



This report prepared by Huaxia D&B China is sent to answer your inquiry on:

## Sample Report (China) Co., Ltd

**D-U-N-S: 65-450-2665**

Prepared for :  
Subscriber Key :  
Delivery Date : Mar 29,2013  
Printed on : Mar 29,2013

---

Inquiry Date :  
Inquiry Subject :  
Inquiry Address :  
Inquiry Phone/Fax :  
Inquiry Reference :

### **Huaxia D&B China report products provide powerful predictive China Delinquency Score (CDS) now!**

Equipped with world-class predictive modeling capability and years of deep insight in China market, Huaxia D&B China has successfully launched China Delinquency Score (CDS), and our report products now provide powerful predictive CDS! HDDB's Delinquency Score predicts the likelihood that a company will pay its bills in a severely delinquent manner based on the information in HDDB's files. The China Delinquency Scoring System uses statistical probabilities to provide customers the analytical tool for businesses to manage credit policies as well as risk decisions in emerging market, in particular the businesses in China.

What's updated in Business Information Report?

- Applied China Delinquency Score - Specially designed to quantify risk levels that can be related to probability of delinquent of business counter-parties;

- Introduced three measurement of CDS in form of score, percentile, and class, for ease of use for our customers in different decision scenarios.

We dedicate to become your most trusted source of business information and insight by continuously enhancing our analytical tools and business reports.

For more information, please visit [www.huaxiadnb.com](http://www.huaxiadnb.com) or call our customer service.

Hotline: Shanghai: 400-820-3536 Beijing: 400-810-3531 Guangzhou: 800-830-9032

**THIS REPORT MAY NOT BE REPRODUCED IN WHOLE OR IN PART IN ANY FORM OR MANNER WHATSOEVER**



**Decide with Confidence**

This report, furnished pursuant to contract for the exclusive use of the subscriber as one factor to consider in connection with credit, insurance, marketing or other business decisions, contains information compiled from sources which Shanghai Huaxia Dun & Bradstreet Business Information Consulting Co., Limited (Huaxia D&B China) does not control and whose information, unless otherwise indicated in the report, has not been verified. In furnishing this report, Huaxia D&B China in no way assumes any part of the user's business risk, does not guarantee the accuracy, completeness, or timeliness of the information provided, and shall not be liable for any loss or injury whatever resulting from contingencies beyond its control or from negligence.

## Sample Report (China) Co., Ltd

Report compiled Mar 29, 2013

### IDENTIFICATION & SUMMARY

#### Identification

Company Name	Sample Report (China) Co., Ltd
Official English Name	Yes
Chinese Name	中国样本报告有限公司
DUNS® Number	65-450-2665
Address	No.3, Yongjia Road, Wuniu Industry Zone, Jiading District Shanghai Shanghai
Postal Code	201123
Address (Chinese)	嘉定区乌牛工业区永佳路3号 上海市
Telephone	021 857505987 021 57505989
Facsimile	021 57505981
Website	www.sample.com.cn
E-mail	ce1@huaxiadnb.com
Year Started	1989
History	Clear (Complete Shareholder(s) and management information)
Imports	Yes
Exports	Yes
Employees	900 (Total) 900 (Here)
Principal	Hua ZHANG / General Manager
US SIC Code	3648 0000
Primary Business	Lighting equipment, nec

#### Risk Summary

<b>RISK EVALUATION</b>	
EMMA Score	7
D&B Rating	4AA2
D&B PAYDEX®	37
China Delinquency Score Risk Class	3
<b>LEGAL EVENTS</b>	
Litigation Records	0
<b>PRINCIPAL INFORMATION</b>	
Principal(s)	2
<b>PAYMENT INFORMATION</b>	
Trade References	3
<b>COMPANY KEY EVENTS</b>	
History Changes	8
Media Records	2
<b>FINANCIAL SUMMARY</b>	
Registered Capital	RMB 210,400,000

#### CURRENCY

All monetary amounts quoted in this report are shown in Renminbi(RMB) unless otherwise stated.

#### REMARK

"-" stands for "Insufficient information" or "No comments".

#### Risk Assessment

<b>EMMA Score</b>	<b>7</b>
Relative Risk	
Higher Than Average Risk ▼	
1	10

<b>China Delinquency Score</b>	<b>521</b>
--------------------------------	------------

<b>D&amp;B Rating</b>	<b>4AA2</b>
Financial Strength	4AA (Registered Capital 85,000,000 - 449,000,000)
Composite Appraisal	2 Good

Likelihood this company will not pay on time over the next 12 months

Delinquency Class: 3 ▼

1

5

Subject's CDS score is 521, indicating the company is within the class of 3 in CDS distribution, which is within medium level of delinquent risk range.

