

SAMPLE

Your Reference: Sample report
 Total number of pages: 7

**PR CHINA
 STANDARD REPORT**

Subscriber no.: XX77
 Our reference no.: 62352 MF
 Type of report: Standard

Enquiry on: BXX HXXXXXX (Beijing) Display Technology Co., Ltd.
 21/F PrXXXX Tower
 ChaoXXXX District, Beijing
 China 100016

Report Date: 2 August 2005

REPORT ON: BXX HXXXXXX (Beijing) Display Technology Co., Ltd.
 1X XXXXXXXXXXXX Road
 ChaoXXXX District, Beijing
 China 100016

CREDIT SCORE: 67 points (out of 100 possible)

	25	50	60	70	80	100
caution	insufficient	fair	normal	good	strong	

CREDIT RECOMMENDATION: Credit limit: USD 600,000

SUMMARY:

Founded: 200X
 Legal form: Sino-Foreign Equity Joint Venture
 Registered date: May 2X, 200X
 Activity: Manufacturer, Wholesaler & Exporter
 Main Product: TN/STN, FSTN, CSTN module products
 Registered capital: USD 5,000,000
 Staff: 430
 Turnover: CNY 740,774,000
 Payments: No complaints
 Litigation record: Clear

All figures in CNY unless otherwise stated.



IDENTIFICATION

Company name: BXX HXXXXXX (Beijing) Display Technology Co., Ltd.
 XXXXX (北京) 显示技术有限公司
 1X XXXXXXXXXXXXX Road
 ChaoXXXX District, Beijing
 China 100016
 北京市朝 X 区 XXX 路 1X 号

Tel: +86-10-64XXXXX8
 Fax: +86-10-64XXXXX4
 Email: webmaster@bXX.com.cn
 Website: www.bXX.com.cn

Registered Address: 10 XXXXXXXXXXXXX Road
 ChaoXXXX District, Beijing
 China 100016
 北京市朝 X 区 XXX 路 1X 号

LEGAL FORM

Subject was established as Sino-Foreign Equity Joint Venture on May 2X, 200X under Business License No. 企合京总字第 016XXX 号.

Operation period is May 2X, 200X to May XX, 20XX.

Import & Export License (Self-running) issued by Beijing Municipal Bureau of Commerce in May 200X

Registered in Beijing Municipal Administration for Industry and Commerce.

NATURE OF BUSINESS

Production and sale of TN/STN, FSTN, CSTN module products

Industry code
 4160, electronic element manufacturing

CAPITAL

Registered Capital : USD 5,000,000

SHAREHOLDER

<u>Name</u>	<u>Investment</u>	<u>% Ownership</u>
BXX Technology Group Co., Ltd. (XXX 科技集团股份有限公司)	USD 3,750,000	75%
HXXXXXX LCD Inc. (韩国 XX 液晶显示株式会社)	USD 1,250,000	25%
Total	USD 5,000,000	100%

MANAGEMENT

Name: WANG XXXXXXXXXXX (王 XX)

Gender: Male
Approximate Age: 4X
Title: Chairman
Legal Representative: WANG XXXXXXXX (王 XX), Board Chairman
Education: Postgraduate education
Responsibility: Overall administration
Reason of Promotion: Appointed by the Board of Directors
Delinquent Record: None reported

Brief CV:

Board Chairman with BXX Technology Group Co., Ltd. (XXX 科技集团股份有限公司) for long
Deputy Director and President with BXX HYXXS Technology Co., Ltd. (BXX-HYXXS 技术株式会社)
Board Chairman with Beijing BXX Optoelectronics Technology Co., Ltd. (北京 XXX 光电公司)
Director with BXX Technology Group Co., Ltd. (科技 XX 有限公司)
Director with BMXX PanXXXXXc (北京松下彩色显示管有限公司)
Director and President with Beijing XXXXXXXX Holding Co., Ltd. (北京 XX 控股有限公司)
Director with Beijing ZhiXXXX KeXXXXX Technology Development Co., Ltd. (transliteration, 北京智 X 科 X 技术开发有限公司)
May 200X-now, Board Chairman with Subject

