

ReneSola Ltd
Form 20-F
March 08, 2011
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934
OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2010.

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Date of event requiring this shell company report

Commission file number: 001-33911

RENESOLA LTD

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

British Virgin Islands

(Jurisdiction of incorporation or organization)

No. 8 Baoqun Road

Yaozhuang Town

Jiashan County

Zhejiang Province 314117

People's Republic of China

(Address of principal executive offices)

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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

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Title of each class American Depositary Shares, each representing	Name of each exchange on which registered New York Stock Exchange
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two shares, no par value per share

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

(Title of Class)

Indicate the number of outstanding shares of each of the Issuer's classes of capital or common stock as of the close of the period covered by the annual report.
174,596,912 shares, no par value per share, as of December 31, 2010.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

Table of Contents

TABLE OF CONTENTS

<u>INTRODUCTION</u>	1
<u>PART I</u>	3
ITEM 1. <u>IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS</u>	3
ITEM 2. <u>OFFER STATISTICS AND EXPECTED TIMETABLE</u>	3
ITEM 3. <u>KEY INFORMATION</u>	3
ITEM 4. <u>INFORMATION ON THE COMPANY</u>	29
ITEM 4A. <u>UNRESOLVED STAFF COMMENTS</u>	50
ITEM 5. <u>OPERATING AND FINANCIAL REVIEW AND PROSPECTS</u>	50
ITEM 6. <u>DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES</u>	78
ITEM 7. <u>MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS</u>	88
ITEM 8. <u>FINANCIAL INFORMATION</u>	89
ITEM 9. <u>THE OFFER AND LISTING</u>	90
ITEM 10. <u>ADDITIONAL INFORMATION</u>	91
ITEM 11. <u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	101
ITEM 12. <u>DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES</u>	102
<u>PART II</u>	104
ITEM 13. <u>DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES</u>	104
ITEM 14. <u>MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS</u>	104
ITEM 15. <u>CONTROLS AND PROCEDURES</u>	105
ITEM 16A. <u>AUDIT COMMITTEE FINANCIAL EXPERT</u>	105
ITEM 16B. <u>CODE OF ETHICS</u>	105
ITEM 16C. <u>PRINCIPAL ACCOUNTANT FEES AND SERVICES</u>	106
ITEM 16D. <u>EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES</u>	106
ITEM 16E. <u>PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS</u>	106
ITEM 16F. <u>CHANGE IN REGISTRANT S CERTIFYING ACCOUNTANT</u>	106
ITEM 16G. <u>CORPORATE GOVERNANCE</u>	106
<u>PART III</u>	108
ITEM 17. <u>FINANCIAL STATEMENTS</u>	108
ITEM 18. <u>FINANCIAL STATEMENTS</u>	108
ITEM 19. <u>EXHIBITS</u>	108
<u>SIGNATURES</u>	

Table of Contents

INTRODUCTION

Unless otherwise indicated and except where the context otherwise requires, references in this annual report on Form 20-F to:

we, us, our company, our or ReneSola refer to ReneSola Ltd, a British Virgin Islands company, its predecessor entities and its subsidiaries, and in the context of describing our financial results prior to June 2008, also includes Linzhou Zhongsheng Semiconductor Silicon Material Co., Ltd., or Linzhou Zhongsheng Semiconductor, a then variable interest entity of our company;

China or PRC refers to the People's Republic of China, excluding, for the purpose of this annual report on Form 20-F only, Taiwan, and the special administrative regions of Hong Kong and Macau;

all references to RMB or Renminbi refer to the legal currency of China; all references to \$, dollars and U.S. dollars refer to the legal currency of the United States; all references to £ and pounds sterling refer to the legal currency of the United Kingdom; all references to euro refer to the official currency of the European Union and the currency that is used in certain of its member states;

ADSs refers to our American depository shares, each of which represents two shares, and ADRs refers to the American depository receipts that evidence our ADSs; and

shares refers to our shares with no par value.

