



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

2013 Interim Results
29 Aug 2013

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Solargiga Energy Holdings Limited
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Corporate Overview



Leading monocrystalline silicon solar products provider in China

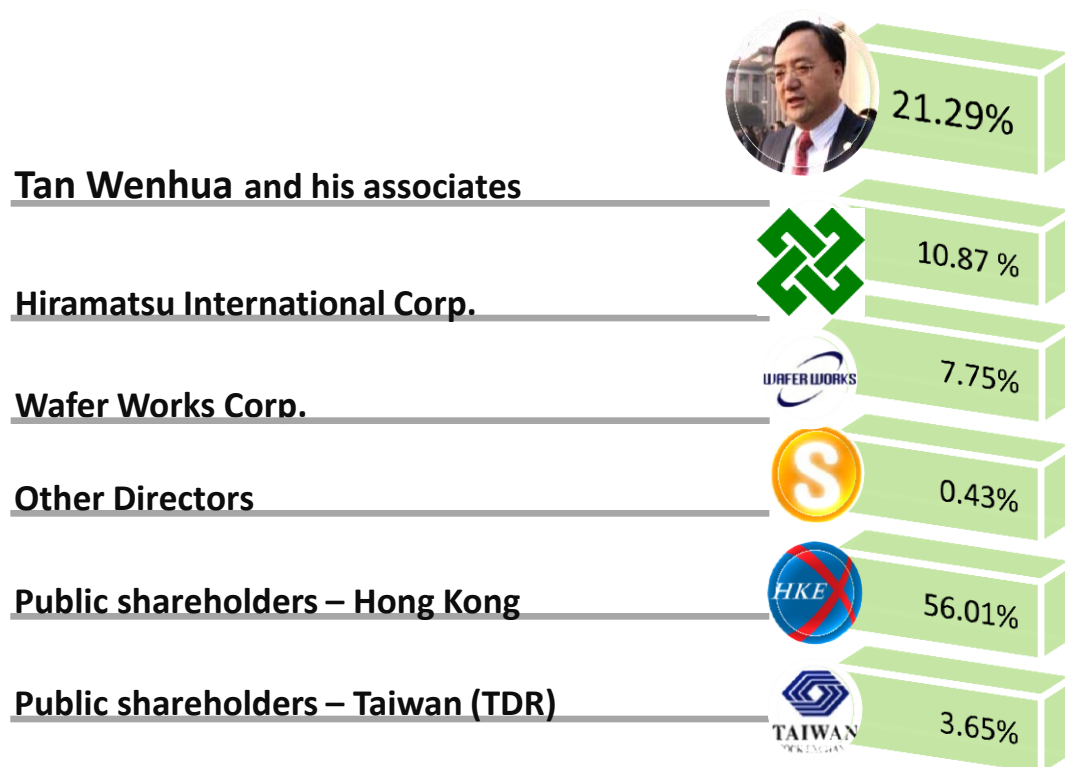


Total solution from ingots, Wafers, Cells, Modules and PV System



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

Shareholding Structure as at 30 June 2013



Number of issued shares

3,211,780,566

Manufacturing Base



Jinzhou, Liaoning (遼寧錦州)

- Major manufacturing base
- **800MW monocrystalline silicon ingot**
- **900MW monocrystalline silicon wafer**
- **300MW photovoltaic cell**
- Joint venture project of **175MW 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)

