

Solargiga Energy Holdings Limited

阳光能源控股有限公司

2023年度中期业绩

股票代码: 00757.HK

2023 Interim Results



Solargiga Energy

Disclaimer

- This presentation has been prepared by Solargiga Energy Holdings Limited ("Solargiga", the "Company" or the "Group") for corporate communications and general reference purposes only. This presentation and the accompanying slides do not constitute any offer or invitation to purchase or subscribe for any securities, and shall not form the basis for or be relied on in connection with any contract or binding commitment whatsoever. All of the data should not be used or relied upon without seeking professional advice. This presentation is purely a presentation in nature and does not purport to be a complete description of the Company, its business, current or past operating results or future prospects of the business.
- The Company does not issue any express or implied warranties or representations in connection with this presentation. The Company hereby disclaims any liability for any person's use of or reliance on any data (financial or otherwise) contained in this presentation.

Contents

- 01 Corporate Overview
- 02 Main Business
- 03 Financial Review
- 04 Market Overview
- 05 Future Prospects and Strategies



Corporate Overview

1

Make the World a Better Place

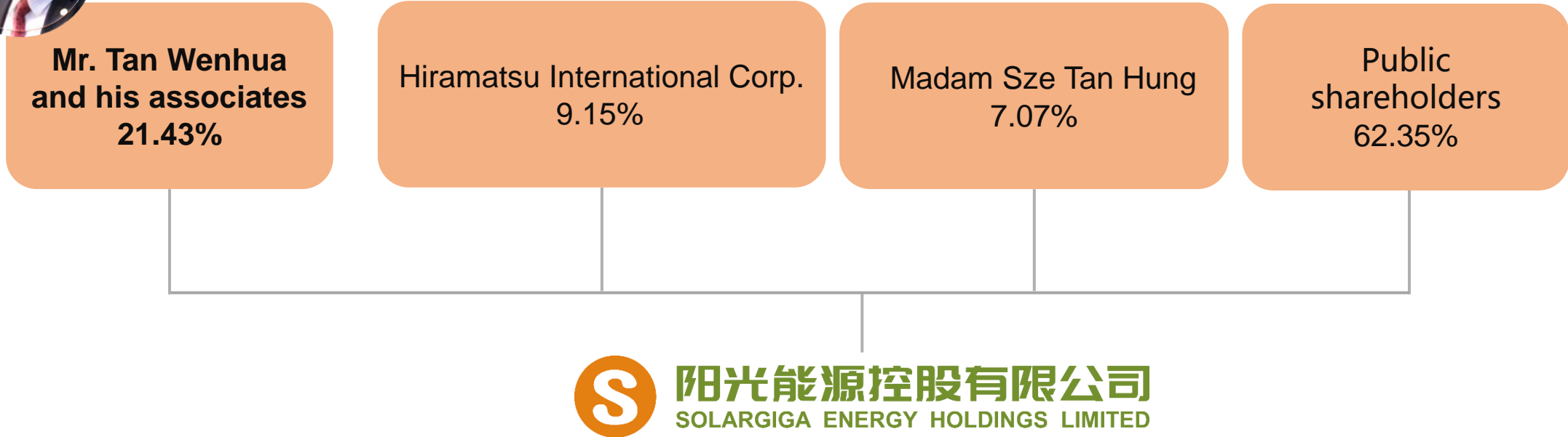
Company Profile

Solargiga was established in 2000 and listed in Hong Kong in 2008 (stock code: 00757.HK). The company integrates R&D, production, sales of solar photovoltaic (PV) modules and photovoltaic applications. With more than 3,000 employees, the Company's production bases are located in Jinzhou, Liaoning and Yancheng, Jiangsu, and branches in Suzhou and Beijing. Its business footprints cover domestic and major global photovoltaic markets. After more than 20 years of development, Solargiga is committed to providing high-quality photovoltaic products and services to global customers and promoting the development of the clean energy industry.

Achievements

- **Listed in Hong Kong on 31 March 2008 (757.HK)**
- **Top 20 PRC PV Module Companies in 2022 (12)**
- **Top 20 PRC Comprehensive Companies in 2022 (19)**
- **Top 100 Global PV Brands in 2022 (No.51)**
- **Top 500 PRC Energy Group Companies (297)**
- **Global Top 500 New Energy Companies (189)**
- **Top 100 New Energy Companies Global Competitiveness (92)**
- **Top 100 Renewable Energy Companies Global Competitiveness (72)**

Shareholding Structure



Manufacturing Base

Manufacturing:

Total Module Production Capacity: 8.2 GW

Module Production Capacity of

Jinzhou Base: 1.8 GW

Yancheng Base: 6.4 GW

Marketing:

Established the branch in Suzhou to expand the marketing presence;
Established the branch in Beijing to strengthen its service and development of large state-owned enterprise customers, and further consolidated the sales channel strategy.



Global Marketing Network



Overall Strategy:

Based in China, Solargiga is deeply cultivating the Asian market, and at the same time vigorously expanding the markets of Europe, North America, South America and Australia.

Key Layout: (Japan/Germany/Australia)

Solargiga has established branches in Osaka, Japan, Siegen, Germany, and Sydney, Australia, to develop various product sales channels and develop new customer groups.



Major Customers



SHARP



国家电投



中广核 CGN



CHINT



阳光电源
SUNGROW



中国能建



ENERGY VISION



swiss solar

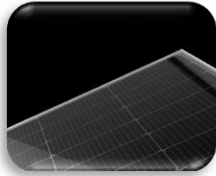


ReneSola



Production Capacity and Product Range

Continuing Operations



Module

The monocrystalline products have become mainstream in the market, and it is committed to the development and sales of monocrystalline high-efficiency module products, such as P-type high-efficiency modules, N-type high-efficiency modules, half-cell modules, multi-busbar cell modules and all-black modules, etc. high-end products.



