

HONG KONG PREMIUM BUSINESS REPORT

This report is sent in answer to your inquiry on:  
Sample Report Holdings Limited  
D-U-N-S: 66-444-9493

Prepared for	:	TSR
Inquiry Date	:	Aug 5, 2019
Delivery Date	:	Aug 20, 2019

Note:

1. The information in Hong Kong Comprehensive Report was mainly obtained from a third party source. D&B reviews, verifies and enriches the information by checking historic records in D&B database, public media records, governmental files and/or conducting management interviews with subject.
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**COMPANY DETAILS**

SAMPLE REPORT HOLDINGS LIMITED

Subsidiary of SAMPLE REPORT ULTIMATE PARENT LTD, HONG KONG.

formerly known as SAMPLE REPORT (HK) CO LTD

Trade Style	SAMPLE REPORT HK HOLDINGS		
D-U-N-S	66-444-9493		
Incorporation No.	9999998	Started	1973
BRC No.	98999998	Registered	1993
Legal Status	Private Limited Company		
Address	RM 1308-15 13/F BEA TOWER, MILLENNIUM CITY 5 418 KWUN TONG RD KWUN TONG, KOWLOON HONG KONG		
Tel	852 - 25161108		
Fax	852 - 25626044		
URL	www.sample.com.hk		
E-Mail	info@sample.com		
Chief Executive	CHAN, TAI MAN DIRECTOR		
Line of Business	WHOL OF GARMENTS, HOLDING COMPANY		
SIC	5136-0000	6719-9901	5137-0000
Import	YES	History	BUSINESS
Export	YES	Court	YES
Employs	80	Reg Charge	YES
Paid Up Capital	10,000	D&B Rating	HH1 (Prev. - -)
Sales	73,692,458	Condition	STRONG
Tangible Net Worth	17,938,440(HKD)		

CURRENCY: All monetary amounts shown in HONG KONG DOLLARS unless otherwise stated.

**ECONOMIC INDICATOR**

**Major Economic Indicators**

	2013	2014	2015	Forecast/Latest
Population, Mid-year (million)	7.19	7.24	7.31	7.35 <sup>a</sup>
Gross Domestic Product (US\$billion)	274.1	289.5	307.3	315.0-318.1 <sup>b</sup>
GDP Per Capita (US\$)	38,100	40,000	42,100	42,200-42,600 <sup>b</sup>
Real GDP Growth (%)	+3.1	+2.6	+2.4	+1-2 <sup>b</sup>
Inflation (% Change in Composite CPI)	+4.3	+4.4	+3.0	+2.7 <sup>c</sup>
Unemployment Rate (%)	3.4	3.3	3.3	3.4 <sup>d</sup>
Retail Sales Growth (%)	+11.0	-0.2	-3.7	-10.5 <sup>e</sup>
Visitor Arrival Growth (%)	+11.7	+12.0	-3.9	-7.4 <sup>e</sup>

<sup>a</sup> 2016; <sup>b</sup> government forecast for 2016; <sup>c</sup> year-on-year change in January-July 2016;

<sup>d</sup> seasonally adjusted, May-July 2016; <sup>e</sup> year-on-year change in January-June 2016.

**INDUSTRY HIGHLIGHTS**

Hong Kong's Clothing Industry

Overview

- Starting 1 January 2009, textile and clothing products originating in China no longer require any import licence or surveillance document before entering the EU. Meanwhile, textile and clothing shipments to the US made on or after 1 January 2009 are no longer subject to any quotas.
- Under the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), the mainland has given all products of Hong Kong origin, including clothing items, tariff-free treatment starting from 1 January 2006. According to the stipulated procedures, products which have no existing CEPA rules of origin will enjoy tariff-free treatment upon applications by local manufacturers and upon the CEPA rule of origins being agreed and met.
- Hong Kong clothing companies are reputable for ODM and OEM production. They are able to deliver quality clothing articles in short lead time, as foreign importers and retailers request clothing suppliers to tighten up supply chain management to ensure the ordered merchandise reaching the store floor at the right time. Increasingly, Hong Kong clothing

companies, the established ones in particular, have shown enthusiasm for brand promotion.

