



**CHINA SAMPLE REPORT CO.,LTD.**

**ACTIVE BUSINESS**  
 Chinese Name: 中国样本报告有限公司  
 Address: WuNiu Industrial Zone,Jiading Dist., Shanghai, Shanghai  
 Telephone: 021 57505988, 021 57505989  
 DUNS: 65-450-2665

**IDENTIFICATION & SUMMARY**

**IDENTIFICATION**

**Company Name:** China Sample Report Co.,Ltd.  
**Postal Code:** 201123

**SUMMARY**

**Type of Business:** A limited liability company (JV of foreign-invested enterprise(s) and domestic company(ies))  
**US SIC Code:** 3645 0000  
**Exports:** Yes  
**History:** Business (Subject has court record(s) within 2 years)  
**Primary Business:** Residential lighting fixtures  
**Employees:** 1500 (Total)  
 1500 (Here)  
**Year Started:** 2009  
**Imports:** Yes  
**Principal(s):** Hua Zhang (Chairman)

**CURRENCY**

All monetary amounts quoted in this report are shown in Renminbi (RMB) unless otherwise stated.



**RISK EVALUATION**

EMMA Score:	3
D&B Rating:	5A-
Former Rating	5AA-
D&B PAYDEX:	87

**SUMMARY**

Litigation Records:	2
Principals(s):	2
Trade References:	5
History Changes:	8
Media Records:	3
Registered Capital:	RMB 210,400,000.00
Sales/Turnover:	1,339,552,000 (2018)
Tangible Net Worth:	1,153,582,000 (2018)
Total Assets:	1,775,564,000 (2018)
Shareholders Equity:	1,152,374,000 (2018)

**RISK ASSESSMENT**

**D&B Rating**

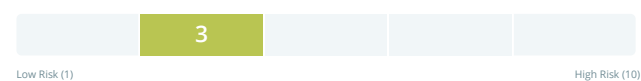
**Financial Strength** 5A  
 (Based on Tangible Net Worth)  
**Composite Credit Appraisal** -  
 Undetermined  
 The reason(s) for blank rating include:  
 Business (Subject has court record(s) within 2 years)  
 D&B Rating assesses enterprises' financial strength and credit condition and determines their credibility.  
**The Dun & Bradstreet Rating 5A- indicates:**  
 Financial Strength of RMB 450,000,000 and greater (Based on Tangible Net Worth) and a Composite Credit Appraisal, which is Undetermined.

**Former Rating**

**Financial Strength** 5AA  
**Composite Credit Appraisal** -

**RISK ANALYSIS**

**EMMA Score**



- The Company EMMA Score is 3
- This indicates Moderate Low Risk

**Relative Risk**

Moderate Low Risk

**EMMA Score**  
 3  
 (Highest Risk: 10; Lowest Risk: 1)

**Company Name:**  
 China Sample Report Co.,Ltd.

- EMMA Score predicts the possibility of a business in perilous status of instability or unreliability, such as poor financials, delay payment, stale inventory, abnormal operational status, etc., it is based on a scale of 1 (the lowest risk) to 10 (the highest risk). Subject's EMMA score is 3 indicating Moderate Low Risk

**EMMA Score Analysis**

- Subject's EMMA score is mainly impacted by the following risk drivers:
- Subject's registered capital is RMB 210,400,000, which is in the higher level range, indicating a lower risk.

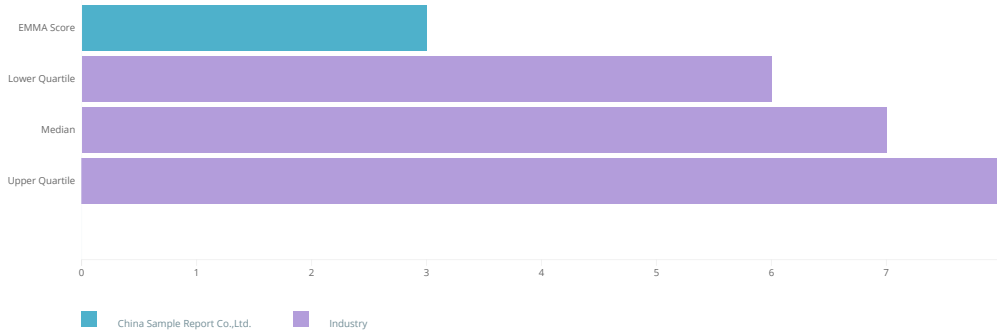
- Subject has an employee size of 1500, which is in the higher range level, indicating a lower risk level.
- Trade experiences within 12 months indicate subject has low percent of slow payment in amount, indicating lower risk level.
- Subject/Industry PAYDEX shows payment behaviour of the company/industry is good, indicating lower risk.

