



Coface Report

**CNOOC BIOLUX (NANTONG) BIOENERGY PROTEIN FEED CO., LTD.**  
**海油碧路(南通)生物能源蛋白饲料有限公司**  
NO. 8 TONGSHENG SOUTH ROAD, ECONOMIC AND TECHNOLOGICAL  
DEVELOPMENT ZONE, NANTONG, JIANGSU PROVINCE, 226009 PR CHINA  
江苏省南通市经济技术开发区通盛南路 8 号  
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**EXECUTIVE SUMMARY**

INCORPORATION DATE	: APR. 12, 2006
REGISTRATION NO.	: 320600400022273
REGISTERED LEGAL FORM	: CHINESE FOREIGN EQUITY JOINT VENTURE ENTERPRISE
CHIEF EXECUTIVE	: MR. ZHENG CHANGBO (CHAIRMAN)
STAFF STRENGTH	: 160
REGISTERED CAPITAL	: EUR 40,000,000
BUSINESS LINE	: R&D, MANUFACTURING AND TRADING
TURNOVER	: CNY 0 (AS OF DEC. 31, 2009)
EQUITIES	: CNY 397,450,000(AS OF DEC. 31, 2009)
PAYMENT	: AVERAGE
RECOMM. CREDIT RANGE	: MODERATE AMOUNT
MARKET CONDITION	: FAIR
FINANCIAL CONDITION	: FAIRLY STABLE
OPERATIONAL TREND	: SUBJECT TO LONGER PERIOD OF OBSERVATION
GENERAL REPUTATION	: AVERAGE
EXCHANGE RATE	: CNY 6.83= USD 1 AS OF 2010-5-21

**Adopted abbreviations:**

ANS - amount not stated	NS - not stated	SC - subject company (the company inquired by you)
NA - not available	CNY - China Yuan Ren Min Bi	

## HISTORY

SC was registered as a Chinese foreign equity joint venture enterprise at local Administration for Industry & Commerce (AIC - The official body of issuing and renewing business license) on April 12, 2006.

### Company Status: Chinese-foreign equity joint venture enterprise

This form of business in PR China is defined as a legal person. It is a limited co. jointly invested by one or more foreign companies and one or more PR China controlled companies within the territories of PR China according to a certain proportion of capital investment. The investing parties exercise business management, share profits and bear all risks and liabilities of the co. together. The equity joint venture law requires that foreign party contribute not less than 25% of the registered capital, with no maximum. The investing parties are free to agree on method of profit distribution and liabilities bearing according to the proportion of capital investment. Each investing parties contributes funds, tangible assets, technology & etc. The board of directors excises the high authority. The joint venture usually has a limited duration of 10 to 50 years. Enterprise with large investment, long construction periods, low investment returns, introducing of advanced technology & advanced technology products that have good competition position in international market may extend beyond the 50 years limit

SC's registered business scope includes researching, developing protein feed, intermediate products; researching, developing, manufacturing fatty acid methyl ester; selling self-made products. (该公司的法定经营范围包括：研究、开发蛋白饲料、中间产品。研究、开发、生产脂肪酸甲酯，销售自产产品。)

SC is mainly engaged in researching, developing, trial production and sales fine chemical products. (该公司目前实际主要从事蛋白饲料、脂肪酸甲酯的研发、生产、销售)。

MR. Zheng Changbo (郑长波) is the legal representative and chairman of SC at present.

SC is known to have approx. 160 employees at present.

SC is currently operating at the above stated address, and this address houses its operating office and factory in the development zone of Nantong. SC's management declined to release the detailed information of the premise.

## WEB SITE

<http://cnooc-biolux.com/> The design is professional and the content is well organized. At present it is both in Chinese and English versions.

## KEY EVENTS/RECENT DEVELOPMENT

According to SC's accountant Ms. Zhang, SC was in the stage of preparation from 2006 to 2009, and started its trial production in 2010.

According to SC's website, SC is praised as the Excellent Unit on Effective Investment of 2009 by NETDA on Mar. of 2010.

### **\*To what extent is your company affected by the current Credit Crisis?**

SC's accountant Ms. Zhang disclosed that SC suffered some from the current crisis.

## OWNERSHIP/MANAGEMENT

### MAIN SHAREHOLDERS:

Name	% of Shareholding
CNOOC New Energy Investment Co., Ltd. 中海油新能源投资有限责任公司	74
Biolux Biofuel Biotreibstoffproduktions-und Handels GmbH (Austria)	26

CNOOC New Energy Investment Co., Ltd.  
中海油新能源投资有限责任公司

Legal representative: Zheng Changbo 郑长波

Registration No.: 110000008815289

Incorporation date: August 10, 2005

Registered capital: CNY 80,000,000

## CNOOC BIOLUX (NANTONG) BIOENERGY PROTEIN FEED CO., LTD.

Address: Guobin Building, No. 21 Jiuxianqiao Road Yi, Chaoyang District, Beijing  
Tel: 86-10-84525575

### MANAGEMENT

- **Legal representative and chairman:**

MR. Zheng Changbo (郑长波), ID#: 110108196209202279, 48 years old, he is currently responsible for the overall management of SC.

Working Experience(s):

At present Working in SC as legal representative and chairman  
Also working in CNOOC New Energy Investment Co., Ltd. as legal representative

- **General manager:**

Mr. Liu Qiang (刘强), ID#: 211004196611213332, 44 years old, he is currently responsible for the daily management of SC.

