



# **Solargiga Energy Holdings Limited**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 757)**

**GENERAL MANDATES TO REPURCHASE SHARES  
AND TO ISSUE NEW SHARES  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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## **RESPONSIBILITY STATEMENT**

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors 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 the omission of which would make any statement contained herein misleading.

## DEFINITIONS

	<p>Annual General Meeting</p>
“AGM”	the annual general meeting of the Company to be convened and held at Vinson Room, Pacific Place Conference Centre, 5/F One Pacific Place, 88 Quesway, Hong Kong on 22 May 2008 at 4:00 p.m., the notice of which is set out on pages 17 to 20 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 ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Solargiga Energy Holdings Limited ( ), a company incorporated in the Cayman Islands with limited liability, and the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“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
“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 not exceeding 20% of the authorized share capital of the Company

## DEFINITIONS

“Listing Rules”

the Rules Governing the Listing of Securities on the Stock Exchange

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## LETTER FROM THE BOARD

### REPURCHASE MANDATE

Pursuant to the written resolutions passed by the then sole Shareholder on 27 February 2008, a general mandate was granted to the Directors to exercise the powers 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. An explanatory statement as required under the Listing Rules to provide the requisite information of the Repurchase Mandate is set out in Appendix I to this circular. The Issue Mandate will continue in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in the resolution numbered 5 set out in the AGM Notice.

### 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 no further changes 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 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. The Repurchase Mandate will continue in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in the resolution numbered 6 set out in the AGM Notice.

### RE-ELECTION OF THE RETIRING DIRECTORS

In accordance with Article 87(2) of the Articles of Association, Messrs. TAN Wenhua, HSU You Yuan and Ms. ZHANG Liming, being the executive Directors, Mr. CHIAO Ping Hai, the Chairman and non-executive Director, and CHONG Kin Ngai, a non-executive Director, and Mr. WONG Wing Kuen, Albert, Ms. FU Shuangye, Dr. LIN Wen and Mr. ZHANG Chun 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.

### PROCEDURE FOR DEMANDING A POLL

In accordance with Article 66 of the Articles of Association, a resolution put to the vote of the general meeting shall be decided on a show of hands unless voting by way of poll is required by the Listing Rules or a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (i) by the chairman of the meeting; or



## LETTER FROM THE BOARD

### RECOMMENDATION

The 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; and (4) the re-election of the retiring Directors 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.

Yours faithfully,  
For and on behalf of  
**Solargiga Energy Holdings Limited**  
**CHIAO Ping Hai**  
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The Appendix contains a detailed explanation of the Latest Practicable Date, the Repurchase Mandate and the reasons for the Repurchase Mandate.

## 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 no further changes to the issued share capital of the Company from the Latest Practicable Date and

**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>
<b>2008</b>		
March	3.12	2.91
April (Up to the Latest Practicable Date)	3.35	2.65

**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 and the articles of association of the Company.

To the best of their knowledge having made all reasonable enquiries, none of the Directors nor any of their respective associates has any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company.

No connected persons of the Company have notified the Company that they have a present intention to sell any Shares to the Company nor have undertaken not to sell any of the Shares held by them to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

**IMPLICATION UNDER THE TAKEOVERS CODE AND THE PUBLIC FLOAT REQUIREMENT**

If, as a result of 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, the 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 upon exercise of share options that may be granted under the Share Option Scheme). Accordingly, such increase of interest would give rise to an obligation to make

TAN Wenhua (Tan Wenhua), aged 51, the President and General Manager of the Jinzhou Plants. He was one of the founders of the Jinzhou Plants. Mr. TAN completed an economic management undergraduate course in the Central Party College and an electrical engineering undergraduate course with the Liaoning Broadcasting and TV University (Liaoning Broadcasting and TV University\*). He is also a visiting professor of Liaoning Industrial University (Liaoning Industrial University\*). Prior to founding the Jinzhou Plants, he was the Chairman of Jinzhou Xinhua Quartz Glass (Group) Co., Ltd.\* and the President and the Vice President of Jinzhou 155 Factory, a state-owned factory engaging in quartz crucibles manufacturing. When Mr. TAN was the chairman of Xinhua Quartz Glass, he was responsible for the establishment and operations of Jinzhou Xinri and Jinzhou Huachang. Prior to the establishment of Jinzhou Xinri and Jinzhou Huachang, Xinhua Quartz Glass mainly engaged in the manufacturing and sale of quartz glass and crucible. He has been granted a special subsidy by the State Council since 2004 for his contribution in engineering technology. He was elected a delegate of the National People's Congress of the People's Republic of China in 2007.