By evaluating all risk factors, the company is assigned with EMMA score of 3 indicating Moderate Low Risk

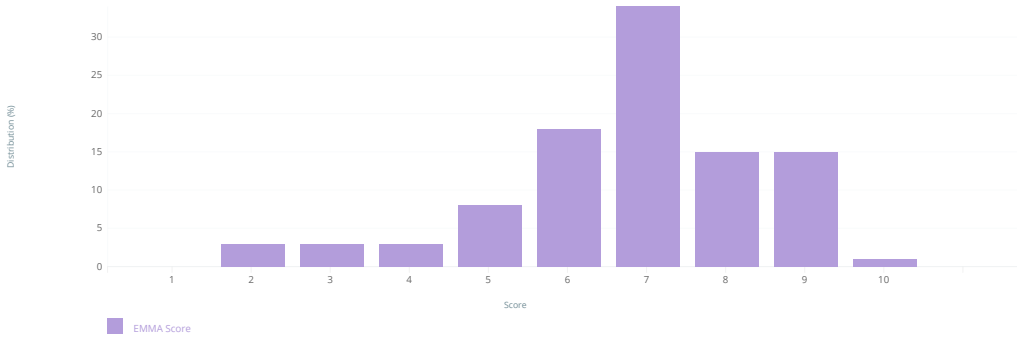
Industry Norm Grouping

Industry Group SIC	3645
Industry Group Description	Residential lighting fixtures
Industry Group EMMA Score Quartile Values	6 - Lower Quartile 7 - Median 8 - Upper Quartile

Company Risk Vs Industry Norm Chart



Distribution of EMMA Score in Huaxia D&B China's Database



Note: please refer to the report appendix for the principle and major factors of Huaxia D&B China EMMA Score.

Risk Assessment Matrix

PAYDEX	Risk Range		
	Low (EMMA 1 - 3)	Medium (EMMA 4 - 7)	High (EMMA 8 - 10)
PAYDEX >=80	AA (Subject lies in this group)	BA	CA
80 > PAYDEX >=60	AB	BB	CB
PAYDEX <60	AC	BC	CC

Interpretation and Analysis of Risk Assessment Matrix

Classifications	Risk Level	Description	Credit Policy
Quality group	AA -> AB	Business is sound, and the bills are paid promptly with good credit reputation.	Favorable credit policy can be granted with automatic approval.
Medium risk group	BA -> BB -> AC	Business is operated under medium risk, and some delay payment behaviors exist.	Appropriate credit policy is suggested with some manual review.
High risk group	CA -> BC -> CB	Business is operated under high risk, and some severe delay payment behaviors exist.	Relatively strict credit policy is suggested with detailed manual review.
Monitoring group	CC	Business is run under high risk or with high possibility of windup, and the bills are unable to be paid in time.	Avoid credit sales. Cash settlement is suggested.

\*Risk levels are listed in order of risk from low to high.

- According to the Risk Assessment Matrix, subject is rated as 'AA', which represents the subject belongs to the quality group;
- The risk level of the subject is low, which reveals its business risk is relatively lower than the average level amid all Chinese enterprises;
- The PAYDEX of subject/industry indicates that most of the bills are paid promptly, rarely with any delay, and the credit reputation of subject/industry is decent;
- Subject is rated as a quality company due to its sound operation, prompt payment, low risk level and good credit reputation. Therefore, subject is recommended to be granted with relative favorable credit policy.

CURRENT INVESTIGATION

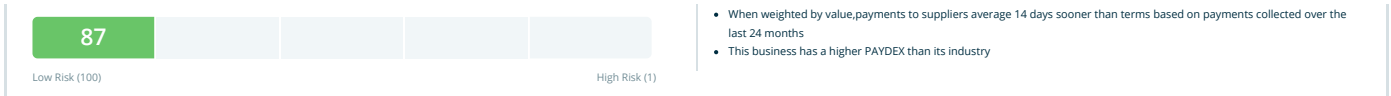
On Dec 17, 2019, Financial Principal Mr. Hua Wang (Tel: 1356786\*\*\*\*) confirmed full financial statement, and confirmed the operational and historical data in this report. Other information was obtained from a third-party source and last investigation.

Generally in China, the information in our reports is collected and validated through telephone interview with subject, review of public websites of the business and acquisition of data that is publicly available by the Chinese Government.

TRADE PAYMENTS

The D&B PAYDEX® is a unique indicator of payment performance weighted by the monetary value of the payment experiences as reported to D&B by trade references. A detailed explanation of how to read and interpret PAYDEX values can be found in the Appendices section of this report.

PAYDEX of This Business



- When weighted by value, payments to suppliers average 14 days sooner than terms based on payments collected over the last 24 months
- This business has a higher PAYDEX than its industry

Risk of Slow Payment <b>Low Risk</b>	D&B PAYDEX® <b>87</b>	Payment Behaviour <b>14 days sooner than terms</b>
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- Industry Name: Residential lighting fixtures
- The subject business has a Paydex that shows lower risk than other businesses in the same industry.

Upper/Lower Quartile: <b>48/40</b>	Industry Median: <b>41</b>	Based on: <b>155 businesses</b>
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**TRADE PAYMENT EXPERIENCES SUMMARY**

Value Bands - Now Owes RMB	No. of Exp	Sum of Now Owes RMB	Within Terms	1-30 Days	31-60 Days	61-90 Days	91+ Days
>10,000,000	0	0	0%	0%	0%	0%	0%
1,000,000 - 9,999,999	0	0	0%	0%	0%	0%	0%
500,000 - 999,999	0	0	0%	0%	0%	0%	0%
100,000 - 499,999	0	0	0%	0%	0%	0%	0%
50,000 - 99,999	0	0	0%	0%	0%	0%	0%
<50,000	5	0	100%	0%	0%	0%	0%
<b>TOTAL</b>	<b>5</b>	<b>0</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>

Note: Above Trade Payment Experiences Summary is derived by analysis trade payment experiences details within 24 months.

