



# Standard Report

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email: customer.cgcs@coface.com  
18.06.20XX 16:48 (GMT+8)

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Your  
Reference: Hong Kong Standard Report Sample

Subscriber  
no.: 13XX

Our Reference: 591540

Type of  
report: Standard Report

Enquiry on: NXX BXXXXX Ind Co Ltd  
Business Address:  
NXX BXXXXX Bldg  
XX ShXXXX YXXX Rd  
Kowloon  
Hong Kong

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Report date: 18.06.20XX

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**REPORT ON:** NXX BXXXXX INDUSTRIAL CO LTD  
Business Address:  
X/F NXX BXXXXX Bldg  
XX ShXXXX YXXX Rd  
Kowloon  
Hong Kong  
Telephone: +852-2798 XXXX  
Fax: +852-2795 XXXX  
Web: <http://www.XXXX.com>

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Score@Rating: 7 - Out of 10 (moderate risk)

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@Rating Score Explanation:

It is a financial rating which assesses the probability of companies defaulting within one year.

The assessments are presented over ten distinct positions, each reflecting an average default rate in the coming year: the lower a company's credit score is, the riskier its situation is; the higher its score is, the less risky its situation is.

Different levels and description:

Default	Very high risk			Medium high risk		Low risk				
0	1	2	3	4	5	6	7	8	9	10

**0** : Insolvency/preliminary/debt regulation proceedings

**1** : Extremely high risk of insolvency

**2** : Very high risk of insolvency

**3** : High risk

**4** : Significant risk

**5** : Medium high risk

**6** : Acceptable risk

**7** : Moderate risk

**8** : Low risk

**9** : Very low risk

**10** : Excellent risk

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**CREDIT RECOMMENDATION:** Recommended credit: USD 1,000,000.00

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**SUMMARY:**

Founded: 19XX  
Legal form: Private limited company  
Registration date: 17.05.19XX  
ACTIVITY: Manufacturer & Exporter  
Main Products: Plastic toys, mini toys, toy car, aeroplane, ship, robot, train, radio control toy  
Staff: 100 (5,000 in PR China)  
Paid-up capital: HKD 10,100,000.00  
Financial situation: Ordered  
Turnover: HKD 800.00 Mio.  
Payments: Payments are made according to terms  
Litigation records: not clear, but irrelevant  
Score@Rating : 7 - Out of 10 (moderate risk)

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**IDENTIFICATION:**

Coface  
Subject-No.: 6146270

Name: NXX BXXXXX Industrial Co Ltd

Telephone: +852-2798 XXXX

Fax: +852-2795 XXXX

Business Address: X/F NXX BXXXXX Bldg  
XX ShXXXX YXXX Rd  
Kowloon  
Hong Kong

Registered Address: X/F NXX BXXXXX Bldg  
XX ShXXXX YXXX Rd  
Kowloon  
Hong Kong

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**HISTORY AND REGISTRATION:**

Founded: 19XX

Legal form: Private limited company

Registration date: 17.05.19XX

Company registry number: 012XXX

Annual return date: 01.05.20XX

Annual return filed on: 28.06.20XX

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**SHARE CAPITAL:**

<b>Nominal capital:</b>	<b>HKD</b> <b>10,100,000.00</b>
Number of Ordinary shares:	9,100
Value per share of Ordinary shares:	HKD 1,000.00
Number of non-voting 5% deferred shares:	1,000
Value per share of non-voting 5% deferred shares:	HKD 1,000.00
 <b>Issued capital:</b>	 <b>HKD</b> <b>10,100,000.00</b>
 <b>Paid-up capital:</b>	 <b>HKD</b> <b>10,100,000.00</b>
of which paid in cash:	HKD 10,100,000.00

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**SHAREHOLDERS:** NXX BXXXXX AXXX Limited  
Registration: Virgin Islands (British)  
P.O. Box XX  
Cragmuir Chambers  
Road Town  
Tortola  
Virgin Islands (British)

Shareholder company  
Equity: 90,09%  
9,099 Ordinary shares

NXX BXXXXX InXXXXXXXX InXXXXXXXX Ltd.  
Registration: Virgin Islands (British)

P.O. Box XX  
Cragmuir Chambers  
Road Town  
Tortola  
Virgin Islands (British)

Shareholder company  
Equity: 0,01%  
1 Ordinary shares

WXXX ChXX MXX, GXXX  
House X, HXXXXX  
XX FXX NXX ShXX Road  
SXX KXXX  
N.T  
Hong Kong

Shareholder  
Equity: 9,9%  
1,000 non-voting 5% deferred shares

Total number of shareholders: 3

Former shareholder and director records:

SXX ChXXX PXX, KenXXXX resigned as director of the company  
effect from XX Feb. 19XX.  
EmXXX RicXXX JaXX resigned as director of the company  
effect from XX July 19XX.  
NXX BXXXX AXXX Ltd. resigned as director of the company  
effect from XX July 19XX.

