

If you are in any doubt

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DEFINITIONS

In this circular, unless the context otherwise requires, the following definitions shall apply:

“AGM”	the annual general meeting of the Company to be convened and held at Annapurna Room, Pacific Place Conference Centre, 5/F One Pacific Place, 88 Queensway, Hong Kong on Friday, 12 June 2009 at 4:00 p.m., or any adjournment thereof and the notice of which is set out on pages 38 to 42 of this circular
“Articles of Association”	the articles of association of the Company (as amended from time to time)
“associate(s)”	has the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Solargiga Energy Holdings Limited (陽光能源控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Framework Agreement”	an agreement dated 17 April 2009 between the Company and Jinzhou Aoke in connection with the Sale Transaction, the Purchase Transactions and the termination of the Processing Agreement
“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 the independent non-executive Directors, which has been appointed by the Board to advise the Independent Shareholders on the Sale Transactions and the Purchase Transactions

DEFINITIONS

“Independent Financial Adviser”	Mitsubishi UFJ Securities (HK) Capital, Limited, the independent financial adviser which has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Sale Transactions and the Purchase Transactions
“Independent Shareholders”	the Shareholders other than Mr. Tan and his associates
“Independent Third Party(ies)”	a person or company who or which is, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, not connected with the Company and its connected persons
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the powers of the Company to allot, issue and deal with new Shares and securities convertible into Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the ordinary resolution in relation thereof
“Jinzhou Aoke”	Jinzhou Aoke New Materials Co., Ltd.* (錦州奧克新材料有限公司), a company incorporated in the PRC
“Jinzhou Aoke Group”	Jinzhou Aoke and its subsidiaries
“Jinzhou Yuexin”	Jinzhou Yuexin Silicon Materials Co., Ltd.* (錦州悅鑫硅材料有限公司), a company incorporated in the PRC and wholly owned by Mr. Tan
“Latest Practicable Date”	27 April 2009, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Tan”	Mr. Tan Wenhua, an executive Director, a Shareholder and a connected person of the Company

* English as a subsidiary Chinese official identifier

DEFINITIONS

“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, Macau and Taiwan
“Processing Agreement”	the processing agreement dated 12 August 2008 entered into between the Company and Jinzhou Aoke, the details of which were set out in the Company’s circular dated 2 September 2008
“Processed Materials”	recycled abrasives and mineral oil which are the essential materials for the slicing of solar ingots into solar wafers
“Purchase Caps”	the annual transaction amount of the Purchase Transactions for the three years ending 31 December 2011
“Purchase Transactions”	the transactions in connection with the purchase of the Processed Materials in accordance with the Framework Agreement
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the powers of the Company to repurchase the fully paid-up Shares up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the ordinary resolution in relation thereof
“RMB”	Renminbi, the lawful currency of PRC
“Sale Caps”	the annual transaction amounts under the Sale Transactions for the three years ending 31 December 2011
“Sale Transactions”	the transactions in connection with the sale of wire slurry in accordance with the Framework Agreement
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong
“wire slurry”	wire slurry generated in the manufacturing process of solar wafers which can be reprocessed to produce the Processed Materials
“%”	per cent.



LETTER FROM THE BOARD

recommendations of the Independent Board Committee on the terms of the Sale Transactions and the Purchase Transactions, and to give the Shareholders the notice of the AGM.

REPURCHASE MANDATE

At the last annual general meeting of the Company held on 22 May 2008, a general mandate was granted to the Directors to exercise the power of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the AGM. An ordinary resolution will be proposed at the AGM to grant the Repurchase Mandate to the Directors to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution approving the Repurchase Mandate at the AGM. An explanatory statement as required under the Listing Rules to provide further information of the Repurchase Mandate is set out in Appendix I to this circular.

ISSUE MANDATE AND EXTENSION OF THE ISSUE MANDATE

At the AGM, an ordinary resolution will be proposed that the Directors be given the Issue Mandate in order to ensure flexibility to the Directors to issue new Shares. As at the Latest Practicable Date, a total of 1,690,766,500 Shares were in issue. Subject to the passing of the proposed ordinary resolution approving the Issue Mandate and on the basis that there is no further change to the issued share capital of the Company from the Latest Practicable Date and up to the date of the AGM, the exercise of the Issue Mandate in full would result in issuing up to a maximum of 338,153,300 Shares, representing 20% of the total number of Shares in issue as at the date of passing of the resolution in relation to the Issue Mandate at the AGM. In addition, an ordinary resolution will also be proposed to extend the Issue Mandate by adding to it the number of such Shares repurchased under the Repurchase Mandate.

RE-ELECTION OF DIRECTORS

In accordance with Article 87 of the Articles of Association, Mr. WONG Wing Kuen, Albert, Ms. FU Shuangye and Dr. LIN Wen, being the independent non-executive Directors, will retire and, being eligible, will offer themselves for re-election at the AGM. The biographical details of these Directors are set out in Appendix II to this circular.

CONTINUING CONNECTED TRANSACTIONS

Background

Reference is made to the Company's circular dated 2 September 2008 in relation to, among other things, the Processing Agreement and the Company's announcement dated 17 April 2009 in relation to the Sale Transactions and the Purchase Transactions.

On 12 August 2008, the Company entered into the Processing Agreement with Jinzhou Aoke whereby the Company agreed to engage, or procure its subsidiaries to engage, Jinzhou Aoke and/or its subsidiaries for processing of wire slurry into recycled abrasives and mineral oil, materials necessary for the slicing of solar ingots into solar wafers.

Following a recent discussion with Jinzhou Aoke concerning the latest development of the business model of Jinzhou Aoke, the Company and Jinzhou Aoke agreed to enter into the Framework Agreement. For more details for the reasons of entering into the Framework Agreement, please refer to the section headed “Reasons for the Sale Transactions and the Purchase Transactions” below.

