Form No.3A

**Assessment standard of financial criteria for enterprises in agriculture,**

**forestry and fishing industries**

|  |  |
| --- | --- |
| **Criteria** | **Standard of financial criteria for enterprises** |
| **Large scale** | **Medium scale** | **Small scale** |
| A | B | C | D | A | B | C | D | A | B | C | D |
| Liquidity criteria |   |   |   |   |   |   |   |   |   |   |   |   |
| 1. Current ratio | 2.1 | 1.5 | 1.0 | 0.7 | 2.3 | 1.6 | 1.2 | 0.9 | 2.5 | 2.0 | 1.5 | 1.0 |
| 2. Quick ratio | 1.1 | 0.8 | 0.6 | 0.2 | 1.3 | 1.0 | 0.7 | 0.4 | 1.5 | 1.2 | 1.0 | 0.7 |
| Operation criteria |   |   |   |   |   |   |   |   |   |   |   |   |
| 3. Inventory turnover | 4.0 | 3.5 | 3.0 | 2.0 | 4.5 | 4.0 | 3.5 | 3.0 | 4.0 | 3.0 | 2.5 | 2.0 |
| 4. Average collection period | 40 | 50 | 60 | 70 | 39 | 45 | 55 | 60 | 34 | 38 | 44 | 55 |
| 5. Sales to total assets | 3.5 | 2.9 | 2.3 | 1.7 | 4.5 | 3.9 | 3.3 | 2.7 | 5.5 | 4.9 | 4.3 | 3.7 |
| **Debt criteria** |   |   |   |   |   |   |   |   |   |   |   |   |
| 6. Debts to total assets | 39 | 48 | 59 | 70 | 30 | 40 | 52 | 60 | 30 | 35 | 45 | 55 |
| 7. Debts to equity | 64 | 92 | 143 | 233 | 42 | 66 | 108 | 185 | 42 | 53 | 81 | 122 |
| 8. Overdue debts to total bank borrowing | 0 |   | 2 | 3 | 0 | 1 | 2 | 3 | 0 | 1 | 2 | 3 |
| **Profitability criteria** |   |   |   |   |   |   |   |   |   |   |   |   |
| 9. Pretax income to revenue | 3.0 | 2.5 | 2.0 | 1.5 | 4.0 | 3.5 | 3.0 | 2.5 | 5.0 | 4.5 | 4.0 | 3.5 |
| 10. Pretax income to total assets | 4.5 | 4.0 | 3.5 | 3.0 | 5.0 | 4.5 | 4.0 | 3.5 | 6.0 | 5.5 | 5.0 | 4.5 |
| 11. Pretax income to equity | 10 | 8.5 | 7.6 | 7.5 | 10 | 8 | 7.5 | 7 | 10 | 9 | 8.3 | 8.4 |

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| ***Note:*** Enterprises that have ratios which are:- Less than or equal to A: 5 points- Greater than A and equal to B: 4 points- Greater than B and equal to C: 3 points- Greater than C and equal to D: 2 points- Greater than D | ***Some special cases***:- Profitability ratios in 9,10,11 <0 : 0 point- Debt to equity ratio in item 7 <0 : 0 point   |

Form No. 3B

Assessment standard of financial criteria for enterprises in commerce and service industry

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| --- | --- |
| **Criteria** | **Standard of financial criteria for enterprises** |
| **Large scale** | **Medium scale** | **Small scale** |
| **A** | **B** | **C** | **D** | **A** | **B** | **C** | **D** | **A** | **B** | **C** | **D** |
| Liquidity criteria |   |   |   |   |   |   |   |   |   |   |   |   |
| 1. Current ratio | 2.1 | 1.6 | 1.1 | 0.8 | 2.3 | 1.7 | 1.2 | 1.0 | 2.9 | 2.3 | 1.7 | 1.4 |
| 2. Quick ratio | 1.4 | 0.9 | 0.6 | 0.4 | 1.7 | 1.1 | 0.7 | 0.6 | 2.2 | 1.8 | 1.2 | 0.9 |
| Operation criteria |   |   |   |   |   |   |   |   |   |   |   |   |
| 3. Inventory turnover | 5.0 | 4.5 | 4.0 | 3.5 | 6.0 | 5.5 | 5.0 | 4.5 | 7.0 | 6.5 | 6.0 | 5.5 |
| 4. Average collection period | 39 | 45 | 55 | 60 | 34 | 38 | 44 | 55 | 32 | 37 | 43 | 50 |
| 5. Sales to total assets | 3.0 | 2.5 | 2.0 | 1.5 | 3.5 | 3.0 | 2.5 | 2.0 | 4.0 | 3.5 | 3.0 | 2.5 |
| **Debt criteria** |   |   |   |   |   |   |   |   |   |   |   |   |
| 6. Debts to total assets | 35 | 45 | 55 | 65 | 30 | 40 | 50 | 60 | 25 | 35 | 45 | 55 |
| 7. Debts to equity | 53 | 69 | 122 | 185 | 42 | 66 | 100 | 150 | 33 | 54 | 81 | 122 |
| 8. Overdue debt to total bank borrowing | 0 | 1.0 | 1.5 | 2.0 | 0 | 1.6 | 1.8 | 2.0 | 0 | 1.6 | 1.8 | 2.0 |
| **Profitability criteria** |   |   |   |   |   |   |   |   |   |   |   |   |
| 9. Pretax income to revenue | 7.0 | 6.5 | 6.0 | 5.5 | 7.5 | 7.0 | 6.5 | 6.0 | 8.0 | 7.5 | 7.0 | 6.5 |
| 10. Pretax income to total assets | 6.5 | 6.0 | 5.5 | 5.0 | 7.0 | 6.5 | 6.0 | 5.5 | 7.5 | 7.0 | 6.5 | 6.0 |
| 11. Pretax income to equity | 14.2 | 12.2 | 9.6 | 9.8 | 13.7 | 12 | 10.8 | 9.8 | 13.3 | 11.8 | 10.9 | 10 |

