



Company Credit Report

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Company Credit Report

Company	Jiangsu *** Co., Ltd.
Report Type	Enterprise credit report
Date of Consignation	Nov. 1, 2011
Date of Completion	Nov. 20, 2011

★Except special explanation, all monetary unit mentioned in the report is RMB (1,000).

★In the report, “—” refers to “unobtainable”, “not involved”, or “no evaluation” on account of insufficient data.

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1. Company Profile

With the rapid development of economy and electronic industry, demand for hardware fittings gradually increases. In order to expand market and take the advantage of cheap land resource and low labor cost in China, Hong Kong ** Co., Ltd. established Jiangsu ** Co., Ltd. on Dec. 4, 1995, with registered capital of HKD87.1 million. Main business of Jiangsu ** Co., Ltd. includes production and sales of various kinds of stainless steel parts.

2. Basic Information

Company	Jiangsu ***** Co., Ltd.
Registered Address	Yunlong District, Xu Zhou, Jiangsu Province
Tel.	0516-83396240
Fax	0516-83396240
Zip Code	211105
Date of Registration	Dec. 4, 1995
Nature of the Enterprise	Foreign-owned
Registration Authority	Xuzhou Administration Bureau for Industry and Commerce
Registration Number	3203002*****
Registration Capital	HKD 87.1 million
Legal Representative	*****
Import & Export Right	Yes
Business Scope	Production and sales of free-machining stainless steel parts, free-machining steel parts, and hardware fittings. Proportion of domestic sales and exportation should follow the official documents. (Any projects related to licenses, should get approval before operation.)
Operating Period	Dec. 4, 1995- Dec. 3, 2010
Website	http://www.XZCV*****.cn

3. Business Scope

Jiangsu ** Co., Ltd. is a production enterprise engaged in production and sales of stainless steel parts.

Raw materials such as stainless steel and aluminum are procured from different regions according to customers' requirement. Currently, main procurement areas concentrate on Guangdong province and surrounding areas in China, while raw materials such as stainless steel bars are imported from the US, Italy, France, Taiwan and Japan etc.

Jiangsu ** Co., Ltd. is specialized in manufacturing of stainless steel parts and a few of aluminum fittings. Most of its products are exported to countries in Southeast Asia, with Singapore as the core area. No sales in domestic China.

Production equipments of the company are mostly procured from overseas and are under sound operation now. Its products of high quality are applied in electronic products and engines.

On the whole, operation situation of Jiangsu ** Co., Ltd. is satisfactory.

4. Investor Information

Jiangsu ** Co., Ltd. is a foreign-owned enterprise. It registered with HKD 38 million in Dec of 1995. Hong Kong ** Co., Ltd. is its shareholder. Legal Representative is **.

Record of Change in Investment

Oct. 1996, its shareholder and legal representative changed to Hong Kong ** Co., Ltd. and ** respectively.

Jan. 2001, its general manager was changed from ** to **.

Dec. 2001, its registered capital was enlarged to HKD 57.1 million, with newly added HKD 9.1 million as equipment funds.

Sept. 2002, its registered capital was enlarged to HKD 87.1 million, with newly added HKD 40 million as equipment funds; business scope was changed into current situation.

Dec. 2003, its board of director was changed from ***, ***, and *** to ***, ***.

Sept. 2004, its shareholder was changed into current shareholder.

5. Human Resource

5.1 Resume of Legal Representative / Person in Charge

Name	****
Gender	Male
Age	58
Education Background	Bachelor
Occupation	Chairman and General Manager
Experience	1993- Now Hong Kong *** Co., Ltd. Director 1996- Now Hong Kong *** Co., Ltd. Chairman 1996- Now Jiangsu ** Co., Ltd. Chairman and General Manager

5.2 Employee Structure

Total Number of Employees 200*		850
Classification by Function	Technician	100
	Administration	70
	Marketing	20
Classification by Education Background	Doctor	0
	Master	0
	Bachelor/ Junior college	30%
	Others	70%
Employee Turnover Rate (Year)		3%

6. Business locations

	Address	Area	Type
Registered Address	Yunlong District, Xuzhou, Jiangsu Province	18,000m ²	Tenancy
Office Address	Yunlong District, Xuzhou, Jiangsu Province	2,000 m ²	Tenancy

7. Purchase & Sale and Payment Credit

7.1 Raw Material Procurement

Procurement Areas		Proportion	
Jiangsu province and surrounding areas		20%	
The US, Italy, France, Taiwan, and Japan etc.		80%	
Main Supplier	Raw Material	Settlement	Payment Status
Domestic Large-scale Steel Manufacturer	Stainless steel, aluminum	Cheque, T/T 1-30 days	70% on time; 30% delayed (less than a year); 0% delayed (more than a year)
Japan ** Group	Stainless steel bar	T/T, L/C 1-30 days	

7.2 Credit Record

Suppliers	Domestic large-scale steel manufacturer	Japan ** Group
Supplied products	Stainless steel	Stainless steel bar
Form of Settlement	Cheque, payment completed in 15-30 days	T/T, payment completed in 20-30 days
Highest Credit Line	RMB 6.86 million	RMB 5.97 million
Payment Record	On time payment rate:85%	On time payment rate: 90%
Evaluation by Supplier	Basically normal	Basically normal

7.3 Product Sales

Region		Proportion	
Southeast Asia (Various stainless steel fittings, hardware fittings)		100%	
Main Client	Form of Settlement	Payment Status	
*** (Singapore)	T/T,L/C. 1 day to 30 days	80% on time;20% delayed (less than a year); 0% delayed (more than a year)	

Note: the target enterprise focuses on the business of processing with imported materials

8. Legal Action Record

According to the record of the court, there is no related legal action record of Jiangsu ** Co., Ltd.

