



Chinese Sample Company

Chinese Company Standard Business
Information Report

Report Type:	Standard Business Information Report
Type of Inquiry:	Normal
Reference No.:	RE03000371234
Date of Inquiry:	Jun 20, 2017
Completion Date:	Jun 30, 2017

GIVEN INFORMATION	
Given Name:	中国样本公司
Given Address:	江苏省苏州市太阳路 123号
Given Telephone:	005**-8912****
Given Contact:	刘云

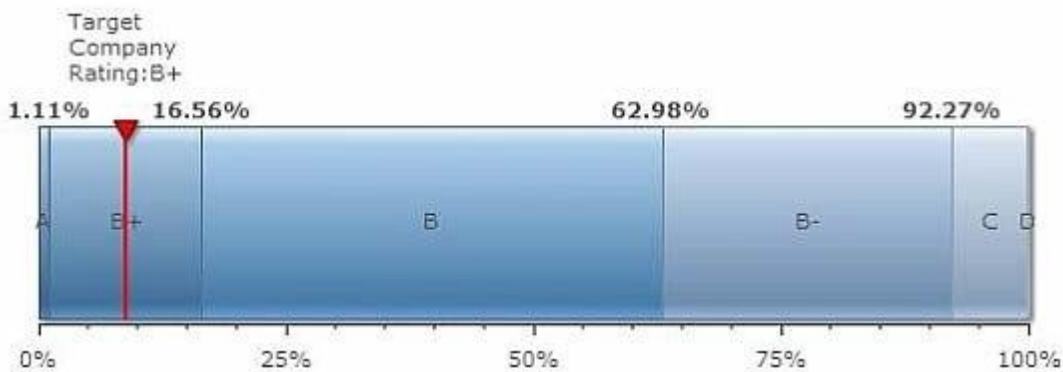
INVESTIGATION EXPLANATION
<p>The given address is Subject's registered address. Subject's actual business address is No.588, Xinfeng Road, Suzhou City, Jiangsu Province. The given contact person is Manager of Sales Department Liu Yun.</p>

SUMMARY	
Credit Rating:	B+
Risk Index:	L3
Credit Limit Suggested:	30,000
Subject Company:	Chinese Sample Company
Registration No.:	3205941001456
Unified Social Credit ID:	91110101760143****
Registered Address:	No.123, Taiyang Road, Suzhou City, Jiangsu Province
Business Address:	No.588, Xinfeng Road, Suzhou City, Jiangsu Province
Date of Foundation:	1996-07-26
Economic Status:	Joint-stock limited company
Legal Representative:	Xu Hua
Registered Capital:	160,000 thousand RMB
Total Assets:	3,947,427 thousand RMB (2016-12-31)
Shareholder's Equity:	1,272,684 thousand RMB (2016-12-31)
Main Operating Revenue:	10,841,475 thousand RMB (2016)
Net Profits:	245,024 thousand RMB (2016)
Staff Numbers:	3,500

Company Size:	Large-sized
SIC Code:	3922 Manufacture of communication terminal equipment
Import & Export Right:	Self-Managed Import and Export Right for Production Enterprises
Customs Rating:	AA
Listing Status:	No
Industry Prospect:	Good
Business Trend:	Stable

CREDIT RATING CHART

Distribution of Credit Rating



BUSINESS CONTACT

Chinese Name:	中国样本公司
English Name:	Chinese Sample Company
Chinese Address:	江苏省苏州市新峰路 588号
English Address:	No.588, Xinfeng Road, Suzhou City, Jiangsu Province
Postal Code:	21****
Tel:	86-05**-8912****
Fax:	86-05**-8912****
E-mail:	sample@sample.com
Website:	http://www.sample.com

REGISTRATION

Chinese Name:	中国样本公司
Registered Address:	No.123, Taiyang Road, Suzhou City, Jiangsu Province
Date of Registration:	1996-07-26
Legal Representative:	Xu Hua
Registration Number:	3205941001456
Unified Social Credit ID:	91110101760143****
Legal Status:	Joint-stock limited company
Registered Capital:	160,000 RMB
Registry:	Suzhou Administration for Industry and Commerce, Jiangsu Province
Business Scope:	R & D, manufacture and repair of electronic communication products, communication systems, computer & fittings, modern office equipment and solar energy power; Information service (excluding futures and securities information); Import & export business (item shall be operated according to [1999] W.J.M.Z.S.H.No.1957 document)
Term of Operation:	Long-Term
Latest Pub. Year:	2016

BRANCH & SUBSIDIARY

Branch

Branch Name	Address	Telephone
Beijing Branch	No. 11, Qianjin First Road, Chaoyang District, Beijing City	86-010-8234****
Shanghai Branch	No. 23, Chuangxin Road, Pudong New Area, Shanghai City	86-021-8345****
Tianjin Branch	No. 35, Keji Second Road, Hexi District, Tianjin City	86-022-8456****

