



Solargiga Energy Holdings Limited
陽光能源控股有限公司

2011 Interim Results
31 August 2011

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Solargiga Energy Holdings Limited
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Corporate Overview

Corporate Profile



We are one of the leading monocrystalline silicon solar ingot provider in China



We provide total solution from ingots to system installation in solar industry through our unique “inverted pyramid” business model



We are a cross-listed solar company in Hong Kong (00757.HK) and Taiwan (9157.TT)

Major Achievements in 2011



Acquired cell business and completed vertical integration on 26 January 2011



Entered into 3-Year syndicated loan of US\$75 million with 11 banks on 27 May 2011

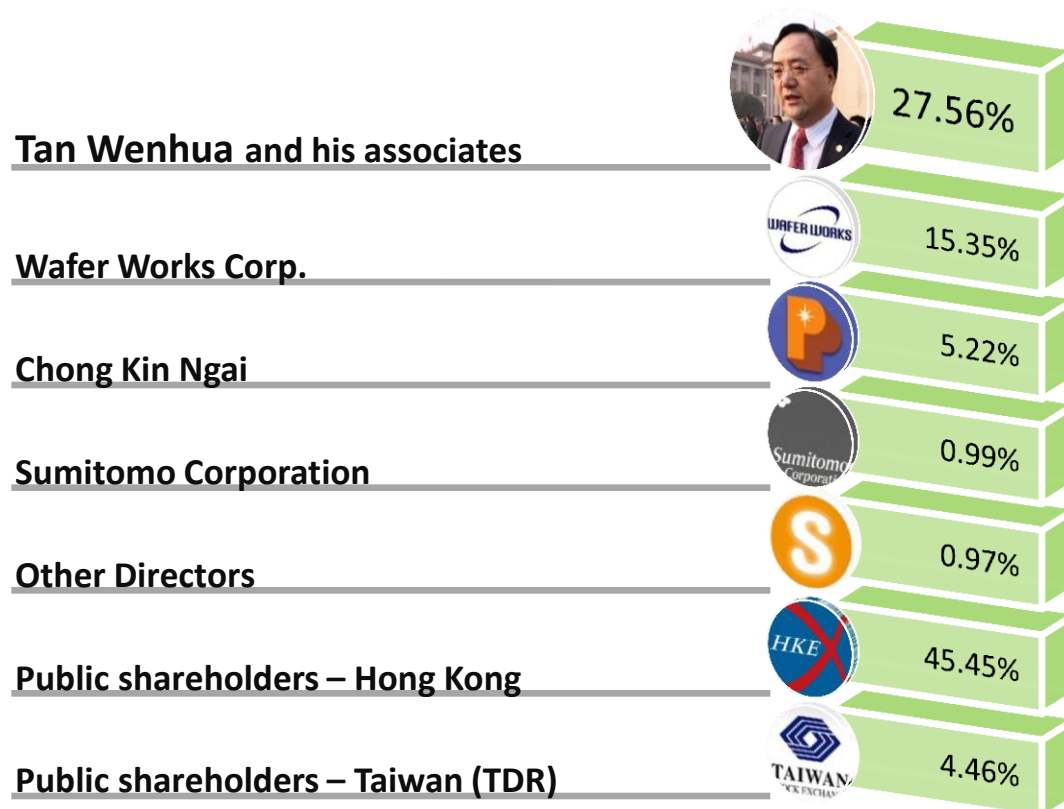


Obtained a 20MW PV power station project in Golmud, Qinghai Province on 11 July 2011



Issued 3-Year RMB denominated bonds of RMB300 million on 24 August 2011

Shareholding Structure as at 30 June 2011



Number of issued shares

2,242,170,425

Manufacturing Base



Jinzhou, Liaoning (遼寧錦州)

- Major manufacturing base
- Polysilicon reclaiming and upgrading facilities
- **800MW monocrystalline silicon ingot**
- **600MW monocrystalline silicon wafer**
- Joint venture project of **500MW multicrystalline silicon ingot and wafer** which is 37% owned by the Group
- **300 MW photovoltaic cell**
- Joint venture project of **100 MW photovoltaic module** which is 51% owned by the Group

Xining, Qinghai (青海西寧)

- Joint venture project of **400MW monocrystalline silicon ingot** which is 51% owned by the Group

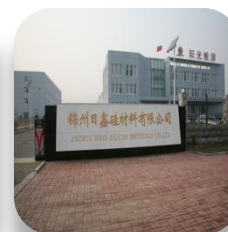
Shanghai (上海)

- Polysilicon reclaiming and upgrading facilities



Xining, Qinghai

Jinzhou, Liaoning



Shanghai



Product Range



Silicon		   	<ul style="list-style-type: none"> Reclaiming and upgrading of polysilicon Long term contract with various polysilicon suppliers
Ingot			<ul style="list-style-type: none"> 800MW in Jinzhou + 200MW in Xining (Phase I)
Wafer			<ul style="list-style-type: none"> 600MW
Cell			<ul style="list-style-type: none"> 300MW
Module			<ul style="list-style-type: none"> 100MW
System			<ul style="list-style-type: none"> 13.5MW pilot projects under "Golden Sun Programme" 20MW solar power plant in Qinghai Province

