

SAMPLE

Business Financial Report

SHANGHAI DALONG ZHIHENG TECHNOLOGY DEVELOPMENT CO., LTD.

上海大隆智恒科技发展有限公司

Your Enquiry: Shanghai Dalong Zhiheng Technology Development Co., Ltd.
Date of Enquiry: Jun 10, 2011
Report Type: Business Financial Report
Type of Enquiry: Normal
Date of Delivery: Jun 16, 2011

NOTE TO CREDIT ASSESSMENT

The credit rating and base credit limit in this report, which are based on the AIC registration and financial data available but no other criteria that may be relevant, are intended for informational purposes only.

INVESTIGATION NOTES

The given contact person SUN Lili proves to be the Director of Subject's Sales Department.

PROFILE

Subject Name: SHANGHAI DALONG ZHIHENG TECHNOLOGY DEVELOPMENT CO., LTD.

(Given by Official Sources)

Sinotrust No.: 0243320517
AIC No.: 310000101234567
N.O.C.: 222222222

Address: Suite B, 24/F, 88 Hengshan Rd.
Xuhui District
Shanghai City

Zip Code: 200000
Telephone: (+86 21) 61238888
Facsimile: (+86 21) 61238800
Website: <http://www.dlzh.com.cn>

SUMMARY

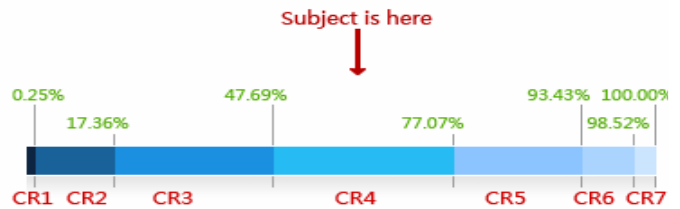
Establishment Date: May 18, 1997
Legal Status: Limited liability company
Listed or Not: No
Legal Rep.: WANG Tao
Registered Capital: 1,000,000
Sales: 11,915,000 (2010)
Net Profit: 193,000 (2010)
Total Assets: 6,053,000 (Dec. 31, 2010)
Net Worth: 3,299,000 (Dec. 31, 2010)

Currency in this report is Chinese Yuan (RMB) unless otherwise stated. "--" in this report indicates "unavailable" or "no comment" due to insufficient information.

CREDIT ASSESSMENT

Major Indicators	Score	Rating
Business Size:	60	Medium
Profitability:	60	Average
Efficiency:	75	Fairly Strong
Solvency:	80	Fairly Strong
Growth:	55	Average
Credit Rating:	61	CR4
Base Credit Limit:		100,000

RATING DISTRIBUTION IN SINOTRUST DATABASE



MAIN BUSINESS & INDUSTRY CLASSIFICATION

Main Business: Wholesale and retail of computer equipment
Chinese SIC: 6370, Wholesale of mechanical equipment, hardware, electrical and electronic products
ISIC: 5150, Wholesale of machinery, equipment and supplies
NACE: 46.6, Wholesale of other machinery, equipment and supplies

More information about Subject's lines of business can be found in the section OPERATIONS

FINANCIAL SUMMARY

	2010	2009
Sales	11,915,000	10,950,000
Total profit	285,000	-567,000
Net profit	193,000	-489,000
Total assets	6,053,000	5,535,000
Total liabilities	2,754,000	2,418,000
Total shareholders' equity	3,299,000	3,117,000
Total current assets	3,359,000	2,692,000
Total current liabilities	2,501,000	2,256,000
Working capital	858,000	436,000
Total fixed assets	2,238,000	2,330,000
Return on net assets (%)	5.85	-15.69
Net profit margin (%)	1.62	-4.47
Turnover of total assets	1.97	1.98
Turnover of inventory (days)	37.60	37.34
Turnover of accounts receivable (days)	25.05	26.43
Liabilities/assets ratio (%)	45.50	43.69
Current ratio	1.34	1.19
Quick ratio	1.03	0.85
Sales growth (%)	8.81	--
Assets growth (%)	9.36	--
Equity growth (%)	5.84	--

