

MIRA INFORM REPORT

Report No. :	542581
Report Date :	30.11.2018

IDENTIFICATION DETAILS

Name :	HEFEI MEYER OPTOELECTRONIC TECHNOLOGY INC.
Registered Office :	No. 668 Wangjiang West Road, High and New Tech Development Zone, Hefei, Anhui Province 230088 PR China
Country :	China
Financials (as on) :	30.09.2018
Date of Incorporation :	03.03.2000
Com. Reg. No.:	913401007199129080
Legal Form :	Shares Limited Company
Line of Business :	Subject registered business scope includes optoelectronic application technology development, transfer, software design; manufacturing and selling optoelectronic machinery; exporting self- made products and technologies; importing machinery equipment, spare parts, raw materials and technologies
No. of Employees :	1,296

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating : A++

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default

Status :	Excellent
Payment Behaviour :	Regular
Litigation :	Clear

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
China	A1	A1

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

CHINA - ECONOMIC OVERVIEW

Since the late 1970s, China has moved from a closed, centrally planned system to a more market-oriented one that plays a major global role. China has implemented reforms in a gradualist fashion, resulting in efficiency gains that have contributed to a more than tenfold increase in GDP since 1978. Reforms began with the phaseout of collectivized agriculture, and expanded to include the gradual liberalization of prices, fiscal decentralization, increased autonomy for state enterprises, growth of the private sector, development of stock markets and a modern banking system, and opening to foreign trade and investment. China continues to pursue an industrial policy, state support of key sectors, and a restrictive investment regime. From 2013 to 2017, China had one of the fastest growing economies in the world, averaging slightly more than 7% real growth per year. Measured on a purchasing power parity (PPP) basis that adjusts for price differences, China in 2017 stood as the largest economy in the world, surpassing the US in 2014 for the first time in modern history. China became the world's largest exporter in 2010, and the largest trading nation in 2013. Still, China's per capita income is below the world average.

In July 2005 moved to an exchange rate system that references a basket of currencies. From mid-2005 to late 2008, the renminbi (RMB) appreciated more than 20% against the US dollar, but the exchange rate remained virtually pegged to the dollar from the onset of the global financial crisis until June 2010, when Beijing announced it would resume a gradual appreciation. From 2013 until early 2015, the renminbi held steady against the dollar, but it depreciated 13% from mid-2015 until end-2016 amid strong capital outflows; in 2017 the RMB resumed appreciating against the dollar – roughly 7% from end-of-2016 to end-of-2017. In 2015, the People's Bank of China announced it would continue to carefully push for full convertibility of the renminbi, after the currency was accepted as part of the IMF's special drawing rights basket. However, since late 2015 the Chinese Government has strengthened capital controls and oversight of overseas investments to better manage the exchange rate and maintain financial stability.

The Chinese Government faces numerous economic challenges including: (a) reducing its high domestic savings rate and correspondingly low domestic household consumption; (b) managing its high corporate debt burden to maintain financial stability; (c) controlling off-balance sheet local government debt used to finance infrastructure stimulus; (d) facilitating higher-wage job opportunities for the aspiring middle class, including rural migrants and college graduates, while maintaining competitiveness; (e) dampening speculative investment in the real estate sector without sharply slowing the economy; (f) reducing industrial overcapacity; and (g) raising productivity growth rates through the more efficient allocation of capital and state-support for innovation. Economic development has progressed further in coastal provinces than in the interior, and by 2016 more than 169.3 million migrant workers and their dependents had relocated to urban areas to find work. One consequence of China's population control policy known as the "one-child policy" - which was relaxed in 2016 to permit all families to have two children - is that China is now one of the most rapidly aging countries in the world. Deterioration in the environment - notably air pollution, soil erosion, and the steady fall of the water table, especially in the North - is another long-term problem. China continues to lose arable land because of erosion and urbanization. The Chinese Government is seeking to add energy production capacity from sources other than coal and oil, focusing on natural gas, nuclear, and clean energy development. In 2016, China ratified the Paris Agreement, a multilateral agreement to combat climate change, and committed to peak its carbon dioxide emissions between 2025 and 2030.