All discrepancies in any table between the amounts identified as total amounts and the sum of the amounts listed therein are due to rounding.

Consistent with industry practice, we measure our solar wafer manufacturing capacity and production output in watts, or W, or mega watts, or MW, representing 1,000,000 W, of power-generating capacity. We believe MW is a more appropriate unit to measure our manufacturing capacity and production output compared to pieces of wafers, as our solar wafers differ in size, thickness, power output and conversion efficiency. We manufacture both monocrystalline and multicrystalline wafers, and solar cells using these two types of wafers have different conversion efficiencies.

For disclosure of operating data as of and prior to December 31, 2009, we have assumed an average conversion efficiency rate of 16.0% and 15.0% for solar cells using our monocrystalline wafers and multicrystalline wafers, respectively. Based on this conversion efficiency, for wafers produced on or prior to December 31, 2009, we assume that (i) each 125 millimeters, or mm, by 125 mm monocrystalline wafer can generate approximately 2.4 W of power, (ii) each 156 mm by 156 mm monocrystalline wafer can generate approximately 3.9 W of power and (iii) each 156 mm by 156 mm multicrystalline wafer can generate approximately 3.7 W of power.

For disclosure of operating data as of and after January 1, 2010, we have assumed an average conversion efficiency rate of 17.4% and 16.0% for solar cells using our monocrystalline wafers and multicrystalline wafers, respectively. Based on this conversion efficiency, for wafers produced on or after January 1, 2010, we assume that (i) each 125 mm by 125 mm monocrystalline wafer can generate approximately 2.6 W of power, (ii) each 156 mm by 156 mm monocrystalline wafer can generate approximately 4.2 W of power and (iii) each 156 mm by 156 mm multicrystalline wafer can generate approximately 3.9 W of power. Assumption of power generation from each wafer may change in the future. We also measure our ingot manufacturing capacity and production output in MW according to the solar wafers in MW that our current manufacturing processes generally yield.

This annual report on Form 20-F includes our audited consolidated balance sheets for the years ended December 31, 2008 and 2009 and our audited consolidated income statements, consolidated statements of changes in equity and comprehensive income (loss) and consolidated cash flows for each of the three years in the period ended December 31, 2010.

Table of Contents

This annual report contains translations of certain Renminbi amounts into U.S. dollars at the rate of RMB6.6000 to \$1.00, the noon buying rate in effect on December 30, 2010 in New York City for cable transfers of Renminbi as certified for customs purposes by the Federal Reserve Bank of New York. We make no representation that the Renminbi or dollar amounts referred to in this annual report on Form 20-F could have been or could be converted into dollars or Renminbi, as the case may be, at any particular rate or at all. See Item 3. Key Information D. Risk Factors Risk Related to Doing Business in China Fluctuations in exchange rates may have a material adverse effect on your investment. On March 4, 2011, the noon buying rate was RMB6.5670 to US\$1.00.

We and certain selling shareholders of our company completed an initial public offering of 10,000,000 ADSs on January 29, 2008 and listed our ADSs on the New York Stock Exchange, or the NYSE, under the symbol SOL. On June 23, 2008, we completed a follow-on public offering of 10,350,000 ADSs sold by us and certain selling shareholders. In 2009, we repurchased RMB713.9 million (\$104.6 million) aggregate principal amount of our RMB928,700,000 U.S. dollar Settled 1.0% Convertible Bonds due March 26, 2012 using a combination of \$84.1 million in cash and the issuance of 4,000,000 shares. On October 5, 2009, we completed a follow-on public offering of 15,500,000 ADSs sold by us. In August 2006, we placed 33,333,333 shares on the Alternative Investment Market of the London Stock Exchange, or the AIM. In November 2010, with the approval of our board of directors, our shares ceased to trade on the AIM, and our admission to trading on the AIM was cancelled.

