

Jetion Holdings Limited
24 September 2007

Immediate Release

24 September 2007

Jetion Holdings Limited

(Jetion Company)

Maiden Interim Results

Jetion Holdings Limited (AIM: JHL), the manufacturer of solar cells and modules, today announces its maiden interim results for the six months ended 30 June 2007 (the 'Results').

Operational Highlights

- Second production line installed in March 2007 and commissioned in May 2007
- 100% increase in cell manufacturing capacity from 25MW to 50MW per annum
- Purchase and installation of silicon wafer slicing equipment to expand position in value chain and improve margins
- 71.6% of sales exported (2006: 4.6%)
- Immediately after the period end - successful fund raising and Admission to AIM
- Significant strengthening of Board in preparation for the IPO

Financial Highlights

- 149% increase in turnover to US\$38.6m (2006: US\$15.5m)
- 88% increase in gross profit to US\$5.2m (2006: US\$2.8m)
- 90% increase in net profit to US\$3.6m (2006: US\$1.9m)
- Fund raising and IPO, raised £27.9m for the Company, net of expenses, in July 2007

Commenting on the Results, Dipesh Shah, Chairman said:

'The progress of Jetion in the period underlines the robust demand for solar products globally. Jetion has successfully increased its production capacity, and following the IPO and raising of new funds the Company is on track to double its capacity again by the end of 2008.'

'We look to the future with confidence. The Company is positioned to continue to grow its underlying value for its shareholders.'

For further information please contact:

| | |
|--------------------------------|---------------|
| Jetion Holdings Limited | 020 7466 5000 |
| Dipesh Shah, Chairman | (today) |
| Collins Stewart Europe Limited | 020 7523 8000 |
| Adrian Hadden | |
| Adam Cowen | |
| Buchanan Communications | 020 7466 5000 |
| Mark Edwards | |
| Ben Willey | |
| Christian Goodbody | |

CHAIRMAN'S STATEMENT

I am pleased to report the maiden interim results of the Company following its admission to trading on AIM on 6 July 2007.

The Results for the first half of 2007 are encouraging and provide a signpost for the Company's ambitious growth plans. For the half year, sales revenues increased by 149% from US\$15.5m (2006) to US\$38.6m (2007); the corresponding gross profit increased from US\$2.8m (2006) to US\$5.2m (2007) and profit after taxation increased by 90%, from US\$1.9m (2006) to US\$3.6m (2007). Furthermore, the Company generated cash from operations of US\$2.6m.

During the period, the Company achieved several major milestones. It successfully commissioned a second solar cell manufacturing line in May 2007, thereby doubling its cell manufacturing capacity from 25MW to 50MW per annum. In June 2007, the Company also installed equipment to slice silicon ingots into silicon wafers for the first time. In addition, the Company continued to develop its capacity to convert cells into modules; at the end of June, module manufacturing capacity stood at some 20MW per annum.

These initiatives have been designed to underpin both the Company's supply chain and its margins and over time to offer additional value-added facilities for its customers. At a time when the organisation was heavily committed to the IPO process, it is worth noting that the scheduled plans for the Company's expansion were implemented successfully.

Furthermore, the Company has continued to grow its export business which accounted for approximately 71.6% of sales, compared with a modest 4.6% of sales for the corresponding period of 2006 when the operations were at an early stage.

On 6 July 2007, Jetion was admitted to trading on AIM. This followed the placing of new ordinary shares in Jetion by Collins Stewart. The Company raised £27.9m of net new funds, which will be used to further expand its cell manufacturing capacity to 100MW per annum by the end of 2008; to continue to augment its module and wafer capacity; to finance additional working capital associated with its plans for growth; to consolidate and extend its global reach in terms of markets; and to strengthen its research and development capability.

Jetion is committed to extensive training of its employees, across a broad range of technical, engineering and research and development skills, achieved by the rotation of staff through the disciplines. During the first half of 2007, the Company recruited three additional experts in the People's Republic of China to join our research and development team as consultants.

