ReneSola Ltd
Form 20-F
April 30, 2018

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

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2017.

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)

7/F, Block B, Future Land Holdings Tower
No. 5, Lane 388, Zhongjiang Road

Putuo District, Shanghai 200062

(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:

Title of each class	Name of each exchange on which registered
American Depositary Shares, each representing 10 shares, no par value per share	**New York Stock Exchange**

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.

381,027,002 shares, no par value per share, as of December 31, 2017, among which 348,100 shares represented by 34,810 ADSs were held by the depositary for the ADSs for future exercise or vest of our awards under our 2007 share incentive plan.

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

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 x

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 x 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 x No ¨

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

Large accelerated filer ¨ Accelerated filer ¨ Non-accelerated filer x
Emerging growth company ¨

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards † provided pursuant to Section 13(a) of the Exchange Act. ¨

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

U.S. GAAP x 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 x

(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 ¨

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

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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" refers to ReneSola Ltd, a British Virgin Islands company, its predecessor entities and its subsidiaries;
- "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;
- "RMB" or "Renminbi" refers to the legal currency of China; all references to "$," "dollars" and "U.S. dollars" refer to the lega currency of the United States;
- "ADSs" refers to our American depositary shares, each of which represents 10 shares, and "ADRs" refers to the American depositary receipts that evidence our ADSs;
- "shares" refers to shares of ReneSola Ltd with no par value;
- "DG projects" refers to distributed generation solar power projects, including ground-mounted distributed generation projects and rooftop distributed generation projects;
- "FIT" refers to feed-in tariff(s), the government guaranteed and subsidized electricity sale price at which solar power projects can sell to the national power grids, which is set by the central government;
- "ground-mounted projects" refers to solar power projects built on the ground, consisting of ground-mounted DG projects and utility-scale projects;
- "ground-mounted DG projects" refers to small-scale ground-mounted projects with lower grid connection voltage grade and with a substantial portion of the electricity generated to be consumed within the substation area of the grid connection points;
- "rooftop DG projects" refers to distributed generation solar power projects built on roof tops; and

- "utility-scale projects" refers to ground-mounted projects that are not ground-mounted DG projects.

In September 2017, we completed a non-cash restructuring following which, among other things, substantially all of the assets and liabilities related to our manufacturing businesses, including polysilicon, solar wafer, solar cell and solar module manufacturing, as well as the LED distribution business were transferred into ReneSola Singapore Pte. Ltd. Upon the closing of this restructuring, all the issued shares of ReneSola Singapore Pte. Ltd were transferred to our chairman and chief executive officer. As a result, we have transformed into a solar project developer and operator, a pure downstream player with robust pipeline projects around the world. As of the date of this annual report, our business includes the development and sale of solar power projects as a developer and the sale of electricity generated by the solar power projects operated by us as a power producer, or IPP. As of December 31, 2017, our debt-to-asset ratio, which is total liabilities divided by total assets, was improved and decreased to 73.0% from 93.9% as of December 31, 2016.

On February 10, 2017, we executed a ratio change for our ADR program. As a result, effective from February 10, 2017, the number of our shares represented by each ADS has been changed from two shares to 10 shares, or the ADS Ratio Change. For our ADS holders, this ADS Ratio Change had the same effect as a one-for-five reverse split. No new shares were issued in connection with the ADS Ratio Change. The ADS Ratio Change affected all ADS holders uniformly and did not reduce any ADS holder's percentage ownership interest in us, except for minor adjustments that may result from the treatment of fractional ADSs. Proportionate voting rights and other rights and preferences of the ADS holders were not reduced by the ADS Ratio Change, subject to the treatment of fractional ADSs. Unless we indicate otherwise, all ADS and per ADS data in this annual report have been retrospectively adjusted to give effect to the ADS Ratio Change.

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

This annual report on Form 20-F includes our audited consolidated balance sheets as of December 31, 2016 and 2017 and our audited consolidated statements of operations, comprehensive income (loss), changes in equity and cash flows for each of the three years in the period ended December 31, 2015, 2016 and 2017.

