

Qingdao Inter-Credit Services Pte Co., Ltd.

Room 2305 Parkson International Business Center 44-60, Qingdao, PR China 266001

TEL: 86 (0)532 82022907 82022177 FAX:86 (0)532 82022810 E-MAIL: service@inter-credit.net

Date of Report : June 28, 2010

Client's ref. :

Our ref. : 53238-244

CHINA SUNERGY (NANJING) CO., LTD.

中电电气(南京)光伏有限公司

NO. 123, FOCHENG WEST ROAD, JIANGNING ECONOMIC & TECHNICAL DEVELOPMENT ZONE, NANJING, JIANGSU PROVINCE, 211100 PR CHINA

江苏省南京市江宁经济技术开发区佛城西路 123 号

TEL: 86 (0) 25-52766887/52766684

FAX: 86 (0) 25-52766767

EXECUTIVE SUMMARY

INCORPORATION DATE : AUGUST 2, 2004
REGISTRATION NO. : 320100400026231
REGISTERED LEGAL FORM : WHOLLY FOREIGN-OWNED ENTERPRISE
CHIEF EXECUTIVE : MR. LU TINGXIU (CHAIRMAN)
STAFF STRENGTH : 1,800
REGISTERED CAPITAL : USD 118,600,000
BUSINESS LINE : MANUFACTURING
TURNOVER : CNY 2,314,731,000 (AS OF DEC. 31, 2008)
EQUITIES : CNY 854,729,000 (AS OF DEC. 31, 2008)
PAYMENT : AVERAGE
RECOMM. CREDIT RANGE : UP TO USD 3,000,000 (PERIODICAL REVIEW)
MARKET CONDITION : COMPETITIVE
FINANCIAL CONDITION : FAIRLY STABLE
OPERATIONAL TREND : FAIRLY STEADY
GENERAL REPUTATION : AVERAGE
EXCHANGE RATE : CNY 6.79480=USD 1 AS OF 2010-6-28

CREDIT RATING : CA3 (see below explanatory notes)

RATING KEY	CREDIT RISK ASSESSMENT		PROPOSED CREDIT LIMIT (in concerned business field)
CA1	Minimal	Credit can proceed with favorable terms	Large amount
CA2	Low	Credit can proceed promptly	Fairly large amount
CA3	Average	Credit can proceed normally	Moderate amount
CA4	Above average	Credit should proceed with monitor	Small amount – periodical review
CA5	Fairly High	Credit should be extended under guarantee	C.O.D. To small amount
CA6	High	Credit is not recommended	C.O.D.
NR	Assessment not conducted	Insufficient data available	No recommendation

This rating 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 and their relative weights (as indicated through %) in our credit analysis are as follows:

Financial condition (40%)

Ownership background (20%)

Payment record (10%)

Credit history (10%)

Market trend (10%)

Operational size (10%)

In case of unlimited companies, newly established companies, or lack of financial data, more weight is given to 'Ownership background' and 'Payment record' in our analysis.

Adopted abbreviations:

ANS - amount not stated

NS - not stated

SC - subject company (the company inquired by you)

NA - not available

CNY - China Yuan Ren Min Bi

NOTICE: Inter-Credit does not warrant the accuracy or completeness of this report or any of the information contained herein. Inter-Credit is not liable for any loss, damage or injury caused by negligence or other act or failure of Inter-Credit in procuring, collecting, preparing or communicating any such information. Reliance on any information contained herein shall be solely at the user's risks and shall constitute a waiver of any claim against and a release of Inter-Credit from any liability whatsoever. This report is furnished in strict confidence for your exclusive use for legitimate business purposes and for no other purpose. This report must not be communicated to the person or firm reported on or to any other party. In accepting this report you hereby agree to be responsible for and to indemnify Inter-Credit against any and all damages and loss arising from the report and/or breach of any of the above conditions. Any reproduction, replication or other use of this report without the expressed written consent of Inter-Credit is prohibited.