Vertical Integration Strategy

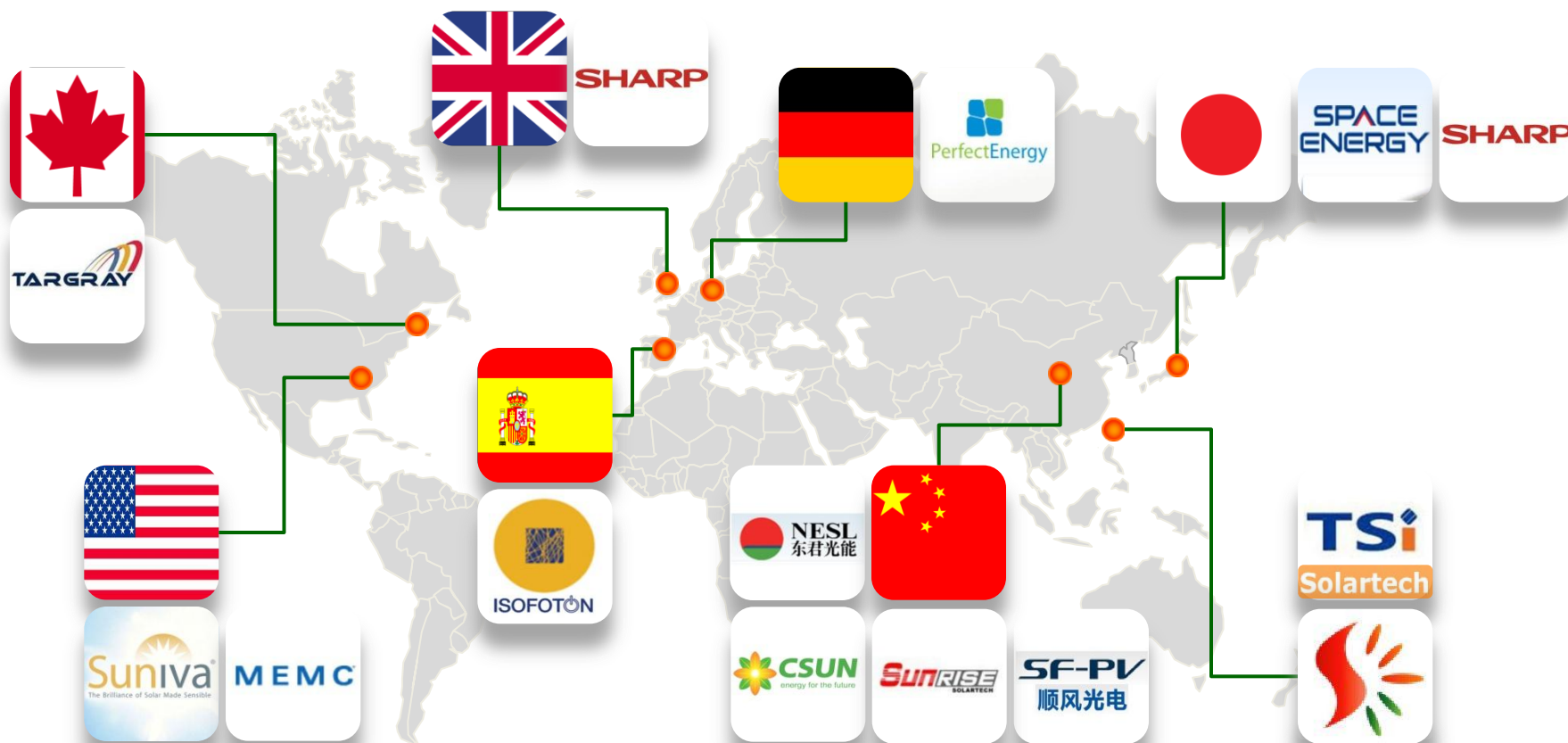


Solargiga Energy

Customer Base



- Well-diversified customer base in the PRC and overseas
- Maintained long-term relationship with customers





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Financial Performance

Results Highlight



- Overall increase in shipment volume
- Strong market demand and ASP in 1Q2011
- ASP dropped in May and June 2011 due to market slowdown

(RMB '000)	1H2011	1H2010	Change
Revenue	1,274,146	796,411	+60.0%
Gross Profit	287,261	95,247	+201.6%
Gross Profit %	22.5%	12.0%	+10.5 pts
EBITDA	233,879	86,609	+170.0%
Profit from Operations	159,365	60,916	+161.6%
Profit Attributable to Equity Shareholders of the Company	112,792	41,164	+174.0%
Basic EPS (RMB cents)	5.17	2.28	+126.8%

Financial Position



(RMB '000)