Subsidiary

Name	Address	Telephone	Inv. Amount (RMB1,000)	Share (%)
Changhe Sunshine Software Co., Ltd (transliterated)	No. 526, Xixi Road, Changhe City, Jiangsu Province	86-05**-8765****	6,000.00	100.00
Changhe Sunshine Technology Co., Ltd (transliterated)	No. 146, Meijing Road, Changhe City, Jiangsu Province	86-05**-8766****	5,000.00	80.00
Changhe Sunshine Science & Technology Co., Ltd (transliterated)	No. 258 Fushi Road, Changhe City, Jiangsu Province	86-05**-8767****	4,000.00	60.00

CAPITAL STRUCTURE & SHAREHOLDER

Capital Structure

(in thousand RMB)

Shareholder	Sum of Investment	Shares (%)	Paid-Up Capital (%)	Form Of Investment
Jiangsu Electronic Information Group Co., Ltd.	54,000.0	33.75	100	Currency & in kind
Sunshine Technology Group Co., Ltd.	52,800.0	33.00	100	Currency
Other shareholders	39,043.6	24.40	100	Currency
Suzhou Daqiao Assets Management Corp.	6,072.0	3.80	100	Currency
Suzhou Industrial Investment Co., Ltd.	6,036.0	3.77	100	Currency
China National Electronics Import & Export Jiangsu Company	1,092.0	0.68	100	Currency

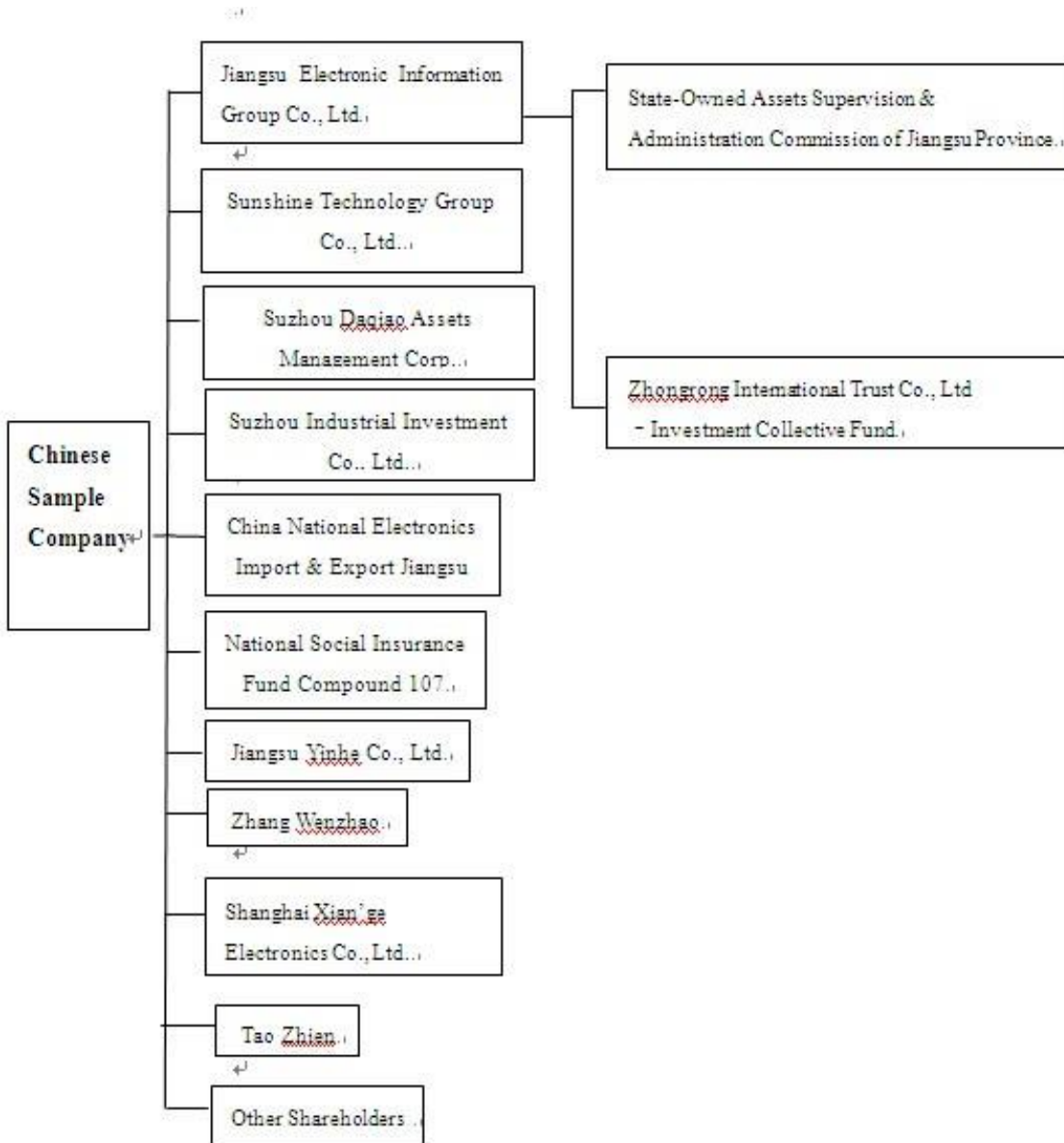
National Social Insurance Fund Compound 107	350.0	0.22	100	Currency
Jiangsu Yinhe Co., Ltd	173.9	0.11	100	Currency
Zhang Wenzhao	160.5	0.10	100	Currency
Shanghai Xian'ge Electronics Co., Ltd.	138.0	0.09	100	Currency
Tao Zhien	134.0	0.08	100	Currency
Total	160,000.0	100.00	---	---

