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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)

VOLUNTARY ANNOUNCEMENT IN RELATION TO OBTAINING RMB1 BILLION CREDIT LINE AND PROVISION OF GUARANTEES BY THE COMPANY AND AN EXECUTIVE DIRECTOR

This is a voluntary announcement made by Solargiga Energy Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to keep the shareholders and potential investors of the Company informed of the latest business development of the Group.

OBTAINING RMB1 BILLION CREDIT LINE AND PROVISION OF GUARANTEES BY THE COMPANY AND AN EXECUTIVE DIRECTOR

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that the Group recently obtained a credit line of RMB1 billion (the “**Credit Line**”) from the Shenyang Branch of Industrial Bank Co., Ltd (興業銀行股份有限公司) (the “**Bank**”) for a period of one year subject to and in accordance with the terms and conditions thereunder.

On 15 June 2023, Jinzhou Yangguang Energy Co., Ltd.* (錦州陽光能源有限公司) (“**Jinzhou Yangguang**”), an indirect wholly-owned subsidiary of the Company (the “**Borrower**”), entered into a working capital loan agreement with the Bank (the “**Loan Agreement**”) for the draw down of a loan in the principal amount of RMB100,000,000 for one year under the Credit Line. Pursuant to the Loan Agreement, each of the Company and Mr. Tan Wenhua (chairman of the Board, an executive Director and a substantial shareholder of the Company) (“**Mr. Tan**”) has provided a corporate guarantee (the “**Corporate Guarantee**”) and a personal guarantee (the “**Personal Guarantee**”), respectively, in favour of the Bank to guarantee the performance of the Borrower’s obligations of under the Loan Agreement of up to RMB120,000,000.

REASONS FOR AND BENEFITS OF OBTAINING THE CREDIT LINE AND PROVISION OF GUARANTEE

The Group is principally engaged in (i) the manufacturing and trading of photovoltaic module business, (ii) the construction and operation of photovoltaic power systems and (iii) semiconductor business. Jinzhou Yangguang is principally engaged in the manufacturing and trading of photovoltaic modules. The grant of the Credit Line by the Bank reflects that the Bank has confidence in the business prospects and solvency of the Group, and is supportive of the Group's future development and growth potential in the photovoltaic market. Having considered that obtaining the Credit Line would be conducive to improving the Group's financial management, optimising the Group's financial structure, diversifying financing sources and increasing leverage in finance cost negotiations to reduce future financing costs, the Board considers that the terms of the Credit Line, the Loan Agreement and the Corporate Guarantee provided by the Company are arrived at after arm's length negotiations between the parties thereto, and are fair and reasonable and in the interests of the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

Mr. Tan is an executive director and a substantial shareholder of the Company. As at the date of the announcement, Mr. Tan is interested in an aggregate of 712,244,751 shares of the Company, representing approximately 21.43% of the Company's total issued share capital. Mr. Tan has provided the Personal Guarantee without receiving any form of consideration. Accordingly, the provision of the Personal Guarantee by Mr. Tan constitutes financial assistance received by the Group and a connected transaction for the Group under Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

Given that the Personal Guarantee is not secured by any assets of the Group, and that the Directors consider that the Personal Guarantee is conducted on normal commercial terms or better to the Group, the Personal Guarantee is fully exempt from the reporting, independent shareholders' approval, annual review and announcement requirements pursuant to Rule 14A.90 of the Listing Rules.

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
Tan Wenhua
Chairman

Hong Kong, 15 June 2023

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 Dr. Wong Wing Kuen, Albert, Ms. Chung Wai Hang and Ms. Tan Ying.

** For identification purposes only*