

MIRA INFORM REPORT

Report No. :	530352
Report Date :	19.09.2018

IDENTIFICATION DETAILS

Name :	CHINA SUNERGY (NANJING) CO., LTD.
Registered Office :	No. 123, Focheng West Road, Jiangning Economic & Technical Development Zone, Nanjing, Jiangsu Province 211100 Pr
Country :	China
Financials (as on) :	31.12.2017
Date of Incorporation :	02.08.2004
Unified Social Credit Code :	91320115762136692U
Legal Form :	Wholly Foreign-Owned Enterprise
Line of Business :	SC's registered business scope includes precious metals processing and sales; R&D, manufacturing the silicon material, silicon rod, silicon ingot, silicon pellet, solar energy photovoltaic cell, photovoltaic module and related products; selling its products; R&D of solar photovoltaic power generation system and its supporting system, supplying installing and related technology service; wholesaling, import and export, commission agency about the related products (excluding auction, excluding domestic trade management goods, in accordance with the special permit) and technology import and export business.
No. of Employees :	1,415

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 :	Satisfactory
Payment Behaviour :	Slow but correct

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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. 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

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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 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 & ADDRESS

COMPANY NAME CHINA SUNERGY (NANJING) CO., LTD.
CURRENT ADDRESS/ REGISTERED ADDRESS NO. 123, FOCHENG WEST ROAD, JIANGNING ECONOMIC & TECHNICAL DEVELOPMENT ZONE, NANJING, JIANGSU PROVINCE 211100 PR CHINA
TEL. NO. 86 (0) 25-52766887/52766684/52766666*6532
FAX NO. 86 (0) 25-52766767

***Note: SC's complete name should be the above stated one, instead of the given name - CSUN - China Sunergy Co Ltd.

EXECUTIVE SUMMARY

DATE OF REGISTRATION : AUGUST 2, 2004
UNIFIED SOCIAL CREDIT CODE : 91320115762136692U
LEGAL FORM : WHOLLY FOREIGN-OWNED ENTERPRISE
CHIEF EXECUTIVE : LU TINGXIU (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL : USD 163,400,000
STAFF : 1,415
BUSINESS CATEGORY : MANUFACTURING & TRADING
REVENUE : CNY 572,371,000 (AS OF DEC. 31, 2017)
EQUITIES : CNY 168,839,000 (AS OF DEC. 31, 2017)
WEBSITE : www.chinasunergy.com
E-MAIL : info@chinasunergy.com & sales@chinasunergy.com
PAYMENT : SLOW BUT CORRECT
MARKET CONDITION : COMPETITIVE
FINANCIAL CONDITION : FAIR
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

General Reputation:-

Excellent

Good

Fairly Good

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Ordinary	Average
Fair	Fair
Stagnant	Detrimental
Downward	Not known
Not known	Not yet be determined
Not yet be determined	

LEGAL STATUS & HISTORY

SC was established as a wholly foreign-owned enterprise of PRC with State Administration of Industry & Commerce (SAIC) under Unified Social Credit Code: 91320115762136692U.

SC's registered capital: USD 163,400,000

SC's paid-in capital: USD 163,400,000 (CNY 1,201,542,305.29)

Registration Change Record:-

Date	Change of Contents	Before the change	After the change
--	Registered No.	007228	320100400026231
2005-11-11	Company Name	Nanjing China Sunergy Technology Co., Ltd.	China Sunergy (Nanjing) Co., Ltd.
2006-5-10	Legal Form	Chinese-foreign Joint Enterprise	Wholly Foreign-owned Enterprise
2006-5-25	Registered Capital	USD 10,800,000	USD 60,800,000
2006-11-7	Registered Capital	USD 60,800,000	USD 68,800,000
2007-7-23	Registered Capital	USD 68,800,000	USD 88,800,000
2008-8-1	Registered Capital	USD 88,800,000	USD 118,600,000
--	Registered Capital	USD 118,600,000	USD 163,400,000
	Registration No./ Unified Social Credit Code	320100400026231	91320115762136692U

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

Name of Shareholder (s)	% of Shareholding
China Sunergy (HongKong) Co., Limited	100

SC's Chief Executives:-

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Position	Name
Legal Representative and Chairman Director	Lu Tingxiu Zhao Jianhua Guo Shiliang
Supervisor	Wang Xi'an

RECENT DEVELOPMENT

No recent development was found during our checks at present.

