



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

1H2012 Interim Results
29 August 2012

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

Corporate Overview

Corporate Profile



Leading monocrystalline silicon solar products provider in China

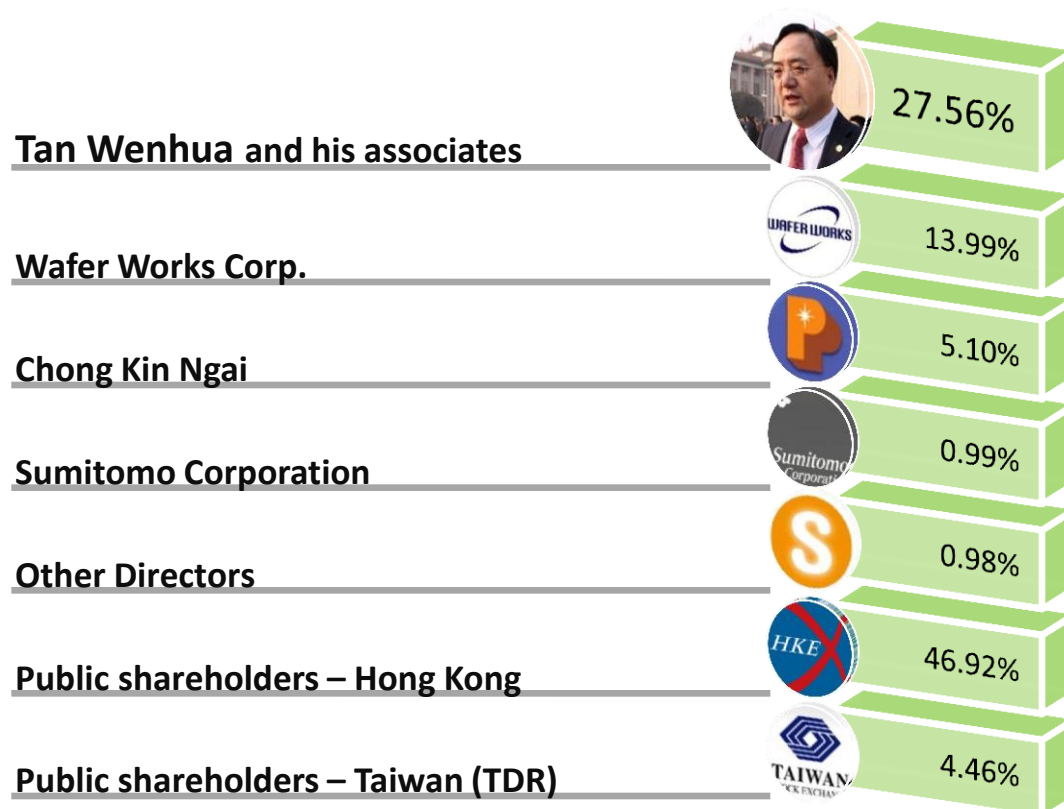


Total solution from ingots, Wafers, Cells, Modules and PV System Installation



Cross-listed in Hong Kong (00757.HK) and Taiwan (9157.TT)

Shareholding Structure as at 30 June 2012



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**
- **900MW monocrystalline silicon wafer** (Including 300MW new capacity that completed installation of equipment end of 2011 and to be operated gradually before end of 2012)
- **300MW photovoltaic cell**
- Joint venture project of **150MW photovoltaic module** which is 51% owned by the Group
- Joint venture project of **multicrystalline silicon ingot and wafer** which is 37% owned by the Group (Under construction)

Xining, Qinghai (青海西寧)

- Joint venture project of **400MW monocrystalline silicon ingot** which is 51% owned by the Group (Phase One 200MW completed, Phase Two 200MW to be completed before end of 2012)

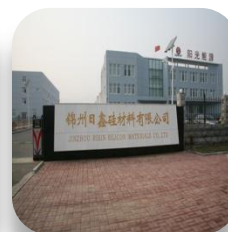
Shanghai (上海)

