

China's central bank signals interest rate cuts to strengthen the economy

China's central bank has announced that further measures to stimulate the country's economy are under consideration. Among other things, the bank is discussing a reduction in the long-term prime rate (LPR) by 0.2 to 0.25 percentage points, which is expected to take place on October 21. LPR serves as a reference rate for Gigasun's loans in China.

The interest rate cut is part of a broader strategy to strengthen the economy and improve financial conditions in the country. In addition, the central bank is considering lowering reserve requirements for banks by 0.25 to 0.5 percentage points before the end of the year. Interest rates on reverse repurchase agreements and medium-term lending facilities (MLFs) may also be adjusted to ensure sufficient liquidity and stability in the market.

These measures aim to provide additional support to the Chinese economy at a time of global uncertainty and to promote continued growth.

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About the operation

Gigasun operates in China through its wholly owned subsidiaries Advanced Soltech Renewable Energy (Hangzhou) Co. Ltd ("**ASRE**") and Longrui Solar Energy (Suqian) Co. Ltd. ("**SQ**"), and Suqian Ruiyan New Energy Co., Ltd. ("**RY**").

The business model consists of financing, installing, owning and managing solar PV installations on customers' roofs in China. The customer does not pay for the solar PV installation, but instead enters an agreement to buy the electricity that the solar PV installation produces under a 20-year agreement. Current income comes from the sale of electricity to customers and governmental subsidies.

The goal is to have an installed capacity of 1,000 megawatts (MW) which is fully connected to the electricity grid by 2026.

Attachments

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