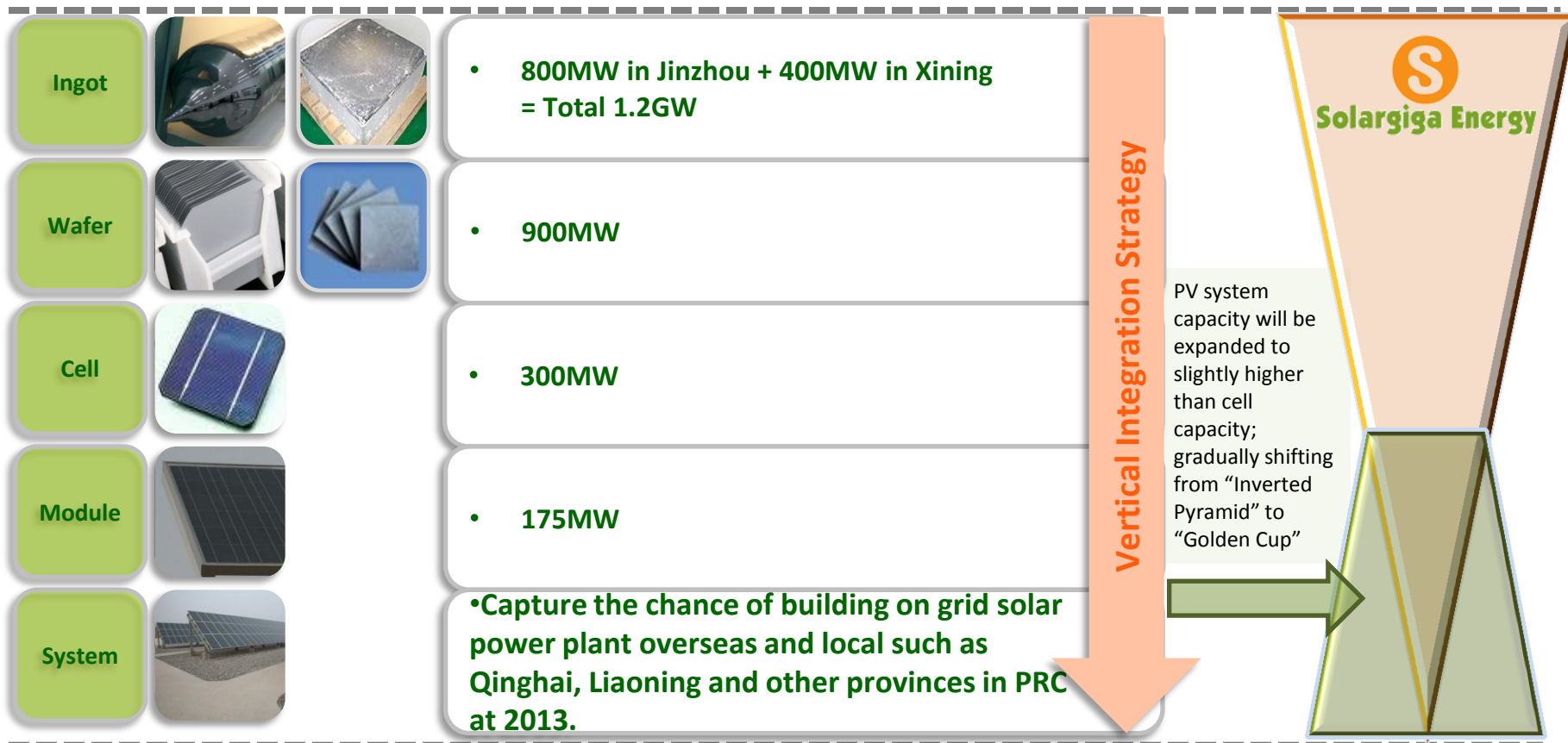
- Joint venture project of **400MW monocrystalline silicon ingot** which is 51% owned by the Group (*Phase One 200MW completed, Phase Two 200MW was under debugging procedures*)

Shanghai (上海)

- Polysilicon reclaiming and upgrading facilities



Product Range





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Financial Performance

Results Highlight



- Revenue increased by 68.9% due to general recovery of overall global solar market, the demand slowly picked up while raw materials became stable as well as expanded business cooperation scope between the Group and Sharp

(RMB'000)	1H2013	1H2012	Change
Revenue	818,940	484,959	68.9%
Gross (Loss)/Profit ⁽¹⁾	18,591	(21,920)	N/A
Gross Profit Margin ⁽¹⁾	2.3%	-4.5%	N/A
Reported Gross Profit/(Loss)	18,591	(154,725)	N/A
(Loss) from Operations	(94,716)	(265,602)	-64.3%
(Loss) Attributable to Equity Shareholders of the Company ⁽²⁾	(136,431)	(660,912)	-79.4%
Basic (Loss) Per Share (RMB cents)	(5.02)	(29.48)	-83.0%

Note:

(1) Excluded one-off inventories write-down of RMB132,805,000 in 2012

(2) Included impairment of goodwill and prepayments for raw materials of RMB 208.237 million and RMB 134.861 million respectively in 2012.

