

CHINA SAMPLE REPORT CO., LTD.

ACTIVE BUSINESS
Chinese Name: 中国样本报告有限公司

Address: No. 20A, Nanjing Road, Huangpu Dist., Shanghai, Shanghai

Telephone: 021 57505988, 021 57505989

DUNS: 65-450-2665

IDENTIFICATION & SUMMARY ▼

IDENTIFICATION

Company Name:	Postal Code:	Website
China Sample Report Co., Ltd.	200001	www.sample.com.cn
Literal Translation:		Website:
Yes		ceshi@huaxiadnb.com

SUMMARY

Type of Business:	US SIC Code:	Exports:
A limited liability company (invested or held by natural person(s))	3645 0000	Yes
History:	Primary Business:	Employees:
Clear (Complete Shareholder(s) and management information)	Residential lighting fixtures	1500 (Total) 1000 (Here)
Year Started:	Imports:	Principal(s):
2002	Yes	Hua Zhang (Chairman)

CURRENCY

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



Address: 橫沙島
No. 20A, Nanjing Road, Huangpu Dist.
Shanghai
Shanghai

RISK EVALUATION

EMMA Score:	2
D&B Rating:	4A1
Former Rating	5AA-
D&B PAYDEX:	87

SUMMARY

Litigation Records:	2
Principal(s):	3
Trade References:	4
History Changes:	8
Media Records:	2
Registered Capital:	RMB 210,400,000.00
Sales/Turnover:	983,275,000 (2020)
Tangible Net Worth:	291,367,000 (2020)
Total Assets:	672,656,000 (2020)
Shareholders Equity:	283,895,000 (2020)

D&B Notice on Coronavirus Impact

The World Health Organization declared the novel coronavirus (COVID-19) a global emergency on 30 January 2020. In order to limit the virus from spreading widely, the Chinese government rapidly implemented a variety of measures to curtail travel and movement of people. With the overall situation of the epidemic improving across China, these measures have been gradually relaxed or cancelled, and businesses in China have progressively resumed normal operations since end of March. When conducting investigation research, D&B seeks to understand and report on potential business impacts to the subject business, especially around employees and operations. We also attempt to gauge the general maturity of the risk management policies and procedures of the subject business. Findings from our business research are interleaved in to the product you are receiving, with any specific findings noted in the Current Investigation section below.

Further information and resources are available from D&B's global Coronavirus Hub on our global [website](http://www.dnb.com/perspectives/coronavirus-info.html) (<http://www.dnb.com/perspectives/coronavirus-info.html>)

RISK ASSESSMENT

Composite Credit Appraisal



Low Risk (1)

High Risk (4)

Composite Credit Appraisal of the Company is :

STRONG

D&B Rating

Financial Strength

4A

(Based on Tangible Net Worth)

Composite Credit

Appraisal

1

Strong

Former Rating

Financial Strength

5AA

Composite Credit

Appraisal

-

D&B Rating assesses enterprises' financial strength and credit condition and determines their credibility.

The Dun & Bradstreet Rating 4A1 indicates:

Financial Strength of RMB 85,000,000 - 449,000,000 (Based on Tangible Net Worth) and a Composite Credit Appraisal, which is Strong.

RISK ANALYSIS

EMMA Score

2

Low Risk (1)

High Risk (10)

- The Company EMMA Score is 2
- This Indicates Low Risk

Relative Risk

Low Risk

EMMA Score

2

(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 2 indicating Low Risk

EMMA Score Analysis

Subject's EMMA score is mainly impacted by the following risk drivers:

