



陽光能源控股有限公司

(incorporated in the Cayman Islands)

(Stock Code: 155)

As at the date of this announcement, the Company has not received any indication from the Vendors of any specific time frame on the exercise of the Convertible Bonds. The Company has otherwise sought a confirmation from Mr. Tan and the Vendors that they will, and will procure their respective associates and parties acting in concert with any one of them, that in the event that the conversion of the Convertible Bonds results in an obligation on the part of the Vendors (and parties acting in concert with them) to make a general offer in accordance with the Takeovers Code, the Vendors, Mr. Tan, their respective associates and parties acting in concert with any one of them will take necessary steps to ensure that all relevant regulatory requirements (including those under the Takeovers Code) are observed and fully complied with.

As the applicable percentage ratios, where appropriate, calculated with reference to Rule 14.07 of the Listing Rules, exceed 25% but are less than 100%, the Acquisition constitutes major transaction for the Company under the Listing Rules and is therefore subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, (i) since the First Vendor is wholly owned by Mr. Tan, the First Vendor is an associate of Mr. Tan and therefore is a connected person of the Company under the Listing Rules; and (ii) since the Fourth Vendor is beneficially owned as to 65% by companies wholly owned by Mr. Chong, the Fourth Vendor is an associate of Mr. Chong and therefore is also a connected person of the Company under the Listing Rules. Accordingly, the Acquisition and the transactions contemplated thereunder also constitute connected transactions for the Company under the Listing Rules and are subject to approval by the Independent Shareholders at the EGM. The Vendors, Mr. Tan, their respective associates and parties acting in concert with any one of them and those who are involved in or interested in the Acquisition will abstain from voting at the EGM in respect of the resolutions for approving the Acquisition, the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares.

An Independent Board Committee comprising Mr. Wong Wing Kuen, Albert, Ms. Fu Shuangye, Dr. Lin Wen and Mr. Zhang Chun, the independent non-executive Directors, has been formed to advise the Independent Shareholders on the Acquisition, the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares. The two non-executive Directors, namely, Mr. Chiao Ping Hai and Mr. Chong, have not been appointed as members of the Independent Board Committee as (i) Mr. Chiao Stephan Sun-Hai, who is beneficially interested in approximately 37.5% of the issued share capital of the Third Vendor, is the elder brother of Mr. Chiao Ping Hai, Mr. Chiao Ping Hai is an associate of Mr. Chiao Stephan Sun-Hai and is considered to have an interest in the Acquisition; and (ii) Mr. Chong is, through his wholly owned companies, interested in 65% of the issued share capital of the Fourth Vendor and is accordingly regarded as a party acting in concert with the Fourth Vendor. The Company has appointed First Shanghai Capital Limited as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Acquisition, the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares in accordance with the Listing Rules.

A circular containing, among other things, particulars of the Acquisition, the recommendations of the Independent Board Committee, a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders and notice convening the EGM is expected to be sent to the Shareholders on or before 29 November 2010.

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Reference is made to the announcement of the Company dated 5 October 2010 in relation to, among other things, the entering into of the First S&P Agreement and the termination thereof and the announcement of the Company made pursuant to Rule 13.09 of the Listing Rules and Rule 3.7 of the Takeovers Code dated 5 November 2010. The Board is pleased to announce that after trading hour on 8 November 2010, the Company, the Vendors and the Warrantors entered into the Second S&P Agreement, pursuant to which the Company has conditionally agreed to purchase the Sale Shares from the Vendors for a total consideration of HK\$835,200,000, which will be satisfied in full by the issue of the Convertible Bonds.

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8 November 2010

Purchaser : The Company

Vendors : The Vendors

Warrantors : The Warrantors

The Sale Shares represent 100% of the issued shares of Sino Light. Sino Light is interested in 100% of the issued shares of You Xin which in turn is interested in 100% of the equity interests of HPT.

As at the date of this announcement, the Sale Shares are owned by the Vendors as follows:

Vendor	Number of Shares	Percentage
First Vendor	17,317,120	32.14%
Second Vendor	8,377,399	15.55%
Third Vendor	7,547,170	14.00%
Fourth Vendor	4,150,943	7.70%
Fifth Vendor	2,695,116	5.00%
Sixth Vendor	11,962,923	22.20%
Seventh Vendor	1,837,590	3.41%
	<u>53,921,211</u>	<u>100.00%</u>

The total consideration for the Acquisition is HK\$835,200,000, which will be satisfied in full by the issue of the Convertible Bonds upon Completion to each of the Vendors pro rata to their respective shareholding interests in Sino Light:

