



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

2013 Annual Results
26 Mar 2014

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Solargiga Energy Holdings Limited
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Corporate Overview

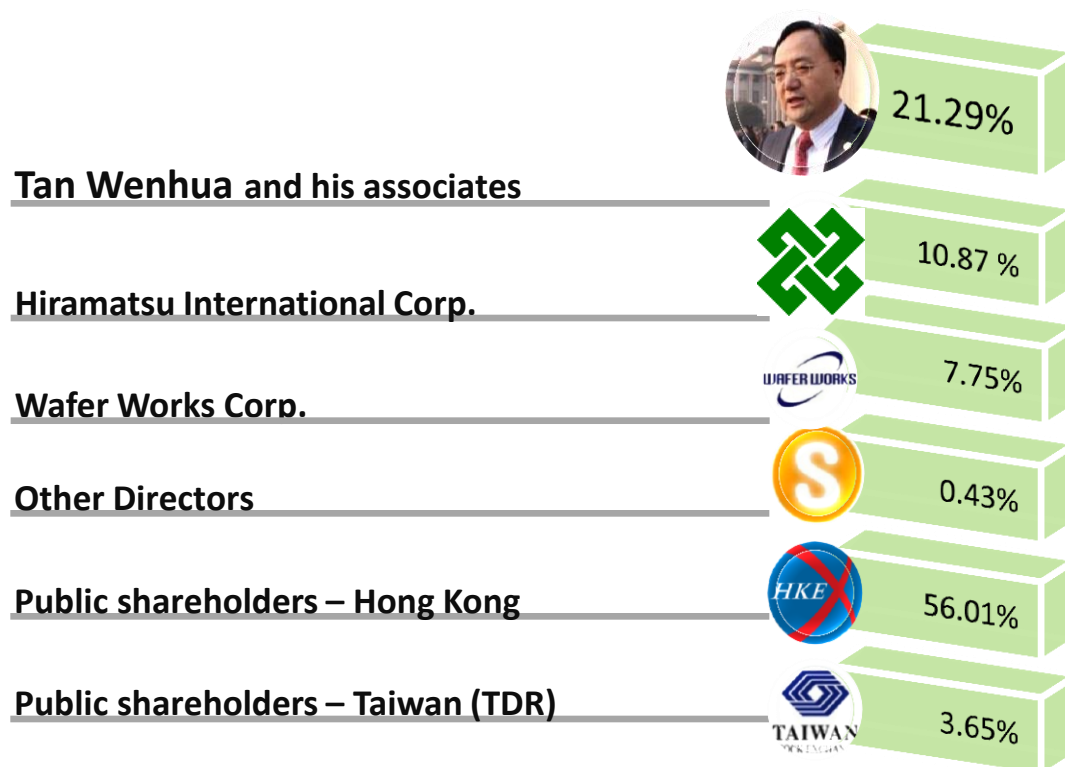


One-stop solutions from ingots, wafers, cells, modules and the development, design, construction, operation and maintenance of PV System



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

Shareholding Structure as at 26 March 2014



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 **400 MW photovoltaic module** which is 51% owned by the Group at the beginning of 2013 and increased to 86% in late December
- Joint venture project of **multicrystalline silicon ingot and wafer** which is 37% owned by the Group (*Under construction*)

Xining, Qinghai (青海西寧)

