

XXXXXX Industry China Co., Ltd.

Report Status

Final Report

Completion Date

2013-1-1 16:18:47

## GIVEN INFORMATION

Given Name: XXXXXX 有限公司

## SUMMARY

Subject Company	XXXXXX Industry China Co., Ltd.
Registered Address	No. 3, YYYYYYYYYYYY District, Qingdao City
Business Address	No. 229B, YYYYYYYYYYYY District, Qingdao City, Shandong Province
Date of Foundation	2004-12-07
Economic Status	Solely foreign-funded
Legal Representative:	ZZZZZZZZZZ
Registered Capital	EUR13,500 thousand
Total Assets	RMB435,472 thousand (2012-12-31)
Shareholder's Equity	RMB246,469 thousand (2012-12-31)
Main Operating Revenue	RMB527,082 thousand (2012)
Net Profits	RMB16,161 thousand (2012)
Staff Numbers	1,200
Company Size	Large-sized
SIC Code	4050 Electronic Parts
Import & Export Right	Yes
Industry Prospect	Medium
Business Trend	Stable
Credit Limit Suggested	RMB32,219 thousand

## BUSINESS CONTACT

Chinese Name	XXXXXX 有限公司
English Name	XXXXXX Industry China Co., Ltd.
Chinese Address	山东省青岛市 YYYYYYYY 号乙
English Address	No. 229B, YYYYYYYYYYYY District, Qingdao City, Shandong Province

Postal Code 266000  
 Tel 86-532-00000000  
 Fax 86-532-00000000

## REGISTRATION

Chinese Name XXXXXX 有限公司  
 Registered Address No. 3, YYYYYYYYYYYY District, Qingdao City  
 Date of Registration 2004-12-07  
 Legal Representative ZZZZZZZZZZ  
 Registration Number 370200000000000  
 Legal Status Solely foreign-funded  
 Registered Capital EUR13,500 thousand  
 Registry Qingdao Administration for Industry and Commerce of Shandong Province  
 Business Scope Production and operation of various supporting electromechanical and electronic components, devices and systems of home appliances, automobile and heating boiler industries. (Above items requiring licenses shall be operated with licenses.)  
 Term of Operation 2004-12-07 to 2025-12-07

## BRANCH & SUBSIDIARY

### Remark:

Subject has no subsidiaries or branches.

## CAPITAL CONTRIBUTION & SHAREHOLDER (S)

### Capital Contribution (in thousand EUR )

Shareholder	Amount	Share (%)	Paid-Up Capital (%)	Form Of Contribution
XXXXXX Industrie S.P.A	11,625	86.11	100	Currency
YYYYYYYYYYYYYYYYYYYY ZZZZZZZZZZZZZZZZZZZZZZZZZZZZZZ S.P.A	1,875	13.89	100	Currency

Total 13,500 100

## CHANGE ON REGISTRATION INFORMATION

Change Date: 2007-01-18

Items Changed: Registered Capital Before change: EUR5,000 thousand  
 After change: EUR6,500 thousand

Change Date: 2011-05-27

Items Changed: Registered Capital Before change: EUR6,500 thousand  
 After change: Status quo

Change Date: 2013-07-16

Items Changed: Legal representative Before change: Silvio Brignone  
 After change: Status quo

## DIRECTORS / SENIOR MANAGEMENT

### Directors & Senior Management

Name	Title	Gender	Birthday	Education	Other
ZZZZZZZZZZ	Board Chairman & General Manager	Male			
ZZZZZZZZ	Board Director	Female	1970-12-07		

### Background of Senior Management

Name ZZZZZZZZZZZ

Title Board Chairman & General Manager

Gender Male

Resume Now serves as Board Chairman and General Manager of Subject.