Background of Major Shareholders

Shareholder:	Jiangsu Electronic Information Group Co., Ltd.
Business Address:	No. 63, Jiefang South Road, Nanjing City, Jiangsu Province
Postal Code:	211111
Telephone:	86-02*-8729****
Fax:	86-02*-8729****
Date of Foundation:	1990-08-02
Legal Status:	Liability limited company
Registered Capital:	RMB5,000,000,000
Legal Rep.:	Chen Yu
Total Employees:	8,500
Comprehensive Comments:	Jiangsu Electronic Information Group Co., Ltd is engaged in industrial investment and management of subsidiaries & branches. It is an enterprise group with multiple industry structure and equity structure. The leading products of subsidiaries & branches could be divided into over 500 varieties in over 30 categories, covering electronics, mechanical equipment, real estate, etc. In 2016, it had total assets of RMB5billion, main operating revenue of RMB8.3 billion, total profits of RMB510 million.

Shareholder:	Sunshine Technology Group Co., Ltd
Business Address:	No. 74, Baihua Rd., Nanjing City, Jiangsu Province
Postal Code:	21123
Telephone:	86-02*-8730****
Fax:	86-02*-8730****
Date of Foundation:	2000-04-30
Legal Status:	Liability limited company
Registered Capital:	RMB1,000,000,000
Legal Rep.:	Zhao Yue
Total Employees:	2,000
Comprehensive Comments:	Sunshine Technology Group Co., Ltd is engaged in production and sales of automatic control product; its main businesses include digital factory, electric automatization & integration, intelligent rubber equipment, precision machinery and smart city. As of year 2016, Subject had total assets of RMB3billion, realized main operating revenue RMB4.5 billion and total profits RMB250 million.

Shareholder Structure Chain



CHANGE ON REGISTRATION INFORMATION

Change Date:	2005-07-06		
Items Changed:	Registered Capital	Before change:	RMB120,000,000
		After change:	RMB160,000,000

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Change Date:	2005-07-06		
Items Changed:	Shareholder Information	Before change:	Jiangsu Electronic Information Group Co., Ltd. 50.75% Sunshine Technology Group Co., Ltd. 41.00% Suzhou Daqiao Assets Management Corp. 3.80% Suzhou Industrial Investment Co., Ltd. 3.77% China National Electronics Import & Export Jiangsu Company 0.68%
		After change:	Status quo

Change Date:	2006-05-20		
Items Changed:	Legal Representative	Before change:	Liu Ming
		After change:	Xu Hua

Change Date:	2013-07-09		
Items Changed:	Business Scope	Before change:	R & D, manufacture and repair of electronic communication products, communication systems, computer & fittings, modern office equipment and solar energy power; Import & export business (item shall be operated according to [1999] W.J.M.Z.S.H.No.1957 document)
		After change:	R & D, manufacture and repair of electronic communication products, communication systems, computer & fittings, modern office equipment and solar energy power; Information service (excluding futures and securities information); Import & export business (item shall be operated according to [1999] W.J.M.Z.S.H.No.1957 document)

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PRINCIPALS

Directors and Principals

Name	Title	Gender	Nationality	Birthday	Education
Xu Hua	Board Chairman	Male	China	1962-02-23	Master's Degree
Wang Ming	General Manager	Male	China	1965-03-12	Master's Degree
An Guofeng	Board Director	Male	China	1971-05-30	Bachelor Degree
Li Hong	Board Director	Female	China	1973-10-08	Bachelor Degree
Xu Ying	Supervisor	Female	China	1976-08-21	Bachelor Degree

Background of Principals

Name:	Xu Hua
Title:	Board Chairman
Gender:	Male
Nationality:	China
Education:	Master's Degree
Birthday:	1962-02-23
Resume:	1981-1985 Student of Computer Department, Northern Jiaotong University, with Bachelor's degree acquired 1985-1991 Engaged in teaching and scientific research in Computer Department, Northern Jiaotong University 1991-1995 Student of Administration Department of Northern Jiaotong University, with MBA degree acquired July 1995-May 2006 Vice Chairman & General Manager of Subject May 2006 to-date Board Chairman of Subject; Deputy General Manager of Jiangsu Electronic Information Group Co., Ltd
Social Title:	Member of China Communications Industry Association, Managing Director of Jiangsu Entrepreneur Association, Deputy to Suzhou People's Congress, etc.