SHAREHOLDER CHART & BACKGROUND

Name	% of Shareholding
China Sunergy (HongKong) Co., Limited =====	100
CR No.: 1193225 Legal Form: Private Status: Live	

MANAGEMENT

Lu Tingxiu, Legal Representative and Chairman

Gender: M
Nationality: China
ID# 321124196105293532
Age: 57
Qualification: University
Working experience (s):

From 2004 to present, working in SC as legal representative and chairman
Also working as legal representative in CEEG (Shanghai) Solar Science & Technology Co., Ltd., CEEG Nanjing Renewable Energy Co., Ltd., China Electric Equipment Group Co., Ltd., etc

Director

Zhao Jianhua
Guo Shiliang

Supervisor

Wang Xi'an

BUSINESS OPERATION

SC's registered business scope includes precious metals processing and sales; R&D, manufacturing the silicon material, silicon rod, silicon ingot, silicon pellet, solar energy photovoltaic cell, photovoltaic module and related products; selling its products; R&D of solar photovoltaic power generation system and its supporting system, supplying installing and related technology service; wholesaling, import and export, commission agency about the related products (excluding auction, excluding domestic trade management goods, in accordance with the special permit) and technology import and export business.

SC is mainly engaged in manufacturing solar cells and solar panel.

SC's products mainly include: P type solar cells, module, Multi-crystalline silicon solar cells, Mono-crystalline silicon solar cells, and etc.

SC sources its materials 80% from domestic market, and 20% from overseas markets. SC sells 20% of its products in domestic market, and 80% to overseas market, mainly Europe and U.S.A., etc.

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.

Major Customer

Opsun Technologies Inc.

Staff & Office:

SC is known to have approx. 1,415 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 the following subsidiaries at present,

Nanjing Jinshuige New Energy Co., Ltd.

Hangzhou Xinneng Energy Technology Co., Ltd.

Nanjing Yudian Power Co., Ltd.

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Changyuan Yuanxing Agricultural Technology Co., Ltd.

China Sunergy (Nanjing) Power Science & Technology Co., Ltd

Etc.

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:

China Merchants Bank Jiangning Sub-branch

AC#: 078002380175610001

FINANCIALS

Balance Sheet

Unit: CNY'000	As of Dec. 31, 2016	As of Dec. 31, 2017
Cash	37,255	27,042
Notes receivable	10	200
Accounts receivable	866,105	631,164
Advances to suppliers	531,806	524,635
Other receivable	721,973	570,999
Inventory	57,855	70,509
Non-current assets within one year	0	0
Other current assets	0	0

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Current assets	2,215,004	1,824,549
Long-term investment	979,307	979,307
Fixed assets	603,362	554,584
Construction in progress	105,972	105,972
Intangible assets	17,398	15,065
Deferred income tax assets	321,359	378,459
Other non-current assets	0	0
Total assets	4,242,402	3,857,936
Short-term loans	925,422	1,206,957
Notes payable	900	0
Accounts payable	2,256,361	1,617,935
Wages payable	11,212	14,780
Taxes payable	-5,947	-233
Dividends payable	3,780	3,780
Advances from clients	199,172	155,273
Other payable	196,241	429,524
Other current liabilities	18,110	19,181
Current liabilities	3,605,251	3,447,197
Non-current liabilities	295,078	241,900
Total liabilities	3,900,329	3,689,097
Equities	342,073	168,839
Total liabilities & equities	4,242,402	3,857,936

Income Statement

Unit: CNY'000	As of Dec. 31, 2016	As of Dec. 31, 2017
Revenue	1,343,482	572,371
Cost of sales	1,398,130	639,456
Sales expense	15,395	7,341
Management expense	103,983	91,347
Finance expense	67,368	65,174
Non-operating income	2,573	3,977
Non-operating expense	57,499	3,364
Profit before tax	-296,323	-230,334
Less: profit tax	-67,591	-57,101
Profits	-228,732	-173,233

Important Ratios

	As of Dec. 31, 2016	As of Dec. 31, 2017
*Current ratio	0.61	0.53

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*Quick ratio	0.60	0.51
*Liabilities to assets	0.92	0.96
*Net profit margin (%)	-17.03	-30.27
*Return on total assets (%)	-5.39	-4.49
*Inventory / Revenue x365	16 days	45 days
*Accounts receivable/ Revenue x365	236 days	403 days
*Revenue/Total assets	0.32	0.15
*Cost of sales / Revenue	1.04	1.12

FINANCIAL COMMENTS

PROFITABILITY: FAIR

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

LIQUIDITY: FAIR

The current ratio of SC is maintained in a poor 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.
The short-term loans of SC appear large.
SC's revenue is in a fair 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 average.

Overall financial condition of the SC: Fair.

CONCLUSIONS

SC is considered medium-sized in its line with fair financial conditions.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.37
UK Pound	1	INR 95.29
Euro	1	INR 84.77
CNY	1	INR 10.62

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	TPT

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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)