- Polysilicon reclaiming and upgrading facilities



Xining, Qinghai

Jinzhou, Liaoning



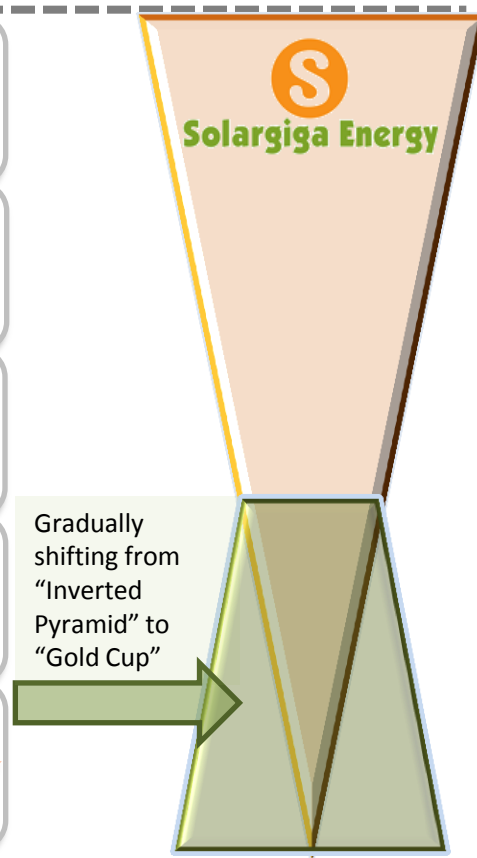
Shanghai



Product Range



Vertical Integration Strategy





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Financial Performance

Results Highlight



- Revenue decreased by 61%, Product ASP dropped due to industry overcapacity
- Shipment volume growth remained stagnant

(RMB'000)	1H2012	1H2011	Change
Revenue	484,959	1,249,425	-61.2%
Underlying Gross (Loss)/Profit ⁽¹⁾	(21,920)	313,926	N/A
Underlying Gross Profit Margin ⁽¹⁾	-4.5%	24.6%	
Reported Gross (Loss)/Profit	(154,725)	287,261	N/A
(Loss)/Profit from Operations	(265,602)	159,365	N/A
(Loss)/Profit Attributable to Equity Shareholders of the Company ⁽²⁾	(660,912)	112,792	N/A
Basic (Loss)/Earnings Per Share (RMB cents)	(29.48)	5.17	N/A

Note:

(1) Excluded one-off inventories write-down of RMB132,805,000 (1H2011: 26,665,000) in 1H2012.

(2) Included write-off of prepayments for raw materials of RMB134,861,000 and goodwill write-off of RMB208,237,000 in 1H2012.

Financial Position



(RMB '000)

Current Assets

Current Liabilities

- Reported
- Underlying⁽¹⁾

Total Assets

Total Liabilities

Net Assets

Net Tangible Assets

30 Jun 12

31 Dec 11

Change

1,814,161

1,647,607

+10.1%

2,030,908

1,352,354

+50.2%

1,759,841

1,352,354

+30.1%

4,682,584

5,048,685

-7.3%

3,094,335

2,775,789

+11.5%

1,588,249

2,272,896

-30.1%

1,373,461

1,836,575

-25.2%

Note:

- (1) Excluded the balance at 30 June 2012 included an amount of RMB271,067,000 which was reclassified as a current liability due to the non-achievement of certain financial covenants as stipulated in one of the loan agreements entered into by the Company in accordance to the Hong Kong Accounting Standard. The waiver to financial covenants of the loan was granted by the lenders on 23 August 2012.

