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I-1 Company background

Sample One

XXX Co., Ltd.

Address: Dantu Economic Development Zone, XXX City XXX114, XXX Province, P. R. China

Tel: +86-XXX-XXXXXXXX; +86-XXXXXXXXXX

Person to contact: Mr. Zheng (Manager), Mr. Wu

Website: XXXXXX

➤ Company background

XXX Co., Ltd. (XXX) is one of the subsidiaries of XXX Chemical Corp. (XXX).

XXX has more than XX-year experience in producing petrochemical products. It is the major petrochemical solvent producer in Asia, and the biggest private petrochemical warehousing and storage company in XX. The company is principally engaged in producing methanol series of products and sales of XXX, XXX and XXX.

XXX has three subsidiary companies in Mainland China, including XXX, XXX and XXX.

Organization chart of XXX Chemical Corp:

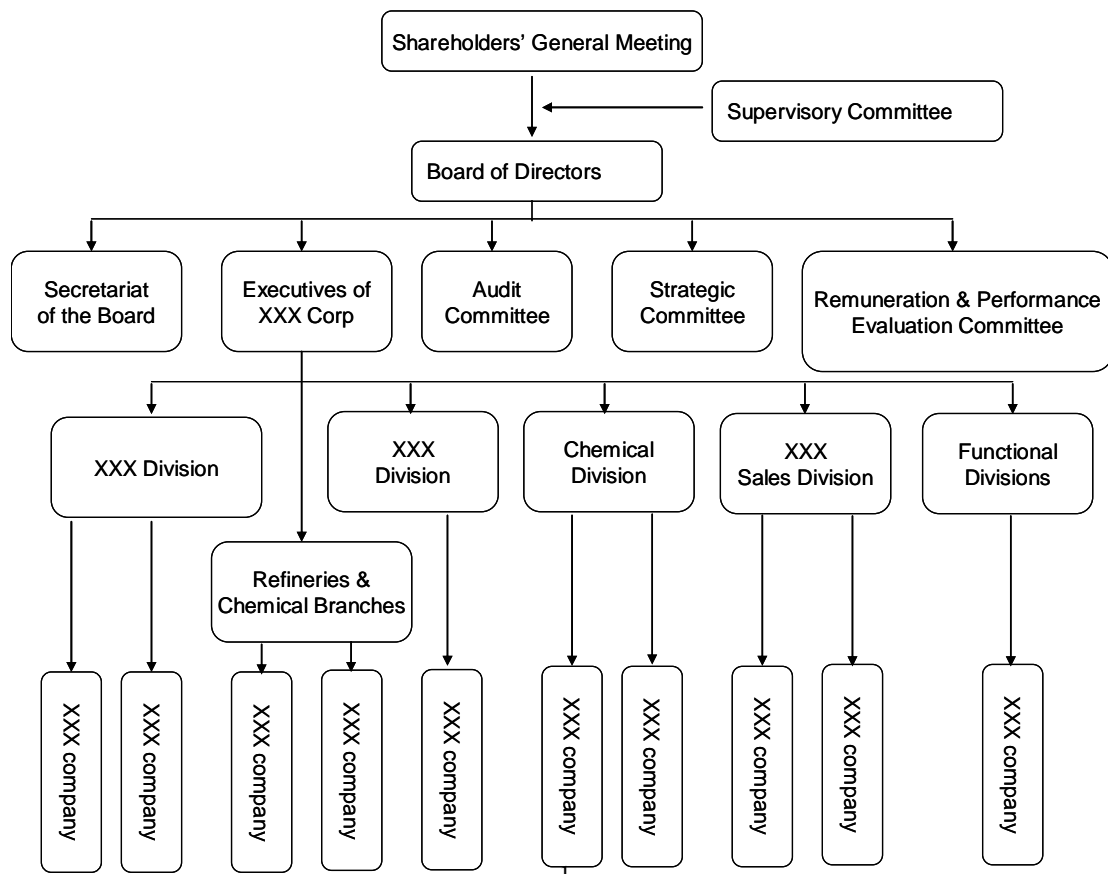


Table 2.1.1-1 Group members of XXX, April 2012

No.	Members	Location	Launch time	Main products
1	XXX	XXX	XXX	XXX
2	XXX	Qatar	1995	XXXI, MTBE
3	XXX	XXX	1997	XXX
4	XXX	Jiangsu	1997	XXX, XXX
5	XXX	XXX	1997	XXX
6	XXX	The U.S.	2004	XXX
7	XXX	Guangdong	2005	XXX
8	XXX	XXX	N/A	XXX
9	XXX	XXX	2008	Polysilicon

Source: CCM

XXX was established in 199 XXX with total investment of USD XXX million), and it covers an area of XXX square meters. The plant is located in Zhenjiang, Jiangsu Province and has a XXX -tonne dock.