Current Assets

2,309,236

1,540,546

+49.9%

Current Liabilities

1,604,608

1,113,576

+44.1%

Total Assets

5,113,997

3,043,223

+68.0%

Total Liabilities

2,772,305

1,397,508

+98.4%

Net Assets

2,341,692

1,645,715

+42.3%

Net Tangible Assets

2,100,313

1,645,715

+27.6%

Key Financial Ratios



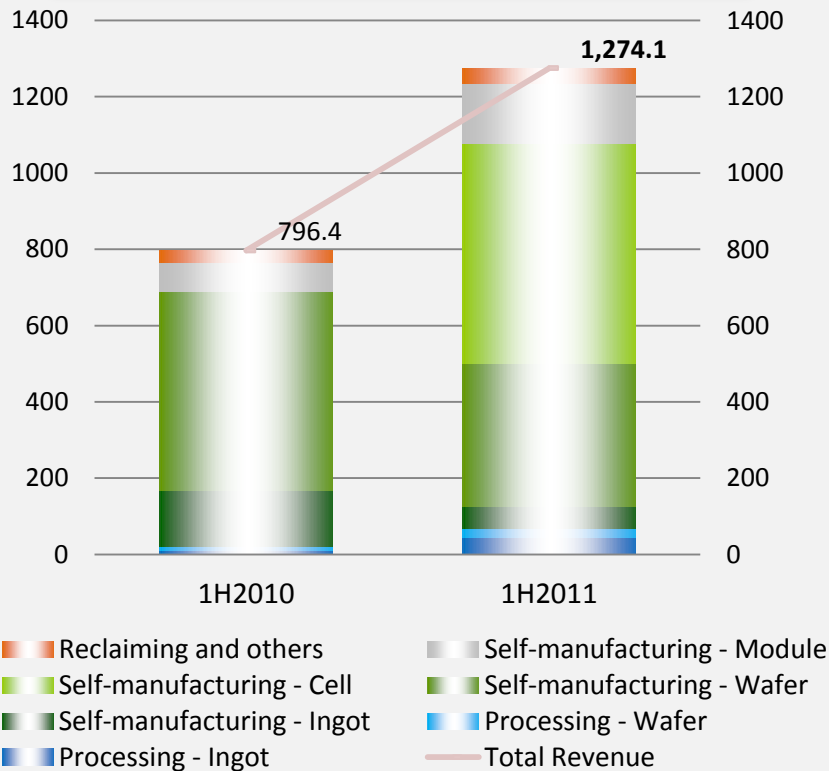
	1H2011	1H2010	Change
<u>Turnover Day Analysis</u>			
Trade Receivables Turnover (Days)	38	50	-12
Trade Payable Turnover (Days)	32	48	-16
Inventory Turnover (Days)	102	129	-27
<u>Gearing Analysis</u>			
Current Ratio (times)	1.4	1.8	-0.4
Total Liability Ratio (times)	1.2	0.7	+0.5
Net Debt to Equity Ratio (%)	42.8%	4.9%	+37.9 pts
Interest Coverage Ratio (times)	6.8	9.4	-2.6
<u>Return Analysis</u>			
Return on Assets (%) (half-year)	2.2%	1.7%	+0.5 pts
Return on Equity (%) (half-year)	4.8%	2.8%	+2.0 pts

Revenue and Shipment Volume

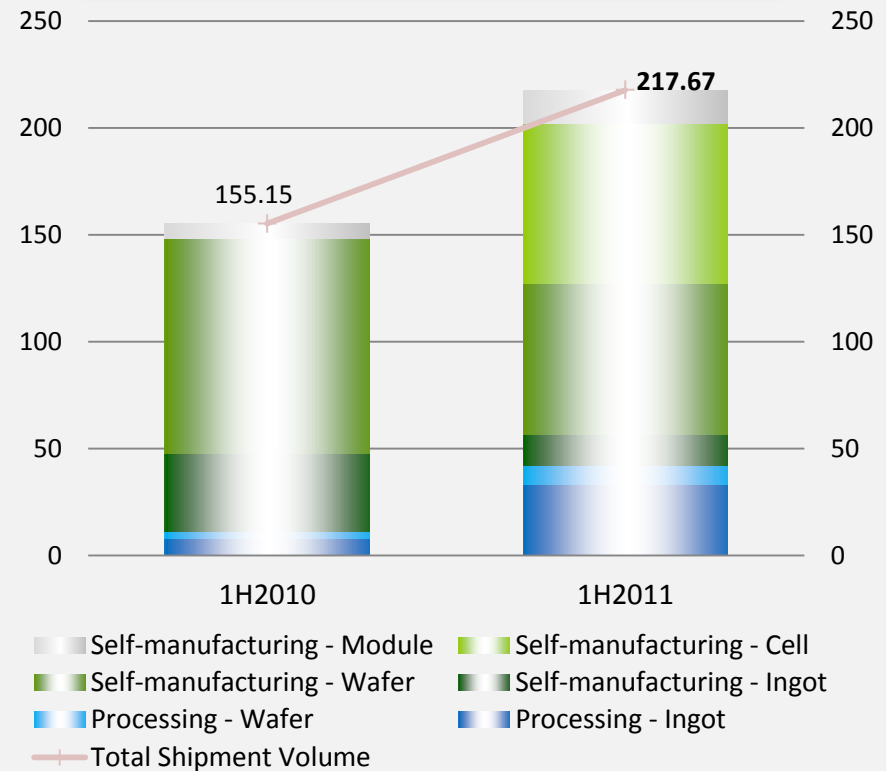


- Strong revenue and shipment volume growth
- Self-manufacturing wafer and cell become key revenue contributors

Revenue (RMB million)



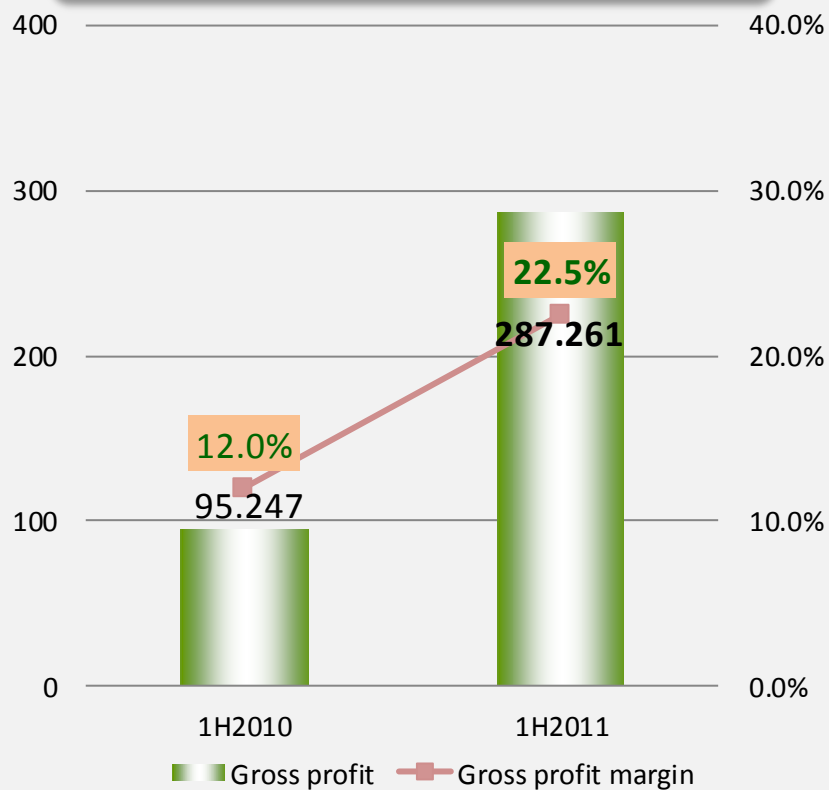
Shipment volume (MW)