The government's 13th Five-Year Plan, unveiled in March 2016, emphasizes the need to increase innovation and boost domestic consumption to make the economy less dependent on government investment, exports, and heavy industry. However, China has made more progress on subsidizing innovation than rebalancing the economy. Beijing has committed to giving the market a more decisive role in allocating resources, but the Chinese Government's policies continue to favor state-owned enterprises and emphasize stability. Chinese leaders in 2010 pledged to double China's GDP by 2020, and the 13th Five Year Plan includes annual economic growth targets of at least 6.5% through 2020 to achieve that goal. In recent years, China has renewed its support

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for state-owned enterprises in sectors considered important to "economic security," explicitly looking to foster globally competitive industries. Chinese leaders also have undermined some market-oriented reforms by reaffirming the "dominant" role of the state in the economy, a stance that threatens to discourage private initiative and make the economy less efficient over time. The slight acceleration in economic growth in 2017—the first such uptick since 2010—gives Beijing more latitude to pursue its economic reforms, focusing on financial sector deleveraging and its Supply-Side Structural Reform agenda, first announced in late 2015.

Source : CIA

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COMPANY NAME AND ADDRESS

COMPANY NAME	Hefei Meyer Optoelectronic Technology Inc.
CURRENT ADDRESS/ REGISTERED ADDRESS	No. 668 Wangjiang West Road, High and New Tech Development Zone, Hefei, Anhui Province 230088 PR China
TEL. NO.	86 (0) 551-65317048
FAX NO.	86 (0) 551-65317548

EXECUTIVE SUMMARY

DATE OF REGISTRATION	: MARCH 3, 2000
UNIFIED SOCIAL CREDIT CODE	: 913401007199129080
LEGAL FORM	: SHARES LIMITED COMPANY
CHIEF EXECUTIVE	: TIAN MING (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL	: CNY 676,000,000
STAFF	: 1,296
BUSINESS CATEGORY	: R & D & MANUFACTURING & TRADING
REVENUE	: CNY 860,625,000 (CONSOLIDATED, JAN. 1, 2018 TO SEP. 30, 2018)
EQUITIES	: CNY 2,180,702,000 (CONSOLIDATED, AS OF SEP. 30, 2018)
WEBSITE	: www.chinameyer.com
E-MAIL	: mygd@chinameyer.com
PAYMENT	: REGULAR
MARKET CONDITION	: COMPETITIVE
FINANCIAL CONDITION	: FAIRLY GOOD
OPERATIONAL TREND	: FAIRLY STEADY
GENERAL REPUTATION	: AVERAGE

Adopted abbreviations (as follows)

SC - Subject Company (the company inquired by you)

N/A – Not available

CNY – China Yuan Ren Min Bi

OPERATIONAL TREND & GENERAL REPUTATION

This section aims at indicating the relative positions of SC in respect of its operational trend & general reputation

Operational Trend:-

Upward

Steady

Fairly Steady

Ordinary

Fair

Stagnant

General Reputation:-

Excellent

Good

Fairly Good

Average

Fair

Detrimental

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Downward	Not known
Not known	Not yet be determined
Not yet be determined	

LEGAL STATUS & HISTORY

SC was established as a shares limited company of PRC with State Administration of Industry & Commerce (SAIC) under Unified Social Credit Code: 913401007199129080.

SC's import and export enterprise code: 3400719912908

SC's registered capital: CNY 676,000,000

SC's paid-in capital: CNY 676,000,000

Registration Change Record:-

Date	Change of Contents	Before the change	After the change
2002-6	Registered Capital	CNY 500,000	CNY 1,000,000
2003-4	Registered Capital	CNY 1,000,000	CNY 8,000,000
2008-5	Registered Capital	CNY 8,000,000	CNY 100,000,000
2011	Registered Capital	CNY 100,000,000	CNY 150,000,000
	Company's Name	Hefei Optoelectronic Technology Co., Ltd.	Meiya Hefei Meiya Optoelectronic Technology Inc.
	Registered Form	Legal Limited Company	Liabilities Shares Limited Company
2012	Registered Capital	CNY 150,000,000	CNY 200,000,000
2013	Registered Capital	CNY 200,000,000	CNY 260,000,000
2014-05-03	Registered Capital	CNY 260,000,000	CNY 338,000,000
2015-6-3	Registered Capital	CNY 338,000,000	CNY 676,000,000
	Registration No./ Unified Social Credit Code	340106000006970	913401007199129080

Current Co search indicates SC's shareholders & chief executives are as follows:-

Name of Shareholder (s) (As of Sep. 30, 2018)	% of Shareholding
Tian Ming	61.45
Hao Xianjin	3.49
Shen Haibin	2.93
Hong Kong Securities Clearing Company Limited	2.7
Guotai Junan Securities-China Construction Bank-Guotai Junan	1.95
Jundexin Stock Collective Asset Management Plan	
Shanghai Life Insurance Company Ltd.-Universal Product 1	1.76

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Cen Wende	1.44
Other Shareholders	24.28

SC's Chief Executives:-

Position

Legal Representative, Chairman and General Manager
Deputy General Manager

Name

Tian Ming
Shen Haibin
Ni Yingjiu
Jiang Dong
Qi Zhiwei
Zhang Jianjun

RECENT DEVELOPMENT

SC is a listed company in Shenzhen Stock Exchange Market with the code of 002690.