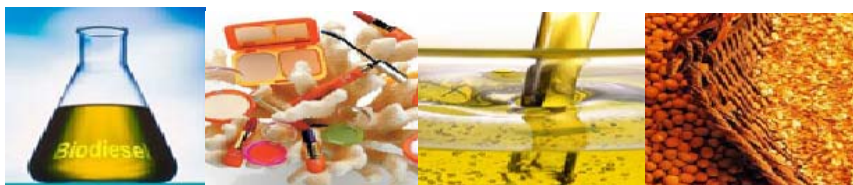
Working Experience(s):

At present Working in SC as general manager

### BUSINESS OPERATIONS

SC is mainly engaged in researching, developing, trial production and sales fine chemical products. (该公司目前实际主要从事蛋白饲料、脂肪酸甲酯的研发、生产、销售)。

SC's products mainly include: protein feed, edible vegetable, glycerine, FAME (biodiesel), etc.



SC sources its materials 100% from domestic market. SC sells 100% of its products in domestic market.

The buying terms of SC include Check, T/T and Credit of 30-90 days. The payment terms of SC include T/T and Check and Credit of 30-90 days.

### RELATED COMPANIES

SC's management declined to release its related company information.

### PAYMENT

**Overall payment appraisal:**

Excellent  Good  Average  Fair  Poor  Not yet determined

The appraisal serves as a reference to reveal SC's payments habits and ability to pay. It is based on the 3 weighed factors: Trade payment experience (through current enquiry with SC's suppliers), our delinquent payment records and our debt collection record concerning SC.

**Trade payment experience:** SC refused to release any information of its domestic suppliers and the trade reference was not available.

**Delinquent payment record:** None in our database.

**Debt collection record:** No overdue amount owed by SC was placed to us for collection within the last 6 years.

### BANKING

Agricultural Bank of China Nantong Development Zone Sub-branch

中国农业银行南通市开发区支行

AC# : N/A

Relationship: Normal.

**FINANCIAL HIGHLIGHTS**

**Balance Sheet**

Unit: CNY'000

	as of Dec. 31, 2008	as of Dec. 31, 2009
Cash & bank	194,090	53,790
Bills receivable	0	0
Inventory	0	55,210
Accounts receivable	0	7,200
Advances to supplies	30	13,730
Other receivables	310	580
Other current assets	0	0
	-----	-----
Current assets	194,430	130,510
Fixed assets net value	2,170	8,380
Projects under construction	197,150	634,090
Long-term investments	0	5,000
Intangible assets	29,600	29,010
Other assets	0	5,780
	-----	-----
Total assets	423,350	812,770
	=====	=====
Short loans	0	27,870
Bills payable	0	3,000
Accounts payable	2,140	26,460
Other accounts payable	14,240	6,830
Advances from clients	0	2,340
Taxes unpaid	260	-25,490
Salaries and welfare payable	1,730	4,310
Other current liabilities	10	0
	-----	-----
Current liabilities	18,380	45,320
Long term liabilities	0	370,000
	-----	-----
Total liabilities	18,380	415,320

**CNOOC BIOLUX (NANTONG) BIOENERGY PROTEIN FEED CO., LTD.**

Shareholders equities	404,970	397,450
	-----	-----
Total liabilities & equities	423,350	812,770
	=====	=====

***Income Statement***

Unit: CNY'000

**as of Dec. 31, 2009**

Turnover	0
Cost of goods sold	0
Taxes and additional of main operation	0
Other operating income	7,960
Other operating cost	6,780
Sales expense	0
Management expense	8,580
Finance expense	120
Total profits before tax	-7,520
Less: profit tax	0
Net profit	-7,520

*Note: SC was in preparation stage from 2006 to 2009, so there was no income until 2009.*

***Important Ratios***

	<b>as of Dec. 31, 2008</b>	<b>as of Dec. 31, 2009</b>
*Current ratio	10.58	2.88
*Quick ratio	10.58	1.66
*Liabilities to assets	0.04	0.51
*Net profit margin (%)	/	/
*Return on total assets (%)	/	-0.93
*Inventory /Turnover ×365	/	/
*Accounts receivable/Turnover ×365	/	/
*Turnover/Total assets	/	/
* Cost of goods sold/Turnover	/	/

## FINANCIAL COMMENTS

### LIQUIDITY: AVERAGE

- The current ratio of SC is maintained in a normal level.
- SC's quick ratio is maintained in a normal level.
- The inventory of SC appears fairly large in 2009.
- The accounts receivable of SC appears average in 2009.
- The short-term loan of SC appears average in 2009.

### LEVERAGE: AVERAGE

- The debt ratio of SC is LOW in 2008 but average in 2009.
- The risk for SC to go bankrupt is average.

**Overall financial condition of the SC: Fairly stable**

## REMARKS

SC is considered medium-sized in its line with fairly stable financial conditions. According to SC's accountant Ms. Zhang, SC started its trial production in 2010. In view of its favorable background and market conditions, credit line up to moderate amount can be considered.

## END OF THIS REPORT

Please be advised that Coface is unable to consistently provide answers to your special questions in this region of the world. Furthermore, due to third party supplier limitations, the contacting of credit references is not always possible.

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