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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)**

### **PROPOSED CONVERSION OF CONVERTIBLE BONDS AND APPLICATION FOR WHITEWASH WAIVER**

#### **THE CONVERSION**

The Directors announce that they have been informed by the Vendors on 31 March 2011 of the Conversions, which is subject to the conditions as stated in the paragraph headed "Conditions of the Conversions" below. Assuming no further Shares will be allotted and issued from the date of this announcement until the Conversions take place, when the Convertible Bonds are fully converted, the Vendors will be issued an aggregate of 435,000,000 Conversion Shares, representing approximately 24.07% of the issued share capital of the Company immediately before completion of the Conversions and approximately 19.40% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares respectively.

#### **THE WHITEWASH WAIVER**

As at the date of this announcement, the Vendors, Mr. Tan, their respective associates and parties acting in concert with any one of them hold an aggregate of approximately 35.33% of the issued share capital of the Company. Assuming no further Shares will be allotted and issued by the Company prior to the Conversions, interests in the issued share capital of the Company held by the Vendors, Mr. Tan and parties acting in concert with any one of them will increase by more than 2% from approximately 35.33% (of the issued share capital of the Company immediately before completion of the Conversions) to approximately 47.88% (of the issued share capital of the Company as enlarged by the Conversions) upon the completion of the Conversions. The Vendors, Mr. Tan and parties acting in concert with any one of them will, in the absence of the Whitewash Waiver, be obliged to make

a mandatory general offer for all the Shares not already owned or agreed to be acquired

## **BACKGROUND**

On 9 November 2010, the Company, the Vendors and the Warrantors entered into the Acquisition Agreement, pursuant to which the Company conditionally agreed to purchase and

As at the date of this announcement, save for the Convertible Bonds, the Company has no outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into Shares.

The following table sets out the shareholding structure of the Company immediately before and after completion of the Conversions (assuming that there will be no change in the issued share capital of the Company from the date of this announcement until completion of the Conversions save for the issue of the Conversion Shares):

<b>Immediately before completion of the Conversions</b> <i>(Note 1)</i>		<b>Immediately after completion of the Conversions</b> <i>(Note 1)</i>	
<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>

**I. The Vendors, Mr. Tan and parties acting in concert**

	<b>Immediately before completion of the Conversions (Note 1)</b>		<b>Immediately after completion of the Conversions (Note 1)</b>	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
<b>III. Other public Shareholders</b>				
Other public Shareholders	<u>824,496,512</u>	<u>45.62</u>	<u>824,496,512</u>	<u>36.77</u>
<b>Sub-total</b>	<u>824,496,512</u>	<u>45.62</u>	<u>824,496,512</u>	<u>36.77</u>
<b>Total</b>	<u>1,807,170,425</u>	<u>100.00</u>	<u>2,242,170,425</u>	<u>100.00</u>

*Notes:*

1. The figures assume that other than the Conversion Shares, no Shares are issued or purchased by the Company and other than the Conversion Shares, no Shares are sold or purchased by the Vendors and their concert parties, in each case after the date of this announcement until completion of the Conversions.
2. As at the date of this announcement, an aggregate of 478,145,999 Shares are held by Mr. Tan, his concert parties and his associates, of which, 475,761,999 Shares are held by Mr. Tan and 2,384,000 Shares are held by Mr. Tan's relatives as mentioned in note 3 below. Upon completion of the Conversions, an

7. Out of the 12,440,927 Shares, 2,659,375 Shares are registered in the name of Mr. Chong as trustee who is entrusted to exercise voting rights and hold the dividends and other distributions made in respect of the relevant Shares in trust on behalf of Hsu You Yuan.
8. Out of the 3,133,500 Shares, 2,350,125 Shares are registered in the name of Mr. Chong as trustee who is entrusted to exercise voting rights and hold the dividends and other distributions made in respect of the relevant Shares in trust on behalf of Zhang Liming.
9. 130,000 Shares are held by the wife of Mr. Tam Wing Keung. Mr. Tam Wing Keung is the beneficial owner of the entire issued shares of the Sixth Vendor.
10. WWIC is a wholly owned subsidiary of WWX and a substantial Shareholder for the purpose of the Listing Rules. WWX is a company incorporated in Taiwan with limited liability and whose shares are listed on the Taiwan Gre Tai Securities Market.

As the Conversions will increase the interests in the issued share capital of the Company held by the Vendors, Mr. Tan and parties acting in concert with any one of them by approximately 12.55% (more than 2%) from approximately 35.33% (of the issued share capital of the Company immediately before completion of the Conversions) to approximately 47.88% (of the issued share capital of the Company as enlarged by the issue of the Conversion Shares) upon the completion of the Conversions. The Vendors, Mr. Tan and parties acting in concert with any one of them will, in the absence of a

Save as otherwise disclosed in this announcement, as at the date of this announcement:

- (i) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares and which might be material to the Conversions and the Whitewash Waiver;
- (ii) none of the Vendors or Mr. Tan has any agreement or arrangement to which any of them is a party which relates to the circumstances in which any of them may or may not invoke or seek to invoke a pre-condition or a condition to the Conversions and the Whitewash Waiver;
- (iii) there is no outstanding derivative in respect of relevant securities (as defined in the Takeovers Code) in the Company which has been entered into by any of the Vendors, Mr. Tan or parties acting in concert with any of them;
- (iv) neither the Vendors, Mr. Tan nor any parties acting in concert with any of them holds any convertible securities, warrants, derivatives or options of the Company;
- (v) neither the Vendors, Mr. Tan nor any parties acting in concert with any of them has received an irrevocable commitment or arrangements to vote in favour of or against the resolutions in respect of the Whitewash Waiver; and
- (vi) there are no relevant securities (as defined in the Takeovers Code) in the Company which the Vendors, Mr. Tan or any parties acting in concert with any of them has borrowed or lent.