It is mainly engaged in the production of deep-processed products of methanol series like XXX (XXX t/a), XXX (XXX t/a), XXX (XXX t/a), MIBK (XXX t/a) and so on. It is the biggest XXX and XXX manufacturer in China, with high quality products in the leading position in the industry.

- History of XXX

- ✓ Be established in 199X
- ✓ Began the production of XXX and XXX in 200X
- ✓ Began the production of XXX in 200X
- ✓ Expansion of XXX and XXX plants was completed and the expanded plants began the production in 200X; the expanded XXX plant began trial production in 200X
- ✓ Expansion of MIBK plant was completed and the production also started in 200X

Sample Two

XXX Co., Ltd.

Address: No. 5 Huoju Street, Hongwei District, XXX City, XXX003, XXX Province, P. R. China

Tel: +86- XXX- XXXXXXXX

Website: XXX

1) Company background

XXX Co., Ltd. (XXX) is a subsidiary of XXX Company Limited (XXX) which is the largest XXX producer and distributor, playing a dominant role in the XXX industry in China. XXX has convenient transportation: XXX kilometers from XXX port, XXX kilometers from XXX port and XXX kilometers from XXX International Airport.

As the first and the largest XXX producer in China, XXX has experience of about 30 years in XXX production.

Table VIII-1-1-1 Company info of XXX

Time of establishment	XXX	Enterprise type	XXX
Staff	XXX	Registered capital, USD	XXX
Area, square meters	XXX	Total capital, USD	XXX
International approval	XXX	Annual sales, USD	XXX

Source: CCM

I-2 Financial analysis

Sample

Table IV-1.1-3 Balance sheet of XXXX in XXXX

ITEM	31-Dec-XX	31-Dec-XX
	Unit: thousand USD	Unit: thousand USD
Current assets:		
Cash	XXX	XXX
Transaction financial asset	XXX	XXX
Notes receivable	XXX	XXX
Account receivable	XXX	XXX
Account paid in advance	XXX	XXX
Interest receivable	XXX	XXX
Other receivable	XXX	XXX
Inventories	XXX	XXX
Non-current assets due within one year	XXX	XXX
Other current assets	XXX	XXX
Total current assets	XXX	XXX
Non-current assets:		
Loans and advance	XXX	XXX
Financial assets available for sale	XXX	XXX
Held-to-maturity investments	XXX	XXX
Long-term account receivable	XXX	XXX
Long-term equity investments	XXX	XXX
Investment property	XXX	XXX
Fixed assets	XXX	XXX
Construction in progress	XXX	XXX
Construction material	XXX	XXX
Fixed assets disposal	XXX	XXX
Bearer biological asset	XXX	XXX
Oil assets	XXX	XXX
Intangible assets	XXX	XXX
Development expense	XXX	XXX
Goodwill	XXX	XXX
Long-term deferred expenses	XXX	XXX
Deferred income tax assets	XXX	XXX
Other non-current assets	XXX	XXX
Total non-current assets	XXX	XXX
Total assets	XXX	XXX
Current liabilities:		
Short-term loans	XXX	XXX

Transaction financial liabilities	XXX	XXX
Notes payable	XXX	XXX
Accounts payable	XXX	XXX
Accounts received in advance	XXX	XXX
Employees' compensation payable	XXX	XXX
Taxes payable	XXX	XXX
Interest payable	XXX	XXX
Other accounts payable	XXX	XXX
Non-current liabilities due within one year	XXX	XXX
Other current liabilities	XXX	XXX
Total current liabilities	XXX	XXX
Non-Current liabilities:		
Long-term loans	XXX	XXX
Bonds payable	XXX	XXX
Long-term payable	XXX	XXX
Specific-purpose account payable	XXX	XXX
Provisions for contingent liabilities	XXX	XXX
Deferred income tax liabilities	XXX	XXX
Other non-current liabilities	XXX	XXX
Total Non-Current liabilities	XXX	XXX
Total liabilities	XXX	XXX
Owners' equity		
Paid-in capital	XXX	XXX
Capital surplus	XXX	XXX
Surplus reserves	XXX	XXX
Undistributed profits / (Accumulated losses)	XXX	XXX
Total owners' equity	XXX	XXX
TOTAL LIABILITIES AND OWNERS' EQUITY	XXX	XXX

