

Hong Kong Exchange and Clearing Limi



LISTING RULES IMPLICATIONS

Since the applicable percentage ratio (as defined in the Listing Rules) in respect of the Capital Injection exceeds 5% but does not exceed 25%, the Capital Injection constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Pursuant to Rule 14.22 of the Listing Rules, since the Previous Capital Injection and the Capital Injection were completed within 12 months, the Previous Capital Injection and the Capital Injection shall be aggregated. As one or more applicable percentage ratios exceed 5% but do not exceed 25% upon aggregation, the Capital Injection constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements but not subject to the circular and Shareholders' approval requirements.

CAPITAL INJECTION AGREEMENT

Reference is made to the Announcements of the Company in relation to the Previous Capital Injection by the Group. The Board is pleased to announce that, Jinzhou Yangguang (a wholly-owned subsidiary of the Company), Other Investors and Target Company have entered into the Capital Injection Agreement on 20 November 2020, pursuant to which Jinzhou Yangguang agreed to inject a capital of RMB100,000,000 into the Target Company by way of cash contribution, among which RMB69,440,000 shall be accounted as registered capital by the Target Company, and RMB30,560,000 shall be accounted as capital reserve of the Target Company. As at the date of this announcement, Jinzhou Yangguang owned approximately 28% equity interest in the Target Company. Following the completion of the Capital Injection, Jinzhou Yangguang will own approximately 55% equity interest in the Target Company. Set out below are details of the Capital Injection Agreement and the Capital Injection:

Parties

- (1) Jinzhou Yangguang (a wholly-owned subsidiary of the Company)
- (2) Other Investors
- (3) Target Company

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, as at the date of this announcement, the Target Company is owned as to approximately 28% by Jinzhou Yangguang, approximately 25.4% by Jack Win, 17.8% by Jianhu Hongchuang and 16.1% by Wintek. As such, each of Jack Win, Jianhu Hongchuang and Wintek is a substantial shareholder of a subsidiary of the Company, and is therefore a connected person of the Company at the subsidiary level pursuant to Chapter 14A of the Listing Rules.

Save as disclosed above, each of the Other Investors and their ultimate beneficial owner(s) is an Independent Third Party.

Capital Injection

Immediately prior to the Capital Injection, the registered capital of the Target Company was RMB118,000,000 and was fully paid up. Jinzhou Yangguang owned approximately 28% equity interest in the Target Company.

Under the terms of the Capital Injection Agreement, Jinzhou Yangguang agreed to inject a capital of RMB100,000,000 into the Target Company through cash contribution, among which RMB69,440,000 shall be accounted as registered capital by the Target Company, and RMB30,560,000 shall be accounted as capital reserve of the Target Company. The amount of the Capital Injection was determined by the parties after arm's length negotiation after taking into account the existing registered capital and the net asset value of the Target Company, the estimated funding and general working capital required for the operation of the Target Company for the purposes described in the section headed "Reasons for and the Benefits of the Capital Injection" below. Upon completion of the Capital Injection, the Target Company will be held as to approximately 55% by Jinzhou Yangguang and the total registered capital of the Target Company will be increased from RMB118,000,000 to RMB187,440,000.

The amount of the Capital Injection in the amount of RMB100,000,000 to be contributed by Jinzhou Yangguang will be funded by the Group's internal resources.

Completion

Completion shall take place immediately after the signing of the Capital Injection Agreement.

Pursuant to the Capital Injection Agreement, after completion of the Capital Injection, the board of directors of the Target Company consists of seven members, four of whom shall be nominated by Jinzhou Yangguang.

Basis of Determination of the Consideration under the Capital Injection Agreement

The consideration of the Capital Injectio

INFORMATION ON THE TARGET COMPANY

The Target Company was established in the PRC with limited liability. Further information on the Target Company as at the date of this announcement is set out below:

(a) Corporate Information

Name : Jiangsu Yueyang Photovoltaic Technology Co., Ltd. (江蘇悅陽光伏科技有限公司)

Date of establishment : 19 June 2019

Place of establishment : PRC

Scope of business : Principally engaged in photovoltaic technology development, consulting, communication, transfer, promotion, and solar energy storage materials and product manufacturing

Registered capital immediately prior to the Capital Injection : RMB118,000,000 (fully paid up)

Registered capital immediately after the Capital Injection : RMB187,000,000

(b) Financial information

For the year ended 31 December 20

Audited total asset value as at 31

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Following completion of the Capital Injection, the registered capital of the Target Company will be increased from RMB118,000,000 to RMB187,440,000, which shall be owned as to approximately 55% by Jinzhou Yangguang. As disclosed in the interim report of the Company as of 30 June 2020, on 1 April 2020, Jinzhou Yangguang entered into the Parties Acting in Concert Agreement, three of the Other Investors agreed to exercise their voting rights (representing an aggregate of 78% of the equity interest of the Target Company) at the general meetings and board meetings of the Target Company in accordance with Jinzhou Yangguang. Since 1 April 2020, Jinzhou Yangguang obtained the control of the Target Company, the financial position and results of the Target Company have been consolidated into the consolidated financial statements of the Group. Thus, following the completion of Capital Injection, the Target Company will remain as a subsidiary of the Company and the financial results, assets, liabilities and cash flow of the Target Company will continue to be accounted for in the consolidated financial statements of the Company.