Key Financial Ratios



	1H2012	1H2011	Change
<u>Turnover Day Analysis</u>			
Trade Receivables Turnover (Days)	92	39	+53
Trade Payable Turnover (Days)	60	32	+28
Inventory Turnover (Days)	113	104	+9
<u>Gearing Analysis</u>			
Current Ratio (times)			
- Reported	0.9	1.4	-0.5
- Underlying ⁽¹⁾	1.0	1.4	-0.4
Total Liability Ratio (times)	1.9	1.2	+0.7
Net Debt to Equity Ratio (%)	98.1%	42.8%	+55.3pp
Net Debt to Tangible Net Worth (%)	113.5%	52.9%	+60.6pp
Interest Coverage Ratio (times)	N/A	6.8	N/A

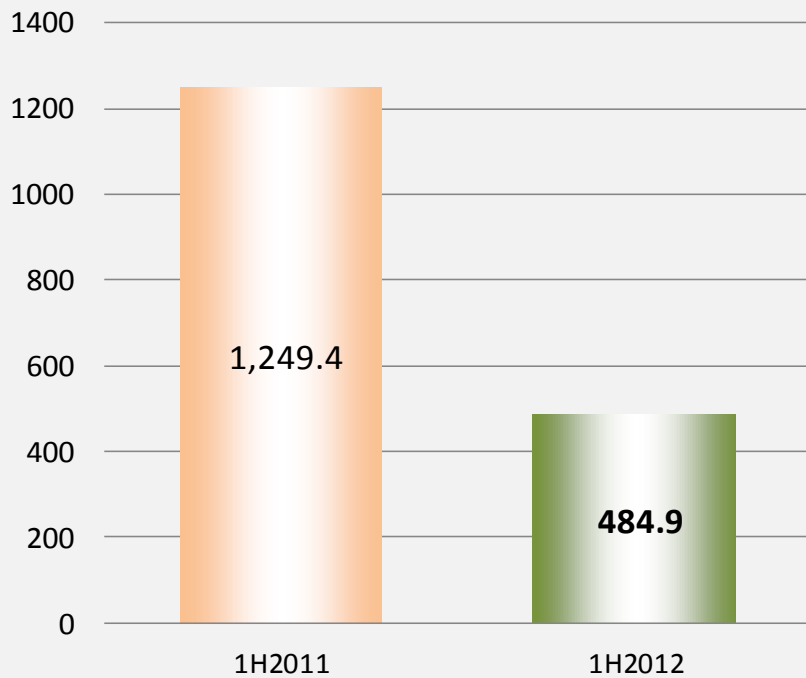
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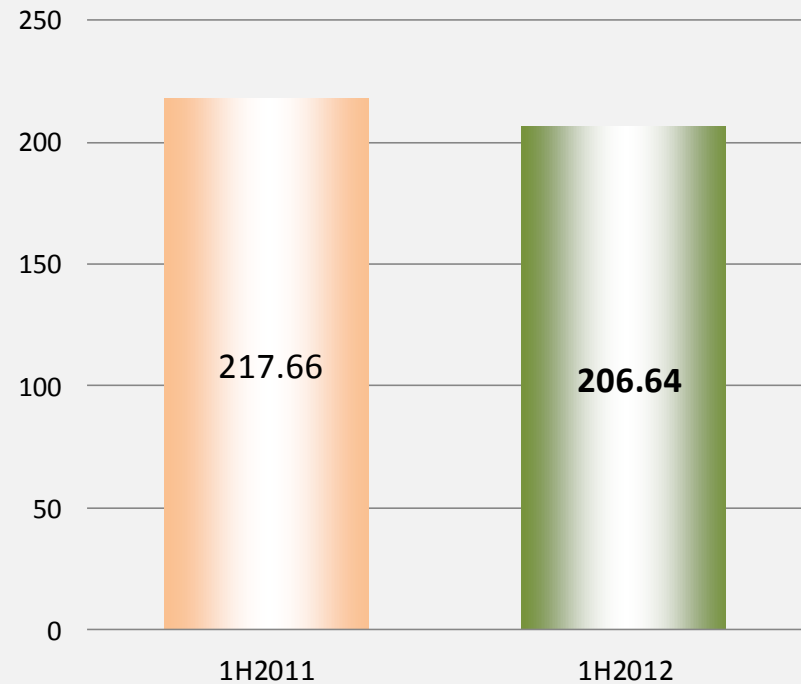
Revenue and Shipment Volume



Revenue (RMB million)



Shipment volume (MW)



