



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

**2014 Interim Results**  
**28 August 2014**

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

**Corporate Overview**



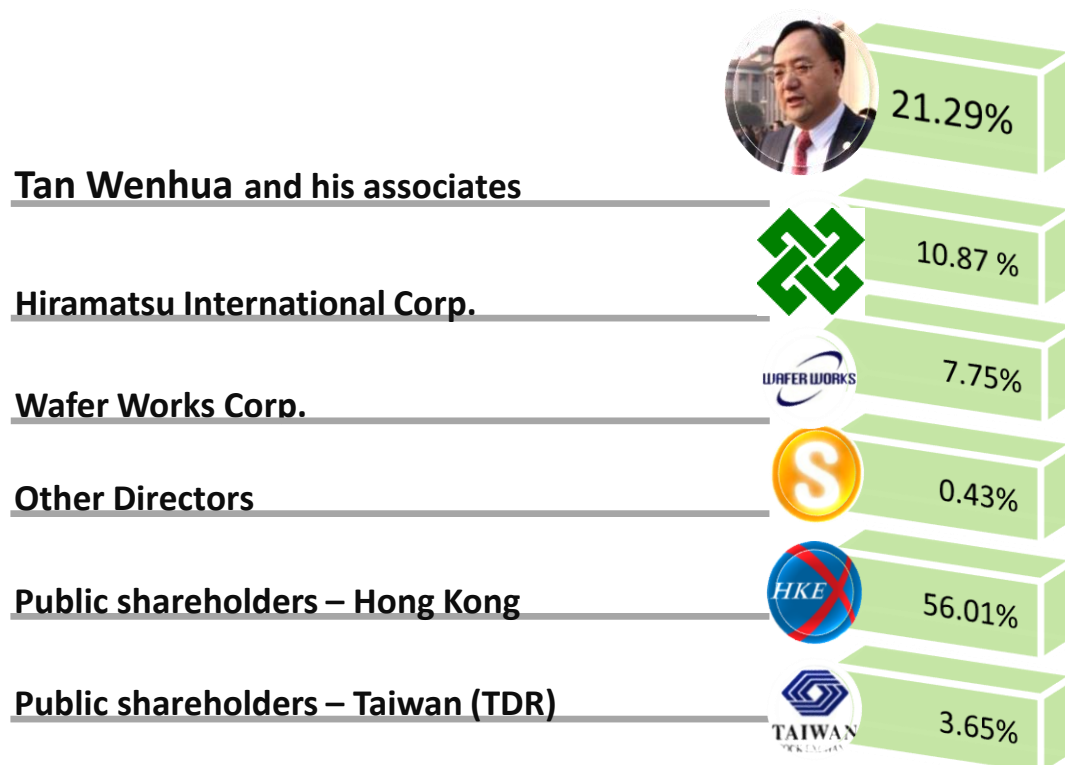
**One-stop solutions from ingots, wafers, cells, modules and the development, design, construction, operation and maintenance of PV System**



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



# Shareholding Structure as at 30 June 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 86 % owned by the Group at the end of 2013 and increased to 96% in late April 2014
- Joint venture project of **multicrystalline silicon ingot and wafer** which is 37% owned by the Group (*Under construction*)