HISTORY

SC was registered as a Chinese-foreign equity joint venture enterprise at local Administration for Industry & Commerce (AIC-The official body of issuing and renewing business license) on August 2, 2004, and has been under present legal form since 2006.

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.

SC's registered business scope includes developing and manufacturing crystalline silicon solar cells; developing solar cells module, solar photovoltaic system and related system, providing construction, installation and related technological services, selling self-made products; importing and exporting goods and technology. (该公司的法定经营范围包括：晶体硅太阳能电池及其相关产品的研发、生产；太阳能电池组件、太阳能光伏发电系统及其配套系统的研发，提供施工安装及相关技术服务，销售自产产品；从事货物进出口及技术进出口业务。)

SC is mainly engaged in manufacturing solar cells and solar panel. (该公司目前主要从事太阳能电池片、电池板的生产业务。)

Mr. Lu Tingxiu (陆廷秀) has been the legal representative and chairman of SC since 2004.

SC is known to have approx. 1,800 employees at present.

SC is currently operating at the above stated address, and this address houses its operating office and factory in the economic & technical development zone of Nanjing. Detailed information of the premise is unknown.

WEB SITE

www.chinasunergy.com The design is professional and the content is well organized. At present it is in Chinese, English and Germany versions.

Email: info@chinasunergy.com

KEY EVENTS/RECENT DEVELOPMENT

Changes of its registered information:

Date of change	Item	Before the change	After the change
Unknown	Registered No.	007228	320100400026231
2004-12-2	Shareholders and % of Shareholdings	China Electric Equipment Group Co., Ltd.中电电气集团有限公司 51% Zhao Jianhua (Australian) 赵建华 (澳大利亚人) 49%	China Electric Equipment Group Co., Ltd.中电电气集团有限公司 51% Yang Huanjin (Australian) 杨怀进 (澳大利亚人) 14% Zhang Fengming (Australian) 张凤鸣 (澳大利亚人) 10% Wang Aihua (Australian) 王爱华 (澳大利亚人) 10% Zhao Jianhua (Australian) 赵建华 (澳大利亚人) 10% Ted Szpitalak (Australian) 5%
2005-11-11	Company Name	Nanjing China Sunergy Technology Co., Ltd. (Literal Translation) 南京中电光伏科技有限公司	China Sunergy (Nanjing) Co., Ltd. 中电电气 (南京) 光伏有限公司

CHINA SUNERGY (NANJING) CO., LTD.

2006-3-24	Shareholders and % of Shareholdings	China Electric Equipment Group Co., Ltd. 中电电气集团有限公司 51% Yang Huanjin (Australian) 杨怀进 (澳大利亚人) 14% Zhang Fengming (Australian) 张凤鸣 (澳大利亚人) 10% Wang Aihua (Australian) 王爱华 (澳大利亚人) 10% Zhao Jianhua (Australian) 赵建华 (澳大利亚人) 10% Ted Szpitalak (Australian) 5%	Nanjing Xinde Asset Management Co., Ltd. 南京新德资产管理有限公司 56% Zhang Fengming (Australian) 张凤鸣 (澳大利亚人) 24% Wang Aihua (Australian) 王爱华 (澳大利亚人) 5% Zhao Jianhua (Australian) 赵建华 (澳大利亚人) 15%
2006-5-10	Registered Legal Form	Chinese-foreign Equity Joint Venture Enterprise	Wholly Foreign-owned Enterprise
	Shareholders and % of Shareholdings	Nanjing Xinde Asset Management Co., Ltd. 南京新德资产管理有限公司 56% Zhang Fengming (Australian) 张凤鸣 (澳大利亚人) 24% Wang Aihua (Australian) 王爱华 (澳大利亚人) 5% Zhao Jianhua (Australian) 赵建华 (澳大利亚人) 15%	China Sunergy Co., Ltd. (B.V.I.) 100%
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
Unknown	Shareholders and % of Shareholdings	China Sunergy Co., Ltd. (B.V.I.) 100%	China Sunergy (HongKong) Co., Limited 100%

***To what extent is your company affected by the current Credit Crisis?**

SC's management refused to answer this question.