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Investment of Legal Representative

Name	Unified Social Credit Identifier	Business Status	Title
Beijing Chengda Advertisement Communication Co., Ltd	110105013664784	Live	Shareholder
Hainan Yilongwan Property Co., Ltd	460100000373683	Live	Shareholder
Harbin Changjiang Xincheng Business Co., Ltd	230100100044151	Live	Shareholder
Beijing Sky Planning Consulting Ltd.	110102238791321	Live	Board Chairman
Shanghai Dadi Real Estate Development Co., Ltd.	310141597541392	Live	Executive Director
Henan Zhongyuan Trade Industrial Co., Ltd.	410100597841232	Live	Executive Director, Shareholder

STAFF




Staff Numbers:	3,500 people
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FACILITIES & PROPERTY

Business Address:	No.588, Xinfeng Road, Suzhou City, Jiangsu Province
Location:	Industrial area
Land Area:	80,000sq. m.
Floor Area:	50,000sq. m.
Property Type:	Company-owned

TRADEMARK AND PATENT

Trademark

Total number :	15		
Application Date	Reg./App. Number	Trademark	Logo
1998-12-26	3879056	阳光	
2001-02-14	3281794	阳云	
2005-08-09	4174468	阳朵	

Remark: The subject has registered 15 trademarks. Here we only provide 3 of them for your reference.

Patent

Total Number:	6
Including:	
Invention Patent:	1
Utility Model Patent:	3
Design Patent:	2

Application Date	Patent No.	Patent Name	Type
1998-05-15	53138468.0	Method for testing interface	Invention Patent
1999-10-28	20398421.6	Charger with holder	Utility Model Patent
2005-01-11	85321677.2	Mobile phone	Industrial Design Patent

Remark: The subject has registered 6 patents. Here we only provide 3 of them for your reference.

PURCHASE INFORMATION					
Region	Raw Materials	Sourcing Areas	Suppliers	Payment Method	Payment Term
Domestic	Electronic components, partial raw materials	Shanghai, Jiangsu, etc	Shanghai Tianle Electronic Components Ltd.; Hongyu Communication (Shanghai) Co., Ltd, Jiangsu Sunshine Ruisa Electronic Co., Ltd	Cheque, T/T	0-60 days
Overseas	Chip	USA, South Korea, etc	American PQR Co., Ltd	L/C	Immediate Payment

SALES INFORMATION					
Region	Products	Sales Territories	Clients	Collection Method	Term
Domestic	Mobile phone, laptop, communication system equipment, etc.	North China, East China, South China, etc	Beijing JKL Communication Co., Ltd.; Shanghai MNO Network Equipment Co., Ltd.	Cheque, T/T	0-30 days
Overseas	Mobile phone fittings	USA, Europe, etc	American STU Co., Ltd	L/C	Immediate Payment

IMPORT & EXPORT STATUS

Basic Information

Import & Export Right:	Self-Managed Import and Export Right for Production Enterprises
Customs Code:	322354****
Type of Customs Declaration:	Customs Self-Declaration
Customs Rating:	AA

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Import

Import Markets:

2015			2016		
Country	Amount (million US dollars)	Ratio (%)	Country	Amount (million US dollars)	Ratio (%)
Australia	5,148	28.40	Australia	5,198	28.13
United Kingdom	4,579	25.26	United Kingdom	3,389	18.34
New Zealand	2,190	12.08	Spain	2,894	15.66
Other	6,212	34.26	Other	6,997	37.87
Total	18,129	100	Total	18,478	100

Import Items:

2015			2016		
HS编码	Amount (million US dollars)	Ratio (%)	HS编码	Amount (million US dollars)	Ratio (%)
41021000	14,132	77.96	41021000	13,494	73.03
32021000	1,519	8.38	32021000	1,748	9.46
41012019	541	2.98	41012019	596	3.23
Other	1,937	10.68	Other	2,640	14.28
Total	18,129	100	Total	18,478	100

Exports

Export Markets:

2015			2016		
Country	Amount (million US dollars)	Ratio (%)	Country	Amount (million US dollars)	Ratio (%)
United States	8,185	30.13	United States	6,883	30.37
Vietnam	7,215	26.56	Vietnam	5,986	26.41
Hong Kong	2,311	8.51	Australia	1,783	7.87
Other	9,454	34.80	Other	8,013	35.35
Total	27,165	100	Total	22,665	100

Export Items:

2015			2016		
HS编码	Amount (million US dollars)	Ratio (%)	HS编码	Amount (million US dollars)	Ratio (%)
43039000	18,284	67.31	43039000	13,948	61.54
64059010	6,492	23.90	64059010	5,749	25.36
43021990	868	3.20	43021990	1,449	6.39
Other	1,521	5.59	Other	1,519	6.71
Total	27,165	100	Total	22,665	100

Note: HS code and product name correspondence table is as follows:

HS code	Product name
43039000	Electronic Component
43021990	Integrated circuit electronic components
41021000	Electronic Components (Capacitor Inductor)
32021000	Thyristor chip
64059010	chip
41012019	Laser diode chip

CREDIT RECORD	
Supplier Name:	Shanghai Tianle Electronic Components Ltd.
Product:	Electronic component
Contact Person:	Manager of Sales Department- Mr. Wang
Telephone:	86-21-20129992-123
Cooperation History:	5 Year(s)
Cooperation Terms:	On credit
Payment Status:	Prompt
Comprehensive Appraisal:	From Mr. Wang, Manager of Sales Department of Shanghai Tianle Electronic Components Ltd, Subject mainly purchases electronic components from this company. Subject has solid strength and makes payment to this company promptly during their cooperation.