Source: CCM International

Table IV-1.1-4 Income statement of XXXX in XXXX

ITEM	31-Dec-XX	31-Dec-XX
	Unit: thousand USD	Unit: thousand USD
Operating revenue	XXX	XXX
Less: Cost of sales	XXX	XXX
Interest expenses	XXX	XXX
Taxes and associate charges	XXX	XXX
Selling and distribution expenses	XXX	XXX
Administrative expenses	XXX	XXX
Financial expenses	XXX	XXX
Losses on the asset impairment	XXX	XXX
Add: Gain(loss) from investment	XXX	XXX
Operating profit / (loss)	XXX	XXX
Add: Non-operating income	XXX	XXX
Less: Non-operating expenses	XXX	XXX
Total profit / (loss)	XXX	XXX
Less: Income tax	XXX	XXX
Net profit / (loss)	XXX	XXX

Source: CCM International

Table IV-1.1-5 Cash flow statement of XXXX in XXXX

ITEM	Unit: thousand USD
1. Cash flows from operating activities	
Cash received from sale of goods or rendering of services	XXX
Refund of taxes and levies	XXX
Cash received related to other operating activities	XXX
Sub-total of cash inflows	XXX
Cash paid for goods and services	XXX
Cash paid to and on behalf of employees	XXX
Payments of taxes and levies	XXX
Cash paid relating to other operating activities	XXX
Sub-total of cash outflows	XXX
Net cash flows from operating activities	XXX
2. Cash flows from investing activities	
Cash received from disposal of investments, other than subsidiaries	XXX
Cash received from disposal of subsidiaries	XXX
Cash received from returns on investments	XXX
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	XXX
Cash received relating to other investing activities	XXX

Sub-total of cash inflows	XXX
Cash paid to acquire fixed assets, intangible assets and other long-term assets	XXX
Cash paid to acquire investments, other than subsidiaries	XXX
Cash paid to acquire subsidiaries	XXX
Cash paid related to other investing activities	XXX
Sub-total of cash outflows	XXX
Net cash flows from investing activities	XXX
3. Cash flows from financing activities	
Cash received from capital contributions	XXX
Cash received from borrowings	XXX
Cash received relating to other financing activities	XXX
Sub-total of cash inflows	XXX
Cash repayments of amounts borrowed	XXX
Cash payments for interest expenses and distribution of dividends or profits	XXX
Cash payments relating to other financing activities	XXX
Sub-total of cash outflows	XXX
Net cash flows from financing activities	XXX
4. Effect of foreign exchange rate changes on cash and cash equivalents	XXX
5. Net increase / (decrease) in cash and cash equivalents	XXX

Source: CCM International

Table IV-1.1-6 Financial analysis of XXXX in XXXX

Analysis of profitability	
Operating Profit Margin	xxx
Net Profit Margin	xxx
Return On Assets	xxx
Return On Equity	xxx
Analysis of debt paying ability	
Current Ratio	xxx
Debt to Total Assets Ratio	xxx
Times-interest Earned Ratio	xxx
Analysis of running ability	
Total Assets Turnover	xxx
Fixed Assets Turnover	xxx
Current Assets Turnover	xxx
Analysis of growth ability	
Sales Growth Rate	xxx
Operating Profit Growth Rate	xxx
Net Profit Growth Rate	xxx

Remark: Current Assets Turnover= sales/(Total current assets 200X+Total current assets 200X)*2

Source: CCM International

In 200X, the financial performance of the company was poor. The operating profit margin was XX% year on year, sales value growth rate was XX% and operating profit growth rate was XX%, but other data were negative. The net profit was lower than that in 200X, down XXX% over the previous year.

Only the structure of assets and liabilities and running ability were reasonable in the company in 200X. Its capital was utilized effectively, as the ratio of its debt to total assets was XX%, total assets turnover was XX, fixed assets turnover was XX and current assets turnover was XX.