The Framework Agreement

On 17 April 2009, the Framework Agreement was entered into between the Company and Jinzhou Aoke, a company incorporated in the PRC and owned as to 35% by Jinzhou Yuexin (a PRC company wholly owned by Mr. Tan, an executive Director) and as to 65% by Independent Third Parties. Details of the Framework Agreement are set out below:

1. The Sale Transactions

- (a) Pursuant to the Framework Agreement, subject to the Sale Transactions having been approved by the Independent Shareholders in accordance with the Listing Rules, the Company agreed to sell, or procure its subsidiaries to sell and Jinzhou Aoke agreed to purchase, or procure its subsidiaries to purchase, wire slurry.
- (b) The basis of determining the prices for the Sale Transactions will be in accordance with the prevailing market price of wire slurry. Payment terms for the Sale Transactions will be determined based on normal commercial terms to be agreed after arm’s length negotiations between the Group and the Jinzhou Aoke Group from time to time, including without limitation, payment by cash on delivery, payment with a credit term ranging from 30 to 90 days, etc. Other business terms of the Sale Transactions will be determined on an individual purchase order basis and the terms of which will be on normal commercial terms and no less favourable to the Company than terms available to or from Independent Third Parties.
- (c) For each of the th-244.6(39.9(089(y)19.eShar)19.s(r)-244.6nludinr)-244.31nr
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LETTER FROM THE BOARD

expected transaction amounts under the Sale Transactions will increase substantially in the coming three years due to the expected increase in the Group's production capacity of solar wafers and hence the amount of wire slurry available for sale under the Sale Transactions for the three years ending 31 December 2011. The bases of determining the Sale Caps are set out in paragraph (e) below.

- (e) Wire slurry are generated in the manufacturing process of solar wafers. Hence, the higher the production capacity of solar wafers, the higher the amount of wire slurry available for sale. The Sale Caps are determined by reference to (i) the anticipated increase in wafer production capacities arising from an expansion in the Group's manufacturing bases which are, subject to the prevailing market conditions, expected to reach approximately 99 million, 200 million and 325 million pieces of wafer by end of 2009, 2010 and 2011, respectively; (ii) the anticipated increase in Jinzhou Aoke's demand for wire slurry; and (iii) the average market price of wire slurry sold to an Independent Third Party and Jinzhou Aoke in 2008.

2. The Purchase Transactions

- (a) Pursuant to the Framework Agreement, subject to the Purchase Transactions having been approved by the Independent Shareholders in accordance with the Listing Rules, Jinzhou Aoke agreed to sell, or procure its subsidiaries to sell, and the Company agreed to purchase, or procure its subsidiaries to purchase, the Processed Materials.
- (b) The basis of determining the prices for the Purchase Transactions will be in accordance with the prevailing market price of the Processed Materials. Payment terms for the Purchase Transactions will be determined based on normal commercial terms to be agreed after arm's length negotiations between the Group and Jinzhou Aoke Group from time to time, including without limitation, payment by cash on delivery, payment with a credit term ranging from 30 to 90 days, etc. Other business terms of the Purchase Transactions will be determined on an individual purchase order basis and the terms of which will be on normal commercial terms and no less favourable to the Company than terms available to or from Independent Third Parties.
- (c) For each of the three years ending 31 December 2011, the Purchase Caps will not exceed:
 - (i) RMB53 million for the year ending 31 December 2009;
 - (ii) RMB107 million for the year ending 31 December 2010; and
 - (iii) RMB174 million for the year ending 31 December 2011.

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- (d) Abrasives and mineral oil are essential materials for the slicing of solar ingots into solar wafers. Hence, the higher the production capacity of solar wafers, the higher the amount of the Group's requirements of the Processed Materials. The Purchase Caps are determined by reference to (i) the actual quantity of abrasives and mineral oil used by the Group in 2008; (ii) the anticipated increase in wafer production capacities arising from an expansion in the Group's manufacturing bases which are, subject to the prevailing market conditions, expected to reach approximately 99 million, 200 million and 325 million pieces of wafer by end of 2009, 2010 and 2011, respectively; (iii) the estimated quantity of recycled abrasives and mineral oil to be purchased from Jinzhou Aoke; (iv) the average recycled rate of abrasives and mineral oil, respectively and hence the estimated quantity of recycled abrasives and mineral oil to be produced by Jinzhou Aoke from the processing of wire slurry to be supplied by the Group; and (v) the estimated price of recycled abrasives and mineral oil to be purchased from Jinzhou Aoke which are determined by reference to the market price of brand new abrasives and mineral oil purchased from Independent Third Parties and the processing fee of wire slurry charged by Independent Third Parties.

3. Conditions Precedent

The Sale Transactions and the Purchase Transactions contemplated under the Framework Agreement are subject to approval by the Independent Shareholders in the AGM.

4. Term

Subject to the Sale Transactions and the Purchase Transactions having been approved by the Independent Shareholders, the Framework Agreement will take effect from 17 April 2009 and will expire on 31 December 2011.

5. Termination of the Processing Agreement

The Processing Agreement will be terminated upon the signing of the Framework Agreement.

Reasons for the Sale Transactions and the Purchase Transactions

As stated in the circular of the Company dated 2 September 2008, the Group has entered into agreement with Jinzhou Aoke for processing of wire slurry into the Processed Materials for the slicing of solar ingots into solar wafers at a processing fee payable by the Group.

LETTER FROM THE BOARD

At the time when the Processing Agreement was entered in August 2008, Jinzhou Aoke was principally engaged in the recycling and processing of wire slurry sourced mainly from the Group at that time. Subsequently, the Company was informed that the scope of Jinzhou Aoke's business has been enlarged to include the sale of Processed Materials in addition to its processing business, and that Jinzhou Aoke has since then commenced its operation for the sale of the Processed Materials to other third parties aside from the Group. The specifications of the Processed Materials sold to other third parties are not typically required by the Group.

