

SAMPLE

SAMPLE

INTERNATIONAL COMPANY PROFILE

Your Enquiry	SAMPLE Adhesive Products Co., LTD
Date of Enquiry	Nov. 6, 2006
Type of Enquiry	Normal
Date of Completion	Nov. 17, 2006
Subject Name	SAMPLE ADHESIVE PRODUCTS CO., LTD.
Subject's English Name	SAMPLE ADHESIVE PRODUCTS CO., LTD.
Business Address	SAMPLE, Liyuan Town, Tongzhou District, Beijing
Zip Code	101121
Telephone	(010) XXX10003/XXX10002/XXX10005
Facsimile	(010) XXX10004
SBD Number	0044884XXX
AIC Registration Nr.	015XXX
Organization Code	801145XXX

<p>Global Business Information</p>	<ul style="list-style-type: none"> ● Business Credit Reports ● Due Diligence ● Debt Recovery ● Enterprise Databases/Lists ● Market Research ● Entry Strategy ● Industry Research/Data 	<p>Fortune 500 quality at SME prices in standard American English</p>
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Printing Date: Nov. 17, 2006
Report Type: International Company Profile

Currency in this report is Chinese Yuan unless otherwise stated.

"--" in this report indicates "unavailable" due to insufficient information or "no comment".

Registered Address: SAMPLE, Liyuan Town, Tongzhou District, Beijing
Zip Code: 101113
Telephone: (86-010) XXX10005

Business Address: SAMPLE, Liyuan Town, Tongzhou District, Beijing
Zip Code: 101121
Telephone: (86-010) XXX10003/XXX10002/XXX10005
Facsimile: (86-010) 81510004

Organization Code: 801145787
SIC Code (China): 2662, special chemical manufacturing industry

STRUCTURE OF ORGANIZATION

Subject is a Sino-foreign equity joint venture and its highest management is a board of directors. The company's general manager is responsible for the routine operations and management. The company has a production dept., general manager's office, sales dept., administrative dept., purchasing dept., finance dept., technical support dept., etc. Subject's members of its board of directors include LI Hui (Chairman of the Board and General Manager), WANG Rundong (Director) and MA Heping (Director).

SUMMARY

Date of Establishment: Sept. 26, 2000
Legal Status: Sino-foreign equity joint venture
Registered Capital: 1,230,000.00
Main Business: Special adhesive tape manufacturing
Principal Business Income 14,039,000.00 (2005)
Net Profit: 138,000.00 (2005)
Total Assets: 6,460,000.00 (Dec. 31, 2005)
Net Worth: 831,000.00 (Dec. 31, 2005)
Employees: 80
Import and Export Permits: Self-run import and export permit

Credit Rating: CR5 – Above Average - Credit should be very limited.

Base Credit Limit: 100,000

REGISTRATION

Date of Establishment: Sept. 26, 2000

Registry: Beijing Municipal Administration for Industry & Commerce, Tongzhou District Branch

Legal Representative: LI Hui

AIC Registration Number: 015XXX

Legal Status: Sino-foreign equity joint venture

Registered Capital: 1,230,000.00

Business Scope: Production of environmental-protection series adhesive products; technology development related to self-made products; sale of self-made products

Duration of Operation: From Sep. 26, 2000 To Sep. 25, 2015

Changes in Registration: None

SHAREHOLDERS AND SHARES

As indicated in the following table:

Shareholders	Capital Subscribed	Percentage
Beijing Palletry Industrial & Trading Co., Ltd.	922,500.00	75.00%
Thailand-based Golden Horse Union International Development Co., Ltd.	307,500.00	25.00%
	-----	-----
Total	1,230,000.00	100%

Shareholders	Way of Investment	Paid-up Percentage
SAMPLE Industrial & Trading Co., Ltd.	Cash	100.00%
Thailand-based SAMPLE International Development Co., Ltd.	Cash	100.00%

BACKGROUND OF MAJOR SHAREHOLDERS

SAMPLE Industrial & Trading Co., Ltd.