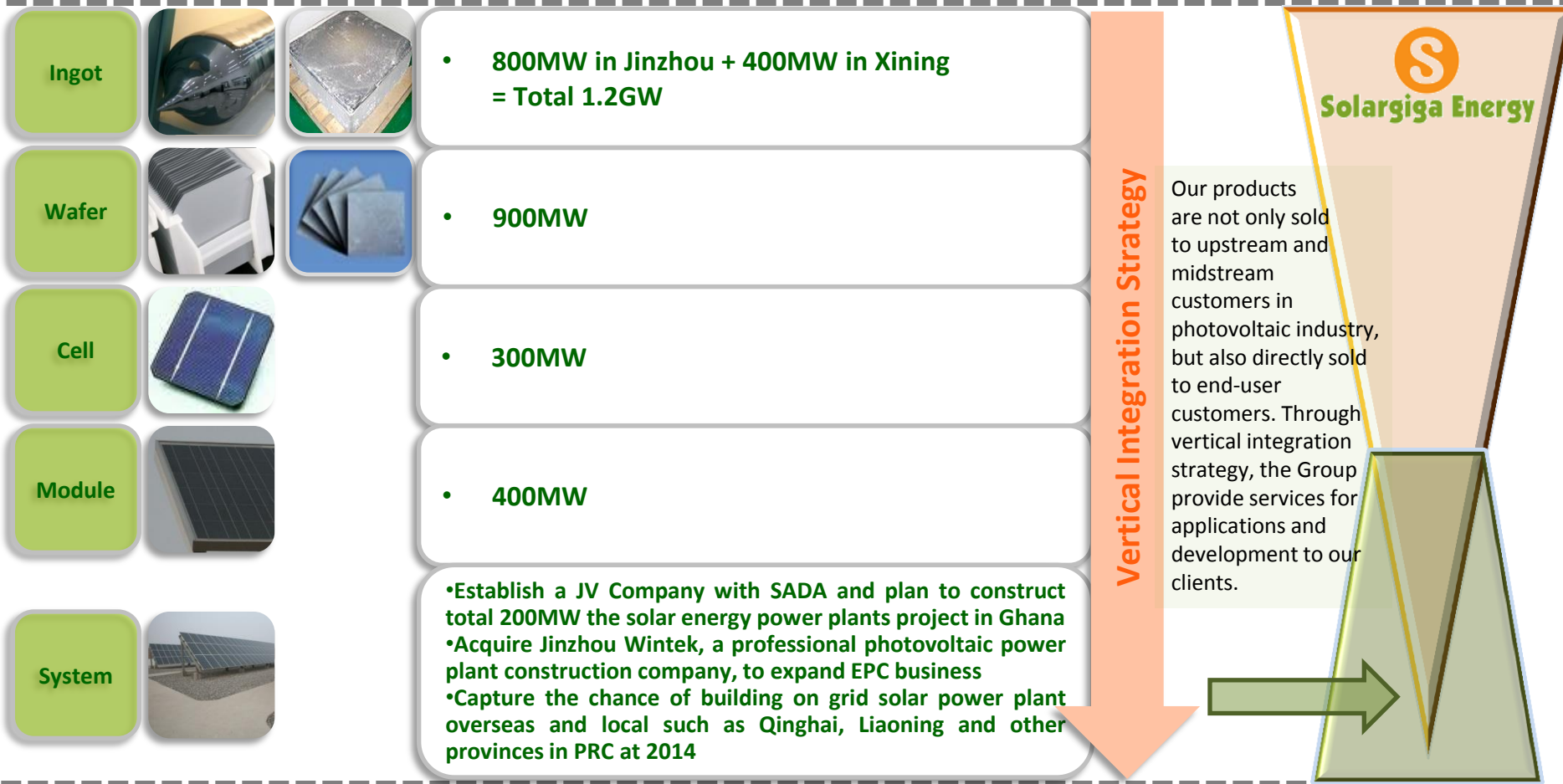
- Joint venture project of **400MW monocrystalline silicon ingot** which is 51% owned by the Group (*Phase One 200MW completed, Phase Two 200MW is still under debugging procedures*)

Shanghai (上海)

- Multicrystalline silicon reclaiming and upgrading facilities



Product Range





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Financial Performance

Results Highlight



- FY2013 Turnover of the Group recorded a significant increase by 115.7% mainly due to the gradual recovery for solar energy industry from the oversupply situation and the increase in the external shipment volume.
- In 2H13, results of the Group improved significantly and showed turnaround. As a result, loss attributable to equity shareholders of the Group notably decreased by 89.4% .