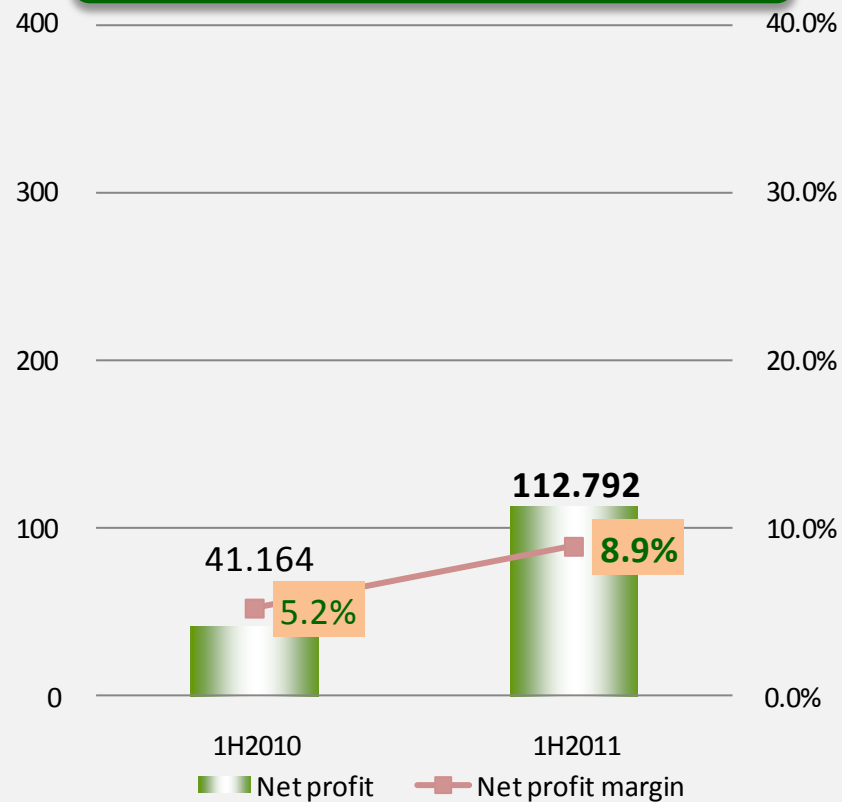
Gross Profit and Net Profit



Gross Profit (RMB million)



Net Profit (RMB million)