Mr. TAN has entered into a service contract with the Company for a term of 3 years commencing from 31 March 2008. Mr. TAN is entitled to receive a salary of RMB1,400,000 per annum and other discretionary bonus as determined by the Board based on his level of experience and responsibilities with the Group. No director's fee is payable to Mr. TAN.

Mr. HSU You Yuan (Hsu You Yuan), aged 53, the Chief Executive Officer of Solar Technology Investment (Cayman) Corp. ("Solartech") and a director of Jinzhou Youhau. He joined the Group on 6 February 2007 and was appointed an executive Director on the same date. He graduated with a master degree in Business Administration from the Chinese Culture University in 1980. Prior to joining the Group, Mr. HSU was the President of WWX from February 1998 to June 2003, a manufacturer of silicon wafer for the semiconductor industry, which is listed on the Gre-Tai Securities Market in Taiwan since May 2002 and later became the Vice-Chairman of the board of WWX in June 2003. He was the managing director of Silicon Technology Investment (Cayman) Corp. and was appointed the Chief Executive Officer of Solartech, responsible for overseeing, amongst others, WWX's investment in the solar energy industry. In March 2006, he was appointed a director and he was subsequently appointed as the Chairman of the board of Jinzhou Youhau in September 2006. Mr. HSU's previous work credentials also include acting as Vice-President of Mosel Electronics Taiwan Inc, a company listed on the Taiwan Stock Exchange and as a member of the board of directors and Executive Vice-President of Mosel Vitelic (Hong Kong) Limited, a subsidiary of Mosel Vitelic Inc. Mr. HSU had also made contributions to non-commercial sectors in the past. He served as a researcher, a deputy director, and the director of Business Department of the Executive Yuan Development Fund. He was also a lecturer of Statistics and Managerial Mathematics for the Business Administration department at the Chinese Culture University.

Mr. HSU's previous work credentials also include acting as Vice-President of Mosel Electronics Taiwan Inc, a company listed on the Taiwan Stock Exchange and as a member of the board of directors and Executive Vice-President of Mosel Vitelic (Hong Kong) Limited, a subsidiary of Mosel Vitelic Inc. Mr. HSU had also made contributions to non-commercial sectors in the past. He served as a researcher, a deputy director, and the director of Business Department of the Executive Yuan Development Fund. He was also a lecturer of Statistics and Managerial Mathematics for the Business Administration department at the Chinese Culture University.

Mr. HSU's previous work credentials also include acting as Vice-President of Mosel Electronics Taiwan Inc, a company listed on the Taiwan Stock Exchange and as a member of the board of directors and Executive Vice-President of Mosel Vitelic (Hong Kong) Limited, a subsidiary of Mosel Vitelic Inc. Mr. HSU had also made contributions to non-commercial sectors in the past. He served as a researcher, a deputy director, and the director of Business Department of the Executive Yuan Development Fund. He was also a lecturer of Statistics and Managerial Mathematics for the Business Administration department at the Chinese Culture University.



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

**Mr. WONG Wing Kuen Albert ( )**, aged 56, was appointed as 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

**Dr. LIN Wen** ( ), aged 68, an independent non-executive Director, joined the Group on 12 January 2008. Dr. LIN received his bachelor degree in Science, master degree in Science and Ph.D. degrees in Metallurgy, Chemical Engineering and Materials Science & Engineering, respectively. 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, Mr. LIN 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 very process employed by the Group in the manufacturing of monocrystalline silicon ingots. He has also authored/co-authored 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.

**Mr. ZHANG Chun** ( ), aged 75, an independent non-executive Director, joined the Group on 12 January 2008. Mr. ZHANG graduated from Tianjin University in 1955 and conducted research in silicon in the early years of his career in various institutions including (Beijing Non-Ferrous Metal Research Institution\*). During 1979 to 1992, he was in charge of a semiconductor material research centre of Beijing Non-Ferrous Metal Research Institution. From 1992 to 1998, he had been the person in charge of the (State Semi-conductor Material Engineering Research Centre\*) and he also acted as the general manager of (Jinxin Semi-conductor Material Company Limited\*). Mr. ZHANG was awarded as a (National Pioneer\*) by the State Council in 1995. He was awarded First Class Prizes by (China Non-Ferrous Industry Corp\*) in 1991 and 1997 for his contributions towards research on (a) 3 inches to 4 inches monocrystalline silicon for use in integrated circuit; and (b) the manufacturing of 125mm monocrystalline silicon wafers for use in integrated circuit. He was also granted special subsidy from the State Council since 1992.