The main problem of the company was its high cost of sales and non-operating expenses, so the company has to reduce these cost and expenses to increase the profit in the future.

I-3 Benchmarking

➤ Estimation of raw material cost

The costs of raw materials are based on China's market prices in Oct 200X and Jun 200X

Table IV-2.2-5 Estimation of raw material costs of XX in XXX

No.	Materials	Unit Consumption (kg/kg)	Price (USD/kg)	Unit Cost	Price (USD/kg)	Unit Cost
			Oct. 2008	(USD/kg para) Oct. 2008	June 2006	(USD/kg para) June 2006
1	XXX①	XXX	XXX	XXX	XXX	XXX
2	Glacial acetic acid	XXX	XXX	XXX	XXX	XXX
3	Activated carbon	XXX	XXX	XXX	XXX	XXX
4	Sodium metabisulfite	XXX	XXX	XXX	XXX	XXX
5	Deionized water	XXX	XXX	XXX	XXX	XXX
Total		/	/	XXX	/	XXX

Note: ① Calculated based on the yield of XXX starting from XXX which is 90%.

Source: CCM International

- ✓ Equipment in XXX is much advanced than that in XX. One of its production lines (XXt/a) was launched in 200X. CCM International estimates the yield of XXX in XXX is higher than that in XXX.
- ✓ XXX disclosed it purchased XXX at a price of USDXX/t in 200X, lower than the average level of market price. Most of its XXX is purchased from XXX Co., Ltd. and XXX.
- ✓ According to XXX, 1 tonne of deionized water is needed to produce 1 tonne of XXX. The water is consumed in decolorizing and filtrating processes.

➤ **Estimation of manufacturing cost**

Table IV-2.2-6 Manufacturing costs of XXX production (Unit: USD/kg)

No	Item	Unit Cost (Oct. 2008)	Unit Cost (June 2006)
1	Raw Materials	XXX	XXX
2	Utilities ^①	XXX	XXX
3	Labor ^②	XXX	XXX
4	Package ^③	XXX	XXX
5	Manufacturing direct + indirect (mainly maintenance) ^④	XXX	XXX
Total		XXX	XXX

Note:

- ① Utilities include water (for cooling), electricity and steam. The XXX workshop is set up in a four-store building. Raw materials are transported to the forth store. After acetylating, crude XXX is transported to the forth store for decolorizing and filtrating. In addition, the degree of automation is high. CCM International found few steps are operated by manpower. The consumption of electricity is high, especially compared with XXX. XXX disclosed that XX tonnes of steam are consumed to produce one tonne of XXX.
- ② Average salary for the labor in XXX is USDXXX/month in 200X. There are XXX labors in XXX, but XXX of them are involved in production of XXX. The rest are involved in XXX (XX), XXX (XX), power plant (XX) and DC grade XXX (XX).
- ③ XXX reveals that in whatever package method (woven bag or paper drum), the quoted price is the same. XXX produces paper drum by itself and the manufacturing cost is low (about USDXXX per 25kg paper drum in 200X). In addition, all XXX in warehouses are packed in paper drum. Therefore, CCM International estimates its package fee based on paper drum.
- ④ Maintenance is about XX% of cost of purchasing equipment.

Source: CCM International

The XXX capacity of XXX in 200X remains the same as that in 200X. However, its output in 200X has increased over the previous year, though the market of XXX is not so prosperous. There is little difference in unit consumption of raw materials, yield, number of labor and package specification compared with those in 200X.

➤ **Estimation of management cost**

Because XXX has borrowed lots of money from banks and purchased many new facilities and high standard office environment, the management cost of XXX is much higher than that of XXX.

Considering that the process of XXX (starting from XXX) is mature in China, management cost will be a crucial factor in analyzing profits of Chinese XXX manufacturers.

Table IV-2.2-7 Estimation of management cost of XXX (Unit: USD/kg)

No.	Item	Unit Cost (Oct. 2008)	Unit Cost (June 2006)
1	Salary cost of management staff and other auxiliary staffs ^①	XXX	XXX
2	Materials cost for management ^②	XXX	XXX
3	Interest on loan ^③	XXX	XXX
4	Transportation cost ^④	XXX	XXX
5	Amortisation of fixed asset ^⑤	XXX	XXX
6	Distribution cost ^⑥	XXX	XXX
7	Cost for three-waste treatment ^⑦	XXX	XXX
Total		XXX	XXX

Note: ^① There are XXX management staffs and other auxiliary staffs. Average salary of them is USDXXX/month.