System

The Group' s photovoltaic system business includes traditional distributed power station EPC business, Building Applied Photovoltaics (BAPV) business and Building Integrated Photovoltaics (BIPV) business.

Relying on the comprehensive R&D and rich technological experience accumulated in the photovoltaic industry, the Group is carrying out a series of research and development projects in cooperation with Shenyang Jianzhu University for assembled conservatory, the National Housing and Residential Environment Engineering Technology Research Center for BIPV structural components and other institutions, of which four series of BIPV products have passed China Compulsory Certificate ("CCC") certification, China Quality Certificate Centre ("CQC") certification, and GB8624-2012 building materials and products combustion performance test certification.



Semiconductor

Mainly engaged in 4-6 inch heavily doped semiconductor grade single crystal silicon rods, including heavily doped arsenic, heavily doped antimony, heavily doped phosphorus, these products are at the leading level in the industry.

It is also engaged in the production and sales of 4-6 inch lightly doped semiconductor grade single crystal silicon rods.

Operation Strategies



Focus on Sales Channels

- S** Implement company' s **three one-third sales strategies** :
 - **Long-term customer orders** : Ensure steady development and risk resistance of the company
 - **OEM orders** : Ensure full use of production line capacities and improve cash flow efficiency
 - **Short-term orders** : In sync with the spot market, conducive to gaining profit from orders
- S** Strengthen multi-channel deployment and expansion at home and overseas to ensure access to sufficient orders



Strengthen Prudent Operation and Ensure Cash Flow

- S** With fierce competition and reshuffling expected in the industry, the Group will continue to:
 - Grab order opportunities
 - Do its best in financial management including cost control and receivable management
 - Ensure stable and sufficient cash flow
 - Do its best in quality control
 - Strengthen prudent operation strategy



Empower Supply Chain

- S** Do well with overall production planning [and, via integrating resources at the supply chain end, devise a reasonable supplier development and introduction process to ensure raw material quality
- S** Strengthen market research and assessment and implement corresponding cost reduction strategies to improve procurement cost control
- S** Enhance risk resistance via comprehensive empowerment of the supply chain



Upgrade Capacity and Equipment

- S** Photovoltaic application has reached the grid parity target, explosive sales growth imminent
- S** Since 2018, has continuously invested in upgrading and transforming existing production capacity, and adding highly-[effective/efficient] capacity at low cost, has realized to date overall upgrade of production capacity and mass output of new high-efficiency production capacity



Main Business

2

Operating Performance

- S** The external shipment of PV modules increased from 1,318.1 MW in the same period of 2022 to 2,975.4 MW during the period, representing a growth rate of 125.7%.
- S** In addition to the mainstream P-type PERC monocrystalline modules in the market, the Group also devoted to the development and sales of high-efficiency monocrystalline module products, such as P-type bifacial double-glass modules, N-type TOPCon modules, multi-busbar BS modules and other high-end products.
- S** The module production line can produce multi-busbar single and double glass 182mm and 210mm large-size modules with a power of more than 660 watts. The related equipment automation and intelligence and packaging technology are among the industry leaders.



Product Process

- S** Through continuous in-depth research on material properties and all-round system performance evaluation, we developed a packaging solution for single-glass TOPC on battery modules, solved the problem of moisture resistance of TOPC on batteries, and launched a new series of single-glass TOPC on battery products.
- S** With the purpose of reducing component costs and system costs, we continue to carry out full system cost design research from silicon wafers, batteries, to components, and promote the product design of a series of 18X battery components.
- S** The Group has designed and developed all-black component products, designing 54-piece, 30-piece, 20-piece, 16-piece and other versions. The components use all-black materials such as black frames, black bus bars, and black back panels. The components themselves are guaranteed to be completely black, and There is zero color difference between the components to the naked eye, taking into account the consistency and aesthetics of the component appearance. Different layout designs can meet different roof installation needs.
- S** A number of research projects have been carried out on N-type heterojunction HJT technology, perovskite technology, BIPV products, offshore photovoltaic modules, flexible modules, portable installation photovoltaic tile modules and other products.



Product Certification

- S** CQC certification for new products of 18X battery and 210-N type TOPC on battery
- S** On the basis of obtaining CQC, TÜV, VDE certificates, we have been expanding overseas certificates, and have obtained the certificates of JET of Japan, MCS of UK, BIS of India, INMETRO of Brazil, SEC of Chile, and the first level of fire prevention of Italy.
- S** The product has passed the stricter tests of IEC 63209 and IEC63126



CQC认证



VDE认证



加严测试



巴西INMETRO



日本JET



意大利防火

Laboratory Accreditation



S On July 27, 2022, the Group received the Laboratory Accreditation Certificate (Certificate No.: CNAS L16766) issued by China National Accreditation Service for Conformity Assessment (CNAS), which means that Solargiga PV Testing Center has officially entered the team of nationally recognized international laboratories.