Revenue – Quarterly by Products



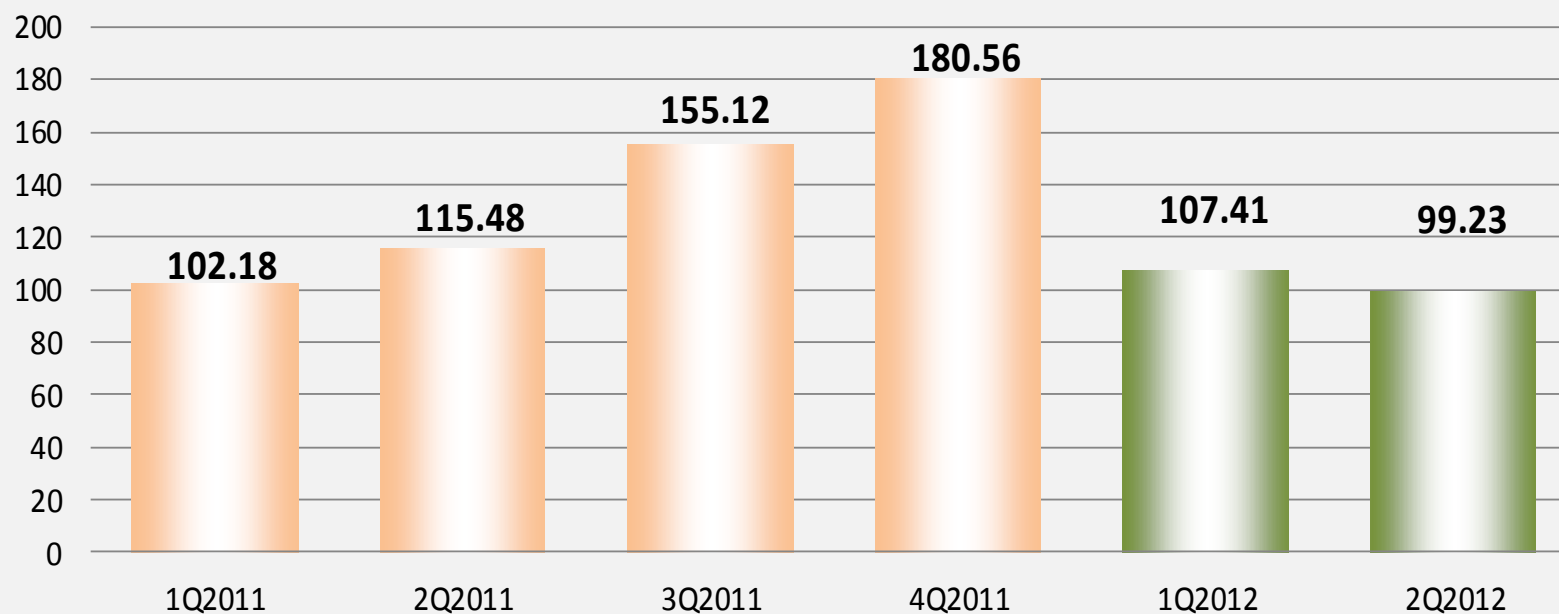
(RMB million)	1Q2011	2Q2011	1H2011	3Q2011	4Q2011	FY2011	1Q2012	2Q2012	1H2012
Processing - Ingot	24.1	20.2	44.3	17.0	34.5	95.8	20.9	24.4	45.3
Processing - Wafer	12.9	21.3	34.2	4.8	-	39.0	-	-	-
Processing - Cell	-	34.6	34.6	67.1	32.9	134.6	12.3	-	12.3
Processing - Module	-	-	-	-	-	-	-	1.1	1.1
Self Manufacturing - Ingot	35.2	19.8	55.0	66.9	56.6	178.5	3.8	0.2	4.0
Self Manufacturing - Wafer	192.0	166.3	358.3	215.0	107.4	680.7	134.2	112.9	247.1
Self Manufacturing - Cell	291.6	235.5	527.1	115.7	89.3	732.1	81.8	64.1	145.9
Self Manufacturing - Module	24.9	132.5	157.4	139.4	396.9	693.7	4.4	16.6	21.0
Reclaiming and others	10.2	28.3	38.5	2.5	3.9	44.9	7.2	1.0	8.2
Total	590.9	658.5	1,249.4	628.4	721.5	2,599.3	264.6	220.3	484.9

