



Solargiga Energy

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

## Corporate Presentation

November 2009

Working together for  
A GREENER FUTURE

戮力同心 建設綠色未來



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# Agenda



**1** Financial Performance in 3Q2009

**2** Business Review

**3** Future Plans and Strategies

**4** Open Forum



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# Financial Performance in 3Q2009



# Results Highlight



## 3Q2009 Results Updates:

- Achieves turnaround in 3Q2009 with net profit of RMB12.9 million
- No further write-down of inventories with stabilised raw material prices
- Remains highly competitive given Solargiga's renowned brand name and superior product quality

	<i>For the nine months ended 30 September 2009</i>		<i>For the three months ended 30 September 2009</i>	
	<b>2009</b>	2008	<b>2009</b>	2008
<i>(RMB million)</i>				
<b>Revenue</b>	<b>472.7</b>	1,199.7	<b>168.9</b>	514.2
<b>(Gross loss)/ Gross profit</b>	<b>(56.4)</b>	449.2	<b>29.2</b>	172.5
<b>(Loss)/ Profit attributable to equity shareholders</b>	<b>(106.8)</b>	318.1	<b>12.9</b>	134.8

# Turnover – By Business



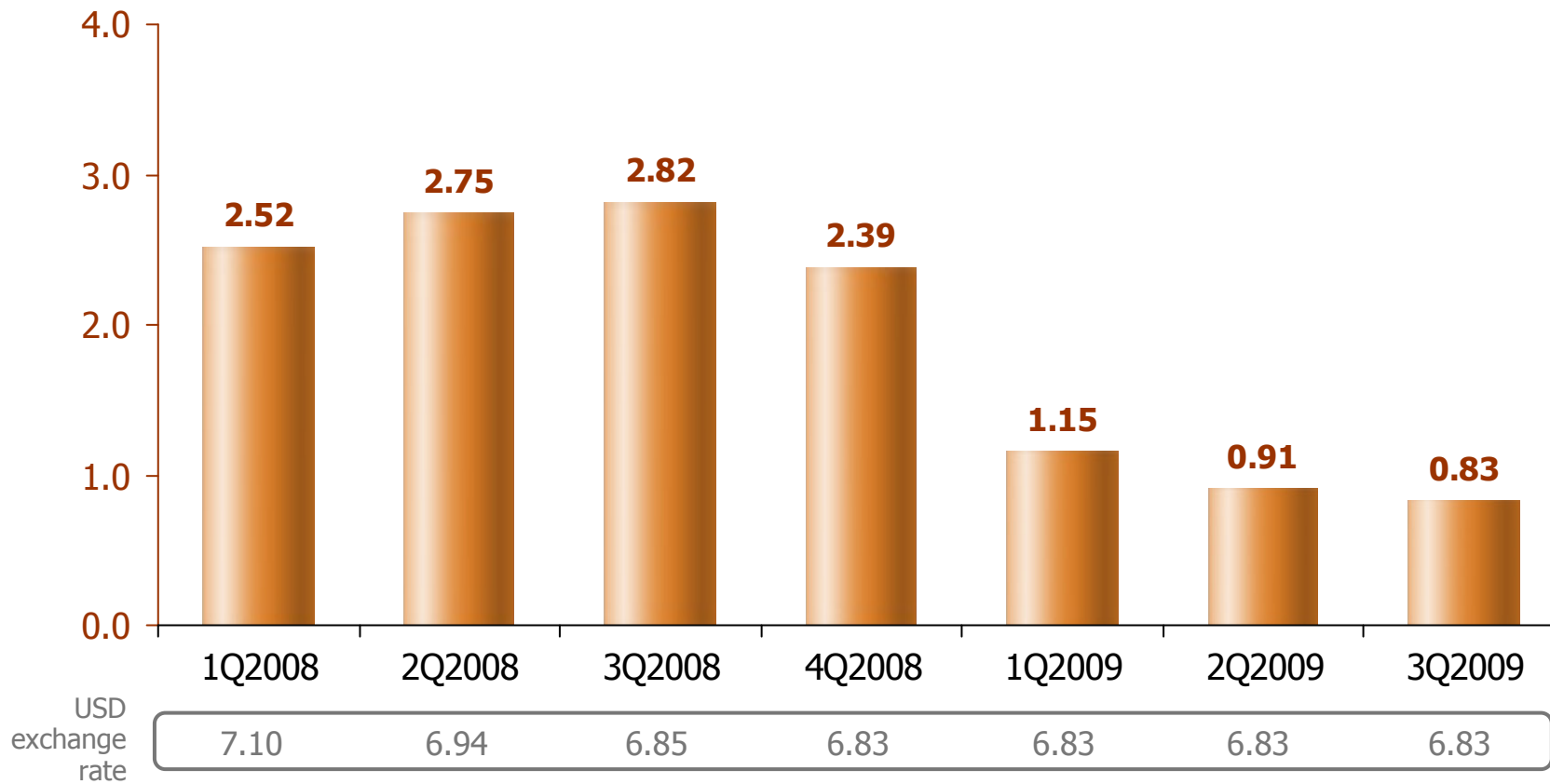
*(RMB million)*

	1Q2008	2Q2008	3Q2008	4Q2008	1Q2009	2Q2009	3Q2009
Processing – Ingot	16.1	12.1	18.6	20.5	13.0	0.2	4.2
Processing – Wafer	11.1	1.6	2.1	0.3	-	-	0.1
Self Manufacturing – Ingot	70.5	47.7	24.7	64.7	12.0	0.8	0.2
Self Manufacturing – Wafer	176.4	250.9	412.7	181.4	131.3	117.0	153.7
Reclaiming and others	67.7	31.4	56.1	26.3	20.0	9.4	10.7
<b>Total</b>	<b>341.8</b>	<b>343.7</b>	<b>514.2</b>	<b>293.2</b>	<b>176.3</b>	<b>127.4</b>	<b>168.9</b>

# Self Manufacturing Wafer ASP



USD per watt



# Turnover and Shipments







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# Business Review

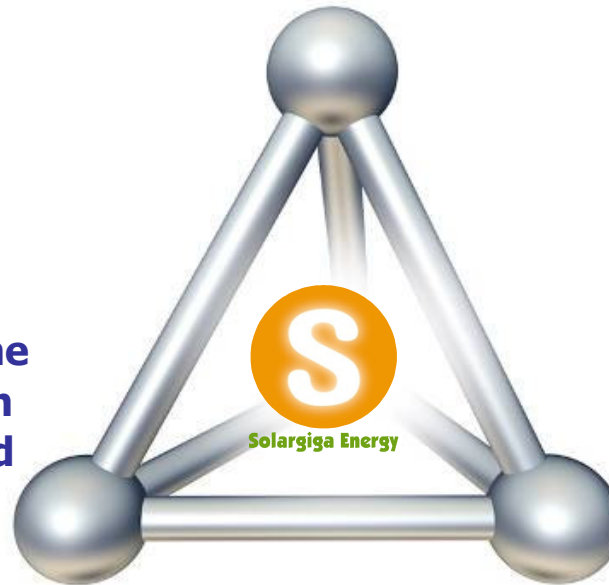


# Our Strategies



Developing downstream business  
for efficiency resonance

Prudent expansion in line  
with market demand on  
production capacity and  
product range for  
sustainable growth