## Xining, Qinghai (青海西寧)

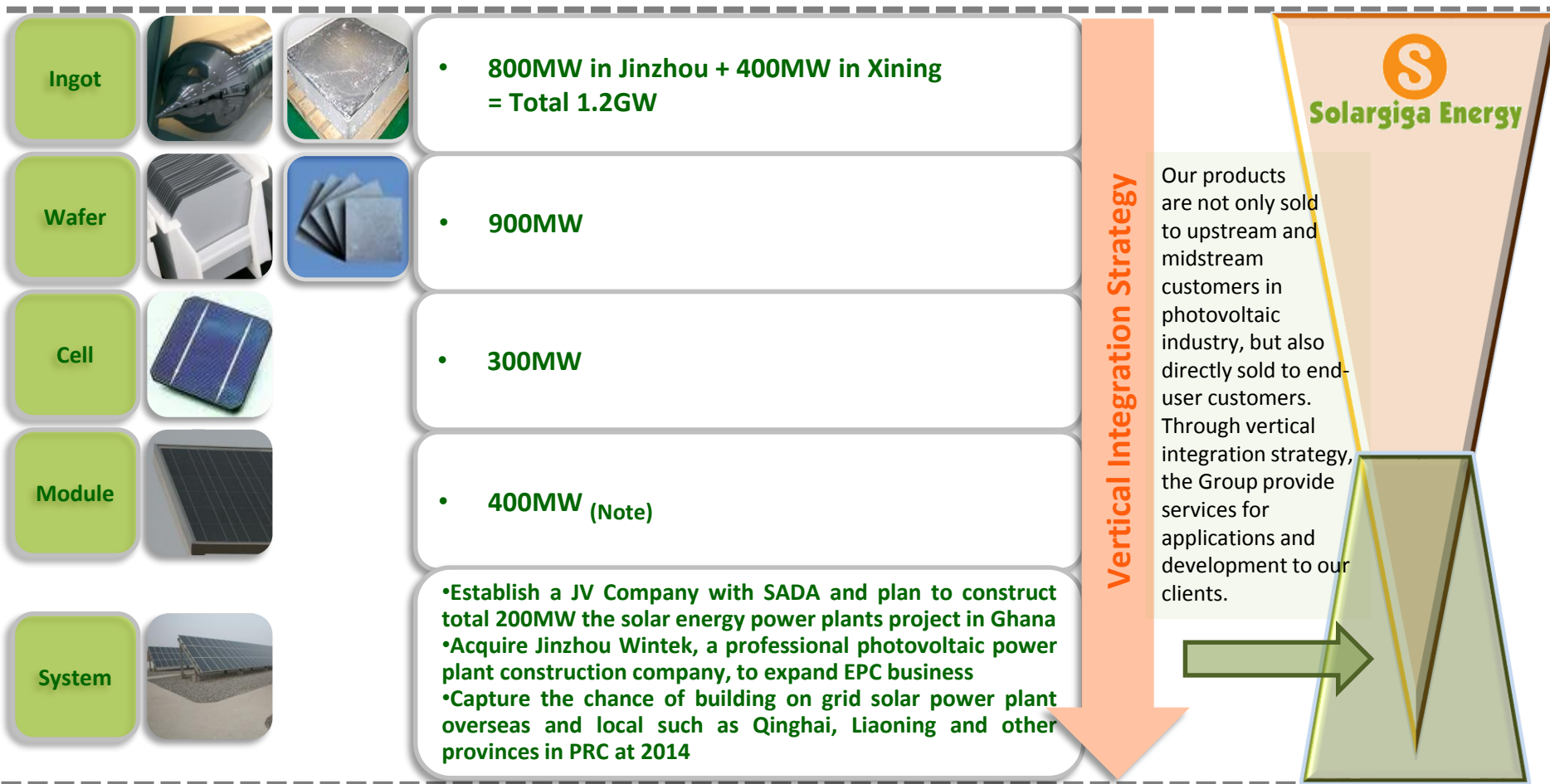
- Joint venture project of **400MW monocrystalline silicon ingot** which is 51% owned by the Group (*Phase One 200MW completed, Phase Two 200MW will be put into production successively upon reaching the conditions to achieve production levels, enabling the annual production capacity of silicon ingots to duly reach 1.2 GW*)

## Shanghai (上海)

- Multicrystalline silicon reclaiming and upgrading facilities



# Product Range



Note: The production capacity of module will be expanded to 600MW at the end of 3Q2014





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**Financial Performance**

# Results Highlight



- In 1H2014, turnover of the Group recorded a significant Y-o-Y increase by 85.9% mainly due to the gradual recovery for solar energy industry, the promotion of China policy, stable business partnership with major customers such as Sharp, and the increase in the external shipment volume.
- In 1H2014, results of the Group recorded continuous improvement. During the period under review, gross profit of the Group increased significantly by 660.7% to RMB141.42 million over the same period of last year, and the gross margin of the Group recorded a remarkable Y-o-Y increase from 2.3% to 9.3%.

