

MIRA INFORM REPORT

Report No. :	519931
Report Date :	16.07.2018

IDENTIFICATION DETAILS

Name :	NICE SUN PV CO. LTD.
Registered Office :	No. 11 Nanbu Road, Jinzhangzhu Industrial Zone, Yixing, Jiangsu Province 214200 PR
Country :	China
Financials (as on) :	31.12.2017
Date of Incorporation :	04.02.2010
Com. Reg. No.:	913202825502906392
Legal Form :	Limited Liabilities Company
Line of Business :	Subject registered business scope includes manufacturing and selling 60MW monocrystalline silicon solar cell and component; R&D and sales of monocrystalline silicon wafers, polycrystalline silicon wafers, polycrystalline silicon cells and components, solar street lamps, solar power generation equipment; contract energy management; operating and acting as an agent of importing and exporting various kinds of commodities and technology, excluding the goods forbidden by the government.
No. of Employees :	340

RATING & COMMENTS

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

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Good
Payment Behaviour :	No Complaints

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Litigation :	Clear
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NOTES :

Any query related to this report can be made on e-mail : 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

COMPANY NAME	Nice Sun PV Co., Ltd.
CURRENT ADDRESS/ REGISTERED ADDRESS	No. 11 Nanbu Road, Jinzhangzhu Industrial Zone, Yixing, Jiangsu Province 214200 PR China
TEL. NO.	86 (0) 510-87398091
FAX NO.	86 (0) 510-87398090

EXECUTIVE SUMMARY

DATE OF REGISTRATION	: FEBRUARY 4, 2010
UNIFIED SOCIAL CREDIT CODE	: 913202825502906392
LEGAL FORM	: LIMITED LIABILITIES COMPANY
CHIEF EXECUTIVE	: ZHU XUDONG (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL	: CNY 30,000,000
STAFF	: 340
BUSINESS CATEGORY	: MANUFACTURING
REVENUE	: CNY 520,667,000 (AS OF DEC. 31, 2017)
EQUITIES	: CNY 56,942,000 (AS OF DEC. 31, 2017)
WEBSITE	: www.nicesunpv.com
E-MAIL	: czk@incesun-gl.com
PAYMENT	: NO COMPLAINTS
MARKET CONDITION	: COMPETITIVE
FINANCIAL CONDITION	: FAIRLY STABLE
OPERATIONAL TREND	: FAIRLY STEADY
GENERAL REPUTATION	: AVERAGE

Adopted abbreviations (as follows)

SC - Subject Company (the company inquired by you)

N/A – Not available

CNY – China Yuan Ren Min Bi

OPERATIONAL TREND & GENERAL REPUTATION

This section aims at indicating the relative positions of SC in respect of its operational trend & general reputation

Operational Trend:-

Upward

Steady

Fairly Steady

Ordinary

Fair

Stagnant

General Reputation:-

Excellent

Good

Fairly Good

Average

Fair

Detrimental

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Downward	Not known
Not known	Not yet be determined
Not yet be determined	

LEGAL STATUS & HISTORY

SC was established as a limited liabilities company of PRC with State Administration of Industry & Commerce (SAIC) under unified social credit code: 913202825502906392.

SC's Import and Export Enterprise Code: 3200550290639

SC's registered capital: CNY 30,000,000

SC's paid-in capital: CNY 30,000,000

Registration Change Record:-

Date	Change of Contents	Before the change	After the change
2016-1-20	Registration No./ Unified Social Credit Code	320282000232689	913202825502906392

Current Co search indicates SC's shareholders & chief executives are as follows:-

Name of Shareholder (s)	% of Shareholding
Zhu Xudong	46.67
Gao Guorong	16.67
Zhang Suming	13.33
Shi Xiaolei	13.33
Huang Fuxi	10

SC's Chief Executives:-

Position	Name
Legal Representative, Chairman and General Manager	Zhu Xudong
Supervisor	Huang Fuxi

RECENT DEVELOPMENT

No recent development was found during our checks at present.

SHAREHOLDER CHART & BACKGROUND

Name	% of Shareholding
Zhu Xudong	46.67
Gao Guorong	16.67
Zhang Suming	13.33
Shi Xiaolei	13.33
Huang Fuxi	10

MANAGEMENT

Zhu Xudong , Legal Representative, Chairman and General Manager

Gender: M
Nationality: China
Age: 42
ID# 320282197601153419
Qualification: University
Working experience (s):

At present, working in SC as legal representative, chairman and general manager

Huang Fuxi, Supervisor

Gender: M
Nationality: China
Age: 53
ID# 320223196506133415
Qualification: University
Working experience (s):

At present, as supervisor of SC

BUSINESS OPERATION

SC's registered business scope includes manufacturing and selling 60MW monocrystalline silicon solar cell and component; R&D and sales of monocrystalline silicon wafers, polycrystalline silicon wafers, polycrystalline silicon

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cells and components, solar street lamps, solar power generation equipment; contract energy management; operating and acting as an agent of importing and exporting various kinds of commodities and technology, excluding the goods forbidden by the government.