Revenue – Quarterly by Products



- Revenue growth quarter-on-quarter

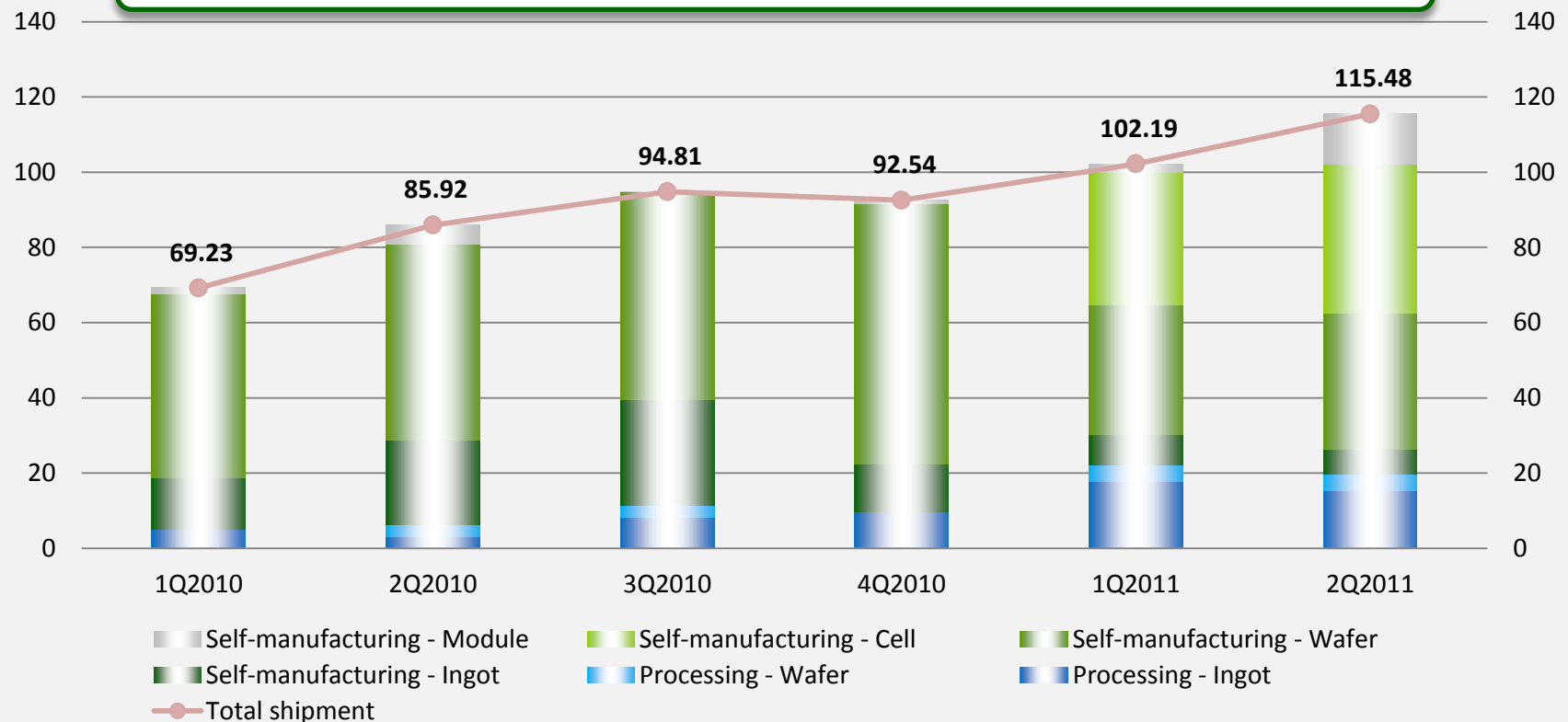
(RMB million)	1Q2010	2Q2010	3Q2010	4Q2010	FY2010	1Q2011	2Q2011	FY2011
Processing - Ingot	5.7	4.9	12.7	14.6	37.9	24.1	19.4	43.5
Processing - Wafer	0.1	10.7	11.8	-	22.6	12.9	12.7	25.6
Self Manufacturing - Ingot	56.6	90.3	123.6	62.9	333.4	35.2	22.2	57.4
Self Manufacturing - Wafer	247.1	274.9	307.3	399.5	1,228.8	192.0	182.2	374.2
Self Manufacturing - Cell	-	-	-	-	-	291.6	285.9	577.5
Self Manufacturing - Module	19.2	56.8	0.2	10.8	87.0	24.9	132.5	157.4
Reclaiming and others	5.8	24.3	49.2	65.8	145.1	10.2	28.3	38.5
Total	334.5	461.9	504.8	553.6	1,854.8	590.9	683.2	1,274.1

Shipment Volume – Quarterly by Products



- Increasing market demand from our customers
- Shipment volume kept growing

Shipment volume (MW)

