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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)

OFFERING AND LISTING OF THE TAIWAN DEPOSITARY RECEIPTS ON THE TAIWAN STOCK EXCHANGE

ISSUE OF NEW SHARES UNDER GENERAL MANDATE

References are made to the announcements of the Company dated 15 October 2009 and 30 November 2009 in relation to the proposed offering and listing of TDR on the Taiwan Stock Exchange.

On 4 December 2009, the Company entered into the Underwriting Agreement with Taiwan Polaris Securities Corporation Limited (for itself and on behalf of the other Underwriters) in connection with the TDR Issue.

Pursuant to the Underwriting Agreement, the parties thereto have agreed that:

- (i) the Underwriters shall subscribe for, and shall procure, on a fully underwritten basis, subscribers for, an aggregate of 100 million units of TDR representing in aggregate 100 million New Shares, and the Company will issue and allot 100 million New Shares as underlying securities of the TDR;
- (ii) the TDR Issue shall consist of 100 million units of TDR which comprise (a) an offer of 1,000 units of TDR for subscription by Securities and Futures Investors Protection Center (證券投資人及期貨交易人保護中心) pursuant to the applicable securities laws in Taiwan; (b) an offer of an aggregate of 10,200,000 units of TDR for subscription by the Underwriters; (c) an offer of an aggregate of 8,980,000 units of TDR for application for subscription by the public in Taiwan; and (d) an offer of an aggregate of 80,819,000 units of TDR for subscription by selected institutional and individual investors in Taiwan through book building process; and

(iii) the Offer Price is NT\$9.45 (equivalent to HK\$2.28) per TDR.

Based on the estimated expenses of about HK\$4,873,000 for the TDR Issue, the Company will be able to raise approximately HK\$228,000,000 gross proceeds and HK\$223,127,000 net proceeds from the TDR Issue.

The 100 million New Shares represent (i) 5.86% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 5.53% of the enlarged issued share capital of the Company following the issue of the 100 million New Shares under the TDR Issue. The New Shares, when issued and fully paid, will rank pari passu among themselves and with all other Shares presently in issue and at the time of issue and allotment of the New Shares.

References are made to the announcements of the Company dated 15 October 2009 and 30 November 2009 in relation to the proposed offering and listing of TDR on the Taiwan Stock Exchange.

UNDERWRITING AGREEMENT

Date: 4 December 2009

Parties: the Company and Taiwan Polaris Securities Corporation Limited (for itself and on behalf of the other Underwriters)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriters and their respective beneficial owners are third parties independent of the Company and its connected persons.

Pursuant to the Underwriting Agreement, the parties thereto have agreed that:

- (i) the Underwriters shall subscribe for, and shall procure, on a fully underwritten basis, subscribers for, an aggregate of 100 million units of TDR representing in aggregate 100 million New Shares, and the Company will issue and allot 100 million New Shares as underlying securities of the TDR;
- (ii) the TDR Issue shall consist of 100 million units of TDR which comprise (a) an offer of 1,000 units of TDR for subscription by Securities and Futures Investors Protection Center (證券投資人及期貨交易人保護中心) pursuant to the applicable securities laws in Taiwan; (b) an offer of an aggregate of 10,200,000 units of TDR for subscription by the Underwriters; (c) an offer of an aggregate of 8,980,000 units of TDR for application for subscription by the public in Taiwan; and (d) an offer of an aggregate of 80,819,000 units of TDR for subscription by selected institutional and individual investors in Taiwan through book building process. None of the TDR will be offered to the general public in Hong Kong nor will they be offered to any connected persons of the Company; and
- (iii) the Offer Price is NT\$9.45 (equivalent to HK\$2.28) per TDR.

Each of the Underwriters is independent of and not connected with the Company and its connected persons. Under the Underwriting Agreement, none of the TDR nor the New Shares will be offered or issued to any connected persons of the Company or their respective associates. The Directors expect that the allottees of the TDR and their ultimate beneficial owners will be independent of and not connected with the Company, its connected persons and their respective associates.

To the best knowledge of the Directors, none of the allottees of the TDR will become substantial Shareholders immediately following the completion of TDR Issue.

The Underwriters are entitled to an underwriting commission of 1.27% of the aggregate Offer Price of all the 100 million units of TDR to be issued under the TDR Issue.

Number of New Shares to be issued:

100 million New Shares will be issued by the Company on or before 11 December 2009 as underlying securities of the TDR. The 100 million New Shares will be issued at an aggregate nominal value of HK\$10 million and represent (i) 5.86% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 5.53% of the enlarged issued share capital of the Company following the issue of the 100 million New Shares under the TDR Issue.

