

Subject: SAMPLE Technology Of Power Source (Shenzhen) Co., Ltd. (Given by Official Sources)
Sinotrust No.: 0037147612

SAMPLE TECHNOLOGY OF POWER SOURCE (SHENZHEN) CO., LTD.

(Given by Official Sources)

SAMPLE电源技术(深圳)有限公司

Your Enquiry: SAMPLE Power Supply Technology
Date of Enquiry: Nov. 11, 2014
Report Type: International Company Profile
Type of Enquiry: Normal
Date of Delivery: Nov. 20, 2014

INVESTIGATION NOTES

The given English company name "SAMPLE Power Supply Technology" of Subject is inaccurate. According to Subject's relevant staff member, the English name of the company is "SAMPLE Power Supply Technology (SZ) Co., Ltd.". Subject's officially registered English name is "SAMPLE TECHNOLOGY OF POWER SOURCE (SHENZHEN) CO., LTD.", which is adopted in this report.

The given number "518104" is Subject's registered zip code.

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 Sinotruster No.: 0037147612

PROFILE

Subject Name:	SAMPLE TECHNOLOGY OF POWER SOURCE (SHENZHEN) CO., LTD. (Given by Official Sources)
Sinotruster No.:	0037147612
AIC No.:	4403065033217XX
N.O.C.:	7261578XX
Tax File No.:	4403017261578XX
Address:	2-3/F, Building B, Xinhuihuang Industrial Zone, Gongye 1st Rd., Buyong Community, Shajing Sub-dis. Bao'an District Shenzhen City Guangdong Province
Zip Code:	518104
Telephone:	(+86 755) 267860XX
Facsimile:	(+86 755) 267859XX

SUMMARY

Establishment Date:	Mar. 14, 2001
Legal Status:	Limited liability company (wholly owned by a natural person)
Organization Type:	Corporate enterprise
Debt Issued or Not:	No
Listed or Not:	No
External Investment or Not:	No
Legal Rep.:	XU Peng
Availability of Main Executive Background:	Yes
Registered Capital:	10,000,000
Sales:	51,252,000 (2013)
Net Profit:	412,000 (2013)
Total Assets:	25,316,000 (Dec. 31, 2013)
Net Worth:	4,270,000 (Dec. 31, 2013)
Employees:	250
I/E License:	Self-run I/E license
Litigation Records:	No
Credit Records:	No
Public Records:	No

Currency in this report is Chinese Yuan (RMB) unless otherwise stated. "--" in this report indicates "unavailable" or "no comment" due to insufficient information.

CREDIT ASSESSMENT

Major Indicators	Score	Rating
Business Size:	42	Medium
Company Background:	21	Fairly Weak
Financial Position:	51	Average
Industry Outlook:	60	Steady
Credit Rating:	51	CR4
Base Credit Limit:		300,000

RATING DISTRIBUTION IN SINOTRUST DATABASE



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Sinotrust No.: 0037147612

MAIN BUSINESS & INDUSTRY CLASSIFICATION

Main Business: Manufacturing and selling switch power supplies
 Chinese SIC: 3823, Manufacture of switchgear and switchboard apparatus; and electricity distribution equipment
 ISIC: 2710, Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus
 NACE: 27.12, Manufacture of electricity distribution and control apparatus

More information about Subject's lines of business can be found in the section "OPERATIONS."

FINANCIAL SUMMARY

	2013	2012
Sales	51,252,000	37,476,000
Total profit	412,000	374,000
Net profit	412,000	374,000
Total assets	25,316,000	16,641,000
Total liabilities	21,046,000	12,784,000
Total shareholders' equity	4,270,000	3,857,000
Total current assets	21,839,000	15,093,000
Total current liabilities	21,019,000	12,602,000
Working capital	820,000	2,491,000
Total fixed assets	2,958,000	1,534,000
Return on net assets (%)	9.65	9.70
Net profit margin (%)	0.80	1.00
Turnover of total assets	2.02	2.25
Turnover of accounts receivable (days)	78.54	100.85
Liabilities/assets ratio (%)	83.13	76.82
Current ratio	1.04	1.20
Quick ratio	0.84	1.03
Sales growth (%)	36.76	--
Gross profit growth (%)	15.48	--
Total assets growth (%)	52.13	--

GENERAL COMMENTS

Established in Mar. 2001, Subject, with a registered capital of RMB10,000,000, mainly produces and sells diversified switch power supplies.