Name:

SBD Nr. 0050466422

Address: Zhangxinzhuang, Tongzhou District, Beijing

Telephone: (010) XXX75980

Facsimile: (010) XXX61861
Other Key Registration Number: 029XXX
Information: Legal Representative: GE Hong
Registered Capital: RMB2,000,000
Business Scope: mechanical processing; installation and repair of air conditioning & freezing equipment; household decoration; labor services; information consulting; sale of chemical products (excluding inflammable and explosive products), hardware & electrical appliances, building materials, mechanical & electrical equipment, metal materials (excluding gold & silver), general merchandise, arts & crafts, knitwear & textiles, auto parts, computers & peripherals; production and sale of surface active agents (those without special approval cannot be conducted).
Date of Establishment: Apr. 7, 1999
Shareholders: GE Hong and LI Suying

Name: Thailand-based SAMPLE International Development Co., Ltd.
SBD Nr. 0271904647
Address: Thailand

MAIN EXECUTIVES

Name: GE Hong
Post: Chairman of the Board
Gender: Female
Date of Birth: Mar. 6, 1963
Education: University education (major in chemical engineering)
Work Experience: ID Card No.: 110106630306332

Previously with Beijing Eastern Chemical Works;
With Beijing Pallety Industrial & Trading Co., Ltd. as Chairman of the Board;
Since 2000: with Subject as Chairman of the Board

BANKING RELATIONSHIP

Account Bank: Bank of China, Beijing Tongzhou Sub-branch
Account No. (RMB): 08349108251XXX
Tel. of Interviewee: (010) 69558123
Remarks of Interviewee: Subject maintains normal transaction records with the bank.
Date of Interview: Nov. 15, 2006

Account Bank: ICBC, Beijing Tongzhou Dongfang Banking Office
 Account No.(RMB): 13209000001XXX
 Tel. of Interviewee: (010) 69575496
 Remarks of Interviewee: Subject maintains normal transaction records with the bank.
 Date of Interview: Nov. 15, 2006

NUMBER OF EMPLOYEES

Employees: 80

The information above was provided by an employee of Subject in Nov. 2006.

OFFICE FACILITIES

Geographic location: Subject is located at SAMPLE, Liyuan Town, Tongzhou District, Beijing where it covers about 10,000 square metes for operation. The traffic conditions there are convenient as the place is 180 kilometers away from Tianjin Port in the east, 22 kilometers away from downtown Beijing in the west, and 30-odd kilometers away from Hebei in the south.

Property ownership: leasehold

Subject has three PVC production lines and two aluminum foil production lines.

IMPORT & EXPORT PERMITS

I/E Permits: Self-run import and export permit

Main self-run imports:

Commodity code	Unit	2005	2003
39069000	Kg	52,500	
40021911	Kg	16,695	12,240
59111090	Kg	10,689	

Main self-run exports:

Commodity code	Unit	2005	2003
39199090	Kg	451,674	68,264
76072000	Kg	35,669	

	Unit	2005	2003
Total self-run import value:	USD	109,463	39,953
Total self-run export value:	USD	916,114	231,946

Main self-run import area(s):	2005	2003
	Brazil (36.60%)	Holland (66.17%)
	Malaysia (27.23%)	Malaysia (33.83%)
	South Korea (20.24%)	
Main self-run export destination(s):	2005	2003
	Holland (19.16%)	Holland (33.85%)
	Britain (15.72%)	Poland (24.44%)
	Italy (12.57%)	Britain (14.52%)

Notes: The commodity codes shown in this report are H.S. codes. Please refer to the APPENDIX for the specific commodity descriptions. Main Self-run Imports/Exports refers to the top three products by import/export value in the latest fiscal year and Main Self-run Import/Export Area(s) refers to the top three areas by import/export value. The bracketed figures represent the proportions of the import/export values realized in different areas in Subject's total.

TRADEMARKS & PATENTS

Total No. of Trademarks	2	
Registration No.	3463365	3463367
Registration Date	Nov. 21, 2004	Nov. 21, 2004
Trademark Design		



青 鳥

The analyst found no record of any patent applications by Subject in the State Intellectual Property Right Office of the PRC.

HISTORY

Sept. 2000	Subject was established as a Sino-foreign equity joint venture.
2001	Subject passed ISO9001: 2000 international quality management system certification and its products passed CE certification of the EU.