## STAFF

Staff Numbers 1,200

## FACILITIES & PROPERTY

### Facilities

Business Address	No. 229B, YYYYYYYYYYYY District, Qingdao City, Shandong Province
Location	Other
Floor Area	15,000sq. m.
Property Type	Leasehold

## TRADEMARK AND PATENT

### Trademark

Total number: 1

Application Date	Trademark	Expiry Date of the Exclusive Right
2006-09-11	XXXXXX	2019-06-27

Subject has registered 1 trademarks. Here we only provide 1 ones for your reference.

### Patent

Total Number: 13

Including: Invention Patent 1

Utility Model Patent 12

Design Patent 0

Application Date	Patent No.	Patent Name	Type
2008.12.30	CN200000000000.5	Solenoid valve coil with heat-shrinkable tube	Utility Model Patent
2009.09.28	CN200000000000.0	Bidirectional pressure switch	Utility Model Patent
2009.08.07	CN200000000000.7	Pluggable solenoid valve terminal	Utility Model Patent

Subject has registered 13 patents. Here we only provide 3 ones for your reference.

## PURCHASE INFORMATION

### Raw Materials Purchase

Region	Raw Materials	Sourcing Areas	Suppliers	Payment Method	Payment Term
--------	---------------	----------------	-----------	----------------	--------------

Domestic	Sensors, metal materials, hardware parts and test chambers, etc.	Shandong, Beijing, Shanghai, etc.	Shanghai ZZZZZZ Instrument Stock Co., Ltd., etc.	T/T, bank transfer, etc.	0-180 days
----------	--	-----------------------------------	--	--------------------------	------------

## SALES INFORMATION

### Products Sales

Region	Products	Sales Territories	Clients	Collection Method	Term
Domestic	Home appliances and auto parts	Shandong, Guangdong, etc.	Qingdao ZZZZZ Co., Ltd., Qingdao ZZZZZZZZ ZZZZZZZZ ZZZZZZZZ Co., Ltd., etc.	T/T, bank transfer, etc.	0-150 days
Overseas	Home appliances and auto parts	Europe, etc.		T/T, etc.	0-60 days

## CREDIT RECORD

Suppliers: Shanghai ZZZZZZ Instrument Stock Co., Ltd.

Product: Test chambers, etc.

Contact Person: Ms. Cui

Telephone : 021-60000000

Comprehensive Appraisal: As stated, this company provides test chambers and other equipments for Subject. They cooperate well and Subject keeps normal credit status in this company.

## FINANCIAL INFORMATION

### Source:

#### BALANCE SHEET (in thousand RMB)

	2011-12-31	2012-12-31
Current Assets:		
Monetary Fund	11,989	15,781
Notes Receivable	17,751	13,531
Net Accounts Receivable	138,588	176,601
Other Net Accounts Receivable	4,000	6,681
Accounts Pre-Paid	0	11,924
Net Inventory	39,811	38,945

Other Current Assets	1,879	1,256
Total Current Assets	214,018	264,719
Long-Term Investment:		
Fixed Asset:		
Net Worth Of Fixed Assets	136,369	133,844
Net Fixed Assets	136,369	133,844
Construction In Progress	87	991
Total Fixed Assets	136,456	134,835
Intangible Assets And Deferred Assets:		
Long-Term Deferred Expense	39,966	35,918
Total Intangible Assets And Other Assets	39,966	35,918
Total Assets	390,440	435,472
Current Liabilities:		
Short-Term Loans	13,699	8,007
Accounts Payable	129,268	154,174
Accounts Pre-Collected	299	260
Accrued Payroll	2,842	4,906
Tax Payable	-52	6,101
Other Accounts Payable	5,336	11,460
Other Current Liabilities	7,727	4,095
Total Current Liabilities	159,119	189,003
Long-Term Liabilities:		
Deferred Taxes:		
Total Liabilities	159,119	189,003
Owner's Equity (Shareholders' Equity):		
Net Paid-In Capital (Capital Stock)	128,413	128,413
Retained Profit	102,908	118,056
Total Shareholder's Equity	231,321	246,469
Total Liabilities And Shareholder's Equity	390,440	435,472