- Hong Kong's total exports of clothing decreased by 12% year-on-year in the first four months of 2016, when re-exports fell by 11% and domestic exports slumped by 41%. In January-April 2016, Hong Kong's clothing exports to the US and EU, the two largest markets that accounted for nearly 60% of the total, fell by 11% and 19%, respectively.

Industry Features [1]

No. of Establishments	796 (manufacturing) – Dec 2015
	15,110 (import-export) – Dec 2015
Employment	5,773 (manufacturing) – Dec 2015
	80,160 (import-export) – Dec 2015

Note: \* Industry statistics cover activities in Hong Kong only  
Source: Quarterly Report of Employment and Vacancies Statistics

Source: Hong Kong Trade Development Council

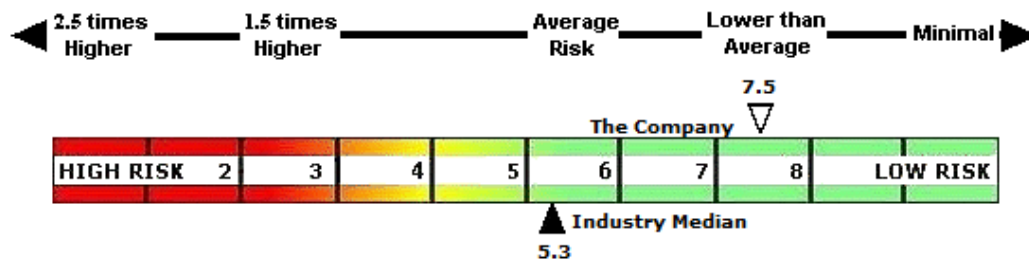
**EXECUTIVE SUMMARY**

- The Risk Predictor for the company is 7.50 which indicates below average risk. The likelihood of a company having financial distress over the next 12 months is 0.38%.
- Company has been established for 43 year(s)
- Evidence of 1 High court, District Court suits or Gazette filings in D&B database, with the most recent one on 1/1/2017.
- Within the past five years, 1 hearing case was found in D&B Small Claim Tribunal files on 1/10/2017.
- Subject company has 12 payment experience(s).
- Registered charges are reported for this business.
- Subject company rents captioned premises.
- Sample Report Ultimate Parent Ltd based in Hong Kong is the parent company of subject.

- Operation are profitable operations based on its 2017 financial statement.

D&B RISK PREDICTOR	As of AUG 20, 2019
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Risk Predictor uses a statistically valid model derived from D&B database to predict the likelihood of a company having *financial distress* over the next 12 months period.



<p><b><u>The Company</u></b></p> <p><b>Risk Predictor:</b> <span style="float: right;"><b>7.5</b></span>  <small>(Highest Risk: 0.1; Lowest Risk: 10.0)</small></p> <p><b>Financial Stress Score Equivalent:</b> <span style="float: right;"><b>1480</b></span>  <small>(Highest Risk: 1001; Lowest Risk: 1890)</small></p>	<p><b><u>The Industry</u></b></p> <p><b>Industry Median:</b> <span style="float: right;"><b>5.3</b></span></p> <p><b>Industry:</b> <b>WHOL MEN'S/BOY'S CLOTHING</b></p> <p><b>Based on:</b> <span style="float: right;"><b>4,471 firms</b></span></p>
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Key Influencing Factors

1. No record of litigation is found against the subject in D&B database.
2. The subject's total Employee Size suggests slightly lower risk of financial stress.
3. The subject's Age suggests lower risk of financial stress.
4. Higher Current Ratio and lower Debt Ratio suggest lower risk of financial stress.

Notes:

1. The Risk Predictor indicates that this company shares some of the same business and financial characteristics of other companies with this classification. It does not mean the firm will necessarily experience financial distress.
2. Risk Predictors are updated the day new information enters the company's file.
3. Both Risk Predictors and Financial Stress Scores are derived from D&B's new Failure Scoring System. Each of them cater different needs in risk assessment. Please

refer to Appendix to learn more about the new D&B Failure Scoring System and the applications of different measurements.