Name: WANG XXXheng (王 X 恒)
Gender: Male
Approximate Age: 3X
Title: General Manager
Education: Postgraduate education
Responsibility: Business administration
Reason of Promotion: Appointed by the Board of Directors
Delinquent Record: None reported

Brief CV:

Once, Associate Manager of International Cooperation and Investment Department, Manager of Company Development Department, and General Manager of Electronic Element Development Department in BXX Technology Group Co., Ltd. (XXX 科技集团股份有限公司)
Now, Vice President with BXX Technology Group Co., Ltd. (XXX 科技集团股份有限公司), Director with HXXXXXX LCD Inc. (韩国 XX 液晶显示株式会社) and Director with Beijing XXXXXX Electronic Precision Components Co., Ltd. (transliteration, 北京 XX 电子精密部件有限公司)
200X-now, General Manager with Subject

HISTORY

Subject is a Sino-foreign equity joint venture established by the investment from BXX Technology Group Co., Ltd. (XXX 科技集团股份有限公司) and HXXXXXX LCD Inc. (韩国 XX 液晶显示株式会社). It was registered in Beijing Municipal Administration for Industry and Commerce on May 2X, 200X.

GENERAL

As a high and new technology enterprise in Beijing, Subject now has owned world-level development and large-scale production capacity of STN LCD, CSTN LCD and TFT LCD modules. At present, production capacity of various modules excels 14,000,000 pieces and its products are mainly applied to cell phones, PDA, car audio, navigation system and industrial meters, etc.; main clients include famous mobile phone manufacturers within and out of China such as SiemXXX AG (德国西 XX 公司), Ningbo XXXX Co., Ltd.

(宁波 XX 股份有限公司), LeXXXo Group (联 X 集团), KONXX Group (康 X 集团股份有限公司), Beijing XXXXXXX1 Co., Ltd. (北京 XX 股份有限公司), etc. The present business amount and gross profit of the company are increasing by times, occupying a leading position in the display area in China. Its overall operation at present is good.

Production Capacity

At present, Subject's annual production capacity of various modules is 14,000,000 pieces.

PURCHASES**Purchasing Item**

Electronic element, plastic materials, LC module and integrated circuit board

Purchasing Countries / Region

Korea

Main Supplier

HXXXXXX LCD Inc. (韩国 XX 液晶显示株式会社)

Purchasing Terms

Internal settlement or 60 days credit, L/C

Market**Products**

TN/STN, FSTN, CSTN module products

Selling Countries / Region

Domestic: Provinces, cities and regions such as Zhejiang, Beijing and Shenzhen, etc.

Abroad: Germany, etc.

Main Customers

Domestic: Ningbo XXXX Co., Ltd. (宁波 XX 股份有限公司), LeXXXo Group (联 X 集团), KONXX Group (康 X 集团股份有限公司) and Beijing XXXXXXX1 Co., Ltd. (北京 XX 股份有限公司), etc.

Abroad: SiemXXX AG (德国西 XX 公司), etc.

Selling Terms

Domestic: Payment in terms of contract or 60 days credit

Abroad: L/C

Plans & Strategies

Subject has no important developing plan for the time being.

Premises

Operating Address: 10 XXXXXXXXXXXX Road, ChaoXXXX District, Beijing
北京市朝 X 区 XXX 路 1X 号

Location: Industrial park
Land Area: 46,000 sq m.
Floor Space: 10,800 sq m.
Ownership of Premises: Leased

*In the People's Republic of China, all lands are owned by the state.

Staff

Employment is given to 430 staff.

