



Solargiga Energy

Solargiga Energy Holdings Limited

陽光能源控股有限公司

2009 Annual Results

March 2010



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Financial Performance



Results Highlight



- Due to the global financial crisis, the Group had written-down inventories of RMB172.6 million for 1H 2009
- No further write-down of inventories for 2H 2009 as the market stabilised

| <i>(RMB million)</i> | 1H2009 | 2H2009 | 2009 | 1H2008 | 2H2008 | 2008 |
|--|---------|--------|---------------|--------|---------|----------------|
| Revenue | 303.7 | 355.0 | 658.7 | 685.5 | 807.4 | 1,492.9 |
| Underlying Gross Profit ⁽¹⁾ | 87.0 | 79.8 | 166.8 | 276.7 | 169.0 | 445.7 |
| Underlying Gross Profit Margin ⁽¹⁾ | 28.6% | 22.5% | 25.3% | 40.4% | 20.9% | 29.9% |
| Reported Gross (Loss)/ Profit | (85.6) | 79.8 | (5.8) | 276.7 | (51.2) | 225.5 |
| (Loss)/ Profit from Operations ⁽²⁾ | (143.0) | 44.2 | (98.8) | 226.0 | (105.3) | 120.7 |
| (Loss)/ Profit for the Year ⁽²⁾ | (119.7) | 21.6 | (98.1) | 186.3 | (99.9) | 83.4 |
| Basic EPS <i>(RMB cents)</i> | | | (5.75) | | | 5.12 |
| Final dividend <i>(RMB cents)</i> | | | - | | | 1.50 |

Notes:

(1) Excluded RMB172.6 million of inventory write-down in 2009 (2008: RMB220.2 million)

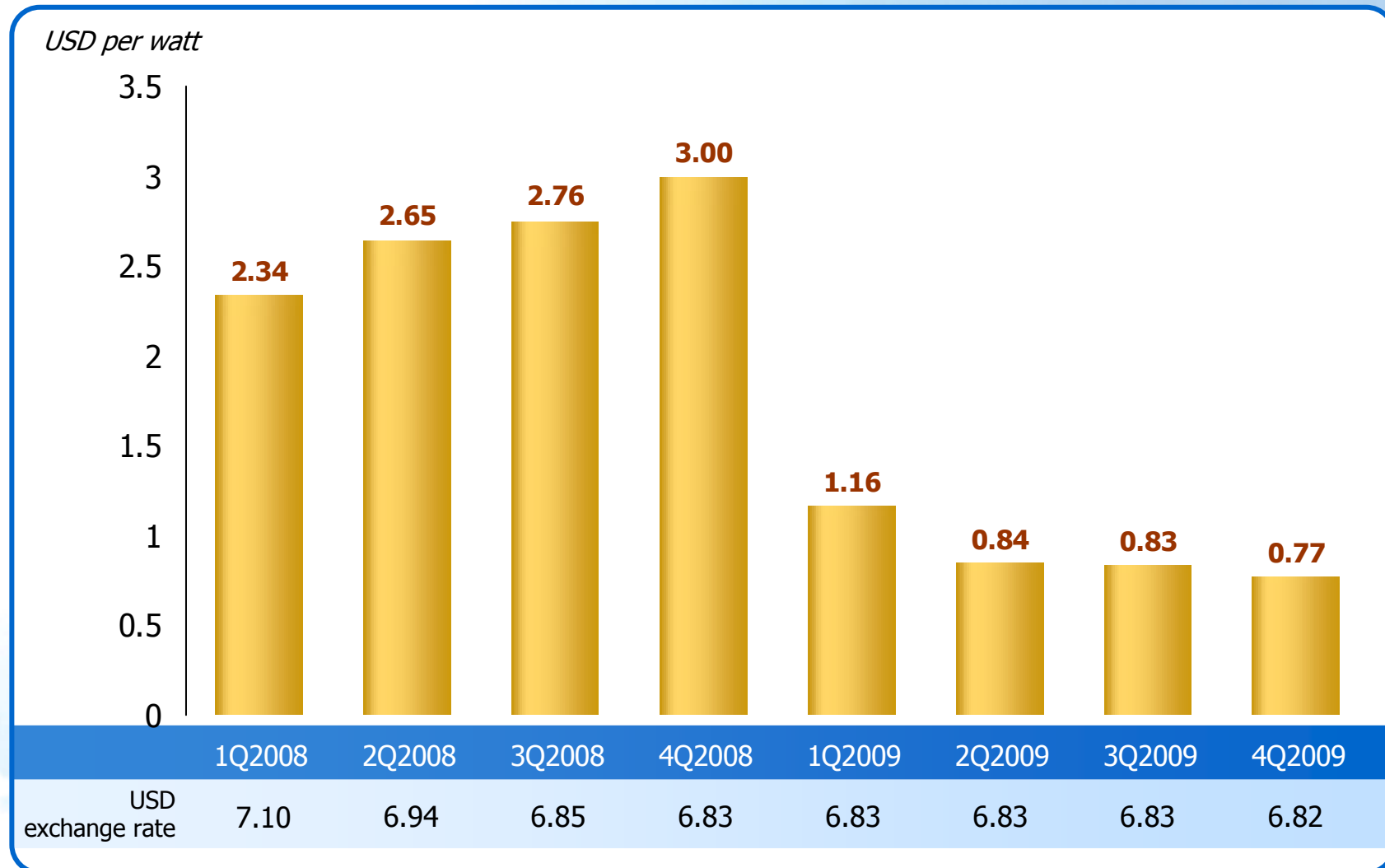
(2) Included one-off listing expenses of RMB11.6 million in 1H 2008

