



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

**2012 Annual Results**  
**27 March 2013**

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

**Corporate Overview**



# Corporate Profile



**Leading monocrystalline silicon solar products provider in China**

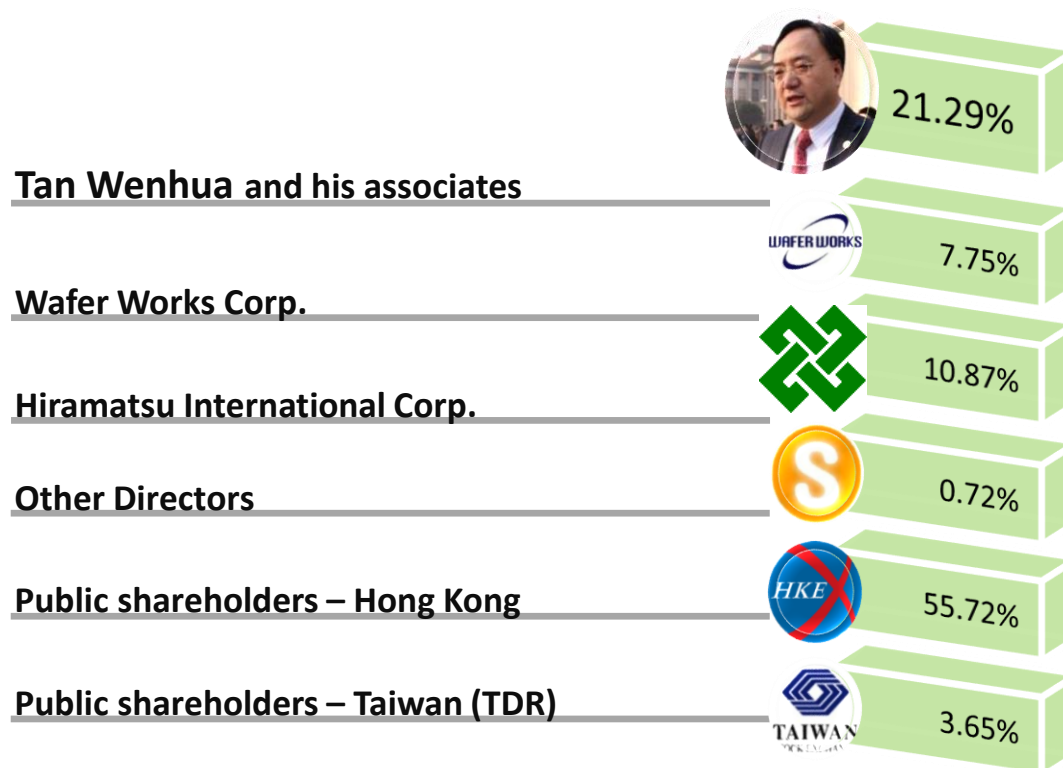


**Total solution from ingots, Wafers, Cells, Modules and PV System Installation**



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

# Shareholding Structure as at 18 June 2013



Number of issued shares

3,211,780,566

# Manufacturing Base



## Jinzhou, Liaoning (遼寧錦州)

- Major manufacturing base
- Polysilicon reclaiming and upgrading facilities
- **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)

