

MIRA INFORM REPORT

Report No. :	538521
Report Date :	10.11.2018

IDENTIFICATION DETAILS

Name :	SHENZHEN SOFARSOLAR CO., LTD.
Registered Office :	5/F, Building No. 4, Antongda Industrial Park, No. 1 Liuxian Avenue, Bao'an District, Shenzhen, Guangdong Province 518000 PR
Country :	China
Financials (as on) :	31.12.2016
Date of Incorporation :	07.06.2013
Com. Reg. No.:	9144030007111227X8
Legal Form :	Limited Liabilities Company
Line of Business :	Researching, manufacturing and selling solar energy inverter, battery assembly, bracket, energy storage equipment; investment and construction of photovoltaic power generation project; installation of electromechanical equipment; international trade.
No. of Employees :	130

RATING & COMMENTS

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

MIRA's Rating :	B
-----------------	---

Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Status :	Moderate
Payment Behaviour :	Slow but Correct

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

Litigation :	Clear
---------------------	-------

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 (30.06.2018)	Current Rating (30.09.2018)
China	A1	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

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

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. From 2013 to 2017, China had one of the fastest growing economies in the world, averaging slightly more than 7% real growth per year. Measured on a purchasing power parity (PPP) basis that adjusts for price differences, China in 2017 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.

In July 2005 moved to an exchange rate system that references a basket of currencies. From mid-2005 to late 2008, the renminbi (RMB) 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 resume a gradual appreciation. From 2013 until early 2015, the renminbi held steady against the dollar, but it depreciated 13% from mid-2015 until end-2016 amid strong capital outflows; in 2017 the RMB resumed appreciating against the dollar – roughly 7% from end-of-2016 to end-of-2017. 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 growth targets of at least 6.5% through 2020 to achieve that goal. In recent years, China has renewed its support

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

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

COMPANY NAME AND ADDRESS

COMPANY NAME SHENZHEN SOFARSOLAR CO., LTD.
CURRENT ADDRESS/ REGISTERED ADDRESS 5/F, Building No. 4, Antongda Industrial Park, No. 1 Liuxian Avenue, Bao'an District, Shenzhen, Guangdong Province 518000 PR China
TEL. NO. 86 (0) 755-26526757
FAX NO. 86 (0) 755-26969476*666

EXECUTIVE SUMMARY

DATE OF REGISTRATION : JUNE 7, 2013
UNIFIED SOCIAL CREDIT CODE: 9144030007111227X8
LEGAL FORM : LIMITED LIABILITIES COMPANY
CHIEF EXECUTIVE : XU TAO (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL : CNY 50,000,000
STAFF : 130
BUSINESS CATEGORY : MANUFACTURING & TRADING
REVENUE : CNY 49,500,000 (AS OF DEC. 31, 2016)
EQUITIES : CNY 3,540,000 (AS OF DEC. 31, 2016)
WEBSITE : www.sofarsolar.com
E-MAIL : info@sofarsolar.com
PAYMENT : SLOW BUT CORRECT
MARKET CONDITION : AVERAGE
FINANCIAL CONDITION : FAIRLY STABLE
OPERATIONAL TREND : ORDINARY
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
Downward
Not known
Not yet be determined

General Reputation:-

Excellent
Good
Fairly Good
Average
Fair
Detrimental
Not known
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: 9144030007111227X8.

SC's Import and Export Enterprise Code: 440307111227X

SC's registered capital: CNY 50,000,000

SC's paid-in capital: CNY 5,000,000

Registration Change Record:-

Date	Change of Contents	Before the change	After the change
2016-1-26	Registered Capital	CNY 5,000,000	CNY 10,000,000
2016-5-24	Registration No./ Unified Social Credit Code	440301107429342	9144030007111227X8
2016-8-24	Registered Capital	CNY 10,000,000	CNY 50,000,000
2017-8-9	Shareholder (s)	Xu Tao 79% Wang Jinxing 10% Zhong Qizheng 6% Jiang Yi 5%	Xu Tao 79% Yi Degang 10% Zhong Qizheng 6% Jiang Yi 5%

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

Name of Shareholder (s)	% of Shareholding
Xu Tao	79
Yi Degang	10

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

Zhong Qizheng 6
Jiang Yi 5

SC's Chief Executives:-

Position	Name
Legal Representative, Chairman and General Manager	Xu Tao
Supervisor	Li Zhiying

RECENT DEVELOPMENT

No recent development was found during our checks at present.