Include:

Management: 48
Financial: 8
Technician: 67
Sales: 31
Production: 276

Quality Average
Efficiency Average
Number Stable

AFFILIATION

BXX Technology Group Co., Ltd. (XXX 科技集团股份有限公司) was established in April 199X. Up to now, the registered capital of the company is 1,464,000,000 and its total asset is 14,470,000,000. The principal operating income of the company has risen from 120,000,000 in the beginning of its establishment to 11,180,000,000 in 2003. The income from group incorporation has reached 16,100,000,000. As a company entering market, it mainly focuses on the business of display technology, products and services. At present, the company has established good cooperative relationship with many enterprises within and out of the country. Its products include TFT-LCD Display device, Small Display devices, CRT, Monitors & Flat Panel TV and Precision Electronic Components & Materials related to display products, etc. Every item of the company's business is stable.

Address: 1X XXXXXXXXXXXX Road, ChaoXXXX District, Beijing (北京市朝 X 区 XXX 路 1X 号)

Postal Code: 100016
Phone: +86-10-643XXX44
Fax: +86-10-6436XXXX

FINANCE

Annual Revenue 740,774,000 (Year of 2004)
Net Assets 53,749,000 (As of December 31, 2004)

FINANCIAL

Balance Sheet ('000)	<u>12/31/2003</u>	<u>12/31/2004</u>
Current assets	213,754	313,998
Including: Cash & Bank	53,106	56,742
Accounts receivable	69,471	167,448
Payment in advance	7	0
Inventories	28,243	14,590
Other current assets	62,927	75,218
Total fixed assets	17,741	17,819
Including: Fixed assets-net value	17,338	17,819
Construction in progress	403	0
Long-term investments	0	0
Intangible and deferred assets	0	0
	-----	-----
Total assets	231,495	331,817
	=====	=====
Current liabilities	189,069	275,968
Including: Short-term loans	58,201	117,476
Accounts payable	131,042	153,576
Advances from customers	40	40
Others payable	1,180	2,660
Other current liabilities	-1,394	2,216
Long-term liabilities	200	2,100
Including: Long-term loans	0	0
Special payable	200	2,100
	-----	-----
Total liabilities	189,269	278,068
Total shareholders' equity	42,226	53,749
	-----	-----
Total liabilities and shareholders' equity	231,495	331,817
	=====	=====
 Income Statement ('000)	 <u>Year 2003</u>	 <u>Year 2004</u>
Principal operating income	346,416	740,774
Less: Cost of sales	330,943	705,909
Principal operating tax and the additional	0	0
Principal operating profit	15,473	34,865
Add: Other operating profit	23	112
Less: Selling expense	1,611	1,372
General and administrative expense	11,137	15,720
Financial expense	-126	3,931
Operating profit	2,874	13,954
Add: Investment income	0	0
Subsidy	0	0
Non-operating income	8	0

Less: Non-operating expense	3	1,833
Gross profit/loss	2,879	12,121
Less: Income tax	0	0
Net Profit (After tax)	2,879	12,121

Key Financial Ratio	<u>12/31/2003</u>	<u>12/31/2004</u>
Current Ratio (times)	1.13	1.13
Quick Ratio (times)	0.98	1.08
Liabilities/Assets (times)	0.82	0.84
Current Assets Turnover (times)	1.62	2.36
Total Assets Turnover (times)	1.50	2.23
Inventory Turnover (times)	11.72	48.38
Accounts Receivable Turnover (times)	4.99	4.42
Average Collection Period (days) (calculated on 360 days)	72	81
Profitability	0.83	1.64
Return on Equity (%)	6.82	22.55
Return on Assets (%)	1.24	3.65

Note: The financial data above are obtained through official channels and have been confirmed by Subject's executives.

Financial Analysis

Solvency

Subject's long-term solvency is relatively weak and its short-term solvency is above average in its line. Its short-term realizable ability is fairly strong and asset security is average.

Turnover

Subject's ability of turning over inventory is high and ability of turning over funds is average. Subject's accounts receivables are passable.