**TRADE PAYMENT EXPERIENCES DETAILS**

(Amounts may be rounded to the nearest figure in prescribed ranges)  
(Max. 100 records displayed)

Date	Paying Record	High Credit	Now Owes	Past Due	Selling Terms	Last Sale
Dec 31, 2019	Prompt	500,000	0	0	Cash 0	-
Dec 31, 2019	Prompt	200,000	0	0	% Deposit 0	-
Dec 31, 2019	Prompt	20,000	0	0	Cash 0	-
Dec 31, 2019	Prompt	2,000,000	0	0	Net 30	-
Sep 03, 2018	Prompt	0	0	0	Advance 0	-

Note: The above payment record reflects how accounts are paid in relation to the terms granted. Slow-30, for example, indicates a 30 day term where 30 additional days are taken. In some instance, payment beyond terms can be the result of disputes over merchandise, lost invoices, etc

**PUBLIC RECORD INFORMATION**

**Litigation Records**

As of Dec 17, 2019, HDIBC has searched the China Court website, website of local court in the place where subject is located, major domestic courts websites as well as our internal China court database, and found below related court record(s) against the subject within 5 years.

Remark: The above mentioned channels are currently publicly available ones to search for the court records against China enterprises. However, due to lack of a centralized database in mainland China that covers all Chinese enterprises' litigation records, partial cases against subject might not be available.

Hearing Date	Sep 19, 2017
Court	hearing notice
Plaintiff(s)	Chengwu Zhao
Cause Action	Breach Of Contract
Case Details	Guangdong Foshan Shunde District people's court-(2017)Yue0606minchu No.11502.
Judgment Date	Mar 16, 2016
Court	District Court Judgment
Plaintiff(s)	n/a
Case Details	Lianyungang Lianyun District people's court-(2016)Si0703zhi No.625
Judgment	To compensate the plaintiff with reimbursement of 1,788,517.00
Currency	RMB

**Media Records**

**News Clipping**

Date	Oct 22, 2019
Publication	China Sample Report Co., Ltd. did not declare the added-value tax. (no declaration)
Date	Nov 18, 2018
Publication	China Sample Report Co., Ltd. is on the list of top100 enterprises of Shanghai of 2018.
Date	Oct 26, 2018
Publication	Internet-On the evening of October 25, China ACB Co.,Ltd. announced to sign the 'Strategic Cooperation Agreement' with China Sample Report Co., Ltd. With the principle of complementary advantages and resource sharing, they developed the strategic cooperation. The total amount would be between RMB 200 million and RMB 500 million.

**BANKING**

The company maintains relationship(s) with the following bank(s) in China:

**Agricultural Bank of China, Jiading Branch**

## HISTORY

### Registration

Registration Date	Feb 10, 2002
Registered At	Shanghai Administration for Industry & Commerce
United Social Credit Code Certificate No.	9112011661772XXXXW
License Expiry Date	Feb 09, 2032
Enterprise Registration Status	in good standing (in operation, open and registered)
Enterprise Management Status	open
Registered Capital	RMB 210,400,000
Paid-up Capital	RMB 210,400,000
Business Started	2009
Type of Business	A limited liability company (JV of foreign-invested enterprise(s) and domestic company(ies))
Registered Address	No.10, Yongjia Road, Wuniu Industry Zone, Jiading District, Shanghai
Legal Representative	Zhiyuan Wan
Business Scope	Manufacture of lighting appliances, lamps and accessories (except light source), electrical antenna, plastic products (except medical plastic products), procession of machine parts, self-operation and being an agent of import and export of variety of commodities and technologies (except those limited and prohibited by State).

### Shareholder(s)

#### Shareholding Structure

Name	Region/ Country	Shares	Investment Mode	Paid-Up Rate
Sample Report Parent Company 中国样本报告母公司	China	60%	Cash	fully paid
Sample Report Minor Shareholder Co., Ltd.1 中国样本报告参股股东有限公司1	Macau	20%	Cash	fully paid
Sample Report Minor Shareholder Co., Ltd.2 中国样本报告参股股东有限公司2	Hong Kong	10%	Cash	fully paid
Si Li 李四	China	10%	Cash	fully paid
<b>Total</b>		<b>100%</b>		

#### Comment:

- The 2018 annual report of subject is published on Apr 05, 2019.
- According to the annual report of subject published on Apr 05, 2019, subject's registered capital has been fully paid.