The likelihood of the company group to be delinquent in next 12 month is 5.6%, which belongs to medium level delinquency risk group. Meanwhile, the theoretical probability of severe delinquency by subject company is referenced as 4.14%, indicating that the base line for initial credit granting could be based on group level delinquency, but should go through comprehensive overview of subject's credit worthiness before final decision.

### Company Overview

Subject was established in 1989. Subject is mainly engaged in production and sales of light sources and lamp parts. Currently, subject owns around 900 staff. In 2010, subject's Revenue reached RMB 1,339,552 thousand, Operation Profit was RMB 128,147 thousand and Quick Ratio that year was 1.29.

### Current Investigation

On Aug 01,2012 ,General Manager Zhang Hua (Tel.: 021-57505987) confirmed historical, operational and financial estimates in this report. Other information was obtained from a third party source.

**The information in this report is collected and validated through telephone interview with subject, review of public web sites of the business and acquisition of data that is publicly available by the Chinese Government.**

### History Changes

Date	Event
May,2003	Name changed
Nov 11,2003	Address changed
May,2008	Shareholder changed
Jul 23,1998	Capital changed
May 08,2008	Capital changed
Jul 31,2009	Registered Address Changed
Jul 18,2007	Legal Representative Changed
Mar 27,2008	Registration Number Changed

## RISK ANALYSIS

### EMMA Score



### EMMA Score Analysis

Subject's EMMA score is mainly impacted by the following risk drivers:

- Subject's registered capital is RMB 210,400,000, which is in the higher level range, indicating a lower risk.
- Subject/Industry PAYDEX® shows the company/industry has severe delay payment behaviour, indicating higher risk.

**EMMA Score**

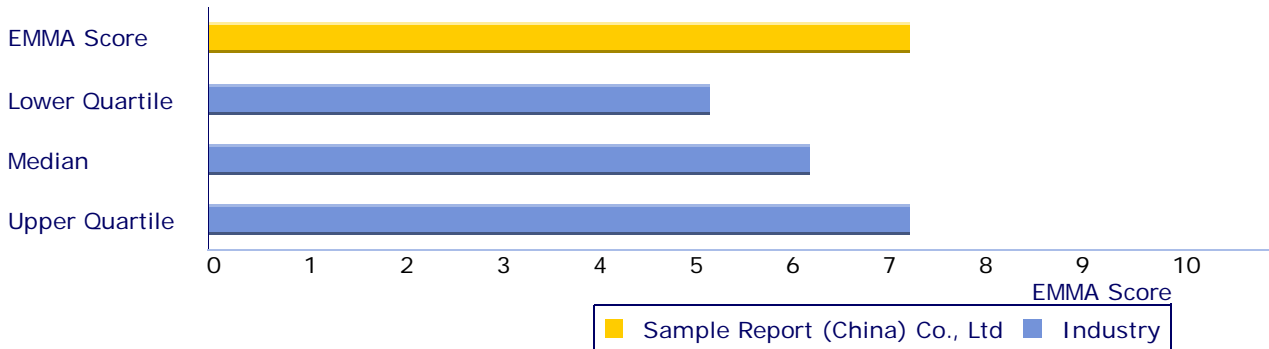
**7**

By evaluating all risk factors, the company is assigned with EMMA score of "7", indicating "Higher Than Average Risk".

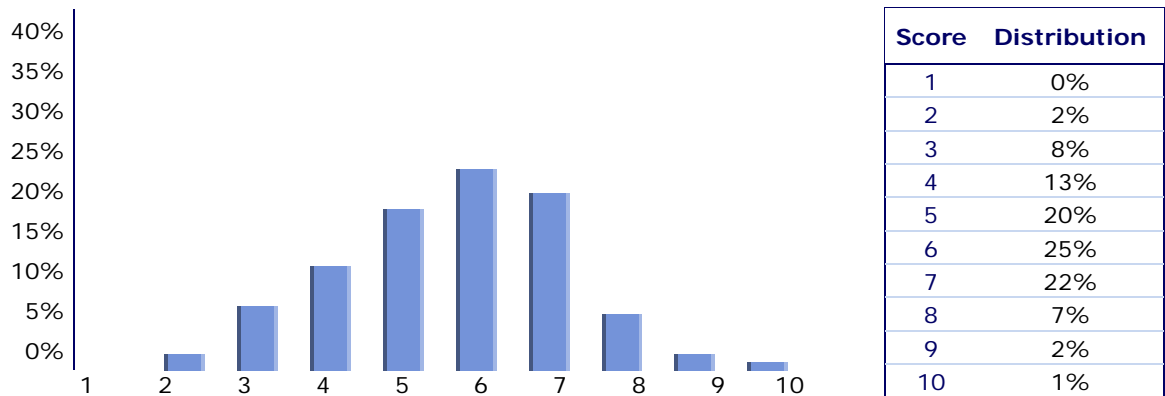
### Industry Norm Grouping

Industry Group SIC	3648	
Industry Group Description	Lighting equipment, nec	
Industry Group EMMA Score Quartile Values	Lower Quartile	5
	Median	6
	Upper Quartile	7

### Company Risk Vs Industry Norm Chart



### Distribution of EMMA Score in Huaxia D&B China's Database



Note: please refer to the report appendix for the principle and major factors of Huaxia D&B China EMMA Score.