Offer Price:

The New Shares will be issued at the Offer Price of NT\$9.45 (equivalent to HK\$2.28) per New Share, representing:

- (a) an amount equivalent to the closing price of HK\$2.28 per Share quoted at 4:00 p.m. on the Hong Kong Stock Exchange on 3 December 2009, being the day immediately preceding the date of signing of the Underwriting Agreement;
- (b) a premium of approximately 3.45% over the average closing price of HK\$2.204 per Share quoted on the Hong Kong Stock Exchange for the 5 trading days immediately prior to 4 December 2009;
- (c) a premium of approximately 3.73% over the average closing price of HK\$2.198 per Share quoted on the Hong Kong Stock Exchange for the 5 trading days immediately prior to 30 November 2009, being the date of the announcement of the Company of the proposed offering and listing of TDR on the Taiwan Stock Exchange; and
- (d) a premium of approximately 195.72% over net asset value per Share of approximately HK\$0.771 as at 30 June 2009 as shown in the published unaudited consolidated balance sheet of the Group made up to 30 June 2009.

Based on the estimated expenses of about HK\$4,873,000 for the TDR Issue, the Company will be able to raise about HK\$228,000,000 gross proceeds and HK\$223,127,000 net proceeds from the TDR Issue. On this basis, the net issue price per New Share is approximately HK\$2.23. The Offer Price was determined after arm's length negotiations between Taiwan Polaris Securities Corporation Limited, the lead manager for the TDR Issue, and the Company with reference to, among other factors, the performance, the future development and prospects of the Group and the demand from institutional and selected investors during the book building process. The Directors consider that the terms of the Underwriting Agreement and the Offer Price are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. The Offer Price will be paid to the Company on the date before the issue and allotment of the New Shares.

Mandate to issue the New Shares:

By a resolution of the Shareholders passed at the annual general meeting held on 12 June 2009, the Company granted the General Mandate to the Directors to allot and issue up to 339,996,300 Shares, being 20% of the aggregate nominal value of the share capital of the Company in issue as at 12 June 2009. The Directors have not exercised the power to allot and issue any new Shares pursuant to the General Mandate granted. As at the date of this announcement, the Company is entitled to issue up to 339,996,300 Shares pursuant to such General Mandate. The New Shares will be issued under such General Mandate. The TDR Issue and the issue of the New Shares are not subject to the Shareholders' approval.

Ranking:

The New Shares, when issued and fully paid, will rank pari passu among themselves and with all other Shares presently in issue and at the time of issue and allotment of the New Shares.

Condition of the issue of the New Shares:

The issue of the New Shares is not subject to any condition.

Application for listing:

Application will be made by the Company to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the New Shares. No application will be made by the Company for the listing of the TDR on the Hong Kong Stock Exchange.

The Taiwan Stock Exchange and the Taiwan Central Bank have granted the permission for the listing of the TDR on the Taiwan Stock Exchange, and the TDR Issue has been approved by the Taiwan Securities and Futures Bureau. It is expected that listing and dealing in the TDR on the Taiwan Stock Exchange will commence at 9:00 a.m. on 11 December 2009.

REASONS FOR THE TDR ISSUE AND USE OF PROCEEDS

The Group is one of the leading manufacturers of monocrystalline silicon solar ingots, measured in terms of production output and sales in China. It is engaged in the manufacturing of monocrystalline silicon ingots and wafers and the recycling and processing of scrap

polysilicon. Silicon solar ingots and wafers are used for the manufacturing of photovoltaic cells which are important components of the solar energy generation system. The Group has also extended into the manufacture of multicrystalline silicon solar ingots and wafers, the production and sales of photovoltaic modules as well as installation of photovoltaic systems in 2009.

The Directors are of the view that the TDR Issue will be the most appropriate method of raising extra funds for the Group's future business development having taken into account the Group's current working capital requirement, the prevailing market conditions and the cost involved in the TDR Issue when compared with other means of fund raising exercises.

The Directors believe that the TDR is an attractive alternative for international investors, particularly potential investors in Taiwan, to invest and deal in the Shares which will broaden and diversify the shareholder base of the Company and provide an additional fund-raising platform for the Group. The Directors consider that the TDR Issue will also increase the public awareness of the Group and will promote the Group's corporate image internationally, which will enhance its competitiveness and be beneficial to the Group's overall business development and is therefore in the best interests of the Shareholders as a whole.

The Board intends to apply the net proceeds of approximately of HK\$223,127,000 from the TDR Issue for purchasing machinery and equipment for the expansion of the Group's production capacity.

EFFECT OF THE NEW ISSUE ON SHAREHOLDING STRUCTURE

Assuming that there will be no change in the shareholding structure of the Company immediately before completion of the TDR Issue, the shareholding structure of the Company immediately before and after the completion of TDR Issue will be as follows:

Name of Shareholder	As at the date of this announcement		Immediately after completion of the TDR Issue	
	No. of Shares	Approximately % of issued share capital of the Company	No. of Shares	Approximately % of issued share capital of the Company
Mr. Tan Wenhua ^(Note 1)	475,761,999	27.87	475,761,999	26.33
Mr. Hsu You Yuan ^(Note 2)	16,306,552	0.96	16,306,552	0.90
Mr. Chiao Ping Hai ^(Note 3)	6,135,500	0.36	6,135,500	0.34
Mr. Chong Kin Ngai ^(Note 4)	116,366,290	6.82	116,366,290	6.44
Wafer Works Investment Corp. ^(Note 5)	360,358,822	21.10	360,358,822	19.94
TDR holders	–	–	100,000,000	5.53
Other public Shareholders	732,166,262	42.89	732,166,262	40.52
Total:	1,707,095,425	100.00	1,807,095,425	100.00