The Sale Transactions will provide an additional income source to the Group while the Purchase Transactions would enable the Group to adopt a flexible purchase policy to purchase the Processed Materials on a selective basis with reference to the quality standard of the Processed Materials satisfactory to the Group.

In view of the change in Jinzhou Aoke's scope of business and the aforesaid advantages to the Group, the Company considers that it would be in the interest of the Group and the Independent Shareholders as a whole to terminate the Processing Agreement and enter into the Sale Transactions and the Purchase Transactions separately.

Information on the Group and Jinzhou Aoke

The Group is one of the leading manufacturers of monocrystalline silicon ingots, measured in terms of production output and sales in the PRC. It is engaged in the manufacturing of monocrystalline silicon ingots and wafers and the recycling and processing of scrap polysilicon. Silicon ingots and wafers are used for the manufacturing of photovoltaic cells which are important component of the solar energy generation system. Wire slurry are generated in the manufacturing process of solar wafers which can be reprocessed to produce the Processed Materials. The Processed Materials are essential materials for the slicing of solar ingots into solar wafers.

Jinzhou Aoke is incorporated in the PRC. Jinzhou Aoke is principally engaged in the business of recycling and processing of wire slurry, lubricants and silicon materials and the sale of the Processed Materials.

Implications of the Listing Rules

As at the Latest Practicable Date, Jinzhou Aoke is owned as to 35% by Jinzhou Yuexin (a PRC company wholly owned by Mr. Tan, an executive Director) and as to 65% by Independent Third Parties. Accordingly, Jinzhou Aoke is an associate of Mr. Tan within the meaning of the Listing Rules and hence a connected person of the Company. The Sale Transactions and the Purchase Transactions contemplated under the Framework Agreement will therefore constitute continuing connected transactions for the Company under the Listing Rules.

As the applicable ratios under each of the Sale Caps and the Purchase Caps will exceed 2.5%, the Sale Transactions and the Purchase Transactions contemplated under the Framework Agreement will be subject to the reporting, announcement and Independent Shareholders' approval requirements pursuant to the Listing Rules.

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The Directors (including the independent non-executive Directors) consider that the terms of the Sale Transactions and the Purchase Transactions contemplated under the Framework Agreement have been negotiated on arm's length basis and the Sale Transactions and the Purchase Transactions will be conducted on normal commercial terms. The Directors (including the independent non-executive Directors) are also of the view that as far as the Independent Shareholders are concerned, the terms of the Sale Transactions and the Purchase Transactions are fair and reasonable and in the interest of the Group and the Independent Shareholders as a whole.

The Independent Board Committee has been formed to advise the Independent Shareholders on the terms of the Sale Transactions and the Purchase Transactions. The Company has appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the Sale Transactions and the Purchase Transactions under the Framework Agreement.

The Company will seek the approval of the Independent Shareholders on the terms of the Sale Transactions and the Purchase Transactions contemplated under the Framework Agreement in accordance with the Listing Rules. Mr. TAN, who as at the Latest Practicable Date, is interested in 471,938,500 Shares, representing 27.91% of the issued share capital of the Company, and his associates, will abstain from voting for resolutions approving the Sale Transactions and the Purchase Transactions.

THE AGM

A notice convening the AGM to be held at Annapurna Room, Pacific Place Conference Centre, 5/F One Pacific Place, 88 Queensway, Hong Kong on Friday, 12 June 2009 at 4:00 p.m. is set out on pages 38 to 42 of this circular.

A proxy form for use at the AGM is enclosed with this circular. Whether or not you intend to attend and vote at the AGM in person, you are requested to complete, sign and return the enclosed proxy form in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Rooms 1806–07, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the proxy will not preclude you from attending and voting at the AGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, all resolutions proposed at the AGM will be voted by poll.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that (1) the grant of the Issue Mandate; (2) the grant of the Repurchase Mandate; (3) the extension of the Issue Mandate by the addition of the number of Shares repurchased pursuant to the Repurchase Mandate; (4) the re-election of Directors; (5) the Sale Transactions; and (6) the Purchase Transactions are in the interests of the Group and the Shareholders as a whole and accordingly recommend all the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

ADDITIONAL INFORMATION

Your attention is drawn to (1) the letter from the Independent Board Committee as set out in Appendix III of this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders regarding the Sale Transactions and the Purchase

This Appendix is set out in Chinese and English. In the event of any discrepancy between the Chinese and English versions, the English version shall prevail.

SHARE CAPITAL

As at the Latest Practicable Date, the Company had 1,690,766,500 Shares in issue or an issued share capital of HK\$169,076,650. Subject to the passing of the proposed ordinary resolution approving the Repurchase Mandate and on the basis that there is no further change to the issued share capital of the Company from the Latest Practicable Date to the date of the AGM, the exercise of the Repurchase Mandate in full would result in up to a maximum of 169,076,650 Shares, representing 10% of the total number of Shares in issue as at the date of passing of the relevant resolution at the AGM.

REASONS FOR SHARES REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders for the Directors to have general authority from the Shareholders to enable the Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made if the Directors believe that such repurchases will benefit the Company and the Shareholders.

FUNDING OF SHARE REPURCHASES

In repurchasing the Shares, the Company may only apply funds legally available for such purpose in accordance with its Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands.

On the basis of the financial position of the Company as at 31 December 2008, being the date to which the latest published audited accounts of the Company were made up, the Directors consider that if the Repurchase Mandate was to be exercised in full, it might have a material adverse impact on the working capital position and gearing level of the Group.

The Directors will not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the Group's working capital or the gearing position of the Group which in the opinion of the Directors are from time to time appropriate for the Company.

SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange from 31 March 2008 (the “Listing Date”), being the date of listing of the Company, and up to the Latest Practicable Date were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
March 2008	3.12	2.91
April 2008	4.18	2.65
May 2008	7.10	3.76
June 2008	5.66	3.68
July 2008	4.74	3.95
August 2008	4.25	3.00
September 2008	3.63	2.00
October 2008	2.79	1.13
November 2008	2.62	1.50
December 2008	2.30	1.74
January 2009	2.17	1.62
February 2009	1.79	1.18
March 2009	1.74	1.05
April 2009 (Up to the Latest Practicable Date)	2.21	1.55

UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands and in accordance with the memorandum of association of the Company and the Articles of Association.

To the best of their knowledge having made all reasonable enquiries, none of the

IMPLICATIONS UNDER THE TAKEOVERS CODE AND THE PUBLIC FLOAT REQUIREMENT

If, as a result of any Shares repurchase made by the Company, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purpose of the Takeovers Code. Accordingly, a Shareholder, or a group of the Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase of the Shareholders' interests, may obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code.

In the event that the Repurchase Mandate is exercised in full, the percentage shareholding of Mr. TAN Wenhua, together with the parties acting in concert with him (namely, ZHAO Xiuzhen, TAN Wenge, WANG Jing, GAO Yu, TAN Wenxiang and WANG Jinsheng), would be increased from approximately 28.05% to approximately 31.17% of the issued share capital of the Company (taking no account of any Shares that may be issued

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The following Director shall be appointed in accordance with the Companies Ordinance. The Director shall be appointed for a specific term of office as set out in the Companies Ordinance.

Mr. WONG Wing Kuen, Albert (王永權), aged 57, was appointed an independent non-executive Director on 12 January 2008. Mr. Wong is a fellow member of The Institute of Chartered Secretaries and Administrators, The Hong Kong Institute of Chartered Secretaries, The Taxation Institute of Hong Kong, Securities & Investment Institute, Hong Kong Institute of Directors, Chartered Management Institute, UK, Association of International Accountants, Society of Registered Financial Planners, Hong Kong, as well as a member of Hong Kong Securities Institute, The Chartered Institute of Arbitrators, Macau Society of Certified Practising Accountants, The Institute of Certified Public Accountants in Ireland, UK and an associate member of The Chartered Institute of Bankers in Scotland, UK. Mr. WONG had also been a director and Chief Executive Officer of Minghua Group International Holdings Limited, a listed public company in the United States, until 30 September 2004. According to the filings made available to public through the EDGAR database in U.S., for the quarterly period ended 30 September 2005, Minghua Group International Holdings Limited was “a small business issuer” and “a development stage company”. Mr. WONG has been the Managing Director of Charise Financial Consultants Limited, a private professional consulting firm in Hong Kong and an independent non-executive director of APAC Resources Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited, since July 2004.

Mr. WONG has entered into a service contract with the Company for a term of 3 years commencing from 1 February 2008. Mr. WONG is entitled to receive a director’s fee of HK\$240,000 per annum which is determined by the Board based on his level of experience and responsibilities with the Group.

Ms. FU Shuangye (符霜葉), aged 40, was appointed an independent non-executive Director on 12 January 2008. Ms. FU graduated from Wuhan University with a bachelor degree in English Literature in 1990 and obtained her further legal studies certificate in the Law School of China Politics and Law University in 1997. She was qualified as a PRC lawyer in 1998. She was a partner of Zhong Lun W&D Law Firm in Beijing. Ms. FU is now the Managing Partner of Zhong Hao Attorneys-at-Law. She is also a member of the Foreign Direct Investment Expertise Committee of the Beijing Judiciary Bureau.

Ms. FU has entered into a service contract with the Company for a term of 3 years commencing from 1 February 2008. Ms. FU is entitled to receive a director’s fee of HK\$240,000 per annum which is determined by the Board based on her level of experience and responsibilities with the Group.

Dr. LIN Wen (林文), aged 69, was appointed an independent non-executive Director on 12 January 2008. Dr. LIN received his bachelor degree in Science (Metallurgy), master degree in Science (Chemical Engineering) and Ph.D. degrees in Materials Science & Engineering. He joined AT&T Bell Laboratories (subsequently, Lucent Bell Labs/Agere) in 1975. He is the author of many articles published by internationally recognised science magazines. Together with other collaborators, he wrote about the properties of uniform oxygen Czochralski silicon crystals in an article and such article was published in the Vol. 51(10), October 1980 edition of J. Appl. Phys., a publication of the American Institute of Physics. Czochralski process is the key process employed by the Group in the manufacturing of monocrystalline silicon ingots. He has also authored/coauthored technical papers, book chapters and owns several patents. Dr. LIN was a recipient of the 1983 Bell Laboratories Distinguished Technical Staff Award. He is a member of Phi Tau Phi Honor Societies. Since 1999, he has been a member of the Starting Materials Team of ITRS (International Technology Roadmap of Semiconductor). As a life member of the Chinese Institute of Engineers-USA, he has served the Institute in various capacities in the last two decades. He served as its president in 1987 and National Council Chairman in 1995.

Dr. LIN also served as Chairman of METS (Modern Engineering and Technology Seminars), as well as Vice-Chairman and Chairman of Sino-American Technology and Engineering Conference.

Dr. LIN has entered into a service contract with the Company for a term of 3 years commencing from 1 February 2008. Dr. LIN is entitled to receive a director's fee of HK\$240,000 per annum which is determined by the Board based on his level of experience and responsibilities with the Group.

The above Directors' interest or short positions in the Shares or underlying shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") are set out in the section headed "2. Disclosure of Interests" under Appendix V in this circular. Save as disclosed above, each of the above Directors confirmed that there are no other matters relating to their re-election that need to be brought to the attention of the Shareholders of the Company and there is no other information which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.