Turnover – By Business



| <i>(RMB million)</i> | 1Q 2008 | 1Q 2008 | 1Q 2008 | 1Q 2008 | 1Q 2009 | 2Q 2009 | 3Q 2009 | 4Q 2009 |
|-----------------------------------|------------|------------|------------|------------|--------------|--------------|--------------|--------------|
| Processing – Ingot | 16.1 | 12.1 | 18.6 | 20.5 | 13.0 | 0.2 | 4.2 | 1.0 |
| Processing – Wafer | 11.1 | 1.6 | 2.1 | 0.3 | - | - | 0.1 | 5.5 |
| Self Manufacturing – Ingot | 70.5 | 47.7 | 24.7 | 64.7 | 12.0 | 0.8 | 0.8 | 18.3 |
| Self Manufacturing – Wafer | 176.4 | 250.9 | 412.7 | 181.4 | 131.3 | 117.0 | 156.1 | 151.2 |
| Reclaiming and others | 67.7 | 31.4 | 56.1 | 26.3 | 20.0 | 9.4 | 7.7 | 10.1 |
| Total | 341.8 | 343.7 | 514.2 | 293.2 | 176.3 | 127.4 | 168.9 | 186.1 |

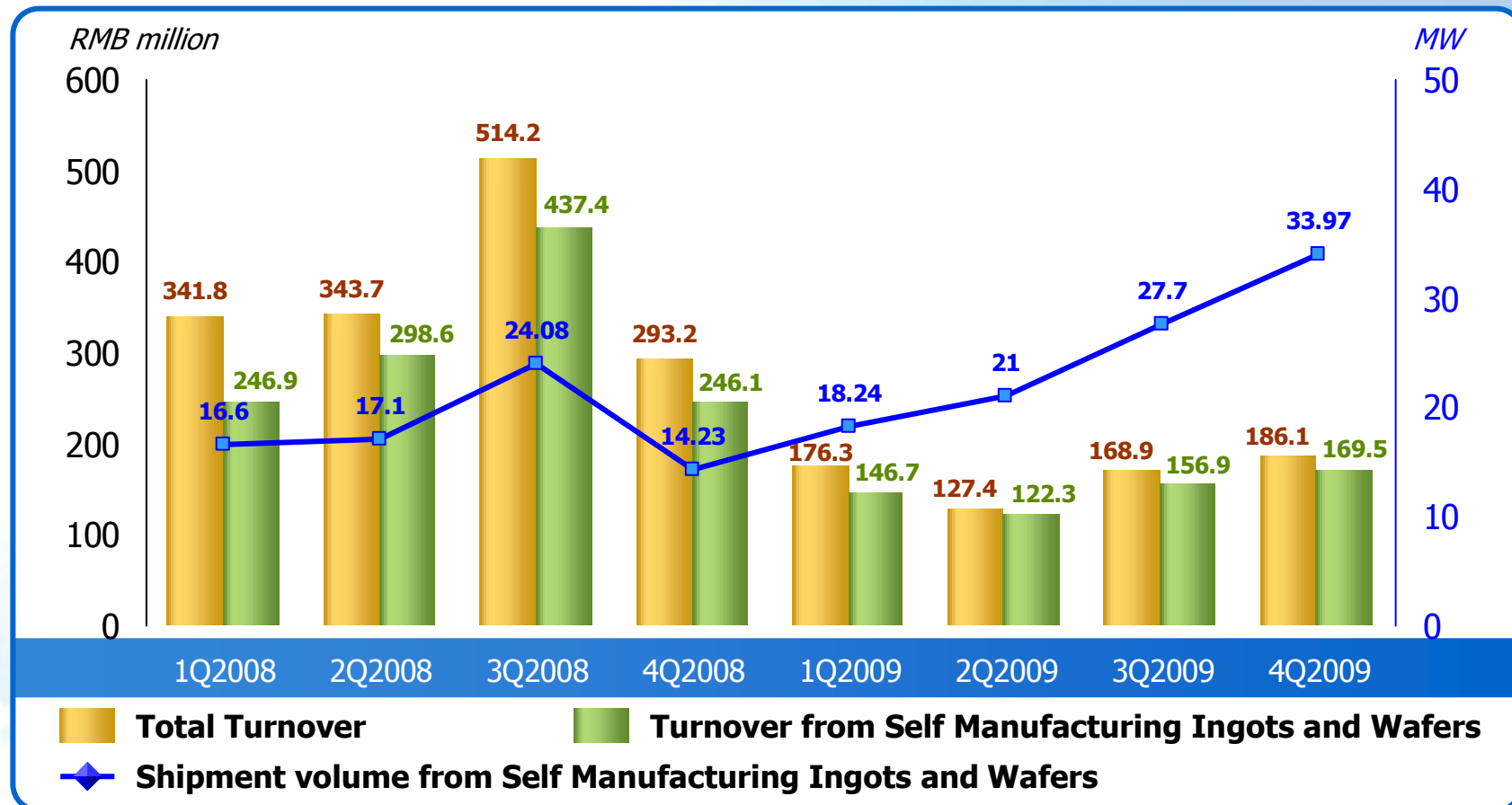
Self Manufacturing Wafer ASP



Turnover and Shipments



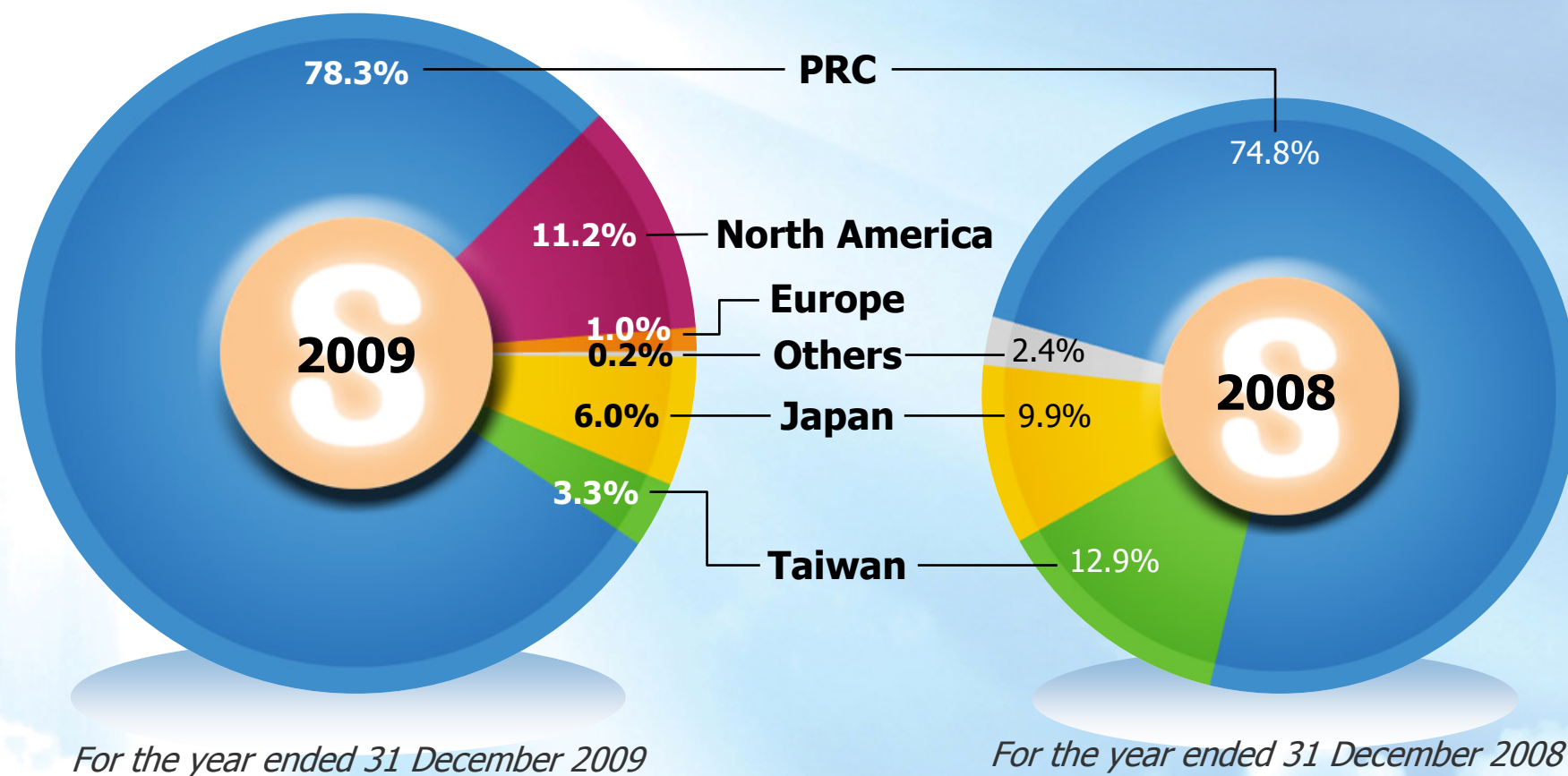
- Significant increase in shipments especially in 2H 2009
- Turnover of 2H 2009 gradually improved due to global economic rebound



