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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)

**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 by them pursuant to Rule 26 of the Takeovers Code as a result of the Conversions. The Vendors will apply to the Executive for the Whitewash Waiver pursuant to Note 1 of the Notes on Dispensations from Rule 26 of the Takeovers Code on the basis that, among other things, the Whitewash Waiver shall be subject to the approval by the Independent Shareholders at the EGM on a vote by way of poll whereby the Vendors, Mr. Tan, their respective associates and parties acting in concert with any one of them and those who are involved in or interested in the Acquisition, issuance of the Convertible Bonds and the Whitewash Waiver will abstain from voting.

GENERAL

An Independent Board Committee comprising Mr. Wong Wing Kuen, Albert, Ms. Fu Shuangye, Dr. Lin Wen and Mr. Zhang Chun, the independent non-executive Directors, has been formed to advise the Independent Shareholders as to the Whitewash Waiver. The two non-executive Directors, namely, Mr. Chiao Ping Hai and Mr. Chong Kin Ngai, have not been appointed as members of the Independent Board Committee as (i) Mr. Chiao Stephen Sun-Hai, who is beneficially interested in approximately 37.5% of the issued share capital of the Third Vendor, is the elder brother of Mr. Chiao Ping Hai, Mr. Chiao Ping Hai is an associate of Mr. Chiao Stephan Sun-Hai and is considered to have an interest in the Conversion and the Whitewash Waiver; and (ii) Mr. Chong is beneficially interested in 65% of the issued share capital of the Fourth Vendor, Mr. Chong is presumed to be a party acting in concert with the Fourth Vendor. The Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Conversion and the Whitewash Waiver in accordance with the Listing Rules and the Takeovers Code. Further announcement will be made immediately following the appointment of the independent financial adviser to the Independent Board Committee and the Independent Shareholders.

A circular containing, among other things, particulars of the Conversions, Whitewash Waiver, the recommendations of the Independent Board Committee, a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders and a notice convening the EGM is expected to be sent to the Shareholders on or before 20 April 2011.

Shareholders and potential investors should note that the Conversions are subject to the Conversion Conditions and may not proceed unless the Independent Shareholders approve the resolution regarding the Whitewash Waiver by way of poll and the Whitewash Waiver is granted by the Executive. Shareholders and potential investors are therefore reminded to exercise caution when dealings in the Shares and any other securities of the Company.

Reference is made to (i) the announcement of Solargiga Energy Holdings Limited dated 5 October 2010 in relation to, among other things, the entering into of a sale and purchase agreement dated 30 September 2010 for the proposed acquisition of 100% issued shares of Sino Light and the termination thereof; (ii) the announcements of the Company dated 5 November 2010, 9 December 2010, 7 January 2011, 7 February 2011 and 7 March 2011, respectively, made pursuant to Rule 13.09 of the Listing Rules and Rule 3.7 of the Takeovers Code; (iii) the announcement of the Company dated 9 November 2010 in relation to, among other things, the Acquisition and the Acquisition Agreement; (iv) the Circular in relation to, among other things, the Acquisition; and (v) the announcement of the Company dated 26 January 2011 in relation to the completion of the Acquisition.

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 the Vendors conditionally agreed to sell 100% of the issued shares in the capital of Sino Light for a total consideration of HK\$835,200,000, which will be satisfied in full by the issuance of the Convertible Bonds upon completion of the Acquisition. On 26 January 2011, an ordinary resolution was passed by the independent shareholders of the Company in its extraordinary general meeting approving, among other things, the Acquisition and the issuance of the Convertible Bonds and the Conversion Shares. On the same day, the Acquisition was completed and the Convertible Bonds were issued by the Company to the Vendors as consideration for the Acquisition. The Convertible Bonds are interest-free and have an outstanding principal amount of HK\$835,200,000 as at the date of this announcement, which are convertible into 435,000,000 Conversion Shares at the Conversion Price of HK\$1.92 per Conversion Share.