Vendor	Amount (HK\$)
First Vendor	268,393,493
Second Vendor	129,839,106
Third Vendor	116,971,605
Fourth Vendor	64,334,376
Fifth Vendor	41,770,895
Sixth Vendor	185,410,201
Seventh Vendor	28,480,324
	<u>835,200,000</u>

The consideration was determined among the parties after arm's length negotiations and taking into consideration, among other things, the potential business synergies between the Group and the Sino Light Group, improvement in the business profile of the Group as a result of the Acquisition, enhanced ability of the Group to better strategizing its upstream and downstream businesses and other benefits that the Acquisition may bring into the Group for the Group's future development. The Directors (excluding the independent non-executive Directors who will express their view after receiving advice from the independent financial adviser) are of the view that the consideration for the Acquisition is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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Completion shall be conditional upon the fulfilment of the following conditions:

- (a) the passing by the Independent Shareholders of all necessary resolutions at the EGM approving the Second S&P Agreement and the transactions contemplated thereunder and other related transaction documents, including but not limited to, the grant of the specific mandate to the Directors for the issue of the Convertible Bonds and the Conversion Shares (subject to exercise of the conversion rights attaching to the Convertible Bonds), in accordance with the terms of the Second S&P Agreement;
- (b) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Conversion Shares;
- (c) the continuous listing of and permission to deal in the Shares from the date of the

Each of the Vendors shall use its best endeavours to procure the fulfilment of the aforesaid conditions precedent (except the conditions precedent labelled (a), (b) and (c) above which shall be fulfilled by the Company) on or before 30 June 2011 (or such other date as the parties to the Second S&P Agreement may agree in writing). As soon as any condition precedent (other than the conditions precedent labelled (d), (f) and (g) to be fulfilled or waived before Completion) have been fully satisfied (or waived), as the case may be, the Vendors shall give written notice of the same to the Company.

In the event that not all of the conditions precedent are fulfilled, or waived, as the case may be, by the Company pursuant to the terms of the Second S&P Agreement by 30 June 2011 (or such other date as the parties to the Second S&P Agreement may agree in writing), then the Company shall not be bound to proceed with the sale and purchase of the Sale Shares and the Company shall be entitled to terminate the Second S&P Agreement by notice in writing to the Vendors. Upon termination, the parties to the Second S&P Agreement shall be released and discharged from their respective obligations under the Second S&P Agreement, except that save as otherwise provided in the Second S&P Agreement, any cause of action accrued or any liability arising before or in relation to such termination shall continue notwithstanding such termination.

Completion shall take place at the office of the Company on the Completion Date, being the third business day following the fulfilment (or waiver thereof) of the conditions precedent or such other date as the parties to the Second S&P Agreement may agree in writing.

Pursuant to the Second S&P Agreement, the Company will issue to the Vendors, at Completion, the Convertible Bonds pro rata to their respective shareholding interests in Sino Light, in full settlement of the consideration for the Acquisition. The terms and conditions of the Convertible Bonds have been negotiated between the Company and the Vendors on an arm's length basis. The following sets out the principal terms of the Convertible Bonds:

Issuer: The Company

Aggregate principal amount: HK\$835,200,000

Interest: The Convertible Bonds shall not bear any interest

Maturity Date: The date falling on the second anniversary of the Bond Issue Date

Conversion right: Subject to and upon compliance with the terms and conditions of the Convertible Bonds and all regulatory requirements (including without limitation the Takeovers Code), each Bondholder shall have the right, at the sole option of such Bondholder, at any time during the Conversion Period to convert the Convertible Bonds held by such Bondholder in whole, or in any part representing at least HK\$1,000,000, of the outstanding principal amount of the Convertible Bonds into the Conversion Shares, calculated for each conversion to be the greatest number of Shares, disregarding fractions, obtainable by dividing the aggregate principal amount of the Convertible Bonds to be converted by the conversion price of HK\$1.92 per Conversion Share, by giving two business days' notice (such notice, once given, may not be withdrawn without the consent in writing of the Directors).

Conversion shares: The Conversion Shares shall be allotted and issued pursuant to the specific mandate to be sought at the EGM, and shall rank pari passu with the Shares in issue on the Conversion Date, save that they shall not be entitled to receive any dividend, distribution or entitlement declared, paid or made by reference to a record date prior to the relevant Conversion Date.

Upon conversion in full of the Convertible Bonds, an aggregate of 435,000,000 Conversion Shares will be issued, representing approximately 24.07% of the issued share capital of the Company as at the date of this announcement and approximately 19.40% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares (assuming no further Shares will be allotted and issued prior to such conversion).