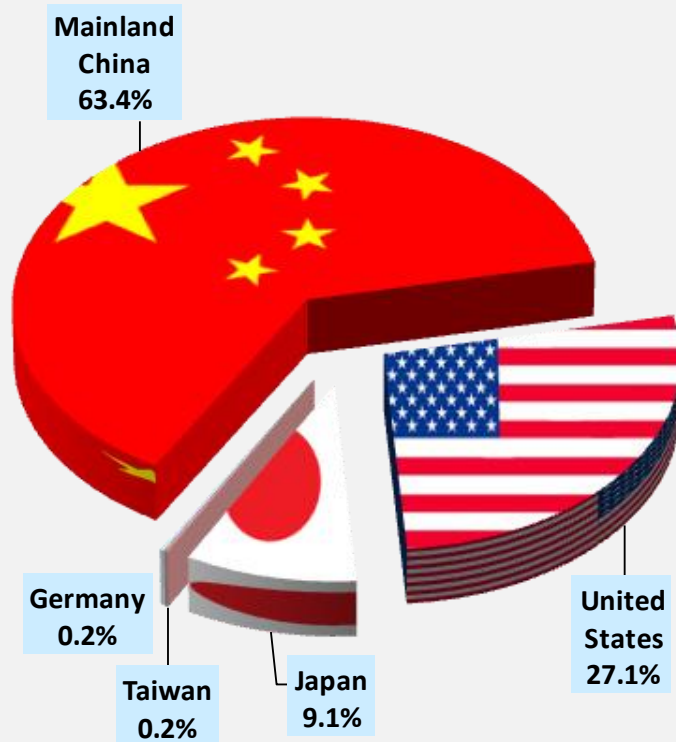


Revenue – By Geographical Segment

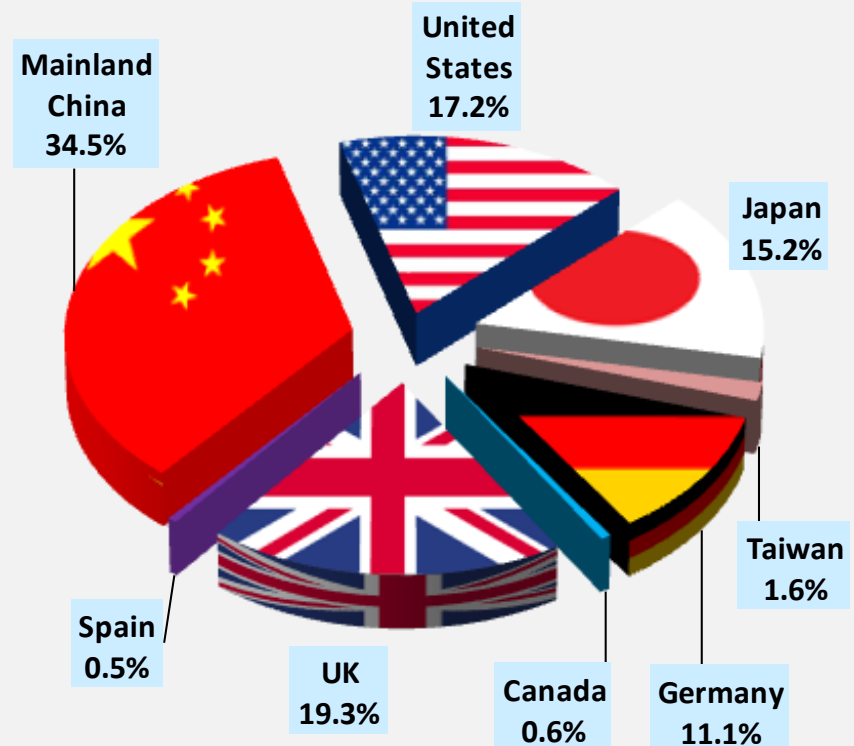


- Further expansion in overseas markets

1H2010



1H2011





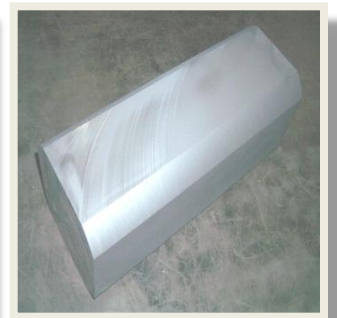
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Business Review

Monocrystalline Solar Ingots and Wafers



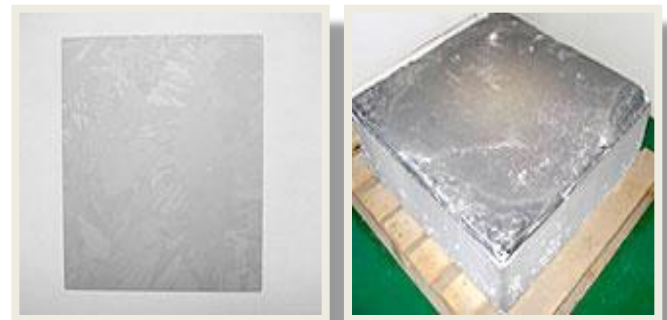
- Completed phase I of ingot production plant in Xining, Qinghai at the end of August 2011, strengthened our leading position in monocrystalline solar products in the industry
- Manufacture of N-type products which are used to produce high conversion efficiency solar products (22-23%)
- Start shipping N-type products to customers in mainland China and Japan, represented 5.6% of shipment volume in 1H2011



Multicrystalline Solar Ingots and Wafers



- Established joint venture with Oxiranchem, listed company on the Chinext of Shenzhen Stock Exchange (300082.SZ), aiming to install 65 casting furnaces and 75 wiresaws, and is 37% owned by Solargiga. Total investment for the project is approximately RMB675 million
- Long-term contract signed with customers to secure sale of multicrystalline wafers from the new capacity





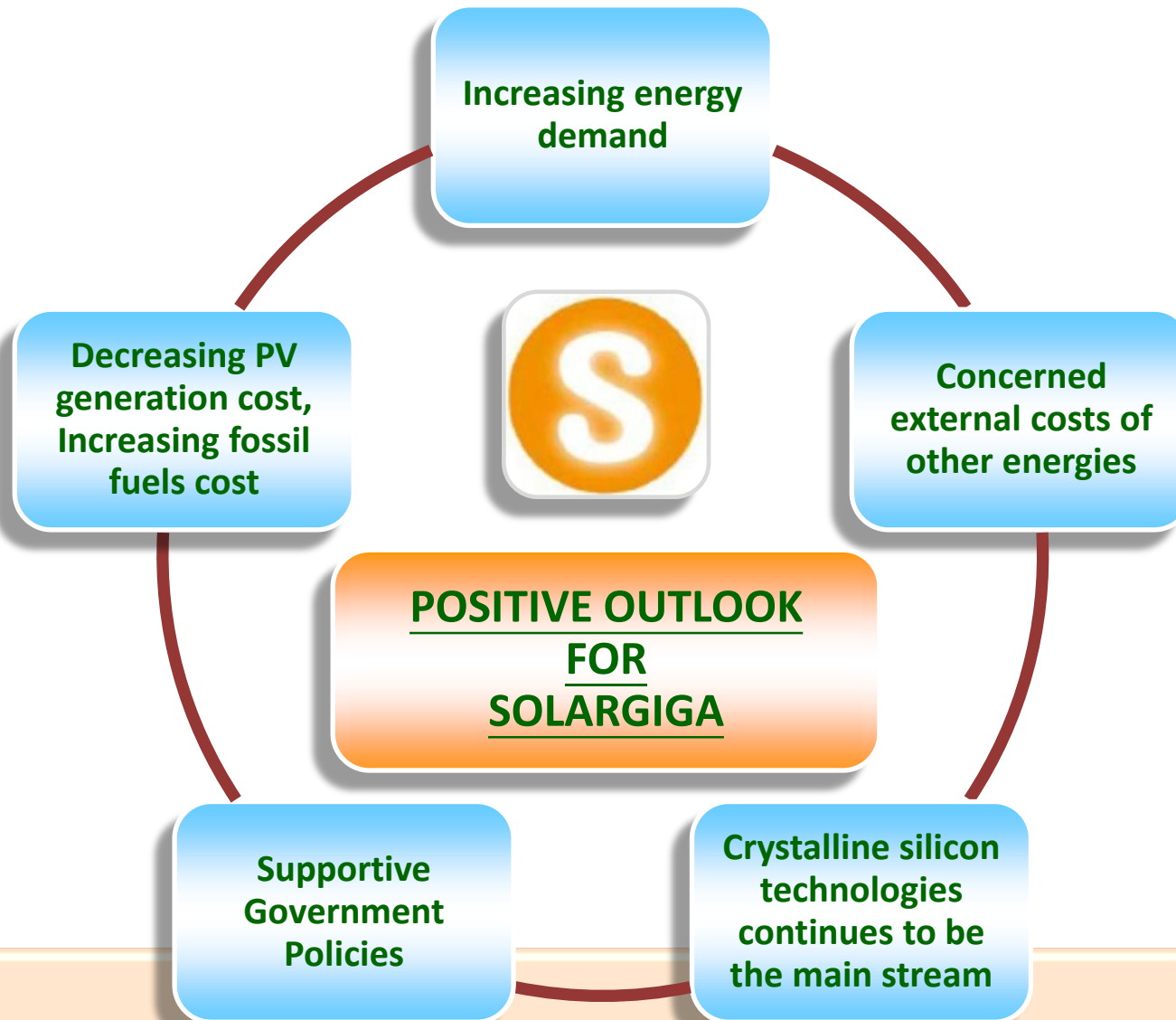
- **Acquired PV cell business - Huachang PV (華昌光伏)**
 - Provide stable supply and quality products for the Group's module business and to improve the operation efficiency thereof
 - Capacity has been expanded to 300MW, and the output from new capacity is expected to be delivered to customers in Japan and US
- **Successfully obtained sales order of PV modules from Huanghe Hydropower (黃河水電) on its 250MW on-grid power plant project in Golmud, Qinghai Province**
 - 19MW PV modules to be delivered to Huanghe Hydropower in 3Q2011.
- **Successfully obtained 20MW on-grid power plant project in Golmud, Qinghai Province**
 - To complete the project by end of September 2011 and to enjoy the Feed-in-Tariff of RMB1.15 per kWh
 - To complete 13.5MW “Golden Sun Programme” projects in Liaoning Province by end of this year