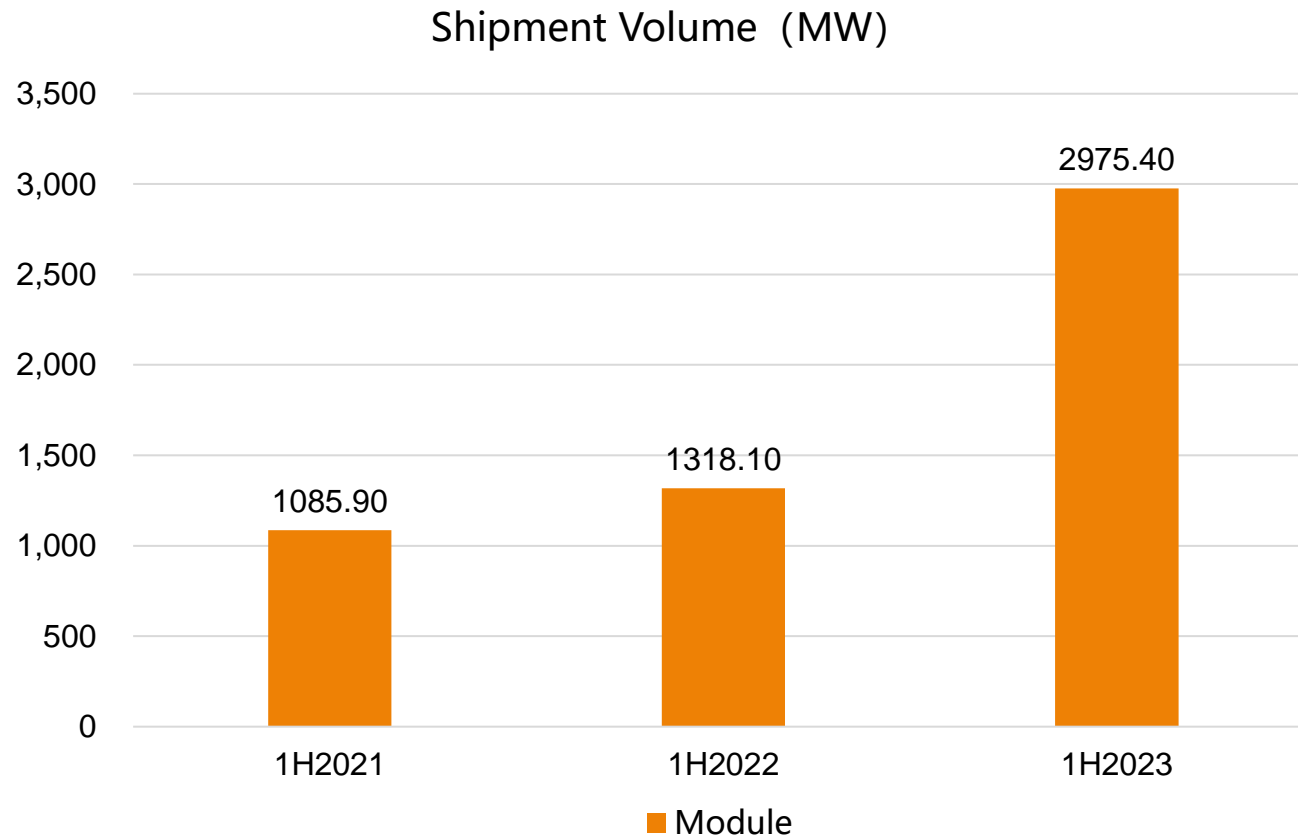


Financial Review

3

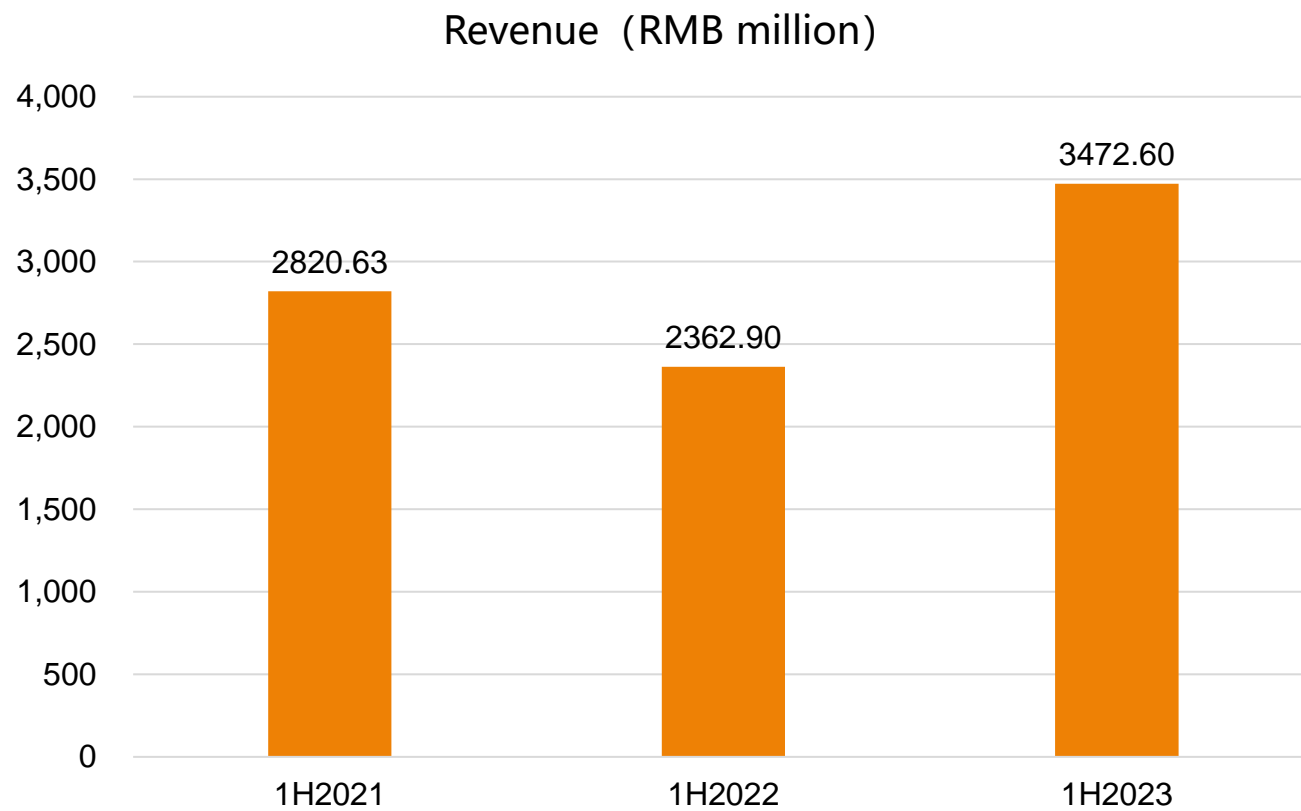
Financial Review

Shipment Volume



Financial Review

Revenue



Solargiga Energy

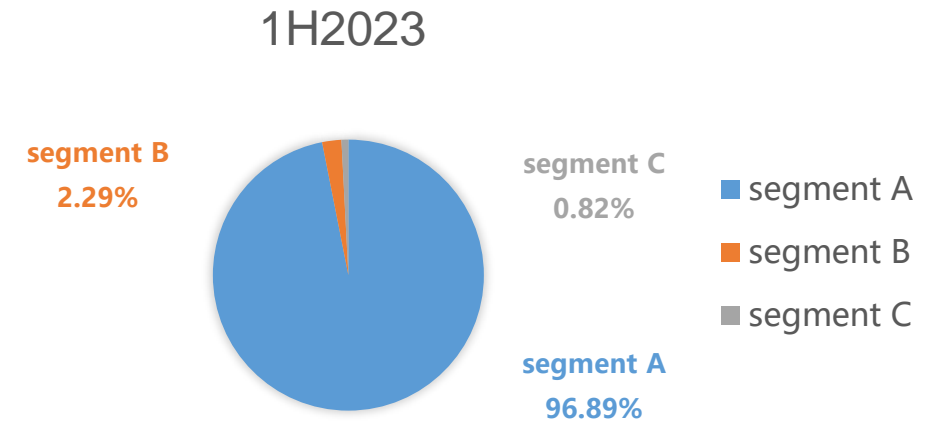
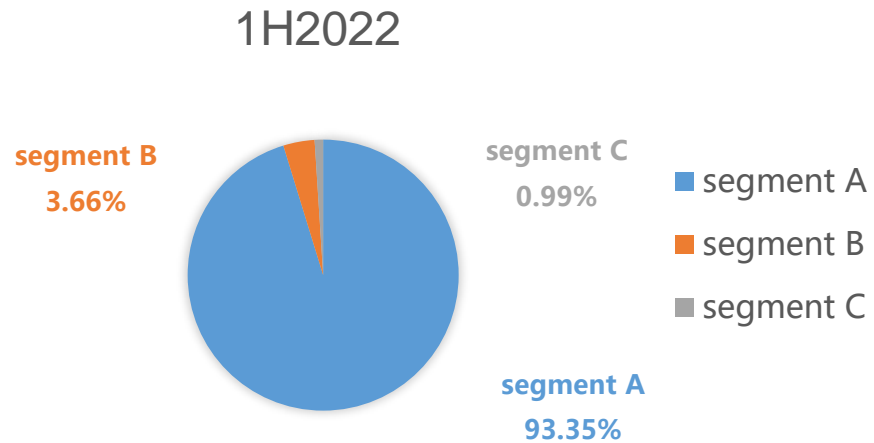
Financial Review

2023 Interim Financial Results Highlights

Continuing Operations	1H2023	1H2022	Change
Revenue (RMB million)	3,472.6	2,362.9	+47.0%
Gross Profit (RMB million)	233.8	111.0	+110.6%
Gross Profit Margin (%)	6.7%	4.7%	+2.0pp
EBITDA (RMB million)	263.5	228.6	+15.3%
Profits from continuing operations attributable to owners of parent (RMB million)	99.9	7.8	+1180.8%