### Chattel Mortgage Information

Performing Obligation Start Time	Jan 01, 2018
Performing Obligation Deadline	Dec 31, 2019
Chattel Mortgage Registration No.	Hu L1-0-2017-002
Chattel Mortgage Registration Authority	Shanghai Market Supervision Administration
Amount of Secured Creditor's Rights	RMB 20917600
Chattel Mortgage Type	Loan contract
Guarantee Scope	Main creditor's rights, liquidated damages, fees for realizing mortgage rights, interest, damages, other agreements in the contract
Collateral Name	Production equipment
Chattel Mortgage Registration Status	Valid

### Abnormal Operating Enterprise List

Listed Date	Abnormal Operation Listed Reason
Dec 20, 2017	Failing to publicize the relevant enterprise information within the time limits as ordered by local Administration for Industry and Commerce, subject is included into the lists of Enterprises with Abnormal Operations by local Administration for Industry and Commerce.
Removed Date	Abnormal Operation Removed Reason
May 20, 2018	Because of republicize the relevant enterprise information within the time limits as ordered by local Administration for Industry and Commerce, subject is removed of the lists of Enterprises with Abnormal Operations by local Administration for Industry and Commerce.

### History Changes

#### Name Changed

From:	Jiading Sample Electrical Appliances Co., Ltd.
To:	China Sample Report Co., Ltd. (Current Name)
Change date:	Change date not available

#### Address Changed

From:	12, Bailang Road, Baosha Town Jiading District, Shanghai
To:	WuNiu Industrial Zone, Jiading Dist., Shanghai (Current Address)
Change date:	On(in) Nov 11, 2003

#### Registered Address Changed

From:	Rm 819, Dongyi International Mansion, No.488, North Shaoshan Rd., Yuhua Dist., Changsha
To:	No.10, Yongjia Road, Wuniu Industry Zone, Jiading District, Shanghai (Current Registered Address)
Change date:	On(in) Feb 22, 2016

#### Shareholders Changed

From:	Jiangmen Lamps & Electrical Apparatus Co.(60%), Sample Report Shareholder Co., Ltd.(40%)
To:	Jiangmen Lamps & Electrical Apparatus Co.(40%), Sample Report Shareholder Co., Ltd.(60%)
Change date:	Change date not available
To:	Sample Report Parent Company(60%), Sample Report Minor Shareholder Co., Ltd.(20%), Sample Report Minor Shareholder Co., Ltd.2(10%), Si Li(10%) (Current Shareholders)
Change date:	On(in) May, 2008

#### Capital Changed

From:	RMB 800,000
To:	RMB 2,000,000
Change date:	On(in) Jul 23, 1998
To:	RMB 210,400,000 (Current Capital)
Change date:	On(in) May 08, 2008

#### Legal Representative Changed

From:	Jinsong Zeng
To:	Zhiyuan Wan (Current Legal Representative)

Change date: On(in) Jul 18, 2007

**Registration Number Changed**

From: 12357  
 To: 310722100001676

Change date: Change date not available

**Integration of Three Licenses**

From Business Registration No. :310722100001676  
 Tax No. :Not obtained  
 To Unified Social Credit Identifier :9112011661772XXXXW

**CORPORATE STRUCTURE**

**LINKAGE UP**

**PARENT COMPANY**

D-U-N-S: 42-133-5083  
 Company Name: Sample Report Parent Company  
 Address: No.5, Guangxi Road, Shinan District, Qingdao , Shandong , China  
 Tel: 0532-82861978  
 Engaged in: Mainly engaged in production and wholesale rubber products, industrial machinery parts and so on.  
 Registered Capital: RMB 500,000  
 Type of Business: a Chinese foreign cooperative venture  
 Founded: Apr 28, 2002  
 Shares held in subject: 60%

**MINOR SHAREHOLDER(S) OF SUBJECT**

Company Name: Sample Report Minor Shareholder Co., Ltd.1  
 Address: Macau  
 Shares held in subject: 20%

Company Name: Sample Report Minor Shareholder Co., Ltd.2  
 Address: Hong Kong  
 Shares held in subject: 10%

**LINKAGE DOWN**

**SUBSIDIARY (SUBJECT OWNS MORE THAN 50%)**

Company Name: China Sample Report No.1 Company  
 Registered Capital: 100% owned by subject

**AFFILIATE**

D-U-N-S: 12-345-6789  
 Company Name: Sample TW Co., Ltd.  
 Registered Capital: 30% owned by subject

**PRINCIPALS**

Principal(s)

**HUA ZHANG-CHAIRMAN**

张华  
 Started with Subject: 2009  
 Activity Status: Yes  
 Area of Responsibility: Overall management  
 Related Working Experience: 5 Year+

**ZHIYUAN WAN-GENERAL MANAGER/LEGAL REPRESENTATIVE**

万智远  
 Related Working Experience: 5 Year+

**Affiliated Positions**

Position	Company	DUNS	Management Status
Legal Person	China Sample Xi'an Co.,Ltd.		open/normal operation

For detailed information of the foresaid enterprise, please order the HDBC investigation report.

**OPERATIONS**

**LINE OF BUSINESS**

Subject is a manufacturer.  
 Subject is mainly engaged in production and sales of light sources and lamp parts.  
 US SIC Code 3645 0000 Residential lighting fixtures  
 US SIC Code 3641 0000 Electric lamps  
 US SIC Code 5063 0400 Lighting fixtures

The operation is seasonal.

The peak season of subject is from 7 to 11.

The low season of subject is from 3 to 4.

Subject provides OEM Service.