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

Conversion price: HK\$1.92 per Conversion Shares which, for the avoidance of doubt, shall not be subject to any adjustment. The conversion price represents:

- (i) a premium of approximately 6.08% to the closing price per Share of HK\$1.810 as quoted on the Stock Exchange on the Last Trading Day;

- (ii) a premium of approximately 6.19% to the average closing price per Share of approximately HK\$1.808 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 6.02% to the average closing price per Share of approximately HK\$1.811 as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day; and
- (iv) a premium of approximately 109.0% to the unaudited consolidated net asset value attributable to the Shareholders per Share of approximately HK\$0.919 as at 30 June 2010.

Conversion period: The period commencing from the business day immediately after two months of the Bond Issue Date and ending on the Bond Maturity Date, both dates inclusive.

Redemption: Unless previously redeemed, converted or purchased and cancelled, the Company shall redeem each Convertible Bond then outstanding at a value equal to the aggregate principal amount then outstanding on the Bond Maturity Date by issuing Shares to the Bondholder at the conversion price of HK\$1.92 per Conversion Share.

The Company shall, on the occurrence of any event of default (as specified in the terms and conditions of the Convertible Bonds), redeem all the Convertible Bonds then outstanding at a value equal to the aggregate of the principal amount outstanding under the Convertible Bonds by issuing Shares to the Bondholder at the conversion price of HK\$1.92 per Conversion Share. Except as otherwise provided, the Convertible Bonds shall not be redeemed or repaid prior to the Bond Maturity Date.

Ranking: The Convertible Bonds constitute direct unconditional, unsubordinated and unsecured obligations of the Company and rank at least pari passu and rateably without preference (with the exception of obligations in respect of taxes and certain other statutory exceptions) equally with all other present and future unsubordinated and unsecured obligations of the Company.

Transferability The Convertible Bonds shall not be transferable without prior written consent of the Company.

- Voting rights: The Convertible Bonds shall not confer on the Bondholder(s) the right to vote at a general meeting of the Company.
- Listing: The Convertible Bonds will not be listed on the Stock Exchange or any other stock exchange.
- Covenants in relation to the conversion rights: So long as any Convertible Bond shall remain convertible the Company.0785 Tsc0ong other things):
- sc0) not make any redemption of 078re capital, 078re premium account or capital redemption reserve involving any repayment to S78reholders either in cash or in specie scother than as contemplated under the Second S&P Agreement or to the S78reholders having the right on a winding up of the Company to return of capital in priority to other S78reholders) or reduce any unc85 ed liability in respect thereof;
 - (b) not issue or pay up any.0ecurities by way of capitalisation of profits or reserves other thanTsc1) by the issue of fully-paid S78res to the S78reholders or (2) by the issue of fully-paid 078re capital of the Company scother than S78res) to the holders thereof of the same class;
 - (c) not, unless the consent of the majority of Bondholder(s) has been obtained scsuch consent not to be unreasonably withheld or delayed), in any way modify the rights attaching to the S78res or create or issue or permit to be in issue any other class of 078re capital of the Company carrying any right to income or capital which is more favourable in any respect than the corresponding right attaching to the S78res or attach any special rights or privileges to any.0uch other class of the s78re capital of the Company provided that nothing in this paragraph (c) 0785 prevent any consolidation or sub-division of the S78res; and

- (d) if an offer is made to all Shareholders (or all Shareholders other than the offeror and/or any offeror controlled by the Company and/or persons acting in concert with the offeror) to acquire all or a proportion of the Shares forthwith give notice of such offer to the Bondholders and use its reasonable endeavours to procure that a like offer is extended to the holders of any Shares allotted or issued pursuant to the exercise by Bondholders of their rights of conversion by reference to a Conversion Date falling during the period of such offer; publication of a scheme of arrangement under the laws of the Cayman Islands or a voluntary arrangement under any applicable law providing for the acquisition by any person of the whole or any part of the Shares shall be deemed to be the making of an offer.

Company's undertakings:

So long as any Convertible Bond shall remain convertible the Company shall (among other things) not effect any consolidation or amalgamation with, or merger into any other corporation, or any sale or transfer of all or substantially all of the assets of the Company without the written consent of the majority of Bondholder(s) (such consent not to be unreasonably withheld or delayed). In case of any consolidation or amalgamation of the Company with, or merger of Company into, any other corporation (other than a consolidation or amalgamation or merger in which the Company is the continuing corporation), or in case of any sale or transfer of all or substantially all of the assets of the Group, the Company shall use its best endeavours to cause the corporation formed by such consolidation or amalgamation or the corporation into which the Company shall have been merged or the corporation which shall have acquired such assets, as the case may be, to execute with the holders of all Convertible Bonds then outstanding a supplemental agreement providing that the holder of each Convertible Bond then outstanding shall have the right, during the period such Convertible Bond shall be convertible and to the full extent permitted by law and regulations (including without limitation the Code on Takeovers and Mergers), to convert such Convertible Bond into the kind and amount of shares or stock and other securities and property receivable upon such consolidation, amalgamation, merger, sale or transfer by a holder of the number of Shares into which such Convertible Bond might have been converted immediately prior to such consolidation, amalgamation, merger, sale or transfer. Such provisions shall similarly apply to successive consolidations, amalgamations, mergers, sales or transfers.