Under the terms and conditions of the Convertible Bonds, holders of the Convertible Bonds have the right to convert the Convertible Bonds into Shares at any time during the period commencing from the business day immediately after two months of the Issue Date and ending on the second anniversary of the Issue Date (both dates inclusive).

THE CONVERSIONS

On 31 March 2011, the Company has received conditional conversion letters from the respective Vendors stating that they shall exercise their respective rights to convert the Convertible Bonds in an aggregate principal amount of HK\$835,200,000 into Shares at the conversion price of HK\$1.92 per Conversion Share, subject to the conditions as stated in the paragraph headed "Conditions of the Conversions" below having been fulfilled.

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 converted in full, 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 total number of issued Shares is 1,807,170,425 Shares and the Vendors, Mr. Tan and parties acting in concert with any one of them hold an aggregate of 638,465,091 Shares, representing approximately 35.33% of the existing total issued share capital of the Company as at the date of this announcement. 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 Conversion) to approximately 47.88% (of the issued share capital of the Company as enlarged by the issue of Conversion Shares) upon the completion of the Conversions.

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):

	Immediately before completion of the Conversions (Note 1)		Immediately after completion of the Conversions (Note 1)	
	No. of Shares	%	No. of Shares	%
I. The Vendors, Mr. Tan and parties acting in concert with any one of them				
Directors				
Mr. Tan and his associates (Notes 2 & 3)	478,145,999	26.46	617,934,277	27.56
Mr. Chong and his associates (Notes 4, 5 & 6)	104,436,165	5.78	137,943,652	6.16
Mr. Hsu You Yuan (Note 7)	12,440,927	0.69	12,440,927	0.55
Mr. Chiao Ping Hai	6,135,500	0.34	6,135,500	0.27
Ms. Zhang Liming (Note 8)	3,133,500	0.17	3,133,500	0.14
Mr. Zhang Chun	–	–	–	–
Ms. Fu Shuangye	–	–	–	–
Dr. Lin Wen	–	–	–	–
Mr. Wong Wing Kuen, Albert	–	–	–	–
Vendors (other than the First Vendor and the Fourth Vendor)				
Second Vendor	–	–	67,624,534	3.02
Third Vendor	6,047,000	0.33	66,969,711	2.99
Fifth Vendor	27,996,000	1.55	49,751,674	2.22
Sixth Vendor (Note 9)	130,000	0.01	96,697,813	4.31
Seventh Vendor	–	–	14,833,503	0.66
Sub-total	638,465,091	35.33	1,073,465,091	47.88
II. Other non-public Shareholder				
WWIC (Note 10)	344,208,822	19.05	344,208,822	15.35
Sub-total	344,208,822	19.05	344,208,822	15.35

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

Notes:

- 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.
- 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 aggregate of 617,934,277 Shares will be held by Mr. Tan and his associates, of which, 475,761,999 Shares will be held by Mr. Tan, 2,384,000 Shares will be held by Mr. Tan's relatives and 139,788,278 Shares will be held by the First Vendor.
- As at the date of this announcement, six employees of the Group, namely Zhao Xiuzhen, Tan Wenge, Wang Jing, Gao Yu, Tan Wenxiang and Wang Jinsheng, who are the relatives of Mr. Tan and are considered parties acting in concert with Mr. Tan, are interested in an aggregate of 2,384,000 Shares, of which 1,788,000 Shares remain 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 their behalf.
- As at the date of this announcement, an aggregate of 104,436,165 Shares are held by Mr. Chong, his concert parties and his associates, of which, 2,449,500 Shares are held by Mr. Chong, 64,140,040 Shares are held by PEC, 15,935,500 Shares are held by the Fourth Vendor, 19,261,125 Shares are held by Mr. Chong as trustee, 1,100,000 Shares are held by Mr. Chong's spouse and 1,550,000 Shares are held by Mr. Chong's relatives and other associate(s). Upon completion of the Conversions, an aggregate of 137,943,652 Shares will be held by Mr. Chong, his concert parties and his associates, of which, 2,449,500 Shares will be held by Mr. Chong, 64,140,040 Shares will be held by PEC, 49,442,987 Shares will be held by the Fourth Vendor, 19,261,125 Shares will be held by Mr. Chong as trustee, 1,100,000 Shares are held by Mr. Chong's spouse and 1,550,000 Shares will be held by Mr. Chong's relatives and other associate(s).
- As at the date of this announcement, the Fourth Vendor is held as to 20% by PEC, 45% by Leigh Company Limited, as to 30% by Mr. Sam Wai Keung and as to 5% by Mr. Chong Yu Ka. Mr. Sam Wai Keung and Mr. Chong Yu Ka are both independent third parties under the Listing Rules but for the purpose of the Takeovers Code are considered to be parties acting in concert with the Fourth Vendor. Both PEC and Leigh Company Limited are wholly owned by Mr. Chong.
- Mr. Chong holds 26,058,625 Shares as trustee on behalf of certain directors, members of the senior management and staff of the Group, of which 2,350,125 Shares and 2,659,375 Shares are held by Mr. Chong in trust for Ms. Zhang Liming and Mr. Hsu You Yuan, both an executive Director, respectively, and 1,788,000 Shares are held by Mr. Chong in trust for the six employees mentioned in note 3 above.