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FINANCIAL INFORMATION
BALANCE SHEET (in thousand RMB)
Source: Official Channels

	2015-12-31	2016-12-31
Monetary Fund	821,148	1,391,306
Short-Term Investment	51,896	43,415
Notes Receivable	824,780	452,342
Accounts Receivable	81,140	203,765
Deduct: Provision For Bad Debt	0	0
Net Accounts Receivable	81,140	203,765
Other Net Accounts Receivable	97,793	11,828
Accounts Pre-Paid	74,638	14,055
Subsidy Receivable	1,560	4,048
Net Inventory	1,461,673	1,294,112
Deferred Expense	5,894	5,946
Long-Term Bond Investment Within One Year	0	0
Total Current Assets	3,420,522	3,420,817
Long-Term Investment:		
Long-Term Stock Investment	1,131	125,584
Total Long-Term Investment	1,131	125,584
Fixed Asset:		
Original Cost Of Fixed Assets	444,451	474,035
Deduct: Accumulated Depreciation	101,631	95,699
Deduct: Provision For Loss Of Value In Fixed Assets	0	3,912
Net Fixed Assets	342,820	374,424
Construction Materials	1,000	592
Construction In Progress	34,514	18,629
Total Fixed Assets	378,334	393,645
Intangible Assets And Deferred Assets:		
Intangible Assets	7,428	7,381
Deduct: Provision For Loss Of Value In Intangible Assets	0	0
Net Intangible Assets	7,428	7,381
Long-Term Deferred Expense	0	0
Total Intangible Assets And Other Assets	7,428	7,381
Total Assets	3,807,415	3,947,427

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Current Liabilities:		
Short-Term Loans	15,000	0
Notes Payable	154,364	74,486
Accounts Payable	1,528,621	1,294,113
Accounts Pre-Collected	808,821	1,017,405
Accrued Payroll	9,211	16,006
Welfare Payable	30,500	55,563
Tax Payable	30,660	33,367
Other Tax Payable	0	1,431
Other Accounts Payable	2,377	85,207
Accrued Expense	551	0
Intercompany Account	48,049	0
Long-Term Liabilities Within One Year	25,000	25,000
Total Current Liabilities	2,653,154	2,602,578
Long-Term Liabilities:		
Long-Term Loans	60,130	35,000
Special Payable	13,219	12,316
Total Long-Term Liabilities	73,349	47,316
Total Liabilities	2,726,503	2,649,894
Minority Interest	32,445	24,849
Owner's Equity (Shareholders' Equity):		
Net Paid-In Capital (Capital Stock)	160,000	160,000
Capital Reserve	592,930	628,123
Surplus Reserve	56,606	86,617
Retained Profit	238,931	397,944
Total Shareholder's Equity	1,048,467	1,272,684
Total Liabilities And Shareholder's Equity	3,807,415	3,947,427

INCOME STATEMENT (in thousand RMB)
Source: Official Channels

	2015	2016
1. Main Operating Revenues	6,367,616	10,841,475
2. Net Sales	6,367,616	10,841,475
Deduct: Main Operating Cost	4,849,371	8,979,462
Deduct: Sales Tax and Extra	21,498	32,922
3. Sales Profit	1,496,747	1,829,091
Add: Other Operating Profit	27,417	57,859
Deduct: Sales Expense	903,763	1,218,769
Deduct: Management Expense	9,474	7,284
Deduct: Financial Expense	328,721	330,058
4. Operating Profit	282,206	330,839
Add: Investment Income	-7,732	6,807
Add: Subsidy Income	3,408	20,333
Add: Non-operating Revenue	2,031	4,601
Deduct: Non-operating Expense	8,090	12,836
5. Total Profit	271,823	349,744
Deduct: Income Tax	48,658	107,501
Deduct: Minority Interest	7,243	-2,781
6. Net Profit	215,922	245,024

KEY RATIOS

	2015	2016
Solvency		
Total Debts Ratio(%)	72.46	67.76
Current Ratio (%)	128.92	131.44
Quick Ratio (%)	73.83	81.72
Operation Ability		
Inventory Turnover	3.32	6.94
Days Sales Of Inventory	110.02	52.60
Accounts Receivable Turnover	78.48	53.21
Days Sales Outstanding	4.65	6.86
Current Assets Turnover	1.86	3.17
Total Assets Turnover	1.67	2.75
Profitability		
Main Business Profit Margin(%)	23.51	16.87
Net Profit Margin(%)	3.39	2.26

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Return on Equity(%)	20.59	19.25
Return on Assets(%)	7.14	8.86
Ratio of Profits to Cost (%)	21.89	22.48
Growth Ability		
Sale Increase(%)	---	70.26
Profit Increase (%)	---	28.67
Value-maintenance and Value-increase of Capital(%)	---	121.39
Asset Growth (%)	---	3.68

COMPARISON WITH INDUSTRY AVERAGE

(SIC CODE: 3922 Manufacture of communication terminal equipment)