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**MANAGEMENT:**

LXX KXXXX MXX - Director  
Flat X, XX/F, Blk X  
LaXXXX City  
CXX KXX LXXX  
Kowloon  
Hong Kong

Personal ID: X383XXX(X)

LXX MXX KXXX - Director  
XX TXXX ShXX TXXXXX, X/F, Flat X  
SXXXX Road  
Hong Kong

Personal ID: X438XXX(X)

SXX ChXXX NXXX - Director  
House X, HXXXX  
XX FXX NXX ShXX Road  
SXX KXXX  
Hong Kong

Personal ID: X064XXX(X)

SXX YXX KXX - Director  
Flat X, Blk X, JubXXXX Garden  
X LXX KXXX Street  
Sha Tin  
N.T  
Hong Kong

Personal ID: X372XXX(X)

WXXX ChXX MXX, GXXX - Director  
House X, HXXXXXX  
XX FXX NXX ShXX Road  
SXX KXXX  
N.T  
Hong Kong

Personal ID: X197XXX(X)

#### MANAGEMENT ASSESSMENT

WXXX, ChXXX SXX, Chairman  
aged in his 70s  
possess 40 years' experience in related field  
active in subject's daily operation  
responsible for overall management

SXX, YXX KXXX, RicXXX, Accounting Manager  
active in accounting & financing operation

LXX, MXX KXXX, Director  
aged in his 60s  
possess 40 years' experience in related field  
active in subject's daily operation

OTHER DIRECTORSHIP (based on our database, last 3 years)  
WXXX, ChXXX also Director in  
NXX BXXXXXX AXXX Limited  
XX ElectXXXX Ind Ltd

LXX, MXX KXXX also Director in  
NXX BXXXXXX AXXX Limited  
XX ElectXXXX Ind Ltd

Mr. WXXX ChXXX SXX possesses in excess of 50 years of experience in the industry. He is the chairman of the company and accrued ample experience in subject's operation. He is currently responsible for overall decision-making of subject.

Mr. LXX MXX KXXX is also experienced in the industry with over 50 years of experience and familiar with subject's operation. He is the director and general manager of the company and responsible for subject overall daily operation.

Mr. SXX YXX KXXX is the accounting manager of the group and the director of "XX ElectXXXXXX Industries Limited". He is currently responsible for controlling the groups financing and accounting.

Subject's management is not backed up any higher education or professional training in the related field. But overall management capability is found to be well, built up from hand-on experience in the field.

The management is deemed to have sufficient experience and/or industry expertise to manage subject properly.

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**ACTIVITY:**

NATURE OF BUSINESS: Manufacturer & Exporter

Main products: Plastic toys, mini toys, toy car, aeroplane, ship, robot, train, radio control toy

Own brand names: NXX BXXXXX

Manufacturing: no own manufacturing in Hong Kong

The company is engaged in the manufacture of plastic toys and mini toys. Products are manufacturing under the brand "NXX BXXXXX". Manufacturing is conducted in subject's owned 4 factories in Shenzhen, PR China.

In terms of purchases, subject mainly imports its raw material from Asian countries (e.g. China, Korea, Taiwan and Hong Kong). Only small amount are purchased from Europe.

Subject accumulates a large number of clients which are mainly located in America. Subject also exports to Middle East, South East Asia and Western Europe.

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Manufacturing in PR China:

Number of staff: 5,000

Location: Shenzhen

Type: Own

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**MARKETS:**

South America (10%)

North America (60%)

Scandinavia (30%)

Payment terms:

L/C (letter of credit) (70%)

O/A (open account) (30%)

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**PURCHASES :**

Hong Kong (10%)  
China (50%)  
Europe (30%)  
Korea (20%)  
Payment terms:  
O/A (open account) 30 days  
L/C (letter of credit)

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ISO-  
Certification: Subject achieved ISO 9001:2008 certification

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**PREMISES :**

Address: X/F NXX BXXXXX Bldg  
XX ShXXXX YXXX Rd  
Hong Kong

Type of premises: office premises

Type of ownership: Premises owned by related companies

Area: Commercial

Condition: Normal

Equipment: Properly equipped and maintained

According to the Land Registry: Address: X/F NXX BXXXXX Bldg, XX ShXXXX YXXX Rd, Hong Kong  
Owner: ElectXXXX Ind Ltd (Related Company)  
Date of Instrument: 28.02.20XX  
Consideration: HKD XXXXX  
Memorial number: 0503XXXXXX