OWNERSHIP/MANAGEMENT

MAIN SHAREHOLDERS:

Name	% of shareholdings
China Sunergy (HongKong) Co., Limited	100

Registration No. : 1193225
Establishment Date: December 7, 2007
Legal Form: Private

MANAGEMENT

● *Legal Representative and Chairman:*



Mr. Lu Tingxiu (陆廷秀) ID# 321124196105293532, born in 1961, he is currently responsible for the overall management of SC.

Working Experience(s):

From 2004 to present Working in SC as legal representative and chairman.

Since 2003, Mr. Lu has served as the chairman of the board of directors of China Electric Equipment Group Co., Ltd., or CEEG, a Chinese company that mainly manufactures power transformer. He has been chairman and general manager of Jiangsu CEEG Transformer Manufacturing Co., Ltd. since 2002, and has been a member of the supervisory board of Jiangsu CEEG Electrical Transmission and Distribution Equipment Co., Ltd. From 1991 to 2003, Mr. Lu was the general manager of Jiangsu CEEG Electrical Equipment Manufacturing Co., Ltd, the predecessor of CEEG. Mr. Lu was awarded the China Excellent Entrepreneur award by the China Entrepreneur Confederation in 2005. He was also named as a 2005 Top Ten Distinguished Youth

Entrepreneur of Jiangsu Province in 2005 by Jiangsu Province Development and Reform Commission and other government bodies. Mr. Lu graduated from an executive business management program at Tsinghua University in 2006.

● **Director and General Manager:**

Mr. Allen Rueensheng Wang, Passport No. 710043526, with university education, he is currently responsible for the daily management of SC.

Working Experience(s):

At present Working in SC as director and general manager.

● **Supervisor:**

Wang Xi'an ID# 320802196308061570

王锡安

● **Directors:**

Zhao Jianhua, Passport No. L5162256

赵建华

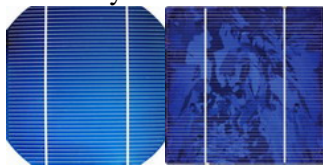
Guo Shiliang, ID# 32112419630716005X

郭世亮

BUSINESS OPERATIONS

SC is mainly engaged in manufacturing solar cells and solar panel. (该公司目前主要从事太阳能电池片、电池板的生产业务。)

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 USA.

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

*Major Client:

=====

Nanjing China Electric International Trading Co., Ltd.

南京中电电气国际贸易有限公司

RELATED COMPANIES

According to the above website:

CEEG (Nanjing) Renewable Energy Co., Ltd.

中电电气 (南京) 新能源有限公司

Add: No.6, Shuige Road, Jiangning, Nanjing 211100, China

Tel: +86-25-52766918

CEEG (Shanghai) Solar Science & Technology Co., Ltd.

中电电气 (上海) 太阳能科技有限公司

Add: 3G, Hongqiao Business Center, No. 2272 Hongqiao Rd., Shanghai 200336, China

Tel: +86-21-62376999

China Sunergy USA Office

中电光伏美国分公司

Add: Unit A17011 Green Drive, City of Industry, CA 91745

Tel: +1-625-569-5760/5754

Fax: +1-625-956-0865

Email: usa@chinasunergy.com

NOTICE: Inter-Credit does not warrant the accuracy or completeness of this report or any of the information contained herein. Inter-Credit is not liable for any loss, damage or injury caused by negligence or other act or failure of Inter-Credit in procuring, collecting, preparing or communicating any such information. Reliance on any information contained herein shall be solely at the user's risks and shall constitute a waiver of any claim against and a release of Inter-Credit from any liability whatsoever. This report is furnished in strict confidence for your exclusive use for legitimate business purposes and for no other purpose. This report must not be communicated to the person or firm reported on or to any other party. In accepting this report you hereby agree to be responsible for and to indemnify Inter-Credit against any and all damages and loss arising from the report and/or breach of any of the above conditions. Any reproduction, replication or other use of this report without the expressed written consent of Inter-Credit is prohibited.