REGISTRATION

Establishment Date: May 18, 1997
Registered Address: 1688 Huqingping Highway, Shanghai
Zip Code: 200001
Registry: Shanghai Municipal Administration for Industry and Commerce
Legal Rep.: WANG Tao
AIC No.: 310000101234567
Legal Status: Limited liability company
Registered Capital: 1,000,000.00
Business Scope: Computer system equipment, office automation equipment, communications equipment, mechanical and electrical equipment (wholesale and retail, and purchasing and marketing on a commission basis)
Duration of Operation: From May 18, 1997 To May 17, 2016
Latest Yearly Inspection: 2010

CHANGES IN REGISTRATION

Date of Change	Change(s)	From	To
Apr.2006	Registered Capital	RMB 100,000	RMB 1,000,000
Aug.2010	AIC No.	3100001234567	310000101234567

SHAREHOLDERS AND SHARES

Shareholders	Capital Subscribed	% of Total
Shanghai Dalong (Group) Co., Ltd.	510,000	51.00
LI Jun	400,000	40.00
FU Bin	90,000	9.00
	-----	-----
Total	1,000,000	100.00

Shareholders	Way of Investment	Paid-up %
Shanghai Dalong (Group) Co., Ltd.	Cash	100.00
LI Jun	Cash	100.00
FU Bin	Cash	100.00

OPERATIONS

Main Business: Wholesale and retail of computer equipment
Chinese SIC: 6370,Wholesale of mechanical equipment, hardware, electrical and electronic products
7412,Investment and assets management
ISIC: 5150,Wholesale of machinery, equipment and supplies
7414,Business and management consultancy activities
NACE: 46.6,Wholesale of other machinery, equipment and supplies
64.2,Activities of holding companies

FINANCES

Balance Sheet ('000):

	Dec. 31, 2010 (Consolidated)	Dec. 31, 2009 (Consolidated)
Cash & bank	1,394	1,052

Tradable financial assets	132	0
Accounts receivable	829	804
Advances to suppliers	174	1
Other receivables	53	64
Inventory	777	771
Total Current Assets	3,359	2,692
Long-term equity investment	35	24
Fixed assets	2,238	2,330
Construction-in-progress	61	120
Intangible assets	183	177
Deferred income tax assets	177	192
Total Non-Current Assets	2,694	2,843
TOTAL ASSETS	6,053	5,535

Short-term loans	89	0
Accounts payable	1,203	1,043
Advances from customers	303	343
Accrued payroll	145	129
Taxes payable	8	15
Other payables	753	725
Other current liabilities	0	1
Total Current Liabilities	2,501	2,256
Long-term loans	253	162
Total Non-Current Liabilities	253	162
TOTAL LIABILITIES	2,754	2,418
Paid-up capital	1,000	1,000
Capital reserve	889	889
Surplus reserve	663	663
Undistributed profit	606	423
Minority interests	141	142
TOTAL SHLDRS' EQUITY	3,299	3,117
TOTAL LIABILITIES & SHLDRS' EQUITY	6,053	5,535

Income Statement ('000)

	2010	2009
Sales	11,915	10,950
Less: Cost of sales	7,440	7,434
Sales taxes and additional	789	782
Gross Profit	3,686	2,734
Less: Selling expenses	2,958	2,727
Administrative expenses	413	693
Financial expenses	27	25
Assets impairment loss	61	120
Plus: Investment income	3	12
Operating Profit	230	-819
Plus: Non-operating income	96	290
Less: Non-operating expenses	41	38
Total profit	285	-567
Less: Income tax	92	-78
Net profit	193	-489

NOTES TO FINANCES

Please note that owing to the imperfect information sources in China, some entries in Subject's financial statement might be missing, which will lead to the inequality between the sums of the listed entries and the totals written in the financial statement.

