

China Compact Report

This report prepared by Huaxia D&B China is sent to answer your inquiry on:

Sample Report (China) Co., Ltd.

D-U-N-S: 65-450-2665

REFERENCE NUMBER: TEST2

Prepared for :
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HDBC Compliance Report Updated to Version 6.0!

In Jun. 2016, Huaxia Dun & Bradstreet China completed a major update to the entire product family of Compliance Report, optimizing scope of information retrieval, content architecture and appearance design to deliver more professional and friendly experience to users.

The updated Version 6.0 encompasses China Business Compliance Report, China Business Consolidated Assessment Report and China Association Compliance Report, which helps companies understand business partners' compliance risks in a fast and objective manner, adapt to complex regulatory environments and uncertainties to avoid potential adverse influences and losses.

• **Highlights:**

- **Complete screening:** identify regulatory compliance risks by screening adverse media information and public records through multiple local and international channels.
- **Precise positioning:** identify potential compliance risks of target groups and their affiliates through screening their litigation records and adverse media coverage.
- **Rapid judgment:** help clients identify risk points of partners with risk signals and make business decisions based on our prevention and improvement advices out of professional judgment.
- **Holistic analysis:** evaluate credit risks while screening compliance risks, to give clients multi-faceted insights of potential partners to facilitate their business decision.

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China Compact Report

Sample Report (China) Co., Ltd.

Report compiled May 14,2018

IDENTIFICATION & SUMMARY

Identification

| | |
|---------------------|--|
| Company Name | Sample Report (China) Co., Ltd. |
| Literal Translation | Yes |
| Chinese Name | 中国样本报告有限公司 |
| DUNS® Number | 65-450-2665 |
| Address | Bldg.1, No.1 Wuniu Industry Zone, Jiading District Shanghai Shanghai |
| Postal Code | 201123 |
| Address (Chinese) | 嘉定区乌牛工业区1号1栋 上海市 |
| Telephone | 021 57505988 021 57505989 |
| Facsimile | 021 57505981 |
| E-mail | ceshi@huaxiadnb.com |
| Employees | 1,200 (Total) 900 (Here) |
| US SIC Code | 3645 0000 |
| Primary Business | Residential lighting fixtures |

Summary

RISK EVALUATION

| | |
|------------------|----------------|
| EMMA Score Range | Low Risk Group |
| D&B Rating | 5A- |
| D&B PAYDEX® | N/A |

COMPANY STATUS

| | |
|------------------|--------|
| Operation Status | Active |
|------------------|--------|

CURRENCY

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

REMARK

"-" stands for "Insufficient information" or "No comments".

HISTORY

Registration

| | |
|---|--|
| Registration Date | Feb 05,2009 |
| Registered At | CHINA Taiwan |
| United Social Credit Code Certificate No. | 9112011661772XXXXW |
| License Expiry Date | Feb 05,2029 |
| Enterprise Registration Status | in good standing (in operation, open and registered) |
| Enterprise Management Status | out of business |
| Registered Capital | RMB 210,400,000 |
| Paid-up Capital | RMB 210,400,000 |
| Business Started | 2009 |
| Type of Business | a limited company |
| 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 | Taiwan | 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% | | |
| San ZHANG 张三 | China | 10% | | |
| Total | | 100% | | |

Above registration information was obtained from official registry source on Sep 05,2017 .

Comment:

- The 2016 annual report of subject is published on Apr 05,2017 .
- According to the annual report of subject published on Apr 05,2017 , subject's registered capital has been fully paid.
- Subject's business type is a limited company(Chinese foreign joint venture).

Abnormal Operating Enterprise List

Listed Date

Dec 20,2015

Abnormal Operation Listed Reason

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

May 20,2016

Abnormal Operation Removed Reason

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: Sample Report (China) Co., Ltd. (Current Name) Change date not available

Address Changed

From: 12, Bailang Road, Baosha Town Jiading District, Shanghai
To: Bldg.1, No.1 Wuniu Industry Zone, Jiading District, Shanghai (Current Address) 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) 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 not available |
| To: | Sample Report Parent Company(60%),Sample Report Minor Shareholder Co., Ltd.1(20%),Sample Report Minor Shareholder Co., Ltd.2(10%),San ZHANG(10%) (Current Shareholders) | On(in) May,2008 |

Capital Changed

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

Legal Representative Changed

| | | |
|-------|---|--------------------|
| From: | Jinsong Zeng | |
| To: | Zhiyuan Wan(Current Legal Representative) | On(in) Jul 18,2007 |

FINANCE & BANKING

The 2016 financial statements were submitted by the company personnel.

| | Dec 31,2016 RMB '000 | Change % | Dec 31,2015 RMB '000 | Change % | Dec 31,2014 RMB '000 |
|--------------------|-------------------------|-------------|-------------------------|-------------|-------------------------|
| Tangible Net Worth | 1,153,582 | 210.57% | 371,443 | 27.48% | 291,367 |
| Total Assets | 1,775,554 | 116.31% | 820,858 | 22.03% | 672,656 |
| Sales | 1,339,552 | 25.47% | 1,067,607 | 8.58% | 983,275 |
| Gross Profit | 215,469 | 32.18% | 163,014 | 32.34% | 123,177 |

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 <ul style="list-style-type: none"> ▪ Business Type ▪ Line of Business ▪ Employee Size ▪ Sales Territory ▪ Registered Capital ▪ Year of Establishment ▪ History Status ▪ Property Ownership | Geographical Information <ul style="list-style-type: none"> ▪ Region & Province Public Record <ul style="list-style-type: none"> ▪ Number of Negative Record Payment Information <ul style="list-style-type: none"> ▪ 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

According to the Measures of the Customs of the People's Republic of China on the Classified Management of Enterprises (hereafter "the Measures"), China General Administration of Customs has classified custom supervision category into 5 classes, which are AA, A, B, C and D. Enterprises are assessed and classified based on if they comply with laws, administrative regulations, custom rules, related anti-corruption stipulations and operational management conditions, supervisory and statistic custom records and etc.

AA Class: Enterprise with outstanding credit verified by the customs, suitable for correspondingly easy clearance measures.

A Class: Enterprise with good credit, suitable for generally easy clearance measures.

B Class: Enterprise with average credit, suitable for routine management.

C Class: Enterprise with poor credit, suitable for averagely close supervision measures.

D Class: Enterprise with rather poor credit, suitable for close supervision measures.

According to the notification published by China General Administration of Customs on Nov. 19, 2014 on the implementation of Interim Measures of the Customs of the People's Republic of China for the Administration of Enterprise Credit, the customs has started classifying companies into the levels of Authorized Enterprise, Average Credit Enterprise and Poor Credit Enterprise based on their credit status as of Dec. 1, 2014. According to the rules of "the Measures", companies of AA Class are classified as High Grade Authorized Enterprise; A Class as Averagely Authorized Enterprise; B Class as Average Credit Enterprise; C and D Classes are to be reassessed accordingly. If companies of C and D Classes are rated as Poor Credit enterprise, the application period of credit level will remain the same as that of C Class and D Class.

Huaxia D&B China will timely organize the information disclosed by China General Administration of Customs.

Customer Service

Customer Service Contact Information

| | |
|---|--|
|  Web | www.huaxiadnb.com |
|  Email | enquiry@huaxiadnb.com |
|  Telephone | 400-820-3536 (Shanghai) 400-810-3531 (Beijing) 800-830-9032 (Guangzhou) |

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