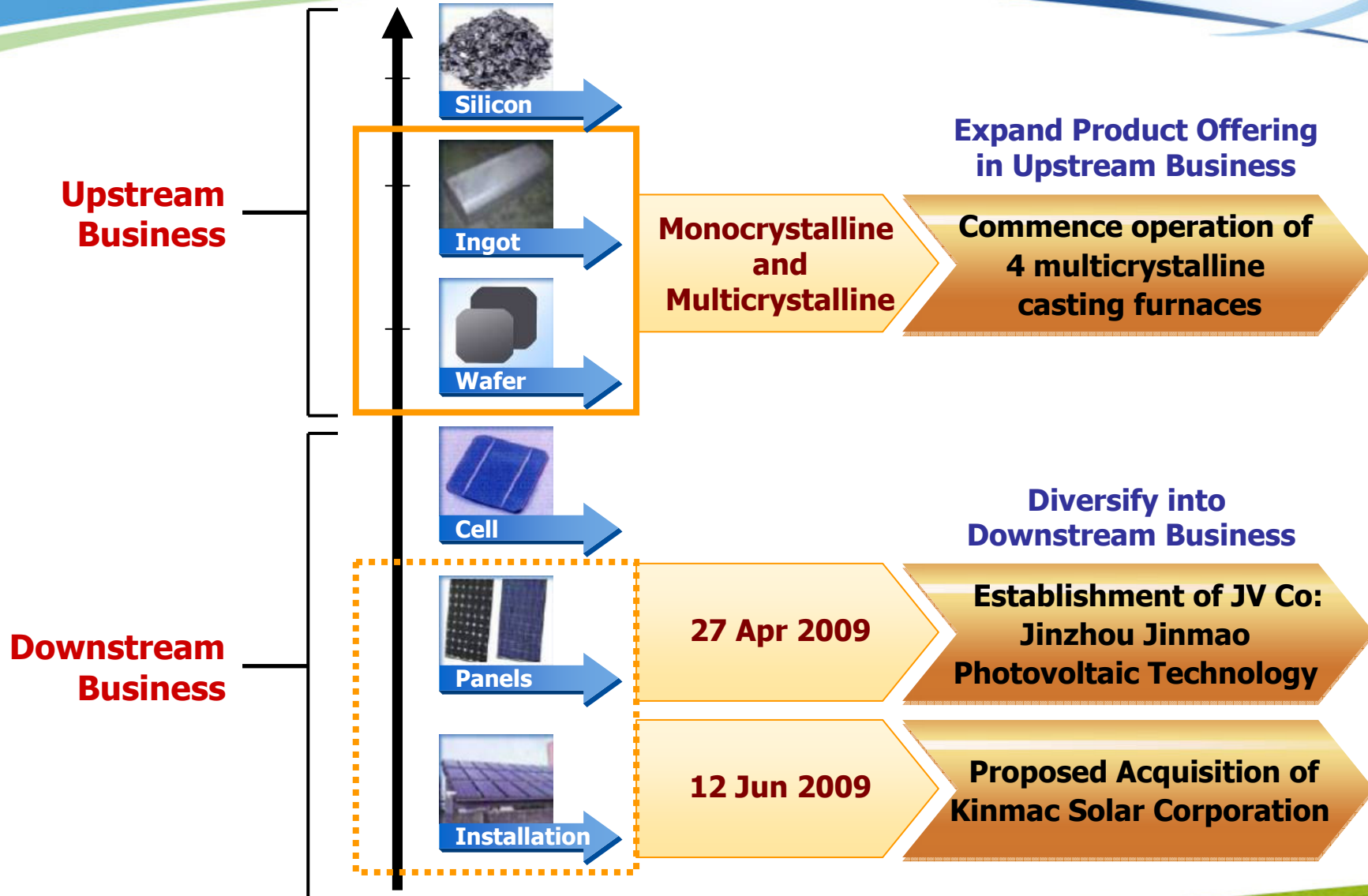


Strengthening  
R&D capabilities  
to consolidate  
leading position

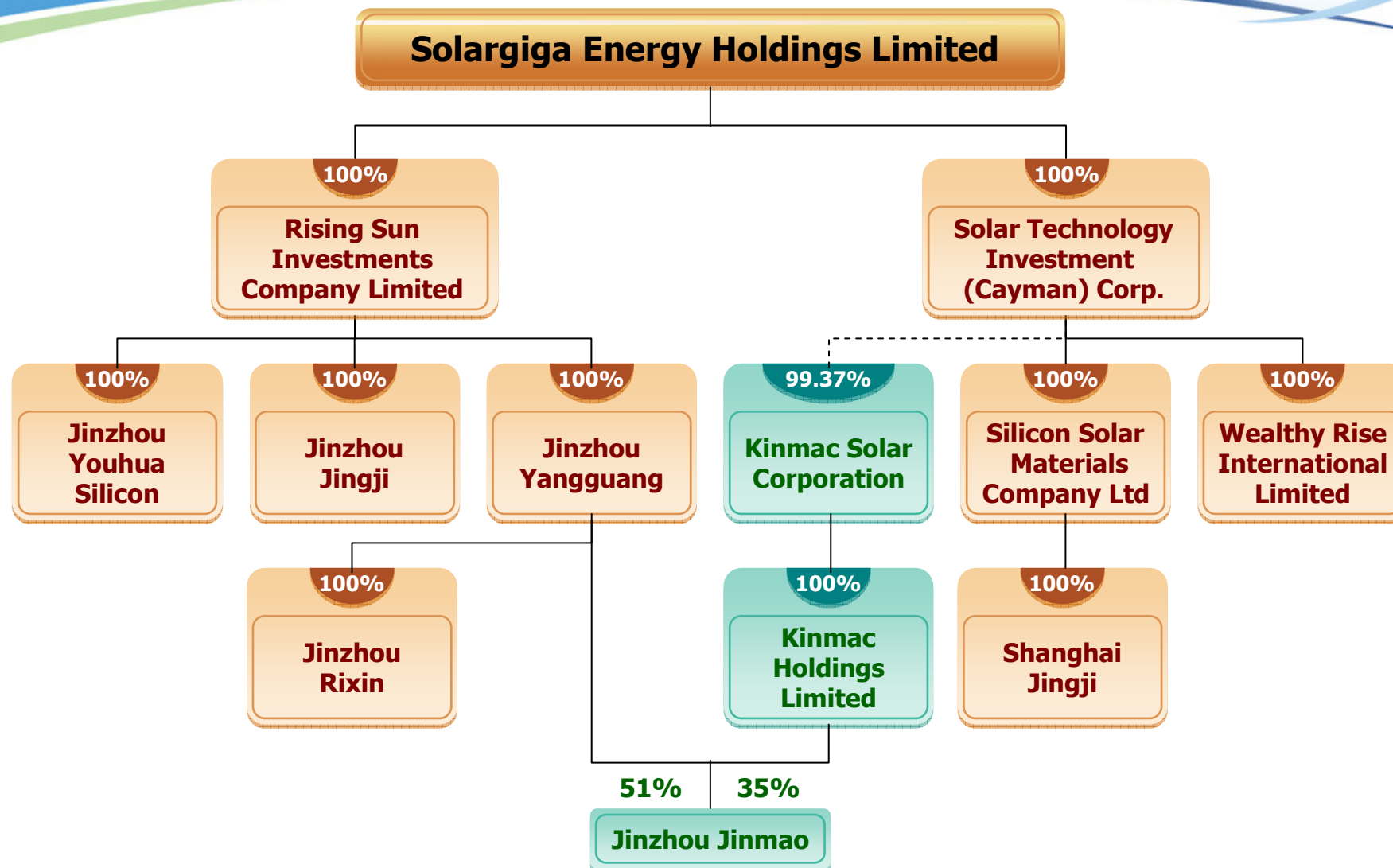
To become the World's  
Largest Producer of  
***MONOCRYSTALLINE***  
Solar Products

To become  
One of the Key Players in  
***MULTICRYSTALLINE***  
Solar Products

# Expanded Product Portfolio



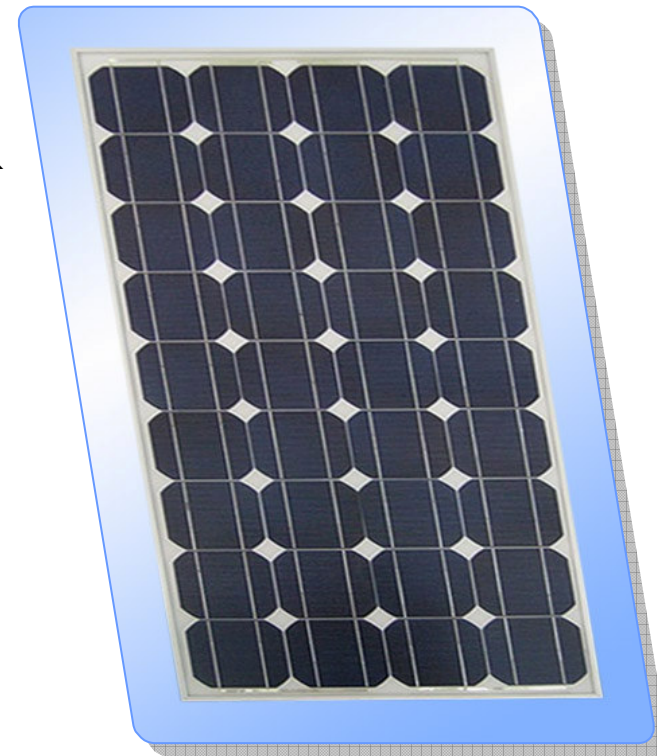
# Company Structure



# Diversifying into Downstream Business



- Partnered with Kinmac Holding Limited to establish Jinzhou Jinmao Photovoltaic Technology Co., Ltd in April 2009
  - Core businesses: engages in production & sales of photovoltaic modules and design & installation of photovoltaic systems
  - Registered capital: RMB40,000,000 (RMB20,400,000 in cash funded by internal resources of the Group via Jinzhou Yangguang)
  - Current capacity of photovoltaic modules: 25MW