Basic earnings per share (RMB cents)	3.01	2.04	+47.5%

Financial Review

2023 Interim Revenue Breakdown

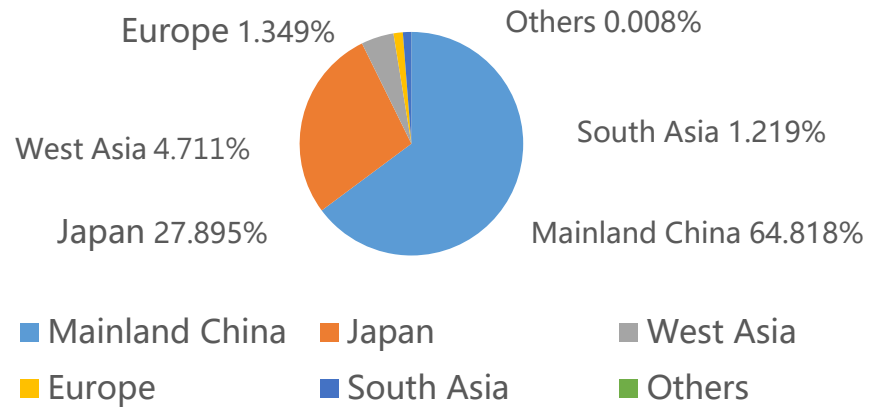


Segment	Operating business	1H2023 (RMB thousand)	1H2022 (RMB thousand)	Change
A	The manufacture and trading of photovoltaic modules	3,364,532	2,253,135	+49.3%
B	The construction and operation of photovoltaic power plants	79,681	86,557	-7.9%
C	The manufacture and trading of semiconductor, the trading of monocrystalline silicon solar cells and others	28,384	23,250	+22.1%
	Total	3,472,597	2,362,942	+47.0%

