



ABC CO., LTD.
甲乙丙有限公司

China Credit Report

Report Date: December 2016



COMPANY OVERVIEW

ISIC CODE

XXX1, COMPUTER PROGRAMMING ACTIVITIES

NACE CODE

XX.01, COMPUTER PROGRAMMING ACTIVITIES

MAIN ACTIVITY

GAME DEVELOPMENT AND OPERATION

LEGAL REPRESENTATIVE/PERSON IN CHARGE

XXX

XXX

CHANGES IN REGISTRATION

REFER TO "CHANGES IN REGISTRATION"

STAFF STRENGTH

XXX EMPLOYEES

REGISTERED CAPITAL

RMB XXX

BANKER

NA

TERM OF OPERATION

UNLIMITED

CREDIT LIMIT

RMB XXX

CREDIT RATING

DP6

[All figures quoted in RENMINBI (RMB) unless otherwise stated]

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BUSINESS PROFILE/ OPERATIONS

History

Sep. 2011 Subject was registered and founded.

Change in Registration

Date of Change	Change(s)	From	To
May XX, 20XX	Registered Capital	RMBXXX	RMBXXX
May XX, 20XX	Paid-up Capital	RMBXXX	RMBXXX
May XX, 20XX	Shareholder(s)	WANG XXX: RMBXXX 60%; TANG XXX: RMBXXX 40%	TANG XXX; RMBXXX 94%; WANG XXX: RMBXXX 6%
Sep. XX, 20XX	Shareholder(s)	TANG XXX; RMB9,400,000 94%; WANG XXX: RMB600,000 6%	WANG XXX: RMBXXX 60% and TANG XXX: RMBXXX 40%
Sep. XX, 20XX	Paid-up Capital	RMBXXX	RMBXXX
Dec. XX, 20XX	Shareholder(s)	WANG XXX: RMBXXX 60% and TANG XXX: RMBXXX40%	WANG XXX: RMBXXX 50%; TANG XXX: RMBXXX 30%; CHEN XXX: RMBXXX 10%; PEI XXX: RMBXXX 5%; XU XXX: RMBXXX 5%

Operations

Main Business: Game development and operation
 Chinese SIC: XXX0, Software development
 ISIC: XXX1, Computer programming activities
 NACE: XX.01, Computer programming activities

Subject is mainly engaged in the development and operation of games. Among the games developed are XXX Force, XXX Tiandi, Records of the XXX ONLINE, XXX Xianyuan, XXX Laile (Literal Translations).

Trademark and Patents

Total	No.	of	3
Trademarks			
Registration No.	XXX	XXX	XXX
Registration Date	Mar. XX, 20XX	Mar. XX, 20XX	Feb. XX, 20XX
Trademark Design	-	-	-

Note: We provide herein only the three trademarks registered by Subject in the latest five years.



BUSINESS PROFILE/ OPERATIONS

Trademark and Patents (Cont'd)

Our check with State Intellectual Property Office of the People's Republic of China finds no patent applications filed by Subject in the latest five years.

Purchasing Information

Main Purchases: Office supplies, business service, etc.
No. of Major Suppliers: More than 5
Major Suppliers: XXX Technology Co., Ltd. (Literal Translation), XXX Investment Co., Ltd.
Main Payment Terms: Immediate payment, prepayment, payment in accordance with the contract or monthly settlement

Subject mainly makes purchases in the domestic market, especially in Sichuan Province and Beijing. The purchases are made in accordance with the software development demands. Subject maintains cooperative relationship with its suppliers and keeps sufficient supply of inventory.

The information above was confirmed by Subject's staff on Nov. XX, 20XX.

Sales Information

Domestic: 100%
Regions: Nationwide
Sales Terms: Immediate payment, prepayment or monthly settlement

Subject's products are solely sold in the domestic market. As the games offered cover IOS and Android smart terminal platforms, its main clients are mobile users. Subject's has established stable client base.