Having considered the terms of the Sale Transactions and the Purchase Transactions and the respective annual cap amounts in relation to the Sale Transactions and the Purchase Transactions for the three years ending 31 December 2011, we consider that the terms of the Sale Transactions and the Purchase Transactions and the respective annual cap amounts in relation to the Sale Transactions and the Purchase Transactions for the three years ending 31 December 2011 are in the interests of the Company and the Shareholders as a whole and are fair and reasonable as far as the Company and the Shareholders are concerned. Accordingly, we recommend the Shareholders to vote in favour of the ordinary resolution as set out in the notice of the AGM attached to the Circular to approve the terms of the Sale Transactions and the Purchase Transactions and the respective annual cap amounts in relation to the Sale Transactions and the Purchase Transactions for the three years ending 31 December 2011.

Yours faithfully,

For and on behalf of

Independent Board Committee

Mr. WONG Wing Kuen, Albert

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Ms. FU Shuangye

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Dr. LIN Wen

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Mr. ZHANG Chun

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The following is the independent financial advice of the Independent Board Committee in connection with the proposed acquisition of the shares of the Independent Board Committee of the Independent Shareholders of the Company by the Independent Board Committee of the Independent Shareholders of the Company.

27 April 2009

The Independent Board Committee in connection with the proposed acquisition of the shares of the Independent Board Committee of the Independent Shareholders of the Company by the Independent Board Committee of the Independent Shareholders of the Company.

Solargiga Energy Holdings Limited
Room 1402, Harbour Centre,
25 Harbour Road,
Wanchai
Hong Kong

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the

under the Framework Agreement will therefore constitute continuing connected

Our review and analyses were based upon, among others, the information provided by the Group including the Framework Agreement, the Company's prospectus dated 17 March 2008 (the "Prospectus"), the interim report of the Company for the six months ended 30 June 2008 (the "Interim Report") and the Circular.

We have also discussed with the Directors and/or management of the Group with respect to the terms of and reasons for the Sale Transactions, the Purchase Transactions and the Proposed Annual Caps, and considered that we have reviewed sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent verification of the information nor have we conducted any form of in-depth investigation into the businesses, affairs, financial position or prospects of the Group, Jinzhou Aoke and each of their respective associates, and the parties involved in the Sale Transactions and the Purchase Transactions.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the terms of the Sale Transactions, the Purchase Transactions and the Proposed Annual Caps, we have considered the following principal factors:

The Framework Agreement

1. Reasons for the entry into the Framework Agreement

The Group is one of the leading manufacturers of monocrystalline silicon

1.1 The Sale Transactions

As discussed with the management of the Group, the Company might either sell or keep the wire slurry depending on several factors such as resale value of polysilicon powder which contained in the wire slurry, market price of wire slurry and cost of purchasing Processed Materials. For example, in 2008, the Company only sold wire slurry to two companies including Jinzhou Aoke and an Independent Third Party. The aggregate transaction quantities were not substantial because the Company preferred to keep wire slurry in its inventory due to the fact that wire slurry contains small portion of polysilicon powder which may have resale value in the future if polysilicon is in shortage. In addition, the Group did not commence the Sale Transactions with Jinzhou Aoke until the fourth quarter of 2008. For illustrative purpose, if the resale value of polysilicon powder is low and/or the market price of wire slurry is high, the Company might consider selling instead of keeping the wire slurry. Also, if the cost of purchasing Processed Materials is higher when compared to the purchase price of new adhesives and mineral oil, the Company might consider selling the wire slurry rather than processing the wire slurry through a processing company.

Since Jinzhou Aoke is engaged in the business of recycling and processing of wire slurry, it is regarded as one of the potential customers of the Company for purchasing the Company's wire slurry. In addition, as Jinzhou Aoke's factory and one of the Group's factories are both located in Jinzhou, the PRC, the Directors expect that the selling of the Group's wire slurry to Jinzhou Aoke will increase in the near future.

Hence, the Company and Jinzhou Aoke would like to regulate the above possible Sale Transactions under the Framework Agreement and obtain an annual cap for carrying out such transactions if they arise. Under the Framework Agreement, the Group affords flexibility to either or not sell wire slurry to Jinzhou Aoke subject to the then market condition. Based on the forgoing, we consider that there is a commercial rationale for the Company to enter into the Framework Agreement.

1.2 The Purchase Transactions

As discussed with the management of the Group, the Company will either purchase Processed Materials or new abrasives and mineral oil depends on, among other things, the price and the quality.

As discussed with the management of the Group, the Company did not purchase any Processed Materials during 2008 because the then specifications of the Processed Materials were not satisfactory to the Group.

Since Jinzhou Aoke is engaged in the business of the sale of the Processed Materials, it is regarded as one of the potential suppliers of Processed Materials to the Company. In addition, as Jinzhou Aoke's factory and one of the Group's factories are both located in Jinzhou, the PRC, the Directors consider that the Group might be able to save transportation time for its procurement of the Processed Materials from Jinzhou Aoke when compared with other processing companies located outside Jinzhou, the PRC.

Hence, the Company and Jinzhou Aoke would like to regulate the above possible Purchase transactions under the Framework Agreement and obtain an annual cap for carrying out such transactions if they arise. Also, under the Framework Agreement, the Group affords flexibility to either or not purchase the Processed Materials from Jinzhou Aoke, we consider that there is a commercial rationale for the Company to enter into the Framework Agreement.

2. *P i c i a e s f h e F a e ' A g e e e*

2.1 The Sale Transactions

Pursuant to the Framework Agreement, the basis of determining the prices for the Sale Transactions will be in accordance with the prevailing market price of wire slurry. Payment terms for the Sale Transactions will be determined based on normal commercial terms to be agreed after arm's length negotiations between the Group and Jinzhou Aoke Group from time to time, including without limitation, payment by cash on delivery, payment with a credit term ranging from 30 to 90 days. Other business terms of the Sale Transactions will be determined on an individual purchase order basis and the terms of which are on normal commercial terms and no less favourable to the Company than terms available to or from Independent Third Parties.