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| ***Note:*** Enterprises that have ratios which are:- Less than or equal to A: 5 points- Greater than A and equal to B: 4 points- Greater than B and equal to C: 3 points- Greater than C and equal to D: 2 points- Greater than D | ***Some special cases***:- Profitability ratios in 9,10,11 <0 : 0 point- Debt to equity ratio in item 7 <0 : 0 point   |

Form No. 3C

**Assessment standard of financial criteria for enterprises in construction industry**

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| --- | --- |
| **Criteria** | **Standard of financial criteria for enterprises** |
| **Large scale** | **Medium scale** | **Small scale** |
| **A** | **B** | **C** | **D** | **A** | **B** | **C** | **D** | **A** | **B** | **C** | **D** |
| Liquidity criteria |   |   |   |   |   |   |   |   |   |   |   |   |
| 1. Current ratio | 1.9 | 1.0 | 0.8 | 0.5 | 2.1 | 1.1 | 0.9 | 0.6 | 2.3 | 1.2 | 1.0 | 0.9 |
| 2. Quick ratio | 0.9 | 0.7 | 0.4 | 0.1 | 1.0 | 0.7 | 0.5 | 0.3 | 1.2 | 1.0 | 0.8 | 0.4 |
| Operation criteria |   |   |   |   |   |   |   |   |   |   |   |   |
| 3. Inventory turnover | 3.5 | 3.0 | 2.5 | 2.0 | 4.0 | 3.5 | 3.0 | 2.5 | 3.5 | 3.0 | 2.0 | 1.0 |
| 4. Average collection period | 60 | 90 | 120 | 150 | 45 | 55 | 60 | 65 | 40 | 50 | 55 | 60 |
| 5. Sales to total assets | 2.5 | 2.3 | 2.0 | 1.7 | 4.0 | 3.5 | 2.8 | 2.2 | 5.0 | 4.2 | 3.5 | 2.5 |
| **Debt criteria** |   |   |   |   |   |   |   |   |   |   |   |   |
| 6. Debts to total assets | 55 | 60 | 65 | 70 | 50 | 55 | 60 | 65 | 45 | 50 | 55 | 60 |
| 7. Debts to equity | 69 | 100 | 150 | 233 | 69 | 100 | 122 | 150 | 66 | 69 | 100 | 122 |
| 8. Overdue debt to total bank borrowing | 0 | 1.0 | 1.5 | 2.0 | 0 | 1.6 | 1.8 | 2.0 | 0 | 1 | 1.5 | 2.0 |
| **Profitability criteria** |   |   |   |   |   |   |   |   |   |   |   |   |
| 9. Pretax income to revenue | 8.0 | 7.0 | 6.0 | 5.0 | 9.0 | 8.0 | 7.0 | 6.0 | 10 | 9.0 | 8.0 | 7.0 |
| 10. Pretax income to total assets | 6 | 4.5 | 3.5 | 2.5 | 6.5 | 5.5 | 4.5 | 3.5 | 7.5 | 6.5 | 5.5 | 4.5 |
| 11. Pretax income to equity | 9.2 | 9 | 8.7 | 8.3 | 11.5 | 11 | 10 | 8.7 | 11.3 | 11 | 10 | 9.5 |

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| ***Note:*** Enterprises that have ratios which are:- Less than or equal to A: 5 points- Greater than A and equal to B: 4 points- Greater than B and equal to C: 3 points- Greater than C and equal to D: 2 points- Greater than D  | ***Some special cases***:- Profitability ratios in 9,10,11 <0 : 0 point- Debt to equity ratio in item 7 <0 : 0 point |