Turnover – By Geography



Expansion in overseas market



Key Financial Figures



| | As at 31 December 2009 | As at 31 December 2008 | Change |
|--|------------------------------|------------------------------|---------------|
| Debt to Equity Ratio (net debt/ equity) | 5.9% | Net Cash | N/A |
| Current Ratio (<i>Times</i>) | 2.3 | 2.2 | +0.1 |
| Cash & Bank Balances (<i>RMB million</i>) | 280.3 | 295.4 | -5.1% |
| Net Assets (<i>RMB million</i>) | 1,407.3 | 1,263.5 | +11.4% |
| Inventory Turnover (<i>Days</i>) | 230 | 77 | +153 |
| Trade Receivables Turnover (<i>Days</i>) | 77 | 23 | +54 |
| Trade Payable Turnover (<i>Days</i>) | 61 | 26 | +35 |



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Business Review



Market Overview



- Market rebound and ASP of raw materials and products stabilised

**Rebound
after
financial crisis**

**Copenhagen
Summit**

**China
support policies**

- Global temperature should not be increased by more than 2 degrees Celsius
- In the next three years, developed countries will provide subsidies of USD30 billion to developing countries in order to combat global climate warming
- “Solar Energy Action Programme” (太陽能行動計劃) initiated by The Chinese Academy of Sciences in mid-January 2009
- “Golden Sun Programme” (金太陽計劃) in July 2009
 - 50% subsidy of investment for grid-connected photovoltaic projects
 - Up to 70% subsidy of investment for off-grid photovoltaic projects in regions with no grid power