### Risk Assessment Matrix

PAYDEX	Risk Range		
	Low (EMMA 1 - 3)	Medium (EMMA 4 - 7)	High (EMMA 8 - 10)
PAYDEX ≥ 80	AA	BA	CA
80 > PAYDEX ≥ 60	AB	BB	CB
PAYDEX < 60	AC	BC (Subject lies in this group)	CC

### Interpretation and Analysis of Risk Assessment Matrix

Classifications	Risk Level	Description	Credit Policy
Quality group	AA->AB	Business is sound, and the bills are paid promptly with good credit reputation.	Favorable credit policy can be granted with automatic approval.
Medium risk group	BA->BB->AC	Business is operated under medium risk, and some delay payment behaviors exist.	Appropriate credit policy is suggested with some manual review.
High risk group	CA->BC->CB	Business is operated under high risk, and some severe delay payment behaviors exist.	Relatively strict credit policy is suggested with detailed manual review.

Monitoring group	CC	Business is run under high risk or with high possibility of windup, and the bills are unable to be paid in time.	Avoid credit sales. Cash settlement is suggested.
------------------	----	--	---

\*Risk levels are listed in order of risk from low to high.

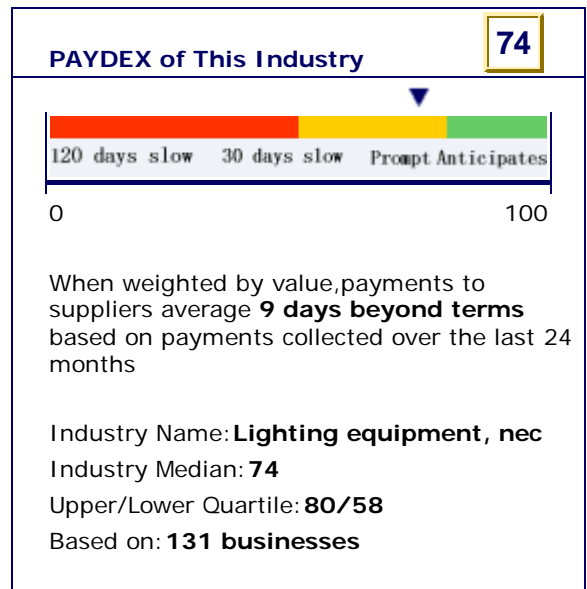
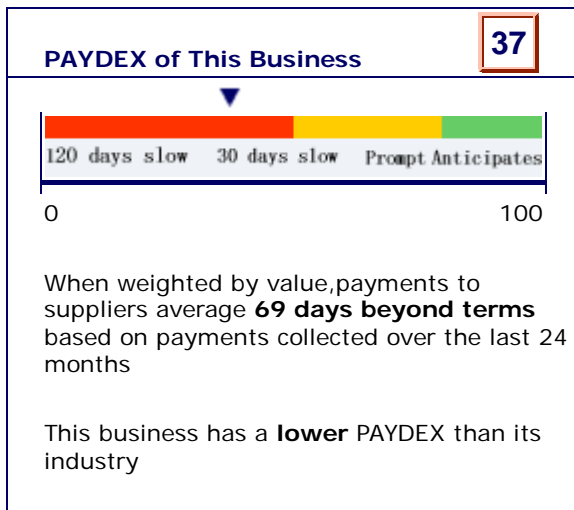
According to the Risk Assessment Matrix, subject is rated as "BC", which represents the subject belongs to the high risk group:

- The risk level of the subject is medium, which reveals its business risk is at the average level amid all Chinese enterprises;
- The PAYDEX® of subject/industry indicates that its payment experience is below the average level, and some severe delay payment behaviors exist;
- On the whole, Subject's business is operated at the average level and its business risk is also in the general level. While the subject/industry has some severe delay payment behaviors, therefore, the subject is rated in the high risk group. The cash settlement and the advance payment are recommended. If the credit policy needs to be granted to the subject, a decent manual review of the subject based on its capacity, internal policy and risk tolerance is highly recommended, and the relatively strict credit policy is necessary.