<b>PAYMENTS</b>	<b>As of AUG 20, 2019</b>
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**Paydex**

Paydex is not computable with the current payment information of the company.

Payment Experience						
DATE	PAYING RECORD	HIGH CREDIT	NOW OWES	PAST DUE	TERM	LAST SALE DATE
28/02/2019	Prompt	100,000	100,000	0	Net 30	28/02/2019
31/01/2019	Slow 30	10,000	10,000	10,000	Net 30	31/01/2019
31/12/2018	Prompt	10,000	5,000	0	COD	31/12/2018
31/12/2018	Prompt/Slow 30	2,000,000	2,000,000	200,000	Net 60	31/12/2018
31/12/2018	Slow 30	30,000	2,500	2,500	Net 30	31/12/2018
31/12/2018	Slow 30	2,000,000	300,000	300,000	Net 30	31/12/2018
30/11/2018	Prompt/Slow 60	10,000,000	10,000	5,000	Net 30	30/11/2018
31/10/2018	Slow 60	900,000	15,000	10,000	Net 30	31/10/2018
31/10/2018	Prompt	2,000,000	2,000,000	0	Net 60	31/10/2018
31/10/2018	Prompt	15,000	15,000	0	Net 30	31/10/2018
30/09/2018	Prompt	1,000,000	1,000,000	0	Net 30	30/09/2018
30/09/2018	Slow 90-120	900,000	25,000	25,000	Net 30	30/09/2018

In some instances, payment beyond terms can be the result of disputes over merchandise, lost invoices, etc.

All slow paying records are recorded as "slow 30, 60, 90, 120, 150, 180 or 181" (for slow 1-30, 31-60, 61-90, 91-120, 121-150, 151-180, 181 or above). All dollar amounts in this section are rounded by the system.

<b>COURT ACTION</b>	<b>As of AUG 20, 2019</b>
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A search of the Court Files show the following record(s) of civil suit against the company:

High Court, District Court & Government Gazette

Defendant : SAMPLE REPORT HOLDINGS LIMITED  
 Action : HIGH COURT  
 Plaintiff : INDIVIDUAL

Amount : NOT AVAILABLE  
 File Date : 1/1/2017  
 File No : HCA99999/2017  
 Cause : OTHERS  
 Status : Unknown

Small Claim Tribunal

Defendant : Sample Report Holdings Limited  
 Claimant : ABC Sample (HK) CO LTD  
 Hearing Date : 1/10/2017  
 Claim No : SCTC000000/03  
 Claim Nature : MANAGEMENT FEE  
 Status - : Unknown

This corporate information is provided based on the information we have collected from public sources and kept in our record within the last 5 years; and is for general information purpose only. In relation to such information, we would like to remind you that we do not warrant its accuracy, completeness, correctness or whether it is updated at any given time; and we shall disclaim all liabilities on any claims in relation to such information or any part thereof.

**FINANCE**

Financial Summary

(Figures in in Hong Kong dollar (HKD))

YEAR :	<u>2017</u>	<u>2018</u>
Current Assets	10,663,586	19,166,895
Current Liabilities	19,844,551	13,780,852
Working Capital	-9,180,965	5,386,043
Non-Current Assets	32,784,479	43,985,246
Non-Current Liabilities	15,055,168	31,136,887
Total Assets	43,448,065	63,152,141
Total Liabilities	34,899,719	44,917,739
Net Worth	8,188,501	17,938,440
Annual Sales	57,450,007	73,692,458
Gross Profit	13,788,002	15,222,281
Profit After Tax	6,498,166	3,982,092

Balance Sheet

(Figures in in Hong Kong dollar (HKD))