^② The office equipments in XXX are expensive. Decoration is luxury. The cost should be very high.

^③ XXX borrowed USDXXX million from XXX bank of China. The interest rate is about XXX%.

^④ Most of XXX are exported via XXX port. The transportation fee is USDXXX/t, and the quoted price is for XXX port.

^⑤ The shortest time for amortization of fixed asset is XX years by the government.

^⑥ Distribution cost is XX% of total revenue (Total revenue = Unit price X Sales volume = USDXXX/t X XX t = USDXXX)

^⑦ XXX disclosed its cost on treating waste (mainly water) is about USDXX per tonne of waste. XXX adopts evaporation method to treat waste.

Source: CCM International

➤ **Estimation of production cost**

Table IV-2.2-8 Estimation of total production costs in XXX (Unit: USD/kg)

Item	Oct. 200X	June 200X
Manufacturing costs	XXX	XXX
Management Costs	XXX	XXX
Total production costs	XXX	XXX

Source: CCM International

Except for change of USD/RMB exchange rate, there are some other differences between cost in 200X and in 200X as follows:

- ✓ Price of X has increased and price of XXX and activated carbon has the same change of the change in XXX. Increase in XXX price contributes most in the increasing

manufacturing cost.

- ✓ As that of XXX, increasing cost of utilities is mainly caused by rising price of water and electricity.
- ✓ Total management cost in 200X is nearly the same as that in 200X, but the output in Oct 200X is higher than that in Jun 200X. Then the unit management cost is lowered in Oct 200X.

➤ **Estimation of profit**

The profit of XXX in XXX is estimated based on the actual data from the factory and on CCM International's estimation as follows. XXX offers the export price at USDXXX/kg FOB XXX in Oct 200X.

Table IV-2.2-9 Profit estimation of XXX in XXX

Item	USD/kg, Oct 200X	USD/kg, Jun 200X	Remark
1. Total income	XXX	XXX	Price + Return of VAT + Income from selling waste
Price	XXX	XXX	FOB Qingdao Oct-2008
Return of VAT	XXX	XXX	No return. Based on quoted price, it belongs to traders
Other incomes ^①	XXX	XXX	From producing sodium acetate and selling used activated carbon
2. Expense	XXX	XXX	Total production costs + VAT+ EAT & CT + House tax+ Land holding tax + Other taxes
Total production costs	XXX	XXX	
VAT	XXX	XXX	(Price + Other incomes) ÷ 1.17 × 17% - Materials cost (Raw materials, package materials) ÷ 1.17 × 17% - Steam cost ÷ 1.17 × 17% - Water cost ÷ 1.06 × 6% - Electricity cost ÷ 1.13 × 13%
EAT & CT	XXX	XXX	VAT × 10 %
House tax ^②	XXX	XXX	House value × 1.2%
Land holding tax ^③	XXX	XXX	Land area × Land holding tax
Other taxes (Pollutant discharge fee, stamp tax and tax on vehicles and vessels use) ^④	XXX	XXX	
3. Gross profit	XXX	XXX	Income – Expense
4. Income tax^⑤	XXX	XXX	Gross profit × 33 % in 2006, Gross profit × 25% in 2008
5. Net profit	XXX	XXX	Gross profit – income tax

Note:

① XXX disclosed that the used activated carbon could be sold and the used acetic acid was used to produce XXX.

② The estimated house value is about USDXXX million.

③ XXX workshops cover an area of about XXX square meters.

④ Local government annually charges XXX USDXXX for discharging waste. Stamp tax is XXX% of sale revenue.

⑤ Though some enterprises got tax preferential from the local government, there is no tax preferential for XX, because it is not a new founded enterprise.

Source: CCM International.