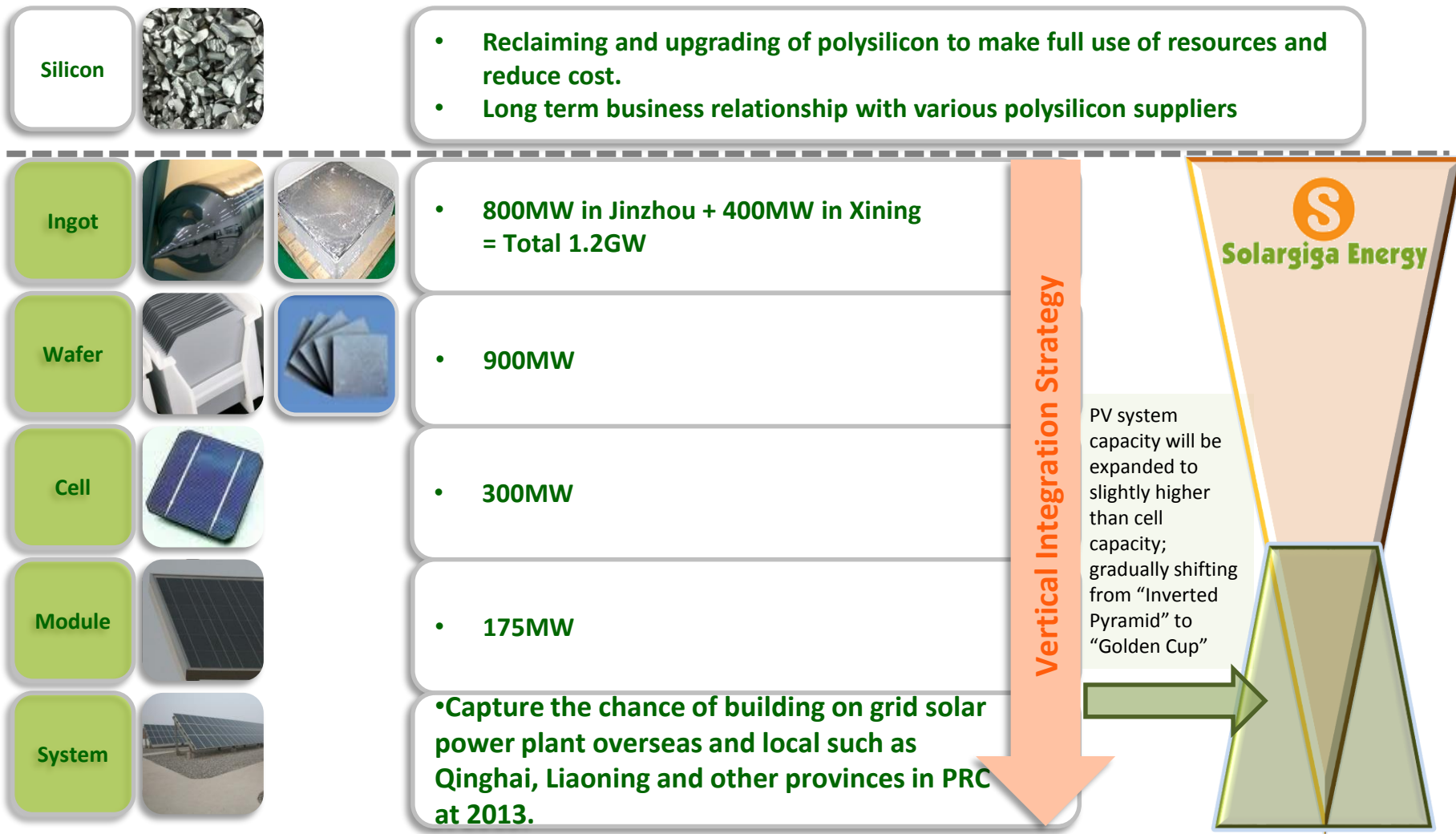
- Joint venture project of **400MW monocrystalline silicon ingot** which is 51% owned by the Group (*Phase One 200MW completed, Phase Two 200MW was under debugging procedures*)

## Shanghai (上海)

- Polysilicon reclaiming and upgrading facilities



# Product Range







**Solargiga Energy Holdings Limited**  
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**Financial Performance**

# Results Highlight



- Revenue decreased, Product ASP rapidly declined in FY2012 due to industry overcapacity

(RMB'000)	2012	2011 (restated)	Change
Revenue	996,836	2,574,669	-61.3%
Gross (Loss)/Profit <sup>(1)</sup>	(136,794)	415,549	N.A.
Gross Profit Margin <sup>(1)</sup>	-13.7%	16.1%	N.A.
Reported Gross (Loss)/Profit	(291,384)	253,848	N.A.
(Loss)/Profit from Operations	(503,720)	106,137	N.A.
(Loss)/Profit Attributable to Equity Shareholders of the Company <sup>(2)</sup>	(1,276,554)	54,291	N.A.
Basic (Loss)/Earnings Per Share (RMB cents)	(55.99)	2.44	N.A.

Note:

- (1) Excluded one-off inventories write-down of RMB154,590,000(2011: 161,701,000)
- (2) Included inventory provision of RMB154.6 million; and the write off in total RMB705.4million which included write off the impairment of goodwill and intangible assets of RMB208.2million and RMB201.5million respectively; prepayments for raw materials of 134.5million; property, plant and equipment write-off of RMB161.2million.