OUTLOOK

The Company continues to progress well towards its growth targets. The second cell line (25MW per annum capacity) is performing well and the Company has further increased capacity since the middle of the year for the conversion of cells into modules.

In addition, discussions with suppliers of equipment for the third and fourth cell lines are at an advanced stage and the Company remains on course to expand cell manufacturing capacity to 100MW per annum by the end of 2008, as indicated at flotation.

The Company has also established a relationship with European partners, subject to PRC Government approval, which will strengthen its footprint in the rapidly growing European market. TUV accreditation, a recognised independent European quality mark, of Jetion modules has been obtained and this will further benefit direct exports of Jetion products into Europe.

In an environment where the global supply of silicon ingots and wafers has struggled to meet the growing demand for them, the Company has experienced some cost inflation for its principal raw material, the silicon wafer, since the middle of the year. To mitigate this pressure and to further reinforce the

security of supply of quality wafers, the Company has negotiated new contracts with two of its existing main suppliers of wafers which are at a discount to current prices. These cover some 90MW of production, and underpin the Company's growing requirements for both volume and quality over the next three years. These arrangements will benefit operations starting in September 2007.

In July, a change in legislation in the PRC lowered the tax rebate on export sales from 13% to 5%, for certain products. One of our customers is impacted by this and the contract for manufacturing cells for the customer has been revised to a tollgate arrangement whereas previously the cells were exported to the customer. The new arrangement will lower revenues to Jetion, however its impact on profit from the contract will be negligible, if any.

The Company is converting a growing proportion of its cells into modules which will uplift revenues and margins.

The Company has responded rapidly to the external cost pressures as well as legislative changes. Overall, the Board believes that the full year results will be broadly in line with market expectations.

I am pleased to lead a Board which has a blend of experience of international operations and of publicly quoted companies. The Board is confident that the outlook for Jetion remains favourable and that the underlying value of the Company for shareholders will continue to grow.

I would like to thank the executive management and staff in the Company as well as my colleagues on the Board and our shareholders for their contribution and support over the past few months.

Dipesh J. Shah, OBE, Chairman

FINANCIAL REVIEW

For the six months ended 30 June 2007, the Company continued to expand its operations with the installation of a second production line, giving a maximum annual production capacity of 50 MW.

At the same time, exports increased dramatically to US\$27.7m (2006: US\$0.7m) or 71.6% (2006: 4.6%) of total sales for the period.

Turnover reached US\$38.6m (2006: US\$15.5m), an increase of 149% over the corresponding period last year. During the period, the aggregate turnover attributable to the Company's five largest customers approached 90% of the Company's total turnover. Gross profit in the period totalled US\$5.2m (2006: US\$2.8m) representing 13.4% of turnover. (2006: 17.7%).

Administrative expenses for the six months ended 30 June 2007 were US\$0.7m (2006: US\$0.5m), an increase of 37.3%, as the Company prepared for growth. For the same reason operating expenses for the six months ended 30 June 2007 were US\$0.25m (2006: US\$0.08m). Also finance costs increased by US\$0.38m to US\$0.66m (2006: US\$0.28m) due to growing sales and the need for additional working capital.

Net profit for the period amounted to US\$3.6m (2006: US\$1.9m), an increase of 90% over the corresponding period of 2006.

During the period, the Company incurred capital expenditure of approximately US\$1.5m on the development and expansion of the production plants located in the People's Republic of China.

The Company acquired additional plant and machinery at a cost of approximately US\$4.7m (2006: US\$1.2m) for the expansion of existing and new production facilities. Details of these and other movements in the property, plant and equipment of the Company during the period are set out in note 7 to the interim results.

The Company has entered its final year of the 100% profits tax exemption concession scheme available to a wholly foreign owned enterprise. For fiscal years 2008 to 2010, the Company's profits will be subject to 12.5% tax rate, after which the Company will be subject to the full profits tax rate of 25%.

Subsequent to the balance sheet date, the Company has successfully listed on AIM and raised total net proceeds of £27.9m to be deployed as set out in the Chairman's Statement.