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**STAFF :**

Total staff: 100

Staff are shared with related companies

Staff in PR China: 5,000

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**IMPORTANCE :** Well-established company

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**AFFILIATION:**

Sister Company: NXX BXXXX (Canada) Ltd

Sister Company: NXX BXXXX UK Ltd

Sister Company: NXX BXXXXX IndustXXXX Inc

Shareholder company: NXX BXXXXX AXXX Limited  
P.O. Box XX Cragmuir Chambers  
Road Town  
Tortola  
Virgin Islands (British)

Shareholder company: NXX BXXXXX InXXXXXXXX InXXXXXXXX Ltd.  
P.O. Box XX Cragmuir Chambers  
Road Town  
Tortola  
Virgin Islands (British)

Related company: IntXXXX TXX Sales & Distribution Co

Related company: XX ElectXXXX Ind Ltd

XX ElectXXXXX Industries Limited is engaged in manufacturing of AC & DC motor with their own label "BEST MOTOR". Production is conducted in its owned factory in Shenzhen. Target markets are included Japan, Korea and Taiwan. The company employ 2 staff locally.

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**FINANCE :**

Financial situation: Ordered

Status of company: Properly run

Business trends: Down

PROFITABILITY: Normal

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Direct interview: Mr. SXX YXX KXXX, RicXXXX on 2 Nov 20XX (Accounting Manager)

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Financial data source: Financial data are disclosed verbally by subject

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## Financial data:

Amounts shown in Hong Kong Dollar (HKD)	01.04.20XX-31.03.20XX	01.04.20XX-31.03.20XX
Turnover	800,000,000.00	980,000,000.00
Cost of Sales	132,000,000.00	160,000,000.00
<b>ASSETS</b>		
Stocks	120,000,000.00	130,000,000.00
Accounts receivable	50,000,000.00	80,000,000.00
Cash & near-cash	25,000,000.00	30,000,000.00
<b>Total current assets</b>	<b>195,000,000.00</b>	<b>240,000,000.00</b>
<b>EQUITY &amp; LIABILITIES</b>		
Trade creditors	30,000,000.00	30,000,000.00

## Sales Turnover and General Trend

Subject's sale turnover has seen to have dropped by over 15 percent stood at about HKD 800M (unaudited) in 20XX/20XX. The regional economy downturn in Asian market account for the sale reduction.

## Profit Margin Analysis

Gross Profit Margin (Gross Profit / Sales Turnover):  
16-17% in average

The management claimed that the average gross profit margin is maintained at 16-17% of sale turnover.

## Liquidity Analysis

1. Quick Ratio  
2.5 in 20XX/20XX  
3.7 in 20XX/20XX

Quick ratio indicated the ability of instant liquidity. The slower liquidity in 20XX/20XX due to the decrease in the amount of cash and account receivable.

2. Cash Ratio  
0.83 in 20XX/20XX  
1 in 20XX/20XX

The lower of the cash ratio in 20XX/20XX due to the reduction of the amount of cash in bank.

3. Receivable Ratio  
16 in 20XX/20XX  
12 in 20XX/20XX

The faster of the company collects of the sale due to the following reasons:

- i. monthly sale decrease
- ii. credit period reduce

Transactions are conducted mainly under L/C payment. Credits are only

provided for customers who have established a long relationship with subject. The company reduced the amount of account receivable as a result of improvement in collection activities.

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**Bankers:** The Hongkong and Shanghai Banking Corporation Limited  
Hong Kong, HSBC Main Building 1 Queen's Road Central  
Telephone: +852-28221111

Hang Seng Bank, Limited  
Hong Kong, Hang Seng Bank New Headquarters Building 83 Des  
Voeux Road Central  
Telephone: +852-21981111

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**Facilities:** Subject currently maintains two major bankers and claimed that its relationship with all the bankers is good.

Subject revealed L/C, T/R and O/D facilities offered by bankers totaled HKD 50M.

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**Payments:** Payments are made according to terms

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**Litigation records:** not clear  
on subject: not clear, see details

Date: 26.01.19XX / Action no.: A1370/XX  
Defendant: Subject  
Plaintiff: Union Luxe Development Ltd  
Claim amount: HKD 415,485.24  
Cause: Goods Sold & Delivered

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**Insolvency Information:** According to available information sources the company is not in a insolvency/Preliminary/debt regulation proceeding.

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**Negative file check:** not clear

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Company Assessment: Moderate risk

Subject is considered good for normal credit. Normal business is carried out with good resources. Subject has the ability to withstand unfavorable conditions and meet financial obligations. Unsecured credit can be granted in large to fairly large amount under the usual trade terms.