# 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)	2012	2011	Change
<b>Current Assets</b>	<b>1,480,031</b>	1,647,607	<b>-10.2%</b>
<b>Current Liabilities</b>			
- Reported	<b>1,865,083</b>	1,352,354	<b>37.9%</b>
- Underlying <sup>(1)</sup>	<b>1,731,642</b>	1,352,354	<b>28.0%</b>
<b>Total Assets</b>	<b>3,944,658</b>	5,048,685	<b>-21.9%</b>
<b>Total Liabilities</b>	<b>2,893,428</b>	2,775,789	<b>4.2%</b>
<b>Net Assets</b>	<b>1,051,230</b>	2,272,896	<b>-53.7%</b>
<b>Net Tangible Assets</b>	<b>1,051,230</b>	1,836,575	<b>-42.8%</b>

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



	2012	2011 (restated)	Change
<b><u>Turnover Day Analysis</u></b>			
Trade Receivables Turnover (Days)	84	25	+59
Trade Payable Turnover (Days)	72	22	+50
Inventory Turnover (Days)	111	59	+52
<b><u>Gearing Analysis</u></b>			
Current Ratio (times)	0.79	1.22	-0.43
- Reported	0.85	1.22	-0.37
- Underlying <sup>(1)</sup>			
Net Debt to Equity Ratio (%)	140.5%	49.1%	+91.4%
Net Debt to Tangible Net Worth (%)	140.5%	62.5%	+78.0%
Interest Coverage Ratio (times)	N.A.	5.1	N.A.

Note:

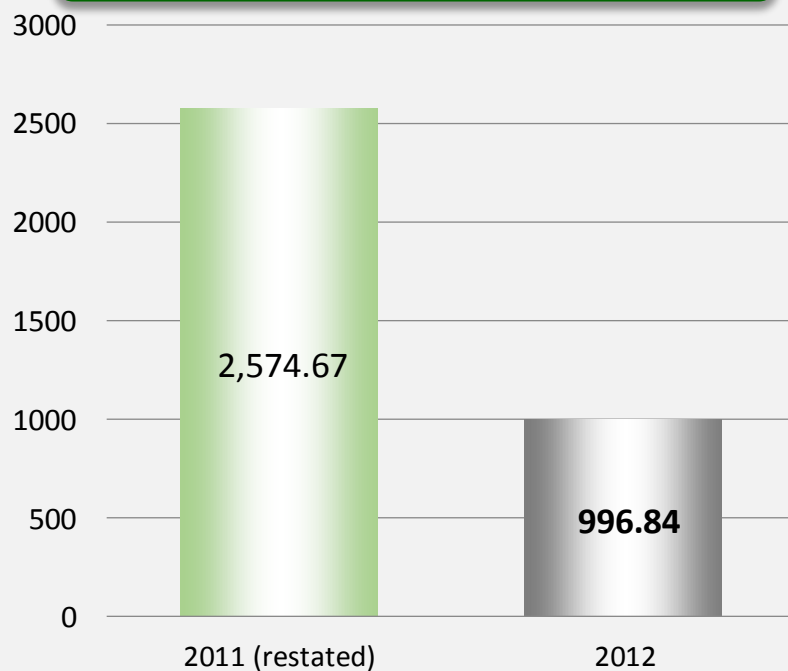
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# Revenue and Shipment Volume

