

**SOLARGIGA ENERGY HOLDINGS LTD:
IT IS JUST AS WELL THAT IT WITHDREW ITS LISTING**

Whenever a company pitches an **I**nitial **P**ublic **O**ffering (IPO) on The Stock Exchange of Hongkong Ltd and it is noted that a very material number of existing shareholders is very anxious to catch the opportunity to cash in on the IPO by selling part, or all, of their shares, one should, in **TARGET**'s opinion, think twice before putting money on the table in order to obtain some shares in the new listing.

TARGET's thinking is, simply put:

If the existing shareholders are desirous of selling all, or part of their interests in the company, for what reason should prospective shareholders want to take an equity position in the company when the company, itself, is not considered a sufficiently good-enough investment for existing shareholders?

This was the situation in respect of Solargiga Energy Holdings Ltd () which pitched its story for a listing, contained in a Global Offering Prospectus, dated January 21, 2008.

Last Monday, Management of Solargiga Energy withdrew as a candidate for a listing on the Main Board of The Stock Exchange of Hongkong Ltd, stating as the reason:

'Having regard to the current turmoil in the international capital markets and the adverse market conditions, the Company has decided not to proceed with the Global Offering as per the original timetable. The Company will review the position and further announcement(s) will be made once a decision to relaunch is reached ...

'The Company will inform investors and the market as soon as practicable as to any material developments in relation to any offering by the Company.'

By the wording of the final paragraph of the Summary of this announcement, it appears that Management of this Company might consider pitching, once again, its listing on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) at a later date.

The Global Offering Prospectus of Solargiga Energy, dated January 21, 2008, stated that the Company was Offering 253.60 million, 10-cent Shares at an Offer Price of not more than \$HK4.88 per Share.

At the same time, a total of 18 existing shareholders was desirous of offloading 169,066,000 Shares on the same terms and conditions as the sales of the 253.60 million, Company Shares.

However, at Appendix VII, Pages 33, 34, and 35, the total number of shares which the existing, 18 shareholders wanted to offload was 170,066,000, by **TARGET**'s count.

That is one million Shares more than that which is shown in the Prospectus, on the first Page.

Put another way, one or more of the existing, 18 shareholders would have been able to walk away with an additional \$HK4.88 million had the flotation come off on schedule.

Which is very nice, of course – for the shareholder(s).

Had the Offer Price of \$HK4.88 been achieved, the 18 existing shareholders would have walked away with

about \$HK825.04 million, gross.

As for ... [CLICK TO ORDER FULL ARTICLE](#)

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