Subject provides ODM Service.

Subject is entitled to independent import and export rights.

#### BRANDS

Brands Owned	JNP
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#### AWARDS & CERTIFICATIONS

Awards & Certifications Name	ISO9001
Date Awarded	Apr 01, 2017
Date Expired	Mar 31, 2020

#### PATENT

Application Number	Application Date	Publication Date	Duration of Patent	Invention Title
201210422256.2	Oct 29, 2012	Feb 06, 2013	20 Year	automatic sensing device

Patent refers to an exclusive right with a time limit for the invention or creation that applied to national approval authorities and approved qualified after legal examination. The three categories of patent are invention patent, utility model patent and design patent.

Subject owns 32 sets of manufacturing equipments made in China.

Subject owns 2 production lines made in Macau.

#### PURCHASING

##### Purchase Territory

Area	Percent	Region/Country
Domestic	80.00%	
Overseas	20.00%	Central America (50%) Germany (50%)

##### Purchasing Terms

Terms	Percent
Credit	30-90 days
Partial Advance	-
L/C	-
Agreement/Contract basis	-

##### Purchasing Settlement Method

Settlement Method	Percent
Check	
T/T	
L/C	

##### Major Suppliers

Area	Name	DUNS
Domestic	Nanjing Bulb Factory	65-411-9700
Domestic	Nanjing Wanxiang Copper Industry Co., Ltd.	54-524-7560
Overseas	Unitech Electronics Corp., Germany	

##### Selling Terms

Terms	Percent
Credit	30-90 days
Advance	70%
	30%

##### Selling Settlement Method

Settlement Method	Percent
T/T	
Draft	

##### Customer Type

Customer Total	100
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Type	Percent
Manufacturers	
Wholesalers	
Retailers	

##### Major Customers

Area	Name	DUNS
Overseas	Shanghai Jiefei Engineering Co., Ltd.	
Overseas	Ruspert International Trade Co., Ltd., Hong Kong	

#### CHINA CUSTOMS IMPORT AND EXPORT DATA

Customs Rating: general certification enterprise

On March 3, 2018, General Administration of Customs of the People's Republic of China published the announcement of the implementation of 'Customs Enterprise Credit Management Measures of the People's Republic of China'. From May 1, 2018, the customs recognize the certified enterprises, general credit enterprise and dishonest enterprises according to the enterprise integrity. The certified enterprises are divided into high certified enterprises and general certified enterprises.

## EMPLOYEES

## Employee Size

Type	Number
Total	1,500
Here	1,500
Office clerk	22
Sales Person	33
Administrative Staff	100
Technician	140

The above are approximate staff numbers.

## MAJOR FUNCTIONAL DEPARTMENTS

## Department(s)

Administration Dept.

Business Dept.

Finance Dept.

Sales Dept.

Production Dept.

Purchasing Dept.

Quality Control Dept.

Human Resources Dept.

Foreign Trade Dept.

## LOCATION

## Principal Place of Business

Location Description	An industrial area
Land Area	3,000 sqm
Floor Space	3,000 sqm
Used as	Office and factory
Occupation Type	Rents

## Other Place of Business

Type	REGISTERED ADDRESS
Address:	No.10, Yongjia Road, Wuniu Industry Zone, Jiading District, Shanghai
Type	PLANT(S)
Address:	No.2 Wuniu Industry Zone, Jiading District, Shanghai
Type	BRANCH(ES)
DUNS	65-450-2665
Name	Sample Report (China) Co., Ltd. Guangzhou Branch
Address:	123, Tangling Road, Yuexiu District, Guangzhou
Tel:	020-58791635

## INDUSTRY HIGHLIGHTS

## INDUSTRY HIGHLIGHTS

Date	Jun 20, 2019
Source	Statistics Authorities
Detail	From January to December 2018, the output of electrical instruments was 221.126 million (with the year-on-year decrease of 2.6%). In December, the output of electrical instruments was 23.662 million (with the year-on-year increase of 2.6%). In 2018, national electrical instrument industry realized the operating revenue of RMB 4951.987 billion (with the year-on-year increase of 6.4%), and the total profit of RMB 283.682 billion (with the year-on-year increase of 5.5%). From all economic indicator, the overall situation was stable. It was predicted that the increase speed would be decreased in 2019. The whole electrician trade would realize the production and sales volume of the increase of 4%-5%. The profit would be realized of the year-on-year increase of 3%-5%.
Date	May 30, 2018
Source	Statistics Authorities
Detail	During January and December 2017, the output of electrical instruments was 223.784 million sets, down 5.6% accumulatively. In December, the output of electrical instruments was 22.958 million sets, up 19.0% year on year. In 2017, the electrical appliance industry realized main business income of RMB 5,76556 trillion, up 9.4% year on year, and total profits of RMB 344.07 billion, up 7.7% year on year. In 2017, the imports and exports were USD 160.4 billion, up 6.7% year on year; the imports were USD 52.91 billion, up 7.0% year on year; the exports were USD 107.49 billion, up 6.6% year on year. In 2017, the major economic indicators of the electrical appliance industry continued to show a restorative growth, and a stable development trend.

