hsu You Yuan and Ms. Zhang Liming are executive directors of the Company; Mr. Chiao Ping-hai and Mr. Chong Kin Ngai are non-executive directors of the Company; and Ms. Fu Shuangye, Dr. Lin Wen, Mr. Wong Wing Kuen, Albert and Mr. Zhang Chun are independent non-executive directors of the Company.