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 Whitewash Waiver by the Executive pursuant to Note 1 of the Notes on Dispensations from Rule 26 of the Takeovers Code, be obliged to make a mandatory general offer for all the Shares not already owned or agreed to be acquired by them pursuant to Rule 26 of the Takeovers Code as a result of the issue of the Conversion Shares. The Vendors will apply to the Executive for the Whitewash Waiver pursuant to Note 1 of the Notes on Dispensations from Rule 26 of the Takeovers Code on the basis that, among other things, the Whitewash Waiver shall be subject to the approval by the Independent Shareholders at the EGM to be convened to consider and, if thought fit, approve the resolution in connection with the Whitewash Waiver on a vote by way of poll whereby the Vendors, Mr. Tan, their respective associates and parties acting in concert with any one of them and those who are involved in or interested in the Acquisition, issuance of Convertible Bonds and Whitewash Waiver will abstain from voting.

The Vendors and Mr. Tan have confirmed that (a) they and/or parties acting in concert with any one of them have not acquired voting rights attaching to the relevant securities (as defined in the Takeovers Code) of the Company and (b) there have been no disqualifying transactions as stipulated under paragraph 3 of Schedule VI to the Takeovers Code, within the six months period prior to the date of this announcement and up to and including the date of this announcement.

As at the date of this announcement, each of Mr. Tan, Mr. Hsu You Yuan and Mr. Chiao Ping Hai has an option to buy back 13,014,375 Shares, 2,080,000 Shares and 8,304,875 Shares, respectively, in which certain senior management and employees of the Group are interested in the event that any of them ceases to be employed by the Group within four years after the date of listing of the Company. Mr. Tan, Mr. Hsu You Yuan and Mr. Chiao Ping Hai also have security interests in these Shares pursuant to the share charges granted by the relevant employees to secure their obligations to pay for the purchase price of the Shares and their obligations to comply with the relevant regulatory requirements to which they are subject (if any).

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 and issued pursuant to the specific mandate granted to the Directors pursuant to an ordinary resolution passed by the Shareholders in the extraordinary general meeting of the Company held on 26 January 2011. The Listing Committee of the Stock Exchange has granted the approval in respect of the listing of, and permission to deal in, the Conversion Shares, subject to the conditions specified in the said approval.

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

The First Vendor, namely, You Hua Investment Corporation, is an investment holding company incorporated in the BVI and is beneficially and wholly owned by Mr. Tan, an executive Director and a substantial Shareholder of the Company and a connected person who is beneficially interested in approximately 26.33% of its issued share capital as at the date of this announcement.

The Second Vendor, namely, Wintek International Corp., is an investment holding company incorporated in Samoa and is beneficially and wholly owned by Ms. Hanako Hiramatsu, an independent third party under the Listing Rules but for the purpose of the Takeovers Code is considered to be a party acting in concert with the Second Vendor.

