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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)**

**OPEN OFFER OF 249,130,047 OFFER SHARES  
ON THE BASIS OF ONE OFFER  
SHARE FOR EVERY NINE EXISTING SHARES HELD ON THE RECORD DATE**

**Global Coordinator and Financial Adviser**



**永豐金證券(亞洲)有限公司**  
SinoPac Securities (Asia) Limited

## **PROPOSED OPEN OFFER**

The Company proposes to raise approximately HK\$93 million before expenses by way of an Open Offer, subject to the fulfillment of the Conditions Precedent, of 249,130,047 Offer Shares for subscription by the Qualifying Shareholders on the basis of one Offer Share for every nine existing Shares held by a Qualifying Shareholder on the Record Date for the Offer Shares at the Subscription Price payable in full on application and otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents.

Each of Mr. Tan and Mr. Hsu has given an irrevocable and unconditional undertaking respectively in favour of the Company to subscribe for all the Offer Shares he will be entitled under the Open Offer.

Save for the undertakings as disclosed above, the Board had not received any information or irrevocable undertaking from any other substantial Shareholders of their intention to take up the Offer Shares of the Company to be offered to them under the Open Offer.

The Open Offer is fully underwritten by the Underwriter.

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and must not be a Non-Qualifying Shareholder. The last day of dealings in the Shares on the Stock Exchange on a cum-entitlement basis will be Friday, 16 November 2012. The Shares will be dealt in on an ex-entitlement basis on the Stock Exchange from Monday, 19 November 2012. To qualify for the Open Offer, all transfers accompanied by the relevant share certificates must be lodged with the Registrar, for registration not later than 4:30 p.m. on Tuesday, 20 November 2012 according to the expected timetable.

The Qualifying Shareholders are not entitled to apply for the Offer Shares in excess of their assured allotments.

The gross proceeds of the Open Offer (before expenses) are approximately HK\$93 million. The estimated net proceeds of the Open Offer (after deducting the costs and expenses in relation to the Open Offer and the underwriting commission fees which are estimated to be around HK\$3.8 million) are expected to amount to approximately HK\$89.2 million. The net proceeds from the Open Offer will be entirely used to repay its current outstanding interest-bearing bank loans.

As at the date of this announcement, the Company does not have any outstanding derivatives, options, warrants, conversion or other similar rights which are convertible or exchangeable into Shares.

### **WARNING OF THE RISK OF DEALING IN THE SHARES**

**The Open Offer is conditional upon, inter alia, the fulfillment of the Conditions Precedent set out under the paragraph headed “Conditions of the Open Offer” in this announcement. Therefore, the Open Offer may or may not proceed. Any dealings in the Shares from the date of this announcement up to the date on which all the Conditions Precedent are fulfilled will accordingly bear the risk that the Open Offer may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealings in the Shares are recommended to consult their own professional advisers. Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares.**

### **GENERAL**

Since the Open Offer will not increase the issued share capital or the market capitalisation of the Company by more than 50% within the 12 month period immediately preceding this announcement, pursuant to Rule 7.24(5) of the Listing Rules, the Open Offer itself is not subject to the Shareholders’ approval.

The Company will send the Prospectus Documents containing, among other things, the Prospectus incorporating details of the Open Offer and the Application Form to the Qualifying Shareholders. The Prospectus together with the Overseas Letter, but not the Application Form, will be sent to the Non-Qualifying Shareholders (if any) for their information only.

### **PROPOSED OPEN OFFER**

On Friday, 2 November 2012 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriter in respect of the Open Offer and details of the Open Offer are set out below.

#### **Principal Terms of the Open Offer**

Basis of the Open Offer	: One Offer Share for every nine existing Shares held by a Qualifying Shareholder on the Record Date
Number of existing Shares in issue as at the date of this announcement	: 2,242,170,425 Shares
Number of Offer Shares	: 249,130,047 Offer Shares
Subscription Price	: HK\$0.375 per Offer Share

Underwriting arrangement	: Fully underwritten by the Underwriter
Number of Offer Shares undertaken to be taken up by Mr. Tan, You Hua Investment Corporation and Mr. Hsu in total	: 69,514,893 Offer Shares
Enlarged issued share capital upon completion of the Open Offer	: 2,491,300,472 Shares

As at the date of this announcement, the Company does not have any outstanding derivatives, options, warrants, conversion or other similar rights which are convertible or exchangeable into Shares.