Mr. ZHANG CHUN has entered into a service contract with the Company for a term of 3 years commencing from 1 February 2008. Mr. ZHANG 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.

\* English name: Beijing Non-Ferrous Metal Research Institute; Chinese name: 北京有色金属研究总院

**Directors' interests under the SFO**

As at the Latest Practicable Date, so far as the Directors are aware, the Directors and chief executives of the Company and their associates had the following interests in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the SFO), as recorded in the register required to be the C

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- (1) The letter "L" denotes the person's long position in such securities and the letter "S" denotes the person's short position in such securities.
- (2) Before the sale of the Over-allotment Shares, Mr. CHONG is interested in an aggregate of 102,964,000 Shares, of which 1,254,500 Shares is directly held by Mr. CHONG, 84,674,000 Shares is held by Prosperity Electric Corporation ("PEC") and 17,035,500 Shares is held by Prosperity Lamps & Components Limited ("PLC"). PLC is held as to 20% by PEC, as to 45% by Leigh Company Limited, as to 30% by SAM Wai Keung, a director of Jinzhou Huachang and as to 5% by an Independent Third Party. Both PEC and Leigh Company Limited are wholly-owned by Mr. CHONG. Upon partial exercise of the Over-allotment Option, Shares directly held by Mr. CHONG will remain unchanged but PEC and PLC's interests in the Company will be reduced to 82,617,000 Shares and 15,847,500 Shares, respectively.  
  
34,814,000 Shares were held by Mr. CHONG Kin Ngai in trust for, among others, certain employees and consultants of Solar Technology Investment (Cayman) Corp. and its subsidiaries (the "Acquired Group"). Mr. CHONG Kin Ngai was entrusted to exercise voting rights and hold the dividends and other distributions made in respect of the relevant Shares in trust for these employees and the 2 consultants (if any) to the extent the relevant Shares remain subject to a lock-up period.
- (3) Ms. ZHANG Liming's 3,133,500 Shares were registered in the name of Mr. CHONG Kin Ngai 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, certain employees and consultants of the Acquired Group (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, employees and consultants in the event that any of them cease to be employed or engaged within 4 years after the Listing. 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, there is no other matter that need to be brought to the attention of the Shareholders and there is no information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

# NOTICE OF THE AGM



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## NOTICE OF THE AGM

- (b) the aggregate nominal amount of Shares which are authorised to be repurchased by the Directors pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose 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 (the “Articles of Association”) 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.”

### 6. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional issued shares (“Shares”) in the capital of the Company or securities convertible into Shares, or options, warrants or similar rights to subscribe for Shares or such convertible securities and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors on behalf of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements, options and rights of exchange or conversion which would or might require the exercise of such powers after the end of the Relevant Period (as hereinafter defined);
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval granted in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) any share option scheme or similar arrangement of the Company for the granting or issuance of Shares or rights to acquire Shares; or (iii) the exercise of rights of subscription or conversion under the terms of any warrants issued or to be issued by the Company or any securities which are convertible into Shares; or (iv)



## NOTICE OF THE AGM

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

Branch Registrar:  
Rooms 4001-06, Office Tower  
Convention Plaza  
1 Harbour Road  
Hong Kong

### Notice:

1. The register of members of the Company will be closed from 17 May 2008 to 21 May 2008, 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 22 May 2008 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 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 16 May 2008.
2. A shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and to vote in his stead. A proxy need not be a shareholder of the Company.
3. In case of the joint registered holders of any Shares, any one of such persons may vote at any meeting, either in person or by proxy; but if more than one of such joint holders be present at any meeting in person or by proxy, the said person whose name stands first on the register of members of the Company shall alone be entitled to vote in respect thereof.
4. To be valid, a form of proxy 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 paragraph 1 above not less than 48 hours before the time fixed for holding the Meeting.
5. With respect to the Resolution no. 3 as set out in this notice, Messrs. TAN Wenhua, HSU You Yuan and Ms. ZHANG Liming, being the executive Directors, Mr. CHIAO Ping Hai, the Chairman and non-executive Director, and CHONG Kin Ngai, a non-executive Director, and Mr. WONG Wing Kuen, Albert, Ms. FU Shuangye, Dr. LIN Wen and Mr. ZHANG Chun, being the independent non-executive Directors will