SC was rated as "national planning key software enterprise", "National Torch Plan key high-tech enterprise", "national innovation enterprise", "Anhui province tax credit A-class enterprises". SC's Products: won the "the first batch of national independent innovation products", "Anhui province famous brand products", and has won the Anhui provincial science and technology award, "Anke" trademark was named "Anhui famous trademark", etc.

SHAREHOLDER CHART & BACKGROUND

<i>Name</i>	<i>% of Shareholding</i>
(As of Sep. 30, 2018)	

Tian Ming	61.45
Hao Xianjin	3.49
Shen Haibin	2.93
Hong Kong Securities Clearing Company Limited	2.7
Guotai Junan Securities-China Construction Bank-Guotai Junan Jundexin Stock Collective Asset Management Plan	1.95
Shanghai Life Insurance Company Ltd.-Universal Product 1	1.76
Cen Wende	1.44
Other Shareholders	24.28

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Hong Kong Securities Clearing Company Limited

CR No.: 0251622
Company Type: Private Company Limited by Shares
Date of Incorporation: 5 May 1989
Active Status: Live

MANAGEMENT

Tian Ming (田明), Legal Representative, Chairman and General Manager

- Gender: M
- Nationality: China
- Age: 65
- Qualification: University
- Working experience (s):

At present, working in SC as legal representative, chairman and general manager
Also working in Hefei Anke Photoelectric Technology Co., Ltd. as executive director, and in Huizhi Venture Capital Co., Ltd. and Hefei Tongyong Special Material Equipment Co., Ltd. as director

Deputy General Manager

Shen Haibin
Ni Yingjiu
Jiang Dong
Qi Zhiwei
Zhang Jianjun

BUSINESS OPERATION

SC's registered business scope includes optoelectronic application technology development, transfer, software design; manufacturing and selling optoelectronic machinery; exporting self- made products and technologies; importing machinery equipment, spare parts, raw materials and technologies needed by SC.

SC is mainly engaged in researching, developing, manufacturing and selling photoelectric testing, classification special equipment and its application software.

SC's products mainly include:

Color Sorter:

Rice Color Sorter
Wheat Color Sorter
Multi-use Color Sorter
Belt-type Color Sorter

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Tea Color Sorter

- Multicolor Tea Color Sorter
- Monochrome Tea Color Sorter

Industrial Color Sorter

- Plastic Color Sorter
- Non-plastic Color Sorter

Customized Color Sorter

Special Detector:

X-ray Food Processing Machine

X-ray Industrial Detector

X-ray Tyre Detector

Trademark:



SC sources its materials 80% from domestic market, and 20% from overseas market. SC sells 70% of its products in domestic market, and 30% to overseas market.

The buying terms of SC include Check, T/T, L/C and Credit of 30-60 days. The payment terms of SC include T/T, L/C and Credit of 30-60 days.

Major Customers

=====

Cofco Rice Group Co., Ltd.

Ancoo (TH) Co., Ltd.

Cofco (Zhengzhou) Grain and Oil Industry Co., Ltd.

Cangshan County Xinke Packaging Printing Co., Ltd.

Garibsons (Pvt) Ltd

Staff & Office:

SC is known to have approx. 1,296 staff at present.

SC owns an area as its operating office & factory of approx. 115,375 sq. meters at the heading address.

RELATED COMPANY

Related Companies,

Huizhi Venture Capital Co., Ltd.

Registered No.: 340106000028003

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Hefei Anke Photoelectric Technology Co., Ltd.
Registered No.: 340106000023832

Hefei Tongyong Special Material Equipment Co., Ltd.

Shandong Meyer Botai Medical Technology Co., Ltd.

Unified Social Credit Code: 913700000921849696

Date of Registration: January 28, 2014

Legal Form: Limited Liabilities Company

Registered Capital: CNY 21,000,000

Legal Representative: Lin Maoxian

Web: www.btlmyl.com

Etc.

Subsidiary,

COFCO Engineering & Technology Co., Ltd.

