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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)**

### **CONNECTED TRANSACTION ACQUISITION OF STATE-OWNED LAND USE RIGHTS**

#### **THE ACQUISITION**

The Board wishes to announce that on 6 May 2016 (after trading hours), the Vendor and the Purchaser entered into the Agreement, pursuant to which the Vendor has agreed to dispose of, and the Purchaser 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 RMB8,000,000.

#### **IMPLICATIONS UNDER THE LISTING RULES**

As the Vendor is owned as to 35% by Jinzhou Yuexin, which is wholly-owned by Mr. Tan Xin, our executive Director, the Vendor is a close associate of Mr. Tan Xin and thus a connected person of the Company. Consequently, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under the Listing Rules) other than the profits ratio are less than 5%, the Acquisition is a de minimis transaction under Rule 14A.76(2)(a) of the Listing Rules and is exempt from the circular (including independent financial advice) and Shareholders' approval requirements.

## ACQUISITION OF STATE-OWNED LAND USE RIGHTS

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### Date

6 May 2016 (after trading hours)

### Parties

- (a) the Vendor, which to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, was owned as to 35% by Jinzhou Yuexin (a limited liability company wholly owned by Mr. Tan Xin, an executive Director) and as to 65% by an Independent Third Party as at the date of this announcement. The Vendor is therefore a close associate of Mr. Tan Xin and therefore a connected person of the Company.
- (b) the Purchaser, an indirect non-wholly owned subsidiary of the Company which is owned as to 96% by Jinzhou Yangguang Energy Co., Ltd., a wholly owned subsidiary of the Group and as to 4% by an Independent Third Party as at the date of this announcement.

### 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:	Xihai Industry Park, Economic & Technical Development Zone, Jinzhou City, Liaoning Province, the PRC (中國遼寧省錦州市開發區西海工業園區)
Land use permit number:	Jinzhouguyong (2010) No.000644
Size of total area of the Land:	17,638.20 sq. m.
Current land use:	Industrial
Original acquisition cost to the Vendor:	RMB2,753,000

### Consideration and Payment Terms

The total consideration for the Acquisition is RMB8,000,000, which shall be payable in cash by the Purchaser within seven working days after execution of the Agreement and will be satisfied by internal resources of the Group.

The consideration for the Acquisition was arrived at after arm's length negotiation between the Vendor and the Purchaser with reference to the Valuation Report in relation to the value of the land use rights in respect of the Land and the value of the premises erected thereon. In preparing the Valuation Report, the valuer, who is an Independent Third Party, has taken into account, among other things, the value of comparable benchmark of the land and properties in the market and the valuation was conducted in accordance with the applicable PRC laws and regulations.

Particulars of the valuation are set out as follows:

<b>Item</b>	<b>Value</b> <i>(approximately)</i> <b>RMB</b>	<b>Date of valuation</b>
(i) Land use rights	4,630,000	20 February 2016
(ii) Factory buildings and premises	4,824,343	20 February 2016

### **Completion**

Completion of the Acquisition shall take place within three months after the signing of the Agreement whereupon the Vendor shall deliver the Land together with all buildings then erected thereon.

### **REASONS FOR AND BENEFITS OF THE ACQUISITION**

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 Purchaser, an indirect subsidiary with 96% of the equity interest held by the Company, is principally engaged in manufacturing of photovoltaic modules.

Having taken into account the market value of the Land and the consideration for the Acquisition, the Directors consider that the Acquisition presents an excellent investment opportunity for the Group and to provide further working space to cope with the expected expansion in the Group's sales of photovoltaic modules.

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

### **INFORMATION ON THE VENDOR**

The Vendor, a company established in the PRC with limited liability, is principally engaged in recycling of abrasives and mineral oil.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as at the date of this announcement, the Vendor was owned as to 35% by Jinzhou Yuexin and 65% by an Independent Third Party.

## IMPLICATIONS UNDER THE LISTING RULES

As the Vendor is owned as to 35% by Jinzhou Yuexin, which is wholly-owned by Mr. Tan Xin, our executive Director, the Vendor is a close associate of Mr. Tan Xin and thus a connected person of the Company. Consequently, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under the Listing Rules) other than the profits ratio are less than 5%, the Acquisition is a de minimis transaction under Rule 14A.76(2)(a) of the Listing Rules and is exempt from the circular (including independent financial advice) and Shareholders' approval requirements.

Since (i) Mr. Tan Xin, an executive Director, has a material interest in the Agreement and the Acquisition and (ii) Mr. Tan Wenhua, an executive Director and the father of Mr. Tan Xin, is an associate of Mr. Tan Xin, each of Mr. Tan Xin and Mr. Tan Wenhua was required to abstain from voting on the relevant board resolution approving the Agreement and the Acquisition.

## DEFINITIONS

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

“Acquisition”	the acquisition of the state-owned land use rights in respect of the Land and the factory premises and ancillary structures erected thereon pursuant to the Agreement
“Agreement”	the land use rights acquisition agreement dated 6 May 2016 entered into between the Vendor and the Purchaser in respect of the Disposal
“associate(s)”, ”close associate(s)” and “connected person(s)”	have the meanings ascribed to them in the Listing Rules
“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
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“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 Yuexin”	錦州悅鑫硅材料有限公司 (Jinzhou Yuexin Silicon Materials Co., Ltd.*), a company established in the PRC with limited liability and wholly owned by Mr. Tan Xin, an executive Director, as at the date of this announcement
“Land”	a piece of state-owned land with an approximate area of 17,638.2 sq. m. located at Xihai Industry Park, Economic & Technical Development Zone, Jinzhou City, Liaoning Province, the PRC (中國遼寧省錦州市開發區西海工業園區), which is occupied by the Vendor for industrial purpose together with the factory buildings and premises erected thereon immediately prior to completion of the Acquisition
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	錦州錦懋光伏科技有限公司 (Jinzhou Jinmao Photovoltaic Technology Co., Ltd.*), a company established in the PRC with limited liability and an indirectly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“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
“Valuation Report”	the valuation report prepared by a qualified property valuer, who, to the best of the Directors’ knowledge, information and belief and having made reasonable enquiries, is an Independent Third Party

\* For identification purpose only

“Vendor”

錦州吉興新材料有限公司 (Jinzhou Jixing New Materials Co., Ltd\*), a company established in the PRC with limited liability and was owned as to 35% by Jinzhou Yuexin and 65% by an Independent Third Party as at the date of this announcement

“%”

per cent

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

Hong Kong, 6 May 2016

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

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