The Open Offer is not subject to any Shareholders' approval and the Offer Shares are not issued under the general mandate granted to the Directors.

### **The Subscription Price**

The Subscription Price of HK\$0.375 per Offer Share will be payable in full on application. The Subscription Price represents:

- (a) a discount of approximately 16.67% to the closing price of HK\$0.45 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 15.16% to the average closing price of HK\$0.442 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day; and
- (c) a discount of approximately 15.73% to the average closing price of HK\$0.445 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day.

The Subscription Price was arrived at after due consideration by the Board with reference to, among other things, the prevailing market price of the Shares and the financial needs of the Company. The Group will apply all the net proceeds to repay its current outstanding interest-bearing bank loans. In view of the recent financial conditions of the Group as mentioned under the section headed "Reasons for the Open Offer and the use of proceeds" in this announcement, the Directors (including the independent non-executive Directors) consider that the proposed discount of the Subscription Price is appropriate. Each Qualifying Shareholder is entitled to subscribe for the Offer Shares at the same price in proportion to his/her/its existing shareholding in the Company. The Directors (including the independent non-executive Directors) consider the terms of the Open Offer is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **Status of the Offer Shares**

The Offer Shares, when allotted and issued, shall rank pari passu in all respects with the then existing Shares in issue on the date of allotment of the Offer Shares, including the right to receive all dividends and distributions which may be declared, made or paid on or after such date.

## **Fractions of the Offer Shares**

Fractional entitlements to the Offer Shares will not be issued to the Qualifying Shareholders but will be aggregated and taken up by the Underwriter. The Company will not allot any fractions of the Offer Shares.

## **Share certificates and Refund Cheques for the Offer Shares**

Subject to the fulfilment of the Conditions Precedent as set out in the section headed “Conditions of the Open Offer” in this announcement, share certificates for all fully-paid Offer Shares are expected to be posted on or before Friday, 14 December 2012 by ordinary mail to the Qualifying Shareholders who have validly accepted and applied for (where appropriate), and paid for the Offer Shares by 4:00 p.m. on Monday, 10 December 2012 at their own risk. If the Open Offer is terminated, refund cheques will be despatched on or before Friday, 14 December 2012 by ordinary post at the respective Shareholders’ own risk.

## **Qualifying Shareholders**

The Company will send (a) the Prospectus Documents to the Qualifying Shareholders; and (b) the Prospectus together with the Overseas Letter for information purpose only, to the Non-Qualifying Shareholders.

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and must not be a Non-Qualifying Shareholder.

The last day of dealings in the Shares on the Stock Exchange on a cum-entitlement basis will be Friday, 16 November 2012. The Shares will be dealt in on an ex-entitlement basis on the Stock Exchange from Monday, 19 November 2012. To qualify for the Open Offer, all transfers accompanied by the relevant share certificates must be lodged with the Registrar at,

Computershare Hong Kong Investor Services Limited  
Shops 1712–1716, 17/F, Hopewell Centre  
183 Queen’s Road East  
Wanchai, Hong Kong

for registration not later than 4:30 p.m. on Tuesday, 20 November 2012 according to the expected timetable.

The invitation to apply for the Offer Shares will not be transferable and there will be no trading in the nil-paid entitlements on the Stock Exchange.

## **Rights of Overseas Shareholders**

If at the close of business on the Record Date, a Shareholder's address on the Company's register of members is in a place outside of Hong Kong, that Shareholder may not be eligible to take part in the Open Offer. The Prospectus Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdiction other than in Hong Kong and Taiwan.

In compliance with Rule 13.36(2)(a) of the Listing Rules, the Directors will make enquiries as to whether the issue of Offer Shares to the Overseas Shareholder(s) may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory body or stock exchange.

If, after making such enquiries, the Directors are of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, not to offer the Offer Shares to such Overseas Shareholder(s), the Open Offer will not be extended to such Overseas Shareholders. The results of enquiries and the basis of any exclusion of the Overseas Shareholders will be included in the Prospectus. If they are excluded, the Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but the Company will not send any Application Form to the Non-Qualifying Shareholders.

The Offer Shares to which the Non-Qualifying Shareholders would have been entitled will be underwritten and taken up by the Underwriter.

