

Fresh Investigated Credit Report - Executive Summary

ZEN-TEK ELECTRONICS LTD

Company Details

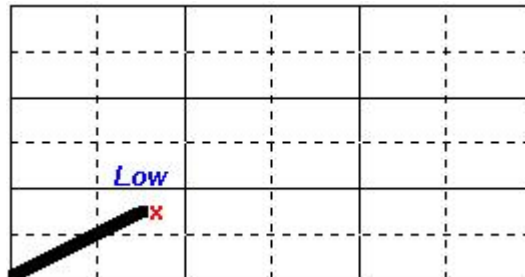
ACP I.D. Number	: P0342938
Country	: Taiwan
Address	: 7F1 43 Nanking East Rd Section 2 Chungshan Dist Taipei City 104
Tel	: 2-26511515
Fax	: 2-26511717
Email	: fastape@zen-tek.com
Website	: www.zen-tek.com
Type	: Manufacturer
Industry	: Electronic Products & Components

Key Facts

Established Year	: 1991
Formation	: Private
Employees	: 78
Capital	: US\$ 3,982,122

Credit Rating & Risk Analysis

Risk Index : Low



Rating : Excellent



Points Allocated : 89

Credit Opinion :

Consulted sources within the industry have reported that the company has been settling its payments regularly and on time.

CREDIT ASSESSMENT FACTORS

ACP's Credit risk assessment is gauged on 12 key business factors.

Each factor is assigned a rating and the total is aggregated and weighed in consideration of any other influencing factors relevant to the final assessment.

These factors include :

Financial Status	Profitability	Industry sector & trends
Principals	Litigation	Liabilities
Management	Scale of operations	Years in business & co history
Assets(real estate etc.)	Trade references & reputation	Family involvement & support

Adverse Data

Results : Total of **0** record found.

Financial Summary (Currency: U.S. \$'s)

Year	Sales	Assets	Net Income
2000	\$103,354,454	\$78,123,123	\$1,334,000
2001	\$138,713,333	\$88,115,333	-\$1,433,159
2002	\$186,182,000	\$111,478,713	\$2,202,550

Management & Products

Management : Mr. Ah-ming Tseng, Managing Director

Mr. Nai-jiu Bai, Director

Mr. Osman Ding-men Tsai, General Manager

Products : Capacitors

Electronic components

Fixed capacitors

Variable capacitor

Electronic products

Int'l Trade Activity (Currency: U.S. \$'s)

Year	Imports	Exports	Total
2000	\$4,219,907	\$5,878,694	\$10,098,601
2001	\$3,206,616	\$5,107,371	\$8,313,987
2002	\$3,592,986	\$5,418,224	\$9,011,210

Commercial Credit Inquiries

Date	Industry	Credit Amount
15 Apr, 2003	Financial Services	NTD 200,000
15 Apr, 2003	Professional Services	n/a
2 Aug, 2003	Financial Services	n/a
11 Nov, 2003	Financial Services	Max. Recommended Credit

In-depth Report Details

Access Number : 60000084
Country : Taiwan
Company Name : ZEN-TEK ELECTRONICS LTD
Company Address : 7F1 43 Nanking East Rd Section 2
Company Zip : 104
Company Suburb : Chungshan Dist
Company City : Taipei City
Company Tel : 2-26511515
Company Cell : 9055266266
Company Fax : 2-26511717
Company E-Mail : fastape@zen-tek.com
Company Web Site : www.zen-tek.com
Factory Address : Hsinchu Science-Based Industrial Park 7 Innovation Rd
Factory Zip : 300
Factory City : Hsinchu City
Factory Tel : 3-5666262
Factory Fax : 3-5626161
Company Type : Manufacturer
Industry : Electronic Products & Components
Established Year : 1991
P.O. Box : 52-118
P.O.Zip : 111
P.O. Suburb : Shihlin Dist

SIC PRODUCT CLASSIFICATION & ACTIVITY

Activity	Code	Product/Service Description
Importing	3675	Electronic capacitors
Manufacturing	3672	Printed circuit boards
Manufacturing	3674	Semiconductors and related devices, and parts, nspf
Manufacturing	3679	Electronic components, nspf
Manufacturing	5065	Electronic Parts/Equip, NEC