(RMB'000)	1H13	2H13	Change	2013	2012	Change
Turnover	818,940	1,331,388	62.6%	2,150,328	996,836	115.7%
Reported Gross (Loss)/Profit	18,591	131,402	606.8%	149,993	(291,384)	N.A.
(Loss)/Profit from Operations	(94,716)	55,012	N.A.	(39,704)	(503,720)	(92.1%)
(Loss)/Profit Attributable to Equity Shareholders of the Company	(136,431)	927	N.A.	(135,504)	(1,276,554)	(89.4%)
Basic (Loss)/Earnings Per Share (RMB cents)	(5.02)	0.03	N.A.	(4.57)	(55.99)	(91.8%)

Financial Position



- In order to improve financial structure, the Group finished capital increase by cash of HKD254million and HKD80million in March 2013 and May 2013 respectively, a total of HKD334 million

As at 31 December (RMB '000)	2013	2012	Change
Current Assets	1,603,618	1,480,031	8.4%
Current Liabilities	2,176,101	1,865,083	16.7%
Total Assets	4,240,174	3,944,658	7.5%
Total Liabilities	3,001,378	2,893,428	3.7%
Net Assets	1,238,796	1,051,230	17.8%
Net Tangible Assets	1,238,796	1,051,230	17.8%

Key Financial Ratios



As at 31 December

Turnover Day Analysis

Trade Receivables Turnover (Days)

56

84

(28)

Trade Payable Turnover (Days)

67

72

(5)

Inventory Turnover (Days)

79

111

(32)

Gearing Analysis

Current Ratio (Times)

0.74

0.79

(0.05)

Net Debt to Equity Ratio (%)

126.3%

140.5%

(14.2PP)

Net Debt to Tangible Net Worth (%)

126.3%

140.5%

(14.2PP)

Interest Coverage Ratio (Times)

N.A.

N.A.

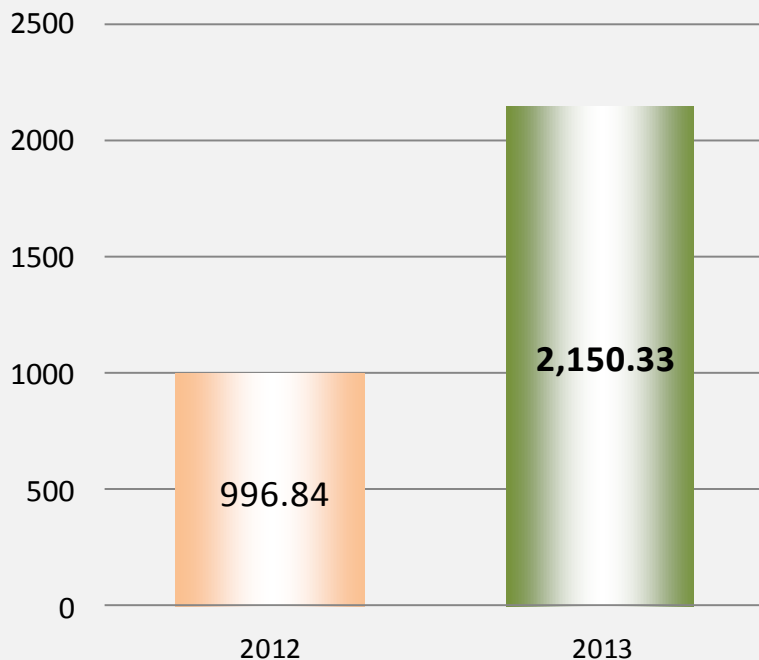
N.A.