## FINANCIAL INFORMATION

## FINANCE

Please note that any financial information (such as financial statements) included in this report was obtained with the company's consent or from the stock exchange. If no financial information is provided in this report, it is because the company did not provide its consent to have such information disclosed. Pursuant to the Interim Regulations on the Public Disclosure of Enterprise Information, issued by the State Council and effective from 1 October 2014, companies will no longer be required to submit their financial statements to the Administration of Industry and Commerce (AIC). Instead, only limited financial figures of the company will be reported to the AIC, and such figures will be made available in reports only if the company itself has consented to the disclosure of such financial figures. These new requirements affect all company financial information for the 2013 financial year and onward, and as such, financial statements should no longer be available in any reports for the 2013 financial year and onward, unless the company itself has provided such statements and consented to the disclosure of such statements, or the company's financial statement has been published on a stock exchange.

The 2018 balance sheet and profit and loss statement were audited.

The 2018 financial statements were obtained from outside sources.

## FINANCIAL HIGHLIGHTS

	Dec 31, 2018 RMB in Thousands	Change %	Dec 31, 2017 RMB in Thousands	Change %	Dec 31, 2016 RMB in Thousands
Current Assets	1,145,609	124.02%	511,380	17.76%	434,244
Current Liabilities	591,801	38.63%	426,886	18.74%	359,526
Working Capital	553,808	555.44%	84,494	13.08%	74,718
Tangible Net Worth	1,153,582	210.57%	371,443	27.48%	291,367

Fixed Assets	598,406	111.47%	282,971	53.72%	184,086
Total Assets	1,775,564	116.31%	820,858	22.03%	672,656
Total Liabilities	596,801	39.60%	427,500	18.91%	359,526
Shareholders Equity	1,152,374	218.15%	362,207	27.58%	283,895
Sales	1,339,552	25.47%	1,067,607	8.58%	983,275
Net Profit	95,504	16.27%	82,142	52.16%	53,984

## BALANCE SHEET

	Dec 31, 2018 RMB in Thousands Fiscal (Consolidated)	Dec 31, 2017 RMB in Thousands Fiscal (Consolidated)	Dec 31, 2016 RMB in Thousands Fiscal (Consolidated)
Cash and Bank	497,074	189,866	85,056
Accounts Receivables	87,653	58,330	53,558
Notes Receivables	46,297	42,222	14,772
Other Receivables	1,405	1,197	519
Prepaid Expense	-	-	788
Inventory	380,369	165,105	172,580
Advance to Suppliers	132,811	54,658	106,971
Other Current Assets	-	2	-
<b>Total Current Assets</b>	1,145,609	511,380	434,244
Fixed Assets, At Cost	258,455	145,948	-
Construction in Progress	339,951	614	46,661
Other Fixed Assets	-	136,409	134,460
Investment Real Estates	-	-	2,965
<b>Total Fixed Assets</b>	598,406	282,971	184,086
Intangibles	25,171	21,915	21,763
<b>Total Intangible Assets</b>	25,171	21,915	21,763
Salable Financial Assets	10	-	-
LT Equity Investment	3,590	3,551	3,530
LT Prepaid Expense	2,778	-	-
Deferred Tax Assets	-	1,041	1,502
Other Non-curr. Assets	-	-	27,531
<b>Total Investment &amp; Other Assets</b>	6,378	4,592	32,563
<b>TOTAL ASSETS</b>	1,775,564	820,858	672,656
Short-Term Loans	190,000	62,700	108,600
LT Debt Due in 12 Mths	-	30,000	-
Accounts Payable	161,065	105,986	47,364
Notes Payable	97,500	200,000	153,000
Other Payables	2,432	84	88
Financial Liab. for sale	-	-	-
Advances from Customers	103,907	14,441	9,490
Provision: Taxes & Fees	27,666	7,793	6,161
Accrued Payroll	9,231	5,883	6,504
Other Current Liabilities	-	-1	-
Accrued Welfare	-	-	26,048
Other Creditors/Accruals	-	-	520
Accrued Expenses	-	-	1,751
<b>Total Current Liabilities</b>	591,801	426,886	359,526
Other Non-Current Liab	5,000	614	-
<b>Total Non-Current Liabilities</b>	5,000	614	-
<b>Total Liabilities</b>	596,801	427,500	359,526
Capital	210,400	157,800	157,800
Capital Reserve	693,990	27,732	27,732
Surplus	24,260	13,931	6,412
Retained Earnings	223,724	162,744	91,951
<b>Total Equity</b>	1,152,374	362,207	283,895
Minority Interest	26,379	31,151	29,235
<b>TOTAL LIABILITIES &amp; EQUITY</b>	1,775,554	820,858	672,656