Form No. 3D

**Assessment standard of financial criteria for enterprises in manufacturing industry**

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| --- | --- |
| **Criteria** | **Standard of financial criteria for enterprises** |
| **Large scale** | **Medium scale** | **Small scale** |
| **A** | **B** | **C** | **D** | **A** | **B** | **C** | **D** | **A** | **B** | **C** | **D** |
| Liquidity criteria |   |   |   |   |   |   |   |   |   |   |   |   |
| 1. Current ratio | 2.0 | 1.4 | 1.0 | 0.5 | 2.2 | 1.6 | 1.1 | 0.8 | 2.5 | 1.8 | 1.3 | 1.0 |
| 2. Quick ratio | 1.1 | 0.8 | 0.4 | 0.2 | 1.2 | 0.9 | 0.7 | 0.3 | 1.3 | 1 | 0.8 | 0.6 |
| Operation criteria |   |   |   |   |   |   |   |   |   |   |   |   |
| 3. Inventory turnover | 5.0 | 4.0 | 3.0 | 2.5 | 6.0 | 5.0 | 4.0 | 3.0 | 4.3 | 4.0 | 3.7 | 3.4 |
| 4. Average collection period | 45 | 55 | 60 | 65 | 35 | 45 | 55 | 60 | 30 | 40 | 50 | 55 |
| 5. Sales to total assets | 2.3 | 2.0 | 1.7 | 1.5 | 3.5 | 2.8 | 2.2 | 1.5 | 4.2 | 3.5 | 2.5 | 1.5 |
| **Debt criteria** |   |   |   |   |   |   |   |   |   |   |   |   |
| 6. Debts to total assets | 45 | 50 | 60 | 70 | 45 | 50 | 55 | 65 | 40 | 45 | 50 | 55 |
| 7. Debts to equity | 122 | 150 | 185 | 233 | 100 | 122 | 150 | 185 | 82 | 100 | 122 | 150 |
| 8. Overdue debts to total bank borrowing | 0 | 1 | 1.5 | 2.0 | 0 | 1.6 | 1.8 | 2.0 | 0 | 1 | 1.4 | 1.8 |
| **Profitability criteria** |   |   |   |   |   |   |   |   |   |   |   |   |
| 9. Pretax income to revenue | 5.5 | 5.0 | 4.0 | 3.0 | 6.0 | 5.0 | 4.0 | 2.5 | 6.5 | 6.0 | 5.0 | 4.0 |
| 10. Pretax income to total assets | 6.0 | 5.5 | 5.0 | 4.0 | 6.5 | 5.0 | 4.0 | 2.5 | 7.0 | 6.5 | 6.0 | 5.0 |
| 11. Pretax income to equity | 14.2 | 13.7 | 13.3 | 13 | 14.2 | 13.3 | 13 | 12.2 | 13.3 | 13 | 12.9 | 12.5 |

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| ***Note:*** Enterprises that have ratios which are:- Less than or equal to A: 5 points- Greater than A and equal to B: 4 points- Greater than B and equal to C: 3 points- Greater than C and equal to D: 2 points- Greater than D | ***Some special cases***:- Profitability ratios in 9,10,11 <0 : 0 point- Debt to equity ratio in item 7 <0 : 0 point   |

Form No. 04

**Criteria, Weights of criteria, ranking order**

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| --- | --- | --- |
| **Criteria** | **Weights** | **Ranking order** |
| **A** | **B** | **C** | **D** | **After D** |
| Liquidity criteria |   |   |   |   |   |   |
| 1. Current ratio | 2 | 5 | 4 | 3 | 2 | 1 |
| 2. Quick ratio | 1 | 5 | 4 | 3 | 2 | 1 |
| Operation criteria |   |   |   |   |   |   |
| 3. Inventory turnover | 3 | 5 | 4 | 3 | 2 | 1 |
| 4. Average collection period | 3 | 5 | 4 | 3 | 2 | 1 |
| 5. Sales to total assets | 3 | 5 | 4 | 3 | 2 | 1 |
| **Debt criteria** |   |   |   |   |   |   |
| 6. Debts to total assets | 3 | 5 | 4 | 3 | 2 | 1 |
| 7. Debts to equity | 3 | 5 | 4 | 3 | 2 | 1 |
| 8. Overdue debts to total bank borrowing | 3 | 5 | 4 | 3 | 2 | 1 |
| **Profitability criteria** |   |   |   |   |   |   |
| 9. Pretax income to revenue | 2 | 5 | 4 | 3 | 2 | 1 |
| 10. Pretax income to total assets | 2 | 5 | 4 | 3 | 2 | 1 |
| 11. Pretax income to equity | 2 | 5 | 4 | 3 | 2 | 1 |

Form No.5

###

### **Ranking of enterprises’ creditability**

|  |  |
| --- | --- |
| **Symbol of ranking** | **Contents** |
| AA | This is a well operating enterprise with high efficiency and good prospect, low risk |
| A | This is a effective enterprise with sound finance, potential development, low risk. |
| BB | This is a effective enterprise with potential development. However, there is certain financial constraints and potential danger. Low risk |
| B | This is a ineffective enterprise with low financial autonomy and potential danger. Average risk. |
| CC | This is an enterprise with low operational efficiency, weak financial position, which lacks financial autonomy. High risk. |
| C | Loss suffering enterprise, weak financial position, without financial autonomy, potential bankruptcy, very high risk. |

Note:

 - AA type shall have number of points of between 117 to 135

- A type shall have number of points of between 98 to 116

- BB type shall have number of points of between 79 to 97

- B type shall have number of points of between 60 to 78

- CC type shall have number of points of between 41 to 59

- C type shall have number of points of less than 41.