YEAR ENDED:	<u>31/12/2017</u>	<u>31/12/2018</u>	<u>% chg</u>
Current Assets:			
Cash and Bank	5,012,361	6,040,000	20.5
Marketable Securities	456,385		N/A
Receivables	1,895,501	7,545,051	298.05
Inventories / Stocks	1,891,260	2,679,689	41.68
Deposit - Short Term	208,500	838,935	302.36
Prepayment	803,982	665,661	-17.2
Due from Subsidiary	276,095	376,246	36.27
Due from Related Co	105,815	539,321	409.68
Trading Securities		373,405	N/A
Investment Securities		88,945	N/A
Other Current Assets	13,687	19,642	43.5
Total Current Assets	10,663,586	19,166,895	79.74
Current Liabilities:			
Trade Creditors	5,647,646	4,899,091	-13.25
Creditors & Borrowings	3,518,024	2,521,167	-28.33
Bank Loans	1,673,564	733,817	-56.15
Other Creditor	6,200,102		N/A
Provision for Income tax	483,509	618,863	27.99
Provision for Dividends	200,909	59,224	-70.52
Due to Parent	505,367	821,797	62.61
Due to Subsidiaries	1,553,320	276,965	-82.16
Due to Related Co	41,878	53,153	26.92
Other Current Liabilities	20,232	3,796,775	18,666.18
Total Current Liabilities	19,844,551	13,780,852	-30.55
Working Capital	-9,180,965	5,386,043	158.66
Non-Current Assets	32,784,479	43,985,246	34.16
Fixed Assets:			
Property, Plant and Equipment	32,226,608	42,863,637	33



Other Fixed Assets	169,075	799,947	373.13
Total Fixed Assets	32,395,683	43,663,584	34.78
Investment:			
Investment	28,951	25,700	-11.22
Total Investment	28,951	25,700	-11.22
Intangibles:			
Goodwill	359,845	295,962	-17.75
Total Intangible Assets	359,845	295,962	-17.75
Non-current Liabilities:			
Creditors and Borrowings	10,502,245		N/A
Provisions	72,000		N/A
Loan Secured	1,732,240	27,151,349	1,467.41
Minority Interests	2,530,282	883,252	-65.09
Other Non-Current Liabilities	218,401	3,102,286	1,320.45
Total Non-Current Liabilities	15,055,168	31,136,887	106.81
Net Worth	8,548,346	18,234,402	113.31
Equity:			
Paid Capital	20,000	20,000	0
Reserves		1,601,658	N/A
Accumulated / Retained Profit (P/L)		2,809,246	N/A
Other Equity Value	8,528,346	13,803,498	61.85
Total Equity	8,548,346	18,234,402	113.31

### Profit and Loss

(Figures in in Hong Kong dollar (HKD))

YEAR ENDED:	<u>31/12/2017</u>	<u>31/12/2018</u>	<u>% chg</u>
Sales	57,450,007	73,692,458	28.27
Cost of Goods Sold	43,662,005	58,470,177	33.91
Gross Profit (Loss)	13,788,002	15,222,281	10.4
Operating Expenses	6,634,177	10,324,589	55.62
Operating Profit	7,153,825	4,897,692	-31.53
Finance Cost	100,000	100,000	0

**H.K. Premium Business Report**

Net Profit (Loss) before Taxation	7,053,825	4,797,692	-31.98
Taxation	555,659	815,600	46.78
Net Profit (Loss) After Taxation	6,498,166	3,982,092	-38.72
Minority Interests	364,200	143,711	-60.54
Net Profit (Loss) Attributable to Share	6,133,966	3,838,381	-37.42

Financial Ratios

YEAR	<u>2017</u>	<u>2018</u>
Profitability Ratios		
Net Profit Margin(%)	11.31	5.4
Return on Assets(%)	14.95	6.3
Return on Equity(%)	79.35	22.19
Solvency Ratios		
Current Ratio	0.53	1.39
Quick Ratio	0.37	1.01
Leverage Ratios		
Total Debt to Equity Ratio	4.08	2.46
Debt Ratio	0.8	0.71
Current Debt to Equity Ratio	2.32	0.75
Fixed Assets to Equity Ratio	3.78	2.39
Efficiency Ratios		
Asset to Sales Ratio	0.75	0.85
Collection Period (Days)	12.04	37.37
Inventory Turnover (Days)	15.81	16.72
Accounts Payable to Sales Ratio	0.09	0.06
Sales to Net Working Capital Ratio	-6.25	13.68

Subject condition is considered Strong.