The information above was confirmed by Subject's staff on Nov. XX, 20XX.

Import & Export

I/E License: No

Credit Records

None developed during the course of investigation.

Number of Employees

Total Employees: XXX

The information above was confirmed by Subject's staff on Nov. XX, 20XX.

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BUSINESS PROFILE/ OPERATIONS

Facilities

Location: XXX, Section C, Tianfu Software Park, Tianhua Second Road, High-tech Zone, Wuhou District, Chengdu, Sichuan
Area: A business area around 1,000 sq. meters
Property Ownership: Leasehold
Traffic Convenience: Handy traffic access

Litigation

Hearing Court: Guangdong Higher People's Court
Case Number: (20XX)STFZMCZ No. XXX
Party Concerned: XXX Technology Limited
XXX TECHNOLOGY LIMITED.

Date of Hearing: Jan. XX, 20XX
Case Brief: Not available
Date of Acquisition: Nov. XX, 20XX

Hearing Court: Guangdong Higher People's Court
Case Number: (20XX)STFZMCZ No. XXX
Party Concerned: XXX Technology Limited
XXX TECHNOLOGY LIMITED.

Date of Hearing: Jan. XX, 20XX
Case Brief: Not available
Date of Acquisition: Nov. XX, 20XX

Major Ranks

None developed during the course of investigation.

Public Records

None developed during the course of investigation.

Note: We provide herein litigation records, public rankings and other public records of the latest five years.

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SHAREHOLDERS & MANAGEMENT

Shareholders and Shares

Shareholders	Capital Subscribed	% of Total
WANG XXX 王X	XXX	XXX
TANG XXX 唐XX	3,000,000	30.00
CHEN XXX 陈XX	1,000,000	10.00
PEI XXX 裴XX	XXX	XXX
XU XXX 徐X	500,000	5.00
Total	----- XXX	----- 100.00

Shareholders	Way of Investment	Paid-up %
WANG XXX 王X	Cash	100.00
TANG XXX 唐XX	Cash	100.00
CHEN XXX 陈XX	Cash	100.00
PEI XXX 裴XX	Cash	100.00
XU Lu 徐X	Cash	100.00

Main Executive

Name: TANG XXX
唐XX
Post: Executive Director
Gender: Male
Date of Birth: 19XX
Working Experience: Currently with Subject as Executive Director
No. of Invested and Appointed Companies: 4

Note: The information above was sourced from secondary database and may contain obsolete information. It is provided herein for reference only.

Board of Director

Name: TANG XXX
唐XX
Post: Executive Director
Nationality: China
Gender: Male
Date of Birth: 19XX



SHAREHOLDERS & MANAGEMENT

Board of Supervisor

Name:	CHEN XXX 陈XX
Post:	Supervisor
Nationality:	China
Gender:	Female
Date of Birth:	19XX

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RELATED COMPANIES

Affiliate

Name: XXX Limited Beijing Branch (Literal Translation)
XXX有限公司北京分公司
Address: No. -XX, Rm. XXX, 8/F, No. 9 North 4th Loop West Rd. (registered address)
Haidian District, Beijing City

External Investments

Company Name: XXX (Beijing) Technology Co., Ltd
XX(北京)科技有限公司
% Ownership: 10.00%
Address: Room XXX, 5/F, No. XX, Lugu South Steet (registered address)
Shijingshan District, Beijing City

Company Name: XXX Partnership (Limited Partnership) (Literal Translation)
XXX(有限合伙)
% Ownership: 0.01%
Address: Room XXX, Building X, No. XXX, Yezhuang Highway, Zhuangxing Town (registered address)
Fengxian District, Shanghai City



BANKING & FINANCIAL INFORMATION

Banking Relationship

None developed during the course of investigation.