According to Subject's major financial data for the past two years, its sales rose somewhat in 2013 over 2012, indicating somewhat developed business. Net profit margin (%) was quite low in the past two years, indicating weak profitability. Liabilities/assets ratio (%) was quite high in 2013, showing weak long-term solvency.

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STRUCTURE OF ORGANIZATION

Subject is a limited liability company (wholly owned by a natural person), whose routine management business is totally in the charge of its Executive Director. Subject consists of the following departments: Production Dept., Sales Dept., Administration Department, Accounting Dept., etc.

REGISTRATION

Establishment Date: Mar. 14, 2001
Registered Address: 2-3/F, Building 2, No. 2, Gongye Rd., Buyong Community, Shajing Sub-dis., Bao'an Dis., Shenzhen
Zip Code: 518104
Registry: Shenzhen Municipal Administration for Industry & Commerce
Legal Rep.: XU Peng
AIC No.: 4403065033217XX
Legal Status: Limited liability company (wholly owned by a natural person)
Registered Capital: 10,000,000
Business Scope: R&D and sales of power supplies and chargers, domestic trade, import and export of goods and technologies. (Excluding those subject to pre-approval before registration as stipulated by the laws, administrative regulations and decisions of the State Council); production of power supplies and chargers
Duration of Operation: From Mar. 14, 2001 To Mar. 14, 2021
Latest Yearly Inspection: 2013

CHANGES IN REGISTRATION

Date of Change	Change(s)	From	To
Mar. 17, 2011	Legal Representative (Principal)	YANG Suzhi	ZHONG Haichang
Sep. 24, 2012	Legal Representative (Principal)	ZHONG Haichang	XU Peng
Jul. 31, 2013	Registered Address	(2/F, Bldg. 4) Bldg. 1-4, Block A-6, Tongfuyu Industrial Park, Shajing, Bao'an Dist., Shenzhen	2-3/F, Building 2, No. 2, Gongye Rd., Buyong Community, Shajing Sub-dis., Bao'an Dis., Shenzhen
Dec. 12, 2013	Registered Capital	HK\$5 million	RMB5.322 million
Dec. 12, 2013	Paid-up Capital	HK\$5 million	RMB5.322 million
Dec. 12, 2013	Business Scope	Production, operation, design and development of electronic power supply products; 80% products for export	R&D and sales of power supplies and chargers, domestic trade, import and export of goods and technologies. (Excluding those subject to pre-approval before registration as stipulated by the laws, administrative regulations and decisions of the State Council); production of power supplies

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			and chargers
Dec. 12, 2013	Shareholder(s)	HK Jiali Enterprise Co. (literal translation) HK\$5 million 100%	XU Peng RMB5.322 million 100%
Aug. 26, 2014	Shareholder(s)	XU Peng RMB5.322 million 100%	XU Peng RMB10 million 100%
Aug. 26, 2014	Registered Capital	RMB 5,322,000	RMB 10,000,000

SHAREHOLDERS AND SHARES

Shareholders	Capital Subscribed	% of Total
XU Peng	10,000,000	100.00
	-----	-----
Total	10,000,000	100.00

Shareholders	Way of Investment
XU Peng	Cash

HISTORY

Mar.2001 Subject was registered and incorporated.

MAIN EXECUTIVE(S)

Name: XU Peng
 Post: Executive Director & General Manager
 Gender: Male
 Date of Birth: 1968
 Work Experience: Currently with Subject as Executive Director and General Manager
 No. of Invested and Appointed Companies: 1

Note: The information above comes directly from Sinotrust's database and may contain obsolete information. It is provided herein for reference only.