## TRADE PAYMENTS

### D&B PAYDEX®

The D&B PAYDEX® is a unique indicator of payment performance weighted by the monetary value of the payment experiences as reported to D&B by trade references. A detailed explanation of how to read and interpret PAYDEX values can be found in the Appendices section of this report.



### D&B PAYDEX® Key

<span style="color: red;">■</span> High risk of late payment (average 30 to 120 days beyond terms)	<span style="color: yellow;">■</span> Medium risk of late payment (average 30 days or less beyond terms)	<span style="color: green;">■</span> Low risk of late payment (average prompt to 30+ days sooner)
--	--	---

## Trade Payment Information

### Trade Payment Experiences Summary

Value Bands - Now Owes RMB	No. of Exp	Sum of Now Owes RMB	Within Terms	1-30 Days	31-60 Days	61-90 Days	91+ Days
>10,000,000	0	0	0%	0%	0%	0%	0%
1,000,000 - 9,999,999	0	0	0%	0%	0%	0%	0%
500,000 - 999,999	0	0	0%	0%	0%	0%	0%
100,000 - 499,999	1	250,000	50%	0%	50%	0%	0%
50,000 - 99,999	1	50,000	0%	0%	0%	100%	0%
<50,000	1	0	100%	0%	0%	0%	0%

<b>TOTAL</b>	<b>3</b>	<b>300,000</b>	<b>50%</b>	<b>0%</b>	<b>25%</b>	<b>25%</b>	<b>0%</b>
--------------	----------	----------------	------------	-----------	------------	------------	-----------

Note: Above Trade Payment Experiences Summary is derived by analysis trade payment experiences details within 24 months.

### Trade Payment Experiences Details (Max. 100 records displayed)

(Amounts may be rounded to the nearest figure in prescribed ranges)

Date	Paying Record	High Credit	Now Owes	Past Due	Selling Terms	Last Sale
Jul 10,2012	Prompt	50,000	0	0	EOM 30	Jul 10,2012
Jul 10,2012	Slow 61-90	200,000	50,000	0	EOM	Jul 10,2012
Jun 24,2012	Prompt/Slow 31-60	300,000	250,000	100,000	Net	Jun 24,2009

Note: The above payment record reflects how accounts are paid in relation to the terms granted. Slow-30, for example, indicates a 30 day term where 30 additional days are taken. In some instance, payment beyond terms can be the result of disputes over merchandise, lost invoices, etc

## HISTORY

### Registration

Registration Date	Oct 14,2004
Registered At	Shanghai Administration for Industry & Commerce
Registration No.	440600500015293
National Organization Code	61772XXXX
License Expiry Date	Oct 13,2054
Registered Capital	RMB 210,400,000
Total Investment	RMB 360,400,000
Tax No.	31070161772XXXX
Business Started	1989
Type of Business	a Chinese foreign joint venture
Registered Address	No.10, Yongjia Road, Wuniu Industry Zone, Jiading District, Shanghai
Legal Representative	Wan Zhiyuan
Business Scope	Manufacture of lighting appliances, lamps and accessories (except light source), electrical antenna, plastic products (except medical plastic products), procession of machine parts, self-operation and being an agent of import and export of variety of commodities and technologies (except those limited and prohibited by State).

### Shareholder(s)

#### Shareholding Structure

Name	Region/Country	Shares	Investment Mode	Paid-Up Rate
Sample Report Parent Company 中国样本报告母公司	China	60%	Cash	fully paid
Sample Report Shareholder Co., Ltd. 中国样本报告股东公司	China	40%	Cash	fully paid
<b>Total</b>		<b>100%</b>		

#### Comment:

- The English names of subject's shareholders are literally translated from their Chinese names.
- Subject passed the annual inspection of 2011 with Administration for Industry & Commerce.

### History Changes

### Name Changed

From: Jiading Sample Electrical Appliances Co., Ltd.  
To: Sample Report (China) Co., Ltd(Current Name) On(in) May,2003

### Address Changed

From: 12, Bailang Road, Baosha Town Jiading District, Shanghai  
To: No.3, Yongjia Road, Wuniu Industry Zone, Jiading District, Shanghai(Current Address) On(in) Nov 11,2003

### Registered Address Changed

From: Pianlian Tun, Shuangfeng Village, Xixin Town, Lvyuan Dist.  
To: No.10, Yongjia Road, Wuniu Industry Zone, Jiading District, Shanghai(Current Registered Address) On(in) Jul 31,2009

### Shareholders Changed

From: Jiangmen Lamps & Electrical Apparatus Co.(60%), Sample Report Shareholder Co., Ltd.(40%)  
To: Sample Report Parent Company(60%), Sample Report Shareholder Co., Ltd.(40%)(Current Shareholders) On(in) May,2008