This annual report contains translations of certain Renminbi amounts into U.S. dollars at the rate of RMB6.5063 to $1.00, the noon buying rate in effect on December 31, 2017 as set forth in the H.10 Statistical Release of the Federal Reserve Board. 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—Risks Related to Doing Business in China—Fluctuations in exchange rates may have a material adverse effect on your investment.” On April 20, 2018, the noon buying rate was RMB6.29 to $1.00.

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 INFORMATION

A. Selected Financial Data

Our Selected Consolidated Financial Data

In September 2017, we completed a non-cash restructuring to dispose of substantially all of the assets and liabilities related to our manufacturing businesses, including polysilicon, solar wafer, solar cell and solar module manufacturing, as well as the LED distribution business. See “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Transaction with our Chief Executive Officer and ReneSola Singapore Pte. Ltd.” for details.

The following table presents the selected consolidated financial information of our company. The selected consolidated statement of operations data for the years ended December 31, 2015, 2016 and 2017 and the selected consolidated balance sheet data as of December 31, 2016 and 2017 are derived from our audited consolidated financial statements included elsewhere in this annual report. The selected consolidated statement of operations data for the years ended December 31, 2013 and 2014 and the consolidated balance sheets data as of December 31, 2013, 2014 and 2015 have been revised from our previously audited consolidated financial statements, which are not included in this annual report on Form 20-F to give effect to those changes. The selected consolidated 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. generally accepted accounting principles, or U.S. GAAP. The historical results are not necessarily indicative of results to be expected in any future period.

	For the Year Ended December 31,				
	2013	2014	2015	2016	2017
Consolidated Statement of Operations Data					
Continuing operations:					
Net revenues	$0	$7,581,339	$116,330,936	$80,504,734	$102,973,999
Income (loss) from operations	(2,240,190)	1,635,413	16,318,426	2,348,663	6,555,610
Income (loss) from continuing operations, net of tax	(1,331,332)	10,474,640	20,213,270	94,482	3,199,831
Income (loss) from discontinued operations, net of tax(1)	(257,584,206)	(44,104,661)	(25,288,392)	(34,792,733)	31,257,707
Income (loss) per share from continuing operations					
Basic	(0.01)	0.05	0.10	0.00	0.01
Diluted	(0.01)	0.05	0.10	0.00	0.01
Income (loss) per share from discontinued operations					
Basic	(1.41)	(0.22)	(0.12)	(0.17)	0.13
Diluted	(1.41)	(0.22)	(0.12)	(0.17)	0.13
Weighted average number of shares used in computing earnings per share:					
Basic	182,167,908	203,550,049	204,085,041	202,229,767	246,899,286
Diluted	182,167,908	204,045,254	204,222,541	202,403,904	246,905,289

(1) Discontinued operations relate to our manufacturing businesses, including polysilicon, solar wafer, solar cell and solar module manufacturing, as well as the LED distribution business, which were disposed of in the third quarter of 2017, the transaction of which was completed on September 29, 2017.

	As of December 31,				
	2013	2014	2015	2016	2017
Consolidated Balance Sheet Data					
Cash and cash equivalents	$3,978,198	$4,690,077	$14,581,590	$3,964,896	$13,429,301
Total assets	2,139,750,677	1,669,007,526	1,346,319,585	1,088,405,688	335,698,792
Total liabilities	1,970,734,133	1,533,851,207	1,234,385,673	1,022,259,908	245,216,322
Total equity	169,016,544	135,156,319	111,933,912	66,145,780	90,482,470
Common share capital	-	-	-	-	-
Number of common share issued	204,346,064	204,846,064	203,331,288	202,478,702	382,027,002

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Risks Related to Our Business

Our financial leverage may hamper our ability to expand and may materially affect our results of operations. Our borrowing levels and the tightening of credit generally in the industry in the PRC may adversely impact our ability to obtain new financing.