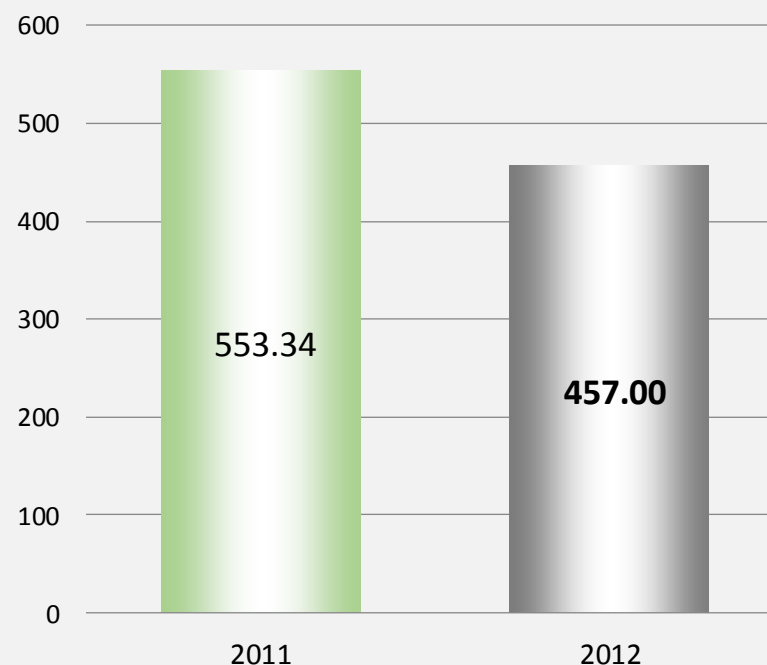


- Product ASP rapidly declined, together with the Group's operating strategy was secure the recovery of accounts receivable as first priority rather than high shipment volume, thus FY2012 turnover and shipment volume recorded decrease in the condition of prudent selection on the customers. However, revenue and shipment volume have rebounded sharply in the 4Q 2012

Revenue (RMB million)



Shipment volume (MW)





# Revenue – Quarterly by Products



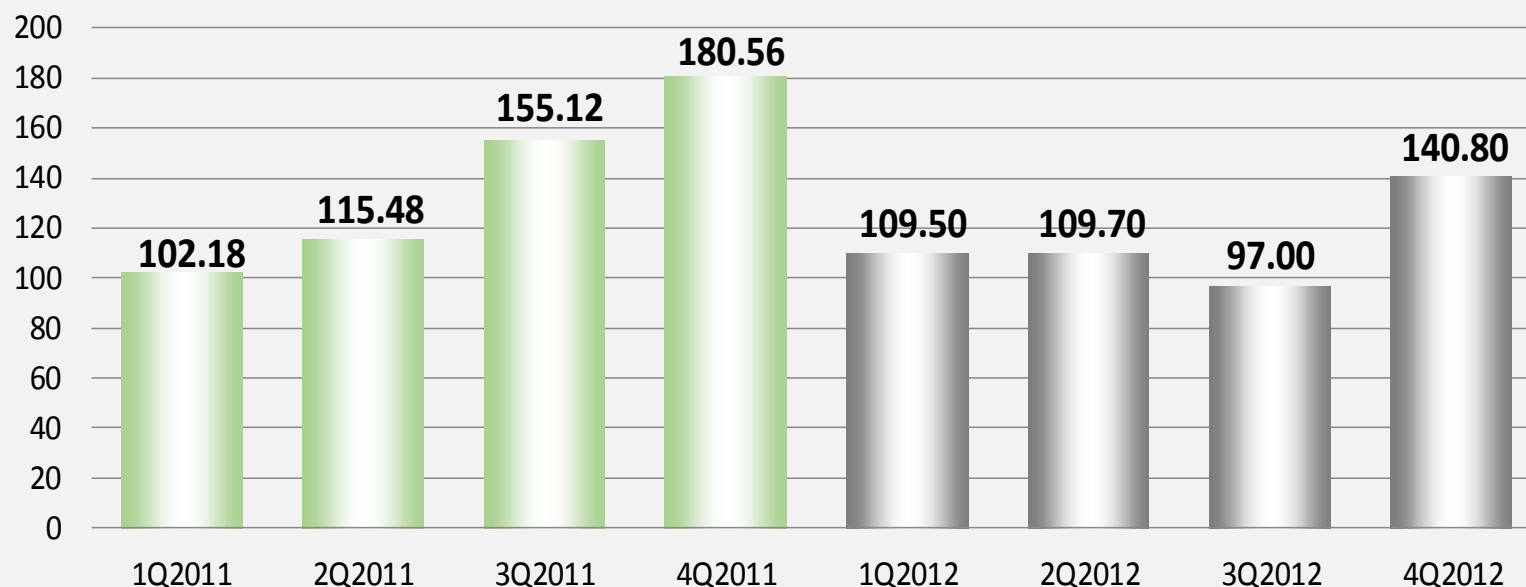
(RMB million)	1Q2011	2Q2011	3Q2011	4Q2011	FY2011	1Q2012	2Q2012	3Q2012	4Q2012	2012
Processing - Ingot	24.1	20.2	17.0	34.5	95.8	20.9	24.3	7.2	18.6	71.0
Processing - Wafer	12.9	21.3	4.8	-	39.0	-	-	27.9	12.0	39.9
Processing - Cell	-	34.6	67.1	32.9	134.6	-	12.5	52.7	1.1	66.3
Processing - Module	-	-	-	-	-	-	1.0	1.2	59.6	61.8
Self Manufacturing - Ingot	35.2	19.8	66.9	56.6	178.5	3.8	0.5	0.7	-	5.0
Self Manufacturing - Wafer	192.0	166.3	215.0	107.4	680.7	135.0	112.9	55.5	83.3	386.7
Self Manufacturing - Cell	291.6	235.5	115.7	64.7	707.5	81.8	64.1	7.9	54.9	208.7
Self Manufacturing - Module	24.9	132.5	139.4	396.9	693.7	4.4	16.6	16.3	112.6	149.9
Reclaiming and others	10.2	28.3	2.5	3.9	44.9	6.2	1.0	0.3	-	10.0
<b>Total</b>	<b>590.9</b>	<b>658.5</b>	<b>628.4</b>	<b>696.9</b>	<b>2,574.7</b>	<b>252.1</b>	<b>232.9</b>	<b>169.7</b>	<b>342.1</b>	<b>996.8</b>