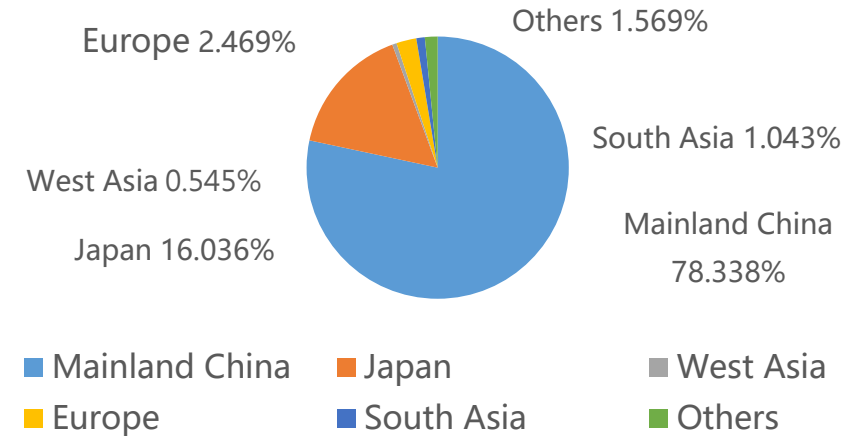
Financial Review

Market Distribution

Proportion of revenue in 1H2022



Proportion of revenue in 1H2023

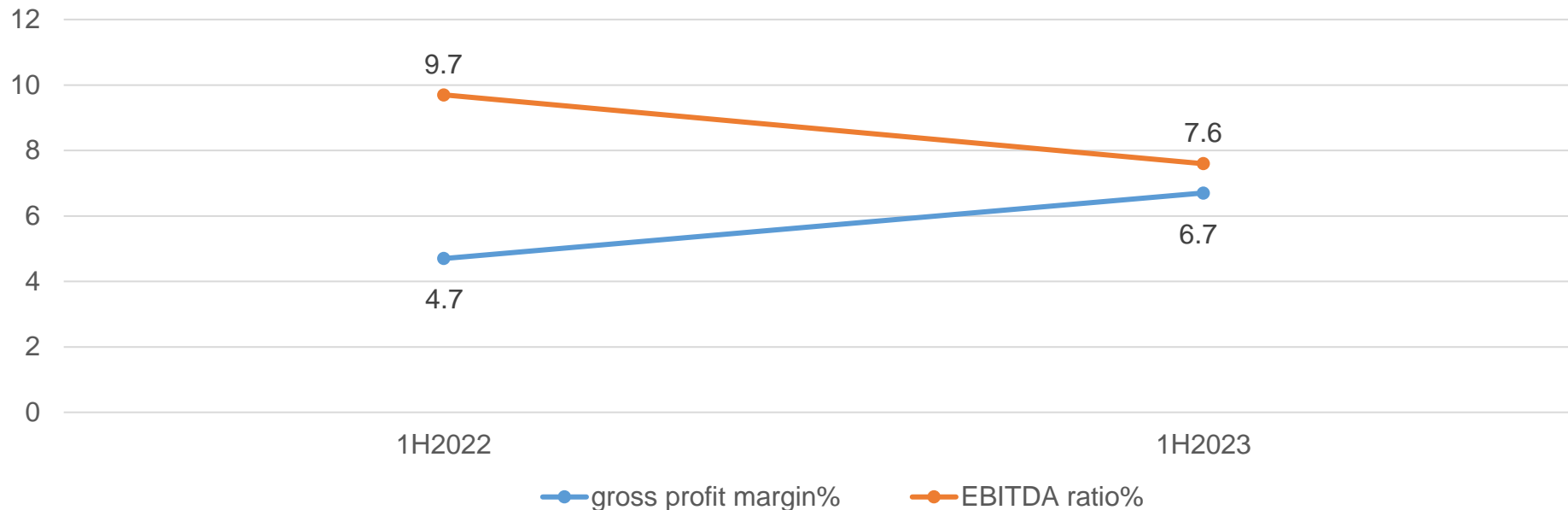


Revenue (RMB thousand)	1H2023	1H2022	Change
Mainland China	2,720,350	1,531,616	+77.6%
Japan	556,862	659,148	-15.5%
West Asia	18,940	111,325	-83.0%
Europe	85,740	31,879	+169.0%
South Asia	36,230	28,805	+25.8%
Others	54,475	169	+32133.7%
Total	3,472,597	2,362,942	+47.0%

Financial Review

Key Financial Indicators

- Recorded a gross profit of **RMB233.8 million** and a gross profit margin of 6.7% in the first half of 2023, as compared to a gross profit of RMB111.0 million and a gross profit margin of 4.7% in the corresponding period in 2022, which increased by 110.6% and 2% points respectively. **The increase was mainly due to the Group’s high-efficiency production capacity, resulting in economics of scale.**
- During the period, the Group’s earnings before interest, taxes, depreciation and amortization (EBITDA) was **RMB263.5 million** (7.6% of the revenue), as compared to RMB228.6 million (9.7% of the revenue) of the corresponding period in 2022, which increased by **15.3%**. The main reason for the increase in EBITDA was attributed to the increase in revenue and gross profit during the period.