We have relied on working capital, short-term and long-term financing, including development loan financings, construction loan financings and project financings, and capital market financings to fund our capital requirements and expect to continue to do so in the future. These financings, which consist of short-term borrowings, long-term borrowings and other long-term liabilities, are primarily from financial institutions and fund investors globally, as well as financing lease companies in China. As of December 31, 2017, we had short-term borrowings of $6.6 million, long-term borrowings of $32.5 million, other long-term liabilities of $67.5 million and a debt-to-asset ratio of 73.0%.

Although we had a working capital of $24.9 million as of December 31, 2017, the amount of our borrowings and financing liabilities could constrain our operational flexibility, including requiring a substantial portion of our cash flows to be set aside to service our debt obligations, increasing our exposure to interest rate fluctuations and limiting our ability to obtain additional financing. Furthermore, government may pass measures to tighten credit. All of the above may impair our ability to obtain financing on favorable terms, or at all. In addition, we may not be able to raise necessary funding on favorable terms, or at all, to refinance our debt obligations. If our cash flows and capital resources are insufficient to service our debt obligations, our business, prospects and financial conditions may be materially and adversely affected. If we fail to obtain additional sources of financing, we may not be able to continue to fund our operations or business.

We intend to obtain additional debt obligations to finance our operations and future expansion. To the extent we are successful in obtaining additional financing, we will allocate an increasing portion of our cash flows to service our debt obligations. This could impair our ability to make necessary capital expenditures, develop business opportunities or make strategic acquisitions. Our business may not generate sufficient cash flows from operations in the future to service our debt and make necessary capital expenditures, in which case we may seek additional financing, dispose of certain assets or seek to refinance some or all of our debt. In addition, these alternatives may not be implemented on satisfactory terms, if at all. In the event that we are unable to meet our debt obligations when they become due or if our creditors take legal action against us for repayment upon any default, we may have to liquidate our long-term assets to repay our creditors. This would materially and adversely affect our operations and prevent us from successfully implementing our business strategy. In addition, we may have difficulty converting our long-term assets into current assets in such a situation and may suffer losses from the sale of our long-term assets and may not be able to continue our business.

Our success depends on the success of our restructuring.

In September 2017, we entered into a share purchase and subscription agreement with ReneSola Singapore Pte. Ltd., a former subsidiary, and Mr. Xianshou Li, our chairman and chief executive officer. Pursuant to the agreement, we effected a non-cash restructuring following which, among other things, substantially all of the assets and liabilities related to our manufacturing businesses, including polysilicon, solar wafer, solar cell and solar module manufacturing, as well as the LED distribution business were transferred into ReneSola Singapore Pte. Ltd. Upon the closing of this restructuring, all the shares of ReneSola Singapore Pte. Ltd were transferred to to Mr. Li. As a result, we have transformed into a solar project developer and operator, a pure downstream player with robust pipeline projects around the world. As of December 31, 2017, our debt-to-asset ratio, which is total liabilities divided by total assets, was improved and decreased to 73.0% from 93.9% as of December 31, 2016. We believe that this transaction has alleviated our going-concern risks and de-listing risks and enhanced our capital raising capabilities. However, we cannot assure you that we can continue to improve our financial positions and results of operations. In the event that our operations raised substantial doubts about our ability to continue as a going concern for the foreseeable future, or we are notified by the New York Stock Exchange, or NYSE, regarding any non-compliance, our market value and ADS price may be materially and adversely affected.

We face uncertainties in connection with the implementation of our business strategy to transform our business focus from wafer and module manufacturing to global energy efficient products and services and downstream solar power projects.

We were a solar wafer manufacturer and later also became a manufacturer of polysilicon and solar modules. Starting from early 2014, we began to expand our operations into the broader energy efficient products and services business and downstream solar power projects. In September 2017, we transformed into a solar project developer and operator, a pure downstream player with robust pipeline projects around the world. Our ability to transform to and expand into the services business is also subject to significant risks and uncertainties.