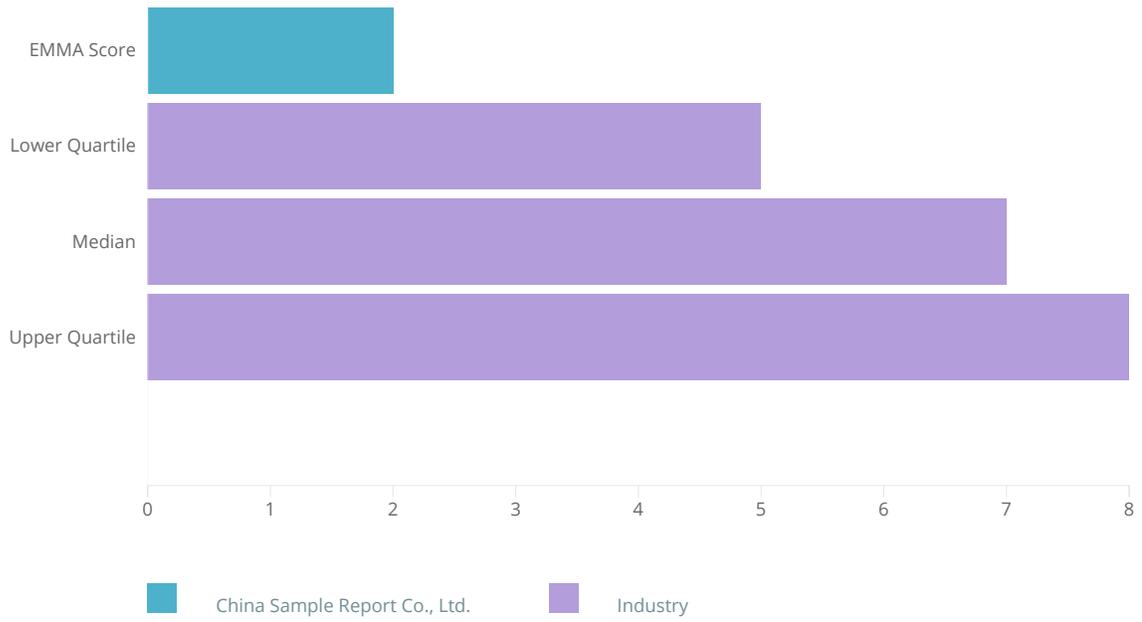
- Subject's registered capital is RMB 210,400,000, which is in the higher level range, indicating a lower risk.
- Subject has a long history of 18 years, denoting a lower risk level.
- Trade experiences within 12 months indicate subject has low percent of slow payment in amount, indicating lower risk 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 2 indicating Low Risk

Industry Norm Grouping

Industry Group SIC	3645
Industry Group Description	Residential lighting fixtures
Industry Group EMMA Score Quartile Values	5 - 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 01, 2020, 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

Low Risk

D&B PAYDEX®

87

Payment Behaviour

14 days sooner than terms

PAYDEX of This Industry



- When weighted by value, payments to suppliers average 30 days beyond terms based on payments collected over the last 24 months
- 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:

72/40

Industry Median:

50

Based on:

71 businesses

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	4	0	100%	0%	0%	0%	0%
TOTAL	4	0	100%	0%	0%	0%	0%

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	-

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 01, 2020, HDBC 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

Apr 22, 2020

Publication

zjzfw.gov.cn - When participating in the procurement process of the 'Shaoxing Municipal Hospital Medical Equipment Supply Project (Inspection Division 2)' (tender number 2017-08-N001049-3) organized by Shaoxing Public Resources Trading Center, Hangzhou Hengguan Medical Equipment Co., Ltd. provided the medical device registration certificate, registration form and other materials in the bid documents required to be submitted. According to the clues provided by the materials handed over by the public security department and after inquiry in the official website of the certificate issuing authority by this agency, it is found out that there's no registration information related to the the submitted document the medical device registration certificate Guo Shi Yao Jian Xie (Jin) Zi 2014 No. 2402832. The above-mentioned problem belongs to the illegal situation of suppliers providing false materials in order to win bids and transactions under Article 77, Paragraph 1, Item (1) of the Government Procurement Law of the People's Republic of China. Document Number of Administrative Penalty Decision: Shao Shi Cai Zhi Fa [2019] No. 12 (Administrative Penalty)

Date

Oct 22, 2019

Publication

China Sample Report Co., Ltd. did not declare the added-value tax. (no declaration)

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	in operation (open)
Registered Capital	RMB 210,400,000
Paid-up Capital	RMB 210,400,000
Business Started	2002
Type of Business	A limited liability company (invested or held by natural person(s))
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	China	25%	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	China	15%	Cash	fully paid
Total		100%		

Above registration information was obtained from official registry source on Nov 30, 2020 .