The Third Vendor, namely, Grand Sea Investments Limited, is an investment holding company incorporated in Samoa, the issued share capital of which is beneficially owned as to approximately 37.5% by Mr. Chiao Stephen Sun-Hai (the elder brother of Mr. Chiao Ping Hai who is a non-executive Director and the chairman of the Company) and as to approximately 62.5% by Ms. Chu Ko Pin, an independent third party under the Listing Rules but for the purpose of the Takeovers Code, both Mr. Chiao Stephen Sun-Hai and Ms. Chu Ko Pin are considered to be a party acting in concert with the Third Vendor.

The Fourth Vendor, namely, Prosperity Lamps & Components Limited, is a Hong Kong incorporated company beneficially owned as to 65% by companies wholly owned by Mr. Chong (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), as to 30% by Mr. Sam Wai Keung and as to 5% by Mr. Chong Yu Ka, both being independent third parties under the Listing Rules but for the purpose of the Takeovers Code are considered to be parties acting in concert with the Fourth Vendor. The principal business of the Fourth Vendor is trading of lighting equipment.

The Fifth Vendor, namely, Seaquest Ventures Inc., is an investment holding company incorporated in the BVI and is beneficially and wholly owned by Mr. Quintin Wu, an independent third party under the Listing Rules but for the purpose of the Takeovers Code is considered to be a party acting in concert with the Fifth Vendor.

The Sixth Vendor, namely, Lithium Energy Holdings Corporation, is an investment holding company incorporated in the BVI and is beneficially and wholly owned by Mr. Tam Wing Keung, an independent third party under the Listing Rules but for the purpose of the Takeovers Code is considered to be a party acting in concert with the Sixth Vendor.

The Seventh Vendor, namely, Sunvision Capital Investment Limited, is an investment holding company incorporated in Samoa and is beneficially and wholly owned by Mr. Liang-Chieh Huang, an independent third party under the Listing Rules but for the purpose of the Takeovers Code is considered to be a party acting in concert with the Seventh Vendor.

GENERAL

An EGM will be held for the Independent Shareholders to consider and, if thought fit, pass the resolution to approve the Whitewash Waiver by way of poll. 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 as at the date of this announcement and any persons who are involved or interested in the Acquisition, issuance of the Convertible Bonds and the Whitewash Waiver will abstain from voting at the EGM with respect of the resolution to approve the Whitewash Waiver.

An Independent Board Committee comprising Mr. Wong Wing Kuen, Albert, Ms. Fu Shuangye, Dr. Lin Wen and Mr. Zhang Chun, the independent non-executive Directors, has been formed to advise the Independent Shareholders on the Whitewash Waiver. The two non-executive Directors, namely, Mr. Chiao Ping Hai and Mr. Chong Kin Ngai, have not been appointed as members of the Independent Board Committee as (i) Mr. Chiao Stephen Sun-Hai, who is beneficially interested in approximately 37.5% of the issued share capital of the Third Vendor, is the elder brother of Mr. Chiao Ping Hai, Mr. Chiao Ping Hai is an associate of Mr. Chiao Stephan Sun-Hai and is considered to have an interest in the Conversions and the Whitewash Waiver; and (ii) Mr. Chong is beneficially interested in 65% of the issued share capital of the Fourth Vendor, Mr. Chong is presumed to be a party acting in concert with the Fourth Vendor. The Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Conversions and the Whitewash Waiver in accordance with the Listing Rules and the Takeovers Code. Further announcement will be made immediately following the appointment of the independent financial adviser to the Independent Board Committee and the Independent Shareholders.

A circular containing, among other things, particulars of the Conversions, Whitewash Waiver, the recommendations of the Independent Board Committee, a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders and a notice convening the EGM is expected to be sent to the Shareholders on or before 20 April 2011.