Financial Summary

	2015	2014	2013
Sales	XXX	XXX	XXX
Total profit	XXX	XXX	XXX
Net profit	XXX	XXX	XXX
Total assets	XXX	XXX	XXX
Total liabilities	XXX	XXX	XXX
Total shareholders' equity	XXX	XXX	XXX
Return on net assets (%)	XXX	XXX	XXX
Net profit margin (%)	XXX	XXX	XXX
Turnover of total assets	XXX	XXX	XXX
Liabilities/assets ratio (%)	XXX	XXX	XXX
Sales growth (%)	46.47	172.40	--
Total assets growth (%)	262.22	4.40	--

Financial Data

Balance Sheet (RMB '000)

	Dec. 31, 2015 (Unconsolidated)	Dec. 31, 2014 (Unconsolidated)	Dec. 31, 2013 (Unconsolidated)
TOTAL ASSETS	XXX	XXX	XXX
TOTAL LIABILITIES	XXX	XXX	XXX
TOTAL SHLDRS' EQUITY	XXX	XXX	XXX
TOTAL LIABILITIES & SHLDRS' EQUITY	XXX	XXX	XXX

Income Statement (RMB '000)

	2015	2014	2013
Starting Date	Jan. XX, 20XX	Jan. XX, 20XX	Jan. XX, 20XX
Closing Date	Dec. XX, 20XX	Dec. XX, 20XX	Dec. XX, 20XX
Sales	XXX	XXX	XXX
Total profit	XXX	XXX	XXX
Less: Income tax	271	0	0
Net profit	XXX	XXX	XXX

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BANKING & FINANCIAL INFORMATION

Notes to Finance

Due to lack of clear government policy regarding transparency of enterprise financial information, many financial items might be missing in the above financial statements, causing possible inequality between the sum of the provided items and the provided Total Number.

The detailed financial of 2013, 2014 and 2015 could not be obtained and the only the major data is provided as above for reference.

Owing to sound business development, Subject's sales for the year 2014 increased significantly year on year.

In 2015, Subject's shareholder's equity increased significantly year on year possible due to the adjustment in the undistributed profit.

Change of Key Financials ('000)

	2015	Growth Rate (%)	2014
Sales	XXX	46.47	XXX
Net profit	XXX	48.37	XXX
Total assets	XXX	262.22	XXX
Total liabilities	XXX	52.18	XXX
Total shareholders' equity	XXX	492.33	XXX

Important Ratios

Profitability	2015	Year-on-year Comparison	2014	Year-on-year Comparison	2013
Return on net assets (%)	XXX	↓	XXX	↑	XXX
Return on total assets (%)	XXX	↓	XXX	↑	XXX
Net profit margin (%)	XXX	↑	XXX	↓	XXX
Efficiency	2015	Year-on-year Comparison	2014	Year-on-year Comparison	2013
Turnover of total assets	XXX	↓	XXX	↑	XXX
Solvency	2015	Year-on-year Comparison	2014	Year-on-year Comparison	2013
Liabilities/assets ratio (%)	XXX	↓	XXX	↓	XXX
Growth	2015	Year-on-year Comparison	2014	Year-on-year Comparison	2013
Sales growth (%)	46.47	↓	172.40	--	--
Total assets growth (%)	262.22	↑	4.40	--	--

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INDUSTRY INFORMATION

Industry Profile

XXX0. Software Development

Industry Definition

This industry includes the provision of computer software, information system or software-embedded equipment to users, or development and operation of software needed in system integration, application service and similar technical service; including development and operation of infrastructure software, support software, application software, embedded software, information security software, computer (application) system, industrial software and other software.