Comment:

- The 2019 annual report of subject is published on Apr 05, 2020.
- According to the annual report of subject published on Apr 05, 2020, 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

List of Enterprise with Severe Unlawful Acts

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: No. 20A, Nanjing Road, Huangpu 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.1(25%), Sample Report Minor Shareholder Co., Ltd.2(15%) (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: Song 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

Company Name: Sample Report Parent Company
Address: China
Shares held in subject: 60%

MINOR SHAREHOLDER(S) OF SUBJECT

Company Name: Sample Report Minor Shareholder Co., Ltd.1
Address: China
Shares held in subject: 25%

Company Name: Sample Report Minor Shareholder Co., Ltd.2
Address: China
Shares held in subject: 15%

LINKAGE DOWN

SUBSIDIARIES (SUBJECT OWNS MORE THAN 50%)

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

Company Name: China Sample Report No.2 Company
Registered Capital: 100% owned by subject

Company Name: China Sample Report No.3 Company

Registered Capital:	100% owned by subject
Company Name:	China Sample Report No.4 Company
Registered Capital:	100% owned by subject
Company Name:	China Sample Report No.5 Company
Registered Capital:	100% owned by subject
Company Name:	China Sample Report No.6 Company
Registered Capital:	100% owned by subject
Company Name:	China Sample Report No.7 Company
Registered Capital:	100% owned by subject
Company Name:	China Sample Report No.8 Company
Registered Capital:	100% owned by subject
Company Name:	China Sample Report No.9 Company
Registered Capital:	100% owned by subject
Company Name:	China Sample Report No.10 Company
Registered Capital:	100% owned by subject

At most 10 records of external capital investment and affiliated position is displayed above. If you need the full list or the details of the companies, please contact HDBC Customer Service.

PRINCIPALS

Principal(s)

ZHIYUAN WAN-LEGAL REPRESENTATIVE

万智远

HUA ZHANG-CHAIRMAN

张华

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

Affiliated Positions

Position	Company	DUNS	Management Status
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Executive Director	AAA1	revoked
Executive Director / General Manager	AAA2	
Board Member	AAA3	deregistered
General Manager	AAA4	
Executive Director	AAA5	
Executive Director	AAA6	
Executive Director	AAA7	
Executive Director	AAA8	
Executive Director	AAA9	
Executive Director	AAA10	

At most 10 records of external capital investment and affiliated position is displayed above. If you need the full list or the details of the companies, please contact HDBC Customer Service.

Employment History

Period	Company	Last Position Held
2011-2012	AAA	
2013-2014	AAA	

WU WANG-EXECUTIVE DIRECTOR

王五

Affiliated Positions

Position	Company	DUNS	Management Status
Chairman	AAA		
Chairman	AAA		

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 July to November.

The peak season of subject is from March to April.

Subject provides OEM Service.

Subject provides ODM Service.

BRANDS

Brands Owned	JNP
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AWARDS & CERTIFICATIONS

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

Subject is entitled to independent import and export rights.

PATENT

Application Number	Application Date	Publication Date	Duration of Patent	Invention Title
201210422256.2	Oct 29, 2012	Feb 06, 2013		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.

PRODUCTS & SERVICES

Product Name	Maximum Productivity	Percent
Halogen energy lamps	1,200,000 ones per year	
JDD series	1,000,000 ones per year per year	

Subject owns 32 sets of manufacturing equipments made in China.

Subject owns 2 production lines made in Indonesia.