### Capital Changed

From: RMB 800,000  
To: RMB 2,000,000 On(in) Jul 23,1998  
To: RMB 210,400,000(Current Capital) On(in) May 08,2008

### Legal Representative Changed

From: Zeng Jinsong  
To: Wan Zhiyuan(Current Legal Representative) On(in) Jul 18,2007

### Registration Number Changed

From: 12357  
To: 440600500015293(Current Registration Number) On(in) Mar 27,2008

### History Summary

In 1989, Jiangmen Lamps & Electrical Apparatus Co.(60%), Sample Report Shareholder Co., Ltd.(40%) jointly invested RMB 800,000 to establish subject. With some changes, currently, Sample Report Parent Company shares 60% of subject, Sample Report Shareholder Co., Ltd. shares 40%. Subject's registered capital is RMB 210,400,000 at present.

## PRINCIPALS

### Principal(s)

---

**Hua ZHANG - General Manager**  
张华



Started with Subject 1992  
Related Working Experience 5 Year+

### Zhiyuan WAN - Chairman/Legal Representative

万智远

Area of Responsibility Overall management  
Related Working Experience 5 Year+

## OPERATIONS

### Line of Business

Subject is a manufacturer.

Subject is mainly engaged in production and sales of light sources and lamp parts.

US SIC Code 3648 0000 Lighting equipment, nec

US SIC Code 3648 0002 Lighting equipment, nec

The operation is seasonal.

The peak season of subject is from Oct to Dec.

The low season of subject is from Apr to Jul.

Subject provides OEM Service.

Subject provides ODM Service.

### Brands

Brands Owned JNP

### Agencies Held

Brands Distributed DUNP (United States)

### Trademarks

Trademark Name JNP

Registration Number 123463

### Awards & Certifications

Awards & Certifications Name ISO9001

Date Awarded 2005/2

Subject is entitled to independent import and export rights.

### Products & Services

Product Name	Maximum Productivity	Percent
Halogen energy lamps	1,200,000 ones per month (2009)	
JDD series	1,000,000 ones per month (2009)	

Subject owns 1 sets of manufacturing equipments made in Japan.

Subject owns 2 production lines made in Switzerland.

### Purchasing

#### Purchase Territory

Area	Percent	Region/Country
Domestic	90%	Central China East China Beijing
Overseas	10%	United States ( 50% ) Germany ( 50% )

### Purchasing Terms

Terms		Percent
Credit	30-90 days	-
Partial Advance	-	-
L/C	-	-

### Purchasing Settlement Method

Settlement Method	Percent
T/T	
Commerical Draft	
L/C	

<b>Suppliers Number</b> 89
----------------------------

### Major Suppliers

Area	Name	DUNS
Domestic	Nanjing Bulb Factory	65-411-9700
Overseas	Unitech Electronics Corp., Germany	

### Selling

#### Sales Territory

Area	Percent	Region/Country
Domestic	80%	East China North China
Overseas	20%	Hong Kong ( 80% ) Singapore ( 20% )

#### Selling Terms

Terms		Percent
Credit	30 days	70%
Advance	-	30%

#### Selling Settlement Method

Settlement Method	Percent
T/T	3%
Draft	

#### Customer Type

Customer Total	100
Type	Percent
Manufacturers	80%
Wholesalers	20%

#### Major Customers

Area	Name	DUNS
------	------	------

## Employees

### Employee Size

Type	Number
<b>Total</b>	<b>900</b>
<b>Here</b>	<b>900</b>
Administrative Staff	100
Technician	140
Subject and its shareholder(s) share some employees.	

### Major Functional Departments

Department(s)
Office

### Operation Summary

Subject is mainly engaged in production and sales of light sources and lamp parts. It owns brand "JNP". The materials subject demands for its production are 90% purchased domestically. 10% of the materials are imported, mainly from United States, Germany and other country/region. Nanjing Bulb Factory, Unitech Electronics Corp., Germany and ect. are its suppliers. Subject is entitled to I/E Rights.

Currently, subject owns 1 set production equipment and 2 production lines. Subject's major products are Halogen energy lamps and JDD series. The productivity of Halogen energy lamps is 1,200,000 ones per month. The productivity of JDD series is 1,000,000 ones per month.

Subject's major products are Halogen energy lamps, JDD series and etc. 80% of the products are sold domestically. Major customers include Ruspert International Trade Co.,Ltd., Hong Kong and etc. 20% of the products are exported, such as Hong Kong, Singapore and other country/region.

