

MIRA INFORM REPORT

Report No. :	531904
Report Date :	29.09.2018

IDENTIFICATION DETAILS

Name :	FUJIAN YDJ LIGHT CO., LTD.
Registered Office :	Zhengfeng Industrial Zone, Xiangqian Town, Minhou County, Fuzhou, Fujian Province 350112 PR
Country :	China
Financials (as on) :	31.12.2016
Date of Incorporation :	29.04.2009
Unified Social Credit Code :	913501006875494961
Legal Form :	Shares Limited Company
Line of Business :	Manufacturing energy-saving light source products, lamps, lighting appliances, electronic products, energy-saving lighting production equipment; operating and acting as an agent of importing and exporting various kinds of commodities and technology, excluding the goods forbidden by the government.
No. of Employees :	1,073

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	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	No Complaints

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Litigation :	Clear
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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 (31.12.2017)	Current Rating (01.04.2018)
China	A2	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

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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 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	Fujian YDJ Light Co., Ltd.
CURRENT ADDRESS/ REGISTERED ADDRESS	Zhengfeng Industrial Zone, Xiangqian Town, Minhou County, Fuzhou, Fujian Province 350112 PR China
TEL. NO.	86 (0) 591-22278259
FAX NO.	N/a

EXECUTIVE SUMMARY

Date of Registration	: APRIL 29, 2009
Unified social credit code	: 913501006875494961
LEGAL FORM	: SHARES LIMITED COMPANY
CHIEF EXECUTIVE	: LAI YONGQING (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL	: CNY 45,862,502
staff	: 1,073
BUSINESS CATEGORY	: MANUFACTURING & TRADING
REVENUE	: CNY 435,932,000 (CONSOLIDATED, AS OF DEC. 31, 2016)
EQUITIES	: CNY 213,305,000 (CONSOLIDATED, AS OF DEC. 31, 2016)
WEBSITE	: N/A
E-MAIL	: N/A
PAYMENT	: NO COMPLAINTS
MARKET CONDITION	: COMPETITIVE
FINANCIAL CONDITION	: stable
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 limited liabilities company of PRC with State Administration of Industry & Commerce (SAIC) under unified social credit code: 913501006875494961.

SC's Import and Export Enterprise Code: 3500687549496

SC's registered capital: CNY 45,862,502

SC's paid-in capital: CNY 45,862,502

Registration Change Record:-

Date	Change of Contents	Before the change	After the change
2017-12-6	Registered Capital	CNY 77,250,000	CNY 45,862,502
--	Registration No./ Unified Social Credit Code	350100100212998	913501006875494961

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

Name of Shareholder (s)	% of Shareholding
Fujian Yongdeji Group Co., Ltd.	65.13
Lai Yongqing	6.31
Huang Guangfa	6.03
Lai Deqing	5.3
Lai Jiqing	5.3
Other Shareholders	11.93

SC's Chief Executives:-

Position	Name
Legal Representative and Chairman	Lai Yongqing
General Manager	Guan Lili
Director	Huang Guangfa
	Lai Jiqing
	Lai Deqing
	Guan Lili
	Yang Xiaolong
Supervisor	Zheng Shengye
	Zhu Xiaofeng
	Chen Ming

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RECENT DEVELOPMENT

No recent development was found during our checks at present.

SHAREHOLDER CHART & BACKGROUND

Name	% of Shareholding
Fujian Yongdeji Group Co., Ltd.	65.13
Lai Yongqing	6.31
Huang Guangfa	6.03
Lai Deqing	5.3
Lai Jiqing	5.3
Other Shareholders	11.93

Fujian Yongdeji Group Co., Ltd.

Date of Registration: April 13, 1993
Unified Social Credit Code: 91350000260195131P
Chief Executive : Lai Jiqing
Registered Capital: CNY 32,700,000

MANAGEMENT

Lai Yongqing, Legal Representative and Chairman

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

At present, working in SC as legal representative and chairman, also working in Fuzhou YDJ Light Co., Ltd. and Fujian YDJ Light Co., Ltd. as legal representative

Guan Lili, General Manager

Gender: F

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Nationality: China
Qualification: University
Working experience (s):

At present, working in SC as general manager

Director

Huang Guangfa
Lai Jiqing
Lai Deqing
Guan Lili
Yang Xiaolong

Supervisor

Zheng Shengye
Zhu Xiaofeng
Chen Ming

BUSINESS OPERATION

SC's registered business scope includes manufacturing energy-saving light source products, lamps, lighting appliances, electronic products, energy-saving lighting production equipment; operating and acting as an agent of importing and exporting various kinds of commodities and technology, excluding the goods forbidden by the government.