Industry Status & Trend

The software industry is of fundamental and strategic importance to national economy and social informatization, an essential part of information industry and a key chain of informatization construction. According to the relevant statistics, from the period of January to December of 2015, China realized software revenue of RMB1.4048 trillion, with a year-on-year increase of 16.4%, 7.1 percentage points lower than that of 2014 but 1.2 percentage points higher than that of the first 11 months of 2015. In 2015, the software industry reported a total export value of USD54.5 billion, a year-on-year increase of 5.3%, 1.6 percentage points higher than that of 2014 and 0.3 percentage points higher than that of the first 11 months of 2015. However, it was 11.3 percentage points lower than the growth rate of income of the whole industry. The export value of outsourcing service roughly equaled to the same period of prior year, and the growth rate was 1.1 percentage points lower than that in the first 11 months.

As a country which put great importance on the software industry, China has shown vigorous support to the industry through the release of increasingly detailed promotion policies on the related industries; provision of additional financial supports, gradually strengthened intellectual property protection measures; continuously improved strategic position of the software industry in the national economy; and expansion on the scale of the industry. In 2016, the software industry is expected to continue with the good momentum of steady and rapid development.

INDUSTRY INFORMATION

Industry Financial Ratios

XXX0, Software and Information Technology Services

2015	Subject	Best	Average	Worst
Return on net assets (%)	XX.73	17.10	6.XX	-4.XX
Return on total assets (%)	14.XX	X.30	3.XX	-3.XX
Gross profit margin (%)	--	XX.40	XX.70	1.XX
Turnover of total assets	1.XX	2.XX	1.XX	0.XX
Turnover of current assets	--	X.80	2.XX	1.XX
Turnover of accounts receivable (days)	--	XX.95	XX.32	87.XX
Liabilities/assets ratio (%)	XX.96	55.XX	XX.00	XX.00
Current ratio	--	1.XX	1.XX	0.XX
Quick ratio	--	X.44	0.XX	0.XX
Sales growth (%)	46.XX	XX.90	1.XX	-X.10
Gross profit growth (%)	--	7.XX	1.XX	-2.XX
Total assets growth (%)	262.XX	XX.60	3.XX	0.XX

2014	Subject	Best	Average	Worst
Return on net assets (%)	XX.78	18.XX	6.XX	-4.XX
Return on total assets (%)	35.XX	XX.00	4.XX	-3.XX
Gross profit margin (%)	--	XX.30	XX.10	1.XX
Turnover of total assets	4.XX	2.XX	X.00	X.40
Turnover of current assets	--	4.XX	X.XX	1.XX
Turnover of accounts receivable (days)	--	21.XX	XX.00	83.XX
Liabilities/assets ratio (%)	XX.28	XX.00	XX.00	90.XX
Current ratio	--	1.XX	1.XX	0.XX
Quick ratio	--	1.XX	0.XX	0.XX
Sales growth (%)	XXX.40	XX.30	2.XX	-3.XX
Gross profit growth (%)	--	7.XX	2.XX	-2.XX
Total assets growth (%)	4.XX	XX.00	2.XX	0.XX