JETION HOLDINGS LIMITED

CONSOLIDATED INCOME STATEMENT

| | | Six months ended 30 June 2007 (Unaudited) Note | US\$ ('000) | Six months ended 30 June 2006 (Unaudited) | US\$ ('000) | Year ended 31 December 2006 (Unaudited) | US\$ ('000) |
|-----------------------------|---|---|-------------|---|-------------|---|-------------|
| Revenue | 4 | 38,645 | 15,544 | 45,454 | | | |
| Cost of sales | | (33,466) | (12,792) | (38,770) | | | |
| Gross profit | | 5,179 | 2,752 | 6,684 | | | |
| Other income | | 39 | 12 | 80 | | | |
| Administrative expenses | | (684) | (498) | (905) | | | |
| Operating expenses | | (248) | (78) | (183) | | | |
| Finance costs | 5 | (655) | (273) | (705) | | | |
| Profit for the period | | 3,631 | 1,915 | 4,971 | | | |
| Earnings per ordinary share | | | | | | | |
| Basic and diluted | 6 | US\$985 | US\$21,517 | US\$55,854 | | | |

CONSOLIDATED BALANCE SHEET

| | | 30 June 2007 (Unaudited) Note | US\$ ('000) | 30 June 2006 (Unaudited) | US\$ ('000) | 31 December 2006 (Unaudited) | US\$ ('000) |
|------------------------------------|----|--|-------------|--------------------------------|-------------|------------------------------------|-------------|
| Non-current assets | | | | | | | |
| Property, plant and equipment | 7 | 10,557 | 5,209 | 6,125 | | | |
| Construction in progress | 8 | 2,139 | 996 | 631 | | | |
| Intangible assets | 9 | 1,792 | 1,281 | 1,766 | | | |
| | | 14,488 | 7,486 | 8,522 | | | |
| Current assets | | | | | | | |
| Stocks | | 6,681 | 5,815 | 3,818 | | | |
| Accounts receivables | | 2,311 | 1,404 | 3,296 | | | |
| Other receivable | | 481 | 740 | 398 | | | |
| Payment in advance | | 6,666 | 9,185 | 7,067 | | | |
| Tax refundable | | 2,321 | 14 | - | | | |
| Cash and cash equivalents | | 4,861 | 1,334 | 3,946 | | | |
| | | 23,321 | 18,492 | 18,525 | | | |
| Current liabilities | | | | | | | |
| Accounts payable | | 2,532 | 960 | 932 | | | |
| Receipt in advance | | 76 | 5,439 | 1,065 | | | |
| Other payables | | 5,266 | 2,849 | 6,539 | | | |
| Accrued expenses | | 3 | 1 | 2 | | | |
| Tax payable | | - | - | 51 | | | |
| Short-term loan | | 14,382 | 10,268 | 12,588 | | | |
| Shareholders' advance | 10 | 990 | - | 1,000 | | | |
| | | 23,249 | 19,517 | 22,177 | | | |
| Net current (liabilities) / assets | | 72 | (1,025) | (3,652) | | | |
| Long term liabilities | | | | | | | |
| Convertible loan | 11 | 5,000 | - | - | | | |

| | | | | |
|---------------------------|----|-------|-------|-------|
| Net assets | | 9,560 | 6,461 | 4,870 |
| | | ===== | ===== | ===== |
| Capital and reserves | | | | |
| Called up share capital | 12 | 10 | 4,947 | 1 |
| Exchange reserve | | 1,391 | 40 | 341 |
| Retained earnings | | 8,159 | 1,474 | 4,528 |
| Total shareholders' funds | | 9,560 | 6,461 | 4,870 |
| | | ===== | ===== | ===== |

The interim report was approved by the Board of Directors on 22 September 2007.