REASONS FOR AND THE BENEFITS OF THE CAPITAL INJECTION

The Target Company was established on 19 June 2019 in the PRC with limited liability, which mainly engaged in photovoltaic technology development, consulting, communication, transfer, promotion, and solar energy storage materials and product manufacturing. The Target Company currently has a module production capacity of 2GW. Prior to the Capital Injection and as at the date of this announcement, the Group held approximately 28% equity interest in the Target Company with a total investment amount of RMB33,000,000. The Target Company intends to utilise the proceeds from the Capital Injection for its business operations and to increase its registered capital.

In view of the market demand on the modules in recent years, the demand will be a continuous recent will of.23189TD.0-36,0-1.7(nergy)-475875

INFORMATION ON THE GROUP AND JINZHOU YANGGUANG

The Group is a leading supplier of upstream and downstream vertical integrated solar energy services. Its products are not only sold to the upper-stream and mid-stream customers in the photovoltaic industries but also directly sold to end customers. Accordingly, each and every of its photovoltaic product is for external sale, its businesses include the manufacture and sales of monocrystalline silicon solar ingots and wafers; the manufacture and sales of photovoltaic modules; the installation of photovoltaic systems; and construction of photovoltaic power plant, focusing on providing one-stop solar energy service.

Jinzhou Yangguang Energy Co., Ltd. (錦州陽光能源有限公司), a limited liability company established under the PRC law, is a wholly-owned subsidiary of the Company as at the date of this announcement.

INFORMATION ON OTHER INVESTORS

Jack Win Investment Holdings Limited (俊懋投資控股有限公司), a body corporate incorporated under Hong Kong law on 16 December 2009, which is principally engaged in general business, property investment and

Jianhu Hongchuang Emerging Industry Fund* (建 縣宏創新興產業基金), a limited partnership registered under the PRC law, was established on 19 August 2019, which is principally engaged in industrial investment, entrusted management of private equity investment funds, asset management and investment consulting. To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries,

LISTING RULES IMPLICATIONS

Since the applicable percentage ratio (as defined in the Listing Rules) in respect of the Capital Injection exceeds 5% but does not exceed 25%, the Capital Injection constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Pursuant to Rule 14.22 of the Listing Rules, since the Previous Capital Injection and the Capital Injection were completed within 12 months, the Previous Capital Injection and the Capital Injection shall be aggregated. As one or more applicable percentage ratios exceed 5% but do not exceed 25% upon aggregation, the Capital Injection only constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements but not subject to the circular and Shareholder's approval requirements.

DEFINITIONS

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

“Announcements”	the announcement of the Company dated 31 March 2020 and the supplemental announcement dated 2 April 2020 in relation to the Previous Capital Injection
“Board”	the board of Directors of the Company
“Capital Injection”	the capital injection in the amount of RMB100,000,000 into the Target Company through cash contribution by Jinzhou Yangguang pursuant to the Capital Injection Agreement, among which RMB69,440,000 shall be accounted as registered capital by the Target Company, and RMB30,560,000 shall be accounted as capital reserve of the Target Company
“Capital Injection Agreement”	Novembhee 2020

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“Independent Third Party(ies)”	an individual(s) or company(ies) who or which is/are, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, independent of and is/are not connected with the Company and its connected persons (within the meaning of the Listing Rules)
“Jack Win”	Jack Win Investment Holdings Limited (俊懋投資控股有限公司), one of the Other Investors, details of which are set out in the paragraph headed “Information on Other Investors” in this announcement
“Jianhu Hongchuang”	Jianhu Hongchuang Emerging Industry Fund* (建 縣宏創新興產業基金), one of the Other Investors, details of which are set out in the paragraph headed “Information on Other Investors” in this announcement
“Jinzhou Yangguang”	Jinzhou Yangguang Energy Co., Ltd. (錦州陽光能源有限公司), a company with limited liability established under the PRC law, and is 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
“Other Investors”	include Jack Win Investment Holdings Limited (俊懋投資控股有限公司), Wintek International Corp. (文特客國 團公司), Jianhu Huimei Investment Centre* (建 匯美投資中心), Jianhu Hongchuang Emerging Industry Fund* (建 縣宏創新興產業基金), Jianhu High-tech Investment Development Co., Ltd.* (建 縣高新投資發展有限公司)
“Parties Acting in Concert Agreement”	an acting in concert agreement entered into between Jinzhou Yangguang and three of the Other Investors dated 1 April 2020 pursuant to which the three Other Investors agreed to exercise their voting rights (representing an aggregate of 78% of equity interest of the Target Company) at the general meetings and board meetings of the Target Company in accordance with Jinzhou Yangguang
“percentage ratios”	has the same meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China, for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan

“Previous Capital Injection”	the capital injection in the amount of RMB18,000,000 by Jinzhou Yangguang to the registered capital of the Target Company
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Jiangsu Yueyang Photovoltaic Technology Co., Ltd. (江蘇悅陽光伏科技有限公司), a non-wholly-owned subsidiary of the Company, and is a company with limited liability established under the PRC law on 19 June 2019, which mainly engaged in photovoltaic technology development, consulting, communication, transfer, promotion, and solar energy storage materials and product manufacturing
“Wintek”	Wintek International Corp. (文特客國 團公司), one of the Other Investors, details of which are set out in the paragraph headed “Information on Other Investors” in this announcement
“%”	per cent.

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

Hong Kong, 20 November 2020

A_S at the date of thi_S announcement, Mr. Tan Wenhua (Chairman), Mr. Tan Xin and Mr. Wang Junze are executive Director_S of the Company, Mr. H_Su You Yuan i_S a non-executive Director of the Company, and Dr. Wong Wing Kuen, Albert, M_S. Fu Shuangye and M_S. Feng Wenli are independent non-executive Director_S of the Company.

* For identification only