2.2 The Purchase Transactions

Pursuant to the Framework Agreement, the basis of determining the prices for the Purchase Transactions will be in accordance with the prevailing market price of the Processed Materials. Payment terms for the Purchase Transactions will be determined based on normal commercial terms to be agreed after arm's length negotiations between the Group and Jinzhou Aoke Group from time to time including without limitation, payment by cash on delivery, payment with a credit term ranging from 30 to 90 days. Other business terms of the Purchase Transactions will be determined on an individual purchase order basis and the terms of which are on normal commercial terms and no less f-25(m)0.1(s)-317ls

On the basis that the terms of the Sale Transactions and the Purchase Transactions are based on normal commercial terms and no less favourable to the Company than terms available to or from Independent Third Parties, we concur with the Directors' view that the principal terms of the Framework Agreement are fair and reasonable.

3. A a ca

The solar PV value chain refers to the purification and crystallisation of silicon, cutting of crystallised silicon (or ingot) into wafers, processing of wafers into cells, assembling the cells into modules, and the overhead energy use for the manufacturing building. As set out in the Prospectus, although PV technology has been used for several decades, the solar PV market, in which the Group is currently engaged, has only grown significantly in the past several years. According to the Production Led Scenario, which is a more optimistic forecast made by Solarbuzz (an international solar energy research and consulting company based in the United States), the revenue and market size of solar PV industry will reach US\$31.5 billion and 7,630 MW respectively by 2011. According to the Balanced Energy Scenario, which is the most conservative forecast made by Solarbuzz, the revenue and market size of solar PV industry will reach US\$18.6 billion and 4,177 MW respectively by 2011. According to Solarbuzz, World solar PV market installations reached a record high of 5.95 gigawatts (GW) in 2008, representing growth of 110% over the previous year. On the supply side, world solar cell production reached a consolidated figure of 6.85 GW in 2008, up from 3.44 GW a year earlier. Overall capacity utilisation rose to 67% in 2008 from 64% a year earlier. China and Taiwan continued to increase their share of global solar cell production, rising to 44% in 2008 from 35% in 2007.

As disclosed in the Interim Report, global warming intensifies and fossil fuel prices continue to rise, the demand for green energy has been increasing. As for the global PV markets, Germany, Spain, Japan and Italy are currently the major ultimate markets, while the US, South Korea, Australia and the Middle East are developing in full swing. Being a major energy consumer, China's future development potential is enormous and thanks to its economic growth and needs of environmental protection. To capture the persistent global demand for PV products, the Group started to operate additional 96 ingots pullers and 16 wiresaws in the third quarter of 2008, and expects that 13 more wiresaws will be in place by the end of 2008. As a result, the annual production capacity of monocrystalline silicon ingots was doubled to 2,000 tons in 2008 as compared to last year, while that of wafers significantly increased by 2.3 times to 56 million pieces with light energy conversion capability of approximately 200MW.

3.1 The Sale Transactions

The Company currently estimated that the Sale Caps for each of the three years ending 31 December 2011 will not exceed RMB16 million, RMB32 million and RMB53 million respectively.

As advised by the management of the Group and based on the information such as raw materials ledger provided by the Company, the expected sale volume of wire slurry to Jinzhou Aoke for each of the three years ending 31 December 2011 of about 8,100 tons, 16,000 tons and 27,000 tons were determined with reference to (i) the anticipated increase in wafer production capacities arising from an expansion in the Group's manufacturing bases which are, subject to the prevailing market conditions, expected to reach approximately 99 million, 200 million and 325 million pieces of wafer by end of 2009, 2010 and 2011, respectively; and (ii) the anticipated increase in demand from Jinzhou Aoke for wire slurry due to its change of business scope to engage in the sale of Processed Materials to other third parties towards the end of 2008. Furthermore, with reference to the average market price of wire slurry sold to Independent Third Party and Jinzhou Aoke in 2008, the Company proposed the Sale Caps.

For (i) above, we understand that wire slurry are generated in the manufacturing process of solar wafers. Hence, the higher the production capacity of solar wafers, the higher the amount of wire slurry available for sale. Upon our due diligence enquiry, we further understand from the Company that the Group is capable of achieving the anticipated increase in wafer production of approximately 99 million, 200 million and 325 million pieces of wafer by end of 2009, 2010 and 2011, given (1) the existing installation of 37 wiresaws for wafer production (with each wiresaw capable of producing 2 million pieces of wafer) as at the Latest Practicable Date; (2) the planned installation of further 43 wiresaws by 2009; (3) the planned installation of further 40 wiresaws by each of 2010 and 2011; and (4) the expected growing solar PV industry size.

For the three months ended 31 December 2008, the aggregate amount paid to the Group by Jinzhou Aoke for the sale of wire slurry to Jinzhou Aoke amounted to RMB666,000. The transaction amount was not substantial for the year ended 31 December 2008 because the Group did not commence the Sale Transactions with Jinzhou Aoke until the fourth quarter of 2008. The Company anticipates that the expected transaction amounts under the Sale Transactions will increase substantially in the coming three years due to the expected increase in the Group's production capacity of solar wafers and hence the amount of wire slurry available for sale under the Sale Transactions for the three years ending 31 December 2011.

Based on the above, we concur with the Directors' view that the Sale Caps are fair and reasonable.

3.2 The Purchase Transactions

The Company currently estimated that the Purchase Caps for each of the three years ending 31 December 2011 will not exceed RMB53 million, RMB107 million and RMB174 million respectively.