## Location

### Principal Place of Business

Location Description	An industrial area
Land Area	3,000 sqm
Floor Space	3,000 sqm
Used as	Office
Structure	Steel frame construction
Build in	1999
Occupation Type	Rents
Premises Condition	Fair

### Other Place of Business

Type	REGISTERED ADDRESS
Address	No.10, Yongjia Road, Wuniu Industry Zone, Jiading District, Shanghai

Type	BRANCH(ES)
Name	Sample Report (China) Co., Ltd Guangzhou Branch
Address	123,Tangling Road, Yuexiu District,Guangzhou
Tel	020-58791635

Type	BRANCH(ES)
Name	Sample Report (China) Co., Ltd Beijing Branch
Address	3F,No.7,Andingmeng Dajie,Beijing
Tel	010-87594621

## CORPORATE STRUCTURE

### Linkage Up

---

#### Ultimate Parent

D-U-N-S	65-000-8888
Company Name	China Sample Group Co., Ltd.
Background Introduction	Subject's ultimate parent company 'China Sample Group Co., Ltd.' is listed with New York Stock Exchange under List Code: YBJT.

#### Parent Company

D-U-N-S	65-466-0166
Company Name	Sample Report Parent Company
Address	6/F, Jun'an Mansion, No.85, Yuyuantan South Road, Haidian District, Beijing, China
Tel	010-68253668
Fax	010-68253977
Engaged in	Subject is mainly engaged in the wholesale of construction machinery and equipment.
Registered Capital	RMB 10,000,000
Founded	Dec 24, 1996
Shares held in subject	100%

#### Minor Shareholder(s) of Subject

D-U-N-S	66-386-8888
Company Name	Sample Report Shareholder Co., Ltd.
Address	15/F Development Mansion, Kowloon, 510001 Hong Kong
Tel	0852-23213333
Fax	0852-23213333
Engaged in	Sales and import/export of electronic products.
Type of Business	a limited company
Founded	1999/9/20
Shares held in subject	40%

### Linkage Down

---

Subsidiary (subject owns more than 50%)	Address	Duns
Sample Report Subsidiary Co., Ltd.	123 Renming Road, Ningbo, Zhejiang	65-123-1235

Affiliate	Address	Duns
Sample TW Report Co., Ltd. 30% owned by subject	Taiwan	12-345-6789

## FINANCE & BANKING

### Banking

---

The company maintains relationship(s) with the following bank(s) in China:

**Agricultural Bank of China, Jiading BRANCH**

Address No.200,Yincheng M.Road, Jiading District,  
Shanghai  
Telephone 021-64854598

#### **Bank of China, Jiading Branch, Development Zone Sub-branch**

Address Development Avenue, Jiading District  
Telephone 021-58798484

## **INDUSTRY ANALYSIS**

### **Industry Highlights**

---

Industry Highlights Not Available

## **PUBLIC RECORDS**

### **Litigation Records**

---

As of Aug 01,2012 , HDBC has searched the China Court website, website of local court in the place where subject is located, major domestic courts websites as well as our internal China court database, but no related court records can be found against the subject.

Remark: The above mentioned channels are currently publicly available ones to search for the court records against China enterprises. However, due to lack of a centralized database in mainland China that covers all Chinese enterprises' litigation records, partial cases against subject might not be available.

### **Media Records**

---

#### **News Clipping**

---

Publication Date Mar 23,2012

Google —According to 'National Torch Planning Key Hi-tech Enterprise Management Regulations', China Sample Report Co., Ltd. was entitled 2010 National Torch Plan Key Hi-tech Enterprise with valid date of three years.

Publication Date Mar 23,2012

Baidu — China Sample Report Co., Ltd. was entitled 2010 National Torch Plan Key Hi-tech Enterprise with valid period of consecutive three years.

## **APPENDICES**

### **HDBC EMMA Score**

---

**D&B EMMA Score** (Emerging Market Mediation Alert Score) is a risk assessment model developed for emerging market countries. It is a score developed by data profiling approach and statistical modeling, which predicts the possibility of a business in perilous status of instability or unreliability, such as poor financials, delay payment, stale inventory, abnormal operational status, etc. The EMMA Score provides you with a quick assessment of a business' risk standing, and when used together with other information, allows you to make better risk decisions.

The EMMA Score is based on a scale of 1 to 10, where 1 represents a lower risk and 10 a higher risk.

EMMA Score for China is initially rolled out in May 2009, derived from the sample analysis of millions of company records. When using the Score to make individual applicant decisions, a customized version of this table based on an analysis of the Score against your customer account portfolio is recommended. It does not necessarily mean doing business with a company, which is assigned with higher Risk Score, will result in increased risk.

Considering the particularity of Chinese business environment and in order to make EMMA Score analyze and reflect risk factors of Chinese enterprises more appropriately, HDBC conducted an optimization and adjustment toward EMMA Score in the first half of 2012, combined PAYDEX® to appraisal model as an

important risk evaluating dimension and will try harder to deeply reflect the internal factors of enterprise risk. The optimized EMMA Score makes the scores more scientifically and effectively reflect the risk characteristics of current China as an emerging market and more objectively and deeply reflect risk level of Chinese enterprises.