HARMONIZED PRODUCT CLASSIFICATION & ACTIVITY

Activity	Code	Product/Service Description
Importing	8532	Electric capacitors, fixed, variable or adjustable (preset)
Importing	8532290040	Fixed capacitors
Importing	8532300090	Variable or adjustable capacitors
Manufacturing	8534	Printed circuits
Manufacturing	8542	Electronic integrated circuits & microassembl, parts

DETAILED PRODUCT CLASSIFICATION & ACTIVITY

Activity	Product/Service Description
Manufacturing	IC (integrated circuits)
Manufacturing	IC's for control units
Manufacturing	Ics for control of magnetic
Manufacturing	PCB (printed circuit boards)

OWNERSHIP

Chairman : Dr Louis Ming-li Chen
Nationality : Taiwan
Capital(U.S. \$'s) : \$3,982,122
Employees : 78
Company Formation : Private
Direct Parent : ZEN-TEK HOLDINGS CO LTD
Direct Parent Nationality : Taiwan

Brand	DoorNet
Brand	ZAP

COMPANY MANAGEMENT

Name	Job Description	Nationality
Mr. Sen-bing Lim	Director	Malaysia
Mr. Tin-lum Luk	Director	USA
Mrs. Debbie Jing-sen Lin	Finance Manager	Taiwan
Ms. Angel Mei-ling Wang	CEO	Taiwan
Ms. Julie Hock-sum Chen	Director	Taiwan

FINANCIALS SUMMARY (Currency: U.S. \$'s)

Year	Sales	Assets	Net Income
1998	\$7,010,202	\$75,123,937	\$1,715,000
1999	\$8,100,342	\$76,104,734	\$1,375,600

FINANCIAL & LEGAL STATUS

Financial History

- =====
- 1995 - Invested heavily into two other subsidiaries in Taiwan. The levels of investment into the two other subsidiaries represented a total of US\$52.8 million.
- 2000 - Recorded an increase of 33.79% on its total turnover.
- The turnover of its drink division reached NT\$3,774 million, up 50% compared to that of 1999.
 - CDS's turnover reached NT\$415 million, a 5.5% growth from 1999.

2001 - Its order fill-rate hit 93% and handling costs per case was reduced by 30%.

Financials

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Balance Sheet

Currency : NT\$Thousand (Except Number of Shares and Par Value)

	31 December, 2002	31 December, 2001
	-----	-----
ASSETS		
Current Assets		
Cash and cash equivalents	88,396	60,433
Investments in mutual funds - net	23,030	9,920
Notes receivable and accounts receivables - net of allowance for doubtful accounts of NT\$5,819 (US\$185) in 2002	1,180,484	698,902
Inventories - net	583,822	846,521
Receivables from related parties	154,590	138,069
Receivables from principals	93,493	119,263
Prepaid expenses and other current assets	226,883	53,404
Total current assets	2,350,698	1,926,512
Investments in shares of stock - net	561,234	487,934
Properties		
Cost		
Land	139,560	141,456
Buildings and equipment	364,477	356,777
Office equipment	332,938	249,535
Vehicles	48,137	45,430
Total cost	885,112	793,198
Less - accumulated depreciation	241,838	205,221
Construction in progress	18,971	13,337
Prepayments for buildings and equipment	1,858	-
Net Properties	664,103	601,314
Intangible Assets		
Franchises	179,301	-
Deferred charges	22,003	-
Total intangible assets	201,304	-
Other Assets	35,233	24,219
Total Assets	3,812,572	3,039,979
LIABILITIES & STOCKHOLDERS' EQUITY		
Current Assets		
Short-term bank loans	274,000	94,520
Commercial papers	319,359	-
Notes payable and accounts payable	397,879	444,894
Accrued expenses liabilities	124,201	75,079
Income tax payable	1,964	-
Other current liabilities	59,458	126,067
Total current liabilities	1,176,861	740,560
Long-term liabilities	131,000	22,000
Accrued pension cost	4,142	3,348
Other liabilities	146,247	-
Total liabilities	1,458,250	765,908
Stockholders' equity		
Capital stock - NT\$10 par value		
Authorized - 250,000 thousand shares		
Issued - 162,000 thousand shares	1,620,000	1,620,000
Capital surplus		
Paid-in capital in excess of par value	570,249	570,249
Gain on disposal of properties	1,908	1,144
From long-term stock investments	45	-
Total capital surplus	572,202	571,393
Retained earnings		
Legal reserve	37,568	37,568
Unappropriated earnings	126,130	50,911
Total retained earnings	163,698	88,479