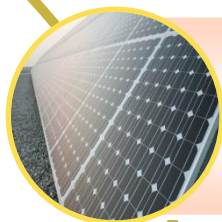
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Future Plans and Strategies

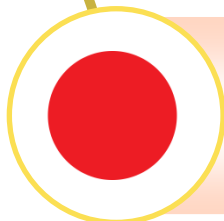
Strong Market Growth Potentials



Government Policies Update



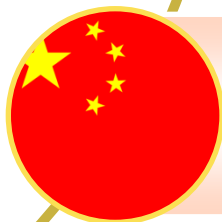
Developed countries such as Europe reduce the subsidies to solar energy, the focus of future solar energy industry development will gradually incline to Asia-Pacific Region



The Ministry of Economy, Trade and Industry of Japan has formulated a “Solar energy proposal”, which plans to increase the capacity of solar energy generation in 2030 to 15 times of the current level



The US government extended the expiry date of 1603 Solar Lease Program from end of 2010 to end of this year. This encourages the development of global solar energy industry



The Chinese government grants subsidies to solar energy generation projects and strongly supports the development of solar energy industry. The PV installed capacity will be increased to at least 10GW in 2015

Our Mission



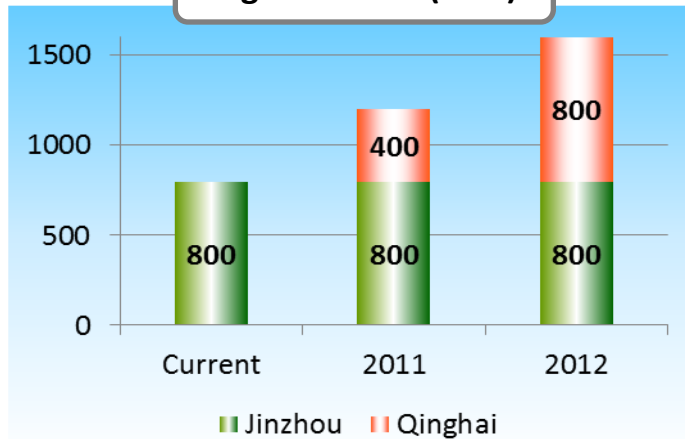
- Top player in monocrystalline ingots and wafers
- Key player in multicrystalline ingots and wafers
- One of the best quality cell and module providers



Capacity Expansion Plan – Mono products



Ingot – Mono (MW)



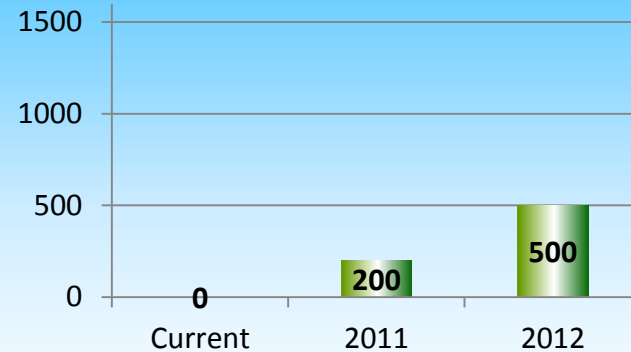
Wafer – Mono (MW)



Capacity Expansion Plan – Multi products

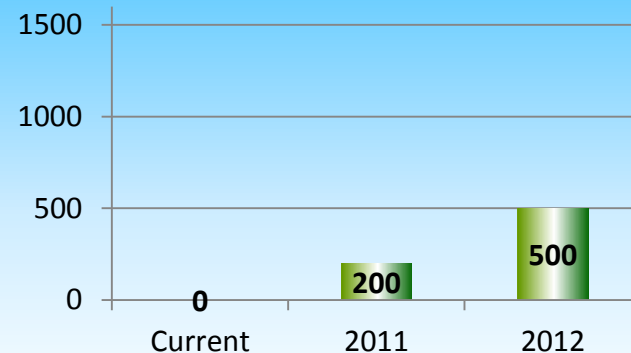


Ingot – Multi (MW)