Our solar power project initiatives require significant initial investments. These expansion plans may include investments in project companies and joint ventures and forming strategic alliances with third parties. There is a risk that we may not be able to obtain the necessary funding to fully invest in these solar power projects, or that investments in these projects will significantly impact our working capital as a result of a slowdown in reinvestment of cash. Additionally, our previous experience in the solar power products manufacturing industry may not be as relevant or applicable in the downstream solar power projects markets. If our transformation strategy and initiatives do not achieve their intended results, or if we do not compete successfully against existing players, our business, operations and financial results may be materially and adversely impacted. Furthermore, we may not be able to manage entities which we invest in or provide adequate resources to such entities to maximize the return on our investments. We may not be able to secure the government approvals or licenses required for construction and operation of solar power projects in a timely manner, or at all. In the case of potential joint ventures and strategic alliances with third parties, we may face risks associated with the sharing of proprietary information, loss of control of operations that are material to our business and profit sharing arrangements. We may also consider acquisitions of existing downstream players, in which we may face difficulties related to the integration of the operations and personnel of acquired businesses and the division of resources between our existing and acquired operations.

We cannot assure you that we will be successful in operating our business into the solar power projects markets. Any failure to successfully identify, execute and integrate our acquisitions, investments, joint ventures and alliances as part of entering into the solar power projects markets may have a material adverse impact on our growth, business prospects and results of operations, which could lead to a decline in the price of our ADSs.

Developing and operating solar power projects exposes us to different risks than producing solar power products. Our result of operations may be subject to fluctuations.

In a given period, our revenue was affected by a limited number of solar power projects that are under development and sold to third parties, and therefore subject to significant fluctuations. Although we intend to retain more projects for our IPP business in China, we will continue to develop and sell solar power projects to take advantage of attractive market opportunities. As a result, we may generate more of our revenues from the one-time sale of solar power projects for certain periods.

Development of solar power projects can take many months or years to complete and may be delayed for reasons beyond our control. They often require us to make some up-front payments for, among other things, land/rooftop use rights and permitting in advance of commencing construction, and revenue from these projects may not be recognized for several additional months following contract signing. Any inability or significant delays in entering into sales contracts with customers after making such up-front payments could adversely affect our business and results of operations. Furthermore, we may become constrained in our ability to simultaneously fund our other investment in these projects.

In contrast to developing solar modules, developing solar power projects requires more management attention to negotiate the terms of our engagement and monitor the progress of the projects which may divert management's attention from other matters. Our revenue and liquidity may be adversely affected to the extent the market for solar power projects weakens or we are not able to successfully complete the customer acceptance testing due to technical difficulties, equipment failure, or adverse weather, and we are unable to sell our solar power projects at prices and on terms and timing that are acceptable to us.

We operate solar power projects and sell electricity to the local or national grid or other power purchasers such as commercial and industrial end users. As a result, we are subject to a variety of risks associated with intense market competition, changing regulations and policies, insufficient demand for solar power, technological advancements, failure of our power generation facilities and credit risks related to the power purchasers. If we cannot manage these risks, our business, financial condition and results of operations may be materially adversely affected.

Solar project development is challenging and may ultimately not be successful and miscalculations in planning a project may negatively affect our engineering, procurement and construction, or EPC, prices, all of which could increase our costs, delay or cancel a project, and have a material adverse effect on our business, financial condition, results of operations and profit margins.

The development of solar projects involve numerous risks and uncertainties and requires extensive research, planning and due diligence. We may be required to incur significant amounts of capital expenditure for land/rooftop use rights, interconnection rights, preliminary engineering, permits, legal and other expenses before we can determine whether a solar power project is economically, technologically or otherwise feasible. Success in developing a solar power project is contingent upon, among other things:

- securing investment or development rights;

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- securing suitable project sites, necessary rights of way, satisfactory land/rooftop use or access rights in the appropriate locations with capacity on the transmission grid and related permits, including completing environmental assessments and implementing any required mitigation measures;
- rezoning land, as necessary, to support a solar power project;
- negotiating satisfactory EPC agreements;
- negotiating and receiving required permits and approvals for project development from government authorities on schedule;
- completing all required regulatory and administrative procedures needed to obtain permits and agreements;
- procuring rights to interconnect the solar power project to the electric grid or to transmit energy;
- paying interconnection and other deposits, some of which are non-refundable;
- signing grid connection and dispatch agreements, power purchase agreements, or PPAs, or other arrangements that are commercially acceptable, including adequate for providing financing;
- obtaining project financing, including debt financing and own equity contribution; and
- negotiating favorable payment terms with suppliers;
- completing construction on schedule in a satisfactory manner.