Revenue and Shipment Volume

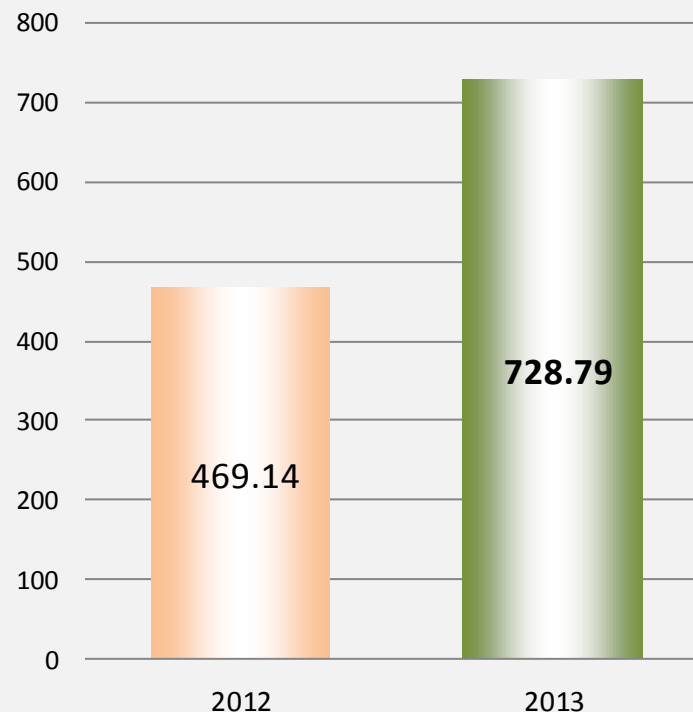


- In 2013, shipment volume increased by 55.3% compared with FY2012. The increase was mainly driven by increasing market demand and business development of major customers. The breakthrough achieved by the module business of the Group in 2013, which was mainly driven by the business cooperation between the Group and Sharp from Japan expanding to new area by building on their cooperation foundation originally.

Revenue (RMB million)



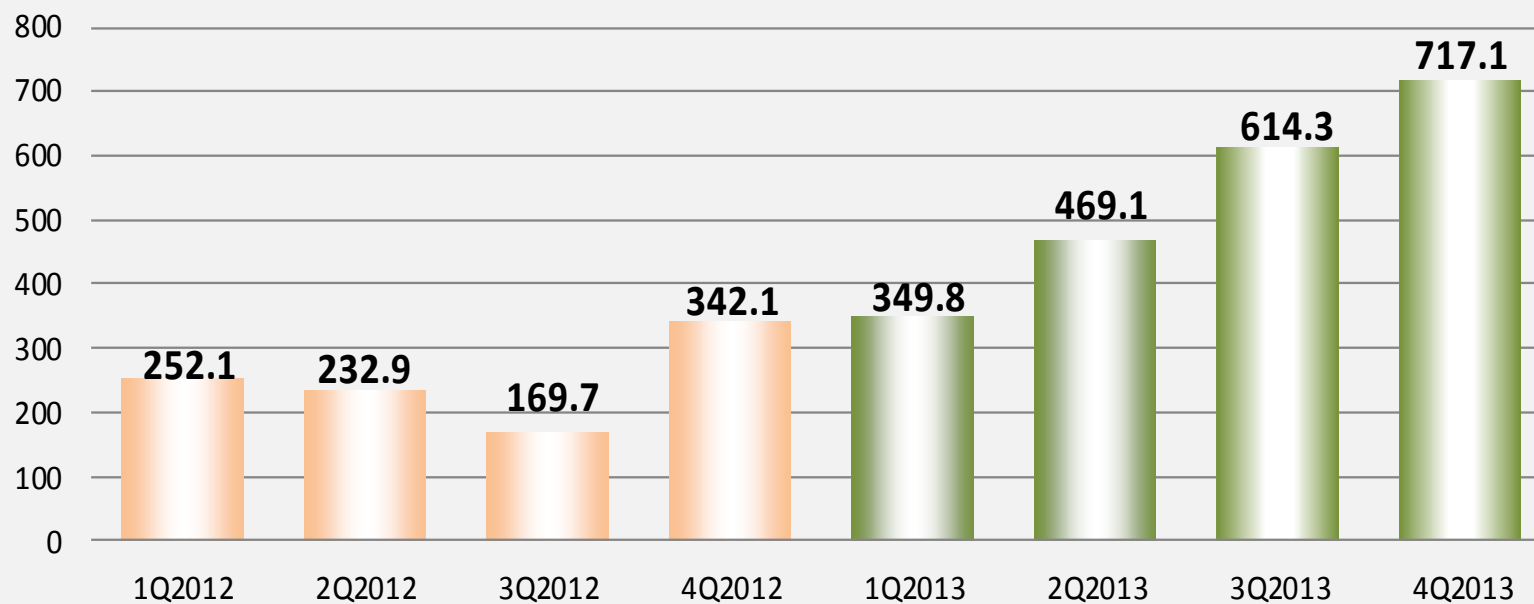
Shipment Volume (MW)



Quarterly Revenue



Quarterly Revenue (RMB million)