China Sunergy Europe GmbH

中电光伏欧洲分公司

Add: SonnenstraBe 2, Munich, Germany, 80331

Tel: +49-89-54324970

Fax: +49-89-53297816

Email: europa@chinasunergy.com

PAYMENT

Overall payment appraisal:

Excellent Good 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 refused to release any information of its domestic suppliers and the trade reference was not available.

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

Inter-Credit does not warrant the accuracy or completeness of this report or any of the information contained herein. Inter-Credit is not liable for any loss, damage or injury caused by negligence or other act or failure of Inter-Credit in procuring, collecting, preparing or communicating any such information. Reliance on any information contained herein shall be solely at the user's risks and shall constitute a waiver of any claim against and a release of Inter-Credit from any liability whatsoever. This report is furnished in strict confidence for your exclusive use for legitimate business purposes and for no other purpose. This report must not be communicated to the person or firm reported on or to any other party. In accepting this report you hereby agree to be responsible for and to indemnify Inter-Credit against any and all damages and loss arising from the report and/or breach of any of the above conditions. Any reproduction, replication or other use of this report without the expressed written consent of Inter-Credit is prohibited.

SC's banking information is not available at local AIC.

FINANCIAL HIGHLIGHTS

Balance Sheet

Unit: CNY'000

	As of Dec. 31, 2007	As of Dec. 31, 2008
Cash & bank	426,487	865,444
Notes receivable	0	0
Inventory	385,236	398,205
Accounts receivable	206,646	119,518
Advances to suppliers	591,055	127,779
Prepaid expenses	1,632	771
Other accounts receivable	46,703	45,304
Other current assets	0	0
	-----	-----
Current assets	1,657,759	1,557,021
Fixed assets net value	321,270	455,070
Liquidation of fixed assets	68	2,507
Project under construction	72,916	253,051
Long term investment	704	0
Intangible and other assets	35,461	42,954

NOTICE: Inter-Credit does not warrant the accuracy or completeness of this report or any of the information contained herein. Inter-Credit is not liable for any loss, damage or injury caused by negligence or other act or failure of Inter-Credit in procuring, collecting, preparing or communicating any such information. Reliance on any information contained herein shall be solely at the user's risks and shall constitute a waiver of any claim against and a release of Inter-Credit from any liability whatsoever. This report is furnished in strict confidence for your exclusive use for legitimate business purposes and for no other purpose. This report must not be communicated to the person or firm reported on or to any other party. In accepting this report you hereby agree to be responsible for and to indemnify Inter-Credit against any and all damages and loss arising from the report and/or breach of any of the above conditions. Any reproduction, replication or other use of this report without the expressed written consent of Inter-Credit is prohibited.

CHINA SUNERGY (NANJING) CO., LTD.

	3,991	17,432
	-----	-----
Total assets	2,092,169	2,328,035
	=====	=====
Short loans	890,000	1,006,730
Notes payable	0	100,000
Accounts payable	54,473	201,484
Advances from clients	12,486	4,840
Accrued payroll	9,696	7,079
Taxes payable	-70,577	-41,964
Dividends payable	115,614	115,614
Accrued expense	5,350	13,556
Estimated Liabilities	1,529	2,485
Other accounts payable	342,399	47,742
Other current liabilities	0	15,740
	-----	-----
Current liabilities	1,360,970	1,473,306
Long-term liabilities	0	0
	-----	-----
Total liabilities	1,360,970	1,473,306
Equities	731,199	854,729
	-----	-----
Total liabilities & equities	2,092,169	2,328,035
	=====	=====