Quarterly Shipment Volume



- Shipment volume declined due to the slowdown in the solar industry during 1H2012

Shipment volume (MW)



Shipment Volume – Quarterly by Products



(RMB million)	1Q2011	2Q2011	1H2011	3Q2011	4Q2011	FY2011	1Q2012	2Q2012	1H2012
Processing - Ingot	17.82	15.90	33.72	26.65	23.47	83.84	16.57	19.98	36.55
Processing - Wafer	4.31	7.28	11.59	1.63	-	13.22	-	-	-
Processing - Cell	-	7.09	7.09	14.19	7.09	28.37	5.13	-	5.13
Processing - Module	-	-	-	-	-	-	-	2.72	2.72
Self Manufacturing - Ingot	8.11	6.04	14.15	17.84	25.41	57.40	2.11	0.12	2.23
Self Manufacturing - Wafer	34.44	33.34	67.78	55.82	45.29	168.89	60.74	54.68	115.42
Self Manufacturing - Cell	35.18	32.48	67.66	21.03	21.84	110.53	21.99	18.65	40.64
Self Manufacturing - Module	2.32	13.35	15.67	17.96	57.46	91.09	0.87	3.08	3.95
Total	102.18	115.48	217.66	155.12	180.56	553.34	107.41	99.23	206.64

Revenue – By Geographical Segment



	1H2012	%	1H2011	%
The PRC	218,520	45.1	439,336	35.2
Japan	143,095	29.5	168,841	13.5
Spain	75,218	15.5	6,129	0.5
Taiwan	28,225	5.8	20,651	1.6
Germany	9,186	1.9	141,322	11.3
United Kingdom	5,548	1.1	219,542	17.6
The United States	5,167	1.1	246,466	19.7
Canada	-	-	7,138	0.6
Total	484,959	100.0	1,249,425	100.0



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Business Review

Monocrystalline Solar Ingots and Wafers



- Equipped with 1GW monocrystalline solar ingot production capacity, established our leading position in monocrystalline solar products in the industry
- Manufacture and ship N-type solar ingots which are used to produced high conversion efficiency solar products (22-23%) to Japanese customers, represented 94.3% of external ingot shipment volume in 1H2012
- Equipped with 121 wiresaws for wafer slicing, annual production capacity reached 900MW





● Cell Business

- Provide stable supply and quality products for the Group's module business and to improve the operation efficiency thereof
- the product output is expected to be delivered to customers in Japan

● **Operating a 20MW on-grid power plant project in Golmud, Qinghai Province**

- Completed the project in December 2011 and to enjoy the Feed-in-Tariff of RMB1.15 per kWh

Photovoltaic System Installations



“Golden Sun Programme” projects in Liaoning Province



20MW on-grid power plant project in Golmud, Qinghai Province

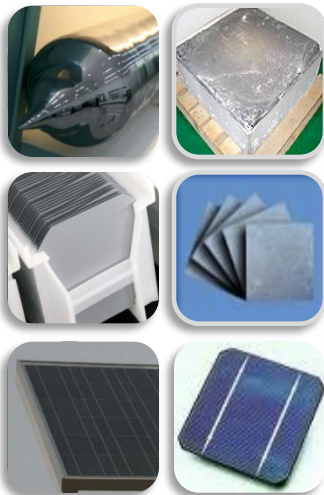




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Future Plans and Strategies

Our Mission



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





Our plan for FY2012 included:

- **Investment in the research and development – Product quality and cost competitiveness focused.**
- **Postponed all capital expenditure plan**
- **Increase production of N-type solar products**
- **Cooperate with long term investors to build PV power plant**
- **Impose strict control on credit sales and to establish long term distribution channel with good quality customers**
- **Impose strict control of expenditure**



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Q&A Session