# Diversifying into Downstream Business (cont'd)



- Proposed acquisition of 99.37% interest in Kinmac Solar Corporation, which holds 100% of Kinmac Holding Limited in June 2009
- Transaction to be completed by the end of 2009
- Kinmac Solar Corporation
  - Established in 2004 in Taiwan
  - Engages in the production of standard photovoltaic modules, design & installation of solar panel modules as well as BIPV in Europe & Taiwan



# Diversifying into Downstream Business (cont'd)

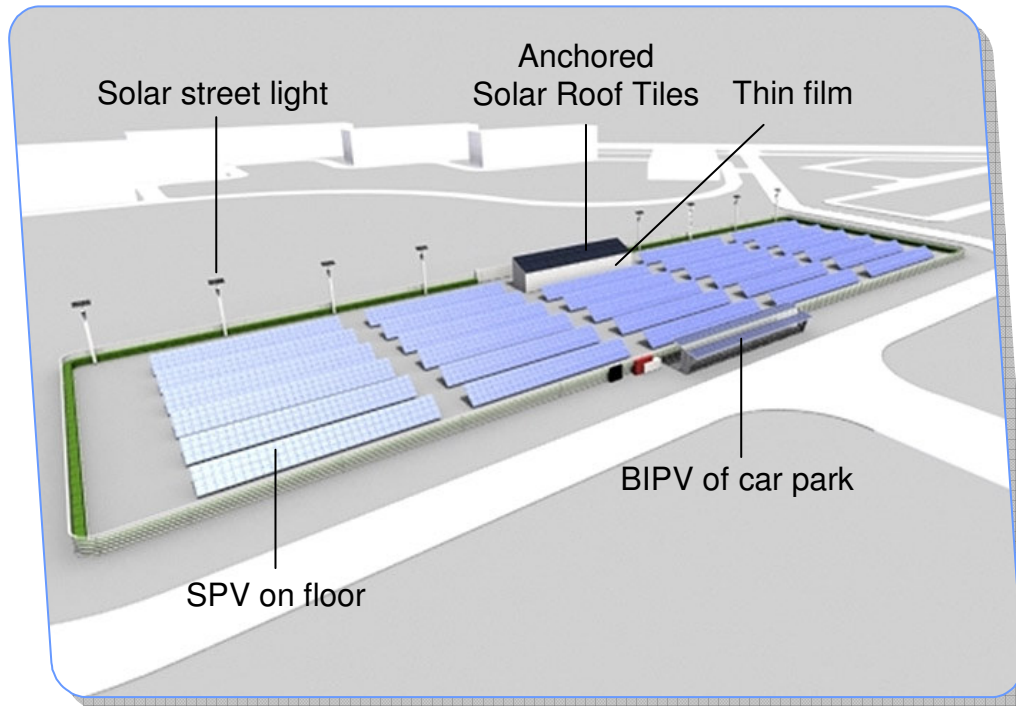


## Kinmac Solar At A Glance

- Possesses in-depth expertise in BIPV system installation with over 10 years solid experience in solar module production
- Equipped with state-of-the-art manufacturing facilities imported from Europe and Japan
- Offers module products of superior quality and efficiency by introducing highly automated production line
- Extensive and profound sales network
- Proven track record:
  - Luidui Hakaa Cultural Park in Pingtung City (屏東六堆台灣客家文化園區)
  - The Heart of Huilan (洄瀾之心)
  - Fisherman's Wharf in Taipei (台北漁人碼頭)
  - World Games Main Stadium in Kaohsiung (高雄世運會主場館)



# Diversifying into Downstream Business (cont'd)



- 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 operation on 3 November 2009