Dipesh Shah, OBE

Chairman

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Share Capital US\$ ('000) | Accumulated Exchange Reserve US\$ ('000) | Profits / (Losses) US\$ ('000) | Total US\$ ('000) |
|---|---------------------------------|---|--------------------------------------|----------------------|
| Balance as at 1 January 2007 | 1 | 341 | 4,528 | 4,870 |
| Exchange differences arising on translation of foreign operations | - | 1,050 | - | 1,050 |
| Issuance of new shares by parent company | 9 | - | - | 9 |
| Profit for the period | - | - | 3,631 | 3,631 |
| Balances as at 30 June 2007 | 10 | 1,391 | 8,159 | 9,560 |
| | ===== | ===== | ===== | ===== |

CONSOLIDATED CASH FLOW STATEMENT

| | Six months ended 30 June 2007 (Unaudited) US\$ ('000) | Six months ended 30 June 2006 (Unaudited) US\$ ('000) | Year Ended 31 December 2006 (Unaudited) US\$ ('000) |
|---|--|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before taxation | 3,631 | 1,915 | 4,971 |
| Adjustments for: | | | |
| Depreciation and amortisation of property, plant and equipment | 440 | 237 | 546 |
| Amortisation of intangibles | 18 | 13 | 41 |
| Operating cash flows before movements in working capital | 4,089 | 2,165 | 5,558 |
| (Increase) / in inventories | (2,826) | (5,307) | (3,268) |
| Decrease / (Increase) in trade and other receivables | 1,563 | (5,609) | (4,970) |
| Increase / (Decrease) in trade payables | 1,580 | 396 | 376 |
| (Decrease) / Increase in other payables | (1,790) | 6,432 | 265 |
| Cash generated from operations | 2,616 | (1,923) | (2,039) |
| Tax refundable | (2,320) | 23 | 37 |
| Tax payable | (51) | - | 50 |
| Net cash from operating activities | 245 | (1,900) | (1,952) |

| | | | |
|--|-------------------|-------------------|-------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of property, plant and equipment | (4,683) | (1,218) | (2,442) |
| Increase in Construction in progress | (1,508) | | 184 |
| Intangible assets | - | - | (514) |
| | <u> </u> | <u> </u> | <u> </u> |
| Net cash used in investing activities | (6,191) | (1,034) | (2,880) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Movement in short-term borrowings | 1,793 | 4,057 | 6,292 |
| Movement in shareholders' advances | (9) | - | 1,000 |
| Paid-up share capital | 9 | - | - |
| Proceeds from long term borrowings | 5,000 | - | - |
| | <u> </u> | <u> </u> | <u> </u> |
| Net cash used in financing activities | 6,793 | 4,057 | 7,292 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | | |
| Cash and cash equivalents at beginning of the period | 3,946 | 685 | 685 |
| Effect of foreign exchange rate changes | 68 | (474) | 801 |
| | <u> </u> | <u> </u> | <u> </u> |
| Cash and cash equivalents at the end of the period | 4,861 | 1,334 | 3,946 |
| | ===== | ===== | ===== |

NOTES TO THE UNAUDITED INTERIM REPORT

1. General

The Company was incorporated on 18 July 2006 in the British Virgin Islands (BVI) and its wholly owned subsidiary, Sino China International Limited, in turn holds 100% of Jiangyin Jetion Science and Technology Company Limited ('Jiangyin Jetion') whose principal activities are research and development, manufacture and sales of hi-tech solar cells.

The comparative information presented for the six month period ended 30 June 2006 consists of the results and position of the subsidiary company, Jiangyin Jetion, only.

2. Accounting policies

The interim financial information has been prepared on the basis of International Financial Reporting Standards (IFRS) as adopted by the European Union. Full details of accounting policies will be included in the Annual Report for the year ending 31 December 2007. These are expected to be consistent with those disclosed in Part III 'Financial Information on the Group' of the Company's Admission document dated 3 July 2007 for its placing and admission to AIM.

Items included in the consolidated financial statements of the Company are presented in US Dollars ('Presentation Currency').

Consolidation

The consolidated financial statements incorporate the financial statements of Jetion Holdings Limited and all subsidiary undertakings. Balances between Group companies are eliminated and no profit is taken on intra-group sales.

