JCR-ER JCR Eurasia Rating
"JCR-ER, Group of Japan Credit Rating Agency, Ltd."

Corporate Credit Rating

☒New ☐Update

Sector: Solar Panel Production
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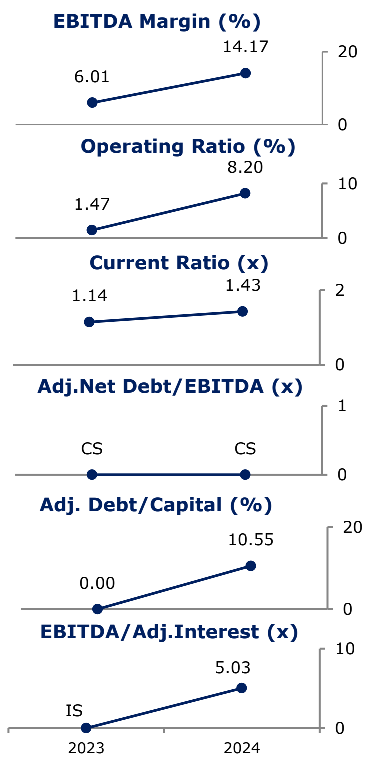
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	**National ICR**	**A+ (tr)**	**J1+ (tr)**
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

** Affirmed by JCR on September 01, 2025*



CHEN GÜNEŞ ENERJİSİ ELEKTRİK ÜRETİM SANAYİ VE TİCARET LTD. ŞTİ.

JCR Eurasia Rating has evaluated **"Chen Güneş Enerjisi Elektrik Üretim Sanayi ve Ticaret Ltd. Şti."** in the investment grade category with high credit quality and assigned the Long-Term National Issuer Credit Rating at **'A+ (tr)'** and the Short-Term National Issuer Credit Rating at **'J1+ (tr)'** with **'Stable'** outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were assigned as **'BB/Stable'** as parallel to international ratings and outlooks of Republic of Türkiye.

Chen Güneş Enerjisi Elektrik Üretim Sanayi ve Ticaret Ltd. Şti. (hereinafter referred to as **"Chen Güneş"** or **"the Company"**) was established in 2017, in Istanbul. The main activity of the Company is the production and sale of solar panels and module cells. The Company's production facility is located in Tuzla free zone with a total of 1 GW capacity. In addition to PV production, Chen Güneş has an ongoing solar power plant investment in the scope of YEKA bid. Within the scope of YEKA-bid, the Company participated the tender with a sales price of 3.25 US cent/kWh and offered USD 270k for per MW for the SPP, which is planned to be constructed in Van with an installed power of 60 MW. According to the Management, the power plant will start electricity generation activities in June, 2026.

Moreover, Chen Güneş holds 70% shares of HT Solar Enerji A.Ş., which is also operating in the field of solar panel production and sale. Although the main shareholder of HT Solar is Chen Güneş, the Company is also an indirect subsidiary of 100% Chinese state-owned company HT-SAAE (Shanghai Aerospace Automobile Electromechanical Co., Ltd.).

The sole shareholder of Chen Güneş is Mr. Hanpei CHEN, holding 100% of shares. The headquarter of the Company is located in İstanbul, Türkiye, and employed an average workforce of 190 as of December 31, 2024 (December 31, 2023: 284).

Key rating drivers, as strengths and constraints, are provided below.

Strengths	Constraints
• Increase in revenue and EBITDA level along with profit margins in FY2024, • Favorable leverage and coverage profile over the analyzed period, despite an expected increase in financial debts mainly due to SPP investment in the scope of YEKA mechanism in FY2025, • Moderate equity level compared to asset size as of FYE2024, • Potential operational growth with the impact of solar power plant investment within the scope of YEKA bid.	• Considerable decline in profitability in 1H2025 according to the provisional tax return results, mainly due to slowdown in demand and decrease in sales volume, • Concentration risk arising from customer and supplier sides, • High competition in the sector along with price volatility, • As actions for a global soft-landing gain prominence, decisions with the potential to adversely affect global trade are engendering considerable uncertainty.

Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been assigned at **'A+ (tr)'**. The Company's revenue and EBITDA growth together with enhanced profit margins, ongoing cash surplus position and sufficient coverage profile despite an increase expectation of financial borrowings, sufficient equity structure, operational growth thanks to planned SPP investment via YEKA bid as well as gross and operating loss and subdued profit margins in 1H2025, decrease in solar panel prices, concentration risk and global macroeconomic concerns have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings are determined as **'Stable'**. The Company's profitability indicators, cost management abilities, leverage profile and equity structure along with liquidity management will be closely monitored by JCR Eurasia Rating in upcoming periods. The macroeconomic indicators at national and international markets, as well as market conditions and legal framework about the sector will be monitored as well.