| (RMB'000)   | 1H2013    | 1H2014    | Change         |
|---|-----------|-----------|----------------|
| Turnover  | 818,940   | 1,522,285 | <b>85.9%</b>   |
| Reported Gross Profit                                     | 18,591    | 141,420   | <b>660.7%</b>  |
| Gross Margin (%)  | 2.3%      | 9.3%      | <b>7.0PP</b>   |
| (Loss)/Profit from Operations                             | (94,716)  | 46,374    | <b>N.A.</b>    |
| (Loss) Attributable to Equity Shareholders of the Company | (136,431) | (16,295)  | <b>(88.1%)</b> |
| EBITDA/(LBITDA)   | (6,095)   | 143,428   | <b>/</b>       |
| Basic (Loss) Per Share (RMB cents)                        | (5.02)    | (0.51)    | <b>(89.8%)</b> |

# Financial Position



**As at 30 June (RMB '000)**

**Current Assets**

**1,466,335**

**1,644,861**

**(10.9%)**

**Current Liabilities**

**2,062,614**

**1,935,443**

**6.6%**

**Total Assets**

**4,054,476**

**4,049,652**

**0.1%**

**Total Liabilities**

**2,852,244**

**2,867,454**

**(0.5%)**

**Net Assets**

**1,202,232**

**1,182,198**

**1.7%**

**Net Tangible Assets**

**1,202,232**

**1,182,198**

**1.7%**

# Key Financial Ratios



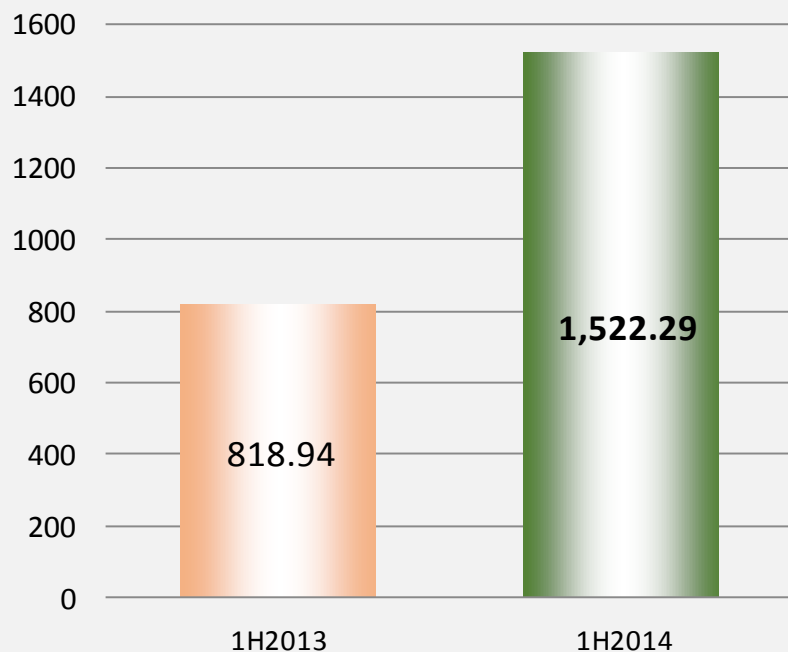
| As at 30 June                       | 1H2014 | 1H2013 | Change |
|-------------------------------------|--------|--------|--------|
| <b><u>Turnover Day Analysis</u></b> |        |        |        |
| Trade Receivables Turnover (Days)   | 39     | 61     | (22)   |
| Trade Payable Turnover (Days)       | 60     | 119    | (59)   |
| Inventory Turnover (Days)           | 52     | 93     | (41)   |
| <b><u>Gearing Analysis</u></b>      |        |        |        |
| Current Ratio (Times)               | 0.71   | 0.85   | (0.14) |
| Net Debt to Equity Ratio (%)        | 122.8% | 106.9% | 15.9PP |
| Net Debt to Tangible Net Worth (%)  | 122.8% | 106.9% | 15.9PP |
| Interest Coverage Ratio (Times)     | N.A.   | N.A.   | N.A.   |