Shareholders and potential investors should note that the Conversions are subject to the Conversion Conditions and may not proceed unless the Independent Shareholders approve the resolution regarding the Whitewash Waiver by way of poll and the Whitewash Waiver is granted by the Executive. Shareholders and potential investors are therefore reminded to exercise caution when dealings in the Shares and any other securities of the Company.

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”	Seaquest 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 enquiries, beneficially and wholly owned by Mr. Quintin Wu, an independent third party under the Listing Rules but for the purpose of the Takeovers Code is considered to be a party acting in concert with the Fifth Vendor
“Fifth Warrantors”	Fifth Vendor together with Mr. Quintin Wu
“First Vendor”	You Hua Investment Corporation, an investment holding company incorporated in the BVI and is beneficially and wholly owned by Mr. Tan
“First Warrantors”	First Vendor together with Mr. Tan
“Fourth Vendor”	Prosperity Lamps & Components Limited, a Hong Kong incorporated company which is, as at the date of this announcement, to the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, beneficially owned as to 65% by companies wholly owned by Mr. Chong, and as to 30% and 5% respectively by Mr. Sam Wai Keung and Mr. Chong Yu Ka, both being independent third parties under the Listing Rules but for the purpose of the Takeovers Code are considered to be parties acting in concert with the Fourth Vendor. The principal business of the Fourth Vendor is trading of lighting equipment
“Fourth Warrantors”	Fourth Vendor together with Mr. Chong
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising Mr. Wong Wing Kuen, Albert, Ms. Fu Shuangye, Dr. Lin Wen and Mr. Zhang Chun, the independent non-executive Directors, established for the purpose of advising the Independent Shareholders on the issuance of the Conversion Shares and the Whitewash Waiver

“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, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Second Vendor”	Wintek International Corp., an investment holding company incorporated in Samoa and is, as at the date of this announcement, to the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, beneficially and wholly owned by Ms. Hanako Hiramatsu, an independent third party under the Listing Rules but for the purpose of the Takeovers Code is considered to be a party acting in concert with the Second Vendor
“Second Warrantors”	Second Vendor together with Ms. Hanako Hiramatsu
“Seventh Vendor”	Sunvision Capital Investment Limited, an investment holding company incorporated in Samoa and is, as at the date of this announcement, to the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, beneficially and wholly owned by Mr. Liang-Chieh Huang, an independent third party under the Listing Rules but for the purpose of the Takeovers Code is considered to be a party acting in concert with the Seventh Vendor

“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
“Sixth Vendor”	Lithium Energy Holdings Corporation, 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 enquiries, beneficially and wholly owned by Mr. Tam Wing Keung, an independent third party under the Listing Rules but for the purpose of the Takeovers Code is considered to be a party acting in concert with the Sixth Vendor
“Sixth Warrantors”	Sixth Vendor together with Mr. Tam Wing Keung
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Third Vendor”	Grand Sea Investments Limited, an investment holding company incorporated in Samoa, the issued share capital of which, as at the date of this announcement, to the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, is beneficially owned as to approximately 37.5% by Mr. Chiao Stephen Sun-Hai (the elder brother of Mr. Chiao Ping Hai who is a non-executive Director and the chairman of the Company) and as to approximately 62.5% by Ms. Chu Ko Pin, an independent third party under the Listing Rules but for the purpose of the Takeovers Code is considered to be a party acting in concert with the Third Vendor
“Third Warrantors”	Third Vendor together with Mr. Chiao Stephen Sun-Hai
“Vendors”	First Vendor, Second Vendor, Third Vendor, Fourth Vendor, Fifth Vendor, Sixth Vendor and Seventh Vendor
“Warrantors”	First Warrantors, Second Warrantors, Third Warrantors, Fourth Warrantors, Fifth Warrantors, Sixth Warrantors and Seventh Warrantors

“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 Ngai are non-executive directors of the Company and Ms. Fu Shuangye, Dr. Lin Wen, Mr. Wong Wing Kuen, Albert and Mr. Zhang Chun are independent non-executive directors of the Company.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.