Index	2015	2016
	Industry Average	Subject
Solvency		
Total Debts Ratio(%)	60	72.46
Quick Ratio(%)	95	73.83
Operation Ability		
Inventory Turnover	2.5	3.32
Accounts Receivable Turnover	1.5	78.48
Current Assets Turnover	1.1	1.86
Total Assets Turnover	0.5	1.67
Profitability		
Main Business Profit Margin(%)	9.8	23.51
Return on Equity(%)	4.2	20.59
Return on Assets(%)	3.9	7.14
Ratio of Profits to Cost(%)	5.8	21.89
Growth Ability		
Sale Increase(%)	3.6	---
Value-maintenance and Value-increase of Capital(%)	101	---
Asset Growth(%)	12.6	---

FINANCIAL EXPLANATION

Subject's financial statements are audited consolidated financial statements.

FINANCIAL ANALYSIS

Solvency:	For year 2016, total debts ratio drops slightly over that of 2015, long-term liabilities are mainly composed of long-term loans, long-term solvency is ordinary; current ratio and quick ratio increase over that of 2015, but quick ratio is lower than industry average, liquidity of assets and short-term solvency are ordinary. All in all, Subject's solvency is ordinary.
Operation Ability:	For year 2016, inventory turnover improves over that of 2015, management of inventory is sound; account receivable turnover drops over that of 2015, but still higher than industry average, control over collection period is fair; current assets turnover and total assets turnover are high, assets are fully utilized,. All in all, operation ability is strong.
Profitability:	For year 2016, return on equity is high, main business profit margin is lower than industry average; net profit margin is low due to poor control over costs and expenses; all in all, profitability is ordinary.
Growth Ability:	For year 2016, main operating revenue, total profits and total assets increase over 2015, but the growth rates are still lower than industry average. All in all, there is still a room to improve growth ability.

BANKING INFORMATION

Bank:	Banking Department of Suzhou Sub-branch, Jiangsu Branch, Industrial & Commercial Bank of China, Industrial and Commercial Bank of China
Account No.:	3901320009000042594
Address:	No.19 Gongyuan Road, Suzhou City, Jiangsu Province
Telephone:	86-05**-8852****
Comment:	Normal relationship with the bank

LAWSUIT & NEGATIVE RECORDS

Lawsuit Records

<p>Date: July 30, 2000 Case No.: (2000) Qingbai Zhongwai Chu Zi No. 00081 Plaintiff: Victoria News Singapore Pte Ltd Defendant: China Sample Company Case: sale and purchase contract dispute Result: The plaintiff is allowed to notify Singapore Pte Ltd to withdraw the prosecution. The case handling fee was 11,822 yuan, reduced by half to 5,911 Yuan, by the plaintiff Victoria Singapore Pte Ltd burden.</p>
<p>Date: May 3, 2008 Case No.: (2008) Green white 05 Min 10455 Appellant (plaintiff, plaintiff, counterclaim defendant): Ninghai Fuxin Liwei Robot Technology Co., Ltd. Appellee (original trial defendant, counterclaim plaintiff): China sample company Case: contract contract disputes Result: dismiss the appeal and uphold the original verdict. The second instance hearing fee of 27,647 yuan, by the appellant Ninghai Fu new Liwei Robotics Division Technology Co., Ltd. burden. This decision is final.</p>
<p>Date: June 10, 2012 Case No.: (2012) Green White two early word No. 357 Plaintiff: Chinese sample company Defendant: Wang Yulong, Ninghai Chuyang Trading Company Case: sale and purchase contract dispute Trial results: The court held that if not satisfied with the verdict, the verdict may be served within 15 days from the date of submission of the petition to our court, and make a copy according to the number of the other parties, appealing to the Intermediate People's Court of Ninghai, Zhejiang Province.</p>

Date: Feb 26, 2015 Case No.: (2015) Q.B.M.C.Z. No. 135 Plaintiff: Chinese Sample Company Defendant: Ninghai Xinjiamei Technology Co., Ltd Cause: Disputes on sale contract Result: 1. The defendant Ninghai Xinjiamei Technology Co., Ltd should repay RMB681,093.78 of loans to the plaintiff Chinese Sample Company within 10 days after the judgment takes effect. 2. The defendant Ninghai Xinjiamei Technology Co., Ltd should pay RMB10,000 of lawyer fee to the plaintiff Chinese Sample Company within 10 days after the judgment takes effect. 3. The defendant Ninghai Xinjiamei Technology Co., Ltd should pay RMB100,000 of penalty to the plaintiff Chinese Sample Company (offset by RMB10,000 which was paid by defendant to plaintiff as a deposit). 4. Reject other litigant claims of the plaintiff Chinese Sample Company. If the defendant Ninghai Xinjiamei Technology Co., Ltd fails to effect payments within the period stated in this judgment, the debt interests of delayed period should be doubled in accordance with Article 253 of The Civil Procedure Law of The People's Republic of China. The court acceptance fees RMB6,855 (reduced by half), litigation preservation fees RMB5,000, totally RMB11,855 should be paid by defendant Ninghai Xinjiamei Technology Co., Ltd (this fee has been paid by plaintiff, so defendant should make this payment to plaintiff along with above-mentioned payments). Any party that refuses to accept the judgment may file petition for appeal to this court and appeal to Ninghai Intermediate People's Court of Zhejiang within 15 days of the serving of the written judgment.