BOARD OF DIRECTORS

Name: XU Peng
 Post: Executive Director and General Manager
 Nationality: China
 Gender: Male
 Date of Birth: 1968

NUMBER OF EMPLOYEES

Total Employees: 250

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OFFICE FACILITIES

Location: 2-3/F, Building B, Xinhuihuang Industrial Zone, Gongye 1st Rd., Buyong Community, Shajing Sub-dis., Bao'an Dis., Shenzhen, Guangdong Province
 Area: N/A
 Property Ownership: N/A
 Traffic Convenience: Subject enjoys easy traffic access.

OPERATIONS

Main Business: Manufacturing and selling switch power supplies
 Chinese SIC: 3823,Manufacture of switchgear and switchboard apparatus; and electricity distribution equipment
 ISIC: 2710,Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus
 NACE: 27.12,Manufacture of electricity distribution and control apparatus

Subject is principally engaged in production of various kinds of switch power supply.

TRADEMARKS & PATENTS

Our check with the Trademark Office of the State Administration for Industry and Commerce of the People's Republic of China finds no trademarks registered by Subject in the latest five years.

Our check with the State Intellectual Property Office of the People's Republic of China finds no patent applications filed by Subject in the latest five years.

PURCHASING INFORMATION

Main Purchases: Production equipment, copper sheets, insulating materials, electromagnetic wires and cables, converters, adhesives, etc.
 Main Payment Terms: Cash or monthly settlement or payment in accordance with the contract

Subject mainly procures various kinds of production equipment and raw materials domestically. With a fairly long history since its incorporation, it has formed quite sound sourcing channels.

The information above was confirmed by Subject's staff in Nov. 2014.

SELLING INFORMATION

Domestic: Minority
 Regions: Guangdong Province
 Sales Terms: Prepayment, immediate payment or 30-day credit

Overseas: Majority
 Regions: Australia, Austria, the USA, Canada, etc.
 Sales Terms: L/C or T/T

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Subject is principally engaged in production of various kinds of switch power supplies. Its products are mainly supplied to manufacturers of chargers and adapters and mainly exported to foreign markets.

The information above was confirmed by Subject's staff in Nov. 2014.

IMPORT & EXPORT

I/E License: Self-run I/E license
 Customs' Rating: B (Nov. 19, 2014)

Definitions of Ratings of General Customs:

AA: Excellent

A: Good

B: Average

C: Fairly Poor

D: Very Poor

	2013	2012	2011
Total Imports (Unit: USD 10,000)	10-20	1-10	1-10
Total Exports (Unit: USD 10,000)	800-900	500-600	500-600

TRADE REFERENCES

Since Subject's products are mainly supplied to manufacturers of chargers and adapters and mainly exported to foreign markets, information on its cooperation with clients cannot be offered in this report.

CREDIT RECORD

Since Sinotruster was unable to obtain information on Subject's suppliers, comments on Subject's payment records are not available.

MAJOR RANKS

As of the completion of this report, our check with open sources and major search engines has found no ranking lists involving Subject in the latest five years.

LITIGATION RECORD

As of the completion date of this report, no litigation records by or against Subject have been found in the latest five years through our searching the website www.chinacourt.org, the local court's website and other major search engines.

PUBLIC RECORDS

As of the completion of this report, our check with open sources and major search engines has found no public records involving Subject in the latest five years.

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FINANCES

Balance Sheet ('000):

	Dec. 31, 2013 (Unconsolidated)	Dec. 31, 2012 (Unconsolidated)
Cash & bank	4,276	1,167
Accounts receivable	11,181	10,498
Other receivables	2,160	1,306
Inventory	4,222	2,122
Total Current Assets	21,839	15,093
Fixed assets	2,958	1,534
Long-term prepaid & deferred expense	519	14
Total Non-Current Assets	3,477	1,548
TOTAL ASSETS	25,316	16,641
Accounts payable	21,184	13,450
Accrued payroll	388	455
Taxes payable	-609	-1,309
Other payables	56	6
Total Current Liabilities	21,019	12,602
Long-term payables	27	182
Total Non-Current Liabilities	27	182
TOTAL LIABILITIES	21,046	12,784
Paid-up capital	5,305	5,305
Undistributed profit	-1,035	-1,448
TOTAL SHLDRS' EQUITY	4,270	3,857
TOTAL LIABILITIES & SHLDRS' EQUITY	25,316	16,641