- Market ingots, wafers & end point systems with the "Solargiga" brand name
- Provide services to clients of solar module products through "Kinmac Solar" brand

***Maximize synergy of the whole business chain***



# Enhanced R&D Technology



- **Obtained various patents to strengthen product quality**
- **Know-how exchange & close collaboration with strategic investors from various districts & countries**
- **Superior production efficiency**
- **Vertical integration production**
- **Use of recycled multicrystallite wastes**



*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 170  $\mu\text{m}$  in thickness*

# Expanded Production Capacity



<b>Monocrystalline ingots</b>	<b>200MW</b>
<b>Multicrystalline ingots</b>	<b>20MW</b>
<b>Wafer slicing</b>	<b>75 million pcs</b>
<b>Recycled polysilicon with upgraded facilities</b>	<b>4,200 tonnes</b>

**Number of Ingot Pullers: 197**  
**Annual Capacity: 200 MW**



**Number of Casting furnance: 4**  
**Annual Capacity: 20 MW**



**Number of Wiresaws: 40**  
**Annual Capacity: 75 mil pcs**



# Increased Production Efficiency



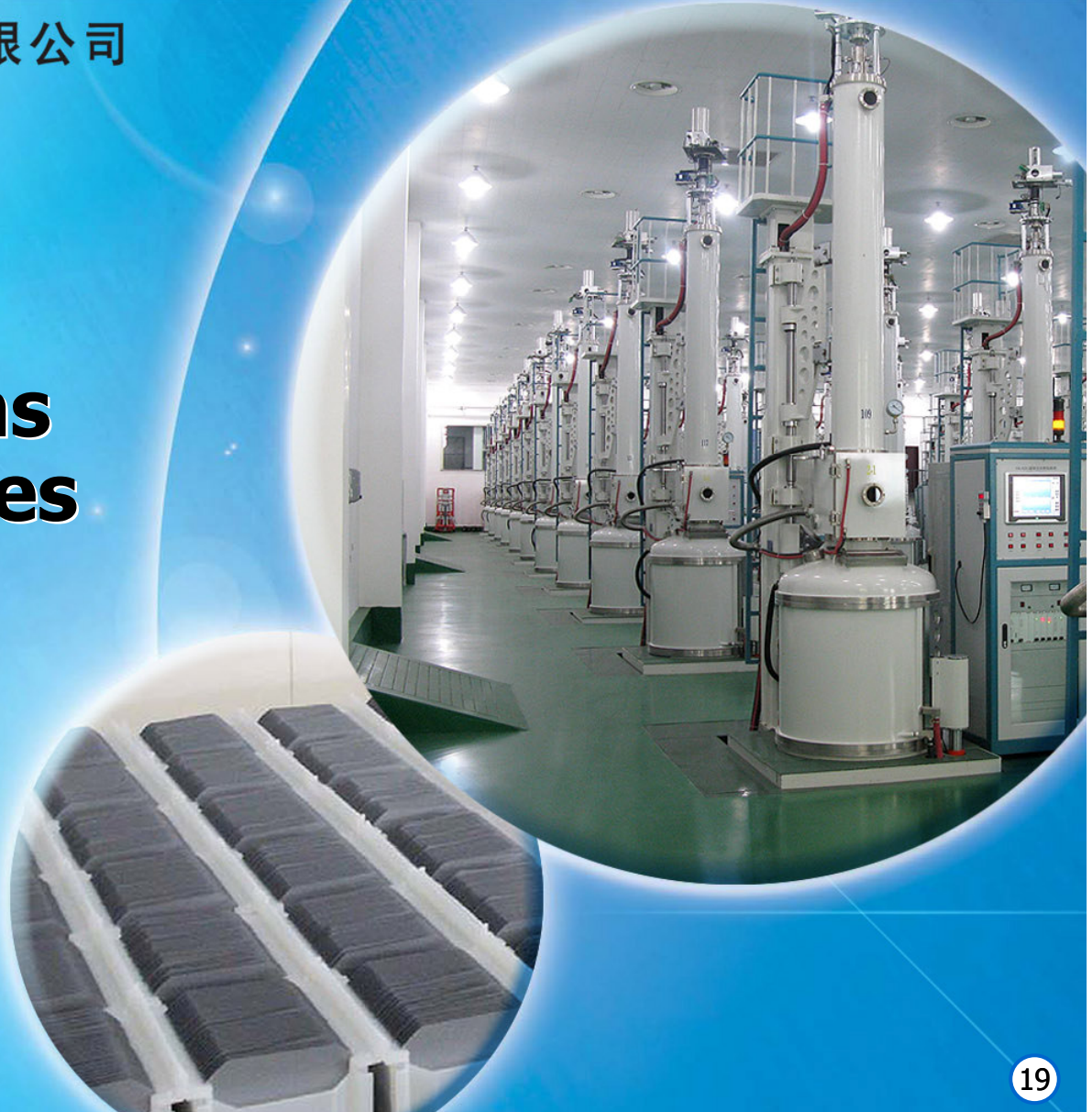
- Achieves higher production efficiency through continuous R&D efforts and vertically integrated manufacturing processes