MAIN BUSINESS

Main Business: special adhesive tape manufacturing

Products and Services: Subject is mainly engaged in the production and sale of special series adhesive tapes and adhesive products. The products mainly include PVC series adhesive tapes, aluminum foil adhesive tapes, double-sided adhesive tapes, fabric base adhesive tapes, crepe tapes, etc.

Subject's Q X (transliteration) branded adhesive tapes are widely used in construction, packaging, electronic insulation, refrigeration, pipeline construction and other industries.

Other information: Subject's monthly production capacity is 100,000-150,000 rolls of adhesive tape and its monthly shipment is twenty (20) TEUs.

PURCHASING INFORMATION

Main Commodities Purchased: PVC powder and aluminum foil
 Number of Major Suppliers: Over five
 Major Suppliers: Alcoa (Shanghai) Aluminum Products Co., Ltd. and Lanzhou Aluminum Co., Ltd. Northwest Aluminum Processing Branch (literal translation)
 Main Terms of Payment: Prepayment, COD and 30-day payment

Subject's production materials for now are 20% imported and 80% bought domestically. The materials are all purchased from reliable suppliers. Subject has a PVC film production line. Currently it generally imports PVC powder and purchases aluminum foil from Alcoa and Northwest Aluminum. Most of the aluminum foil is from Alcoa.

The information above was provided by Subject's employee in Nov. 2006.

SALES INFORMATION

Domestic: 48%
 Regions: Beijing
 Major Customers (Industries): Middlemen and traders
 Sales Terms: Advance payment, delivery against payment and 30-day payment
 Overseas: 52%
 Regions: Holland, Britain, and Italy
 Total Export Value: Subject's export value was USD916,000 in 2005.
 Sales Terms: L/C and T/T

Subject's main products are PVC series adhesive tapes and aluminum foil adhesive tapes. These two kinds of products claim more than 90% of the export volume. Now the company's products are 50% self-exported. The remaining 40% or so of the products are exported via domestic traders and middlemen.

Currently Subject's products are mainly exported to European markets. It has agents in Holland, Belgium, Luxemburg, etc. Subject is energetically expanding its presence in America and the Middle East. As the products must satisfy American UL certification (UL certification is not required for products with thickness of 0.18mm or below) before they are allowed to enter the American market, Subject is making preparations for UL certification. Should the certification assessment succeed, Subject will see more favorable terms for its export

to America.

The information above was provided by Subject's employee in Nov. 2006.

TRADE REFERENCES

Currently more than 90% of Subject's clients are domestic & overseas middlemen and traders, and it has very few direct clients, so we herein can not provide its trade references.

CREDIT RECORD

Name of Supplier: Alcoa (Shanghai) Aluminum Products Co., Ltd.
 Main Commodities Aluminum foil
 Supplied:
 Post of Interviewee: Business Department
 Tel. of Interviewee: 021-64301730
 Remarks of Interviewee: Subject is the company's client and mainly purchases aluminum foil. Its monthly purchase volume is not large. They take delivery-against-payment for settlement. Subject maintains good credit and payment records.
 Date of Interview: Nov. 15, 2006

Name of Supplier: Beijing Office of Lanzhou Aluminum Co., Ltd. Northwest Aluminum Processing Branch
 Main Commodities Aluminum foil
 Supplied:
 Post of Interviewee: Business Clerk
 Tel. of Interviewee: 010-83541840
 Remarks of Interviewee: Subject is the company's client. As Subject's monthly purchasing volume is not large and its purchase cycle is long, they take delivery-against-payment for settlement.
 Date of Interview: Nov. 15, 2006

LITIGATION RECORD: As of Nov. 2006, no litigation filings have been found by or against Subject through our searching the website www.chinacourt.org, local court's website and other major search engines.