Jinzhou Aoke

Wafer – Multi (MW)

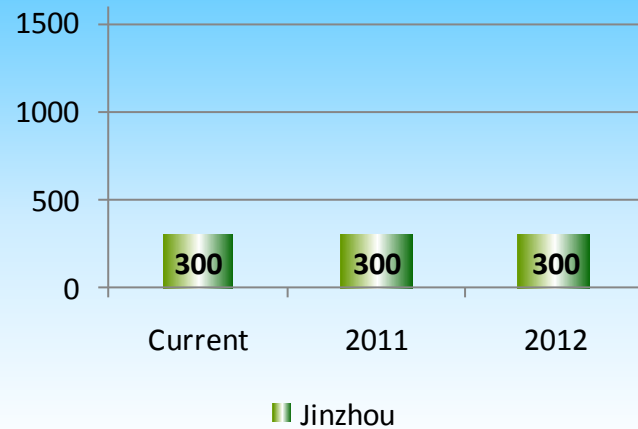


Jinzhou Aoke

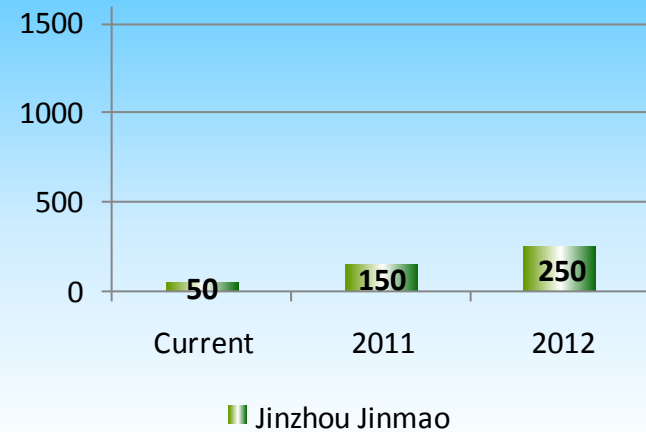
Capacity Expansion Plan – Cell and Module



Cell (MW)



Module (MW)



Capacity Expansion Plan – Installation



- 300kW system in Jinzhou Binhai new zone and 16.8kW system in Henan Pingdingshan have been installed
- 13.5MW system installation under “Golden Sun Programme” will be completed in 2011
- 20MW system installation in Golmud, Qinghai will be completed by end of September 2011

Road lighting

Thin film

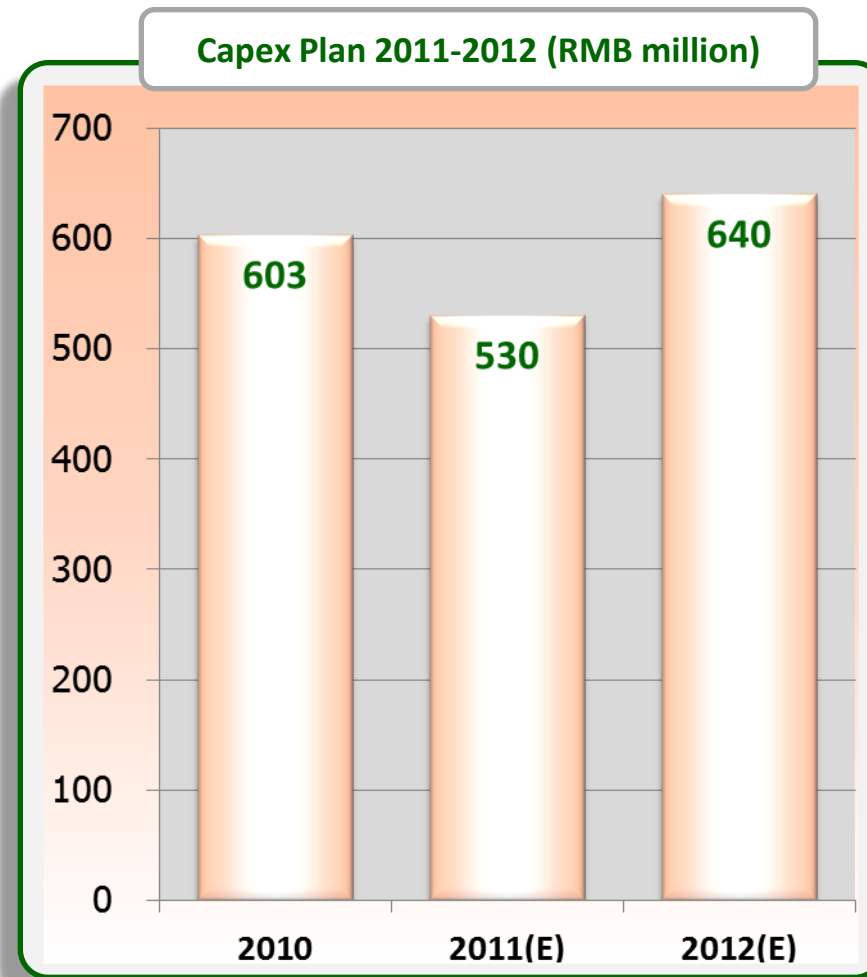
SPV

BIPV

Solar roof top



Future Capex Plan





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Q&A Session