## FINANCE ANALYSIS

Sales has been increasing in a healthy growth manner. Subject experienced a slight increase in sales by 28.27% in 2018 compared with previous year

Trend in net profit was not in line with the sales trend in 2018. Though subject experienced a 28.27% increase in sales turnover in 2018, net profit after tax declined by 38.72% compared with previous year, reflecting the diminishing efficiency in controlling the costs/expenses during the year.

A net profit of HKD3,982,092 was earned on sales of HKD73,692,458 in 2018.

Profitability Ratios:

Used to evaluate management's ability to control expenses and to earn a return on resources committed to the business.

Net Profit Margin

Reveals profits earned per dollar of sales and measures the efficiency of the operation.

Profitability position has been declining compared with previous year as noted by the decreasing net profit margin from 11.31% in 2016 to 5.40% in 2018. The declining ratio reflects subject's diminishing efficiency in cost control.

Subject's operation was considered to be very profitable. The subject generated 5.40% net profit margin on HKD73,692,458 in sales in 2018.

Return on Assets

This is the key indicator of profitability for a firm. It matches net profits with the assets available to earn a return.

Profitability position has been declining compared with previous year as noted by the decreasing return on assets from 14.95% to 6.30%. The declining ratio reflects subject's diminishing efficiency in utilizing its assets to generate profits.

The profit after tax of HKD3,982,092 represented a 6.30% return on assets. This implies that subject was utilizing her assets very efficiently to generate profits.

Return on Equity

**Analyses the ability of the firm's management to realize an adequate return on the capital invested by the owners of the firm.**

Profitability position has been declining compared with previous year as noted by the decreasing return on equity from 79.35% in 2017 to 22.19% in 2018. The declining ratio reflects subject's diminishing efficiency in generating profits for its

shareholders.

The profit after tax of HKD3,982,092 represented a 22.19% of return on equity. This implies that subject's ability to generate return for her shareholders was considered to be strong. Subject can generate HKD0.22 profits for each dollar that was originally invested in the business.

Solvency Ratios:

Used to measure the financial soundness of a business and how well the company can satisfy its obligation.

Current Ratio

It measures the margin of safety present to cover any possible reduction in current assets.

Liquidity position has been improved, as noted by the increasing current ratio from 0.53 in 2017 to 1.39 in 2018. An improvement of this ratio reflects subject has stronger liquidity position to back its current obligations compared to last fiscal year.

Current ratio of 1.39 in 2018 indicated that though subject had enough current assets to back its current obligations, the level was just too close for the firm as they would only just be able to meet their liabilities.

Quick Ratio

Shows the dollars of liquid assets (convertible into cash within 30 days) available to cover each dollar of current debt.

Quick ratio of 1.01 in 2018 is considered satisfactory, subject could meet its current obligation with the readily available "quick" funds on hand, regardless of the sales level.

Leverage Ratio:

Indicates the extent to which the business relies on debt financing.

Total Debt to Equity Ratio

It measures management's reliance on creditor financing as well as the business's indebtedness compared to the amount invested by its owners. This ratio indicates the amount of liabilities the business has for every dollar of shareholders' equity.

Leverage position has been improved in 2018, as noted by the decreasing total debt to equity ratio from 4.08 in 2017 to 2.46 in 2018, reflecting subject's debt obligation has been lessened.

Total debt to equity ratio at 2.46 in 2018 indicated that the subject was highly leveraged, evidenced by the fact that subject's debt was 2.46 times higher than her shareholders' fund, reflecting subject did not have sufficient protection for creditors, as noted by the unfavorable debt to equity ratio.

#### Debt Ratio

The debt ratio shows the proportion of a company's assets which are financed through debt.

Debt ratio in 2018 is more than 0.5, indicating that most of the subject's assets are financed through debt.

#### Current Debt to Equity Ratio

It measures the extent of a firm in using creditor funds versus shareholders' investment to finance the business.

Leverage position has been improved in 2018, as noted by the decreasing current debt to equity ratio from 2.32 in 2016 to 0.75 in 2018, reflecting subject's current debt obligation in short terms has been lessened.