Financial Position



- In order to improve financial structure, the Group finished capital increase by cash of HKD93million, HKD254million and HKD80million in December 2012, March 2013 and May 2013 respectively, a total of HKD427 million

(RMB '000)	30.6.2013	31.12.2012	Change
Current Assets	1,644,861	1,480,031	11.1%
Current Liabilities			
- Reported	1,935,443	1,865,083	3.8%
- Underlying ⁽¹⁾	1,935,443	1,731,642	11.8%
Total Assets	4,049,652	3,944,658	2.7%
Total Liabilities	2,867,454	2,893,428	-0.1%
Net Assets	1,182,198	1,051,230	12.5%
Net Tangible Assets	1,182,198	1,051,230	12.5%

Note:

- (1) Excluded the balance at 31 Dec 2012 included an amount of RMB133,441,000 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 26 March 2013.

Key Financial Ratios



	1H2013	1H2012	Change
<u>Turnover Day Analysis</u>			
Trade Receivables Turnover (Days)	61	92	-31
Trade Payable Turnover (Days)	88	60	+28
Inventory Turnover (Days)	93	113	-20
<u>Gearing Analysis</u>			
Current Ratio (times)	0.85	0.9	-0.05
- Reported	0.85	1.0	-0.15
- Underlying ⁽¹⁾			
Net Debt to Equity Ratio (%)	106.9%	98.1%	+8.8PP
Net Debt to Tangible Net Worth (%)	106.9%	113.5%	-6.6PP

Note:

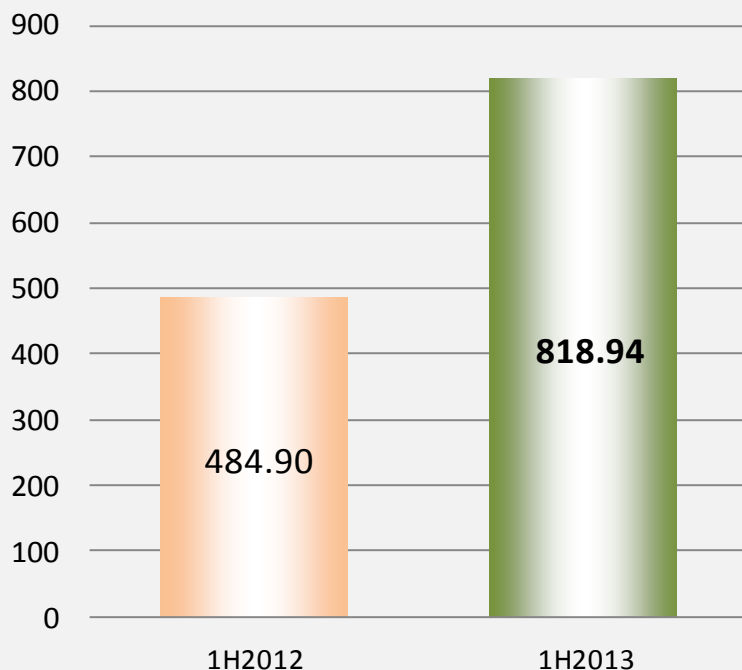
(1) Excluded the balance at 30 Jun 2012 included an amount of RMB271,067,000 which was reclassified as a current liability due to the non-achievement of certain financial covenants as stipulated in one of the loan agreements entered into by the Company in accordance to the Hong Kong Accounting Standard.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