I-4 Export analysis

➤ Export volume and price

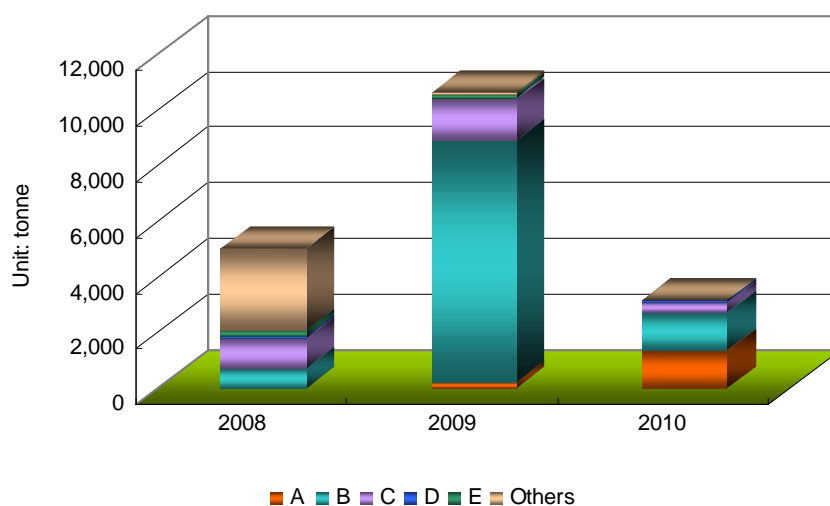
Table Monthly export volume and price of XXX from XXX Company, XXXX

Month	2010		2009	
	Export volume, tonne	Average export price, USD/kg	Export volume, tonne	Average export price, USD/kg
Jan.	XXXXXX	XXX	XXXXXX	XXX
Feb.	XXXXXX	XXX	XXXXXX	XXX
Mar.	XXXXXX	XXX	XXXXXX	XXX
Apr.	XXXXXX	XXX	XXXXXX	XXX
May	XXXXXX	XXX	XXXXXX	XXX
Jun.	XXXXXX	XXX	XXXXXX	XXX
Jul.	XXXXXX	XXX	XXXXXX	XXX
Aug.	XXXXXX	XXX	XXXXXX	XXX
Sept.	XXXXXX	XXX	XXXXXX	XXX
Oct.	XXXXXX	XXX	XXXXXX	XXX
Nov.	XXXXXX	XXX	XXXXXX	XXX
Dec.	XXXXXX	XXX	XXXXXX	XXX
Total	XXXXXX	/	XXXXXX	/

Source: CCM International

➤ Destination

Figure Major destination of exported XXX from XXX company, XXXX



Source: CCM International

Table Major exporters of XXX from XXX Company, XXXX

No.	Exporter	Export volume, tonne	Average export price, USD/kg
1	XXX	XXXXXX	XXX
2	XXX	XXXXXX	XXX
3	XXX	XXXXXX	XXX
4	XXX	XXXXXX	XXX
5	XXX	XXXXXX	XXX
6	XXX	XXXXXX	XXX
7	XXX	XXXXXX	XXX
8	XXX	XXXXXX	XXX
9	XXX	XXXXXX	XXX
10	XXX	XXXXXX	XXX
...
	Others	XXXXXX	XXX
	Total	XXXXXX	XXX

Source: CCM International

Table Major Customs of exported XXX from XXX Company, XXXX

No.	Customs	2008	2009	2010
1	Shanghai	XXX	XXX	XXX
2	Nanjing	XXX	XXX	XXX
3	Tianjin	XXX	XXX	XXX
4	Guangzhou	XXX	XXX	XXX
5	Ningbo	XXX	XXX	XXX
	Others	XXX	XXX	XXX
	Total	XXX	XXX	XXX

Source: CCM International

I-5 Strategy analysis

Sample

Strategy

➤ Branding

XXX has no trademark for its formulations of XXX

➤ Product structure

At present, the product structure of XXX by output value is as follows:

XXX: 8%

XXX: 48%

XXX: 18%

Others: 26% (Others include XXX derivative products and XXX material.)

➤ Development of formulations

XXX mainly produces the traditional formulations.

➤ R&D

XXX is shifting its R&D focus to high-profit, high-tech products.

- Governmental support

Local government gives great support from following aspects:

1) Preferential tax rate:

2) ...