Income Statement ('000)

	2013	2012
Starting Date	Jan. 01, 2013	Jan. 01, 2012
Closing Date	Dec. 31, 2013	Dec. 31, 2012
Sales	51,252	37,476
Less: Cost of sales	46,488	33,355
Business taxes and surcharges	221	187
Gross Profit	4,543	3,934
Less: Selling expenses	524	467
Administrative expenses	3,196	2,894
Financial expenses	291	184
Operating Profit	532	389
Plus: Non-operating income	2	--
Less: Non-operating expenses	122	15
Total profit	412	374

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Less: Income tax	0	0
Net profit	412	374

NOTES TO FINANCES

Due to the lack of a clear government policy regarding the transparency of enterprise financial information, many financial items might be missing in the above financial statements, causing possible inequality between the sum of the provided items and the provided Total Number.

According to official sources, Subject's paid-up capital was RMB5.322 million at yearend 2013, and its issued capital was RMB5.305 million that year, the reason of which however is not available.

Subject's paid-up capital of 2013 read different from its current registered capital due to its increase of registered capital in 2014.

Change of Key Financials ('000)

	2013	Growth Rate (%)	2012
Sales	51,252	36.76	37,476
Net profit	412	10.16	374
Total assets	25,316	52.13	16,641
Total liabilities	21,046	64.63	12,784
Total shareholders' equity	4,270	10.71	3,857
Total current assets	21,839	44.70	15,093
Total current liabilities	21,019	66.79	12,602
Working capital	820	-67.08	2,491
Total fixed assets	2,958	92.83	1,534

Important Ratios:

Profitability	2013	Year-on-year Comparison	2012
Return on net assets (%)	9.65	↓	9.70
Return on total assets (%)	1.63	↓	2.25
Gross profit margin (%)	8.86	↓	10.50
Net profit margin (%)	0.80	↓	1.00

Efficiency	2013	Year-on-year Comparison	2012
Turnover of total assets	2.02	↓	2.25
Turnover of current assets	2.35	↓	2.48
Turnover of accounts receivable (days)	78.54	↓	100.85

Solvency	2013	Year-on-year Comparison	2012
Liabilities/assets ratio (%)	83.13	↑	76.82
Current ratio	1.04	↓	1.20

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Quick ratio	0.84	↓	1.03
Growth	2013	Year-on-year Comparison	2012
Sales growth (%)	36.76	--	--
Gross profit growth (%)	15.48	--	--
Total assets growth (%)	52.13	--	--

INDUSTRY PROFILE

3823, Manufacture of switchgears and switchboard apparatus; and electricity distribution equipment

Industry Definition:

This industry includes the manufacture of power distribution switchgears and parts thereof used in the power distribution system of electrical appliances with voltage of 1000V or above to switch on or switch off for circuit protection, or the manufacture of power distribution switchgears and parts thereof used in housing or industrial equipment or household electrical appliances with voltage of no higher than 1000V.

Industry Status & Trend:

China's electric power industry has developed rapidly in recent years and the drive of encouraging policies has resulted in the launch of many state-level key projects in China's power transmission and distribution industry, which further invigorates the development of the power transmission and distribution switches and control equipment manufacturing industry and has ushered in an era of unprecedented prosperity for the latter. Meanwhile, domestic companies have rapidly sharpened their competitive edges and broke through the monopoly of such foreign brands as ABB and SIEMENS, with state-owned enterprises and private enterprises rising as equal competitors to foreign brands. The compound annual growth rate of China's power transmission and distribution switch and control equipment manufacturing industry will reach above 25%. The sales of this industry amounted to RMB467.49 billion in 2012 and approx RMB560 billion in 2013, up around 20% year-on-year.