Current debt to equity ratio of 0.75 indicated that the firm is facing a high level of creditors' due as a percentage of its shareholders' investment. Subject might have insufficient shareholders' fund to fully meet its short-term obligations.

#### Fixed Assets to Equity Ratio

It indicates the firm's investment for fixed asset uses.

The decreasing fixed assets to equity ratio in 2018, reflecting that subject has invested lower portion in fixed assets.

Fixed assets to equity ratio of 2.39 represented a high proportion of assets centered in fixed assets compared to total equity. It implies that subject is likely to have over-investment while liquid capital is limited to support day-to-day operations.

#### Efficiency Ratios:

Used to measure how well a firm manages and controls its assets and how effectively it utilizes those resources to generate sales.

#### Asset to Sales Ratio

It measures the proportion of investment in assets to generate sales.

Asset to sales ratio increased from 0.75 in 2017 to 0.85 in 2018. It shows that subject's sales generating power in terms of assets has been raised.

Asset to sales ratio of 0.85 means that subject's sales is higher than what it can be covered by assets.

#### Collection Period (Days)

It indicates how fast subject can increase cash supply by collecting accounts receivable from customers.

The collection period is prolonged by 25.32 days than previous year.

#### Inventory Turnover (Days)

It determines the average number of days at which merchandise is being moved and the effect of flowing of funds into a business.

Inventory turnover of 16.72 means that subject requires 16.72 days to turn inventory into sales. When the period is too long, it might mean that subject is overstocked in terms of sales or the efficiency of converting inventories into sales is not high.

Inventory turnover period is prolonged. It implies that subject requires longer time to finish her sales cycle than previous year. It adversely affects the liquidity of subject's operation.

#### Accounts Payable to Sales Ratio

It measures the extent to which the firm pays to suppliers in terms of the sales transaction.

Accounts payable to sales ratio of 0.06, which is lower than before. It shows subject is using a lower extent of supplier's money to finance operations.

When the ratio is multiplied by 365 days, it reflects that subject takes 24.26 days to repay the suppliers.

#### Sales to Net Working Capital Ratio

It indicates the efficiency of using working capital to generate sales.

Sales to net working capital ratio of 13.68 means that subject has 13.68 times of working capital turnover annually in relation to net sales. The high turnover rate might imply overtrading and subject's operation relies extensively on funding from outsiders.

**CURRENT INVESTIGATION**

On 20/8/2019, Mr. Chan, Peter, Financial Controller, submitted financial statement and confirmed operational and historical information.

The financial statement(s) of subject was obtained via fax. The accounts are audited by Sample Audit, CPA.

Fiscal year end date of subject is 31 Dec.

Audited financial statement FY2017 and FY 2018 was obtained by email during current investigation.

Site visit conducted on 8/19/2019 to reveal that subject is located at the captioned address.

**BANK**

Banking relations are maintained principally with :-

CITIBANK, N.A.  
 HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (THE)  
 HANG SENG BANK, LIMITED

Banking Facilities Granted from the Bank(s) :-

	Amount
Long-Term Loan	27,000,000
Secured Letter of Credit	7,500,000
Total Credit Limit	34,500,000
Est. Credit Limit	Low 8 Figures
Deposit Level	Low 7 Figures

**HISTORY**

This section was compiled after a company search from the Companies Registry on 3/8/2019, and includes capital structure, shareholdings, registered charges and director details.

As of the date of the search, the latest annual return filed by the company was dated 5/10/2018.

Legal Status	Private Limited Company
Date of Registration	5 Oct 1993
Year Started	1973
Incorporation No.	9999998
Business Registration No.	98999998

Type of Shares	No. of Shares
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Ordinary Shares		10,000
Preference Shares		10,000
Fully Paid Up Capital	10,000	
(as of 5 Oct 2018)		

shares are shown to be held by: -

Ordinary Shares			
Name of Shareholder	Location	Shares Held	%
Sample Report Ultimate Parent Ltd	Hong Kong	5,100	51.00
Chan Tai Man	Hong Kong	4,900	49.00
		<u>10,000</u>	<u>100.00</u>

Preference Shares			
Name of Shareholder	Location	Shares Held	%
Sample Report Ultimate Parent Ltd	Hong Kong	5,000	50.00
Chan Tai Man	Hong Kong	5,000	50.00
		<u>10,000</u>	<u>100.00</u>

Change in Company Name

Name was changed from Sample Report Group Company Ltd to HK Sample Report Company Ltd on 5 Nov 1993, to Sample Report (HK) Co Ltd on 1 Feb 1999 and to the present name on 1 Jan 2001.