The 2010 financial statements were obtained from government sources and audited by Shanghai Huizhong Accounting Firm;

The 2009 financial statements were obtained from government sources and audited by Shanghai Huizhong Accounting Firm;

Change of Key Financials ('000)

	2010	Growth Rate (%)	2009
Sales	11,915	8.81	10,950
Net profit	193	--	-489
Total assets	6,053	9.36	5,535
Total liabilities	2,754	13.90	2,418
Total shareholders' equity	3,299	5.84	3,117
Total current assets	3,359	24.78	2,692
Total current liabilities	2,501	10.86	2,256
Working capital	858	96.79	436
Total fixed assets	2,238	-3.95	2,330

Important Ratios:

Profitability	2010	2009
Return on net assets (%)	5.85	-15.69
Return on total assets (%)	3.19	-8.83
Gross profit margin (%)	30.94	24.97
Net profit margin (%)	1.62	-4.47

Efficiency	2010	2009
Turnover of total assets	1.97	1.98
Turnover of current assets	3.55	4.07
Turnover of inventory (days)	37.60	37.34
Turnover of accounts receivable (days)	25.05	26.43

Solvency	2010	2009
Liabilities/assets ratio (%)	45.50	43.69
Equity ratio (%)	83.48	77.57
Current ratio	1.34	1.19
Quick ratio	1.03	0.85

Growth	2010	2009
Sales growth (%)	8.81	--
Assets growth (%)	9.36	--
Equity growth (%)	5.84	--

INDUSTRY BENCHMARK

6370, Wholesale of mechanical equipment, hardware, electrical and electronic products

2010 (2722*)	Subject	Best 10%	Average	Worst 10%
Return on net assets (%)	5.85	56.52	18.57	-45.52

Return on total assets (%)	3.19	19.90	5.37	-17.50
Gross profit margin (%)	30.94	47.34	9.30	1.68
Net profit margin (%)	1.62	14.10	3.42	-26.94
Turnover of total assets	1.97	5.72	0.91	0.28
Turnover of current assets	3.55	5.86	0.98	0.32
Turnover of inventory (days)	37.60	14.22	32.00	63.99
Turnover of accounts receivable (days)	25.05	9.95	81.45	281.25
Liabilities/assets ratio (%)	45.50	11.24	77.84	96.21
Equity ratio (%)	83.48	54.11	22.82	234.17
Current ratio	1.34	4.06	1.34	0.63
Quick ratio	1.03	3.12	0.98	0.34
Sales growth (%)	8.81	28.36	12.85	-79.63
Assets growth (%)	9.36	31.95	5.26	-25.72
Equity growth (%)	5.84	39.74	9.97	-241.23

2009 (5124*)	Subject	Best 10%	Average	Worst 10%
Return on net assets (%)	-15.69	51.56	20.56	-34.54
Return on total assets (%)	-8.83	16.58	4.23	-13.38
Gross profit margin (%)	24.97	46.51	8.42	1.90
Net profit margin (%)	-4.47	11.41	2.81	-18.35
Turnover of total assets	1.98	6.16	1.52	0.24
Turnover of current assets	4.07	6.54	1.77	0.25
Turnover of inventory (days)	37.34	2.18	39.56	330.28
Turnover of accounts receivable (days)	26.43	4.06	47.56	324.32
Liabilities/assets ratio (%)	43.69	7.14	78.22	100.05
Equity ratio (%)	77.57	4.34	32.06	305.67
Current ratio	1.19	12.67	1.12	0.78
Quick ratio	0.85	5.97	0.91	0.33
Sales growth (%)	--	721.83	7.08	-79.63
Assets growth (%)	--	231.95	-2.37	-75.72
Equity growth (%)	--	209.92	33.89	-197.84

* The figure refers to the number of businesses in the same industry in our database that are included in the calculation of the average financial indicators.

RANK OF FINANCIAL INDICATOR

The bar graph below respectively indicates Subject's industry rank, regional rank and Sinotrust rank among all businesses in the database.