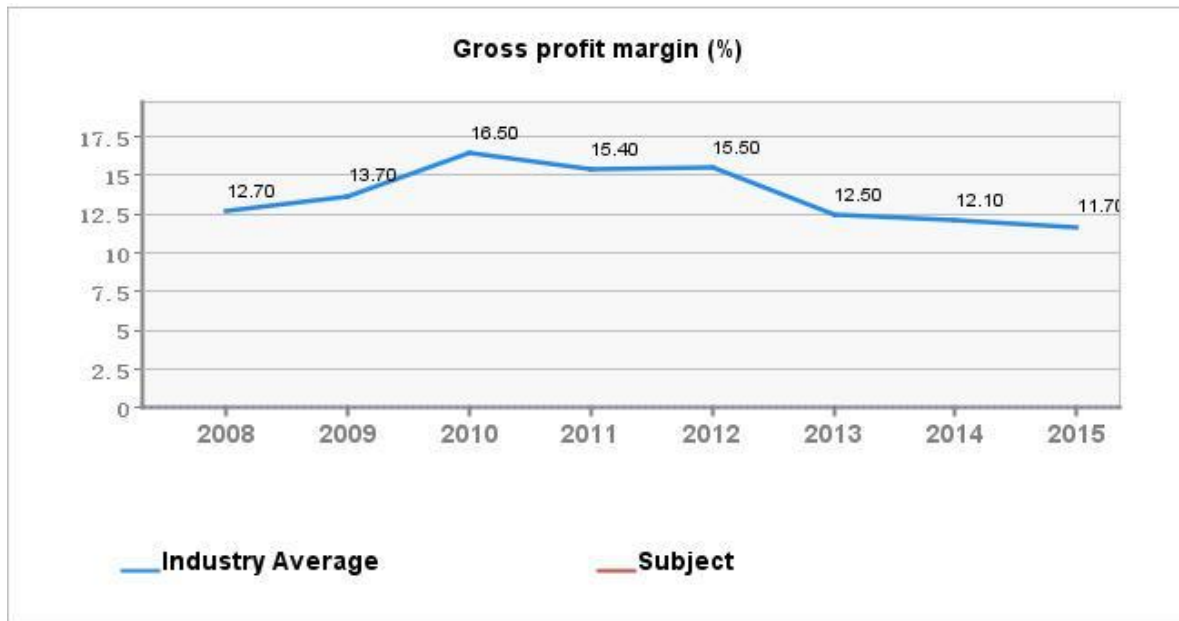
Note: The above indicators are sourced from industry statistics regularly published by the government.

INDUSTRY INFORMATION

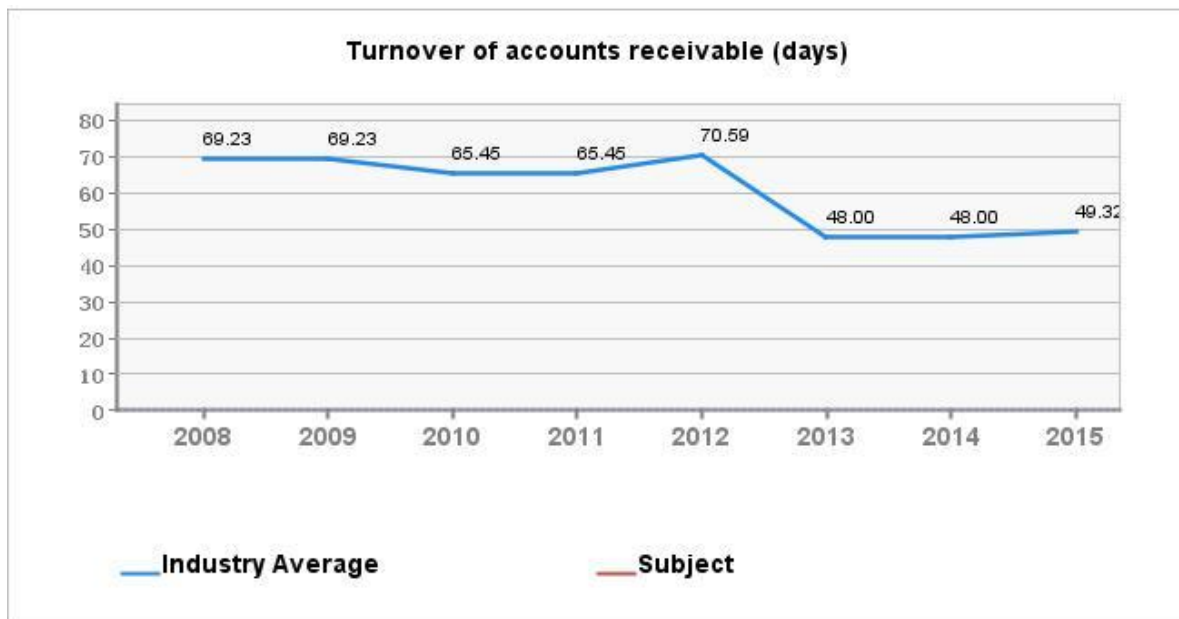
Trend Chart of Key Indicators

XXX0, Software and Information Technology Services

Trend of Gross Profit Margin (Average):