Revenue – Quarterly by Products

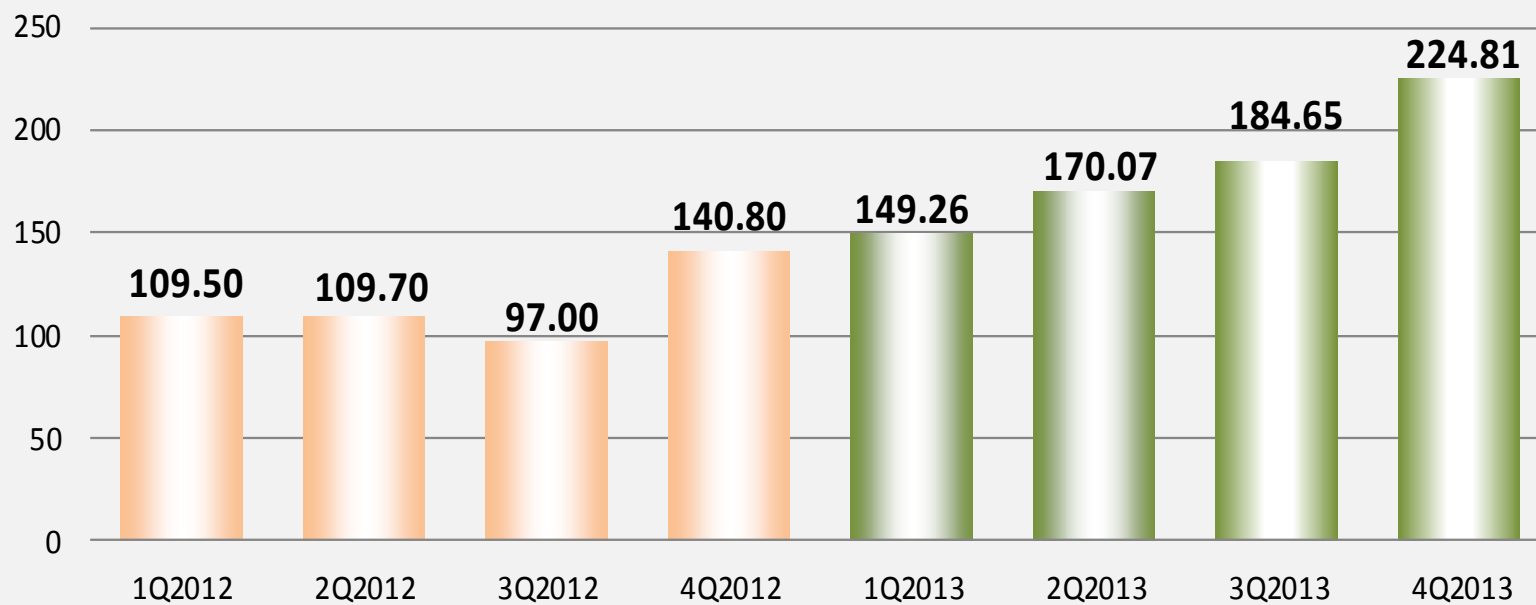


(RMB million)	1Q2012	2Q2012	3Q2012	4Q2012	FY2012	1Q2013	2Q2013	3Q2013	4Q2013	FY2013
Processing Business	20.9	37.8	89.0	91.3	239	9.8	27.9	31.1	-	68.8
Sell - Ingot	3.8	0.5	0.7	-	5.0	39.1	27.9	26.6	21.5	115.1
Sell - Wafer	135.0	112.9	55.5	83.3	386.7	157.2	90.9	38.2	116.3	402.6
Sell - Cell	81.8	64.1	7.9	54.9	208.7	47.1	79.6	39.9	38.1	204.7
Sell - Monocrystalline module	4.4	16.6	16.3	112.6	149.9	96.3	114.6	209.5	239.5	659.9
Sell - Multicrystalline module	-	-	-	-	-	-	121.6	263.1	281.3	666.0
Electricity income	-	-	-	-	-	-	-	1.5	10.6	12.1
Reclaiming and others	6.2	1.0	0.3	-	7.5	0.3	6.6	4.4	9.8	21.1
Total	252.1	232.9	169.7	342.1	996.8	349.8	469.1	614.3	717.1	2,150.3

Quarterly Shipment Volume



Shipment Volume (MW)



