

## MIRA INFORM REPORT

<b>Report No. :</b>	526770
<b>Report Date :</b>	30.08.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	LUOYANG SUNTECH POWER CO., LTD.
<b>Registered Office :</b>	No. 8 Huaxia Road, High-Tech Development Zone, Luoyang Area Of China (He'nan) Pilot Free Trade Zone, 471003
<b>Country :</b>	China
<b>Date of Incorporation :</b>	16.11.2005
<b>Com. Reg. No.:</b>	91410300780512110U
<b>Legal Form :</b>	Wholly Foreign-Owned Enterprise
<b>Line of Business :</b>	Subject registered business scope includes researching, manufacturing, processing and selling crystalline silicon solar cell and its generating products, related technology services; engaged in design, development, construction, installation, construction, operation, maintenance and after-sales of solar photovoltaic power plants and solar technology consulting and ancillary services; installation and supply of wind energy, light and heat pump technology consulting and after-sales service; power engineering construction general contracting (with permit if needed).
<b>No. of Employees :</b>	511

**RATING & COMMENTS**

(Mira Inform has adopted New Rating mechanism w.e.f. 23<sup>rd</sup> January 2017)

**MIRA's Rating :**

A

Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

<b>Status :</b>	Satisfactory
<b>Payment Behaviour :</b>	Slow but Correct
<b>Litigation :</b>	Clear

**NOTES :**

Any query related to this report can be made on e-mail : [infodept@mirainform.com](mailto:infodept@mirainform.com) while quoting report number, name and date.

**ECGC Country Risk Classification List**

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
China	A2	A1

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

**CHINA - ECONOMIC OVERVIEW**

Since the late 1970s, China has moved from a closed, centrally planned system to a more market-oriented one that plays a major global role. China has implemented reforms in a gradualist fashion, resulting in efficiency gains that have contributed to a more than tenfold increase in GDP since 1978. Reforms began with the phaseout of collectivized agriculture, and expanded to include the gradual liberalization of prices, fiscal decentralization, increased autonomy for state enterprises, growth of the private sector, development of stock markets and a modern banking system, and opening to foreign trade and investment. China continues to pursue an industrial policy, state support of key sectors, and a restrictive investment regime. Measured on a purchasing power parity (PPP) basis that adjusts for price differences, China in 2016 stood as the largest economy in the world, surpassing the US in 2014 for the first time in modern history. China became the world's largest exporter in 2010, and the largest trading nation in 2013. Still, China's per capita income is below the world average.

After keeping its currency tightly linked to the US dollar for years, China in July 2005 moved to an exchange rate system that references a basket of currencies. From mid-2005 to late 2008, the renminbi appreciated more than 20% against the US dollar, but the exchange rate remained virtually pegged to the dollar from the onset of the global financial crisis until June 2010, when Beijing announced it would allow a resumption of gradual liberalization. From 2013 until early 2015, the renminbi (RMB) appreciated roughly 2% against the dollar, but the exchange rate fell 13% from mid-2015 until end-2016 amid strong capital outflows in part stemming from the August 2015 official devaluation; in 2017 the RMB resumed appreciating against the dollar – roughly 7% from end-of-2016 to end-of-2017. From 2013 to 2017, China had one of the fastest growing economies in the world, averaging slightly more than 7% real growth per year. In 2015, the People's Bank of China announced it would continue to carefully push for full convertibility of the renminbi, after the currency was accepted as part of the IMF's special drawing rights basket. However, since late 2015 the Chinese Government has strengthened capital controls and oversight of overseas investments to better manage the exchange rate and maintain financial stability.