No lawsuit records about Subject's senior managers in recent two years have been found.

The above records are from the public media information, as of 2017-06-30

Negative Records

Issued by: Ninghai Bureau for Environmental Protection
Object of Administrative Punishment: China sample company
Fact of Malfeasance: construction projects in violation of "three simultaneous" and acceptance system
Content of Punishment: fine
Date of Punishment Decision: September 9, 2009
Issued by: Ninghai Bureau for Environmental Protection
Object of Administrative Punishment: China sample company
Fact of Malfeasance: excessive or excessive total emissions, in violation of the deadline for governance
Content of Punishment: fine
Date of Punishment Decision: January 8, 2011
Source: http://www.*****
Posted: March 28, 2013
Published content: China's sample companies have an environmental administrative

sanctions cases were publicized

Issued by: Ninghai Bureau for Environmental Protection Object of Administrative Punishment: Chinese Sample Company Fact of Malfeasance: Excessive emission of stack effluent Foundation of Punishment: Article 48, Law about Prevention and Treatment of Air Pollution Content of Punishment: RMB30,000 Date of Punishment Decision: Jan 19, 2015

No lawsuit records about Subject's senior managers in recent two years have been found.

The above records are from the public media information, as of 2017-06-30

INDUSTRY ANALYSIS

SIC CODE: 3922 Manufacture of communication terminal equipment

In 2016, China's total shipment of mobile phone was up to 518 million, up 14.6% year-on-year, higher than average growth rate of the world 10.3%. Total domestic shipment of homemade brands was 429 million, up 21.1% year-on-year. In 2016, overseas shipment of homemade brands was 110 million (global sales of homemade brands 539 million minus domestic shipment). Domestic market and overseas market took up 79.6% and 20.4% in total shipment of homemade brands respectively, showing their higher dependence on domestic market. The performance of homemade brands in overseas market can't be compared to that of domestic market, with lowering percentage of overseas shipment. In 2016, the competition in China's mobile phone market was intensified, especially among homemade brands. Seeing from the competition situation of mobile phone manufacturers, smart phones develop similarly in product shapes, so the competition will focus on construction of ecological system in future. In 2016, the main brands were largely identical in famous models & configurations, and price war went on. In future, mobile phone market will pay more attention to software, contents and hardware ecology, thus hardware advantages alone can't help manufacturers survive themselves any longer. In 2017, total number of smart phone users will surpass 2 billion, while some mobile phone manufacturers are still struggling on the verge of collapse. In coming 4-5 years, at least 30% of IT suppliers will be closed down or acquired by others, including mobile phone cities. Except for Apple, Samsung and some OEM manufacturers, most of the mobile phone manufacturers obtain slim profit or even no profit.

HISTORY

<p>July, 1996</p>	<p>Subject was jointly established by Jiangsu Electronic Information Group Co., Ltd., Sunshine Technology Group Co., Ltd. (formerly known as Jiangsu Sunshine Technology Development Co., Ltd.), Suzhou Daqiao Assets Management Corp., Suzhou Industrial Investment Co., Ltd. and China National Electronics Import & Export Jiangsu Company, with registered capital of RMB120,000 thousand. Subject was engaged in production and sales of mobile phone at that time.</p>
<p>May, 1999</p>	<p>Subject acquired ISO9001 Quality Management System Certificate.</p>
<p>March, 2001</p>	<p>Subject and Jiangsu Telecom Company Limited jointly established Nanjing Sunshine Communication Co., Ltd. Subject invested RMB5,000 thousand and held 55% of shares. Since then, Subject started to step in telecommunication field beyond Jiangsu Province.</p>
<p>June, 2007</p>	<p>Subject set up Jiangsu Sunshine Sales Co., Ltd, to take charge of the domestic and overseas sale of Subject and its subsidiaries & branches, which made the business division of Subject clearer.</p>

BUSINESS STATUS

Subject specializes in R&D, manufacture and sales of mobile communication products and is a national key high-tech enterprise. Its leading products include mobile phone, laptop, communication system equipment, etc. At present, mobile phone is Subject's major revenue source. The sale of mobile phone accounts for 80% of Subject's total sales revenue, while laptop accounts for 15% and communication system equipment 5%.

Subject's mobile phone, laptop and communication system equipment are mostly sold in China, which takes up over 95% of total sales. In year 2016, Subject sold 12,055,900 "Sunshine" mobile phones. Subject sells through its sales companies nationwide, dividing domestic sales network into eight regions, including North China, East China, Southeast China, Northeast China, Central China, Southwest China, South China and Northwest China.

In 2016, the sales volume in East China accounts for 30% of total, North China 20% and South China 10%. Its main customers include Beijing JKL Communication Co., Ltd, Shanghai MNO Network Equipment Co., Ltd.