## **No Application For Excess Offer Shares**

No application for excess Offer Shares will be available to any Qualifying Shareholders to apply for any entitlements of the Non-Qualifying Shareholders on the basis that each Qualifying Shareholder will have been given equal and fair opportunities to participate in the Company's future development by subscribing for his or her or its assured entitlements under the Open Offer. Any Offer Shares not taken up by Qualifying Shareholders and any aggregated fractional Offer Shares that may arise all of which will be taken up by the Underwriter.

**Those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled and the Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Open Offer.**

## **Closure of the Register of Members**

The register of members of the Company will be closed from Wednesday, 21 November 2012 to Friday, 23 November 2012 (both dates inclusive) for the purpose of determining entitlements of Qualifying Shareholders to the Open Offer as at the Record Date. No transfer of Shares will be registered during this book closure period.

Beneficial owners with their Shares held by a nominee company whose name appears on the register of members of the Company should note that the Board will regard such nominee company as a single Shareholder. Beneficial owners with their Shares held by such nominee company are advised to consider whether they would like to arrange registration of their

Shares in their own names prior to the relevant book closure period. Beneficial owners should consult their professional advisers if they are in any doubt as to whether they should register their shareholding in their own names.

## **REASONS FOR THE OPEN OFFER 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 the PRC. The Group is principally engaged in (a) manufacturing and sales of monocrystalline and multicrystalline silicon solar ingots and wafers; (b) processing of silicon solar ingots and wafers; (c) manufacturing and sales of photovoltaic cells and modules; and (d) design and installation of photovoltaic systems.

The Group has encountered difficulties in its businesses and suffered a significant deterioration in financial performance since 2012. Based on the unaudited results of the Company for the six months ended 30 June 2012 as set out in the Company's interim report, the Group recorded a loss attributable to Shareholders of approximately RMB685.5 million, as compared to a profit attributable to Shareholders of approximately RMB113.3 million in the corresponding period in 2011, and the Group recorded a significant loss of approximately RMB663.4 million (before taxation) in the first half of 2012, as compared to a profit of approximately RMB140.2 million (before taxation) in the corresponding period in 2011. As set out in the annual report of the Company for the year ended 31 December 2011, the Group recorded an audited profit attributable to Shareholders of approximately RMB44.2 million, as compared to an audited profit attributable to Shareholders of approximately RMB211.4 million for the year ended 31 December 2010.

The Directors consider additional bank borrowings for the above capital requirements will increase the Group's overall gearing ratio and burden the Group with increased interest expenses, thereby exposing the Group to greater financial risk. As such, the Directors are of the view that the Open Offer is in the interest of the Group as the increase in the capital base of the Group would strengthen the financial position of the Group in the face of a challenging operating environment in the solar industry.

The estimated net proceeds from the Open Offer will be approximately HK\$89.2 million (after deducting the costs and expenses in relation to the Open Offer). The Group will apply all the net proceeds to repay its current outstanding interest-bearing bank loans.

The estimated expenses in relation to the Open Offer, including financial, legal and other professional advisory fees, printing and translation expenses, of approximately HK\$3.8 million, will be borne by the Company. The Directors have considered other alternative fund raising methods such as offer of new shares and bank borrowings and consider that the Open Offer has the benefits of allowing the Qualifying Shareholders to maintain their respective pro rata shareholdings if they take up their entitled Offer Shares and participate in the future growth of the Group.

After considering the recent financial needs and condition of the Company, the Directors (including the independent non-executive Directors) believe that the Open Offer is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

No odd lot matching services will be provided by the Company in respect of the Open Offer.

## UNDERWRITING ARRANGEMENT

- Date : Friday, 2 November 2012 (after trading hours)
- Issuer : The Company
- Underwriter : Hiramatsu International Corp., an investment holding company incorporated in Samoa, which, to the best of the Directors' information, knowledge and belief and having made reasonable enquiry, is owned by Independent Third Parties. Hiramatsu International Corp. currently holds 7,183,000 Shares, representing approximately 0.32% of the Shares in issue as at the date of this announcement
- Number of Underwritten Shares : The Open Offer will be fully underwritten by the Underwriter and the number of Underwritten Shares is up to 248,331,936 Offer Shares (assuming no Qualifying Shareholders takes up any of the Offer Shares and the Underwriter takes up 798,111 Offer Shares that it is entitled under the Open Offer) and up to 178,817,043 Offer Shares (assuming no Qualifying Shareholders take up their entitlements under the Open Offer except that Mr. Tan, You Hua Investment Corporation, Mr. Hsu and the Underwriter take up their entitlements of 70,313,004 Offer Shares in total under the Open Offer). The Underwriter shall subscribe 798,111 Offer Shares which it is entitled under the Open Offer (which for the avoidance of doubt bears no underwriting commission)
- Commission : 1.5% of the aggregate Subscription Price of the Underwritten Shares as determined on the Record Date