3. Copies of this Interim Report will be sent to all shareholders and are available at the Company's registered office.

4. Revenue

Revenue represents the aggregate value of goods sold after goods returned and trade discounts.

| | | |
|------------|------------|------|
| Six months | Six months | Year |
|------------|------------|------|

| | ended 30 June 2007 (Unaudited) US\$ ('000) | ended 30 June 2006 (Unaudited) US\$ ('000) | Ended 31 December 2006 (Unaudited) US\$ ('000) |
|----------------------------|--|--|--|
| Domestic sales | 10,962 | 14,821 | 42,470 |
| Export sales outside China | 27,683 | 723 | 2,984 |
| | <u>38,645</u> | <u>15,544</u> | <u>45,454</u> |
| | ===== | ===== | ===== |

5. Finance costs

| | Six months ended 30 June 2007 (Unaudited) US\$ ('000) | Six months ended 30 June 2006 (Unaudited) US\$ ('000) | Year Ended 31 December 2006 (Unaudited) US\$ ('000) |
|---|--|--|--|
| Interest on bank borrowings wholly repayable within one year | | 436 | 267 |
| Bank charges | 6 | 6 | 23 |
| Exchange difference | 213 | - | 18 |
| | <u>655</u> | <u>273</u> | <u>705</u> |
| | ===== | ===== | ===== |

6. Earnings per ordinary share

The basic earnings per ordinary share has been calculated using the profit for the period and the weighted average number of ordinary shares in issue during the period as follows

| | Six months Ended 30 June 2007 (Unaudited) US\$ ('000) | Six months ended 30 June 2006 (Unaudited) US\$ ('000) | Year ended 31 December 2006 (Unaudited) US\$ ('000) |
|---|--|--|--|
| Profit for the period !V after taxation | 3,631 | 1,915 | 4,971 |
| | ===== | ===== | ===== |
| | Number | Number | Number |
| Weighted average number of ordinary shares of US\$1 each | 3,688 | 89 | 89 |
| Basic earnings per share | US\$985 | US\$21,517 | US\$55,854 |

7. Tangible fixed assets

| | Plant and Building US\$ ('000) | Electronic machinery US\$ ('000) | Motor equipment US\$ ('000) | Motor vehicles US\$ ('000) | Office equipment US\$ ('000) | Total US\$ ('000) |
|-----------------------------------|--------------------------------------|--|-----------------------------------|----------------------------------|------------------------------------|----------------------|
| Cost | | | | | | |
| At 1 January 2007 | 1,387 | 4,986 | 170 | 181 | 2 | 6,726 |
| Additions during the period | - | 4,621 | 8 | 22 | 32 | 4,683 |
| Currency realignment | 35 | 126 | 4 | 4 | - | 169 |
| At 30 June 2007 | <u>1,422</u> | <u>9,733</u> | <u>182</u> | <u>207</u> | <u>34</u> | <u>11,578</u> |
| Aggregated depreciation | | | | | | |
| At 1 January 2007 | 44 | 489 | 21 | 45 | - | 599 |
| Charges for the period | 36 | 371 | 20 | 20 | 2 | 449 |
| Currency realignment | 1 | (27) | - | - | (1) | (27) |
| At 30 June 2007 | <u>81</u> | <u>833</u> | <u>41</u> | <u>65</u> | <u>1</u> | <u>1,021</u> |

| | | | | | | |
|---------------------|-------|-------|-------|-------|-------|--------|
| Net book value | | | | | | |
| At 30 June 2007 | 1,341 | 8,900 | 141 | 142 | 33 | 10,557 |
| | ===== | ===== | ===== | ===== | ===== | ===== |
| At 30 June 2006 | 581 | 4,421 | 74 | 132 | 1 | 5,210 |
| | ===== | ===== | ===== | ===== | ===== | ===== |
| At 31 December 2006 | 1,342 | 4,497 | 149 | 135 | 1 | 6,125 |
| | ===== | ===== | ===== | ===== | ===== | ===== |

8. Construction in progress

Construction assets in progress relate to new buildings for warehouses, new production lines and administration offices which had not been brought into use at the balance sheet date.