Successful completion of a particular solar project may be adversely affected by numerous factors, including without limitation:

- unanticipated changes in project plans or defective or late execution;
- difficulties in obtaining and maintaining governmental permits, licenses and approvals required by existing laws and regulations or additional regulatory requirements not previously anticipated;

- potential challenges from local residents, environmental organizations, and others who may not support the project;
- uncertainty in the timing of grid connection;
- the inability to procure adequate financing with acceptable terms, especially for EPC;
- unforeseeable engineering problems, construction or other unexpected delays and contractor performance shortfalls;
- labor, equipment and materials supply delays, shortages or disruptions, or work stoppages;
- adverse weather, environmental and geological conditions, force majeure and other events out of our control; and
- cost overruns, due to any one or more of the foregoing factors.

Accordingly, some of the solar power projects in our pipeline may not be completed or even proceed to construction. If a number of solar power projects are not completed, we may not benefit from the feed-in-tariffs, or FITs, our solar power projects are otherwise entitled to, our business, financial condition and results of operations could be materially and adversely affected.

In addition, if we are unable to complete the development of a solar power project or we fail to meet any agreed upon system-level capacity or energy output guarantees or warranties or other contract terms, or our projects cause grid interference or other damage, we may be subject to significant damages, penalties and other obligations relating to the project, including obligations to repair, replace or supplement materials for the project.

Occasionally, we may enter into fixed-price EPC agreements in which we act as the general contractor for our customers in connection with the installation of their solar power systems. All essential costs are estimated at the time of entering into the EPC agreement for a particular project or project portfolio, and these costs are reflected in the overall fixed price that we charge our customers for the project. These cost estimates are preliminary and may or may not be covered by contracts between us and the subcontractors, suppliers and other parties involved in the project. In addition, we require qualified, licensed subcontractors to install most of our solar power systems. Shortages of skilled labor could significantly delay a project or otherwise increase our costs. Should miscalculations in planning a project occur, including those due to unexpected increases in commodity prices or labor costs, or delays in execution occur and we are unable to increase the EPC sales price commensurately, we may not achieve our expected margins or our results of operations may be adversely affected.

Expansion of the pipeline of our solar power project business exposes us to a number of risks and uncertainties.

As our net revenues is derived from our solar power project business, we will be increasingly exposed to the risks associated with solar power projects. Further, our future success largely depends on our ability to expand our solar power project pipeline. The risks and uncertainties associated with our solar power project business and our ability to expand our solar power project pipeline include:

- the need to raise funds to develop greenfield or purchase late-stage solar power projects, which we may be unable to obtain on commercially reasonable terms or at all;

- the uncertainty of being able to sell the projects or secure purchasers in a timely manner, in which case we may need to operate such projects for an extended period of time;

- the uncertainty of being able to receive full payment for the sold projects upon completion or receive payment in a timely manner;

- failure of our business partners with which we work together under certain cooperation agreements to operate in a way satisfactory to us or any disputes with our business partners to develop projects or enter into new geographic markets;

- delays and cost overruns as a result of a number of factors, many of which are beyond our control, including delays in regulatory approvals, construction, grid-connection and customer acceptance testing;
- delays or denial of required approvals, permits or licenses by relevant government authorities in connection with the construction, grid-connection and operation of solar power projects;
- failure to negotiate favorable payment terms with suppliers;
- unforeseeable engineering problems, construction or other unexpected delays and contractor performance shortfalls;
- labor, components and materials supply delays, shortages or disruptions, or work stoppages;
- failure to grid connection and dispatch agreements, execute power purchase agreements or other arrangements that are commercially acceptable to us;
- diversion of significant management attention and other resources;
- failure to execute our project pipeline expansion plan effectively; and

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