The Directors (excluding the independent non-executive Directors who will express their view after receiving advice from the independent financial adviser) consider that the issue of the Convertible Bonds as consideration for the Acquisition is fair and reasonable and in the interests of the Company and the Shareholders as a whole, as it will not pose any pressure on the cash resources on the Company, which can otherwise be utilized for the Group's general working capital requirements as well as further developing the business of the Group.

As at the date of this announcement, the Company has not received any indication from the Vendors of any specific time frame on the exercise of the Convertible Bonds. The Company has otherwise sought a confirmation from Mr. Tan and the Vendors that they will, and will procure their respective associates and parties acting in concert with any one of them, that in the event that the conversion of the Convertible Bonds results in an obligation on the part of the Vendors to exercise the e exercis [(Comp“7.2(o.0250to makeive’s generaoffthes inccordinae2()]TJT*.0

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3. As at the date of this announcement, an aggregate of 478,145,999 Shares are held by Mr. Tan and his associates, of which, 475,761,999 Shares are held by Mr. Tan and 2,384,000 Shares are held by Mr. Tan's relatives as mentioned in note 4 below. Upon full exercise of the conversion rights attaching to the Convertible Bonds and (i) assuming all outstanding share options granted under the Share Option Scheme have not been exercised, an aggregate of 617,934,277 Shares will be held by Mr. Tan and his associates, of which, 475,761,999 Shares will be held by Mr. Tan, 2,384,000 Shares will be held by Mr. Tan's relatives and 139,788,278 Shares will be held by the First Vendor; and (ii) assuming all outstanding share options granted under the Share Option Scheme have been exercised, an aggregate of 619,234,277 Shares will be held by Mr. Tan and his associates, of which, 476,261,999 Shares will be held by Mr. Tan, 3,184,000 Shares will be held by Mr. Tan's relatives and 139,788,278 Shares will be held by the First Vendor.
4. As at the date of this announcement, six employees of the Group, namely Zhao Xiuzhen, Tan Wenge, Wang Jing, Gao Yu, Tan Wenxiang and Wang Jinsheng, who are the relatives of Mr. Tan and are considered parties acting in concert with Mr. Tan, are interested in an aggregate of 2,384,000 Shares, of which 1,788,000 Shares remain registered in the name of Mr. Chong as trustee who is entrusted to exercise voting rights and hold the dividends and other distributions made in respect of the relevant Shares in trust on their behalf.
5. As at the date of this announcement, an aggregate of 104,436,165 Shares are held by Mr. Chong and his associates, of which, 2,449,500 Shares are held by Mr. Chong, 64,140,040 Shares are held by PEC, 15,935,500 Shares are held by the Fourth Vendor, 19,261,125 Shares are held by Mr. Chong as trustee, 2,650,000 Shares are held by Mr. Chong's relatives and other associate(s). Upon full exercise of the conversion rights attaching to the Convertible Bonds, an aggregate of 137,943,652 Shares will be held by Mr. Chong and his associates, of which, 2,449,500 Shares will be held by Mr. Chong, 64,140,040 Shares will be held by PEC, 49,442,987 Shares will be held by the Fourth Vendor, 19,261,125 Shares will be held by Mr. Chong as trustee, 2,650,000 Shares will be held by Mr. Chong's relatives and other associate(s). As at the date of this announcement, neither Mr. Chong nor any of his associates has been granted any share options under the Share Option Scheme.
6. As at the date of this announcement, the Fourth Vendor is held as to 20% by PEC, 45% by Leigh Company Limited, and as to 30% and 5% respectively by Mr. Sam Wai Keung and Mr. Chong Yu Ka, both being independent third parties under the Listing Rules but for the purpose of the Takeovers Code are considered to be parties acting in concert with the Fourth Vendor. Both PEC and Leigh Company Limited are wholly owned by Mr. Chong.
7. Mr. Chong holds 26,058,625 Shares as trustee on behalf of certain directors, members of the senior management and staff of the Group, of which 2,350,125 Shares and 2,659,375 Shares are held by Mr. Chong in trust for Ms. Zhang Liming and Mr. Hsu You Yuan, both an executive Director, respectively, and 1,788,000 Shares are held by Mr. Chong in trust for the six employees mentioned in note 4 above.
8. Out of the 12,440,927 Shares, 2,659,375 Shares are registered in the name of Mr. Chong as trustee who is entrusted to exercise voting rights and hold the dividends and other distributions made in respect of the relevant Shares in trust on his behalf.
9. Out of the 3,133,500 Shares, 2,350,125 Shares are registered in the name of Mr. Chong as trustee who is entrusted to exercise voting rights and hold the dividends and other distributions made in respect of the relevant shares in trust on her behalf.
10. 130,000 Shares are held by the wife of Mr. Tam Wing Keung. Mr. Tam Wing Keung is the beneficial owner of the entire issued shares of the Sixth Vendor.
11. WWIC is a wholly owned subsidiary of WWX and a substantial Shareholder for the purpose of the Listing Rules.