9. Intangible fixed assets

| | Six months ended 30 June 2007 (Unaudited) US\$ ('000) | Six months ended 30 June 2006 (Unaudited) US\$ ('000) | Year Ended 31 December 2006 (Unaudited) US\$ ('000) |
|--------------------------------|---|---|---|
| Land use rights | 1,857 | 1,299 | 1,811 |
| Less: Accumulated amortisation | | (63) | (18) |
| Currency realignment | | (2) | (1) |
| | ===== | ===== | ===== |
| | 1,792 | 1,281 | 1,766 |

The land use rights cover land situated in the PRC.

10. Shareholder's advance

Shareholder's advance carries no specific terms of repayment and is non-interest bearing.

| | Six months ended 30 June 2007 (Unaudited) US\$ ('000) | Six months ended 30 June 2006 (Unaudited) US\$ ('000) | Year Ended 31 December 2006 (Unaudited) US\$ ('000) |
|---------------------|---|---|---|
| Name of shareholder | | | |
| Jiezhen Yang | 990 | - | 1,000 |

11. Convertible loan

On 26 April 2007, the Company executed a convertible note instrument in the amount of US\$5,000,000 with Sun Power Capital Limited. The principal terms of the convertible loan note were as follows:

Duration of note: three years commencing 26 April 2007

Interest: 5 per cent per annum

Conversion terms included the automatic conversion into Ordinary Shares upon a public offer of Shares on a Recognised Stock Exchange (including AIM).

Conversion of the note duly took place on 6 July 2007 upon the Company's Admission to AIM.

12. Share capital

As set out in note 1, the figures for the period to 30 June 2006 cover Jiangyin Jietion only and are not consolidated. Consequently, the share capital at 30 June 2006 is the share capital of Jiangyin Jietion only.

13. Related party transactions

During the period ended 30 June 2007, a shareholder advanced a lump sum directly to a company in which Chris Chen is a director, for preliminary payment of

professional fees. As at the balance sheet date, the total amount of payments made on behalf of the Company by the related party toward the anticipated IPO expenses was US\$278,690.

14. Post balance sheet events

On 6 July 2007 trading in the ordinary shares of the Company commenced on AIM, a market operated by the London Stock Exchange plc. 20,198,676 new shares were issued in a placing at the placing price of 151pence per share. On Admission the Company had 74,209,676 ordinary shares in issue.

GROUP INFORMATION

| | | |
|-----------|--|--|
| Directors | Dipesh Shah Lijin Gai Stephen So Chris Chen Wenyan Xu David Steeds Gabriel Kow | (Chairman) (Chief Executive Officer) (Finance Director) (Corporate Development Director) (Chief Operating Officer) (Non-executive Director) (Non-executive Director) |
|-----------|--|--|

Principal Place of Business No. 1011, Zhencheng Road
Shengang
Jiangyin Municipality, Jiangsu Province
People's Republic of China

Registered office The offices of ATC Trustees (BVI) Limited
2nd Floor, Abbott Building
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Company secretary Stephen So

Nominated Adviser Collins Stewart Europe Limited
8th Floor
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Auditors UHY Hacker Young LLP
St Alphage House
2 Fore Street
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Solicitors Hammonds
7 Devonshire Square
Cutlers Gardens
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Registrars Computershare Investor Services (Channel Islands) Ltd
P O Box 83
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INDEPENDENT REVIEW REPORT BY THE AUDITORS

TO JETION HOLDINGS LIMITED

Introduction

We have reviewed the accompanying balance sheet of Jetion Holdings Limited as of 30 June 2007 and the related statements of income, changes in equity and cash flows for the six month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with the AIM regulations. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review

Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Review conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the entity as at 30 June 2007, and of its financial performance and its cash flows for the six month period then ended in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union.

UHY Hacker Young LLP

Chartered Accountants

Registered auditors

London

22 September 2007

This information is provided by RNS

The company news service from the London Stock Exchange