SHAREHOLDER CHART & BACKGROUND

Name	% of Shareholding
Xu Tao	79
Yi Degang	10
Zhong Qizheng	6
Jiang Yi	5

MANAGEMENT

Xu Tao, Legal Representative, Chairman and General Manager

Gender: M
Nationality: China
Qualification: University

Working experience (s):

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

Supervisor

Li Zhiying

BUSINESS OPERATION

SC's registered business scope includes researching, manufacturing and selling solar energy inverter, battery assembly, bracket, energy storage equipment; investment and construction of photovoltaic power generation project; installation of electromechanical equipment; international trade.

SC is mainly engaged in manufacturing and selling solar energy inverter, battery assembly, bracket, energy storage equipment.

Brand: Sofar

SC's products mainly include: string inverter, etc.

SC sources its materials 100% from domestic market, mainly Guangdong. SC sells 20% of its products in domestic market, and 80% 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. 130 staff at present.

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

RELATED COMPANY

SC is not known to have any subsidiary at present.

PAYMENT

Overall payment appraisal:

Excellent Good 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 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:

China Construction Bank Shenzhen Longchengxi Sub-branch

AC#: 44201017300052502941

FINANCIALS

Balance Sheet

Unit: CNY'000	As of Dec. 31, 2016
Cash	3,610
Notes receivable	0
Accounts receivable	6,200
Advances to suppliers	8,340
Other receivable	4,250
Inventory	26,350
Non-current assets within one year	0
Other current assets	1,590

Current assets	50,340
Fixed assets	750
Long-term prepaid expenses	0
Deferred income tax assets	0
Other non-current assets	0

Total assets	51,090
	=====
Short-term loans	0
Notes payable	0
Accounts payable	21,670
Advances from clients	16,390
Other payable	8,730
Other current liabilities	760

Current liabilities	47,550
Non-current liabilities	0

Total liabilities	47,550
Equities	3,540

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

Total liabilities & equities 51,090
=====

Income Statement

Unit: CNY'000 **As of Dec. 31, 2016**
Revenue 49,500
Cost of sales 38,460
Sales expense 3,240
Management expense 4,140
Finance expense 0
Profit before tax 3,580
Less: profit tax -50
Profits 3,630

Important Ratios
=====

As of Dec. 31, 2016
*Current ratio 1.06
*Quick ratio 0.50
*Liabilities to assets 0.93
*Net profit margin (%) 7.33
*Return on total assets (%) 7.11
*Inventory / Revenue x365 195 days
*Accounts receivable/ Revenue x365 46 days
*Revenue/Total assets 0.97
*Cost of sales / Revenue 0.78

FINANCIAL COMMENTS

PROFITABILITY: AVERAGE

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

LIQUIDITY: AVERAGE

The current ratio of SC is maintained in a normal level.
SC's quick ratio is maintained in a fair level.
The inventory of SC appears large.
The accounts receivable of SC is maintained in an average level.
SC has no short-term loans.
SC's revenue is in an average level, comparing with the size of its total assets.

LEVERAGE: FAIR

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

Overall financial condition of the SC: Fairly Stable.

CONCLUSIONS

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

FOREIGN EXCHANGE RATES

Currency	Unit	INR
US Dollar	1	INR 72.73
UK Pound	1	INR 94.87
Euro	1	INR 82.52
CNY	1	INR 10.44

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

INFORMATION DETAILS

Analysis Done by :	VIVR
Report Prepared by :	SDA

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

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)