- **XXX R&D situation in XXX**

Table 1: Major achievement of R&D in XXX

No.	Basic info						Application situation			Technology	
	Name	Scope	Whether has patent and patent number	Patent validity	Year	Experts	Application status	Market share by technology	Technology route	Technology level (1,2,3...)	Advantages
1	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
2	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
3	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
4	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
5	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
6	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
7	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx

Source: CCM International

Table 2: List of cooperators in XXX R&D with XXX

Key players		XXX Research Institute of Chemical Industry			XXX Research Institute of Chemical Industry			XXX Research Institute Co., Ltd.			XXX Agrochemical & Chemicals Co., Ltd.			...
		General situation	Team 1	Team 2	General situation	Team 1	Team 2	General situation	Team 1	Team 2	General situation	Team 1	Team 2	...
		Evaluating index												
R&D staff	Total amount	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	...
	Amount on technical improvement XXX R&D	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	...
	Structure	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	...
Achievement amount (patent amount)		xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	...
Achievement industrial amount		xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	...
Literature amount and factor of influence		xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	...
Awards		xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	...
Fund input		xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	...

Note: 1. Technical improvement of XXX R&D includes XXX and XXX.

2. Above players are not the all, it will be added in the final report.

3. Team 1 and team 2 stand for the different R&D team in different R&D centre.

Source: CCM International

Table 3: Basic info of cooperators with XXX in XXX R&D

Evaluating index	Key players		XXX Research Institute of Chemical Industry			XXX Research Institute of Chemical Industry			XXX Research Institute Co., Ltd.			XXX Agrochemical & Chemicals Co., Ltd.			...
			General situation	Team 1	Team 2	General situation	Team 1	Team 2	General situation	Team 1	Team 2	General situation	Team 1	Team 2	...
			R&D range			xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Potential R&D			xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	...	
Employees	xxx		xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	
	xxx		xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	
Experts	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	...	xxx	...	
	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	...	xxx	...	
	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	...	xxx	...	
	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	...	xxx	...	
	Expert	...	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	...	xxx	...	
	3														
Location			xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	...	
Ownership			xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	...	
Website			xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	...	
Address			xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	...	

Note: Above players are not the all, it will be added in the final report.

Source: CCM International

I-6 Competitiveness analysis

Sample

III-1.5 XXX

III-1.5.1 Competitiveness analysis of XXX

- Production situation

Table III-1.5.1-1 Capacity and output of XXX of XXX, 2006~2008

	2006	2007	2008	Comment
XXX	30,000t/a	30,000t/a	30,000t/a	Mother company only
XXX	/	25,000t/a	50,000t/a	XXX hold shares 90.55% of XXX, and this new XXX project is completed by March 2008
XXX	15,000t/a	15,000t/a	/	Stopped since the end of 2007
Total capacity	45,000t/a	70,000t/a	80,000t/a	
Output	/	50,000t	70,000t	

Source: CCM International

Recycling of XXX and XXX

In the production process of XXX from XXX, large quantities of XXX are generated as the by-products. XXX is the only XXX producer in China that recycles XXX. In this company, XXX is re-used as the raw material for the production of XXX. At the same time, the waste XXX generated during the production process of XXX is re-used in the production of XX. So the recycling of XXX between the production of XXX and XXX is formed. Based on this, this company developed a close-cycle production technology and applied for a patent for this technology.

30,000t/a XXX and 90,000t/a XXX can be recycled for the production line 30,000t/a XXX and 60,000t/a XXX.

To produce XXX from XXX, about 900kg XXX is consumed for the production of 1 tonne of XXX. XXX recycles XXX, and then its XXX consumption can be decreased to 100kg.

Technology level

This company is the first one in China to adopt large DCS automatic equipment. Its yield of XXX is in the leading position in China. In terms of the comprehensive utilization level of wastes and by-products, this company ranks the first among all the XXX producers in China. Early in the end of 1980's, XXX developed the XXX production process, which was from the process of XXX.

Raw materials supply

Almost total XXX is produced by XXX itself, but XXX is outsourced.

It reuses the waste XXX generated during the production process of XXX to produce XXX. Other raw materials are outsourced.

Because its capacity is large and most raw materials are self-supplied, its XXX manufacturing cost is relatively low.

- **Brand**

This company has two major brands for XXX products: XXX and XXX, both of which enjoy some prestige in the European and North American markets. Its brands are well-known in China:

- ✓ In Sep. 2007, "XXX" XXX was awarded the title of China Famous Brand Product.
- ✓ In Aug. 2006, "XXX"'s XXX won the title of China Customers' Top Satisfied Brand.
- ✓ In 2006, "XXX" won the Most Competitive Brand awarded by Ministry of Commerce of P.R.C.
- ✓ In 2006, "XXX" trademark was awarded the title of China Well-known Trademark.