Thanks to the construction plan of power grids and development of the electric power industry in China, the power transmission and distribution switch and control equipment manufacturing industry will maintain a high growth rate for several years to come. The total investment in power grids during the 12th Five-Year Plan period will reach RMB2500 billion with an average of RMB500 billion every year. The market capacity of China's power transmission and distribution switch and control equipment manufacturing industry will exceed RMB800 billion while the sales of China's power transmission and distribution switches and control equipment manufacturing industry are expected to hit approx RMB1300 billion and the average annual growth will be approx 23%.

INDUSTRY FINANCIAL RATIOS

3820, Manufacture of electricity transmission, distribution and control equipment

2013	Subject	Best	Average	Worst	
	Return on net assets (%)	9.65	20.80	11.20	-0.40
	Return on total assets (%)	1.63	12.40	7.80	0.20
	Gross profit margin (%)	8.86	27.50	16.50	7.70
	Turnover of total assets	2.02	1.90	1.10	0.50
	Turnover of current assets	2.35	2.00	1.20	0.70
	Turnover of accounts	78.54	61.02	144.00	276.92

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receivable (days)				
Liabilities/assets ratio (%)	83.13	50.00	60.00	85.00
Current ratio	1.04	2.39	1.42	0.84
Quick ratio	0.84	1.50	0.89	0.53
Sales growth (%)	36.76	31.60	18.80	-1.70
Gross profit growth (%)	15.48	24.30	10.60	-5.40
Total assets growth (%)	52.13	22.90	10.90	-4.40

2012	Subject	Best	Average	Worst	
	Return on net assets (%)	9.70	20.40	11.00	0.40
	Return on total assets (%)	2.25	12.00	7.50	0.20
	Gross profit margin (%)	10.50	27.00	16.20	7.60
	Turnover of total assets	2.25	1.80	1.00	0.40
	Turnover of current assets	2.48	2.00	1.20	0.50
	Turnover of accounts receivable (days)	100.85	61.02	144.00	276.92
	Liabilities/assets ratio (%)	76.82	43.00	63.00	86.30
	Current ratio	1.20	2.39	1.42	0.84
	Quick ratio	1.03	1.50	0.89	0.53
	Sales growth (%)	--	27.90	15.00	-5.40
	Gross profit growth (%)	--	22.40	9.80	-5.90
	Total assets growth (%)	--	23.10	11.00	-4.40

* The above indicators come from industry statistics regularly published by the government.