# Revenue and Shipment Volume

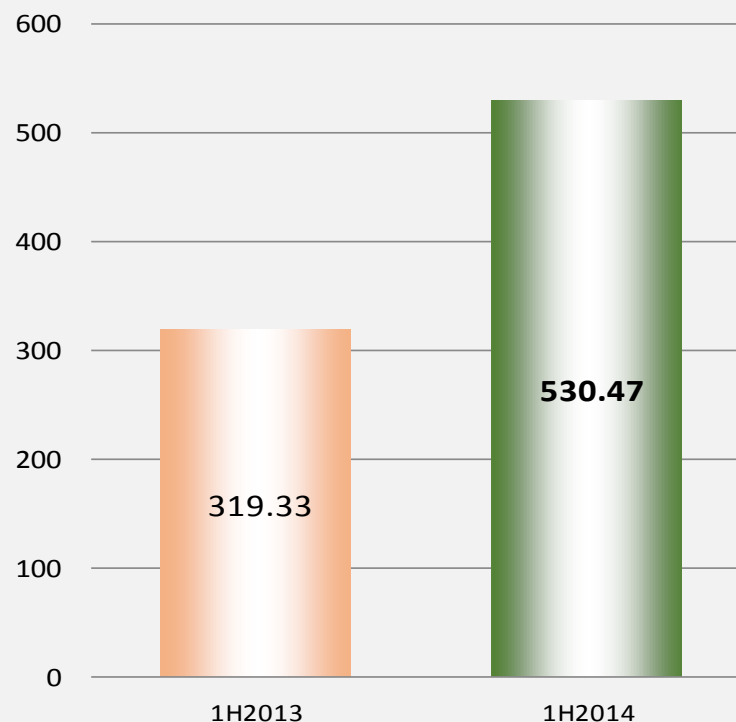


- In 1H2014, shipment volume increased by 66.1% to 530.47MW compared with 1H2013. The increase was mainly driven by increasing market demand and business development of major customers. The module business of the Group maintained stable development in 1H2014, which was mainly driven by the long-term business partnership between the Group and Sharp.

Revenue (RMB million)



Shipment Volume (MW)

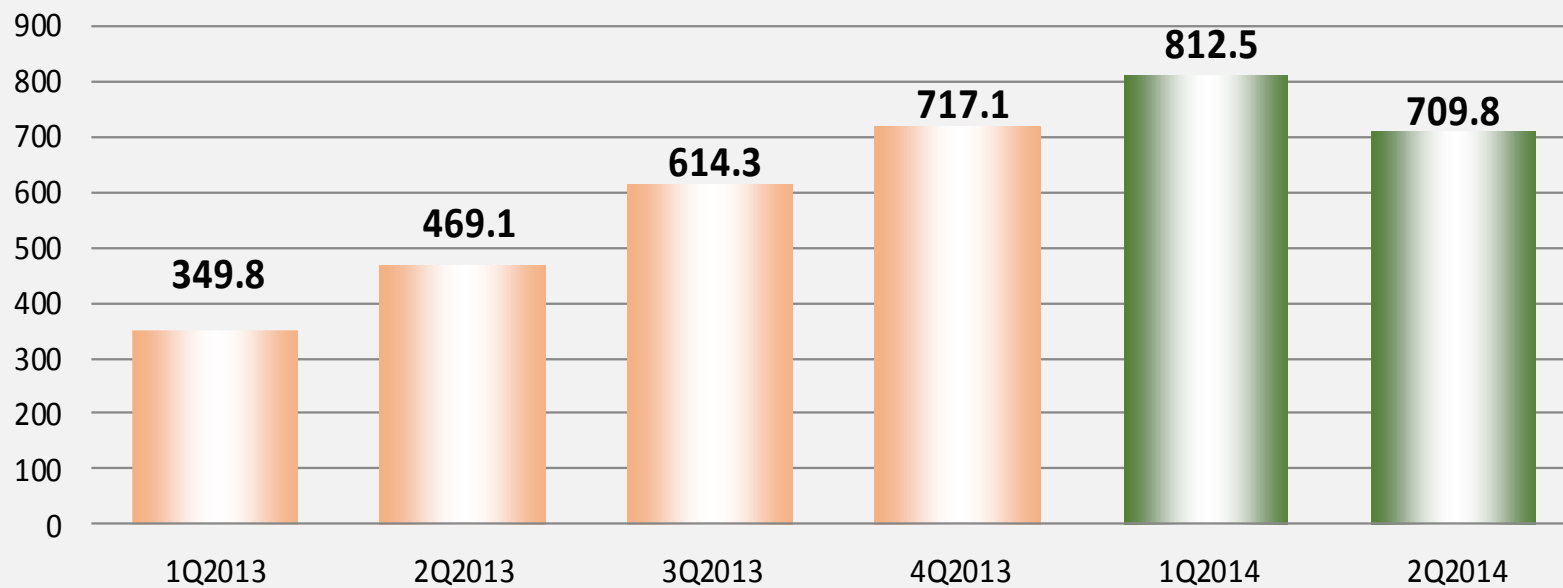




# Quarterly Revenue



Quarterly Revenue (RMB million)