Unified Social Credit Code: 91320211100013394P

Date of Registration: March 31, 1993

Legal Form: Limited Liabilities Company

Registered Capital: CNY 358,762,300

Legal Representative: Yao Zhuan

PAYMENT

Overall payment appraisal:

Excellent Good Average Fair Poor Not yet be determined

The appraisal serves as a reference to reveal SC's payments habits and ability to pay. It is based on the 3 weighed factors: Trade payment experience (through current enquiry with SC's suppliers), our delinquent payment records and our debt collection record concerning SC.

Trade payment experience: SC did not provide any name of trade/service suppliers and we have no other sources to conduct the enquiry at present.

Delinquent payment record: None in our database.

Debt collection record: No overdue amount owed by SC was placed to us for collection within the last 6 years.

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BANKING

Basic Bank:

Industrial and Commercial Bank of China Hefei Hi-Tech Development Zone Sub-branch

AC#: 1302011909024511368

Agricultural Bank of China Hefei High & New Tech. Development Zone Sub-branch

AC#: 12086201040010473

FINANCIALS

Consolidated Balance Sheet

Unit: CNY'000	As of Dec. 31, 2017	As of Sep. 30, 2018
Cash	770,841	461,316
Notes receivable	565	1,300
Accounts receivable	197,318	224,638
Advances to suppliers	4,317	2,788
Interest receivable	0	0
Other receivable	3,240	3,532
Inventory	102,054	131,793
Non-current assets within one year	0	0
Other current assets	1,352,000	1,393,001
	-----	-----
Current assets	2,430,335	2,218,368
Financial assets available for sale	50,000	50,000
Long-term investments	0	0
Real estate investment	0	0
Fixed assets	220,875	213,405
Construction in progress	0	389
Project materials	0	0
Intangible assets	30,486	34,574
Goodwill	0	0
Long-term deferred expense	1,640	1,270
Deferred income tax assets	8,467	9,441
Other non-current assets	953	23,421
	-----	-----
Total assets	2,742,756	2,550,868
	=====	=====
Short-term loans	216,105	14,644
Notes payable and Accounts payable	178,672	218,050

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Payroll payable	27,406	2,874
Taxes payable	36,807	26,933
Advances from clients	22,930	40,711
Other payable	5,135	2,376
Other current liabilities	0	0
	-----	-----
Current liabilities	487,055	305,588
Non-current liabilities	59,155	64,578
	-----	-----
Total liabilities	546,210	370,166
Equities	2,196,546	2,180,702
	-----	-----
Total liabilities & equities	2,742,756	2,550,868
	=====	=====

Consolidated Income Statement

Unit: CNY'000	As of Dec. 31, 2017	Jan. 1, 2018 to Sep. 30, 2018
Revenue	1,093,940	860,625
Cost of sales	511,900	391,322
Taxes and surcharges	12,293	7,970
Sales expense	144,016	109,193
Management expense	96,932	31,929
Finance expense	-2,174	-9,342
Asset impairment loss	4,709	6,292
Investment income	42,908	44,202
Non-operating income	349	0
Non-operating expense	32	6
Profit before tax	425,059	370,323
Less: profit tax	61,781	50,622
Profits	363,278	319,701

Important Ratios

	As of Dec. 31, 2017	As of Sep. 30, 2018
*Current ratio	4.99	7.26
*Quick ratio	4.78	6.83
*Liabilities to assets	0.20	0.15
*Net profit margin (%)	33.21	37.15
*Return on total assets (%)	13.24	12.53
*Inventory / Revenue x365/270	35 days	42 days
*Accounts receivable / Revenue x365/270	66 days	71 days
*Revenue / Total assets	0.40	0.34
*Cost of sales / Revenue	0.47	0.45

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FINANCIAL COMMENTS

PROFITABILITY: FAIRLY GOOD

- The revenue of SC appears fairly good in its line.
- SC's net profit margin is fairly good.
- SC's return on total assets is fairly good.
- SC's cost of sales is low, comparing with its revenue.

LIQUIDITY: FAIRLY GOOD

- The current ratio of SC is maintained in a fairly good level.
- SC's quick ratio is maintained in a fairly good level.
- The inventory of SC appears average.
- The accounts receivable of SC appears average.
- The short-term loans of SC appear small.
- SC's revenue is in a fair level, comparing with the size of its total assets.

LEVERAGE: FAIRLY GOOD

- The debt ratio of SC is low.
- The risk for SC to go bankrupt is low.

Overall financial condition of the SC: Fairly Good.

CONCLUSIONS

SC is considered medium-sized in its line with fairly good financial conditions.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 69.92
UK Pound	1	INR 89.74
Euro	1	INR 79.58
CNY	1	INR 10.03

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	KET

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)