Unrealized loss on long-term stock investments	(1,287)	(5,801)
Cumulative translation adjustments	(291)	-
Total stockholders' equity	2,354,322	2,274,071
Total liabilities and stockholders' equity	3,812,572	3,039,979

INCOME STATEMENTS

Product sales - net of sales returns and allowance of NT\$244,211 (US\$7,764) in 2002 and NT\$224,847 in 2001	5,923,774	4,332,299
Central distribution service revenues	415,442	393,872
Commission revenues	6,369,023	4,760,570
Cost of product sales and costs of revenues from central distribution service	5,567,524	3,983,496
Gross Profit	801,499	777,074
Operating Expenses		
Sales and marketing	530,186	645,346
General and administrative	141,115	123,330
Income from operations	130,198	8,398
Non-operating income		
Interest	13,318	7,683
Investment income recognized under equity method	12,058	-
Gain on disposal of investments in mutual funds	2,787	-
Others	26,093	13,003
Total non-operating income	54,256	25,040
Non-operating expenses		
Provision for decline in value of inventories	48,614	32,325
Foreign exchange losses - net	22,705	4,156
Interest	11,790	24,826
Investment loss recognized under equity method	-	17,344
Other	2,751	8,762
Total non-operating expenses	85,860	87,413
Income (loss) before income tax	98,594	(53,975)
Income tax	22,606	(4,531)
Net income (loss)	75,988	(49,444)

Payment Terms

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Sales

Local : Cash on delivery (COD)
30-60 days credit
Export : Letter of Credit (L/C)
Document against Acceptance (D/A)

Purchases

Local : Cash on delivery (COD)
30-60 days credit
Import : Letter of Credit (L/C)
Document against Acceptance (D/A)

Company Registration

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License number : 2200000025
Issuing authority : Ministry of Economic Affairs (MOEA)
Type of license : Manufacturing, assembly, importation of electronic components and assembly.

Industry Ranking

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Considered to be one of Taiwan's largest PCB assemblers.

Accountants

=====
T NXSONIC & CO

Auditors

=====
T NX SONIC & CO

Company Name

=====
Incorporated as : PROPSEROUXX ELECTRICAL CORP
Date of Incorporation : 10 October, 1994
Changed Name to : ZEN-TEK ELECTRONICS LTD
Date of Change : August 1996

Financial Structure

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Overview of Turnover as per Division:

PCB Division

Year	Turnover (NT\$)	Growth (%)
-----	-----	-----
2000	1,678,311	48
2001	2,517,312	50
2002	3,774,276	50

Components Division

Year	Turnover (NT\$)	Growth (%)
-----	-----	-----
2000	2,471,434	7
2001	1,849,386	-25
2002	1,863,765	8

CDS Division

Year	Turnover (NT\$)	Growth (%)
-----	-----	-----
2000	285,263	52
2001	393,872	38
2002	415,442	5.5

BANKS REFERENCES

Bank:	BANK OF TAIWAN
Bank:	CHIAO TUNG BANK CO LTD

LOCAL BRANCHES & MANAGEMENT

Branch : ZEN-TEK ELECTRONICS LTD - HSIN-I DIST
Branch Address : 2FI 167 Chung Hsiao East Rd
Branch Zip : 110
Branch Suburb : Hsin-i Dist
Branch City : Taipei City
Branch Tel : 2-23565667
Branch Fax : 2-23569876
Branch Email : trendectshil@mail.com

Branch Employees : 15

Branch Management

Name	Job Description	Nationality
Mr. Harry Henderson	Vice President	Australia
Mr. Fred Lee	Treasurer	Taiwan
Mr. Chin Long	Director	Taiwan

Branch : ZEN-TEK ELECTRONICS LTD - SHIHLIN DIST

Branch Address : 1FI 56 Chung Shan North Rd Section 5

Branch Zip : 111

Branch Suburb : Shihlin Dist

Branch City : Taipei City

Branch Tel : 2-28736678

Branch Fax : 2-28736678

Branch Email : trendectshil@mail.com

Branch Employees : 10

Branch Management

Name	Job Description	Nationality
Ms. Virginia Yates	President	USA
Mr. Joe Chen	Managing Director	Taiwan
Mr. Ke-pei Meng	Finance Manager	Taiwan

PRODUCT, TECHNOLOGY, SERVICES DESCRIPTION

Main Products & Services

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Specializing in two main areas of work:

1. Import of computer components.
2. Production of multi-layer printed circuit boards incorporating some of the raw materials imported.