# Revenue – Quarterly by Products

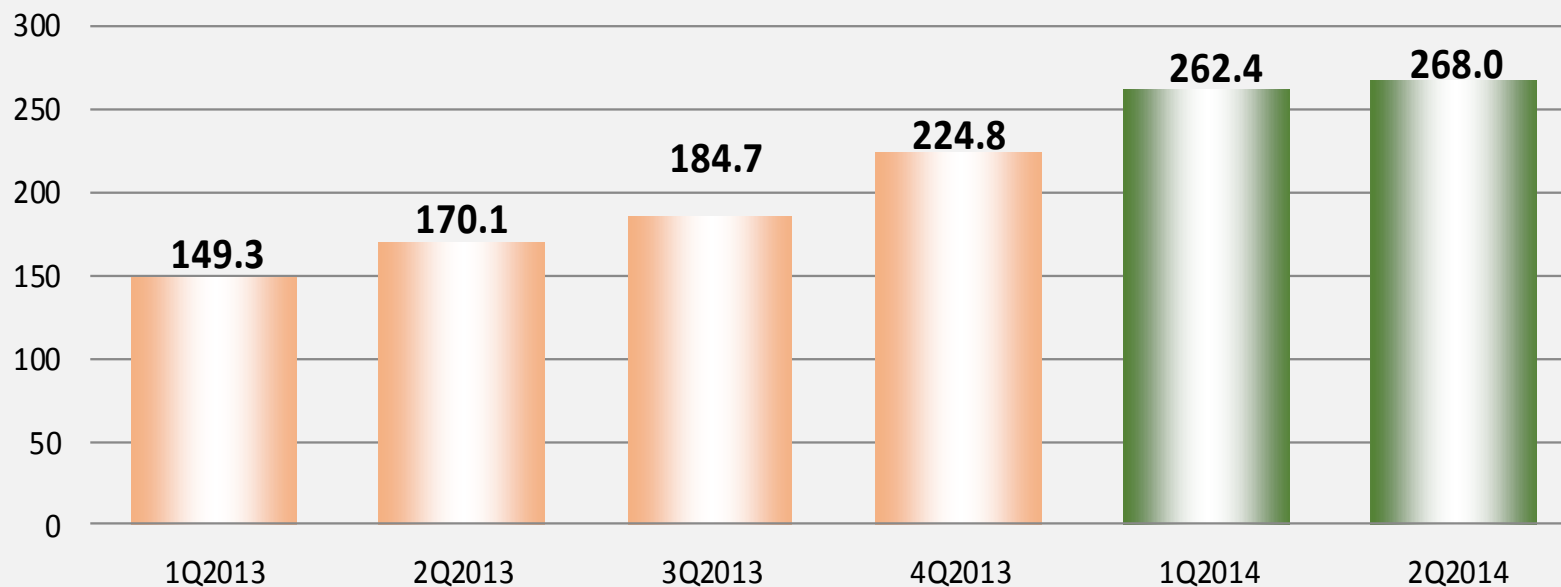


| (RMB million)                  | 1Q2013       | 2Q2013       | 1H2013       | 3Q2013       | 4Q2013       | FY2013        | 1Q2014       | 2Q2014       | 1H2014         |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|----------------|
| Processing Business            | 9.8          | 27.9         | 37.7         | 31.1         | -            | 68.8          | 15.6         | 64.9         | 80.5           |
| Sell - Ingot                   | 39.1         | 27.9         | 67           | 26.6         | 21.5         | 115.1         | 22.5         | -            | 22.5           |
| Sell - Wafer                   | 157.2        | 90.9         | 248.1        | 38.2         | 116.3        | 402.6         | 107.8        | 91.2         | 199            |
| Sell - Cell                    | 47.1         | 79.6         | 126.7        | 39.9         | 38.1         | 204.7         | 88.3         | 79.7         | 168            |
| Sell - Monocrystalline module  | 96.3         | 114.6        | 210.9        | 209.5        | 239.5        | 659.9         | 218.3        | 165.4        | 383.7          |
| Sell - Multicrystalline module | -            | 121.6        | 121.6        | 263.1        | 281.3        | 666.0         | 344.3        | 290.7        | 635.0          |
| Electricity income             | -            | -            | -            | 1.5          | 10.6         | 12.1          | 6.8          | 8.8          | 15.6           |