As advised by the management of the Group and based on the information such as inventory ledger provided by the Company, the expected purchase volume of Processed Materials from Jinzhou Aoke for each of the three years ending 31 December 2011 of about 5,700 tons, 11,600 tons and 18,900 tons were determined with reference to (i) the actual quantity of abrasives and mineral oil used by the Group in 2008; (ii) the anticipated increase in wafer production capacities arising from an expansion in the Group's manufacturing bases which are, subject to the prevailing market conditions, expected to reach approximately 99 million, 200 million and 325 million pieces of wafer by end of 2009, 2010 and 2011, respectively; (iii) the estimated quantity of recycled abrasives and mineral oil to be purchased from Jinzhou Aoke; and (iv) the average recycled rate of abrasives and mineral oil, respectively and hence the estimated quantity of recycled abrasives and mineral oil to be produced by Jinzhou Aoke from the processing of wire slurry to be supplied by the Group. Furthermore, with reference to the estimated price of recycled abrasives and mineral oil, the estimated price of recycled abrasives and mineral oil is approximately 9.3(t)19.vesese

RECOMMENDATION

Having considered the terms of, reasons for the entering into of the Sale Transactions and the Purchase Transactions and the bases and assumptions adopted in arriving at the Proposed Annual Caps, we are of the view that the terms of the Sale Transactions, the Purchase Transactions and the Proposed Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned, and the Sale Transactions and the Purchase Transactions are on normal commercial terms, in the ordinary and usual course of business of the Company and in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we would recommend the Independent Shareholders, and advise the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the ordinary resolution(s) to be proposed at the forthcoming Annual General Meeting to approve the entering into the Framework Agreement and the Proposed Annual Caps.

Yours faithfully,
For and on behalf of
Mitsubishi UFJ Securities (HK) Capital, Limited
Eddy Chick
Chief Executive

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with respect to the Company. The information contained herein relating to the Company has been supplied by the Directors, who collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts not contained in this circular the omission of which would make any statement herein misleading insofar as it relates to the Company.

2. DISCLOSURE OF INTERESTS

(I) Interest and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such

Name of Director	Nature of interest	Number of shares held (<i>N e 1</i>)	Approximate percentage of holding (%)
Mr. CHONG Kin Ngai (<i>N e 2</i>)	Interest of controlled corporation	98,464,500(L)	5.83%
	Personal interest	1,254,500(L)	0.07%
	Trustee's interest	33,978,000(L)	2.01%
	Interest in the share options granted under the Share Option Scheme	1,000,000(L)	0.06%
Mr. HSU You Yuan	Beneficial Interest	12,372,875(L)	0.73%
	Interest in options (<i>N e 4</i>)	15,970,000(L)	0.94%
	Security interest (<i>N e 4</i>)	2,591,000(L)	0.15%
	Interest in the share options granted under the Share Option Scheme	12,310,000(L)	0.73%
Mr. CHIAO Ping Hai	Beneficial Interest	4,135,500(L)	0.24%
	Interest in options (<i>N e 4</i>)	30,531,000(L)	1.81%
	Security interest (<i>N e 4</i>)	10,994,000(L)	0.65%
	Interest in the share options granted under the Share Option Scheme	7,000,000(L)	0.41%
Ms. ZHANG Liming	Beneficial Interest (<i>N e 3</i>)	3,133,500(L)	0.19%
	Interest in the share options granted under the Share Option Scheme	1,000,000(L)	0.06%

Name of Director	Nature of interest	Number of shares held (<i>N e 1</i>)	Approximate percentage of holding (%)
Mr. ZHANG Chun	Interest in the share options granted under the Share Option Scheme	500,000(L)	0.03%
Ms. FU Shuangye	Interest in the share options granted under the Share Option Scheme	500,000(L)	0.03%
Dr. LIN Wen	Interest in the share options granted under the Share Option Scheme	500,000(L)	0.03%
Mr. WONG Wing Kuen, Albert	Interest in the share options granted under the Share Option Scheme	500,000(L)	0.03%

N e s

- (1) The letter “L” denotes the person’s long position in such securities.
- (2) As at the Latest Practicable Date, Mr. Chong is interested in an aggregate of 99,719,000 Shares, of which 1,254,500 Shares are directly held by Mr. Chong, 82,617,000 Shares are held by Prosperity Electric Corporation (“PEC”) and 15,847,500 Shares are held by PLC. 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.
- 33,978,000 Shares were held by Mr. Chong in trust for, among others, certain management members and employees of Solar Technology Investment (Cayman) Corp. and its subsidiaries. Mr. Chong was entrusted to exercise voting rights and hold the dividends and other distributions made in respect of the relevant shares in trust for these senior management members and employees to the extent the relevant Shares remain subject to a lock-up period.
- (3) As at the Latest Practicable Date, Ms. Zhang Liming’s 3,133,500 Shares were 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 for, among others, the relevant employees and senior management members (if any) to the extent the relevant Shares remain subject to a lock-up period.

- (4) Mr. Tan Wenhua, Mr. Hsu You Yuan and Mr. Chiao Ping Hai are entitled to buy back the shares of the relevant senior management and employees in the event that any of them cease to be employed or engaged within 4 years after the Listing Date. These directors also have security interest in these shares pursuant to a share charge granted by the relevant employees and consultants 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 to (if any).

Save as disclosed above, as at the Latest Practicable Date, none of the Directors of the Company or their associates has any interests or short positions in any shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange.