# Quarterly Shipment Volume



- Quarterly shipment volume reached record high in the fourth quarter of 2012. 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

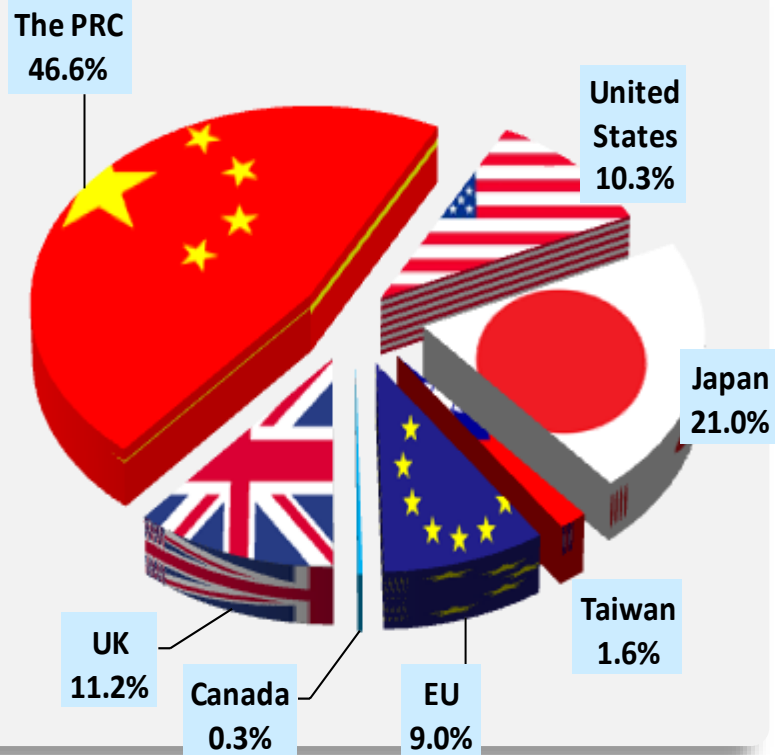


(MW)	1Q2011	2Q2011	3Q2011	4Q2011	FY2011	1Q2012	2Q2012	3Q2012	4Q2012	FY2012
Processing - Ingot	17.82	15.90	26.65	23.47	83.84	17.80	21.40	6.30	17.00	62.50
Processing - Wafer	4.31	7.28	1.63	-	13.22	-	-	23.80	10.20	34.00
Processing - Cell	-	7.09	14.19	7.09	28.37	-	5.10	22.10	0.40	27.60
Processing - Module	-	-	-	-	-	-	2.70	4.10	19.80	26.60
Self Manufacturing - Ingot	8.11	6.04	17.84	25.41	57.40	2.30	0.30	0.40	-	3.00
Self Manufacturing - Wafer	34.44	33.34	55.82	45.29	168.89	66.50	58.40	34.10	51.70	210.70
Self Manufacturing - Cell	35.18	32.48	21.03	21.84	110.53	22.00	18.70	2.80	20.00	63.50
Self Manufacturing - Module	2.32	13.35	17.96	57.46	91.09	0.90	3.10	3.40	21.70	29.10
<b>Total</b>	<b>102.18</b>	<b>115.48</b>	<b>155.12</b>	<b>180.56</b>	<b>553.34</b>	<b>109.50</b>	<b>109.70</b>	<b>97.00</b>	<b>140.80</b>	<b>457.00</b>