The commission rate was determined after arm's length negotiation between the Company and the Underwriter by reference to the existing financial position of the Company, the size of the Open Offer, and the current and expected market condition. The Board considers the terms of the Underwriting Agreement including the commission rate are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for the holding of 7,183,000 Shares, representing approximately 0.32% of the Shares in issue as at the date of this announcement, the Underwriter, its ultimate beneficial owners and their respective associates are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

The Open Offer will be fully underwritten by the Underwriter. Any Offer Share not taken up by the Qualifying Shareholders will be underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement.

Upon completion of the Open Offer in accordance with the terms of the Underwriting Agreement, the public float requirement under the Listing Rules will be complied with.

### **Termination of the Underwriting Agreement**

The Underwriting Agreement contains provisions entitling the Underwriter, by notice in writing, to terminate its obligations thereunder on the occurrence of certain events. If, at any time prior to the Latest Time for Termination (i.e. 4:00 p.m. on Wednesday, 12 December 2012 pursuant to the expected timetable), one or more of the following events or matters (whether or not forming part of a series of events) shall occur, arise, exist, or come into effect:

- (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which would in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer.
- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (c) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which would in the reasonable opinion of the Underwriter materially or adversely affect the business or the financial or trading position or prospects of the Group as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (d) there is any change in the circumstances of the Company or any member of the Group which in the reasonable opinion of the Underwriter will adversely affect the prospects of the Group as a whole; or
- (e) any breach of or omits to observe any of the obligations or undertakings by the Company expressed to be assumed it under the Underwriting Agreement; or
- (f) any material breach of any of the warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter and which in the reasonable opinion of the Underwriter represents or is likely to represent a material and adverse change in the business, financial or trading position or prospectus of the Group as a whole or is otherwise likely to have a material and adverse effect on the Open Offer is materially adverse to the success of the Open Offer; or

- (g) the Company shall, after any matter or event referred to in the Underwriting Agreement has occurred or come to the Underwriter's attention, fail promptly to send out any announcement or circular (after the despatch of the Prospectus Documents), in such manner (and as appropriate with such contents) as the Underwriter may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

Upon the giving of termination notice by the Underwriter, the obligations of all parties, subject to the Underwriting Agreement, shall terminate forthwith and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

### **CONDITIONS OF THE OPEN OFFER**

The Open Offer is subject to the Underwriting Agreement having become unconditional and not being terminated in accordance with its terms. The Open Offer is conditional upon the following Conditions Precedent being fulfilled:

- (a) the delivery to the Stock Exchange for authorisation and the registration with the Registrar respectively of the Prospectus Documents (and all other documents required to be attached thereto) in accordance with the requirements under the Companies Ordinance and the Listing Rules;
- (b) the posting of the Prospectus Documents to the Qualifying Shareholders;
- (c) the Listing Committee of the Stock Exchange agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, the Offer Shares; and
- (d) compliance by the Company with all its obligations under the Underwriting Agreement.

In the event that the any of the conditions has not been satisfied and/or waived (where applicable) in whole or in part by the Underwriter on or before the Prospectus Posting Date or such later date as the Underwriter and the Company may agree in writing), all liabilities of the parties hereto shall cease and determine and no party shall have any claim against the other parties save for any antecedent breach of this Agreement.

If the Underwriting Agreement is terminated, the Open Offer will not proceed.

### **Undertakings**

#### *Undertaking given by Mr. Tan*

As at the date of this announcement, You Hua Investment Corporation holds 139,788,278 Shares. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the entire issued share capital of You Hua Investment Corporation is wholly and beneficially owned by Mr. Tan, an executive Director and chairman of the Company.

Mr. Tan also directly holds 475,761,999 Shares in his own personal capacity.