ANNUAL OUTPUT

Product Name	Amount	Year
Halogen energy lamps	1,000,000 ones	2019

ANNUAL OUTPUT VALUE

Product Name	Output Value	Year
Halogen energy lamps	RMB 50,000,000	2019

ANNUAL SALES

Product Name	Sales	Year
Halogen energy lamps	900,000 ones	2019

PURCHASING

Purchase Territory

Area	Percent	Region/Country
Domestic	80.00%	
Overseas	20.00%	Central America (50%) Germany (10%) Indonesia (40%)

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

Sales Territory

Area	Percent	Region/Country
Domestic	80%	
Overseas	20%	Japan (80%) South Korea (20%)

Selling Terms

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

Selling Settlement Method

Settlement Method	Percent
T/T	
Draft	

Customer Type

Customer Total 100

Type	Percent
Manufacturers	
Wholesalers	
Retailers	

Major Customers

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

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	1,000
Office clerk	22
Sales Person	33
Administrative Staff	100
Technician	140

The above are approximate staff numbers.

The employee size of subject was obtained from a public source, for your reference only.

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
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Occupation Type	Rents
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Other Place of Business

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



INDUSTRY HIGHLIGHTS

Date	Jun 15, 2020
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Source	Statistics Authorities
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Detail	<p>From January to December 2019, the output of electrical instruments and meters totaled RMB 287.533 million machines, with a cumulative increase of 30.0%. In December, 31.379 million machines of electrical instruments were produced, with a year-on-year increase of 32.6%.</p> <p>In 2019, the main business income of China's electrical appliance industry reached RMB 5.12 trillion yuan and the total profit was RMB 260.995 billion yuan. The growth rates of the industry's main business income and total profit experienced the huge change in the first quarter of 2019. The profit growth rate has rapidly increased from the historical freezing point at the beginning of 2019 to a high level throughout the year and then began to decline. However, since entering the second quarter, the growth rate of main business income entered a period of steady growth, which ensured the steady growth of the industry throughout the year. Particularly, the growth rate of total profit continued to exceed the growth rate of main business income in the second half of 2019, indicating that the effect of industry transformation is beginning to show.</p>
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Date	Jun 20, 2019
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Source	Statistics Authorities
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Detail	<p>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%.</p>
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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 2020 financial statements were obtained from the company's annual/intrim report.

FINANCIAL HIGHLIGHTS

	Jun 30, 2020 RMB in Thousands	Change %	Dec 31, 2019 RMB in Thousands	Change %	Dec 31, 2018 RMB in Thousands
Current Assets	434,244	-98.54%	29,778,317	2,499.34%	1,145,609
Current Liabilities	359,526	-97.04%	12,153,134	1,953.58%	591,801
Working Capital	74,718	-99.58%	17,625,183	3,082.54%	553,808
Tangible Net Worth	291,367	-98.00%	14,571,124	1,163.12%	1,153,582
Fixed Assets	184,086	-63.23%	500,586	-16.35%	598,406
Total Assets	672,656	-97.80%	30,557,007	1,620.98%	1,775,554
Total Liabilities	359,526	-97.74%	15,922,685	2,568.01%	596,801
Shareholders Equity	283,895	-98.03%	14,441,434	1,153.19%	1,152,374
Sales	983,275	-81.16%	5,220,051	289.69%	1,339,552
Net Profit	53,984	-98.96%	5,189,475	5,333.78%	95,504

BALANCE SHEET

	Jan 01, 2020 RMB in Thousands Fiscal (Consolidated)	Dec 31, 2019 RMB in Thousands Fiscal (Consolidated)	Dec 31, 2018 RMB in Thousands Fiscal (Consolidated)
Cash and Bank	85,056	5,173,726	497,074
Accounts Receivables	53,558	-	87,653
Notes Receivables	14,772	-	46,297