The Chinese Government faces numerous economic challenges including: (a) reducing its high domestic savings rate and correspondingly low domestic household consumption; (b) managing its high corporate debt burden to maintain financial stability; (c) controlling off-balance sheet local government debt used to finance infrastructure stimulus; (d) facilitating higher-wage job opportunities for the aspiring middle class, including rural migrants and college graduates, while maintaining competitiveness; (e) dampening speculative investment in the real estate sector without sharply slowing the economy; (f) reducing industrial overcapacity; and (g) raising productivity growth rates through the more efficient allocation of capital and state-support for innovation. Economic development has progressed further in coastal provinces than in the interior, and by 2016 more than 169.3 million migrant workers and their dependents had relocated to urban areas to find work. One consequence of China's population control policy known as the "one-child policy" - which was relaxed in 2016 to permit all families to have two children - is that China is now one of the most rapidly aging countries in the world. Deterioration in the environment - notably air pollution, soil erosion, and the steady fall of the water table, especially in the North - is another long-term problem. China continues to lose arable land because of erosion and urbanization. The Chinese Government is seeking to add energy production capacity from sources other than coal and oil, focusing on natural gas, nuclear, and clean energy development. In 2016, China ratified the Paris Agreement, a multilateral agreement to combat climate change, and committed to peak its carbon dioxide emissions between 2025 and 2030.

The government's 13th Five-Year Plan, unveiled in March 2016, emphasizes the need to increase innovation and boost domestic consumption to make the economy less dependent on government investment, exports, and heavy industry. However, China has made more progress on subsidizing innovation than rebalancing the economy. Beijing has committed to giving the market a more decisive role in allocating resources, but the Chinese Government's policies continue to favor state-owned enterprises and emphasize stability. Chinese leaders in 2010 pledged to double China's GDP by 2020, and the 13th Five Year Plan includes annual economic

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growth targets of at least 6.5% through 2020 to achieve that goal. In recent years, China has renewed its support for state-owned enterprises in sectors considered important to "economic security," explicitly looking to foster globally competitive industries. Chinese leaders also have undermined some market-oriented reforms by reaffirming the "dominant" role of the state in the economy, a stance that threatens to discourage private initiative and make the economy less efficient over time. The slight acceleration in economic growth in 2017—the first such uptick since 2010—gives Beijing more latitude to pursue its economic reforms, focusing on financial sector deleveraging and its Supply-Side Structural Reform agenda, first announced in late 2015.

Source : CIA

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## **COMPANY NAME AND ADDRESS**

### **LUOYANG SUNTECH POWER CO., LTD.**

NO. 8 HUAXIA ROAD, HIGH-TECH DEVELOPMENT ZONE, LUOYANG AREA OF CHINA (HE'NAN) PILOT  
FREE TRADE ZONE, 471003 PR CHINA  
TEL: 86 (0) 379-65191000 FAX: N/A

## **EXECUTIVE SUMMARY**

INCORPORATION DATE	: NOV. 16, 2005
CREDIBILITY CODE	: 91410300780512110U
REGISTERED LEGAL FORM	: WHOLLY FOREIGN-OWNED ENTERPRISE
CHIEF EXECUTIVE	: MR. ZHANG FUBO (LEGAL REPRESENTATIVE)
STAFF STRENGTH	: 511
REGISTERED CAPITAL	: CNY 320,000,000
BUSINESS LINE	: MANUFACTURING & TRADING
TURNOVER	: N/A
EQUITIES	: N/A
PAYMENT	: SLOW BUT CORRECT
MARKET CONDITION	: AVERAGE
FINANCIAL CONDITION	: N/A
OPERATIONAL TREND	: FAIRLY STEADY
GENERAL REPUTATION	: AVERAGE

### **Adopted abbreviations:**

ANS - amount not stated    NS - not stated    SC - subject company (the company inquired by you)  
NA - not available    CNY - China Yuan Renminbi

## **HISTORY**

Note: the given address is the same place with the heading one.

SC was registered as a wholly foreign-owned enterprise at local Administration for Industry & Commerce (AIC - The official body of issuing and renewing business license).

### **Company Status: Wholly foreign-owned enterprise**

This form of business in PR China is defined as a legal person. It is a limited co. established within the territories of PR China with capital provided totally by the foreign investors. More than one foreign investor may jointly invest in a wholly foreign-owned enterprise. The investing party/parties solely exercise management, reap profit and bear risks and liabilities by themselves. This form of companies usually have a limited duration is extendible upon approval of Examination and Approval Authorities.