FINANCES

Balance Sheet (Unit: 1,000)

Dec. 31, 2005	Dec. 31, 2004
(unconsolidated)	(unconsolidated)

Total assets	6,460	3,351
Including:		
Total cur. assets	5,970	3,070
Including:		
Cash & bank	1,250	481
Accounts receivable	655	433
Prepayment	145	24
Other receivables	1,548	882
Long-term deferred and prepaid expenses	-84	17
Inventory	2,456	1,233
Total fixed assets	490	281
Including:		
Fixed assets at cost	671	408
Accumulated depreciation	181	127
Fixed assets, net	490	281
Total intangible & deferred assets	0	0
Total liabilities & shareholders' equity	6,460	3,351
Total liabilities	5,629	2,657
Including:		
Total current liabilities	5,629	2,657
Including:		
Accounts payable	4,938	953
Advances from customers	426	1,272
Accrued welfarism	-7	23
Tax unpaid	-96	-39
Other unpaid	0	-1
Other payables	368	449
Total shareholders' equity	831	694
Including:		
Share capital	1,230	1,230
Capital reserves	13	13
Undistributed profits	-550	-549

Income Statement (Unit: 1,000)

	2005	2004
Principal Business Income	14,039	6,318
Principal Business Cost	13,138	6,094
Taxes and Additions	0	0
Principal Business Profit	901	224
Other Business Profit	0	0
Selling Expenses	385	264
Administrative Expenses	48	20
Financial Expenses	327	58
Operating Profit	141	-118
Non-operating Income	0	0
Non-operating Expenditure	3	20
Total Profit	138	-138
Income Tax	0	0
Net Profit	138	-138

Important Ratios:

	2005	2004
Return on net assets (%)	16.61	-19.88
Return on total assets (%)	2.14	-4.12
Net profit margin (%)	0.98	-2.18
Turnover of total assets	2.17	1.89
Turnover of current assets	2.35	2.06
Turnover of accounts receivable	21.43	14.59
Liabilities/assets ratio (%)	87.14	79.29
Current ratio	1.06	1.16
Quick ratio	0.62	0.69

Source	Government	Government
Whether audited or not	Yes	Yes

NOTES TO FINANCES

There are missing accounting entries and discrepancies between the summation of some accounting entries and the totals of these entries in the financial statements owing to the imperfect information acquisition channels in China. Your understanding would be much appreciated.

Subject's negative "tax unpaid" in its balance sheet is mainly due to the to-be-offset/deducted value-added tax.

INDUSTRIAL COMPARISON

SIC Code (China): 2662, special chemical manufacturing industry

Indicators (2005)	Subject	Industry Average (144*)
Return on net assets (%)	16.61	12.00
Return on total assets (%)	2.14	5.71
Net profit margin (%)	0.98	5.07
Turnover of total assets	2.17	1.13
Turnover of current assets	2.35	2.09
Turnover of accounts receivable	21.43	6.82
Liabilities/assets ratio (%)	87.14	54.21
Current ratio	1.06	1.15
Quick ratio	0.62	0.84

Indicators (2004)	Subject	Industry Average (170*)
Return on net assets (%)	-19.88	8.27
Return on total assets (%)	-4.12	3.95
Net profit margin (%)	-2.18	4.03
Turnover of total assets	1.89	1.06
Turnover of current assets	2.06	1.99
Turnover of accounts receivable	14.59	7.21
Liabilities/assets ratio (%)	79.29	53.99
Current ratio	1.16	1.16
Quick ratio	0.69	0.80

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

ANALYSIS OF INDUSTRIAL COMPARISON

Compared with the industrial average, Subject's debt ratio is higher, revealing that its long-term solvency is weak. Its current ratio is in normal performance but the quick ratio is slightly weak, suggesting that it has some pressure on short-term solvency. Its business grew rapidly in 2005 and it turned losses into profits. However, its profitability on the whole is in need of improvement.

INDUSTRY PROFILE

2662 Special chemical manufacturing industry

Definition: This industry involves the manufacturing of chemicals for water treatment, chemicals for papermaking, leather chemicals, oil & grease chemicals, chemicals for oilfields, chemicals for biological engineering, special chemicals for daily chemical products, chemical ceramic fibers and other special fibers as well as high-performance chemicals, and other special chemicals.

Status Quo & Trend: This industry features low output, diversified types, high quality, high technical content and high value added. With a late startup, the Chinese special chemical manufacturing industry has a poor foundation, low research and development investment, backward techniques and technology, and mediocre overall development. The domestic market has a sufficient supply of low- and middle-end products, while the high-performance and high-grade key products are imported in large quantities due to the large demand. This industry features a great number of small- and medium-sized businesses and the number of businesses in the line is quite high; however, competition is chaotic in the Chinese special chemicals market due to the quick updating of products and technologies and the straggling policies and regulations of the Chinese State.