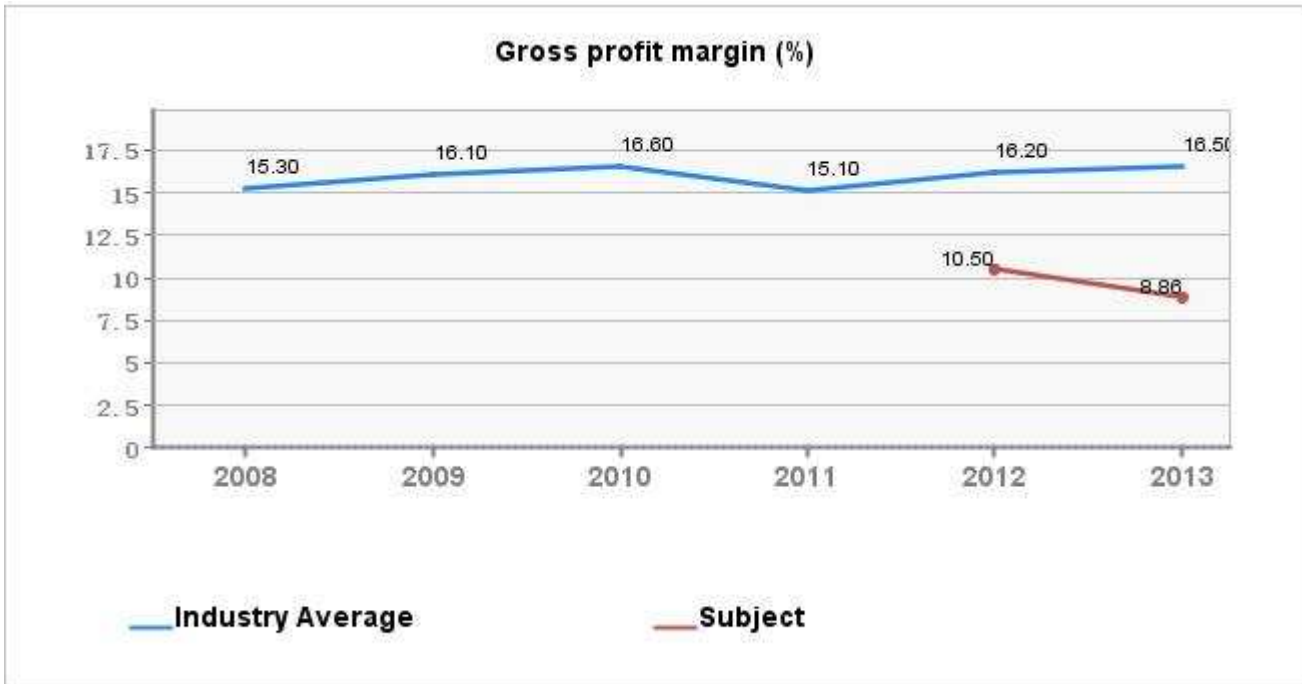
TREND CHART OF KEY INDICATORS

3820, Manufacture of electricity transmission, distribution and control equipment

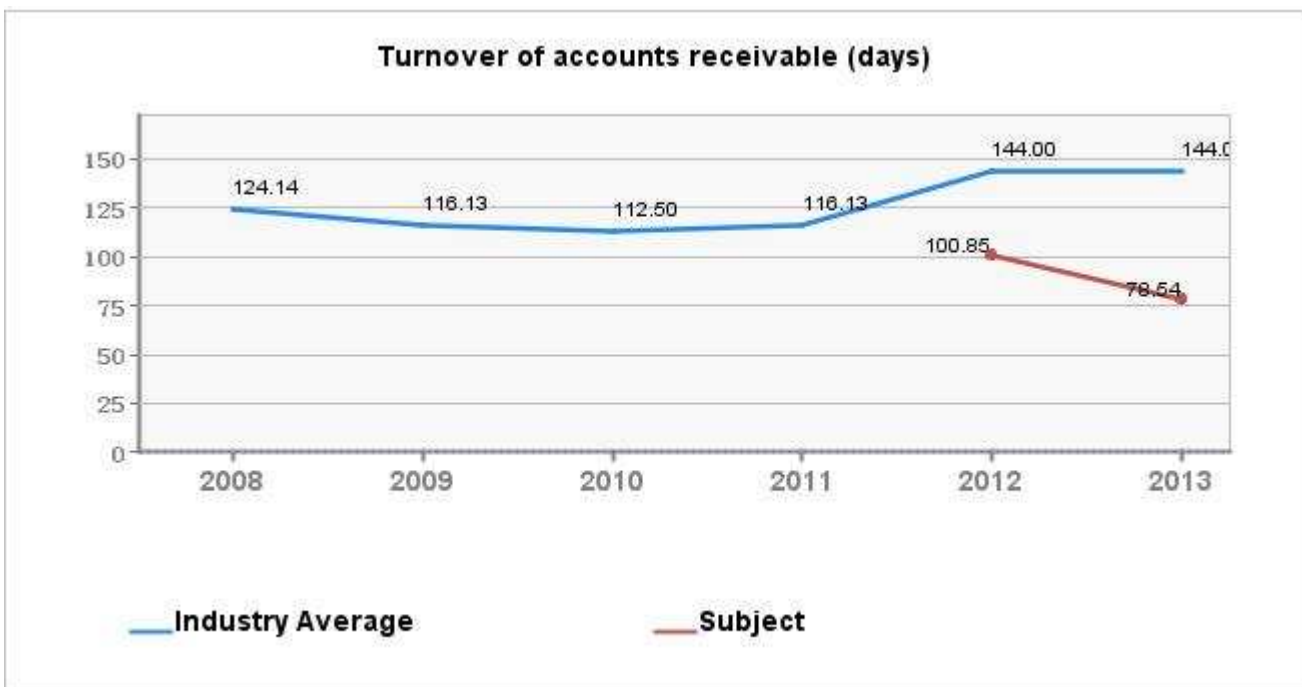
Trend of Gross Profit Margin (Average):