Trend of Turnover of Accounts Receivable (Days) (Average):



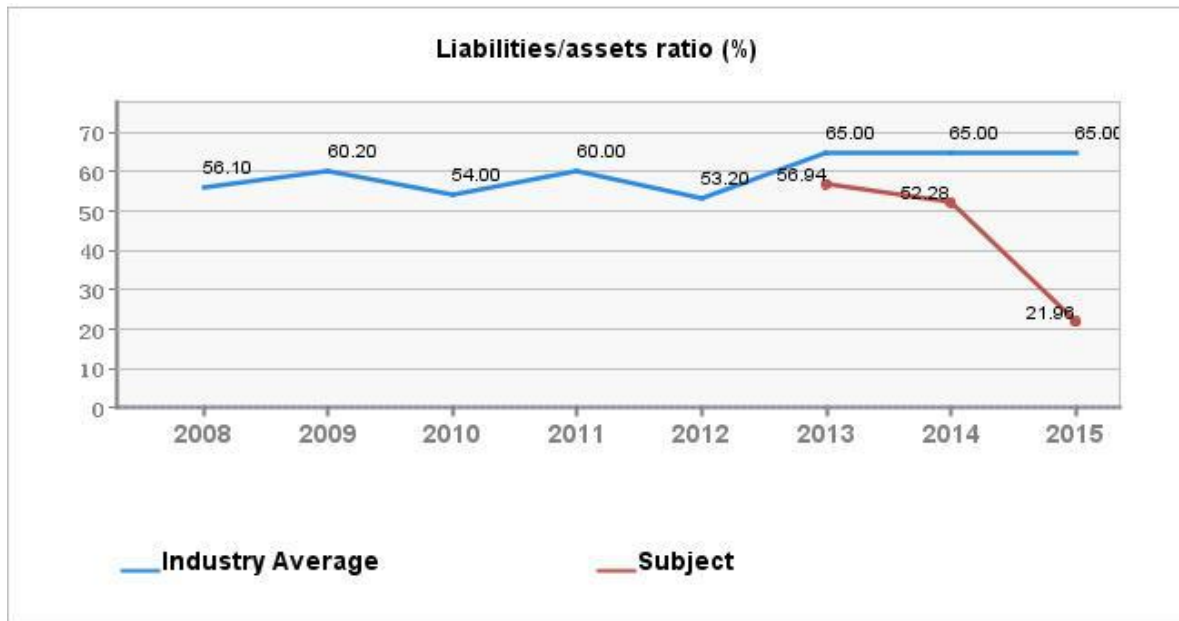
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INDUSTRY INFORMATION