Notes:

1. Mr. Tan Wenhua is an executive Director.
2. Mr. Hsu You Yuan is an executive Director.
3. Mr. Chiao Ping Hai is a non-executive Director.
4. 64,140,040 Shares are held by Prosperity Electric Corporation (“**PEC**”) and 15,935,500 Shares are held by Prosperity Lamps & Components Limited (“**PLC**”). As at the date of this announcement, PLC is held as to 20% by PEC, as to 45% by Leigh Company Limited and as to 35% by independent third parties. Both PEC and Leigh Company Limited are wholly owned by Mr. Chong Kin Ngai, a non-executive Director. Mr. Chong also beneficially owns 2,449,500 Shares. In addition, Mr. Chong holds 33,841,250 Shares as trustee on behalf of certain Directors, members of the senior management and staff of the Group. Of the said 33,841,250 Shares, 3,133,500 Shares are held by Mr. Chong in trust for Ms. Zhang Liming, an executive Director and 2,659,375 Shares are held by Mr. Chong in trust for Mr. Hsu You Yuan, an executive Director.
5. Wafer Works Investment Corp. is a substantial Shareholder for the purpose for the Listing Rules. Wafer Works Corp. holds 360,358,822 Shares through its wholly owned subsidiary, Wafer Works Investment Corp.

As at the date of this announcement, save for the 21,169,163 outstanding share options granted under the Share Option Scheme, the Company has no outstanding derivatives, options, warrants, convertible rights or other similar rights which are convertible or exchangeable into Shares.

Public Float

The Company will be able to comply with the public float requirement under the Listing Rules immediately after completion of the TDR Issue.

FUND-RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not carried out any capital fund raising activities during the 12 months immediately preceding the date of this announcement.

DEFINITIONS

In this announcement, the following terms shall, unless the context otherwise requires, have the respective meanings assigned to them below:

“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	board of Directors
“Company”	Solargiga Energy Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liabilities, the shares of which are listed on the Hong Kong Stock Exchange
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Directors”	directors of the Company
“General Mandate”	the general mandate granted to the Directors pursuant to a resolution of the Shareholders of the Company passed at the annual general meeting held on 12 June 2009 pursuant to which the Directors are authorised to allot and issue up to a maximum of 339,996,300 Shares
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“New Shares”	100 million Shares to be issued as underlying securities for the purpose of the TDR Issue
“NT\$”	New Taiwan Dollars, the lawful currency of Taiwan
“Offer Price”	NT\$9.45 (equivalent to HK\$2.28), being the final price per TDR agreed upon by the Company and Taiwan Polaris Securities Corporation Limited on 4 December 2009
“Shareholders”	holders of Shares
“Share Option Scheme”	the share option scheme of the Company adopted on 27 February 2008
“Shares”	ordinary shares of HK\$0.10 each in the issued share capital of the Company
“Taiwan Central Bank”	The Central Bank of the Republic of China
“Taiwan Securities and Futures Bureau”	The Taiwan Financial Supervisory Commission, Securities and Futures Bureau
“Taiwan Stock Exchange”	Taiwan Stock Exchange Corporation
“TDR”	the Taiwan depositary receipts, each unit of which representing one Share, proposed to be issued by Mega International Commercial Bank Co., Ltd. as the depositary bank in Taiwan pursuant to the TDR Issue
“TDR Issue”	the issue of 100 million units of TDR (comprising 100 million New Shares as underlying securities)
“Underwriters”	collectively, Taiwan Polaris Securities Corporation Limited, Fubon Securities Co., Ltd. and Cathay Securities Corporation

“Underwriting Agreement”

the underwriting agreement entered into between the Company and Taiwan Polaris Securities Corporation Limited (for itself and on behalf of other Underwriters) on 4 December 2009 in connection with the TDR Issue

“%”

per cent.

For the purpose of this announcement, the exchange rate of HK\$1.00 = NT\$4.146 has been used for currency conversions. This is for the purpose of illustration only and does not constitute a representation that any amounts in HK\$ or NT\$ have been, could have been or may be converted at such rate or any other exchange rate.

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

Hong Kong, 4 December 2009

As at the date of this announcement, Mr. Tan Wenhua, Mr. Hsu You Yuan and Ms. Zhang Liming are the executive Directors. Mr. Chiao Ping Hai and Mr. Chong Kin Ngai are the non-executive Directors. Mr. Wong Wing Kuen, Albert, Ms. Fu Shuangye, Dr. Lin Wen and Mr. Zhang Chun are the independent non-executive Directors.