Sino Light is an investment holding company incorporated in the BVI with limited liability. As at the date of this announcement, Sino Light is interested in the entire issued share capital of You Xin, an investment holding company incorporated in Hong Kong with limited liability, which in turn owns the entire issued share capital of HPT.

HPT is a company established in the PRC with limited liability and is principally engaged in the business of manufacture of silicon solar cells. Silicon solar cell is an important component of solar modules which are used to form a functional solar power generation system. On the other hand, silicon solar wafer, being one of the Group's major products, is an essential component for the manufacture of silicon solar cells. Silicon solar cells produced by HPT are mainly sold to module manufacturers in the PRC which in turn sell their products mainly to system installation projects.

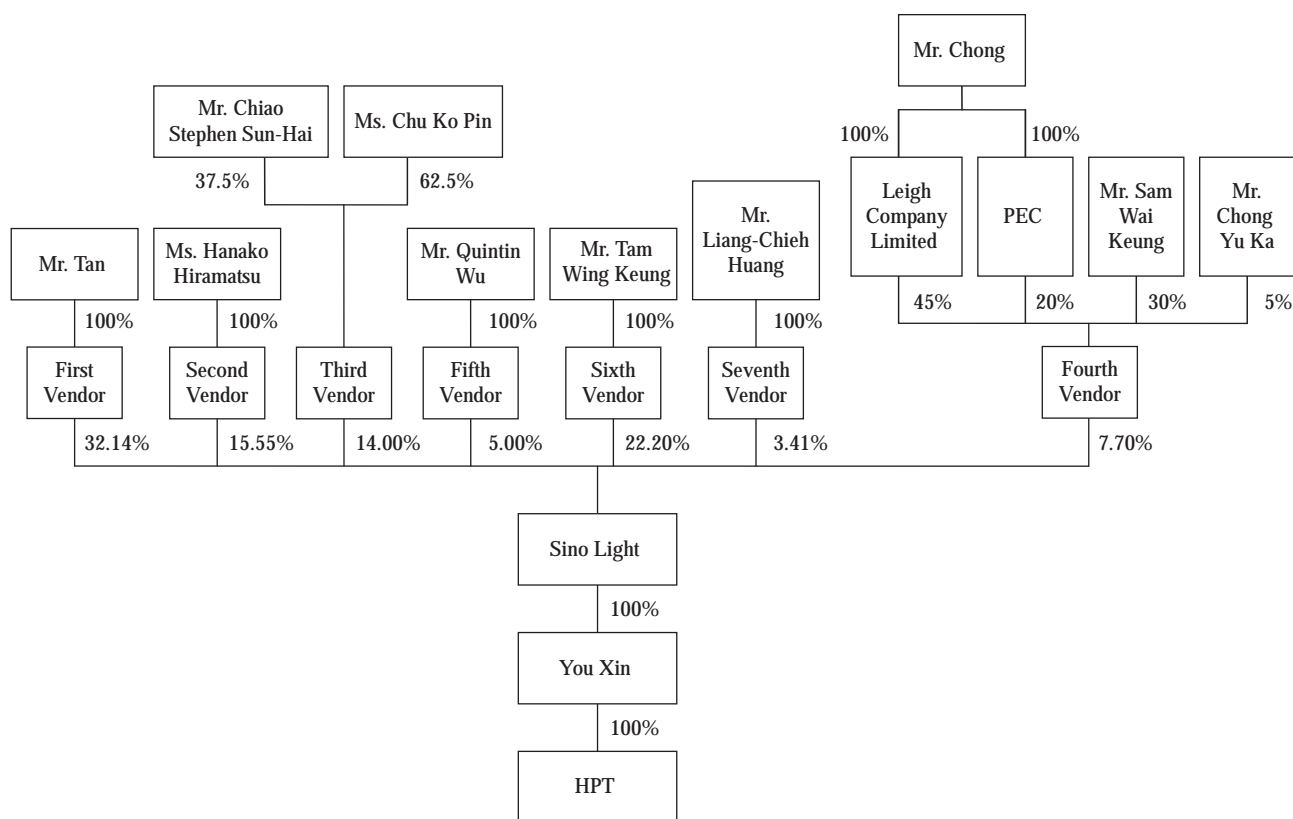
The unaudited consolidated net book value of Sino Light as at 30 June 2010 was approximately RMB120.99 million.