Revenue and Shipment Volume

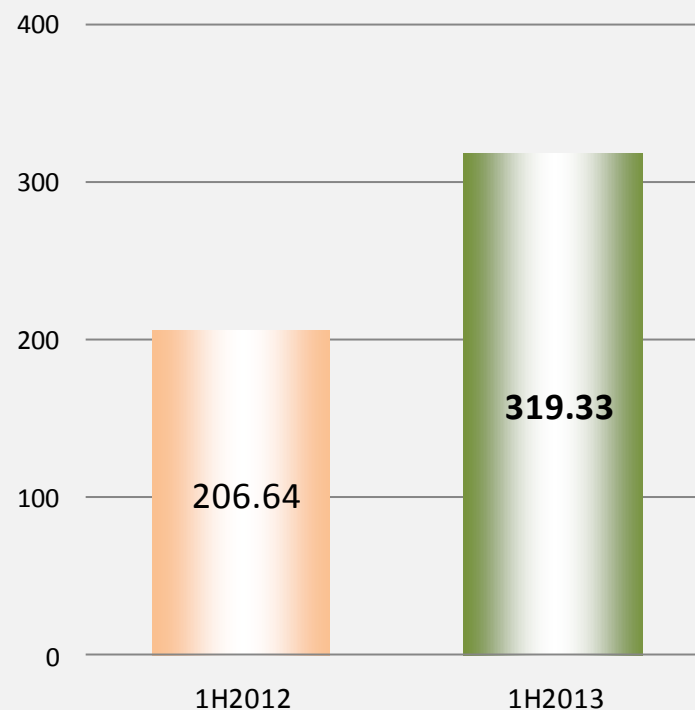


- **Shipment Volume increased by 54.5% compared with 1H2012. The increase was mainly driven by increasing market demand and business development of major customers. Module Business because of “Sharp” cooperation which contributed the most.**

Revenue (RMB million)



Shipment volume (MW)



Revenue – Quarterly by Products



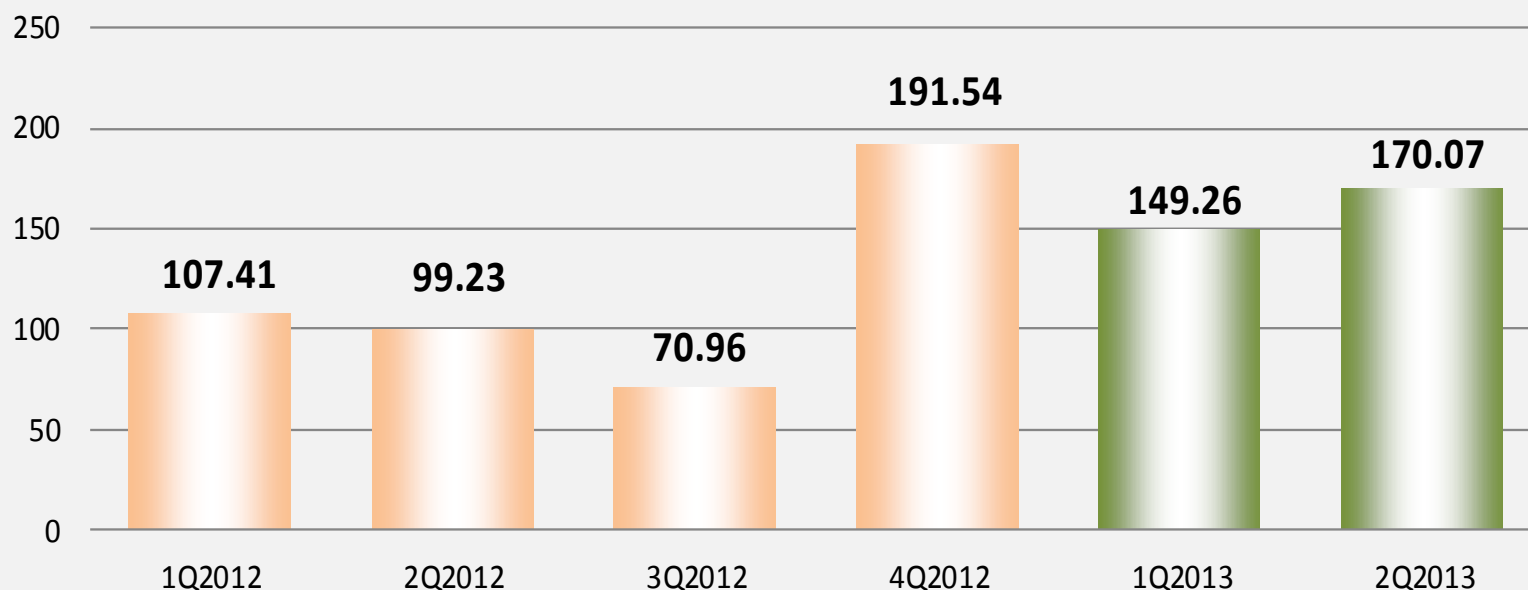
(RMB million)	1Q2012	2Q2012	1H2012	3Q2012	4Q2012	FY2012	1Q2013	2Q2013	1H2013
Processing - Ingot	20.9	24.4	45.3	7.2	18.5	71.0	9.8	1.4	11.2
Processing - Wafer	-	-	-	27.9	12.0	39.9	-	-	-
Processing - Cell	12.3	-	12.3	52.7	1.2	66.2	-	-	-
Processing - Module	-	1.1	1.1	1.2	59.6	61.9	-	26.5	26.5
Self Manufacturing - Ingot	3.8	0.2	4.0	-	-	4.0	39.1	27.9	67.0
Self Manufacturing - Wafer	134.2	112.9	247.1	55.5	82.6	385.2	157.2	90.9	248.1
Self Manufacturing - Cell	81.8	64.1	145.9	7.9	54.9	208.7	47.1	79.6	126.7
Self Manufacturing - Module	4.4	16.6	21.0	16.3	112.6	149.9	96.3	236.2	332.5
Reclaiming and others	7.2	1.0	8.2	0.8	-	9.0	0.3	6.6	6.9
Total	264.6	220.3	484.9	169.5	341.4	995.8	349.8	469.1	818.9