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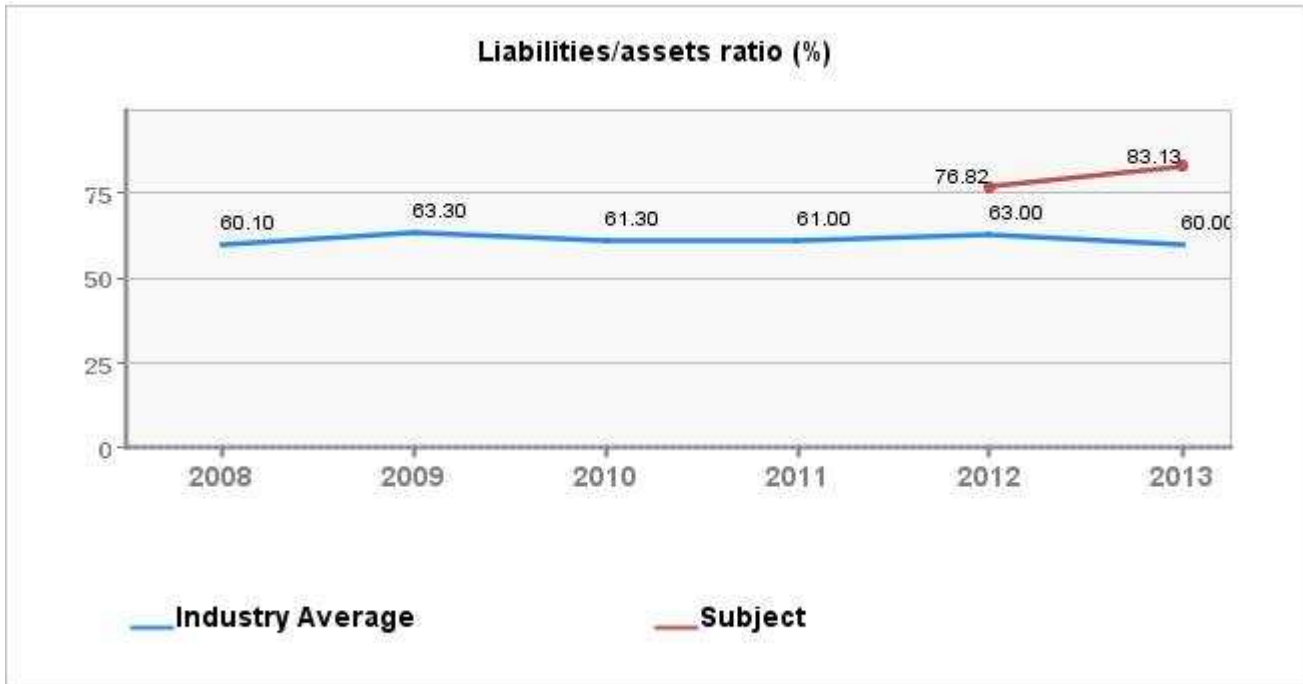
Trend of Turnover of Accounts Receivable (Days) (Average):