Financial Review

Key Financial Indicators

- S An increased amount of finished goods were produced to cope with the increase in sales orders. Therefore, the inventory turnover days of the period increased to 42 days (31 December 2022: 29 days).
- S The sales of photovoltaic modules accounted for over 95% of the overall sales for the period. According to the standard terms of the industry' s module sales contracts, the recovery of module receivables depends on the construction progress of the photovoltaic power plant. For instance, some trade receivables can only be recovered after the customer' s photovoltaic power plant is connected to the grid. Therefore, the trade receivables turnover days of module business are generally longer. Trade receivables turnover days for the period has decreased to 86 days.
- S The trade payables turnover day was 188 days for the period, which was higher comparing to 163 days as at 31 December 2022. The Group would like to utilise its operating funds in a more strategic manner for business growth. Under stable and frequent co-operations, the suppliers have increased our credit lines and payment terms.

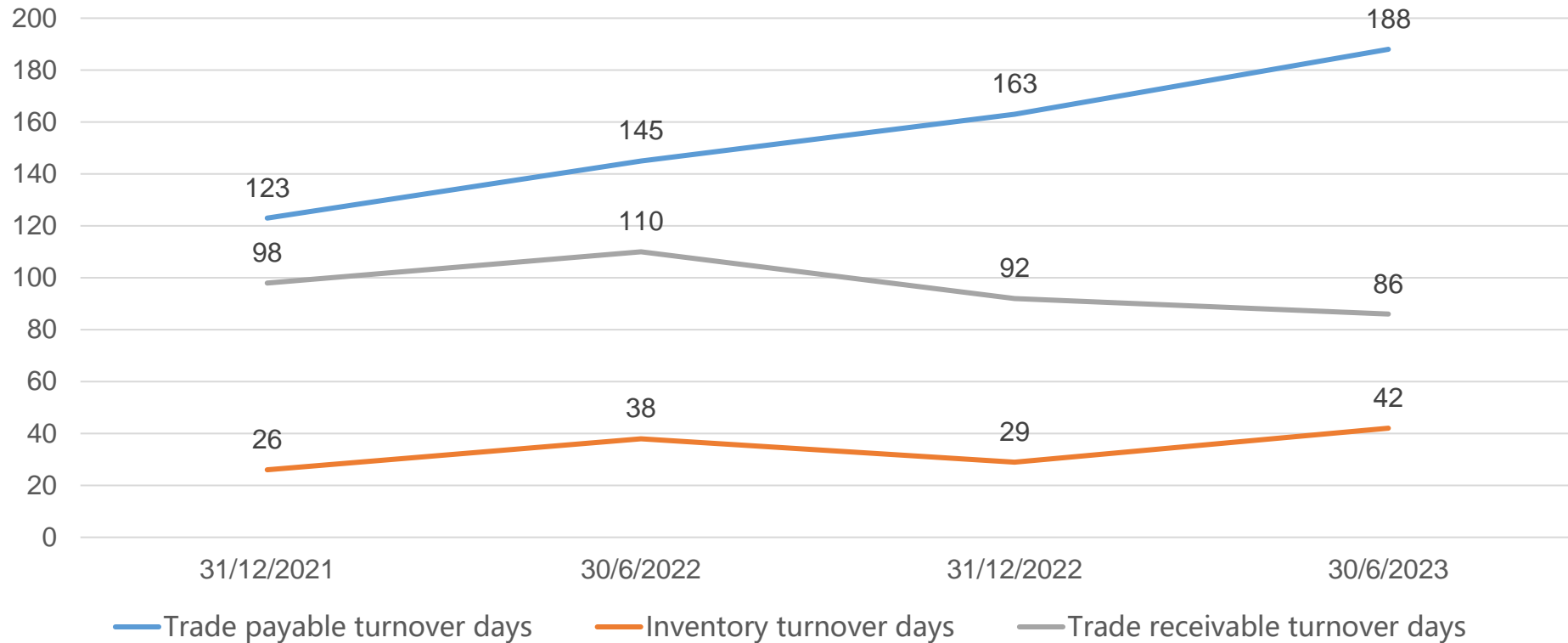
Turnover Day Analysis	30/6/2023	31/12/2022
Inventory Turnover (Days)	42	29
Trade Receivables Turnover (Days)	86	92
Trade Payable Turnover (Days)	188	163

Financial Review

Key Financial Indicators



Asset/Liability turnover date



Financial Review

Key Financial Indicators

- S The operating activities resulted in a net cash outflow of approximately RMB1,330.8 million in the first half of 2023, compared to a net cash inflow of approximately RMB311.3 million in the same period of 2022.
- S The main reasons for the net cash outflow were a decrease in trade and other payables in the first half of 2023, and increased amount of finished goods produced by the Group, which led to an increase in inventories.