**INCOME STATEMENT (in thousand RMB)**

	Year 2011	Year 2012
1. Main Operating Revenues:	433,956	527,082
2. Net Sales	433,956	527,082
Deduct: Main Operating Cost	359,852	427,664
Sales Tax and Extra	2,736	3,867
3. Sales Profit	71,368	95,551
Deduct: Sales Expense	11,623	11,488
Management Expense	54,857	59,560
Financial Expense	-401	2,339
4. Operating Profit	5,289	22,164
Non-operating Revenue	724	962
Deduct: Non-operating Expense	409	683
5. Total Profit	5,604	22,443
Deduct: Income Tax	1,718	6,282
6. Net Profit	3,886	16,161

**KEY RATIOS**

	2011	2012
<b>Solvency</b>		
Total Debts Ratio(%)	40.75	43.40
Current Ratio (%)	134.50	140.06
Quick Ratio (%)	109.48	119.46
<b>Profitability</b>		
Main Business Profit Margin(%)	16.45	18.13
Net Profit Margin(%)	0.90	3.07
Return on Equity(%)	1.68	6.56
Return on Assets(%)	1.44	5.15
Ratio of Profits to Cost (%)	8.48	30.58
<b>Operation Ability</b>		
Inventory Turnover	9.04	10.98
Days Sales Of Inventory	40.36	33.22



Accounts Receivable Turnover	3.13	2.98
Days Sales Outstanding	116.38	122.09
Current Assets Turnover	2.03	1.99
Total Assets Turnover	1.11	1.21
<b>Growth Ability</b>		
Sale Increase (%)	---	21.46
Profit Increase (%)	---	300.48
Value-maintenance and Value-increase of Capital (%)	---	106.55
Asset Growth (%)	---	11.53

#### COMPARISON WITH INDUSTRY AVERAGE

(SIC CODE : 4050 , Electronic Parts )

Index	2011		2012	
	AVG	Subject	AVG	Subject
<b>Solvency</b>				
Total Debts Ratio (%)	---	40.75	61.5	43.40
Quick Ratio (%)	---	109.48	82.5	119.46
<b>Profitability</b>				
Main Business Profit Margin (%)	---	16.45	4.5	18.13
Return on Equity (%)	---	1.68	4.7	6.56
<b>Operation Ability</b>				
Inventory Turnover	---	9.04	7.7	10.98
Accounts Receivable Turnover	---	3.13	4.6	2.98
Current Assets Turnover	---	2.03	2	1.99
Total Assets Turnover	---	1.11	1.8	1.21
<b>Growth Ability</b>				
Sale Increase (%)	---	---	6.3	21.46
Value-maintenance and Value-increase of Capital (%)	---	---	106.5	106.55
Asset Growth (%)	---	---	5.3	11.53

#### FINANCIAL ANALYSIS

Solvency: For 2011 and 2012, total debts ratio is low, showing strong long-term solvency; for 2012, current ratio and quick ratio

are high, showing strong short-term solvency.

Operation ability: For 2012, inventory turnover is high, showing good control on inventory; while accounts receivable turnover is low and accounts recovery period is long, showing average operation ability.

Profitability: For 2012, net profit margin and return on equity are both low, showing poor profitability.

Growth ability: For 2012, main operating revenues increase compared with the same period of 2011, and total profit and net assets increase, showing strong growth ability.

## BANKING INFORMATION

### Bank Account

Bank	Xuanhua Road Sub-branch, Qingdao Branch , Bank of China
Address	No. 76A, Xuanhua Road, Qingdao City, Shandong Province
Telephone	86-532-83732944
Comment	Ordinary relationship with the bank.