EMMA Score for China is calibrated on regular basis following D&B Global Modeling Methodology that captures business environmental change in China caused by macro economy shift and particular systematic events.

### HDBC EMMA Score Commentary

Risk Range	EMMA Score	% of Report in Database	% of High Risk Business	Commentary
Low Risk Scores	1-3	28.9%	5.7%	Lower Risk Range
Medium Risk Scores	4-7	56.7%	9.1%	Average Risk Range
High Risk Scores	8-10	14.4%	36.4%	High Risk Range

The Key Drivers of the EMMA Score include the following:

#### Business Information

- Business Type
- Line of Business
- Employee Size
- Sales Territory
- Registered Capital
- Year of Establishment
- History Status
- Property Ownership

#### Geographical Information

- Region & Province

#### Public Record

- Number of Negative Record

#### Payment Information

- Percentage of Overdue Payment
- Company/Industry PAYDEX®

### EMMA Score Application

- *Low EMMA Score* - May proceed to process the applicant quickly with minimal or no manual review depending on the extent of score validation analysis.
- *Medium EMMA Score* - Medium Risk Scores - Recommend a manual review of the applicant based on the applicant's capacity, your internal policy and risk tolerance.
- *High EMMA Score* - High Risk Scores - Requires thorough manual review of potential decline, or approval depending on the applicant's capacity, your internal policy and risk tolerance.

## Sample Data Analysis of Risk Assessment Matrix Database

### Risk Matrix Sample Distribution

PAYDEX	Risk Range		
	Low	Medium	High
PAYDEX ≥ 80	13.6%	12.6%	0.5%
80 > PAYDEX ≥ 60	15.2%	28.7%	1.7%
PAYDEX < 60	0.1%	15.4%	12.2%

### Possibility of High Risk Enterprise

PAYDEX	Risk Range		
	Low	Medium	High
PAYDEX ≥ 80	5.8%	8.4%	9.1%
80 > PAYDEX ≥ 60	5.6%	8.4%	14.5%
PAYDEX < 60	5.6%	11.1%	40.4%

### Interpretation and Analysis of Risk Assessment Matrix

Classifications	Risk Level	Description	Credit Policy
Quality group	AA->AB	Business is sound, and the bills are paid promptly with good credit reputation.	Favorable credit policy can be granted with automatic approval.

Medium risk group	BA->BB->AC	Business is operated under medium risk, and some delay payment behaviors exist.	Appropriate credit policy is suggested with some manual review.
High risk group	CA->BC->CB	Business is operated under high risk, and some severe delay payment behaviors exist.	Relatively strict credit policy is suggested with detailed manual review.
Monitoring group	CC	Business is run under high risk or with high possibility of windup, and the bills are unable to be paid in time.	Avoid credit sales. Cash settlement is suggested.

\*Risk levels are listed in order of risk from low to high.

Risk Assessment Matrix is the tool for investigating the insight of subject combined with EMMA Score and PAYDEX®. EMMA Score can indicate the risk level of subject. With the help of PAYDEX®, one can also further analysis subject's risk and find out the internal factors causing risks based on the payment records of subject. In summary, the assessment matrix can make further insightful analysis towards the enterprises with similar EMMA Scores.

When using EMMA Score and Risk Assessment Matrix, the combination of other information, such as internal assessment policy of enterprise, commercial information provided by HDBC, and feedback from the people who directly contacts with subject, etc., is recommended. With these information, it will allow you to be more convenient to make risk decisions.

## D&B Rating

### D&B Rating Interpretation Tables

Financial Strength			Composite Credit Appraisal				
Tangible Net worth	Registered Capital	Renminbi (RMB)	Strong	Good	Fair	Limited	Undetermined
5A	5AA	> 450,000,000	1	2	3	4	-
4A	4AA	85,000,000 - 449,000,000	1	2	3	4	-
3A	3AA	8,500,000 - 84,999,999	1	2	3	4	-
2A	2AA	6,500,000 - 8,499,999	1	2	3	4	-
1A	1AA	4,500,000 - 6,499,999	1	2	3	4	-
A	AA	2,500,000 - 4,499,999	1	2	3	4	-
B	BB	1,750,000 - 2,499,999	1	2	3	4	-
C	CC	1,000,000 - 1,749,999	1	2	3	4	-
D	DD	650,000 - 999,999	1	2	3	4	-
E	EE	450,000 - 649,999	1	2	3	4	-
F	FF	300,000 - 449,999	1	2	3	4	-
G	GG	200,000 - 299,999	1	2	3	4	-
H	HH	< 200,000	1	2	3	4	-
Alternate Ratings	Explanation						
N	Financial Strength is negative				3	4	-
O	Financial Strength is undisclosed		1	2	3	4	-
NB	New Business: Less than 24 months		1	2	3	4	-
NQ	Out of Business: Business has ceased to trade					4	
BR	Branch or division location						
INV	Investigation is undergoing						

### Explanation of PAYDEX

A score of 80 denotes that payments reported to D&B have generally been made within terms. Scores over 80 indicate that payments reported to D&B have been made earlier than terms. The chart below outlines the specific 0-100 score and what it means.