	<b>Polysilicon to Ingot</b>	<b>Ingot to Wafer</b>
<b>2007</b>	<b>1.08 kg of Polysilicon to 1 kg of Ingot</b>	<b>1 kg of Ingot to 63 pieces of Wafer (125mm x 125mm)</b>
<b>2008</b>	<b>1.07 kg of Polysilicon to 1 kg of Ingot</b>	<b>1 kg of Ingot to 65 pieces of Wafer (125mm x 125mm)</b>
<b>Target</b>	<b>1.05-1.06 kg of Polysilicon to 1 kg of Ingot</b>	<b>1 kg of Ingot to 67-69 pieces of Wafer (125mm x 125mm)</b>

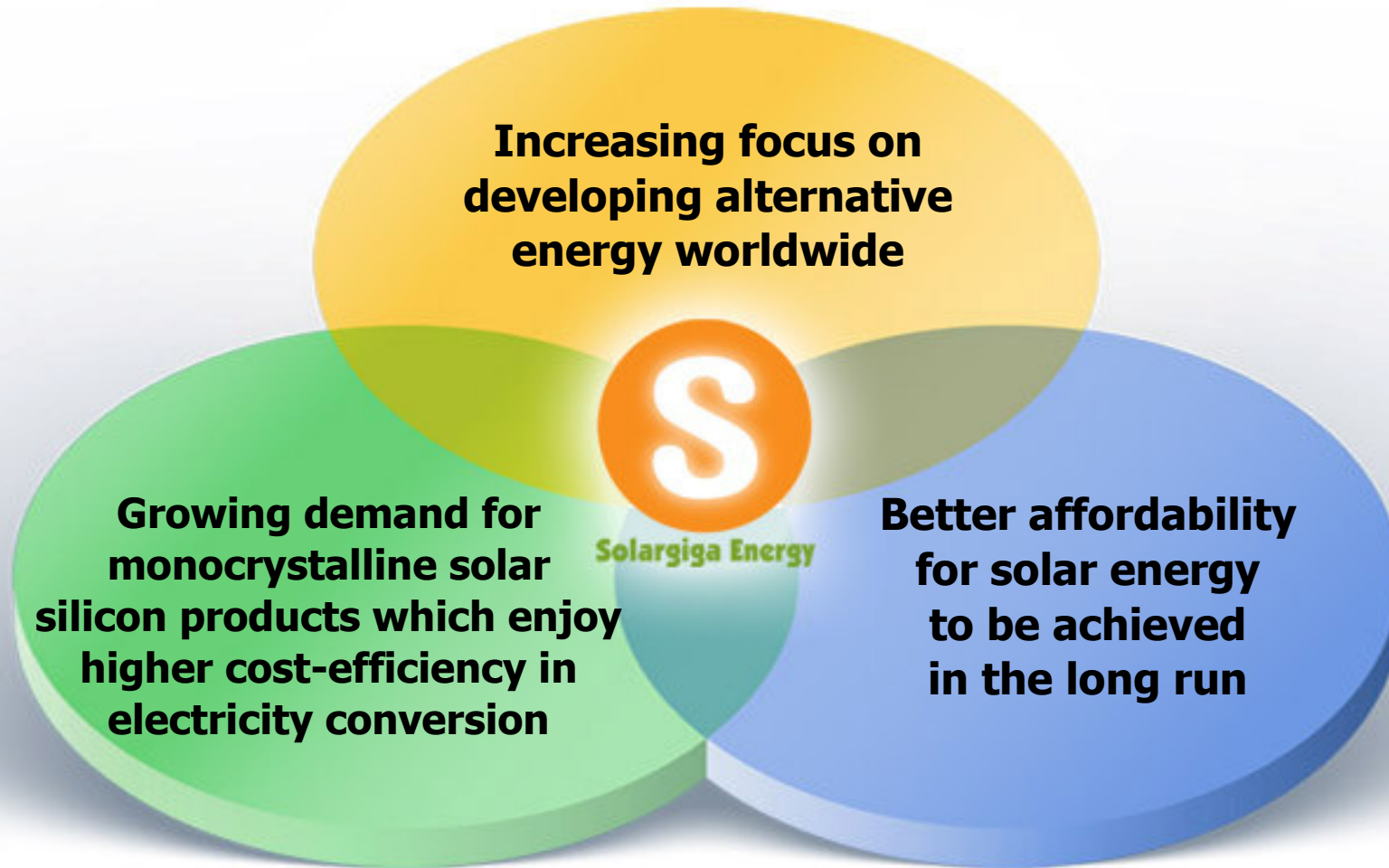


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# Future Plans and Strategies



# Promising Market Outlook



# Worldwide Supporting Policies



## *United States*

- Establish a federal Renewable Portfolio Standard (RPS) to ensure 10 percent of electricity consumed in the US comes from renewable sources by 2012

## *Europe*

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

## *Japan*

- More subsidies might be expected in the coming fiscal year with its aim of having over 70 percent of newly built houses equipped with solar panels by 2020

## *China*

- China has made energy conservation and emission reduction top priorities, striving to improve the proportion of non-fossil energy in total primary energy consumption to about 15 percent by 2020
- The PRC government has approved 3 pilot projects of solar energy power stations, including the Chongming Island (崇明島) project in Shanghai, the Ordos (鄂爾多斯) project in the Inner Mongolia and the Dunhuang (敦煌) PV grid-connected power generation project in Gansu Province
- The launch of "Golden Sun Programme" (金太陽計劃) in July 2009
  - Subsidize PV power generation pilot project of not less than 500MW in the coming 2-3 years
  - 50% subsidy of investment for solar power projects as well as relevant power transmission and distribution systems that connect to grid networks