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## INDUSTRIAL STATISTICS

## Industry Feature

## Industry Data of Hong Kong Toy Industry

Performance of Hong Kong's Exports of Toy

	20XX		20XX		20XX	
	HK\$Mn.	Growth %	HK\$Mn.	Growth %	HK\$Mn.	Growth %
Domestic Exports	194	+26	302	+56	289	-4
Re-exports	76,957	-19	80,151	+4	78,536	-2
of Chinese Mainland Origin	66,415	-19	71,201	+7	68,396	-4
Total Exports	77,151	-19	80,453	+4	78,826	-2
Total Exports by Major Markets	20XX		20XX		20XX	
	Share%	Growth%	Share%	Growth%	Share%	Growth%
China	23.7	-17	24.8	+9	28.6	+13
EU	29.9	-26	31.9	+11	24.3	-25
Germany	12.6	-47	16.3	+35	10.9	-34
UK	5.7	+8	5.3	-3	3.5	-35
Italy	2.5	-7	2.3	-6	1.9	-19
US	22.9	-19	19.8	-10	21.0	+4
Japan	8.8	-9	10.6	+26	14.1	+30
ASEAN	2.4	-11	2.3	+1	2.0	-17
Singapore	1.5	-16	1.4	+1	1.1	-27
Total Exports by Categories	20XX		20XX		20XX	
	Share%	Growth%	Share%	Growth%	Share%	Growth%
Traditional Toys & Games	49.1	+7	44.8	-5	46.8	+2
Toys & Dolls	37.3	+8	34.2	-5	36.1	+4
Model & Wheeled Toy	6.7	+3	6.2	-4	6.4	+2
Festive & Carnival	3.5	+2	3.1	-9	2.9	-9
Electronic and Video Games	50.9	-34	55.2	+13	53.2	-6

\*Insignificant

\*Sources: Hong Kong Trade Statistics, Census and Statistics Department

Major Macro Economic Indicator:

## MAJOR MACRO ECONOMIC INDICATORS OF HONG-KONG

	20XX	20XX	20XX(e)	20XX(f)
GDP growth (%)	4.9	1.5	3.0	3.5
Inflation (yearly average) (%)	5.3	4.1	3.5	3.5
Budget balance (%GDP)	3.9	3.2	2.6	3.3
Current account balance (%GDP)	5.2	2.7	2.3	2.5
Public debt (%GDP)	34.8	34.1	33.0	32.0

(e) Estimated Figures

(f) Forecast Figures

\* Source from Coface Group

### OVERVIEW OF HONG KONG ECONOMIC PERFORMANCE

- Hong Kong's overall economic performance improved in 20XX, with real GDP expanding moderately by 2.9%, up from 1.5% in 20XX, keeping the labour market in a state of full employment. The growth pace was nevertheless slower than the average annual growth of 4.5% over the past decade, as global economic performance remained subpar under the drag of sluggishness of advanced economies and the consequential growth slowdown in emerging markets. Domestic demand and exports of services provided the key driving forces for overall economic growth in 20XX. In the fourth quarter, the economy showed further moderate growth, at 3.0% year-on-year.

- Total exports of goods, after excluding the notable surge in exports of non-monetary gold, grew only modestly during most of 20XX, mainly reflecting the weak demand conditions in Europe, fiscal drag on US economic growth, and slower activity expansion in emerging markets amid concerns about the Federal Reserve's asset purchase tapering. Nevertheless, the advanced markets showed some relative improvements in the second half of the year as the eurozone resumed growth and the US economy gained more traction.

- Exports of services attained solid growth in 20XX and provided an important impetus to the economy. Underpinned by vibrant inbound tourism, exports of travel services grew at a double-digit pace and were the standout performer. Exports of financial and other business services also picked up gradually throughout the year amid improved global business sentiment and acceleration in fund-raising activities. Meanwhile, exports of transportation and those of trade-related services remained rather subdued alongside the sluggish regional and international trade flows.

- Consumer price inflation was largely contained during 20XX, as imported inflation went lower and helped offset the domestic price pressures. For 20XX as a whole, underlying inflation averaged 4.0%, marking the second year of easing from 5.3% in 20XX and 4.7% in 20XX.

\* Source from HKSAR Government, 20XX Economic Background and 20XX Prospects, February 20XX

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#### COUNTRY RISK ASSESSMENT (Hong Kong)

Country Risk Assessment : A1

The business environment is very good. Corporate financial information is available and reliable. Debt collection is efficient. Institutional quality is very good. Intercompany transactions run smoothly in environments rated A1.

For further information of country risk assessment 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.coface.com](http://www.coface.com) or go directly to your interest at [http://www.coface.com/CofacePortal/COM\\_en\\_EN/pages/home/risks\\_home](http://www.coface.com/CofacePortal/COM_en_EN/pages/home/risks_home)

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