Income Statement

Unit: CNY'000

	As of Dec. 31, 2007	As of Dec. 31, 2008
Turnover	1,657,860	2,314,731
Cost of goods sold	1,526,307	2,121,999
Sales expense	11,308	18,092
Management expense	123,648	179,609
Finance expense	53,492	65,351
Income from other operations	20,994	3,259
Investment income	0	-1,889
Subsidy income	0	678
Non-operating income	12,786	1,843
Non-operating expense	1,689	26,471
Profit before tax	-24,804	-92,900
Less: profit tax	-3,991	-12,059
Profits	-20,813	-80,841

Note: SC has not lodged the latest annual returns in the local registry, hence no up-to-date detailed financial information could be provided.

Important Ratios

NOTICE: Inter-Credit does not warrant the accuracy or completeness of this report or any of the information contained herein. Inter-Credit is not liable for any loss, damage or injury caused by negligence or other act or failure of Inter-Credit in procuring, collecting, preparing or communicating any such information. Reliance on any information contained herein shall be solely at the user's risks and shall constitute a waiver of any claim against and a release of Inter-Credit from any liability whatsoever. This report is furnished in strict confidence for your exclusive use for legitimate business purposes and for no other purpose. This report must not be communicated to the person or firm reported on or to any other party. In accepting this report you hereby agree to be responsible for and to indemnify Inter-Credit against any and all damages and loss arising from the report and/or breach of any of the above conditions. Any reproduction, replication or other use of this report without the expressed written consent of Inter-Credit is prohibited.

	As of Dec. 31, 2007	As of Dec. 31, 2008
*Current ratio	1.22	1.06
*Quick ratio	0.94	0.79
*Liabilities to assets	0.65	0.63
*Net profit margin (%)	-1.26	-3.49
*Return on total assets (%)	-0.99	-3.47
*Inventory /Turnover ×365	85 days	63 days
*Accounts receivable/Turnover ×365	46 days	19 days
*Turnover/Total assets	0.79	0.99
* Cost of goods sold/Turnover	0.92	0.92

FINANCIAL COMMENTS

PROFITABILITY: FAIR

- The turnover of SC appears good in its line in 2007, and it increased in 2008.
- SC's net profit margin appears fair in both 2 years.
- SC's return on total assets appears fair in both 2 years.
- SC's cost of goods sold is fairly high in both 2 years, comparing with its turnover.

LIQUIDITY: AVERAGE

- The current ratio of SC is maintained in a normal level in both 2 years.
- SC's quick ratio is maintained in a normal level in 2007, but fair in 2008
- The inventory of SC appears average in both 2 years.
- The accounts receivable of SC appears average in both 2 years.
- The short-term loan of SC appears LARGE in both 2 years.
- SC's turnover is in a fair level in both 2 years, comparing with the size of its total assets.

LEVERAGE: AVERAGE

- The debt ratio of SC is average in both 2 years.
- The risk for SC to go bankrupt is average.

Overall financial condition of the SC: Fairly stable

REMARKS

NOTICE: Inter-Credit does not warrant the accuracy or completeness of this report or any of the information contained herein. Inter-Credit is not liable for any loss, damage or injury caused by negligence or other act or failure of Inter-Credit in procuring, collecting, preparing or communicating any such information. Reliance on any information contained herein shall be solely at the user's risks and shall constitute a waiver of any claim against and a release of Inter-Credit from any liability whatsoever. This report is furnished in strict confidence for your exclusive use for legitimate business purposes and for no other purpose. This report must not be communicated to the person or firm reported on or to any other party. In accepting this report you hereby agree to be responsible for and to indemnify Inter-Credit against any and all damages and loss arising from the report and/or breach of any of the above conditions. Any reproduction, replication or other use of this report without the expressed written consent of Inter-Credit is prohibited.

SC is considered large-sized in its line with fairly stable financial conditions. The large amount of short loans could be a threat to SC's financial condition. A credit line up to USD 3,000,000 appears to be within SC's capacities upon a periodical review basis.

END OF THIS REPORT