## PROFIT &amp; LOSS STATEMENT

	Dec 31, 2018 RMB in Thousands Fiscal (Consolidated)	Dec 31, 2017 RMB in Thousands Fiscal (Consolidated)	Dec 31, 2016 RMB in Thousands Fiscal (Consolidated)
Sales	1,339,552	1,067,607	983,275
- Cost of Sales	1,121,613	902,590	-
- Sales Tax	2,470	2,003	3,115
- Cost of Goods Sold	-	-	856,983
<b>Gross Profit/Loss</b>	215,469	163,014	123,177
- Asset Impairment Losses	39	-	-
+ Investment Income	-	42	172
+ Change of Fair Value	-	-	-183
- Operating Expenses	52,077	37,486	27,601
- Administrative Expenses	31,987	16,049	16,503
- Financial Expenses	1,353	6,306	6,869
- Asset Impairment Losses	1,944	-2,204	1,643
<b>Operating Profit/Loss</b>	128,147	105,419	70,550
+ Non Operating Income	749	935	187
- Non-Operating Expense	112	164	164
<b>Profit/Loss Before Tax</b>	128,784	106,190	70,573
- Income Tax	32,672	25,963	17,774
- Adjustment Accounts	-	-	-
<b>Profit/Loss After Tax</b>	96,112	80,227	52,799
Minority Interest	608	-1,915	-1,185
<b>Net Profit(Loss)</b>	95,504	82,142	53,984

## KEY FINANCIAL RATIOS



Ratio	2018	2017	2016
Current Ratio	1.93	1.19	1.20
Quick Ratio	1.29	0.81	0.72
Total Debt/Equity Ratio	0.51	1.18	1.26
Debt Ratio	0.33	0.52	0.53
Collection Period (Days)	23.56	19.67	19.61
Payment Period (Days)	51.70	42.27	19.90
Inventory Turnover (Days)	122.09	65.85	72.50
Asset Turnover	0.75	1.30	1.46
Gross Profit Margin %	16.08	15.26	12.52
Net Profit Margin %	7.13	7.69	5.49
Return on Equity %	8.28	22.67	19.01
Return on Assets %	5.41	9.77	7.84

**FINANCIAL COMMENTS**

**Business Performance:** According to subject's financial statements of 2018, its sales realized RMB 1,339,552 thousand, up 25.47% over the previous year, indicating its decent sales growth. During the same year, subject's net profit booked RMB 95,504 thousand, up 16.27% over the previous year. Its net profit margin was 7.13%, lower than the year-earlier level, which indicated its profitability should be improved.

**Solvency:** By the end of 2018, Subject's current ratio and quick ratio posted 1.93 and 1.29 respectively, showing its strong short-term solvency capacity. Its working capital increased to RMB 553,808 thousand. At the end of 2018, subject's debt ratio stood at 0.33, which indicated its capital structure was reasonable.

**Cash Flow:** By the end of 2018, subject's cash and bank deposit was RMB 497,074 thousand, increasing over the previous year. At the end of 2018, subject's account receivable booked RMB 87,653 thousand, and its DSO recorded 23 day(s), extending 4 day(s) compared with the year earlier, indicating its control on account receivable weakened. Its account payable was RMB 161,065 thousand, with a payment period of 51 day(s).

Overall financial status of subject is considered as fair.

**APPENDICES**

**HDBC EMMA Score**

**D&B EMMA Score** (Emerging Market Mediation Alert Score) is a risk assessment model developed for emerging market countries. It is a score developed by data profiling approach and statistical modeling, which predicts the possibility of a business in perilous status of instability or unreliability, such as poor financials, delay payment, stale inventory, abnormal operational status, etc. The EMMA Score provides you with a quick assessment of a business' risk standing, and when used together with other information, allows you to make better risk decisions.

The EMMA Score is based on a scale of 1 to 10, where 1 represents a lower risk and 10 a higher risk.

EMMA Score for China is initially rolled out in May 2009, derived from the sample analysis of millions of company records. When using the Score to make individual applicant decisions, a customized version of this table based on an analysis of the Score against your customer account portfolio is recommended. It does not necessarily mean doing business with a company, which is assigned with higher Risk Score, will result in increased risk.

Considering the particularity of Chinese business environment and in order to make EMMA Score analyze and reflect risk factors of Chinese enterprises more appropriately, HDBC conducted an optimization and adjustment toward EMMA Score in the first half of 2012, combined PAYDEX® to appraisal model as an important risk evaluating dimension and will try harder to deeply reflect the internal factors of enterprise risk. The optimized EMMA Score makes the scores more scientifically and effectively reflect the risk characteristics of current China as an emerging market and more objectively and deeply reflect risk level of Chinese enterprises.

EMMA Score for China is calibrated on regular basis following D&B Global Modeling Methodology that captures business environmental change in China caused by macro economy shift and particular systematic events.

**HDBC EMMA Score Commentary**

Risk Range	EMMA Score	% of Report in Database	% of High Risk Business	Commentary
Low Risk Scores	1-3	28.9%	5.7%	Lower Risk Range
Medium Risk Scores	4-7	56.7%	9.1%	Average Risk Range
High Risk Scores	8-10	14.4%	36.4%	High Risk Range

**The Key Drivers of the EMMA Score include the following:**

**Business Information**

- Business Type
- Line of Business
- Employee Size
- Sales Territory
- Registered Capital
- Year of Establishment
- History Status
- Property Ownership

**Geographical Information**

- Region & Province

**Public Record**

- Number of Negative Record

**Payment Information**

- Percentage of Overdue Payment
- Company/Industry PAYDEX®

**EMMA Score Application**

- Low EMMA Score - May proceed to process the applicant quickly with minimal or no manual review depending on the extent of score validation analysis.
- Medium EMMA Score - Medium Risk Scores - Recommend a manual review of the applicant based on the applicant's capacity, your internal policy and risk tolerance.
- High EMMA Score - High Risk Scores - Requires thorough manual review of potential decline, or approval depending on the applicant's capacity, your internal policy and risk tolerance.