- (a) Upon the establishment of HPT, HPT was owned as to 53% by Mr. Tan's controlled corporation, as to 22% by the Fourth Vendor, as to 20% by the Third Vendor and as to 5% by the Fifth Vendor.
- (b) Mr. Tan, the ultimate beneficial owner of the First Vendor, has through his controlled corporation, contributed an aggregate of RMB37.1 million to HPT for the 53% equity interests in HPT, and the Fourth Vendor has contributed an aggregate of RMB15.4 million to HPT for the 22% equity interests in HPT.
- (c) In December 2009, the Sino Light Group has undergone a corporate reorganisation whereby Sino Light holds 100% of the issued shares of You Xin which in turn holds 100% of the equity interests of HPT. Sino Light, being the ultimate holding company of HPT, was owned as to 53% by the First Vendor, as to 22% by the Fourth Vendor, as to 20% by the Third Vendor and as to 5% by the Fifth Vendor after such reorganisation.
- (d) On 29 December 2009, the Fourth Vendor transferred shares of Sino Light, representing approximately 11% of the then issued shares of Sino Light, to the Second Vendor at a cash consideration of HK\$8,778,000. The shareholding of the Fourth Vendor was reduced to 11% after such share sales.
- (e) On 30 December 2009, the Sixth Vendor and the Seventh Vendor subscribed new shares of Sino Light, respectively representing approximately 26.56% and 3.41% of the enlarged issued shares of Sino Light, at the subscription price of US\$7,790,000 and US\$1,000,000, respectively. On the same date, the First Vendor transferred shares of Sino Light, representing approximately 4.98% of the issued shares of Sino Light, to the

Sixth Vendor at a cash consideration of US\$1,460,000. After the subscriptions and the share sales, Sino Light was owned as to approximately 32.14% by the First Vendor, as to 7.7% by the Second Vendor, as to 14% by the Third Vendor, as to 7.7% by the Fourth Vendor, as to 3.5% by the Fifth Vendor, as to 31.54% by the Sixth Vendor and as to 3.41% by the Seventh Vendor.

- (f) On 12 April 2010, the Sixth Vendor transferred (i) shares of Sino Light to the Second Vendor, representing approximately 7.85% of the issued shares of Sino Light, at a cash consideration of US\$2,300,000 and (ii) shares of Sino Light to the Fifth Vendor, representing approximately 1.5% of the issued shares of Sino Light, at a cash consideration of US\$439,883. After the share sales, Sino Light was owned as to approximately 32.14% by the First Vendor, as to 15.55% by the Second Vendor, as to 14% by the Third Vendor, as to 7.7% by the Fourth Vendor, as to 5% by the Fifth Vendor, as to 22.2% by the Sixth Vendor and as to 3.41% by the Seventh Vendor.

Set out below is the shareholding structure of the Sino Light Group as at the date of this announcement:



The Group is a leading manufacturer of monocrystalline silicon solar ingots and wafers in the PRC. Its products are used for the manufacture of photovoltaic cells which are important components for solar energy generation systems. The businesses of the Group include (i) trading and manufacturing of monocrystalline and multicrystalline silicon solar ingots and wafers; (ii) processing of silicon solar ingots and wafers; (iii) upgrading and trading of polysilicon; (iv) production and sales of monocrystalline and multicrystalline photovoltaic modules; and (v) design and installation of photovoltaic systems.