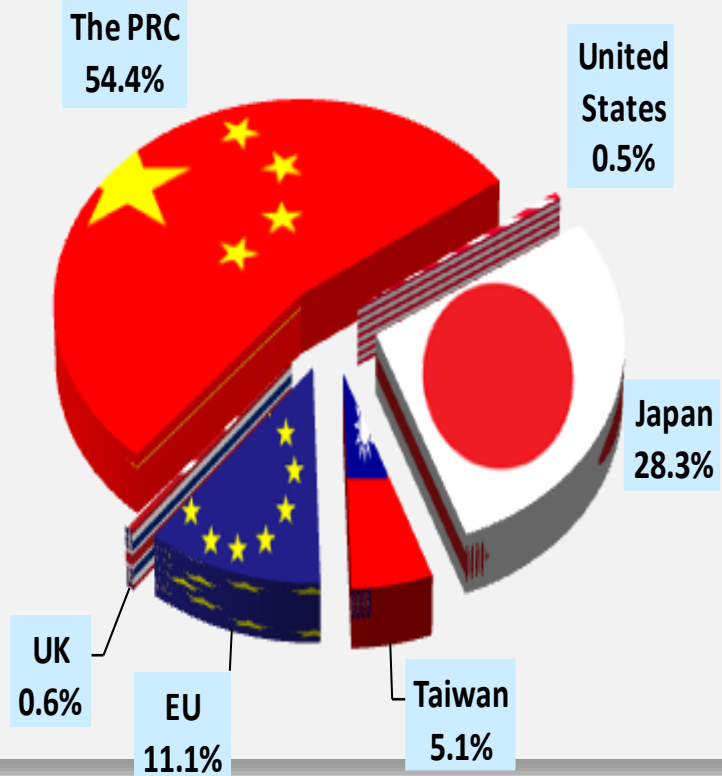
# Revenue -By Geographical Segment



2011



2012





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**Business Review**



# Monocrystalline Solar Ingots and Wafers



## Silicon Ingot Business

- Equipped with 1.2GW monocrystalline solar ingot production capacity, further strengthen its leading position in monocrystalline solar energy products industry.
- Manufacture and ship N-type solar ingots which are used to produced high conversion efficiency solar products (22-23%) to Japanese customers, represented 80.5% of external ingot shipment volume in 2012

## Wafer Business

- Equipped with 121 wiresaws , with annual production capacity of wafers reaching 900MW
- In addition to supple 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 quality products for the Group's module business and to improve the operation efficiency thereof.
- The provides are not only provided to the downstream manufacture of modules, but also sold to the customers from domestic or Japan

## Module Business

- The Group currently has obtained a stable order stream from Chinese and Japanese customers. In addition to devoted to increase production capacity of existing modules so as to achieve technological enhancement, the Group accordingly will adapt commission processing to meet the demands for purchasing modules from customers.



## 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 term 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**





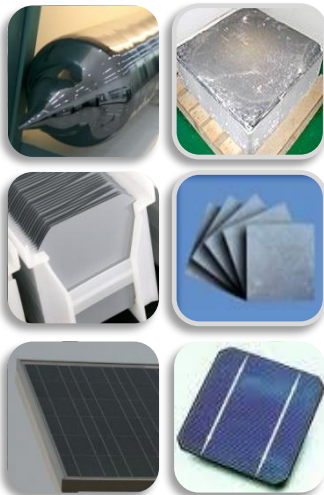


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**Future Plans and Strategies**



# Our Mission



- **Top player in monocrystalline ingots and wafers**
- **One of the best quality cell and module providers**



## Action Plan in 2013



- Continue to devote research and development fund to maintain its leading position in industrial technology, mainly focus on the leading in product quality, enhancement of competitiveness of new product research and development.
- Enhance the production and sales promotion on high-end products, for example, N-type and 210 diagonal monocrystal clip
- Seeking opportunity to select strategic partnership alliance:
  - (i) manufacturing: the alliance comprises cooperation on equity or business, seeking for mutual benefits to achieve synergic effects, so as to strengthen the leading position of the Group in the industry;
  - (ii) construction on photovoltaic power plant: introduce external financial investor to invest in the photovoltaic power plant project that secure by the Group, and by means of purchasing the in-house manufacturing modules, it will provide more distribution channels for the downstream products of the Group
- Stringently control and significantly reduce the capital expenditure on various expenses, to ensure sufficient operation capital. Moreover, it can also seek for opportunity of capital increase by cash, to further improve its financial structure.
- Prudent selection on the customers, and conduct strict control on credit sales to secure the recovery of trade receivable, as well as establish long-term sales channel with customer of good reputation.



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**Q&A Session**