Shipment Volume – Quarterly by Products

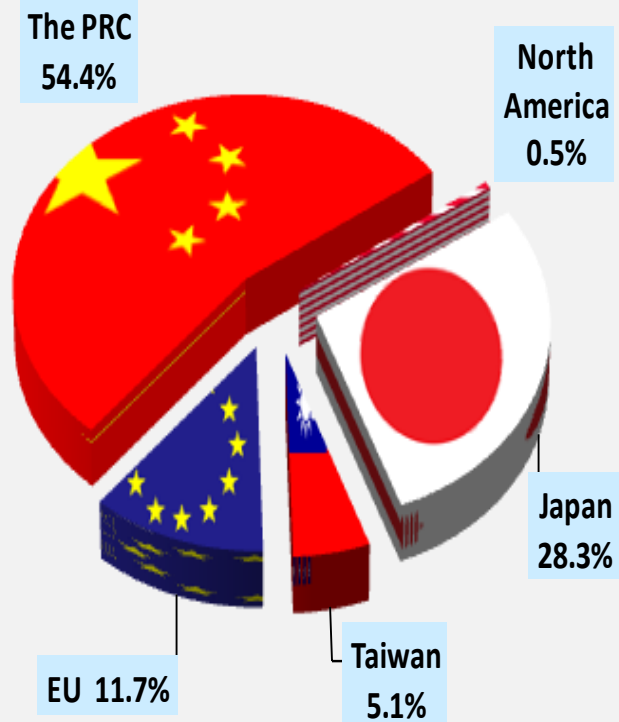


MW	1Q2012	2Q2012	3Q2012	4Q2012	FY2012	1Q2013	2Q2013	3Q2013	4Q2013	FY2013
Processing business	17.80	29.20	56.30	47.40	150.70	9.53	11.79	30.38	-	51.70
Sell - Ingot	2.30	0.30	0.40	-	3.00	21.82	12.51	12.94	12.67	59.94
Sell - Wafer	66.50	58.40	34.10	51.70	210.70	79.61	68.93	30.36	86.98	265.88
Sell - Cell	22.00	18.70	2.80	20.00	63.50	18.35	27.34	13.79	14.30	73.78
Sell - Monocrystalline module	0.90	3.10	3.40	21.70	29.10	19.95	24.77	42.96	51.20	138.88
Sell - Multicrystalline module	-	-	-	-	-	-	24.73	54.22	59.66	138.61
Total	109.50	109.70	97.00	140.80	457.00	149.26	170.07	184.65	224.81	728.79

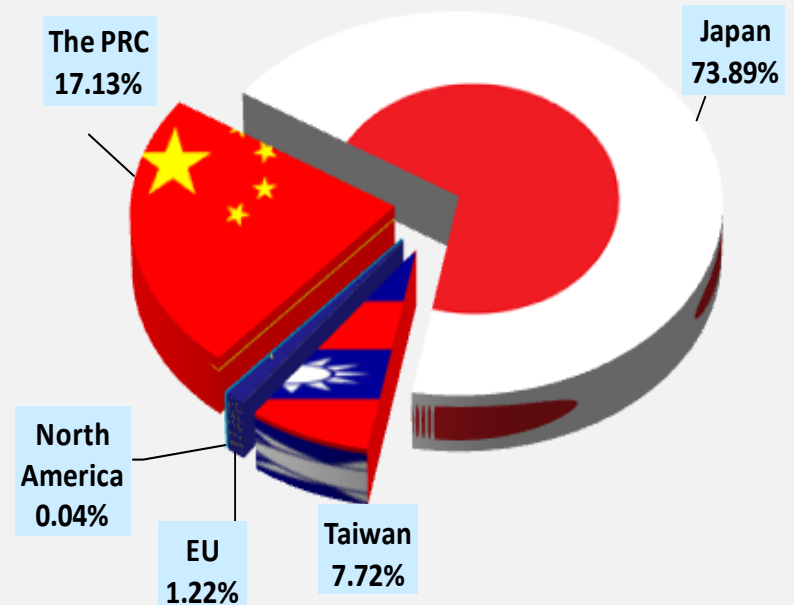
Revenue -By Geographical Segment



2012



2013





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Business Review



Silicon Ingot Business

- Enabling the annual production capacity of silicon ingots to duly reach 1.2GW.
- The Group provides mass production of N-type high performance products with a photovoltaic conversion efficiency of 22-23%. In 2013, the external shipment volume of N-type silicon ingots was representing approximately 87.3% of total external shipment volume of silicon ingots. N-type products are mainly targeted at Japanese customers.