Table of Contents**PART I****ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS**

Not Applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not Applicable.

ITEM 3. KEY INFORMATIONA. Selected Financial Data**Our Selected Consolidated Financial Data**

The following selected consolidated statements of income data for the years ended December 31, 2008, 2009 and 2010 and the selected consolidated balance sheet data as of December 31, 2008, 2009 and 2010 are derived from our audited consolidated financial statements included elsewhere in this annual report. The selected consolidated statements of income data for the years ended December 31, 2006 and 2007 and the consolidated balance sheet data as of December 31, 2006 and 2007 are derived from our audited consolidated financial statements, which are not included in this annual report. The selected consolidated condensed financial data should be read in conjunction with, and are qualified in their entirety by reference to, our audited consolidated financial statements and related notes and Item 5. Operating and Financial Review and Prospects included elsewhere in this annual report. Our consolidated financial statements are prepared and presented in accordance with U.S. GAAP, and reflect our current corporate structure as if it has been in existence throughout the relevant periods. The historical results are not necessarily indicative of results to be expected in any future period.

	2006	For the Year Ended December 31,			2010
		2007	2008	2009	
		(in thousands, except percentage, share and per share data)			
Consolidated Statement of Income Data					
Net revenues	\$ 84,371	\$ 248,973	\$ 670,366	\$ 510,405	\$ 1,205,579
Cost of revenues	(59,646)	(195,477)	(684,676)	(553,607)	(857,615)
Gross profit (loss)	24,725	53,496	(14,310)	(43,202)	347,964
Operating expenses:					
Sales and marketing expenses	(335)	(584)	(620)	(5,399)	(8,360)
General and administrative expenses	(2,285)	(8,754)	(23,194)	(29,084)	(43,314)
Research and development expenses	(39)	(1,143)	(9,714)	(14,507)	(36,263)
Impairment loss on property, plant and equipment			(763)		
Other operating (expenses) income	169	418	84	1,633	(14,083)
Total operating expenses	(2,490)	(10,063)	(34,207)	(47,356)	(102,020)
Income (loss) from operations	22,235	43,433	(48,516)	(90,558)	245,944
Non-operating income (expenses):					
Interest income	312	1,934	1,783	1,716	1,835
Interest expense	(331)	(4,512)	(11,869)	(17,122)	(23,246)

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Foreign exchange (loss) gain	364	(4,047)	(3,097)	(1,433)	(1,814)
Gain on repurchase of convertible bonds				7,995	6
Fair value change on derivative					9,428

3

Table of Contents

	For the Year Ended December 31,				
	2006	2007	2008	2009	2010
	(in thousands, except percentage, share and per share data)				
Investment income (loss)					(3,160)
Other-than-temporary impairment loss on available-for-sale investment				(13,367)	
Total non-operating income (expenses)	345	(6,625)	(13,183)	(22,211)	(16,950)
Income (loss) before income tax, noncontrolling interests and equity in earnings (loss) of investee	22,580	36,808	(61,700)	(112,770)	228,994
Income tax benefit (expenses)	2,721	6,155	2,420	41,156	(59,998)
Equity in earnings (loss) of investee, net of tax			5,175	(291)	
Net income (loss)	25,301	42,963	(54,104)	(71,904)	168,996
Net loss attributable to noncontrolling interests		(27)	(802)		
Net income (loss) attributable to holders of common shares	\$ 25,301	\$ 42,936	\$ (54,906)	\$ (71,904)	\$ 168,996
Earnings (loss) per share ⁽¹⁾ :					
Basic	\$ 0.32	\$ 0.43	\$ (0.43)	\$ (0.49)	\$ 0.98
Diluted	\$ 0.32	\$ 0.43	\$ (0.43)	\$ (0.49)	\$ 0.97
Earnings (loss) per ADS:					
Basic	\$ 0.63	\$ 0.86	\$ (0.86)	\$ (0.98)	\$ 1.96