Detailed Product Specifications

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Characteristics of products include:

- Layers include : 2-8 layers
- PCB's with hot air levelling process
- PCB's with electroless nickel/gold plating
- PCB's with carbon ink or with peelable solder masks
- Epoxy or photimageable solder masks

The main use of the IC's are for optimum performance under extreme temperatures.

Application : weapons control panel on indigenous fighter jets.

Technologies Developed and/or Acquired

=====

ZEN-TEK implements Q.C. testing throughout the manufacturing process. All testing jigs & software are produced by the in-house engineering department.

Quality Certification

=====

Type of Certification : ISO 9002

Date : January 1994

Issuing authority : SGS

Product/brand/logo Licensing

=====
Type of Licensing: Technology know-how
Licensor : SEIKOX ELECTRONICS LTD - Indonesia
Date : June,1999
Details of license : Produce and incorporated patented range of SEIKOX components in PCB's manufactured and sold to assemblers of plasma display units.

FACTORY FACILITIES & MANUFACTURING CAPABILITIES

Factories, Size & Locations

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Factory 1

Type of building : 2-storey industrial
Building size : 25,000 sq. meters
Land size : 80,000 sq meters
Location : Semi-industrial suburb of Hsinchu.

Factory 2

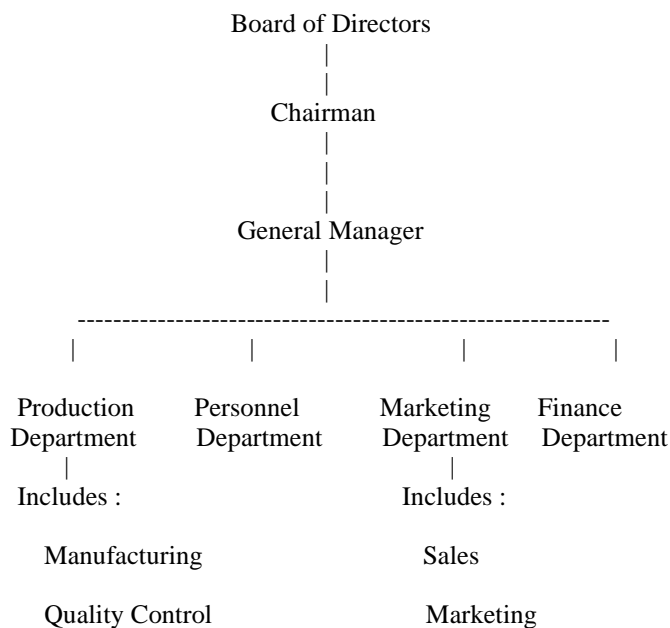
Type of building : Single storey semi-residential building
Building size : 8,000 sq meters.
Land Size : Incorporated in the estim. land size above.
Location : Same location as above.

Production Capacity

=====
Based on standard multi-layer PCB's, the factory is currently able to produce 200,000 boards per month based on two 8 hour production shifts per day.

ORGANIZATION STRUCTURE

Corporate & Organization Structure



Company History

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1994 - Started operation of Hsin-i Dist branch office.
1995 - Started operation of Shihlin Dist branch office.
2000 - Affiliate with TRENDECT (CHINA) CO

Key Personnel

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Mr. Louis Ming-li Chen (Also known as Ah ming Chen)
Founder : Sole founder
Age : 55 years
Education : Bachelor of Science at University of CKSC
Qualification : Engineer, Architect
Work experience : 20 years
Responsibilities : Daily management of the firm and legal responsibility of all financial liabilities.
Resident status : Singapore Resident Status , but travels and resides in Taiwan regular basis.
Previous experience : Worked with ABCX (TAIWAN) LTD for 5 years.
Immediate support staff : Supported by Mr. Edward Choi
Other position : President of ABBX (THAILAND)

Office & Facilities

=====

Size : 230 sq. meters
Location : Commercial area
Facilities : Modern and computerized.
Description : Well decorated and professionally layout.
Property status : Rented
Type of Building : 12 storey office building
Comments : Office space shared with another company listed as ABC MFG LTD. Relationship with ABC MFG LTD unknown.