Wafer Business

- Possessed 121 wire saws in the Jinzhou production case, with an annual production capacity of wafers reaching 900MW.
- The external shipment volumes of processing of silicon solar wafers of the Group were 296.2MW, representing an increase of 21% in total compared with 244.7MW for the corresponding period last year.
- Benefit from the recovery of solar industry, except for supplying the production required for downstream components of the Group, the external shipment volume of silicon wafers was increased.





Cell Business

- The manufacturing base of the Group in Jinzhou is equipped with production lines of solar cells having a production capacity of 300MW. The demand of cells were exceeded supply, it was mainly because more cells were supplied for the downstream modules production of the Group. As a result, the external shipment volume of solar cells was approximately 73.78MW, which decreased 19.1% compared with 91.15MW in 2012.
- Except for supplying the production required for downstream components of the Group, the cells were also sold to customers in China and Japan.

Module Business

- As at 31 December 2013, the production capacity of solar modules is increased to 400MW (2012: 150MW).
- The Group and Sharp Corporation (“Sharp”) from Japan extended to new area of business cooperation by building on their cooperation foundation originally formed in 2012. During the 2013 financial year (based on Japanese calendar), Sharp will purchase a new type of product from the Group, summing up 370MW of solar module products. Such cooperation enables the Group to become the largest supplier of solar products in PRC.
- During the period under review, the external shipment volume of solar modules was approximately 288.0MW, which the total volume increased 417.1% when compared with the external shipment volume 55.69MW in the corresponding period of last year.



Photovoltaic Power Plant Projects

- The Group fully utilized the advantages of vertical integration, actively expanding the business of end market, which increased the demand of the products from downstream to upstream.
- The Group obtained 20MW largescale photovoltaic power plants project in Golmud, Qinghai Province through Jinzhou Solargiga. This project is in operation. We expected that approximately 33 million kWh electricity can be generated per year.
- The Group acquired Jinzhou Wintek Silicon Materials Co. Ltd, a professional photovoltaic power plant construction (EPC) company in PRC, through Jinzhou Solargiga to expand to photovoltaic power plant construction business and strengthen Integration development.



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

Photovoltaic System Installations (Overseas)



- In 2013, DCH-Solargiga, a subsidiary in Germany which is held 70% interest by the Group, established a Joint venture (“JV”) company with Savannah Accelerated Development Authority to construct total 200MW the solar energy power plants project in Ghana. The JV Company will firstly develop 40MW phase 1 solar power plants.



The Factory and Office of
Germany DCH-Solargiga in Turkey



Malsch Germany,
540KW Roof Top PV System



Betzdorf Germany,
215KW Roof Top PV System



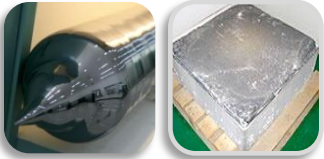
Coburg Germany,
910KW Roof Top PV System



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Future Plans and Strategies

Our Mission



- Global leading vertically integrated solar power play with exclusive strengths to provide better services for applications, development and one-stop solutions to our clients from every segment in photovoltaic industry.

- Fully utilize the current German design and crafts of the Group, the quality of products recognized by the Japanese market and the cost advantages of China production so as to contribute our endless efforts to protect our green living environment.



Action Plans in 2014



In July 2013, The Chinese government announced a guideline for the photovoltaic industry, the “Opinions of the State Council on Promoting the Healthy Development of Photovoltaic Industry” and other policies for promoting the development of the photovoltaic industry. In accordance with national policy, the Group will consolidate its industry leading position through the following action plans.

1

Adhering to vertical integration strategy, the Group will expand each of the production chains of the Company to consolidate the advantages of upstream business and expand the downstream business

2

The Group will actively seek suitable target companies for acquisition, including EPC companies

3

Reinforcing synergies between businesses of the Group, strengthen advantages of vertical integration in order to enhance market shares of each business

4

Strengthen cooperation and build up good relationships with customers through providing high quality products and services for applications and development

5

Further broaden the cooperation network with the photovoltaic industry of the Group and will consolidate the leading position of the Group within the industry by impelling the mutual development of the Group and customers.



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Q&A Session