SC is mainly engaged in manufacturing and selling energy-saving light source products.

SC's products mainly include: full-spiral compact fluorescent lamps.



SC sources its materials 100% from domestic market, mainly Fujian. SC sells 70% of its products in domestic market, and 30% to overseas market, mainly USA, Europe, Mid East, Southeast Asia, etc.

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

Major Customers

=====

Sunrise Lighting Inc.
Westinghouse Lighting Corporation

Staff & Office:

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SC is known to have approx. 1,073 staff at present.

SC owns an area as its operating office and factory, but the detailed information is unknown.

RELATED COMPANY

SC is known to have 2 subsidiaries at present.

Fuzhou YDJ Light Co., Ltd.

Fujian YDJ Light Co., Ltd.

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.

BANKING

The bank information of SC is not filed in SAIC.

FINANCIALS

Consolidated Balance Sheet

Unit: CNY'000	As of Dec. 31, 2015	As of Dec. 31, 2016
Cash	51,553	82,416
Notes receivable	1,220	0
Accounts receivable	102,355	116,570
Advances to suppliers	3,866	1,613

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FUJIAN YDJ LIGHT CO., LTD. - 531904

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Other receivable	685	337
Inventory	33,750	55,611
Non-current assets within one year	0	0
Other current assets	6,151	7,854
	-----	-----
Current assets	199,580	264,401
Fixed assets	51,073	71,884
Construction in progress	23,265	0
Intangible assets	8,795	8,582
Long-term prepaid expenses	0	1,888
Deferred income tax assets	2,252	2,832
Other non-current assets	0	0
	-----	-----
Total assets	284,965	349,587
	=====	=====
Short-term loans	0	0
Notes payable	0	0
Accounts payable	92,538	110,498
Wages payable	11,207	10,542
Taxes payable	3,082	6,217
Advances from clients	3,027	5,013
Other payable	326	1,796
Other current liabilities	0	0
	-----	-----
Current liabilities	110,180	134,066
Non-current liabilities	2,056	2,216
	-----	-----
Total liabilities	112,236	136,282
Equities	172,729	213,305
	-----	-----
Total liabilities & equities	284,965	349,587
	=====	=====

Consolidated Income Statement

Unit: CNY'000	As of Dec. 31, 2015	As of Dec. 31, 2016
Revenue	305,694	435,932
Cost of sales	255,918	353,844
Sales expense	8,649	12,997
Management expense	15,587	18,587
Finance expense	-9,469	-10,683
Profit before tax	33,729	63,186
Less: profit tax	7,554	14,885
Profits	26,175	48,301

Important Ratios

	As of Dec. 31, 2015	As of Dec. 31, 2016
*Current ratio	1.81	1.97

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*Quick ratio	1.51	1.56
*Liabilities to assets	0.39	0.39
*Net profit margin (%)	8.56	11.08
*Return on total assets (%)	9.19	13.82
*Inventory / Revenue x365	41 days	47 days
*Accounts receivable/ Revenue x365	123 days	98 days
*Revenue/Total assets	1.07	1.25
*Cost of sales / Revenue	0.84	0.81

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 average, comparing with its revenue.

LIQUIDITY: AVERAGE

The current ratio of SC is maintained in a normal level.
SC's quick ratio is maintained in a fairly good level.
The inventory of SC appears average.
The accounts receivable of SC appears large.
SC has no short-term loans.
SC's revenue is in an average level, comparing with the size of its total assets.

LEVERAGE: AVERAGE

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

Overall financial condition of the SC: Stable.

CONCLUSIONS

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

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.54
UK Pound	1	INR 94.90
Euro	1	INR 84.44
CNY	1	INR 10.55

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

INFORMATION DETAILS

Analysis Done by :	PRI
Report Prepared by :	DNS

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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)