Quarterly Shipment Volume



- Shipment volume in the second quarterly of 2013 recorded an increase of 14% to 170.07MW compared with the first quarter of 2013. It is because the Group further expanded and formed new business cooperation with international firms, state-owned enterprises in PRC as well as well-known enterprises

Shipment volume (MW)



Shipment Volume – Quarterly by Products



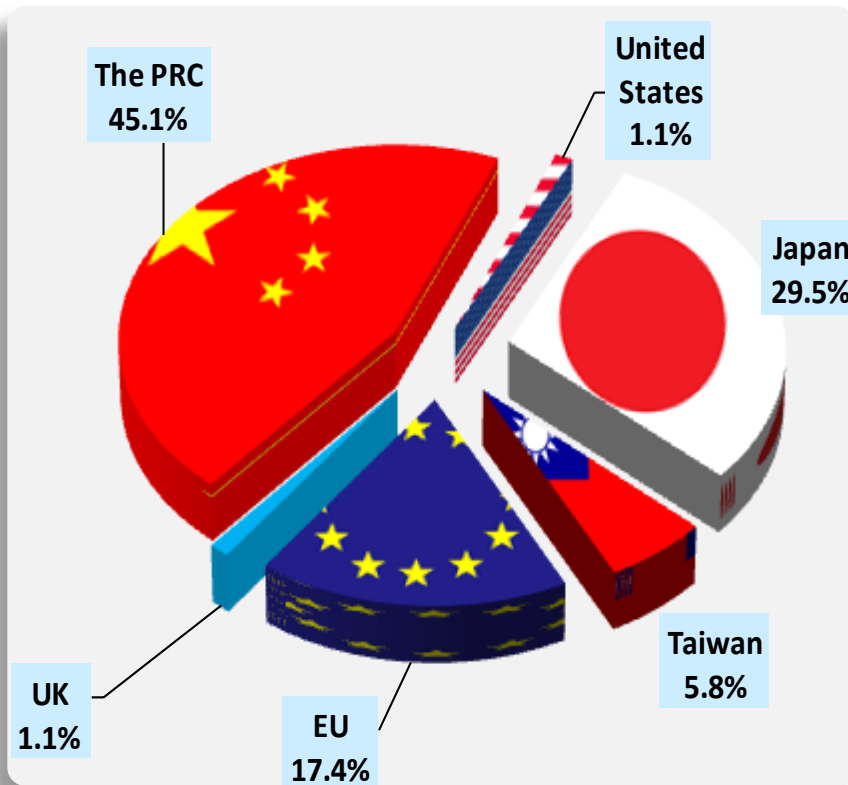
- During 1H2013, the external shipment volume of solar modules was approximately 79.9MW (1H 2012: 6.67MW), representing an increase of 10.98 times in total volume.