  - 70% subsidy of investment for independent photovoltaic power generating systems in remote regions that have no power supply

# Expand Production Capacity



- Complete the construction of new production plant in Jinzhou which can accommodate 200 monocrystalline silicon ingot pullers and 43 wiresaws
- Commence installation of additional monocrystalline silicon ingot pullers in 4Q2009
- Newly purchased wiresaws to be delivered in batches and start installation from 4Q2009



## Capacity

	As at 30 Sept 2009	As at 31 Dec 2008	As at 31 Dec 2009E
<b>Ingot Pullers</b> ( <i>set</i> )	<b>197</b>	196	<b>400</b>
<b>Ingots – designed annual capacity</b> ( <i>tonnes</i> )	<b>2,000</b>	2,000	<b>4,000</b>
<b>Wiresaws</b> ( <i>set</i> )	<b>40</b>	37	<b>80</b>
<b>Wafers – designed annual capacity</b> ( <i>pcs million</i> )	<b>75</b>	56	<b>150</b>
<b>Polysilicon – reclaiming annual throughput</b> ( <i>tonnes</i> )	<b>4,200</b>	2,400	<b>4,200</b>
<b>Annual Light Energy Conversion Capacity</b> ( <i>MW</i> )	<b>200</b>	200	<b>400</b>
<b>Photovoltaic modules</b> ( <i>MW</i> )	<b>25</b>	-	<b>50</b>

# Strengthen R&D Capabilities



**Optimise ability on reclaiming and improving ingot crystallisation, wafer slicing and polysilicon**

**Develop the production of thinner and larger wafers: monocrystalline wafers with thickness of 150 $\mu$ m**

**Develop wafers for the production of solar cells with high conversion efficiency**

**Facilitate the training to R&D team for new products and technologies exploration**

**Strengthen collaboration with Dalian University of Technology**

*Enhance efficiency and reduce operating costs,  
Consolidating Solargiga's leading position in the solar industry*





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# Open Forum