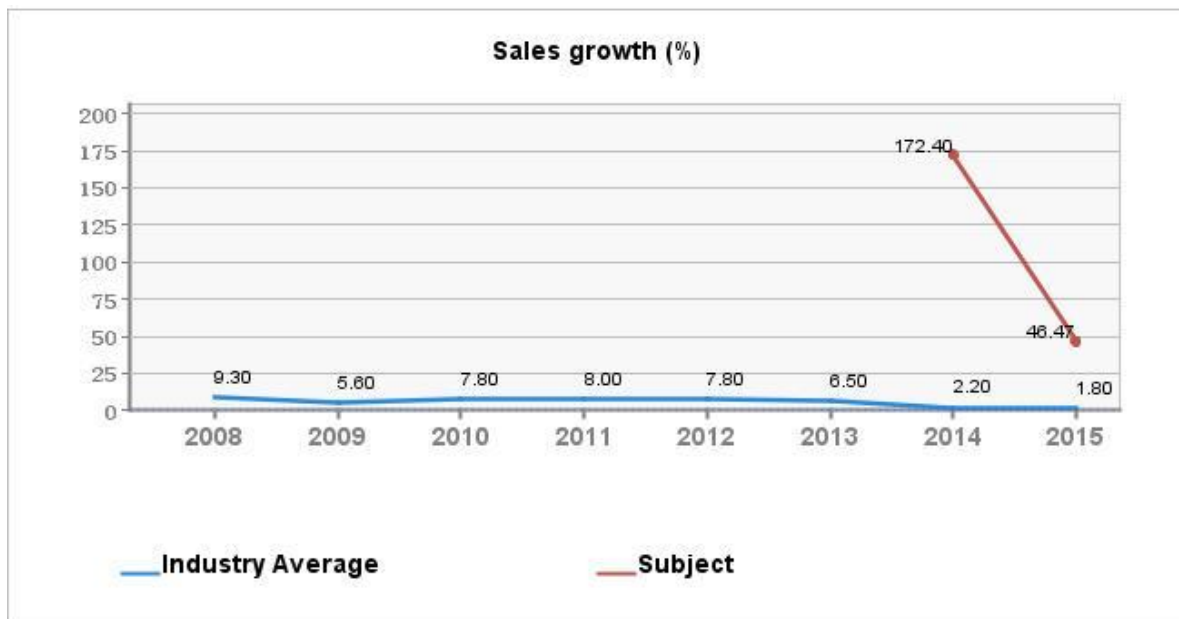
Trend Chart of Key Indicators (Cont'd)

XXX0, Software and Information Technology Services (Cont'd)

Trend of Liabilities/assets Ratio (Average):



Trend of Sales Growth (Average):



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SUPPLEMENTARY INFORMATION

Subject's complete accurate English name as confirmed by Subject's staff is provided in the report.

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SUMMARY

Subject is a limited liability company established on September XX, 20XX.

Subject is mainly engaged in the development and operation of games. Among the games developed are XXX Force, XXX Tiandi, Records of the XXX ONLINE, XXX Xianyuan, XXX Laile (Literal Translations). Subject's products are solely sold in the domestic market, with its main clients being mobile users.

In FY15, Subject recorded sales of RMB XXX (FY14: RMB XXX) and closed with net profit of RMB XXX (FY14: RMB XXX). Shareholders' equity stood at RMB XXX (FY14: RMB XXX).

In view of the above, Subject's credit rating is **DP6**.

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RATING EXPLANATION/ SCORESHEET

Default Frequency	DP Credit Rating	Explanation	Status
<0.1%	DP1	Possess extremely strong financial fundamental with high incentive and capability for repayment of obligations.	Premium
0.1% - <0.2%	DP2	Has strong financial health with above average capability for meeting payments.	Premium
0.2% - <0.4%	DP3	Stable financial health and above normal operational environment. General unfavourable factors are not likely to cause distress.	Strong
0.4% - <1.0%	DP4	Overall financial health and operation are considered normal. Capable of meeting its commitments. May be susceptible to difficulties in the event of drastic changes in economic conditions.	Strong
1.0% - <3.0%	DP5	Adequate financial capabilities to meet normal commitments. However, adverse changes in economic condition could lead to doubtfulness in the ability to pay.	Moderate
3.0% - <8.0%	DP6	Sufficiently sound financial ability to meet normal obligations. Capabilities in reacting to adverse operational condition are limited or consider doubtful.	Moderate
8% - <14.0%	DP7	Weakness in financial ability is apparent. Vulnerable to unfavourable changes in the economic and operational environment and is likely to fall into a weakened financial condition.	Monitor
14.0% - <30%	DP8	Apparent weakness in financial health with limited capability to meet its obligations especially in the event of any adverse changes in operating environment.	Monitor

*DP 1 to DP 4 is comparable to "Investment Grade" rated securities, and DP 5 to DP 6 is comparable to "High Yield" rated securities, and DP 7 to DP 8 is comparable to "High Risk" rated securities.

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