On 2 November 2012, Mr. Tan has given an irrevocable and unconditional undertaking in favour of the Company:

- (1) to subscribe for or procure subscriptions of not less than an aggregate of 68,394,474 Offer Shares of which he and You Hua Investment Corporation are entitled under the Open Offer;
- (2) that the Shares that are beneficially owned by him and You Hua Investment Corporation will remain registered in the same name, respectively, at the close of business on the Record Date up to and including the date on which the Open Offer has become unconditional;
- (3) not to, and procure You Hua Investment Corporation not to, dispose of or transfer any Shares held by each of them from the date of the Tan's Undertaking up to and including the date on which the Open Offer has become unconditional; and
- (4) not to dispose of, or transfer his interest in You Hua Investment Corporation from the date of the Tan's Undertaking up to and including the date on which the Open Offer has become unconditional;

*Undertaking given by Mr. Hsu*

To the best of the Directors knowledge, information and belief having made all reasonable enquiries, Mr. Hsu directly holds 10,083,778 Shares in his personal capacity.

On 2 November 2012, Mr. Hsu has given an irrevocable and unconditional undertaking in favour of the Company:

- (1) to subscribe for not less than 1,120,419 Offer Shares of which he is entitled under the Open Offer;
- (2) the Shares that are beneficially owned by him will remain registered in the same name at the close of business on the Record Date up to and including the date on which the Open Offer has become unconditional; and
- (3) not to dispose of or transfer any Shares held by him from the date of the Hsu's Undertaking up to and including the date on which the Open Offer has become unconditional;

Save for the undertakings as disclosed above, the Board had not received any information or irrevocable undertaking from any substantial Shareholders of their intention to take up the securities of the Company to be offered to them under the Open Offer.

## CHANGES IN SHAREHOLDING STRUCTURE

Shareholders	As at the date of this announcement		Immediately after the completion of Open Offer (assuming no Qualifying Shareholders, except for Mr. Tan, You Hua Investment Corporation and Mr. Hsu taking up their entitlements of 69,514,893 Offer Shares in total under the Open Offer; the Underwriter taking up his entitlement of 798,111 Offer Shares and the 178,817,043 Underwritten Shares, would take up his/her/its entitlements under the Open Offer)		Immediately after the completion of Open Offer (assuming all Qualifying Shareholders shall take up his/her/its entitlements under the Open Offer)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Mr. Tan	475,761,999	21.22%	528,624,443	21.22%	528,624,443	21.22%
You Hua Investment Corporation (note 1)	139,788,278	6.23%	155,320,308	6.23%	155,320,308	6.23%
Mr. Hsu (note 2)	10,083,778	0.45%	11,204,197	0.45%	11,204,197	0.45%
Underwriter	7,183,000	0.32%	186,798,154	7.50%	7,981,114	0.32%
Other non-public Shareholders (note 2)	456,605,090	20.36%	456,605,090	18.33%	507,338,988	20.36%
Other Public Shareholders (excluding the Underwriter)	1,152,748,280	51.41%	1,152,748,280	46.27%	1,280,831,422	51.41%
<b>Total</b>	<b>2,242,170,425</b>	<b>100.00%</b>	<b>2,491,300,472</b>	<b>100.00%</b>	<b>2,491,300,472</b>	<b>100.00%</b>

### Notes:

1. You Hua Investment Corporation is wholly owned by Mr. Tan.
2. As at the date of this announcement, other non-public Shareholders consist of:
  - (a) Wafer Works Investment Corp which is a substantial Shareholder holding 313,881,822 Shares;
  - (b) Mr. Chiao Ping Hai who is a non-executive Director holding 6,135,500 Shares;
  - (c) Ms. Zhang Liming who is an executive Director holding 783,375 Shares; and
  - (d) Mr. Chong Kin Ngai (“Mr. Chong”) who is a connected person of the Company under Rule 14A.11(2) of the Listing Rules (on the basis that Mr. Chong Kin Ngai has resigned as a non-executive Director on 1 December 2011) holding an aggregate of 135,804,393 Shares, of which (i) 2,449,500 Shares are directly held by Mr. Chong; (ii) 1,100,000 Shares are held by Mr. Chong’s spouse; (iii) 110,793,433 Shares are held by companies controlled by Mr. Chong; and (iv) 21,461,460 Shares are held by Mr. Chong as trustee on behalf of certain Directors, members of the senior management and staff of the Group (inclusive of 2,350,125 Shares held by Mr. Chong in trust for Ms. Zhang Liming, an executive Director and 2,659,375 Shares held by Mr. Chong in trust for Mr. Hsu, an executive Director).