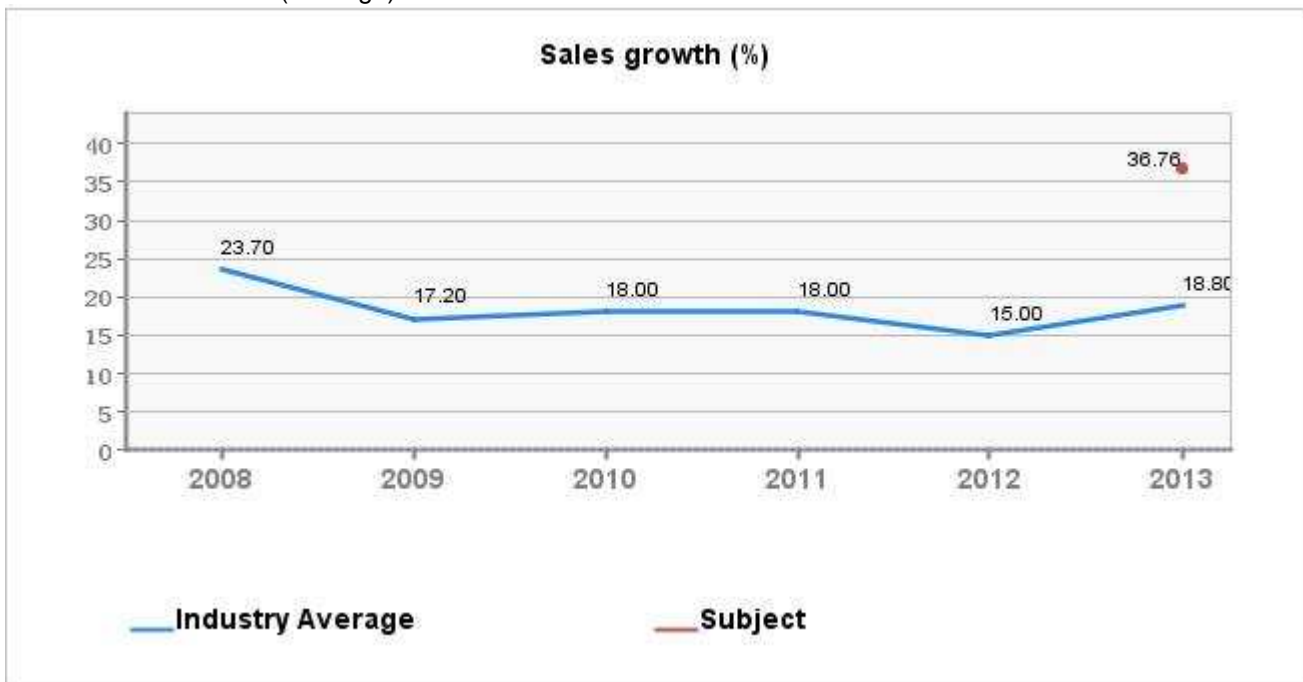
Trend of Liabilities/assets Ratio (Average):

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Trend of Sales Growth (Average):



PROBLEMS IN OPERATION

Subject's net profit margin (%) was quite low for the last two successive years, and its liabilities/assets ratio (%) exceeded 80% in 2013, indicating certain operation pressure. Subject's shareholder is a natural person, so its

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financing capacity and risk resistance are fairly weak. Subject has no self-owned brands. In addition, its competitiveness and sustainability are unfavorable.

CREDIT RATING

CR4

In assessing credit status of a business, SINOTRUST takes into consideration its size, history and background, financials and operations against industry average, credit history, etc. Indications of SINOTRUST credit ratings are as follows.

Rating	Risk Level	Indications
CR1	Very low	Credit can be extended on very loose terms.
CR2	Low	Credit can be extended on fairly loose terms.
CR3	Below average	Credit can be extended on normal terms.
CR4	Average	Credit should be on a closely monitored basis.
CR5	Above average	Credit should be avoided as much as possible.
CR6	High	Credit should be on secured basis.
CR7	Very high	Transaction should be on COD basis.

BASE CREDIT LIMIT

300,000

When calculating base credit limit, SINOTRUST presupposes that Subject purchases main commodities/services equally from many suppliers. Main factors considered include Net Assets, Total Assets, Total Sales, Profit, Credit Rating, etc. No consideration is given to the specific situation of your transaction with Subject. You may refer to the following recommendations when making credit decisions, but it is advisable that necessary adjustments be made in accordance with your sales strategies and credit policies.

Annual Supply/Subject's Sales	Recommended Credit Limit
Above 40%	Above 4 times the base credit limit
30%~40%	3 to 4 times the base credit limit
20%~30%	2 to 3 times the base credit limit
10%~20%	1 to 2 times the base credit limit
Below 10%	Within the base credit limit

----- End of the Report -----

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