**Sample Data Analysis of Risk Assessment Matrix Database**

**Risk Matrix Sample Distribution**

PAYDEX	Risk Range		
	Low	Medium	High
PAYDEX>=80	13.6%	12.6%	0.5%
80>PAYDEX>=60	15.2%	28.7%	1.7%
PAYDEX<60	0.1%	15.4%	12.2%

**Possibility of High Risk Enterprise**

PAYDEX	Risk Range		
	Low	Medium	High
PAYDEX>=80	5.8%	8.4%	9.1%
80>PAYDEX>=60	5.6%	8.4%	14.5%
PAYDEX<60	5.6%	11.1%	40.4%

**Interpretation and Analysis of Risk Assessment Matrix**

Classifications	Risk Level	Description	Credit Policy
Quality group	AA -> AB	Business is sound, and the bills are paid promptly with good credit reputation.	Favorable credit policy can be granted with automatic approval.
Medium risk group	BA -> BB -> AC	Business is operated under medium risk, and some delay payment behaviors exist.	Appropriate credit policy is suggested with some manual review.
High risk group	CA -> BC -> CB	Business is operated under high risk, and some severe delay payment behaviors exist.	Relatively strict credit policy is suggested with detailed manual review.
Monitoring group	CC	Business is run under high risk or with high possibility of windup, and the bills are unable to be paid in time.	Avoid credit sales. Cash settlement is suggested.

\*Risk levels are listed in order of risk from low to high.

Risk Assessment Matrix is the tool for investigating the insight of subject combined with EMMA Score and PAYDEX®. EMMA Score can indicate the risk level of subject. With the help of PAYDEX®, one can also further analysis subject's risk and find out the internal factors causing risks based on the payment records of subject. In summary, the assessment matrix can make further insightful analysis towards the enterprises with similar EMMA Scores.

When using EMMA Score and Risk Assessment Matrix, the combination of other information, such as internal assessment policy of enterprise, commercial information provided by HDBC, and feedback from the people who directly contacts with subject, etc., is recommended. With these information, it will allow you to be more convenient to make risk decisions.

**D&B Rating**

**D&B Rating Interpretation Tables**

Financial Strength			Composite Credit Appraisal						
Tangible Net worth	Registered Capital	Renminbi (RMB)	Strong	Good	Fair	Limited	Undetermined		
5A	5AA	> 450,000,000	1	2	3	4	-		
4A	4AA	85,000,000 - 449,000,000	1	2	3	4	-		
3A	3AA	8,500,000 - 84,999,999	1	2	3	4	-		
2A	2AA	6,500,000 - 8,499,999	1	2	3	4	-		
1A	1AA	4,500,000 - 6,499,999	1	2	3	4	-		
A	AA	2,500,000 - 4,499,999	1	2	3	4	-		
B	BB	1,750,000 - 2,499,999	1	2	3	4	-		
C	CC	1,000,000 - 1,749,999	1	2	3	4	-		
D	DD	650,000 - 999,999	1	2	3	4	-		
E	EE	450,000 - 649,999	1	2	3	4	-		
F	FF	300,000 - 449,999	1	2	3	4	-		
G	GG	200,000 - 299,999	1	2	3	4	-		
H	HH	< 200,000	1	2	3	4	-		
Alternate Ratings		Explanation							
N		Financial Strength is negative				3	4	-	
O		Financial Strength is undisclosed			1	2	3	4	-
NB		New Business: Less than 24 months			1	2	3	4	-
NQ		Out of Business: Business has ceased to trade					4		
BR		Branch or division location							
INV		Investigation is undergoing							

**Explanation of PAYDEX**

A score of 80 denotes that payments reported to D&B have generally been made within terms. Scores over 80 indicate that payments reported to D&B have been made earlier than terms. The chart below outlines the specific 0-100 score and what it means.

D&B PAYDEX®	Payment Habit
100	Anticipate
90	Discount
80	Prompt
70	15 days beyond terms
60	22 days beyond terms
50	30 days beyond terms
40	60 days beyond terms
30	90 days beyond terms
20	120 days beyond terms
0-19	Over 120 days beyond terms
UN	Unavailable

**Customs Rating**

On March 3, 2018, General Administration of Customs of the People's Republic of China published the announcement of the implementation of 'Customs Enterprise Credit Management Measures of the People's Republic of China'. From May 1, 2018, the customs recognize the certified enterprises, general credit enterprise and dishonest enterprises according to the enterprise integrity. The certified enterprises are divided into high certified enterprises and general certified enterprises.

Please refer to the customs chain link: No. 237 order of General Administration of Customs (Customs Enterprise Credit Management Measures of the People's Republic of China)  
<http://www.customs.gov.cn/customs/302249/302266/302267/1471687/index.html>

**Customer Service**

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**Remarks**

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