Explored Fund-raising Platform



**Issued the Taiwan Depositary Receipts ("TDR")
commenced trading on the Taiwan Stock Exchange
on 11 December, 2009**

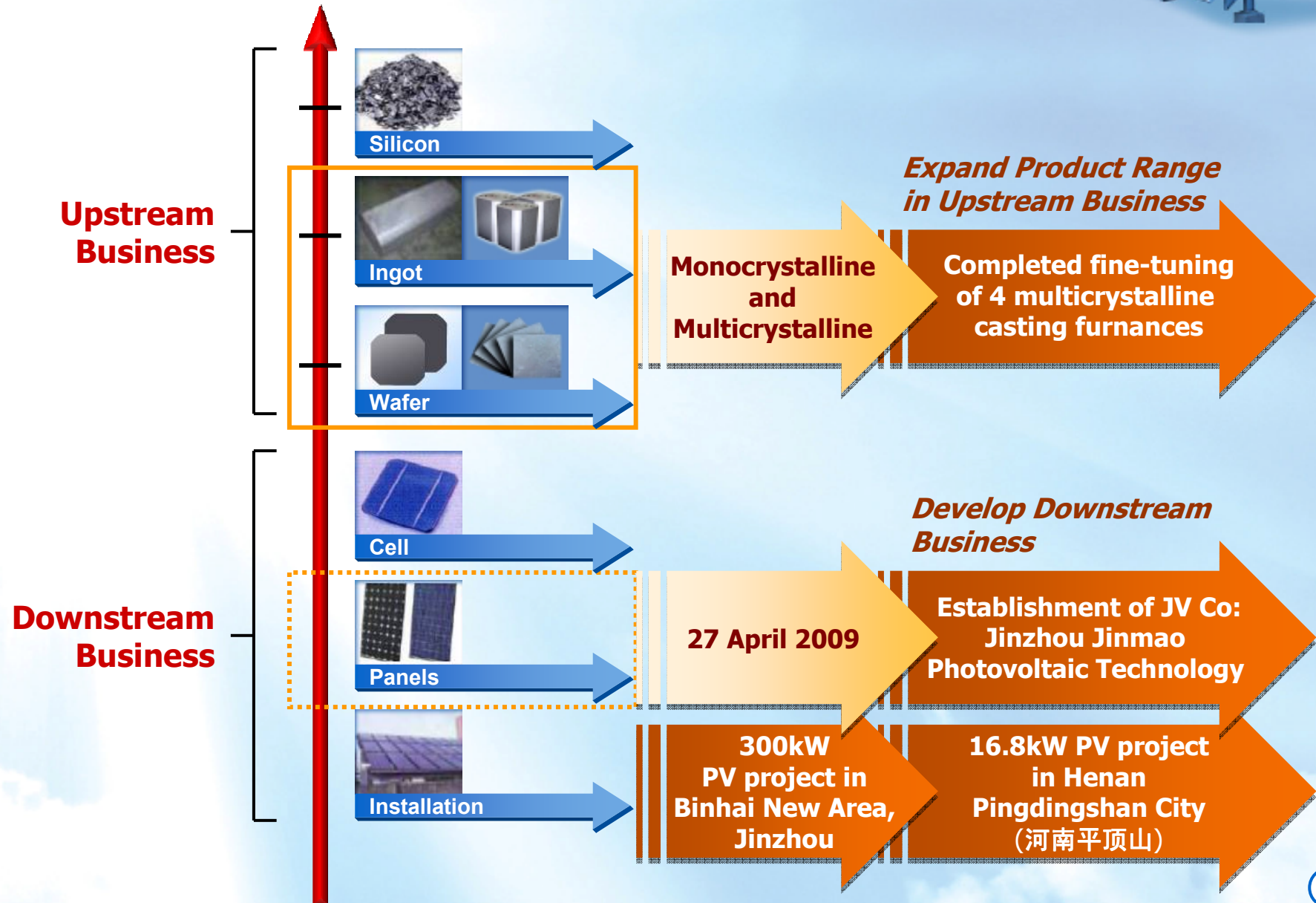


**Net proceeds used for purchasing
machinery and equipment**

**Broaden and diversify
the existing shareholder base**

**Provide an additional fund-raising
platform for future expansion plans**

Expanded Product Range



Diversified into Downstream Business



- 300 kW PV power pilot projects in Binhai New Area, Jinzhou
 - An integrated project with various PV power generation modes, including terrestrial PV power generating systems, BIPV systems, solar roof systems, solar street light systems
 - Total investment: RMB11 million
 - Commenced power generation on 3 November 2009

Solar street light



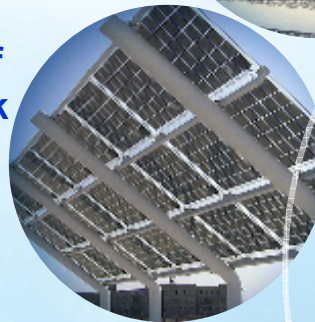
Thin film



SPV on floor



BIPV of car park



Anchored Solar Roof Tiles



Expanded Production Capacity



The annual light energy conversion capability target in early 2009 was 200MW. Via technology and production efficiency enhancement, the capability increased from **200MW to 350MW** of the end of 2009



| | |
|--|---------------------|
| Recycled polysilicon with upgraded facilities | 4,200 tonnes |
| Annual capacity of ingots | 350MW |
| Annual capacity of wafers | 210MW |
| Annual capacity of modules | 50MW |