Share Allotment

Name	No. of Shares
Chan Tai Man	5,000
Sample Parent Limited	5,000

Other Key Events

Details : Mr. Chan Tai Man commenced business under the name 'Sample Report Company' as a sole proprietorship. (Jan 1973)



Details : Subject incorporated as a limited liability company and its business was transferred from 'Sample Report Company'. (Oct 1993)

Details : Very Good Manufacture Company, subject's affiliated factory commenced operation in Panyu, PR China. (Jul 2001)

#### Registered Charge

Registered Charges indicates whether subject has any outstanding mortgages with creditors, including banks, financial institutions. It's by laws that companies require to file registered charges to Companies Registry in Hong Kong. Once the security is placed on the register it will be deemed to be within the constructive knowledge of any subsequent creditor. This ensures priority to the registered charge over all subsequent registered and unregistered charges.

Charge	: A Charge of Deposit
Date	: 1 Jan 2005
Secured Party	: BANK OF CHINA (HONG KONG) LIMITE D
Amount	: \$ 300,000.00

Total Indebtedness: Nil

The above charges do not represent the full history of all transactions relating to the registered charges of the company. Some of the charges may have been released or there could be mortgages charges not reflected in this report.

#### Registered Address

Address	Rm 1308-1315 13/F BEA Twr, Millennium City 5 418 Kwun Tong Rd Kwun Tong, Kowloon Hong Kong
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#### Company Secretary

Name	Chan Tai Man
Name	ABC Secretary Ltd
Address	17/F Warwick Hse 979 King's Rd Quarry Bay, Hong Kong Island Hong Kong

**Principals**

Details of director(s) are listed as follows.

Name : CHAN, Tai Man  
 Title : Director  
 Activity Status : Active in subject's day-to-day operation.

**OPERATION**

Subject operates as a holding company and through its subsidiaries and affiliates are engaged in: -

Wholesaling of garments	100.00%
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Major Brands:

Grande  
 Peixico

Production process subcontracted to affiliated factory in PR China.

Operations are seasonal. Season peaks during Christmas & New Year.

Major Customer(s)

- 1) WWW Department Store
- 2) Lucky Boutique

Major Supplier(s)

- 1) MM Buttons
- 2) Well-Good Threats

<u>Products/Services</u>	%
Men's wear	40.00
Ladies' wear	30.00
Children's wear	20.00

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Other accessories	10.00
Total	<u>100.00</u>

In June 2001, subject has launched its official website, [www.sample.com.hk](http://www.sample.com.hk), to enable B2B business. In the same year, its new affiliated factory in Panyu, China, has also commenced its operation.

Sales Territory

Local: -	15%
International: -	85%
Germany	50%
USA	25%
UK	10%

Sales Territories are mainly in Hong Kong, Germany, USA and UK.

Currently, subject maintains around 20 active customers. Customer types include Wholesalers and Retailers.

Selling terms with customers are mainly on Net Terms 60-90 days, L/C (Letter of Credit) and T/T (Telegraph Transfer) basis.

Purchase Territory - Merchandise

International: -	100%
PR China	100%

Merchandise is mainly sourced from PR China.

Purchasing term is mainly on Inter-Company A/C basis.

Purchase Territory - Raw Materials

International: -	100%
PR China	
South-East Asia	

Raw Materials are mainly sourced from PR China and South-East Asia.

Purchasing terms are mainly on Net Terms 60-90 days, T/T (Telegraph Transfer), L/C (Letter of Credit) and Advance basis.

Employees

Subject employs 80 permanent staff in Hong Kong.

Reportedly, subject also maintains 1000 workers at the factory(ies) in PR China.

Location

Premises are located in an industrial/commercial area. Subject rents premises on the 13/F of a multi-storey building.