Upon completion of the Acquisition, Sino Light, You Xin and HPT will become subsidiaries of the Company and enable the Group to accelerate its intended downstream business developments in the photovoltaic industry. The Acquisition will enable the Group to secure a reliable source of silicon solar cells for its module business and improve the operational efficiency of the Group. Moreover, the Acquisition is expected to bring synergy between the new business and the Group's existing business of wafer and ingot manufacturing, which will benefit the Group in the long run. The Directors (excluding the independent non-executive Directors who will express their view after receiving advice from the independent financial adviser) are of the view that the Acquisition is in line with the Group's plan in developing its downstream business and will enable the Group to further diversify its source of revenue and broaden its opportunities to cooperate with well-established enterprises along the photovoltaic value chain. Taking into account the foregoing, the Directors (excluding the independent non-executive Directors who will express their view after receiving advice from the independent financial adviser) consider that the terms of the Second S&P Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As the applicable percentage ratios, where appropriate, calculated with reference to Rule 14.07 of the Listing Rules, exceed 25% but are less than 100%, the Acquisition constitutes major transaction for the Company under the Listing Rules and is therefore subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, (i) since the First Vendor is wholly owned by Mr. Tan, the First Vendor is an associate of Mr. Tan and therefore is a connected person of the Company under the Listing Rules; and (ii) since the Fourth Vendor is beneficially owned as to 65% by companies wholly owned by Mr. Chong, the Fourth Vendor is an associate of Mr. Chong and therefore is also a connected person of the Company under the Listing Rules. Accordingly, the Acquisition and the transactions contemplated thereunder also constitute connected transactions for the Company under the Listing Rules and are subject to approval by the Independent Shareholders at the EGM.

The Vendors, Mr. Tan, their respective associates and parties acting in concert with any one of them and those who are involved in or interested in the Acquisition will abstain from voting at the EGM in respect of the resolutions for approving the Acquisition, the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares.

An Independent Board Committee comprising Mr. Wong Wing Kuen, Albert, Ms. Fu Shuangye, Dr. Lin Wen and Mr. Zhang Chun, the independent non-executive Directors, has been formed to advise the Independent Shareholders on the Acquisition, the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares. The two non-executive Directors, namely, Mr. Chiao Ping Hai and Mr. Chong, have not been appointed as members of the Independent Board Committee as (i) Mr. Chiao Stephan Sun-Hai, who is beneficially interested in approximately 37.5% of the issued share capital of the Third Vendor, is the elder brother of Mr. Chiao Ping Hai, Mr. Chiao Ping Hai is an associate of Mr. Chiao Stephan Sun-Hai and is considered to have an interest in the Acquisition; and (ii) Mr. Chong is, through his wholly owned companies, interested in 65% of the issued share capital of the Fourth Vendor and is accordingly regarded as a party acting in concert with the Fourth Vendor. The Company has appointed First Shanghai Capital Limited as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Acquisition, the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares in accordance with the Listing Rules.

A circular containing, among other things, particulars of the Acquisition, the recommendations of the Independent Board Committee, a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders and notice convening the EGM is expected to be sent to the Shareholders on or before 29 November 2010.

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Pursuant to Rule 14.58(7) of the Listing Rules, the Company is required to include in this announcement the net profits (both before and after taxation and extraordinary items) attributable to the Sino Light Group for the two financial years immediately preceding the transaction. However, for the purpose of Rule 10.9 of the Takeovers Code, the inclusion of unaudited consolidated net profits (before and after taxation and extraordinary items) of Sino Light for the two financial years ended 31 December 2009 would be regarded as profit forecast under Rule 10.9 of the Takeovers Code. The Company has therefore applied to the Stock Exchange for a waiver from strict compliance with Rule 14.58(7) of the Listing Rules.

7/11/11

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| “Conversion Shares” | new Shares to be allotted and issued upon any conversion of the Convertible Bonds |
| “Convertible Bonds” | convertible bonds in the aggregate principal amount of HK\$835,200,000 to be issued on Completion in satisfaction in full of the consideration for the Acquisition |
| “Director(s)” | the directors of the Company |
| “EGM” | the extraordinary general meeting of the Company to be held to approve, among other things, the Acquisition, the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares |
| “Executive” | the Executive Director of the Corporate Finance Division of the SFC or any of his delegate |
| “Fifth Vendor” | Seaquest Ventures Inc., an investment holding company incorporated in the BVI and is beneficially and wholly owned by Mr. Quintin Wu, an independent third party under the Listing Rules but for the purpose of the Takeovers Code is considered to be a party acting in concert with the Fifth Vendor |
| “Fifth Warrantors” | Fifth Vendor together with Mr. Quintin Wu |
| “First S&P Agreement” | The sale and purchase agreement dated 30 September 2010 and entered into among the Company, the Vendors and the Warrantors in relation to the Acquisition |
| “First Vendor” | You Hua Investment Corporation, an investment holding company incorporated in the BVI and is beneficially and wholly owned by Mr. Tan |
| “First Warrantors” | First Vendor together with Mr. Tan |
| “Fourth Vendor” | Prosperity Lamps & Components Limited, a Hong Kong incorporated company beneficially owned as to 65% by companies wholly owned by Mr. Chong, and as to 30% and 5% respectively by Mr. Sam Wai Keung and Mr. Chong Yu Ka, both being independent third parties under the Listing Rules but for the purpose of the Takeovers Code are considered to be parties acting in concert with the Fourth Vendor. The principal business of the Fourth Vendor is trading of lighting equipment |
| “Fourth Warrantors” | Fourth Vendor together with Mr. Chong |