## LAWSUIT RECORDS

A sales contract dispute occurred between the appellant (defendant in the original trial) XXXXXX Industry China Co., Ltd. and the appellee (plaintiff in the original trial) Qingdao ZZZZZZZZZZ Industry and Trade Co., Ltd. (transliteration). Case No. : (2009) Q. M. E. S. Z. Z. No. 000. Both parties reached the following reconciliation agreements:

1. The appellee issues a VAT invoice of RMB50,000 for the appellant (both parties have fulfilled), and the appellant makes payment for goods of RMB50,000 to the appellee before Aug. 10, 2009.
2. The first instance litigation fee is RMB1,140 and half charges RMB570, which is borne by the appellee. The second instance litigation fee is RMB1,140 and half charges RMB570, which is borne by the appellant.
3. If the appellant performs the payment obligation exceeding the time limit, then both parties shall execute according to the original judgment.
4. After the above agreements are reached, both parties shall not look into other

losses for each other.

No lawsuit records about Subject's senior managers in recent two years have been found.

The above records are from the public media information, as of 2013-8-2 16:18:47

## NEGATIVE RECORDS

No negative records about Subject in recent two years have been found.

No lawsuit records about Subject's senior managers in recent two years have been found.

The above records are from the public media information, as of 2013-8-2 16:18:47

## INDUSTRY ANALYSIS

In recent years, China's electronics industry has sustained rapid growth, and it promotes the vigorous development of electronic components industry. The output of China's many kinds of electronic components has ranked first in the world firmly, and the electronic components industry occupies a very important position in the international market.

In the whole year of 2012, there were 2,185.00 above-scale electronic devices manufacturing companies in China. The total assets of electronic devices manufacturing industry were RMB1,085,988,711.00 thousand, up 9.2% year-on-year. The realized sales revenue and total profit was RMB1,254,148,949.00 thousand and RMB50,776,456.00 thousand respectively, up 14.92% and 14.44% year-on-year respectively. The overall staff number of electronic devices manufacturing industry was 1,525,820.00, up 9.31% year-on-year.

The rapid development of domestic and foreign electronic information industry has brought broad market application prospect to upstream electronic components industry. The prompt start and rapid development of automotive electronics, PDA, Internet application products and set-top box, etc will greatly promote the development of China's electronic components market.

## HISTORY

2004

Subject was founded.

2010

Subject realized main operating revenues of RMB432,866 thousand and total profit of RMB53,660 thousand.

## BUSINESS STATUS

Subject is mainly engaged in production and sale of home appliances and auto parts, and home appliances parts are in the majority.

Subject's products include pressure switch, solenoid valve, door lock, coil, soft water valve and detergent dispenser, etc, and it is equipped with over 10 production lines. Subject's domestic affiliate 3D Electronic Engineering (Qingdao) Ltd. is mainly engaged in production and sale of circuit boards, and the products are used in home appliances and automobiles.

Subject's domestic business takes up about 50% of total business. The products are sold to Shandong and Guangdong, etc via direct sale. Its clients involve electric appliances and automobile manufacturers, including Qingdao Haier Co., Ltd., Qingdao Elekes Electrical Appliance Co., Ltd., etc. It also provides products for Hisense, LG and other companies. Its products are also exported to Europe, etc.

Subject generally conducts production according to client's required specifications and drawing paper.

Subject's purchase products include sensors, metal materials, hardware parts and test chambers, etc, which are mainly purchased at home. Thereinto, the suppliers for test chamber equipments include Shanghai Linpin Instrument Stock Co., Ltd., etc.

## PROSPECT

With a long history, Subject has accumulated stable client resources. It operates many kinds of products and is equipped with complete production lines. It carries out business smoothly at present.

Subject is in a large scale and its clients are mostly famous companies, and its product quality is guaranteed.

Seeing from finance, Subject's long-term solvency is strong while profitability remains to be improved.

In general, Subject sees stable development prospect.

## ILLUSTRATION

1. Currency in this report is RMB unless otherwise stated.
2. "---" in this report indicates "unavailable" due to insufficiency of information or "no comments".

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