(MW)	1Q2012	2Q2012	1H2012	3Q2012	4Q2012	FY2012	1Q2013	2Q2013	1H2013
Processing - Ingot	16.57	19.98	36.55	6.55	22.37	65.47	9.53	1.34	10.87
Processing - Wafer	-	-	-	23.77	10.18	33.95	-	-	-
Processing - Cell	5.13	-	5.13	22.15	0.45	27.73	-	-	-
Processing - Module	-	2.72	2.72	4.12	19.85	26.69	-	10.45	10.45
Self Manufacturing - Ingot	2.11	0.12	2.23	0.43	9.46	12.12	21.82	12.51	34.33
Self Manufacturing - Wafer	60.74	54.68	115.42	7.80	87.54	210.76	79.61	68.93	148.54
Self Manufacturing - Cell	21.99	18.65	40.64	2.77	20.01	63.42	18.35	27.34	45.69
Self Manufacturing - Module	0.87	3.08	3.95	3.37	21.68	29.00	19.95	49.50	69.45
Total	107.41	99.23	206.64	70.96	191.54	469.14	149.26	170.07	319.33

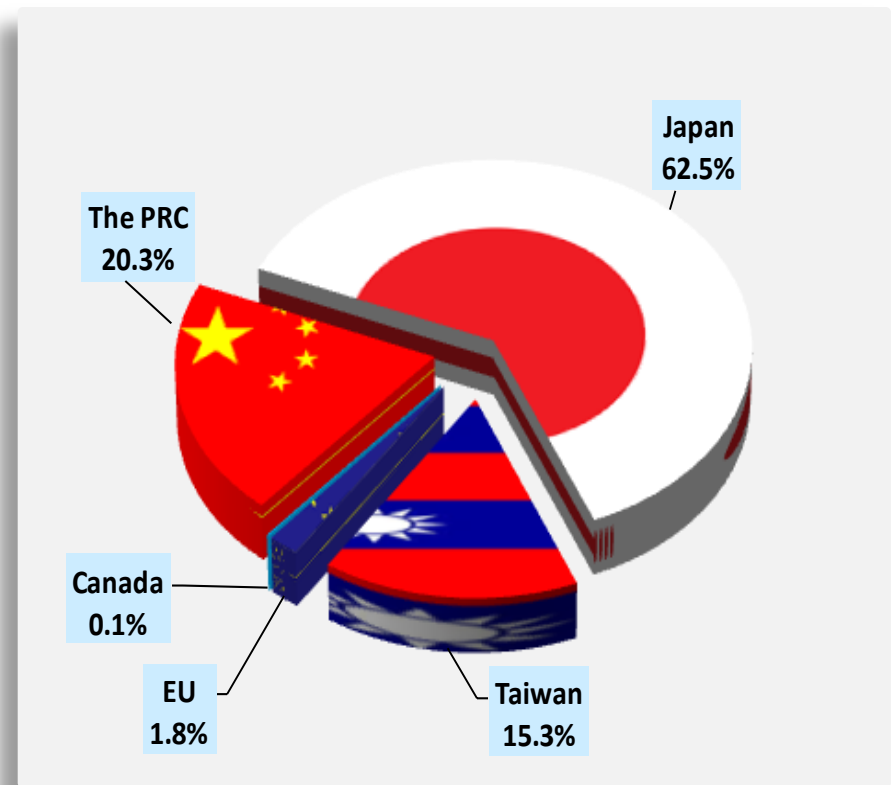
Revenue -By Geographical Segment



1H 2012



1H 2013





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Business Review

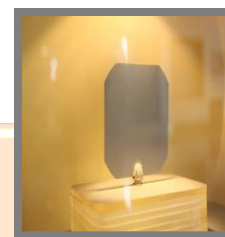


Silicon Ingot Business

- Equipped with 589 monocrystalline ingot pullers and 4 multicrystalline casting furnace.
- Enabling the annual production capacity of silicon ingots to duly reach 1.2GW.
- The Group provides N-type high performance products with a photovoltaic conversion efficiency of 22-23%.
- During 1H2013, the external shipment volume of N-type silicon ingots was representing approximately 80.9% of total external shipment volume of silicon ingots.

Wafer Business

- Possessed 121 wire saws in the Jinzhou production case, with an annual production capacity of wafers reaching 900MW.
- In addition to supply wafers that are needed by downstream cells and module in the Group, it also direct sells to independent wafers customers.
- In order to fit the cell and module orders from independent customers, the Group has expected to subcontract self-manufacturing wafers before selling to independent customers.





Cell Business

- Provide stable supply and high raw materials supply for the modules business of the Group, and enhances the overall operation efficiency.
- The provides are not only provided to the downstream manufacture of modules, but also sold to the customers in China and Japan.

Module Business

- The Group have new business cooperation with Sharp Corporation ("Sharp"), improving on the original basis in 2012. In fiscal year 2013, Sharp will purchase a new type of product from Solargiga -- 370 MW of solar modules.
- It is a new business deal for the Company and Sharp after almost a decade-long supply and sales partnership which promises to further strengthen the sustainable tie-up between Solargiga and Sharp
- Become the largest solar product supplier in China for Sharp, with shipment quantities far ahead of its peers.

Photovoltaic System Installations