(II) Interest and short positions of substantial shareholders in shares, underlying shares and debentures

As at the Latest Practicable Date, so far as is known to any Directors of the Company, the following persons (other than a Director) have interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name	Capacity	Number of shares held (Note 1)	Percentage of shareholding (%)
Wafer Works Investment Corp. ("WWIC")	Beneficial owner	358,364,000(L)	21.2%
Wafer Works Corp. ("WWX") (Note 2)	Interest of a controlled corporation	358,364,000(L)	21.2%
Space Energy Corporation	Beneficial owner	118,156,500(L)	6.99%
Toshinao Nimura (Note 3)	Interest of a controlled corporation	118,156,500(L)	6.99%
Jean Salata	Interest of a controlled corporation	119,045,000(L)	7.04%

Name	Capacity	Number of shares held (Note 1)	Percentage of shareholding (%)
Baring Private Equity Asia GP IV Limited	Interest of a controlled corporation	119,045,000(L)	7.04%
Baring Private Equity Asia GP IV, L.P.	Interest of a controlled corporation	119,045,000(L)	7.04%
The Baring Asia Private Equity Fund IV, L.P.	Interest of a controlled corporation	122,139,421(L)	7.22%
Baring Private Equity Asia IV Holding (6) Limited	Interest of a controlled corporation	119,045,000(L)	7.04%

Notes

- (1) The letter “L” denotes the person’s long position in such securities.
- (2) WWIC is wholly-owned by WWX. By virtue of the SFO, WWX is deemed to be interested in the Shares held by WWIC.
- (3) Toshinao Nimura was interested in approximately 34.22% of the issued share capital of Space Energy Corporation as at the Latest Practicable Date.

Save as disclosed above, the Directors of the Company were not aware that there was any person (other than a Director) who, as at the Latest Practicable Date, had an interest or a short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10 per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any class of shares of the Company.

4. DIRECTORS' INTEREST IN POTENTIALLY COMPETING BUSINESSES

Mr. TAN Wenhua, Mr. HSU You Yuan, being the Executive Directors, and Mr. CHONG Kin Ngai and Mr. CHIAO Ping Hai, being the non-executive Directors, are interested in other related businesses, particulars of which are set out below:

Mr. TAN Wenhua

Mr. TAN Wenhua holds 53% interest in

Mr. CHIAO Ping Hai

Mr. CHIAO Ping Hai has interests in WWX, 上海合晶硅材料有限公司 (Wafer Works (Shanghai) Corp*) (“WWXS”) and Wafer Works Epitaxial Corp. These three companies are all engaged in the business of manufacturing silicon wafers used in the semi-conductor industry. Mr. CHIAO Ping Hai also has indirect interests in Helitek and Heli-Vantech, Inc., both of which are engaged in the trading of silicon wafers used in the manufacture of semi-conductors. As explained above, the semi-conductor industry is different from that of the solar technology industry; thus, WWX, WWXS and Wafer Works Epitaxial Corp., Helitek and Heli-Vantech, Inc., are not engaged in any competing business of the Group.

Mr. CHONG Kin Ngai

Like Mr. TAN Wenhua, Mr. CHONG Kin Ngai holds interest in Huachang Guangfu and Jinzhou Changhua. As explained above, Huachang Guangfu and Jinzhou Changhua are not competitors of the Group, as the Group, Huachang Guangfu and Jinzhou Changhua are engaged in different industries. Mr. CHONG Kin

11. GENERAL

- (a) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (b) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited, Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (c) The secretary and the qualified accountant of the Company is Mr. CHOW Yiu Ming, a fellow of the Association of Chartered Certified Accountants and an associate of the Hong Kong Institute of Certified Public Accountants.
- (d) The auditors of the Company is KPMG of 8/F., Prince's Building, 10 Chater Road, Central, Hong Kong.



As Special Business, to consider and, if thought fit, pass with or without

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; or
- (iii) the date upon which the authority set out in this Resolution is

NOTICE OF THE AGM

(d) for the purposes of this Resolution:

“Relevant Period” means the period from the date of passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; or
- (iii) the date upon which the authority set out in this Resolution is revoked or varied by way of an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to the holders of Shares on the register on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange, in any territory outside Hong Kong).”

11. **“THAT** conditional upon the passing of the Resolutions numbered 9 and 10 above, the general mandate granted to the Directors to allot, issue and deal with additional shares (“Shares”) in the capital of the Company or securities into Shares, or options, warrants or similar right to subscribe for Shares or such convertible securities pursuant to the Resolution numbered 10 above be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of Shares repurchased by the Company under the authority granted pursuant to the Resolution numbered 9 above, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this Resolution.”

By Order of the Board
Solargiga Energy Holdings Limited
Hsu You Yuan
E c e i e D i e c

Hong Kong, 27 April 2009

NOTICE OF THE AGM

Registered Office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

*Principal Place of Business
in Hong Kong:*
Room 1402, Harbour Centre
25 Harbour Road
Wanchai
Hong Kong

Notes

1. The register of members of the Company will be closed from 6 June 2009 to 12 June 2009, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM to be held on 12 June 2009 and to determine the entitlement to the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, Rooms 1806–07, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 5 June 2009.
2. Every shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company.
3. In the case of a joint holding, any one of such persons may vote at the AGM, either in person or by proxy; but if more than one joint holders are present at the AGM in person or by proxy, the said person whose name stands first on the register of members of the Company in respect of the relevant joint holding shall alone be entitled to vote in respect thereof.
4. To be valid, a proxy form in the prescribed form together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be lodged with the branch share registrar of the Company in Hong Kong at the address specified in note 1 above not later than 48 hours before the time fixed for holding the AGM.
5. The circular of the Company dated 27 April 2009 and the accompanying proxy form have been sent to the shareholders of the Company together with the 2008 Annual Report of the Company.

As aforesaid, M. T. Weh, M. H. Y. Y. a. a. d. M. s. Zha. g. Li. i. g. a. e. e. c. i. e. Di. ec. s. M. Chia. Pi. g. hai. a. d. M. Ch. g. Ki. Ngai. a. e. -e. ec. i. e. Di. ec. s. a. d. M. W. g. Wi. g. K. e. , A. be. , M. s. F. g. h. a. g. e. , D. Li. We. a. d. M. Zha. g. Ch. a. e. i. de. e. de. -e. ec. i. e. Di. ec. s.