Number of Ingot Pullers: 197



Number of Casting furnaces: 4



Number of Wiresaws: 40



Enhanced R&D Technology



Know-how exchange & close collaboration with international strategic investors



Collaborate with Dalian University of Technology



Lowered production cost while upgrading quality

Increased productivity with high quality output

Continuous enhancement on ingot size, wafer thickness and recycling technique: Succeed in producing monocrystalline silicon wafer of 150 μm in thickness



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Future Plans and Strategies



Worldwide Supporting Policies



China

- The launch of “Development plan for emerging energy industries (新兴能源产业发展规划)” in September 2009 required the solar power to reach the target of 20GW in 2020

United States

- The White House issued a statement on 30 January 2010, setting a U.S. greenhouse gas emission reduction target, whereby the scale of 2010 green-house gas emissions be reduced by 28% based on the levels in 2005

Europe

- A binding European Union-wide target has been endorsed by EU leaders to source 20% of their energy needs from renewables by 2020

Japan

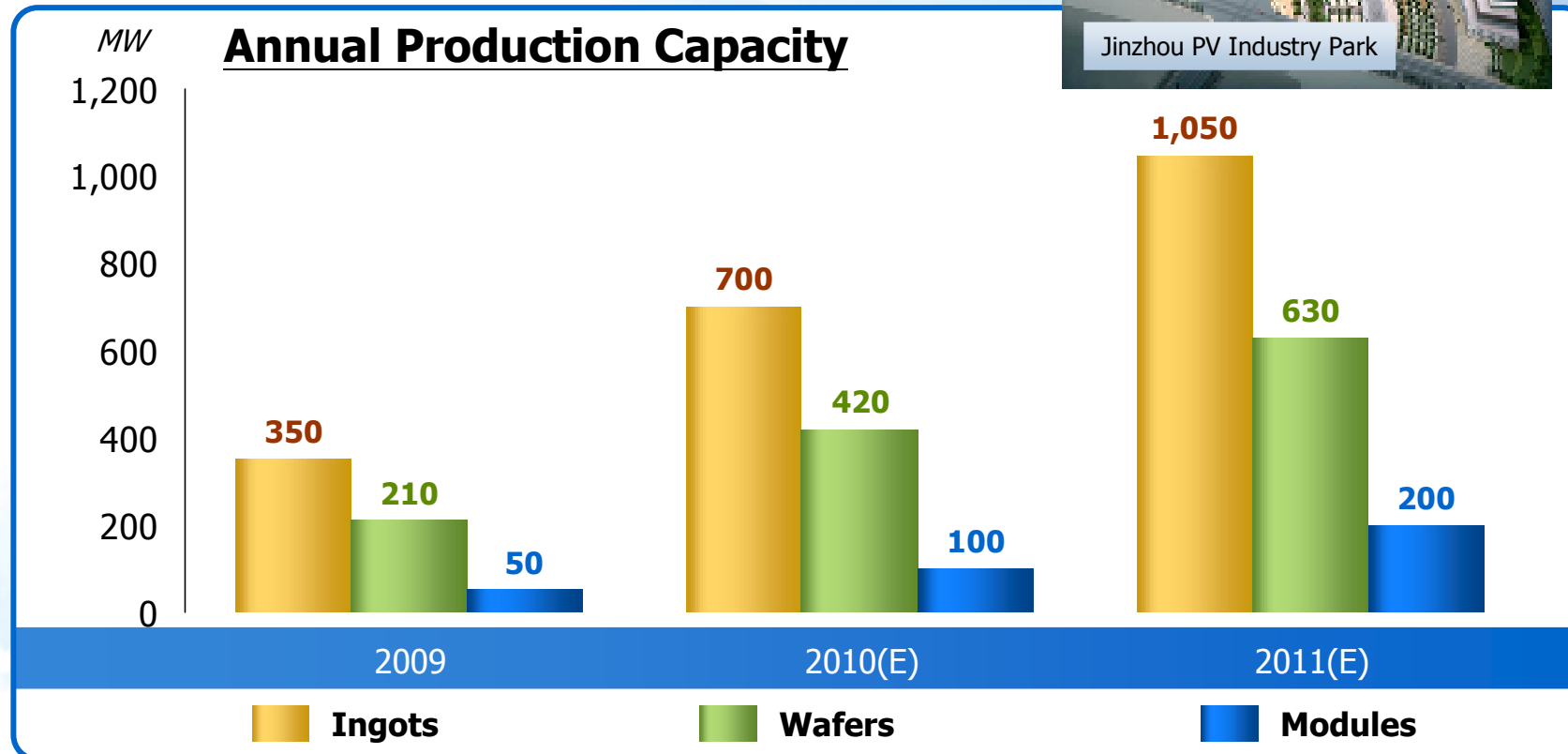
- Guarantee green-house gas emission reduced by 25% in 2020 based on the level in 1990