Profitability

Subject's profitability is relatively weak and return on assets is relatively low.

CHARGES

None

BANKER

Banker: Industrial and Commercial Bank of China, Beijing Branch
ChaoXXXX Sub-branch, XXXXXXXX Banking Office

中国工商银行北京市分行朝 X 支行 XX 分理处

Account Number: 02000XXXXXXXXXX2336

Deposit: Middle 8 figures

Rating by Banker: No detrimental record reported

PAYMENTPayment to suppliers

80% paid to terms, 20% deferred (within one year), -% deferred (over one year)

Payment from buyers

80% paid to terms, 20% deferred (within one year), -% deferred (over one year)

LITIGATION

The local court was contacted and no relevant record was found.

CREDIT OPINION WITHOUT OBLIGATION

Subject is a Sino-foreign equity joint venture manufacturing LCD components. XXXX years since its establishment, the company has established business cooperative relationship with SiemXXX AG (德国西 XX 公司), Ningbo XXXX Co., Ltd. (宁波 XX 股份有限公司), LeXXXo Group (联 X 集团), KONXX Group (康 X 集团股份有限公司), Beijing XXXXXX1 Co., Ltd. (北京 XX 股份有限公司), etc. and its business amount is fairly stable. Its production capacity and saleroom increase continually. In 2004, principal operating income of Subject was 740,774,000 and gross profit was 12,121,000, increasing 113.84% and 321.01% by contrast. Recently, the company reinforces and expands client resources and at the same time, it strengthens the localization of upper parts, reduces costs, enhances products' yield and increases additional value of products to promote profitability. If the operation is well, the company is expected to acquire richer economic feedback as well as reinforce benefits available. Its development is better in the long term. Under present condition, the company's credit risk is lower than average level, thus the consigner should consider performing normal sale on credit with Subject in recent period of time.

Overall Assessment

Industry Trend	Fairly stable
Business Position	Fairly stable
Business Trend	Fairly stable
Size in Its Line	Medium
Background	Fairly strong
Short-term Solvency	Fairly strong
Long-term Solvency	Relatively weak
Assets Efficiency	Fairly high
Profitability	Relatively weak
Payment Records	Average

MAJOR MACRO ECONOMIC INDICATORS OF CHINA*

US\$ billion	1999	2000	2001	2002 (e)	2003 (f)	2004 (f)
Economic growth (%)	7.1	8.0	7.3	8.0	7.5	7.8

Inflation (%)	-1.4	0.4	0.7	-0.8	0.5	0.3
Public-sector balance/GDP (%)	-3.0	-2.8	-2.6	-3.0	-3.2	nd
Exports	194.7	249.1	266.1	325.7	408.0	515.0
Imports	158.7	214.7	232.1	281.5	373.0	482.0
Trade balance	36.0	34.5	34.0	44.2	35.0	33.0
Current account balance	21.1	20.5	17.4	35.4	26.0	25.0
Current account balance/GDP (%)	2.1%	1.9%	1.5%	2.9%	1.9%	1.7%
Foreign debt/GDP (%)	17.6%	16.2%	14.8%	13.8%	13.0%	12.0%
Debt service/Exports (%)	10.0%	8.2%	7.5%	6.4%	4.5%	3.7%
Reserves in months of imports	8.9	7.3	8.6	9.9	10.4	10.0

e - Estimates

f - Forecasts

* Source from Coface Group

COUNTRY RATING*

Rating : A3

A3 indicates that adverse political or economic circumstances may lead to a worsening payment record that is already lower than the previous categories, although the probability of a payment default is still low.

For further information of country rating and payment experience such as Assets - weaknesses - risk outlook; Industries overview; Insolvency trend; Means of payment and collection methods; and Non payment index, please visit our group's official homepage at www.cofacerating.com. or go directly to your interest at www.cofacerating.com/anglais/home/Country.html

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