Condensed cash flow	1H2023 (RMB million)	1H2022 (RMB million)	Change
Net cash flows generated from operating activities	(1,330.8)	311.3	-527.5%
Net cash flows generated from investing activities	405.2	(320.7)	226.3%
Cash flows from financing activities	576.9	80.4	617.5%



Market Overview 4

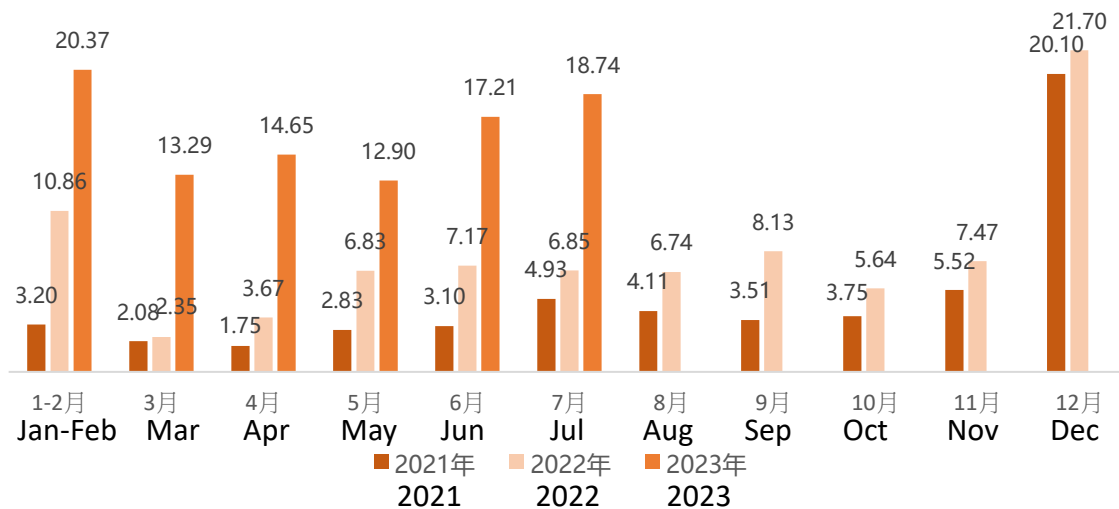
China



Installed capacity: National Energy Administration released the national electric power industry statistics from January to July. **The new installed capacity of photovoltaics from January to July this year reached 97.16GW**, exceeding the total of 87.41GW newly installed for the whole year of 2022. Among them, **the new installed capacity of photovoltaics in July was as high as 18.74GW, up 174% year-on-year, and up 9% sequentially.**

China's New Installed Power Generation Capacity of Solar Energy
(10 thousand KW)

Statistical data from the National Energy Administration



Resource: National Energy Administration, Marketing Department of Solargiga

Compilation of the policies of Chinese government

In 2023, PV, lithium batteries, and new energy vehicles have become new growth points for China's exports, injecting new growth momentum into the country's economic development. In March 2023, the Ministry of Natural Resources, the National Forestry and Grassland Administration, and the National Energy Administration jointly issued the **"Notice on Supporting the Development of the Photovoltaic Power Industry and Regulating Land Use Management"** to accelerate the construction of large-scale PV bases and support the development of green energy.

In May, the National Development and Reform Commission issued the **"Measures for Power Demand Side Management (Draft for Comments)"** to actively explore the construction of rooftop photovoltaics in industrial plants and public buildings, and implement a new model of integrated PV application. The continuous expansion of PV enterprises will bring new market space and lead the transformation of PV "manufacturing" to "intelligent manufacturing". The industry as a whole maintains a steady and positive development momentum.

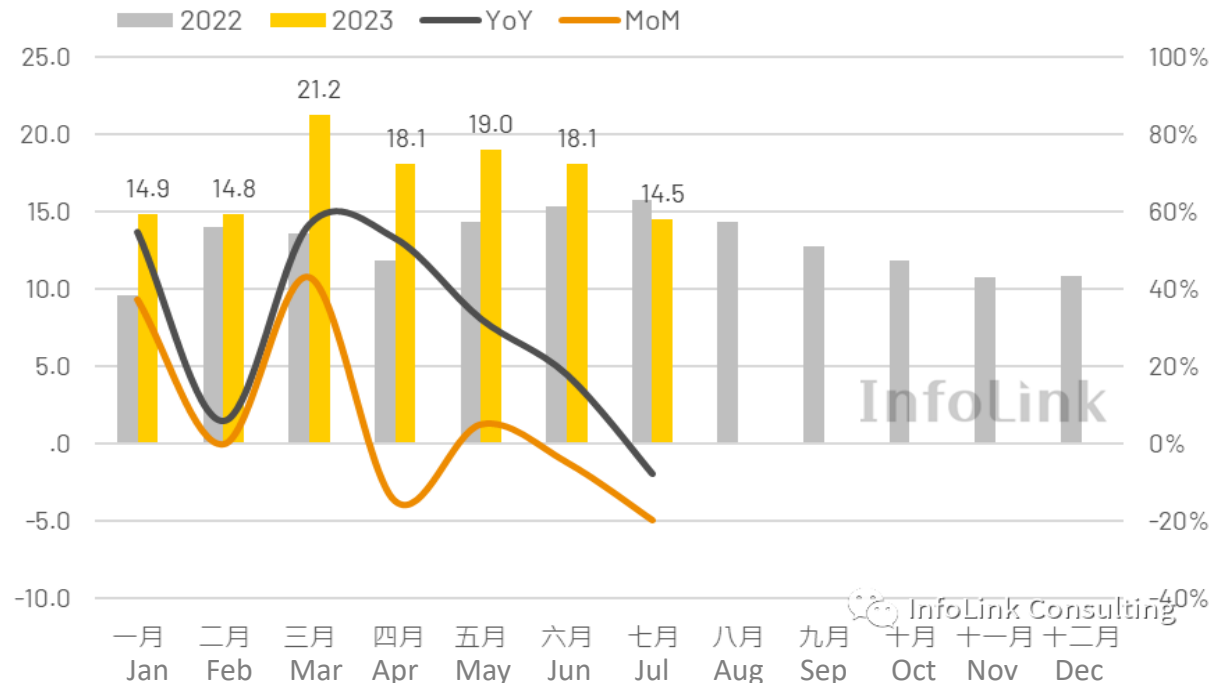
Since China set the development goal of **"striving to achieve carbon peaking by 2030 and carbon neutrality by 2060"**, it has continuously accelerated the pace of energy transformation. It has planned and constructed large-scale PV wind power bases in deserts, the Gobi and desert regions, and completed the energy-saving and carbon-reducing renovation of coal-fired power generating units with a capacity of more than 480 million kilowatts.