9. Financials

Balance Sheet

Assets	2008-12-31	2009-12-31
Monetary Capital	494	497
Accounts Receivable	7,652	0
Other Receivables	704	132
Accounts Prepaid	97	46
Inventory	6,205	5,344
Other Current Assets	150	274
Total Current Assets	15,302	6,293
Long-term Investment	0	0
Original Value of Fixed Assets	74,434	61,009
Accumulated Depreciation	28,908	22,273
Net Value of Fixed Assets	45,526	38,736
Other Fixed Assets	0	0
Total Fixed Assets	45,526	38,736
Net Value of Intangible Assets	205	233
Deferred Assets	0	0
Total of Intangible Assets and Deferred Assets	205	233
Other Assets	0	0
Total Assets	61,033	45,262

Liabilities	2008-12-31	2009-12-31
Short-term Loan	0	0
Accounts Payable	6,412	5,484
Accounts Received in advance	0	0
Taxes Payable	-59	29
Other Payables	125	94
Other Current Liabilities	3,091	2,584
Total Current Liabilities	9,569	8,191
Long-term Loan	0	0
Other Long-term Liabilities	0	0
Total Long-term Liabilities	0	0
Total Liabilities	9,569	8,191
Paid-in Capital	60,392	47,781
Capital Reserves	-118	19
Surplus Reserves	0	0
Undistributed Profit	-8810	-10,729
Total Shareholders' Equity	51,464	37,071
Total Liabilities and Shareholders' Equity	61,033	45,262

Income Statement

Item	2008-12-31	2009-12-31
Operating Revenue	54,746	44,314
Operating Costs	48,425	38,476
Tax and Associate Charge	0	0
Other Expenses	0	0
Operating Profit from Main Business	6,321	5,838
Operating Profit from other Business	3,025	1,982
Operating Expenses	4,195	3,103
Administrative Expenses	3,194	2,503
Financial Expenses	29	116
Operating Profit	1,928	2,098
Income on Investment	0	0
Subsidize Revenue	0	0
Non-operating Revenue	2	9
Non-business Expenses	11	137
Total Profit	1,919	1,970
Income Tax	0	0
Net Income	1,919	1970

Financial Ratios

	2008	2009
Current Ratio	1.60	0.77
Quick Ratio	0.95	0.12
Asset-liability Ratio	0.16	0.18
Inventory Turnover	7.80	7.20
Accounts Receivable Turnover	7.15	—
Accounts Receivable Turnover in days	50	—
Current Assets Turnover	3.58	7.04
Total Assets Turnover	0.90	0.98
Return on Total Assets	3.14%	4.35%
ROE	3.73%	5.31%

Financial Analysis

◆ Debt Paying Ability

With few liabilities, Jiangsu ** Co., Ltd. has long-term debt paying ability. Its short-term debt paying ability was relatively poor in 2004 but got improved in 2005. It needs to be noticed that, in 2005, the great increase on quick ratio was due to the huge amount of receivables. Thus, its debt paying ability is on the general level.

◆ Operating Ability

Inventory turnover ability of Jiangsu ** Co., Ltd. is situated in the general level of the industry. In terms of the changes of the above mentioned two years, its inventory management ability improved year by year, while its accounts receivable management ability is moderate.

◆ **Profitability**

Profitability of Jiangsu ** Co., Ltd. is moderate. Viewing from its development in recent two years, its profitability decreased year by year, which was mainly due to that the growth of cost and expense was greater than that of sales revenue.

◆ **Financial Evaluation**

On the whole, debt paying ability, operating ability and profitability of Jiangsu ** Co., Ltd. are all around average level.

10. Bank Account

Bank	ICBC Yunlong Branch, Xuzhou Account Number: 44266408*****
Address	No. 5 Jianguo East Street., Xuzhou, Jiangsu Province
Tel.	0516-8382****
Account Opening Time	Oct. 200*
Transaction Condition	Normal

11. Conclusion

Business Nature	<input type="checkbox"/> Shareholding System <input checked="" type="checkbox"/> Non-shareholding System
Business Scale	<input type="checkbox"/> Large-scale <input checked="" type="checkbox"/> Medium-size <input type="checkbox"/> Small-size
Industry Experience	<input type="checkbox"/> 1~2 years <input type="checkbox"/> 2~5 years <input checked="" type="checkbox"/> 5~10 years <input type="checkbox"/> 10~20 years <input type="checkbox"/> over 20 years
Development Tendency	<input type="checkbox"/> Newly Developing <input type="checkbox"/> Rising <input checked="" type="checkbox"/> Steady <input type="checkbox"/> Declining
Profitability	<input type="checkbox"/> Excellent <input type="checkbox"/> Good <input type="checkbox"/> Average <input checked="" type="checkbox"/> Poor <input type="checkbox"/> Very poor
Financial Status	<input type="checkbox"/> Excellent <input type="checkbox"/> Good <input type="checkbox"/> Average <input checked="" type="checkbox"/> Poor <input type="checkbox"/> Unacceptable
Suggested Line of Credit	Jiangsu ** Co., Ltd. is of average operating condition. We kindly suggest you that when your esteemed company cooperates with it, close attention should be paid on its development condition. According to its current situation, we believe that sell on credit trade should be controlled within RMB ** million, when you esteemed company cooperates with it.

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