SC is mainly engaged in manufacturing and selling monocrystalline silicon solar cell and component.

SC's products mainly include: monocrystalline silicon solar cell and component.

SC sources its materials 100% from domestic market, mainly Jiangsu. SC sells 30% of its products in domestic market, and 70% to overseas market.

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

Staff & Office:

SC is known to have approx. 340 staff at present.

SC owns an area as its operating office and factory, but the detailed information is unknown.

RELATED COMPANY

SC is known to have a subsidiary at present,

Jimusaer County Jiarui Yubang Semiconductor Material Co., Ltd.

Date of Registration: August 10, 2017
Unified Social Credit Code: 91652327MA77KMEQ76
Chief Executive : Ma Bin
Registered Capital: CNY 30,000,000

PAYMENT

Overall payment appraisal:

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

Basic Bank:

Shanghai Pudong Development Bank Yixing Sub-branch

AC#: 84080154740002628

FINANCIALS

Balance Sheet

Unit: CNY'000	As of Dec. 31, 2016	As of Dec. 31, 2017
Cash	87,394	37,356
Notes receivable	1,250	0
Accounts receivable	28,066	169,736
Advances to suppliers	133,831	120,954
Other receivable	6,079	6,152
Inventory	72,793	73,931
Non-current assets within one year	0	0
Other current assets	0	0
	-----	-----
Current assets	329,413	408,129
Long-term investment	5,000	13,000
Fixed assets	108,050	102,666
Construction in progress	1,923	6,523
Intangible assets	7,429	7,261
Long-term prepaid expenses	0	0
Deferred income tax assets	0	0
Other non-current assets	1,778	2,494
	-----	-----
Total assets	453,593	540,073
	=====	=====
Short-term loans	51,500	48,500
Notes payable	85,000	46,000
Accounts payable	252,168	384,879
Wages payable	1,402	1,198
Taxes payable	-2,703	-5,724
Advances from clients	0	0
Other payable	10,400	8,272
Other current liabilities	71	6
	-----	-----
Current liabilities	397,838	483,131
Non-current liabilities	0	0
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Total liabilities	397,838	483,131
Equities	55,755	56,942
	-----	-----
Total liabilities & equities	453,593	540,073
	=====	=====

Income Statement

Unit: CNY'000	As of Dec. 31, 2016	As of Dec. 31, 2017
Revenue	695,061	520,667
Cost of sales	641,922	493,009
Sales expense	3,030	2,545
Management expense	27,592	21,620
Finance expense	3,232	3,048
Profit before tax	19,498	1,014
Less: profit tax	1,715	152
Profits	17,783	862

Important Ratios

	As of Dec. 31, 2016	As of Dec. 31, 2017
*Current ratio	0.83	0.84
*Quick ratio	0.65	0.69
*Liabilities to assets	0.88	0.89
*Net profit margin (%)	2.56	0.17
*Return on total assets (%)	3.92	0.16
*Inventory / Revenue x365	39 days	52 days
*Accounts receivable/ Revenue x365	15 days	119 days
*Revenue/Total assets	1.53	0.96
*Cost of sales / Revenue	0.92	0.95

FINANCIAL COMMENTS

PROFITABILITY: AVERAGE

The revenue of SC appears fairly good in its line.
SC's net profit margin is average.
SC's return on total assets is average.
SC's cost of sales is fairly high, comparing with its revenue.

LIQUIDITY: FAIR

The current ratio of SC is maintained in a fair level.
SC's quick ratio is maintained in a fair level.
The inventory of SC is maintained in an average level.
The accounts receivable of SC appears large.
SC's short-term loans are in an average level.
SC's revenue is in an average level, comparing with the size of its total assets.

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LEVERAGE: AVERAGE

The debt ratio of SC is fairly high.
The risk for SC to go bankrupt is average.

Overall financial condition of the SC: Fairly Stable.

CONCLUSIONS

SC is considered medium-sized in its line with fairly stable financial conditions. The large amount of accounts receivable may be a threat to SC's financial condition.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.40
UK Pound	1	INR 90.07
Euro	1	INR 79.76
CNY	1	INR 10.28

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

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	POJ

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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)