Photovoltaic power plant projects

- The Group is a manufacturing company, holding a photovoltaic power plant is not its long term strategy. Therefore, currently, among the photovoltaic power plants that the Group held, being photovoltaic power plants in Qinghai Golmud, Liaoning Jinzhou and Germany, among which part of Germany has been disposed for realization. And the Group still seek for opportunity to dispose major power plants for exchange of working capital of the Group or build new power plants by the proceeds of the disposal, further increase the sales channel for downstream of self-manufacturing modules.
- In order to reduce capital pressure, the Group will also seek long team partner jointly investing new power plant projects. The Group successfully introduced long-term partners into the completed projects located in Golmud and Germany in 2012.

10MW on-grid power plant completed in Jinzhou, Liaoning Province.



20MW PV Power Plant Completed in Golmud, Qinghai Province.



Photovoltaic System Installations (Overseas)



Malsch Germany, 540KW Roof Top PV System



Betzdorf Germany, 215KW Roof Top PV System



Coburg Germany, 910KW Roof Top PV System





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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**



Action Plan in 2013



The State Council of China announced a guideline for the photovoltaic industry, the “Opinions of the State Council on Promoting the Healthy Development of Photovoltaic Industry” (the “Opinions”) in July 2013. The Opinions stipulated a target of reaching over 35GW total installed capacity of photovoltaic power generation by 2015 and introduced several requirements in respect of the photovoltaic product manufacturing projects, which are expected to blaze a path for the photovoltaic industry.

1

Transfer its operation mode to downstream products with less production volume and become a one-stop service provider of solar energy generation projects operating under a model that appears like “Golden Cup”.

2

Strengthening technology research and development, consistently developing products with higher efficiency and anti-PID monocrystalline products in order to pave a favourable competitive base for market expansion.

3

Increasing the proportion of production and sales of N-type products to overcome market competition.

4

Reduce cost of power generation per watt, so as to strengthen its capability to extend its reach to other regions including the emerging markets.

5

Enhance the strength of system development and EPC capability and also conduct proactive exploration of downstream market so as to increase its overall profitability.



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Q&A Session