Expand Production Capacity



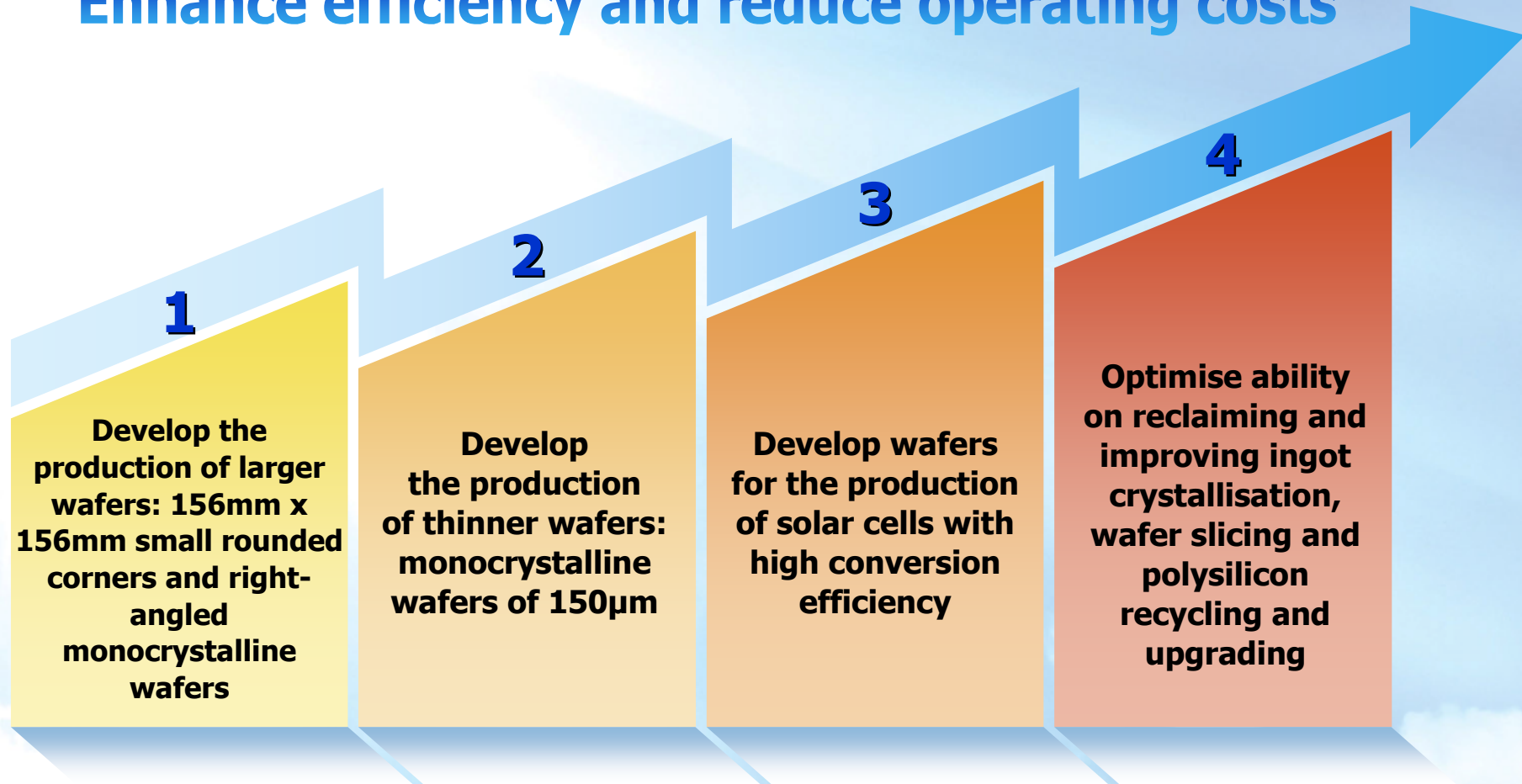
- Complete the construction of new production plant in Jinzhou which can accommodate 200 monocrystalline silicon ingot pullers, 40 wiresaws and module production lines of 100MW in 2010