Other Receivables	519	-	1,405
A/cs & Notes Receivable	-	1,469,797	-
Prepaid Expense	788	-	-
Inventory	172,580	8,885,413	380,369
Advance to Suppliers	106,971	2,241,652	132,811
Other Current Assets	-	12,007,729	-
Total Current Assets	434,244	29,778,317	1,145,609
Construction in Progress	46,661	-	339,951
Other Fixed Assets	134,460	-	-
Investment Real Estates	2,965	137,628	-
Fixed Assets,net	-	362,958	-
Fixed Assets,At Cost	-	-	258,455
Total Fixed Assets	184,086	500,586	598,406
Intangibles	21,763	63,198	25,171
Total Intangible Assets	21,763	63,198	25,171
LT Equity Investment	3,530	-	3,590
Salable Financial Assets	-	96,373	-
Deferred Tax Assets	1,502	27,645	-
Other Non-curr.Assets	27,531	90,888	-
LT Prepaid Expense	-	-	2,778
Total Investment & Other Assets	32,563	214,906	6,368
TOTAL ASSETS	672,656	30,557,007	1,775,554
Short-Term Loans	108,600	366,000	190,000
LT Debt Due in 12 Mths	-	1,621,952	-
Accounts Payable	47,364	-	161,065
Notes Payable	153,000	-	97,500
Other Payables	88	-	2,432
Financial Liab. for sale	-	-	-
Advances from Customers	9,490	2,588,148	103,907
Provision:Taxes & Fees	6,161	470,230	27,666
Accrued Payroll	6,504	22,330	9,231
Accrued Welfare	26,048	-	-
Other Creditors/Accruals	520	-	-
Accrued Expenses	1,751	-	-
Other Current Liabilities	-	7,084,474	-
Total Current Liabilities	359,526	12,153,134	591,801
Other Non-Current Liab	-	5,000	5,000

Bills Payable	-	399,051	-
Medium/Long Term Loans	-	3,365,500	-
Total Non-Current Liabilities	-	3,769,551	5,000
Total Liabilities	359,526	15,922,685	596,801
Capital	157,800	2,000,000	210,400
Capital Reserve	27,732	10,373,938	693,990
Surplus	6,412	154,026	24,260
Retained Earnings	91,951	1,913,470	223,724
Total Equity	283,895	14,441,434	1,152,374
Minority Interest	29,235	192,888	26,379
TOTAL LIABILITIES & EQUITY	672,656	30,557,007	1,775,554

PROFIT & LOSS STATEMENT

	Jan 01, 2020 RMB in Thousands Fiscal (Consolidated)	Dec 31, 2019 RMB in Thousands Fiscal (Consolidated)	Dec 31, 2018 RMB in Thousands Fiscal (Consolidated)
Sales	983,275	5,220,051	1,339,552
- Cost of Goods Sold	856,983	5,281,554	-
- Sales Tax	3,115	36,864	2,470
- Cost of Sales	-	413	1,121,613
Gross Profit/Loss	123,177	-98,780	215,469
+ Change of Fair Value	-183	-	-
+ Investment Income	172	114,346	-
- Asset Impairment Losses	-	-	39
- Operating Expenses	27,601	-	52,077
- Administrative Expenses	16,503	101,314	31,987
- Financial Expenses	6,869	259,951	1,353
- Asset Impairment Losses	1,643	9,171	1,944
- Other Expenses	-	-5,587,347	-
Operating Profit/Loss	70,550	5,232,477	128,147
+ Non Operating Income	187	14,351	749
- Non-Operating Expense	164	2,225	112
Profit/Loss Before Tax	70,573	5,244,603	128,784
- Income Tax	17,774	53,943	32,672
Profit/Loss After Tax	52,799	5,190,660	96,112
Minority Interest	-1,185	1,185	608
Net Profit(Loss)	53,984	5,189,475	95,504

KEY FINANCIAL RATIOS

Ratio	2020	2019	2018
Current Ratio	1.20	2.45	1.93
Quick Ratio	0.72	1.71	1.29
Total Debt/Equity Ratio	1.26	1.10	0.51
Debt Ratio	0.53	0.52	0.33
Collection Period (Days)	9.80		23.56
Payment Period (Days)	9.95	0.00	51.70
Inventory Turnover (Days)	36.25	605.65	122.09
Asset Turnover	1.46	0.17	0.75
Gross Profit Margin %	12.52	-1.89	16.08
Net Profit Margin %	5.49	99.41	7.13
Return on Equity %	19.01	35.93	8.28
Return on Assets %	7.84	16.98	5.41

FINANCIAL COMMENTS

Overall financial status of subject is considered as poor.

BANKING

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

Agricultural Bank of China, Jiading Branch

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>

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Remarks

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