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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)

DISCLOSEABLE TRANSACTION PROVISION OF CORPORATE GUARANTEE

PROVISION OF THE CORPORATE GUARANTEE

On 16 May 2018, the Borrower entered into the Facility Agreement with the Bank, pursuant to which the Bank agreed to provide the Loan Facility to the Borrower subject to and in accordance with the terms and conditions therein.

In consideration of the provision of the Loan Facility under the Facility Agreement by the Bank, Jinzhou Yangguang entered into the Guarantee Contract pursuant to which Jinzhou Yangguang shall provide the Corporate Guarantee in favour of the Bank to guarantee the performance of the Borrower's obligations of up to RMB54,000,000. Jinzhou Yangguang's liability under the Corporate Guarantee will not exceed RMB54,000,000.

LISTING RULES IMPLICATION

As the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the provision of the Corporate Guarantee is more than 5% but less than 25%, the provision of the Corporate Guarantee by Jinzhou Yangguang constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

INTRODUCTION

On 16 May 2018, the Borrower entered into the Facility Agreement with the Bank, pursuant to which the Bank agreed to provide the Loan Facility to the Borrower subject to and in accordance with the terms and conditions therein.

In consideration of the provision of the Loan Facility under the Facility Agreement by the Bank, Jinzhou Yangguang entered into the Guarantee Contract pursuant to which Jinzhou Yangguang shall provide the Corporate Guarantee in favour of the Bank to guarantee the performance of the Borrower's obligations of up to RMB54,000,000. Jinzhou Yangguang's liability under the Corporate Guarantee will not exceed RMB54,000,000. The major terms and conditions of the Corporate Guarantee are summarised below.

THE GUARANTEE CONTRACT

Parties to the Guarantee Contract

- (a) Jinzhou Yangguang
- (b) the Bank

Date

16 May 2018

Term

The Guarantee Contract will remain in force and effect until the earlier of the expiration of two years after (i) the expiry of the term of the Facility Agreement; and (ii) the date on which the Loan Facility shall become due and repayable prior to the agreed date(s) of repayment under the Facility Agreement.

Consideration

Jinzhou Yangguang will not receive any fee or income from providing the Corporate Guarantee under the Guarantee Contract.

Scope of the Corporate Guarantee

In consideration of the provision of the Loan Facility by the Bank to the Borrower under the Facility Agreement, Jinzhou Yangguang shall guarantee the performance of the Borrower's obligations of up to RMB54,000,000, representing the Guaranteed Indebtedness under the Facility Agreement. Jinzhou Yangguang's liability under the Corporate Guarantee will not exceed RMB54,000,000.

REASONS FOR THE PROVISION OF THE CORPORATE GUARANTEE

The Borrower is incorporated in Jinzhou City, Liaoning Province, the PRC with limited liability, principally engages in the processing and sales of aluminium products, and is one of the key suppliers of materials of the Group, supplying aluminium frames and other materials for manufacturing photovoltaic modules and offering the Group a higher credit limit. Driven by the significant growth in sales of photovoltaic module, the

Group's demand for the abovementioned materials has increased significantly as a result. Hence, to strengthen the long-term co-operation between the two parties, enable the Borrower to better manage the Group's needs for its materials and improve its turnover capacity, Jinzhou Yangguang agreed to provide the Corporate Guarantee for general working capital of the Borrower, and to secure the Borrower's performance of its obligation under the Facility Agreement. In addition, the maximum liability under the Guarantee Indebtedness of RMB54,000,000 will also be lower than the actual net debt arising from the Group's transactions with the Borrower. The Directors (including the independent non-executive Directors) consider that the terms of the Guarantee Contract are on normal commercial terms after arm's length negotiations and are fair and reasonable and that the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

None of the Directors has any material interest in the Guarantee Contract or is required to abstain from voting on the board resolutions approving the entering into of the Guarantee Contract.

INFORMATION OF THE PARTIES

The Group

The Group is principally engaged in the manufacturing and trading of and provision of processing services for monocrystalline silicon solar ingots and wafers, the manufacturing and trading of photovoltaic solar cells, the manufacturing and trading of photovoltaic modules, and the construction and operating of photovoltaic power plants.

Jinzhou Yangguang is incorporated in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company which is principally engaged in the manufacturing and trading of monocrystalline ingots and wafers.

The Borrower

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Borrower is incorporated in the PRC with limited liability, principally engages in the processing and sales of aluminium products, and each of the Borrower and its ultimate beneficial owners is an Independent Third Party. The Borrower is one of the key suppliers of the Group.

The Bank

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Bank is a financial institution established in the PRC, principally engages in banking activities, and each of the Bank and its ultimate beneficial owners is an Independent Third Party.

LISTING RULES IMPLICATIONS

As the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the provision of the Corporate Guarantee is more than 5% but less than 25%, the provision of the Corporate Guarantee by Jinzhou Yangguang constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following terms have the following meanings:

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| “Bank” | a financial institution established in the PRC, being the lender under the Facility Agreement and the beneficiary under the Guarantee Contract |
| “Borrower” | a company incorporated in Jinzhou City, Liaoning Province, the PRC with limited liability and one of the key suppliers of the Group, further details of which are disclosed in the paragraph headed “Reasons for the Provision of the Corporate Guarantee” in this announcement |
| “Company” | Solargiga Energy Holdings Limited (陽光能源控股有限公司) (stock code: 757), a company incorporated under the laws of the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange |
| “Corporate Guarantee” | the corporate guarantee given by Jinzhou Yangguang in favour of the Bank pursuant to the Guarantee Contract |
| “Director(s)” | director(s) of the Company |
| “Facility Agreement” | the loan facility agreement entered into between the Borrower and the Bank on 16 May 2018 in respect of the Loan Facility |
| “Group” | the Company and its subsidiaries |
| “Guarantee Contract” | the guarantee contract entered into between Jinzhou Yangguang and the Bank dated 16 May 2018, pursuant to which Jinzhou Yangguang agreed to guarantee the performance of the Borrower’s obligations of up to RMB54,000,000 under the Facility Agreement |

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| “Guaranteed Indebtedness” | all amounts due from or obligations to be fulfilled by the Borrower in favour of the Bank under the Facility Agreement, which includes the principal amount under the Loan Facility, the interest accrued thereon (including but not limited to agreed interest, overdue interest, penalty interest and compound interest), the administration charges incurred, all costs incurred by the Bank to realise its interest in the Facility Agreement and all other amounts due from or obligations to be fulfilled by the Borrower in favour of the Bank pursuant to the Facility Agreement |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Third Party” | third party who is independent of and not connected with the Company and its connected person(s) (as defined in the Listing Rules) |
| “Jinzhou Yangguang” | Jinzhou Yangguang Energy Co., Ltd.* (錦州陽光能源有限公司), a limited liability company incorporated under the laws of the PRC, which is indirectly wholly-owned by the Company as at the date of this announcement |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Loan Facility” | a loan facility granted by the Bank to the Borrower in the principal amount of RMB54,000,000 |
| “PRC” | the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this announcement |
| “Shareholders” | the holders of shares of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “%” | per cent |

* For identification purposes only

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

Hong Kong, 16 May 2018

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