In addition, the mobile phone fittings manufactured by Subject are exported to USA and Europe, which takes up about 5% of total sales. Main overseas customer is American STU Co., Ltd.

The chips for production are imported from U.S. and South Korea, etc, with major supplier of American PQR Co., Ltd. Other electronic components and raw materials are purchased from domestic market like Shanghai and Jiangsu, etc, with main suppliers of Shanghai Tianle Electronic Components Ltd.; Hongyu Communication (Shanghai) Co., Ltd, Jiangsu Sunshine Ruisa Electronic Co., Ltd.

PROSPECT

Subject has a sound sales network. Its products enjoy fairly high domestic market shares and reputation with good quality. Its strong technical R & D capacity ensures the fast upgrade of its products. Subject's major shareholder Jiangsu Electronic Information Group Co., Ltd owns solid operating strength, and can support Subject's business in terms of capital and technology, etc. On analysis of Subject's financial data, overall financial status of 2015 and 2016 is fair, operation ability is strong, profitability is ordinary and still to be improved.

In general, Subject sees steady development prospect.

ILLUSTRATION

1. Currency in this report is RMB unless otherwise stated.
2. "---" in this report indicates "unavailable" due to insufficiency of information or "no comments". No credit rating will be given to enterprise with less than one year history, non-independent legal entity, financial institutions, bankrupt enterprises, enterprise in liquidation, or enterprises with severe lack of information.
3. If Subject's subsidiaries, trademarks and patents of the target company are numerous. This report provides only the most up-to-date or up-to-date 3~5 pieces of information for reference.
4. The credit limit suggested by IMEX is established on the basis of maximum debt-paying ability of Subject Company, but does not take into account the specific business between you and the Subject. The suggestion is just for your reference in your credit decision-making process regarding Subject Company.

5. Definition & Specification of Enterprise Classification under Customs Management:

Customs Rating	Specifications
AA Class	Enterprise with Outstanding Credit Verified by Customs
A Class	Enterprise with Good Credit
B Class	Enterprise with Average Credit, Suitable for Regular Management
C Class	Enterprise with Poor Credit
D Class	Enterprise with Very Poor Credit

6. Credit Rating Illustration:

Rating	Risk Level	Suggestion
AA	Minimal	Excellent credit, no doubt against business transaction currently, credit extension strongly recommended.
A	Low	Good credit, no objection against business transaction currently, credit extension recommended.
B+	Moderate	Reasonable credit, business transaction can be accepted normally, normal credit extension should be adopted.
B	Average	Fair credit, credit extension shall be based on guarantee and close monitoring is needed.
B-	Higher than average	Ordinary credit, caution needed against block transaction, credit extension shall be avoided possibly.
C	High	Dissatisfactory credit, caution needed against business transaction, credit extension is not recommended.
D	Significant	Poor credit, business transaction is not recommended.
NR	---	Subject has a history of less than one year; business in suspense; credit record is not complete; rating is not provided.

6. Risk Illustration:

Risk Index	Risk Level	Credit Recommendation
L1	Very Low	1. Suggested transaction volume should be increased by 25%~30%. 2. Suggested credit line should be increased by 25%~30%. 3. If it is the first transaction, suggested transaction volume and credit line should be 25%~30% higher than those for general clients

L2	Low	1. Suggested transaction volume should be increased by 20%~25%. 2. Suggested credit line should be increased by 20%~25%. 3. If it is the first transaction, suggested transaction volume and credit line should be 20%~25% higher than those for general clients.
L3	Relatively Low	1. Suggested transaction volume should be increased by 15%~20%. 2. Suggested credit line should be increased by 15%~20%. 3. If it is the first transaction, suggested transaction volume and credit line should be 15%~20% higher than those for general clients.
M1	Medium Low	1. Suggested transaction volume should be increased by 10%~15%. 2. Suggested credit line should be increased by 10%~15%. 3. If it is the first transaction, suggested transaction volume and credit line should be 10%~15% higher than those for general clients.
M2	Medium	1. Suggested transaction volume should be increased by less than 10%. 2. Suggested credit line should be increased by less than 10%. 3. If it is the first transaction, suggested transaction volume and credit line should be less than 10% higher than those for general clients.
M3	Medium High	1. Suggested transaction volume should remain unchanged. 2. Suggested credit line should remain unchanged. 3. If it is the first transaction, suggested transaction volume and credit line should be the same as those for clients of the same business size.
H1	Relatively High	1. Suggested transaction volume should be decreased by 20%~30%. 2. Suggested credit line should be decreased by 20%~30%. 3. If it is the first transaction, suggested transaction volume and credit line should be 25%~30% lower than those for general clients.

H2	High	1. Suggested transaction volume should be decreased by more than 30%. Suspension of transaction is recommended if it is necessary. 2. Suspension of credit line is recommended. 3. If it is not the first transaction, changed transaction method is recommended for security.
H3	Very High	1. Subject company doesn't qualify for transaction unless it pays in cash in advance. 2. Suspension of credit line is recommended. 3. If it is not the first transaction, changed transaction method is recommended for security and former debt should be dunned.
NA	--	Credit risk is unclear. Extreme caution is needed in business transaction with Subject company.

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