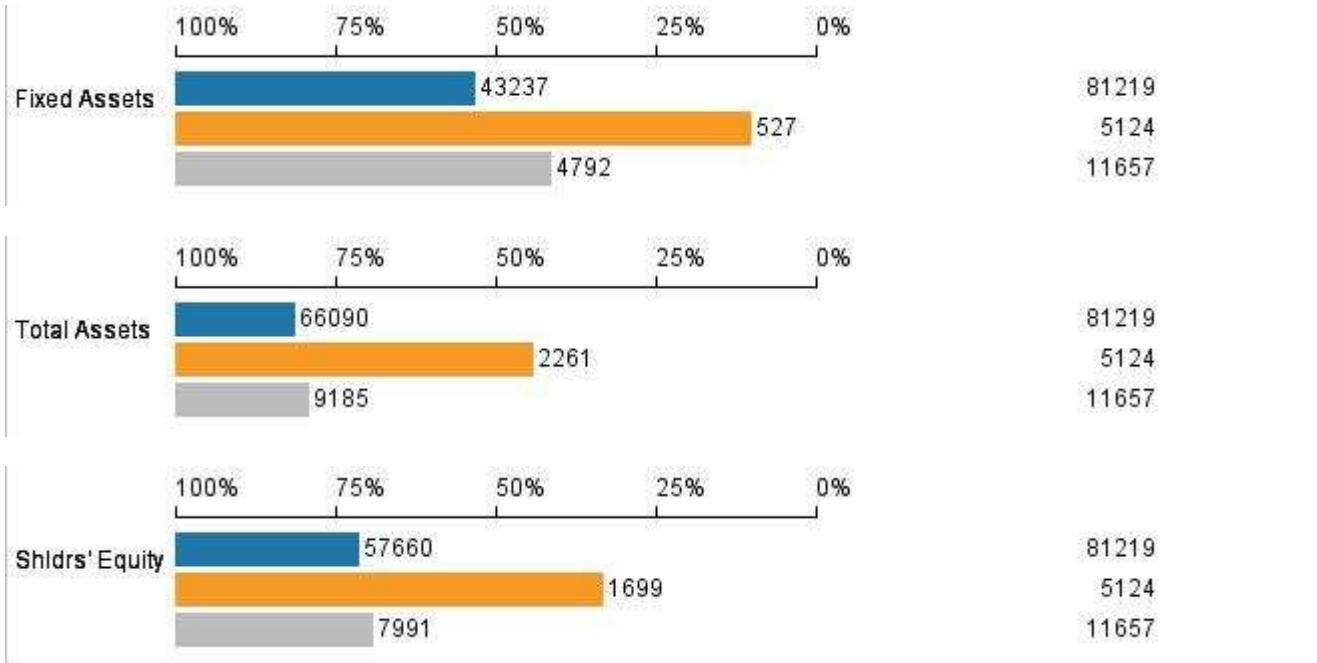
■ Sinotrust Rank ■ Industry Rank ■ Regional Rank-Shanghai City

Indicators(2009)

Rank

Number of Businesses*





* The figure refers to the number of businesses in the same line in our database that are included in the calculation of Subject's industry rank, regional rank and Sinotrust rank.

CREDIT RATING

CR4

In assessing the credit status of a business, SINOTRUST takes into consideration its size, history and background, financials and operations against industry average, credit history, etc. Indications of SINOTRUST credit ratings are as follows.

Rating	Risk Level	Indications
CR1	Very low	Credit can be extended on very loose terms.
CR2	Low	Credit can be extended on fairly loose terms.
CR3	Below average	Credit can be extended on normal terms.
CR4	Average	Credit should be on a closely monitored basis.
CR5	Above average	Credit should be avoided as much as possible.
CR6	High	Credit should be on secured basis.
CR7	Very high	Transaction should be on COD basis.

BASE CREDIT LIMIT

100,000

When calculating base credit limit, SINOTRUST presupposes that Subject purchases main commodities/services equally from many suppliers. Main factors considered include Net Assets, Total Assets, Total Sales, Profit, Credit Rating, etc. No consideration is given to the specific situation of your transaction with Subject. You may refer to the following recommendations when making credit decisions, but it is advisable that necessary adjustments be made in accordance with your sales strategies and credit policies.

Annual Supply/Subject's Sales	Recommended Credit Limit
Above 40%	Above 4 times the base credit limit
30%~40%	3 to 4 times the base credit limit
20%~30%	2 to 3 times the base credit limit
10%~20%	1 to 2 times the base credit limit
Below 10%	Within base credit limit

-- End of the Report --

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