## **CONDITIONS OF THE CONVERSION**

The Conversions are subject to the following conditions:

- (i) the granting of the Whitewash Waiver by the Executive; and
- (ii) the approval by the Independent Shareholders of the relevant resolution regarding the Whitewash Waiver by way of poll at the EGM.

The conditions above cannot be waived.

If any of the conditions of the Conversions is not fulfilled, the Conversions will not take place and the conditional conversion letters from the Vendors will cease to have effect.

Subject to the above conditions of the Conversions having been fulfilled, the Conversion Shares will be allotted

## **INFORMATION ON THE GROUP**

The Group is one of the leading manufacturers of monocrystalline silicon ingots, measured in terms of production output and sales in the PRC. The Group is principally engaged in (a) trading and manufacturing of monocrystalline and multicrystalline silicon solar ingots and wafers; (b) processing of silicon solar ingots and wafers; (c) upgrading and trading of polysilicon; (d) production and sales of monocrystalline and multicrystalline photovoltaic modules; and (e) design and installation of photovoltaic systems.

## **INFORMATION ON THE VENDORS**



## **DEFINITION**

“Acquisition”	the entering into of a acquisition agreement dated 8 November 2010 for the acquisition of 100% issued shares of Sino Light
“Acquisition Agreement”	The sale and purchase agreement dated 8 November 2010 and entered into among the Company, the Vendors and the Warrantors in relation to the Acquisition
“Board”	the board of Directors
“BVI”	British Virgin Islands
“Circular”	the circular of the Company dated 15 December 2010 in relation to, among other things, the Acquisition
“Company”	Solargiga Energy Holdings Limited (陽光能源控股有限公司) (stock code: 757), 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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Conversion Conditions”	the conditions as set out in the paragraph headed “Conditions of the Conversion” in this announcement
“Conversion Price”	HK\$1.92 per Conversion Share
“Conversion Shares”	new Shares to be allotted and issued upon any conversion of the Convertible Bonds
“Convertible Bonds”	convertible bonds in the aggregate principal amount of HK\$835,200,000 issued on completion of the Acquisition in satisfaction in full of the consideration for the Acquisition
“Director(s)”	the director(s) of the Company
“Executive”	Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any of his delegate

“Fifth Vendor”

Sequest Ventures Inc., an investment holding company incorporated in the BVI and is, as at the date of this announcement, to the best of the Directors’ knowledge, information and belief and having made all reasonable

“Independent Shareholders”	the Shareholders of the Company other than the Vendors, Mr. Tan, their respective associates and parties in concert with any of them and those who are involved in or interested in the Acquisition, issuance of the Convertible Bonds and the Whitewash Waiver
“Issue Date”	the issue date of the Convertible Bonds, i.e. 26 January 2011
“Mr. Chong”	Mr. Chong Kin Ngai, a non-executive Director who is interested in approximately 4.63% of the issued share capital of the Company and holds, as trustee for certain Directors, senior management and staff of the Group, approximately 1.44% in aggregate of the issued share capital of the Company, as at the date of this announcement
“Mr. Tan”	Mr. Tan Wenhua, an executive Director and substantial Shareholder and a connected person who is beneficially interested in approximately 26.33% of the issued share capital of the Company, as at the date of this announcement
“PEC”	Prosperity Electric Corporation, a company incorporated in the BVI and wholly owned by Mr. Chong
“PRC”	the People’s Republic of China, which for purpose of this announcement, includes Hong Kong, Macau and the Special Administrative Regions of the PRC

“Seventh Warrantors”	Seventh Vendor together with Mr. Liang-Chieh Huang
“Share(s)”	ordinary share(s) with a par value of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Sino Light”	Sino Light Investments Limited, a company incorporated in the BVI with limited liability

“Whitewash Waiver”	a waiver by the Executive pursuant to Note 1 of the Notes on Dispensations from Rule 26 of the Takeovers Code, to waive the obligation to make a mandatory general offer for all the Shares not already owned or agreed to be acquired by the Vendors pursuant to Rule 26 of the Takeovers Code as a result of the issue of the Conversion Shares
“WWIC”	Wafer Works Investment Corp., an investment holding company incorporated in Samoa with limited liability and wholly owned by WWX, and a substantial shareholder of the Company interested in approximately 19.05% of its issued share capital, as at the date of this announcement
“WWX”	Wafer Works Corp., a company incorporated in Taiwan with limited liability whose shares are listed on the Taiwan Gre Tai Securities Market
“%”	per cent.

By Order of the Board  
**Solargiga Energy Holdings Limited**  
**Hsu You Yuan**  
*Executive Director*

Hong Kong, 31 March 2011

*As at the date of this announcement, Mr. Tan Wenhua, Mr. Hsu You Yuan and Ms. Zhang Liming are executive directors of the Company, Mr. Chiao Ping Hai and Mr. Chong Kin*