Office is shared with its group companies named Sample Report Ultimate Parent Limited & Sample Report Company Limited.

Previous Address : 18/F, Caroline Ctr, Lee Gardens Two, 28 Yun Ping Road, Causeway Bay, Hong Kong

Date of relocation : 12/2009

Land Search on Operating Address

Owner of Premises : Individual  
 Date of Purchase : 18/3/1999  
 Purchase Price : \$ 6,700,000  
 Mortgaged Bank : BANK OF CHINA (HONG KONG) LIM

**Linkage**

**Ultimate Parent**

Name : SAMPLE REPORT ULTIMATE LTD  
 Location : UK  
 Line of Business : Holding Co  
 Relationship with Subject : Indirectly Holds Majority Shares in Subject

**Parent**

DUNS : 66-905-6467  
 Name : SAMPLE REPORT ULTIMATE PARENT LTD  
 Address : Rm 1308-1315 13/F BEA Twr, Millennium City 5  
 418 Kwun Tong Rd  
 Kwun Tong, Kowloon  
 Hong Kong  
 Line of Business : Properties Holding  
 % Shares Held : 51%

## Subsidiary

DUNS	66-864-1652
Name	SAMPLE REPORT PARENT CO LTD
Address	Rm 1308-1315 13/F BEA Twr, Millennium City 5 418 Kwun Tong Rd Kwun Tong, Kowloon Hong Kong
Line of Business	WHOL OF CHILDREN'S WEAR
% Shares Owned	99.99%

## Affiliated Companies

Name	SAMPLE REPORT MFR COMPANY
Location	Panyu PR China
Name	SAMPLE REPORT AFFILIATE CO LTD Toronto, Ontario Canada

## APPENDIX

### 1. Interpretation of D&B Rating

D&B Rating allows you to quickly assess a company's financial strength and credit appraisal to help determine its credit-worthiness. The Dun & Bradstreet Rating is made up of two components: the Financial Strength and the Composite Credit Appraisal.

Financial Strength Indicator				Composite Credit Appraisal	Condition
Net Worth	Capital	From - (HK\$)	To - (HK\$)		
5A	5AA	300,000,000	And above	1	Strong
4A	4AA	70,000,000	299,999,999	2	Good
3A	3AA	10,000,000	69,999,999	3	Fair
2A	2AA	7,000,000	9,999,999	4	Poor
1A	1AA	6,000,000	6,999,999	-	Undetermined
A	AA	5,000,000	5,999,999		
B	BB	4,000,000	4,999,999		
C	CC	3,000,000	3,999,999		
D	DD	2,000,000	2,999,999		
E	EE	1,000,000	1,999,999		
F	FF	500,000	999,999		

G	GG	200,000	499,999
H	HH	0	199,999

<b>Other</b>	
N	Financial Strength is negative
O	Financial Strength is undisclosed
NB	New Business: Less than 24 months
FB	Foreign Branch
NQ	Out of Business

**Risk Predictor Score Methodology**

The Risk Predictor Score is based on a scale of 0 to 10, where 0 represents a higher risk and 10 lower risk. Developed using advanced statistical techniques and available data from D&B's information database, the Score predicts the probability of business failure (i.e. going out of business) within the next 12 months.

Key Drivers and average weight in the Risk Predictor Score include the following:

<b>Business Demographics :</b>	<b>Payment Information :</b>
<ul style="list-style-type: none"> <li>Employee Size</li> <li>Industry</li> <li>Legal Structure</li> <li>Business Age</li> </ul>	<ul style="list-style-type: none"> <li>Trade Experiences</li> <li>Slow Payment</li> <li>Maximum High Credit</li> <li>Paydex</li> <li>Collection Amount</li> </ul>
<b>Financial Information :</b>	<b>Court Information :</b>
<ul style="list-style-type: none"> <li>Net Worth</li> <li>Turnover</li> <li>Current Ratio</li> <li>Debt Ratio</li> <li>Profit Margins</li> </ul>	<ul style="list-style-type: none"> <li>High Court Records</li> <li>District Court Records</li> </ul>

-- End of Report --