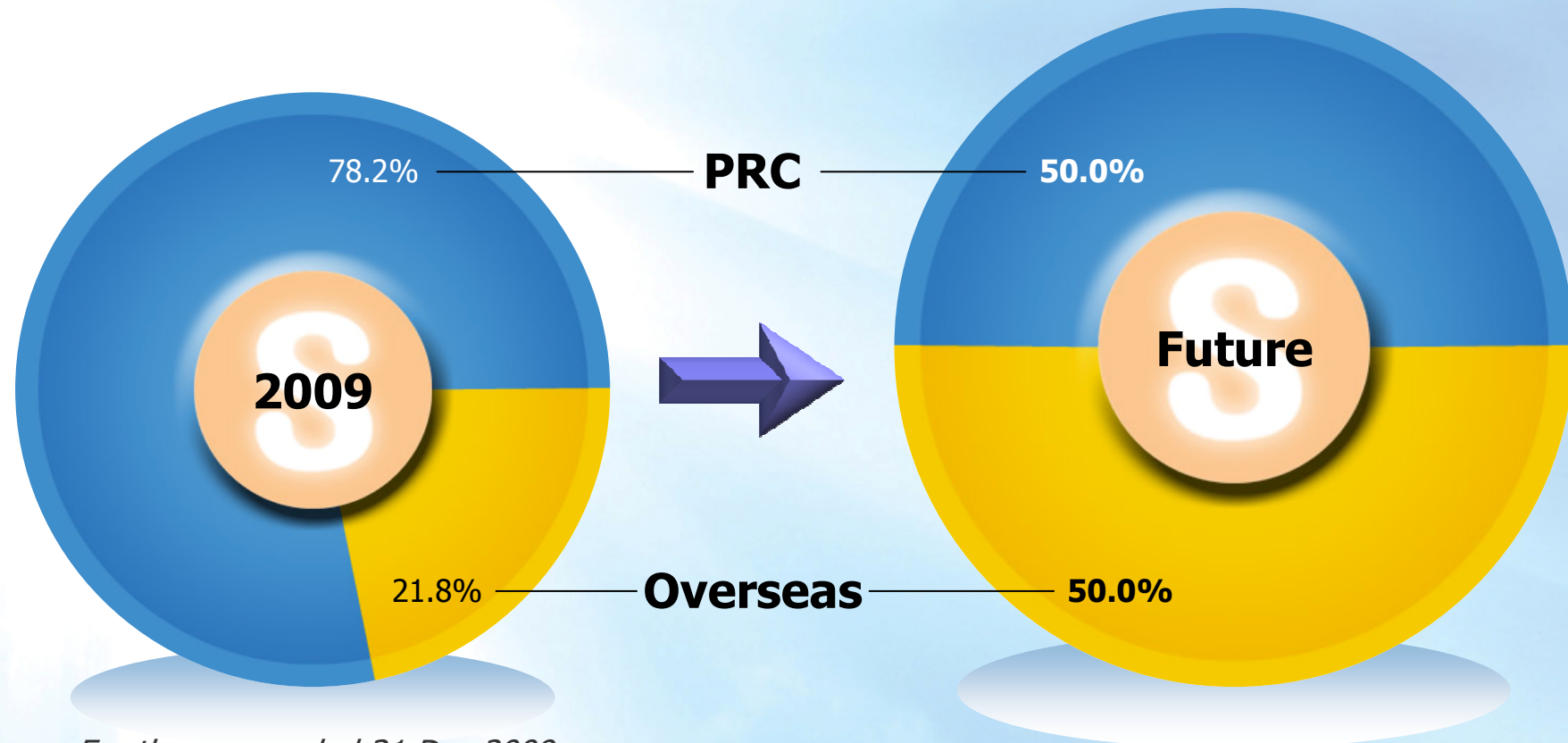
Strengthen R&D Capabilities



Enhance efficiency and reduce operating costs



Expansion in Overseas Markets



For the year ended 31 Dec 2009

- In 2009, the Group established a Shanghai sales center, and sent sales representatives to Japan, the United States and other overseas markets



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Open Forum