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SC's registered business scope includes researching, manufacturing, processing and selling crystalline silicon solar cell and its generating products, related technology services; engaged in design, development, construction, installation, construction, operation, maintenance and after-sales of solar photovoltaic power plants and solar technology consulting and ancillary services; installation and supply of wind energy, light and heat pump technology consulting and after-sales service; power engineering construction general contracting (with permit if needed).

SC is mainly engaged in manufacturing and selling crystalline silicon solar cell and modules.

Mr. Zhang Fubo has been legal representative and executive director of SC since 2017.

SC is known to have approx. 511 employees at present.

SC is currently operating at the above stated address, and this address houses its operating office and factory in the high-tech development zone of Luoyang. The detailed information about the premise is unspecified.

#### WEB SITE

SC is not known to host website of its own at present.

Email: [wil@suntech-power.com](mailto:wil@suntech-power.com)

#### KEY EVENTS/RECENT DEVELOPMENT

**Changes of its registered information are as follows:**

Date of change	Item	Before the change	After the change
2014-03-25	Legal representative	Shi Zhengrong	Shi Jianmin
	Registered capital	CNY 291,840,000	CNY 320,000,000
2014-07-08	Legal representative	Shi Jianmin	Zhao Jianzhong
2015-05-20	Legal representative	Zhao Jianzhong	Shi Jianmin
2017-05-27	Legal representative	Shi Jianmin	Present one
Unspecified	Registration No.	410300400005720	Credibility Code: 91410300780512110U

Import/ Export License No: 4100780512110

HS Code: 4103930345, 4103340403

#### LITIGATION

For the past two years there is no record of litigation.

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## OWNERSHIP/MANAGEMENT

### MAIN SHAREHOLDERS:

Name	% of Shareholding
Wuxi Suntech Power Co., Ltd.	100

Credibility Code: 9132021372655423XN  
Legal representative: Zhang Fubo  
Date of incorporation: 2001-01-22

Web: <http://cn.suntech-power.com/>  
Tel: +86 (510) 8531 8888  
Fax: +86 (510) 8534 4214 ext. 0006

## MANAGEMENT

- **Legal representative and Executive director:**

Mr. Zhang Fubo , born in 1962 with Doctor's Degree. He is currently responsible for the overall management of SC.

### Working Experience(s):

From 2017 to present Working in SC as legal representative and executive director  
Also working in Wuxi Suntech Power Co., Ltd., Yangzhou Shunfeng Photovoltaic Material Co., Ltd. and Changzhou Shun Feng Photovoltaic Material Co., Ltd. as legal representative, etc.

- **Supervisor:**

Xu Yingfeng

## BUSINESS OPERATIONS

SC is mainly engaged in manufacturing and selling crystalline silicon solar cell and modules.

SC's products mainly include: crystalline silicon solar cells, modules, etc.

### Trademarks & patents

No record

SC sources its materials from both domestic market and overseas market. SC sells its products in both domestic market and overseas market.

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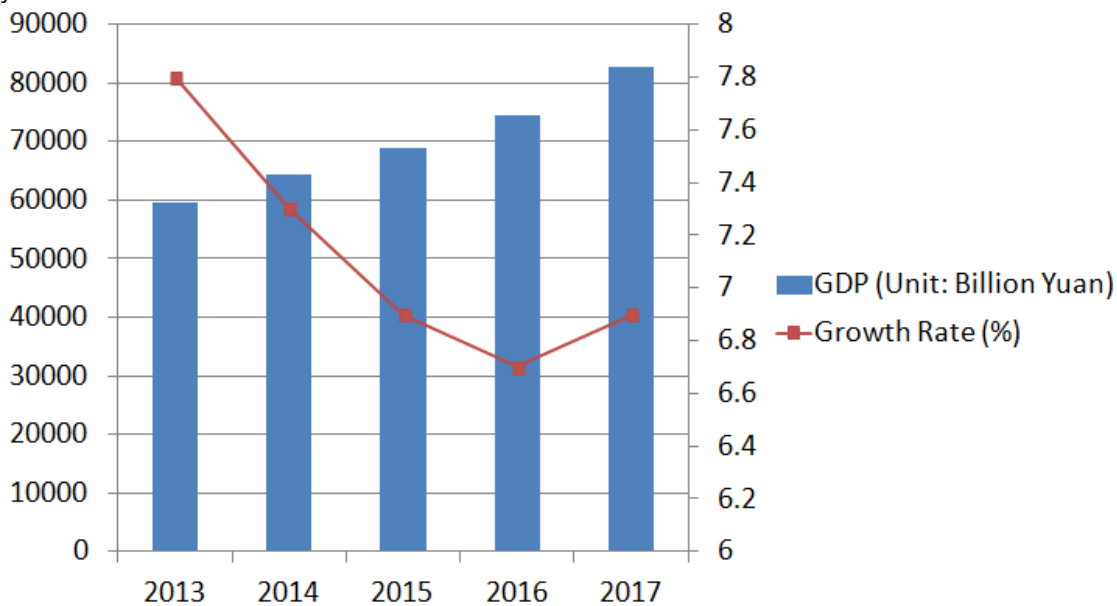
The buying terms of SC include Check, T/T, L/C and Credit of 30-60 days. The payment terms of SC include Check, T/T, L/C and Credit of 30-60 days.