Overseas



According to customs data from PV InfoLink, as of July 2023, **cumulative exports reached 120.6 GW, representing a 27.7% in the corresponding period last year.** Looking ahead, with the end of the European holidays, demand is expected to restart. According to PV InfoLink's forecast, global demand for installation in 2023 is expected to reach 390-455 GW, with a year-on-year growth rate of approximately 38%-61%.

Module Exports from China , Unit: GW




Resource: PV Infolink, Marketing Department of Solargiga

Overseas Policies



<p>USA</p>	<ul style="list-style-type: none"> Following the easing of the global energy crisis and supply chain challenges, the U.S. solar energy industry had its best first quarter in history. According to the "Solar Market Insight Report Q2 2023" published by the Solar Energy Industries Association (SEIA) and Wood Mackenzie, the installed capacity in the U.S. reached 6.1 GW in the first quarter of 2023, a year-on-year increase of 47%. At the end of the first quarter, at least 16 GW of module manufacturing facilities were under construction. Due to the slight relaxation of module supply restrictions, some projects that were delayed in 2022 finally commenced construction, with large-scale ground-based PV projects increasing by 66% year-on-year. It is estimated that by 2026, U.S. module production capacity will increase from less than 9 GW at present to over 60 GW. In May 2023, the US Department of the Treasury and the Internal Revenue Service also issued guidelines to promote the development of local PV generation projects. Under the Inflation Reduction Act (IRA), PV generation projects using U.S.-made components or finished products will be eligible for the full 30% tax credit, and projects using the production tax credit can add an additional 10% tax credit, to 40% in total.
<p>Europe</p>	<ul style="list-style-type: none"> Due to the impact of the Ukraine-Russia war, the energy supply in Europe has been greatly affected. In May 2022, the "REPowerEU" plan was proposed. The European market experienced rapid growth in 2022. In order to stimulate local capacity development, "The European Green Deal" was proposed in early 2023. It is expected that the energy transition wave in Europe will continue to ferment in 2023, with continued high demand for photovoltaic installations.
<p>India</p>	<ul style="list-style-type: none"> The Indian market still has strong demand for solar energy in 2022, showing steady overall growth. The total installed solar capacity in India reached approximately 17 GW in 2022. The Indian government is determined to develop India into a manufacturing hub for solar components and establish a complete photovoltaic manufacturing chain to address supply chain issues. With favorable policies and incentives, the Indian solar market is expected to experience rapid development. According to PV Infolink data, India installed 17 GW in 2022, ranking second in the Asia-Pacific region in terms of installations. It is projected that in 2023, India will maintain its position as the second-largest installer in the Asia-Pacific region, with an expected annual installation of approximately 14-17 GW.
<p>Germany</p>	<ul style="list-style-type: none"> On August 9th, the German Ministry of Finance announced that the federal government has agreed to allocate 57.6 billion euros for green energy investments in 2024, representing a 60.2% increase compared to this year. Out of this, 4.1 billion euros of the budget will be designated for subsidizing the production of European domestic photovoltaic raw materials and components.
<p>France</p>	<ul style="list-style-type: none"> In early August, French Prime Minister Élisabeth Borne submitted a revised plan for photovoltaic installations and renewable energy development to the Council for Ecological Transition. The plan increases the energy transition budget from 30 billion euros to 37 billion euros and raises the original target of achieving 35.1-44 GW of installed capacity by 2030 to 48.1 GW. The target for 100 GW of installed capacity by 2050 has been raised to 140 GW. To achieve this goal, France will need to install 3.7-5.5 GW of photovoltaic capacity annually.

An aerial photograph of a vast solar farm, showing rows of solar panels stretching into the distance. The panels are arranged in a grid pattern, with a central aisle. An orange, semi-transparent graphic element, resembling a stylized sun or a large number '5', is overlaid on the right side of the image. The text 'Future Prospects and Strategies' is written in white, bold, sans-serif font across the middle of the image, partially overlapping the orange graphic.

Future Prospects and Strategies

5

Future Prospects and Strategies

the global mid and long-term **demand for photovoltaic products will continue to grow**

- the use of photovoltaic power generation is popular and has become the most important renewable energy source in recent years
- a series of government promulgated policies to support the development of the photovoltaic industry

opportunity for the industry following the **grid parity**

- full-scale market competition in the photovoltaic industry
- away from policy subsidies, progress towards self sustainable development, advance technological progress, and reduce cost of power generation
- significant growth in market demand

embracing a new era for industry with **broad development prospects**

- positioning as a leading in the industry
- expand production capacity of monocrystalline silicon modules
- fully prepared and will do utmost
- promote the early realization of the “double carbon” strategic goal in China

The background consists of several overlapping circles in shades of orange and yellow. The circles are semi-transparent, creating a layered effect. The colors range from a bright, sunny yellow to a deep, vibrant orange. The overall composition is abstract and modern.

THANK YOU