This industry will maintain rapid development momentum with the further implementation of the State's policies on encouraging innovation. Professional companies will be established relying on assets as linkage and large businesses as basis in order to further develop the innovation of new products and technologies, and enhance product superior and deep processing. Moreover, environmental-friendly cleaning technology will be widely applied in the production.

GENERAL COMMENTS/POSITION IN ITS INDUSTRY

Subject is specialized in the production and development of special adhesive tape. In 2001, it passed ISO9001 international quality management system certification. Its Qingniao series adhesive tapes have passed the EU's CE certification. Most of the company's products are exported. It can provide clients with OEM services.

Adhesive products are an indispensable part in the construction of the national economy and people's daily life. They can be widely used in construction, packaging, industry, electronic insulation, refrigeration, pipeline, engineering, and other industries. Adhesives have wide applications, however, the industry is not a technology-intensive one, so there are many enterprises in the industry and the competition is fairly tough.

Looking at the financials, we find that Subject's debt ratio in 2005 was 87.14% which was slightly up when compared with the one of 2004. So, we could see that it has many liabilities which are unfavorable for the creditor. Its current ratio was principally in the normal performance but the quick ratio was poor. The poor performance of quick ratio is mainly due to the increase in inventory. Its current assets turnover was slow which affected its capital utilization. Its principal business income increased by a big margin of 122% in 2005 and it turned losses into profits. However, its profit reference indicators on the whole were lower, revealing that its profitability is still in need of improvement. Taking its current operating status into consideration, we conclude that its credit risk is higher than the industrial average.

PROBLEMS IN OPERATION

The foremost problem Subject faces in its operation is the shortage of some major materials for the adhesives

and the fact that the prices of these materials have risen sharply. Next, is that its products consume considerable energy and it should strengthen its efforts in environmental protection. Another problem is that the cases of infringement upon intellectual property right now are quite common in this industry and therefore, the disputes arising from these cases come more and more frequently. The company's capability for product development and technological innovation is poor and its investment in scientific research is also far from enough. Besides, the company's products have been targeting the overseas market ever since the company's establishment, so any significant fluctuation in the international market, dramatic changes in political situations, economic conditions, and trade policies in the countries or regions to where it exports or if these countries or regions change their political, foreign trade, or economic cooperation relationships with China will all seriously affect Subject's export, production, and operations. So, we can see that Subject is faced with some risks from its over-reliance on the overseas market. (Editor's note: we do not consider the risk high that the countries to where Subject exports will suffer any of these dramatic changes.)

SPECIAL REQUIREMENTS

Subject currently has business contact with an American client (however, the interviewee refused to disclose the name of the client). Subject does not have agents in Holland, Belgium, or elsewhere in Europe.

CREDIT RATING

CR5

When performing an analysis of the credit rating of Subject, SINOTRUST takes into comprehensive consideration Subject's size, history and background, its finances in comparison with the industrial averages, its operations, credit record, and so on. The definitions of SINOTRUST credit ratings are given as follows.

Rating	Risk Level	SINOTRUST Suggestion
CR1	Very low	Credit can be extended in very loose terms.
CR2	Low	Credit can be extended in rather loose terms.
CR3	Below average	Credit can be extended in normal terms.
CR4	Average	Credit should be on a closely monitored basis.
CR5	Above average	Credit should be very limited.
CR6	High	Credit should be on a secured basis.
CR7	Very high	Transaction should be on COD basis.

BASE CREDIT LIMIT

100,000

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

Annual Supply /Subject's Turnover	Suggested 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 -----

APPENDIX:

Reference Form for Customs Commodity Code and Commodity Name:

Commodity Code	Commodity Name
39069000	Other acrylic acid polymers of primary form
40021911	Unprocessed SBR with primary form
59111090	Other corduroy narrow fabrics
39199090	Other self-adhesive plastic boards, slices, films, etc.
76072000	Aluminum foil with backing