Note: SC's management declined to release its customer and supplier details.

**Industry code: 3825**

**Industry name: Photovoltaic equipment and components manufacturing**

The gross domestic product of China in 2017 which is 82,712.17 billion that is increased 6.9% than previous year.



In 2016, China's polysilicon production maintained a sustained growth momentum, there are 17 polysilicon companies started in the year, the effective production capacity reached 210,000 tons, and the output reached 194,000 tons, an increase of 17.58%, and accounting for 48.5% of global production, capacity utilization reached 92.4%.

As of the end of 2016, the total production capacity of China's battery chips was about 63GW, up 18.9% year-on-year, and the output was about 51 GW, up 24.4% year-on-year, which was 68% of global production for the whole year.

According to incomplete statistics of 224 PV module companies across the country, in 2016, China's total component capacity was about 84 GW, and module production reached 57.7 GW, up 26% year-on-year, accounting for 74% of global production.

**RELATED COMPANIES**

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Yangzhou Shunfeng Photovoltaic Material Co., Ltd.  
Changzhou Shun Feng Photovoltaic Material Co., Ltd.  
Shenzhen Suntech Power Co., Ltd.  
Etc.

SC has invested in the following companies:

Ruyang Suntech New Energy Co., Ltd. (Literal Translation)

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Credibility Code: 91410326MA44T0LXXG  
Legal representative: Yan Yonggang  
Date of incorporation: 2018-01-12

Song County Jiande Photovoltaic Co., Ltd. (Literal Translation)

-----  
Credibility Code: 91410325MA44PB1N99  
Legal representative: Shi Guangjian  
Date of incorporation: 2017-12-15

Song County Shangde Energy Engineering Co., Ltd. (Literal Translation)

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Credibility Code: 91410325MA40YKTM9U  
Legal representative: Sun Hongjun  
Date of incorporation: 2017-5-11

## **PAYMENT**

### **Overall payment appraisal :**

( ) Excellent ( ) Good (X) Average ( ) Fair ( ) Poor ( ) Not yet determined

The appraisal serves as a reference to reveal SC's payments habits and ability to pay. It is based on the 3 weighed factors: Trade payment experience (through current enquiry with SC's suppliers), our delinquent payment records and our debt collection record concerning SC.

**Trade payment experience :** SC did not provide any name of trade/service suppliers and we have no other sources to conduct the enquiry at present.

**Delinquent payment record :** None in our database.

**Debt collection record :** No overdue amount owed by SC was placed to us for collection within the last 6 years.

## **BANKING**

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SC's management declined to release its bank details.

### **FINANCIAL HIGHLIGHTS**

SC's management declined to release any financial information.

### **REMARKS**

SC is considered medium-sized in its line with a development history of 13 years. Due to lack of financial status, we are unable to recommend accurate credit limit for SC. Credit up to moderate amount appears acceptable.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.50
UK Pound	1	INR 90.63
Euro	1	INR 82.34
CNY	1	INR 10.35

**Note :** Above are approximate rates obtained from sources believed to be correct

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	DIV
<b>Report Prepared by :</b>	KET

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**RATING EXPLANATIONS**

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)