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| “Group” | the Company and its subsidiaries |
| “HPT” | Jinzhou Huachang Photovoltaic Technology Co., Ltd (錦州華昌光伏科技有限公司), a wholly foreign owned enterprise established in the PRC with limited liability and wholly owned by You Xin as at the date of this announcement |
| “Independent Board Committee” | an |

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| “Sale Shares” | 53,888,261 ordinary shares of US\$0.001 each in the capital of Sino Light |
| “Second S&P Agreement” | The sale and purchase agreement dated 8 November 2010 and entered into among the Company, the Vendors and the Warrantors in relation to the Acquisition |
| “Second Vendor” | Wintek International Corp., an investment holding company incorporated in Samoa and is beneficially and wholly owned by Ms. Hanako Hiramatsu, an independent third party under the Listing Rules but for the purpose of the Takeovers Code is considered to be a party acting in concert with the Second Vendor |
| “Second Warrantors” | Second Vendor together with Ms. Hanako Hiramatsu |
| “Seventh Vendor” | Sunvision Capital Investment Limited, an investment holding company incorporated in Samoa and is beneficially and wholly owned by Mr. Liang-Chieh Huang, an independent third party under the Listing Rules but for the purpose of the Takeovers Code is considered to be a party acting in concert with the Seventh Vendor |
| “Seventh Warrantors” | Seventh Vendor together with Mr. Liang-Chieh Huang |
| “SFC” | The Securities and Futures Commission of Hong Kong |
| “Share(s)” | ordinary share(s) with a par value of HK\$0.10 each in the capital of the Company |
| “Shareholder(s)” | holder(s) of Share(s) |
| “Share Option Scheme” | the share option scheme of the Company adopted on 27 February 2008 |
| “Sino Light” | Sino Light Investments Limited, a company incorporated in the BVI with limited liability |
| “Sino Light Group” | Sino Light, You Xin and HPT |
| “Sixth Vendor” | Lithium Energy Holdings Corporation, an investment holding company incorporated in the BVI and is beneficially and wholly owned by Mr. Tam Wing Keung, an independent third party under the Listing Rules but for the purpose of the Takeovers Code is considered to be a party acting in concert with the Sixth Vendor |

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| “Sixth Warrantors” | Sixth Vendor together with Mr. Tam Wing Keung |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Takeovers Code” | the Hong Kong Code on Takeovers and Mergers |
| “Third Vendor” | Grand Sea Investments Limited, an investment holding company incorporated in Samoa, the issued share capital of which is beneficially owned as to approximately 37.5% by Mr. Chiao Stephen Sun-Hai (the elder brother of Mr. Chiao Ping Hai who is a non-executive Director and the chairman of the Company) and as to approximately 62.5% by Ms. Chu Ko Pin, an independent third party under the Listing Rules but for the purpose of the Takeovers Code is considered to be a party acting in concert with the Third Vendor |
| “Third Warrantors | Third Vendor together with Mr. Chiao Stephen Sun-Hai |
| “Vendors” | First Vendor, Second Vendor, Third Vendor, Fourth Vendor, Fifth Vendor, Sixth Vendor and Seventh Vendor |
| “Warrantors” | First Warrantors, Second Warrantors, Third Warrantors, Fourth Warrantors, Fifth Warrantors, Sixth Warrantors and Seventh Warrantors |
| “WWIC” | Wafer Works Investment Corp., an investment holding company incorporated in Samoa with limited liability and wholly owned by WWX, and a substantial shareholder of the Company interested in approximately 19.05% of its issued share capital as at the date of this announcement |
| “WWX” | Wafer Works Corp., a company incorporated in Taiwan with limited liability whose shares are listed on the Taiwan Gre Tai Securities Market |
| “You Xin” | You Xin Investment Limited, a company incorporated in Hong Kong with limited liability and wholly owned by Sino Light as at the date of this announcement |

By order of the Board
S. E H L
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Executive Director

Hong Kong, 9 November 2010

A. The first part of the document is a letter from the Secretary of the State to the Governor, dated the 10th of the month of the year. B. The second part is a report from the Secretary of the State to the Governor, dated the 10th of the month of the year. (The report is a copy of the report of the Secretary of the State to the Governor, dated the 10th of the month of the year.)

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