| Reclaiming and others          | 0.3          | 6.6          | 6.9          | 4.4          | 9.8          | 21.1          | 8.9          | 9.1          | 18             |
| <b>Total</b>                   | <b>349.8</b> | <b>469.1</b> | <b>818.9</b> | <b>614.3</b> | <b>717.1</b> | <b>2150.3</b> | <b>812.5</b> | <b>709.8</b> | <b>1,522.3</b> |

# Quarterly Shipment Volume



Shipment Volume (MW)



# Shipment Volume – Quarterly by Products

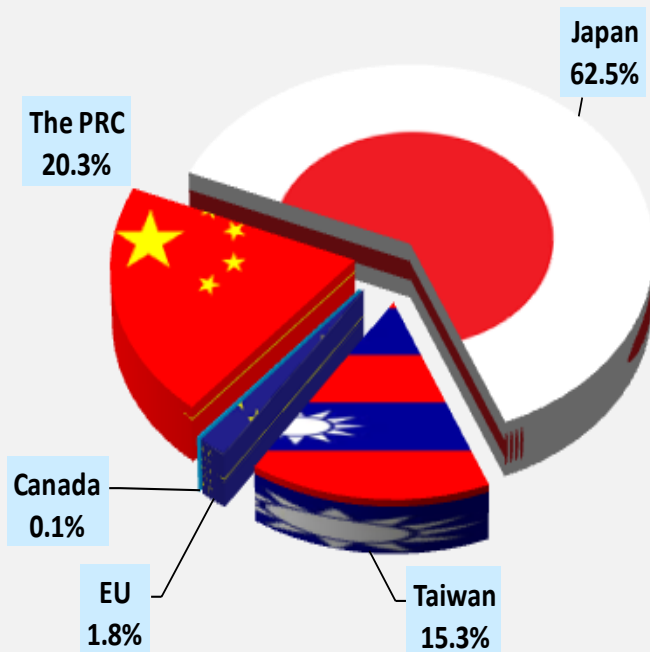


| MW                             | 1Q2013 | 2Q2013 | 1H2013 | 3Q2013 | 4Q2013 | FY2013 | 1Q2014 | 2Q2014 | 1H2014 |
|--------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Processing business            | 9.53   | 11.79  | 21.32  | 30.38  | -      | 51.70  | 15.50  | 64.80  | 80.30  |
| Sell - Ingot                   | 21.82  | 12.51  | 34.33  | 12.94  | 12.67  | 59.94  | 9.70   | -      | 9.70   |
| Sell - Wafer                   | 79.61  | 68.93  | 148.54 | 30.36  | 86.98  | 265.88 | 79.80  | 66.50  | 146.30 |
| Sell - Cell                    | 18.35  | 27.34  | 45.69  | 13.79  | 14.30  | 73.78  | 32.90  | 29.00  | 61.90  |
| Sell - Monocrystalline module  | 19.95  | 24.77  | 44.72  | 42.96  | 51.20  | 138.88 | 47.70  | 38.40  | 86.10  |
| Sell - Multicrystalline module | -      | 24.73  | 24.73  | 54.22  | 59.66  | 138.61 | 76.80  | 69.30  | 146.10 |
| Total                          | 149.26 | 170.07 | 319.33 | 184.65 | 224.81 | 728.79 | 262.40 | 268.00 | 530.40 |