## WARNING OF THE RISK OF DEALING IN THE SHARES

**The Open Offer is conditional upon, inter alia, the fulfillment of the Conditions Precedent set out under the paragraph headed “Conditions of the Open Offer” in this announcement. Therefore, the Open Offer may or may not proceed. Any dealing in the Shares from the date of this announcement up to the date on which all the Conditions Precedent are fulfilled will accordingly bear the risk that the Open Offer may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealings in the Shares are recommended to consult their own professional advisers. Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares.**

## EXPECTED TIMETABLE

The expected timetable for the Open Offer set out below is indicative only and it has been prepared on the assumption that all the Conditions Precedent will be fulfilled. The expected timetable for the Open Offer is set out below:

The expected timetable for the Open Offer is set out below:

**2012**

Last day of dealing in Shares on cum-entitlement basis of the Open Offer	Friday, 16 November
Ex-date (the first day of dealings in Shares on ex-entitlement basis of the Open Offer)	Monday, 19 November
Latest time for lodging transfers of shares in order to qualify for the Open Offer	4:30 p.m. on Tuesday, 20 November
Register of members closes (both days inclusive)	Wednesday, 21 November to Friday, 23 November
Record Date	Friday, 23 November
Register of members re-opens	Monday, 26 November
Despatch of the Prospectus Documents	Monday, 26 November
Latest time for Acceptance and payment for the Offer Shares	4:00 p.m. on Monday, 10 December
Latest time for Termination of the Underwriting Agreement by the Underwriter	4:00 p.m. on Wednesday, 12 December
Announcement of the results of the Open Offer	Thursday, 13 December
Despatch of share certificates for Offer Shares	Friday, 14 December
Despatch of refund cheques if the Open Offer is terminated	Friday, 14 December
Expected first day of dealing in Offer Shares on the Stock Exchange	Monday, 17 December

## **APPLICATION FOR LISTING**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares. Dealings in the Offer Shares will be subject to the payment of stamp duty, Stock Exchange trading fee and any other applicable fees and charges in Hong Kong. Save as the Company listed 100,000,000 units of TDR on the Taiwan Stock Exchange Corporation as at the date of this announcement and each unit of TDR represents one Share, none of the securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is proposed to be sought. Relevant documents will be filed with the Taiwan Stock Exchange Corporation and the Central Bank of the Republic of China (Taiwan) in accordance with the applicable laws and regulations of Taiwan.

Subject to the granting of listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

## **FUND RAISING EXERCISE OF THE COMPANY IN THE PAST TWELVE MONTHS**

The Company did not conduct any fund raising exercise during the past twelve months immediately preceding the date of this announcement.

## **GENERAL**

Since the Open Offer will not increase the issued share capital or the market capitalisation of the Company by more than 50% within the 12 month period immediately preceding this announcement, pursuant to Rule 7.24(5) of the Listing Rules, the Open Offer itself is not subject to the Shareholders' approval.

The Company will send the Prospectus Documents containing, among other things, the Prospectus incorporating details of the Open Offer and the Application Form to the Qualifying Shareholders. The Prospectus together with the Overseas Letter, but not the Application Form, will be sent to the Non-Qualifying Shareholders (if any) for their information only.

## **DEFINITIONS**

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Application Form”	the form of application for use by the Qualifying Shareholders to apply for the Offer Shares in the agreed form
“associates”	has the meaning ascribed to it in the Listing Rules

“Board”	the board of Directors or a duly authorised committee thereof
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which the Stock Exchange is open for the business of dealing in securities
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)
“Company”	Solargiga Energy Holdings Limited, a company incorporated in the Cayman Islands with limited liability of which its issued Shares are listed on the main board of the Stock Exchange
“Conditions Precedent”	the conditions precedent of the Underwriting Agreement as set out in the section headed “Conditions of the Open Offer”
“connected persons”	has the meaning ascribed to it in the Listing Rules
“Directors”	the directors of the Company for the time being
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hsu’s Undertaking”	an irrevocable and unconditional undertaking given by Mr. Hsu in favour of the Company
“Independent Third Party”	to the best knowledge, information and belief and having made all reasonable enquiries by the Directors, the party and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company
“Last Trading Day”	2 November 2012, being the last day of dealing of the Shares on the Stock Exchange prior to the publication of this announcement
“Latest Time for Acceptance”	being ten Business Days after the Prospectus Posting Date, which is expected to be 4:00 p.m. on Monday, 10 December 2012 or such later date as the Company and the Underwriter may agree as the latest time for acceptance of the application and payment for the Offer Shares