D&B PAYDEX®

Payment Habit

100

Anticipate

90	Discount
80	Prompt
70	15 days beyond terms
60	22 days beyond terms
50	30 days beyond terms
40	60 days beyond terms
30	90 days beyond terms
20	120 days beyond terms
0-19	Over 120 days beyond terms
UN	Unavailable

## Explanation of China Delinquency Score

HDDB's China Delinquency Score predicts the likelihood that a company will pay its bills in a severely delinquent manner based on the information in HDDB's files. A severely delinquent business is defined as a business with less than 75% of its trade experiences paid in a satisfactory manner (prompt or within 30 days) and at least 10% of its payments 90 days or more past due or one or more events classified as leading to failure, such as meeting of creditors, administrator appointment, bankruptcy, receiver appointed, litigation records within 2 years and negative media information within 1 year.

The China Delinquency Scoring System uses statistical probabilities to classify public and private companies into three risk classifications of Business Delinquency: a 279-641 Score, 1-5 Credit Classes and 1-100 Percentile Ranking. These classifications are based on the chance of a business experiencing the above definition of "bad" over the next 12-months period. The China Delinquency Scoring model utilizes the combined power of HDDB's vast information database including Payment, Demographic, Financial, and other information, when and if available.

China Delinquency Score is calculated through logistic regression using below 16 risk drivers:

### Demographic Information

- Business Type
- Years in Business
- Line of Business (SIC)
- Region & Province
- History Status
- Existence of Court Record

### Payment Information

- Number of Payment Experiences
- Payment Term
- Percent of Satisfactory Payment Experiences
- Percent of Medium Delinquent Payment Experiences
- Percent of Severe Delinquent Payment Experiences

### Financial Information

- Age and existence of B/S
- Current Ratio
- Liabilities to Net Worth
- Return on Assets
- Current Assets

## Risk Quintile in 5 Class

Class	MinScore	MaxScore	% of Population	Actual BadRate	Predicted BadRate	Cum. Pct. Bads
5	279	380	10%	52.6%	52.2%	48%
4	381	480	20%	13.1%	13.4%	72%
3	481	523	40%	5.7%	5.6%	93%
2	524	556	20%	3.0%	3.1%	99%
1	557	641	10%	1.6%	1.5%	100%

## Delinquency Level by 5% Quantile

Quintile	MinScore	MaxScore	% of Population	Actual BadRate	Predicted BadRate	Cum. Pct. Bads
20	279	333	5%	61%	60%	28%
19	334	380	5%	44%	44%	48%
18	381	435	5%	21%	22%	58%
17	436	457	5%	13%	14%	64%
16	458	474	5%	10%	10%	68%
15	475	480	5%	8%	8%	72%
14	481	483	5%	8%	7%	75%
13	484	487	5%	7%	7%	79%



12	488	495	5%	7%	7%	82%
11	496	501	5%	6%	6%	85%
10	502	509	5%	5%	5%	87%
9	510	516	5%	4%	5%	89%
8	517	520	5%	4%	4%	91%
7	521	523	5%	5%	4%	93%
6	524	532	5%	4%	4%	95%
5	533	539	5%	3%	3%	96%
4	540	546	5%	3%	3%	97%
3	547	556	5%	3%	3%	99%
2	557	584	5%	2%	2%	99%
1	585	641	5%	1%	1%	100%

## Customer Service

---

### Customer Service Contact Information

 Web	<b>www.huaxiadnb.com</b>
 Email	<b>enquiry@huaxiadnb.com</b>
 Telephone	<b>400-820-3536</b> (Shanghai)
	<b>400-810-3531</b> (Beijing)
	<b>800-830-9032</b> (Guangzhou)

### Remarks

---

Whilst Huaxia D&B China attempts to ensure that the information provided is accurate and complete by reason of the immense quantity of detailed matter dealt within compiling the information and the fact that some of the data are supplied from sources not controlled by Huaxia D&B China which cannot always be verified, including information provided direct from the subject of enquiry as well as the possibility of negligence and mistake, HDBC does not guarantee the correctness or the effective delivery of the information and will not be held responsible for any errors or omissions therein.

Copyright © Huaxia D&B China