- **Sales network**

About 70% of XXX's XXX product is exported. Its products' export destinations include: Southeast Asia, Australia, South America, South Africa and Europe. It has a subsidiary in charge of businesses related to products export and raw materials import.

- **Development plan and strategy**

Target: Clean & Green chemical production, comprehensive utilization, integration of pesticide/XXX/fine chemicals, of multi-industry and multi-region development

Measures:

- ✓ Importing international advanced production technology of XXX monomer
- ✓ Developing the business of the derivatives of XXX
- ✓ Promoting the comprehensive utilization level in the XXX industry
- ✓ Developing green pesticide formulations
- ✓ International collaboration

- **Core Competitiveness**

The core competitiveness of XXX lies in:

- Export channels
- Manufacturing cost

This company has two major brands for XXX products: XXX and XXX, both of which have a good prestige in Europe, North America and other regions.

Its manufacturing cost is very competitive mainly because:

- its production scale is very large
- Its patent technology – close XXX cycle technology – reduces the production cost of XXX and XXX.
- XXX is fully self-supplied, so it has the strong capability of being against the price fluctuation of raw materials.

Because of the above-mentioned reasons, the manufacturing cost of XXX in XXX is lower than that in XXX, which also uses XXX to produce XXX.

Sample Two

➤ **SOWT analysis of XXX Company**

✓ **Strength**

- Leading position in XXX industry: As the largest XXX producer in XXX, XXX captures over 40% market share, earning it a high profit.
- Perfect distribution network: The distribution of XXX's XXX is undertaken through over 39,824 cooperative societies around the country. And the entire activities of distribution, sales and promotion are coordinated by XXX, one of XXX governmental offices in XXX City, assisted by the Marketing offices in the field.
- High quality of XXX: XXX mainly produces XXX, belonging to high concentration XXX, especially in XXX which is greatly needed for XXX.
- Low other cost: Thanks to large production scale in XXX production including XXX, the other cost of XXX in XXX is really low compared with other XXX producers.
- Possession of joint ventures overseas: XXX can get abundant XXX and XXX with relatively low price through building several joint ventures overseas.

✓ **Weakness**

- High cost for basic XXX materials: since the raw materials of XXX, especially XXX and XXX, are dependent on import, the cost of basicXXX materials in XXX is very high in XXX.
- Setting maximum retail price from government: as XXX government strictly controls the maximum retail price of XXX to protect farmers' interest, and the gap between retail price and production cost is paid by subsidy, which would reduce the profit for XXX.

✓ **Opportunity**

- New XXX policy released: to stimulate the enthusiasm of domestic XXX producers including XXX, XXX released new XXX policy on April 1, 2010, which is expected to bring more profit to producers.
- Increasing demand in domestic market:
- Export: in the next 5~6 years, export may be an opportunity for XXX producers since government relaxes the limitation on XXX export.

✓ **Threat**

- Import from overseas: with the relaxation on XXX import, more XXX will be imported to XXX in the future, which will exert great impact on domestic products, both in production and consumption.

Table VI-1.3-2 SWOT analysis of XXX

	Strength	Weakness
	<ul style="list-style-type: none"> - Leading position in XXX industry - Perfect distribution network - High quality of XXX - Low other cost - Own joint ventures in overseas 	<ul style="list-style-type: none"> - High cost for basic XXX materials - Set maximum retail price from government
Opportunity	SO	WO
<ul style="list-style-type: none"> - New XXX policy released - Increasing demand in domestic market - Export 	<ul style="list-style-type: none"> - XXX can capture more domestic market to increase its profit through its strength - It is good advice to export 	<ul style="list-style-type: none"> - XXX can reduce the cost of basic XXX materials to get more profit through importing raw materials from its overseas joint ventures
Threat	ST	WT
<ul style="list-style-type: none"> - Import from overseas 	<ul style="list-style-type: none"> - XXX can adopt differentiation strategy to compete with overseas producers 	<ul style="list-style-type: none"> - XXX can improve the quality of XXX to compete with overseas products, both in the production, marketing and after-sale service

Source: CCM International