“Latest Time for Termination”	being 4:00 p.m. on the second Business Day following (but excluding) the Latest Time for Acceptance, i.e. Wednesday, 12 December 2012 or such later time or date as may be agreed in writing between the Underwriter and the Company, being the latest time for the Underwriter to terminate the Underwriting Agreement
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Hsu”	Mr. Hsu You Yuan, an executive Director of the Company
“Mr. Tan”	Mr. Tan Wenhua, an executive Director and the Chairman of the Company
“Non-Qualifying Shareholders”	those Overseas Shareholders to whom the Company considers it necessary or expedient not to offer the Offer Shares where, in the opinion of the Board (having obtained relevant and necessary legal opinions), it would or might be unlawful or impracticable to offer the Offer Shares in such places on account of any legal or regulatory restrictions or special formalities in such places
“Offer Shares”	249,130,047 new Shares to be issued pursuant to the Open Offer
“Open Offer”	the issue by way of an open offer, subject to the fulfillment of the Conditions Precedent, 249,130,047 Offer Shares for subscription by the Qualifying Shareholders on the basis of one Offer Share for every nine existing Shares held by a Qualifying Shareholder on the Record Date for the Offer Shares at the Subscription Price payable in full on application and otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Overseas Letter”	a letter from the Company to the Non-Qualifying Shareholders explaining the circumstances in which the Non-Qualifying Shareholders are not permitted to participate in the Open Offer
“Overseas Shareholders”	Shareholders with registered addresses as shown in the register of members of the Company on the Record Date which are outside Hong Kong

“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus to be issued by the Company relating to the Open Offer
“Prospectus Documents”	the Prospectus and the Application Form
“Prospectus Posting Date”	Monday, 26 November 2012 or such later date as may be agreed in writing between the Underwriter and the Company for the despatch of the Prospectus Documents to the Qualifying Shareholders and the Prospectus, for information purpose only, to the Non-Qualifying Shareholders
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	Friday, 23 November 2012 or such other date as may be agreed in writing between the Company and the Underwriter for the determination of the entitlements under the Open Offer
“Registrar”	the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Shares”	shares of HK\$0.10 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the issue price of HK\$0.375 per Offer Share at which the Offer Shares are proposed to be offered for subscription under the Open Offer
“subsidiary”	has the same meaning ascribed thereto in section 2 of the Companies Ordinance and “subsidiaries” shall be construed accordingly
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers
“Tan’s Undertaking”	an irrevocable and unconditional undertaking given by Mr. Tan in favour of the Company

“TDR”	the Taiwan depository receipts, each unit of which representing one Share, issued by Mega International Commercial Bank Co., Ltd and listed on the Taiwan Stock Exchange Corporation on 11 December 2009
“Undertakings”	collectively, Tan’s Undertaking and Hsu’s Undertaking
“Underwriter”	Hiramatsu International Corp., an investment holding company incorporated in Samoa which, to the best of the Directors’ information, knowledge and belief and having made reasonable enquiry, is owned by Independent Third Parties
“Underwriting Agreement”	the underwriting agreement dated 2 November 2012 between the Company and the Underwriter in relation to the underwriting of the Underwritten Shares and other arrangements in respect of the Open Offer
“Underwritten Shares”	the Offer Shares that the Underwriter has agreed to subscribe or procure subscribers or sub-underwriters to subscribe for, which are not subscribed by the respective Qualifying Shareholders
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By Order of the Board  
**Solargiga Energy Holdings Limited**  
**Tan Wenhua**  
*Chairman*

Hong Kong, 2 November 2012

*Should there be any inconsistency between the English and the Chinese versions of this announcement, the English version shall prevail.*

*As at the date of this announcement, Mr. Tan Wenhua (Chairman), Mr. Hsu You Yuan, Ms. Zhang Liming and Mr. Tan Xin are executive Directors. Mr. Chiao Ping Hai is a non-executive Director. Mr. Wong Wing Kuen, Albert, Ms. Fu Shuangye, Dr. Lin Wen and Mr. Zhang Chun are independent non-executive Directors.*