TRADE REFERENCES

Domestic Customers

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Sales of IT products to local electronic compants manufacturers as followed:

- TAIWAN ELECTRONIC SCREEN CO LTD
- KOKOS PLASMA SCREEN MFG CO LTD

Associations

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Member of :
- Taiwan Electronics Association

Competitors

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The following four (4) locally based companies supply an identical range of products :

1. ABC COMPUTERS LTD
2. CCC INFORMATION CORP
3. DDD PC CO LTD
4. Z-BASE ELECTRONICS INC

RELATED PARTIES(Subsidiaries , Joint-ventures & Affiliates)

Company Name : HEAVEN POLYPROPYLENE CO LTD
Address : 8FI Taiwan Garments Tower 113 Chung Shan North Rd Section 2 Chungshan Dist Taipei City
: 104 Taiwan
Country : Taiwan

Relationship : Subsidiary
Formation : Listed
Company Type : Manufacturer
Industry : Plastics & Products

Company Name : **HECTOR LAMINATES CORP**
Address : 18FI Victory Tower 180 Chung Shan Rd Chungshan Dist Taipei City 104 Taiwan
Country : Taiwan
Relationship : Joint-Venture
Formation : Private
Company Type : Manufacturer
Industry : Plastics & Products

Company Name : **TREND-X (CHINA) CO**
Address : 20FI Harbour Tower 20 Min Ju Rd Shanghai 508000 China
Country : China
Relationship : Affiliate
Formation : Private
Company Type : Manufacturer
Industry : Electronic Products & Components

RELATED PARTIES DESCRIPTION

Subsidiaries, Joint-ventures & Affiliates

Company Name	No. of shares	% of Investment
TAIWAN-LIGHT POLYPROPYLENE CO LTD	8,000,000	80
TREND-X (CHINA) CO	1,000,000	10
Ms. Lily Chang	1,000,000	10

Joint-ventures

HECTOR LAMINATES CORP

This is a joint-venture between the following companies:

- WESTS COAST IMPORTS INC
- ZEN-TEK ELECTRONICS LTD

Strategic Partners & Alliances

In 2002, the firm announced a strategic alliance with one of China's largest computer manufacturers.

Alliance name : GX CHINAS ELECTRONICS GROUP OF COMPANIES

Founder : Unknown

Holding company: LUKSS CHOP INVESTMENTS LTD

Country : Hong Kong

Group members : A consortium of large manufacturers in China, Hong Kong and Taiwan.

IMPORTER AGENCY LISTING

Supplier : **DINJI ELECTRONICS CORP**

Country of Origin : USA
Product Description : Ic (integrated circuits) For control of magnetic devices under 6 degrees cel
Brand : DJ
Year : 1993

Supplier : MAGIC CO LTD
Country of Origin : USA
Product Description : Ic's for control units
Brand : MAGIC
Year : 1994

LOCAL DISTRIBUTION & WAREHOUSING

Local Distribution Network

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Approximately 10% of the annual turnover is attributed to local sales through medium sized wholesalers servicing the domestic electronics manufacturing market.

Local sales network includes the following firms:

1. HYDROS ELECTRONICS CO
2. CHAN'SA COMPONENTS
3. DAZZLINGSS ITEMS LTD

Warehousing Facilities

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All warehousing of IC's is maintained in ZEN-TEK's Taipei bonded warehouse. ("Bonded" implying that all IC's are imported without import tax since the items are 100% exported or sold to government owned production plants).

INTERNATIONAL TRADE : ACTIVITY & MARKETS

Exporting to Argentina
Exporting to Asia
Exporting to Australia
Exporting to Europe
Exporting to USA
Importing from Asia
Importing from Europe
Importing from Germany
Importing from USA

INTERNATIONAL TRADE ACTIVITY DESCRIPTION

Export Markets

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90% of the annual turnover is attributed to export to the following countries/region:

Country	% of Exports
-----	-----
U.S.A.	60
Hong Kong	20
Europe	15
Australia	5

Overseas Customers

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- COUNTRY ASIA PACIFIC LTD (Hong Kong)
- COMPLEX COMPUTERS CORP (USA)
- MEGENE (Germany)

*** End of Report on ZEN-TEK ELECTRONICS LTD ***

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