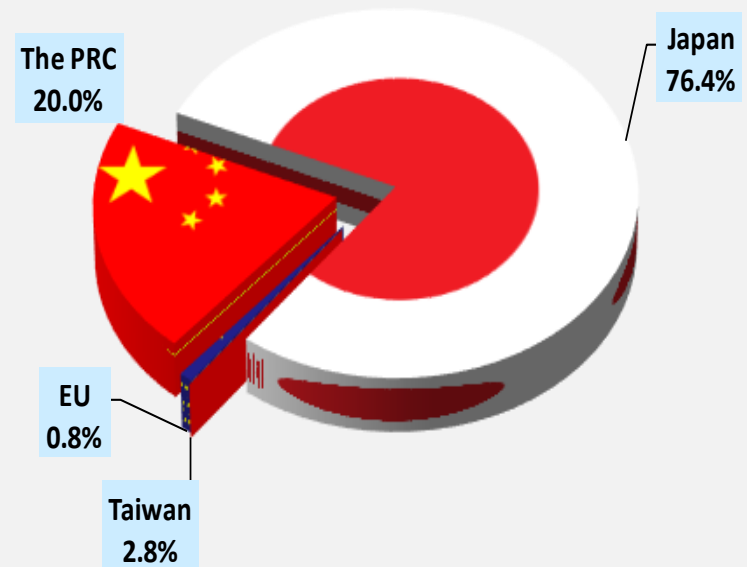
# Revenue -By Geographical Segment



1H2013



1H2014







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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 1H2014, the external shipment volume of self-manufactured and processed N-type silicon ingots was approximately 26.7MW, representing approximately 99.9% of external shipment volume of all types of silicon rolls in aggregate. N-type products are mainly targeted at Japanese market where the requirements on quality standard is stringent.

## Wafer Business

- Annual production capacity of wafers reaching 900MW.
- During the period, the external shipment volumes of self-manufacturing and processing of silicon solar wafers of the Group were approximately 209.7MW, representing an increase of 41.2% in total compared with 148.5 MW for the same period of last year.
- Benefit from the gradual recovery for solar energy industry from oversupply situation. Except for supplying the production required for downstream cells 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, which mainly provides cells for the production of the Group's downstream modules.
- The external shipment volume of solar cells was approximately 61.9MW, representing an increase of 35.4% in total compared with 45.7MW for the same period of last year. It contributed turnover of approximately RMB168 million, accounting for 11% of the Group's turnover.

## Module Business

- The Group has expanded into the downstream photovoltaic module business by holding a 96% interest in Jinzhou Jinmao Photovoltaic Technology Company Limited. The Group has expanded its production capacity to 400MW at the beginning of 2014 and will expand the production capacity again to 600MW at the end of 3Q2014 to better satisfy the procurement demand of its customers.
- During the period under review, the external shipment volume of solar modules was approximately 232.1MW, which the total volume increased 190.5% when compared with the external shipment volume 79.9MW in the corresponding period of last year. During the period, the module segment contributed turnover of RMB1,018.9 million, accounting for 66.9% of total turnover and representing a growth of 184.1% over the same 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, and approximately 33 million kWh electricity can be generated per year in average. The project will enjoy the photovoltaic power generation feed-in tariff policy of RMB 1.15 per kWh as set out by the National Development and Reform Commission.
- 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 December 2013, DCH-Solargiga, a subsidiary in Germany which is held 70% interest by the Group, and Savannah Accelerated Development Authority (“SADA”) established a subsidiary which is held as to 90% by the Group and intended to construct solar energy power plants of 200MW in aggregate in Ghana.
- The first stage of 40MW solar energy power plants project is currently under the initial stage of planning and financing, and is expected to provide power of approximately 60 million kWh per annum in average upon completion.



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

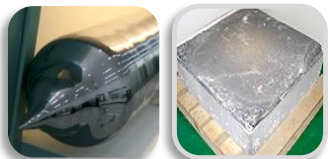




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**Future Plans and Strategies**

# 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

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

3

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

4

Apart from maintaining a stable cooperation with its customers in Japan, the Group will also take an active role in expanding its cooperation with Mainland and Taiwan customers

5

Keenly exploring downstream business on the construction of photovoltaic power plants (EPC) as well as the operation and maintenance of various solar power plant systems to facilitate the market development in emerging regions



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**Q&A Session**