



# 海外企業信用調査報告書

ご依頼の海外企業信用調査報告書ができあがりましたのでご査収ください。

Shanghai Dalong Zhiheng Technology Development Co., Ltd

調査先商号

上海大隆智恒科技发展有限公司

海外信用区分	A	B	◎ C	D	E	NR
	厚い ←————→ 薄い					信用程度

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Business Credit 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 Credit Report  
Type of Enquiry: Normal  
Date of Delivery: Jun 16, 2011

**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

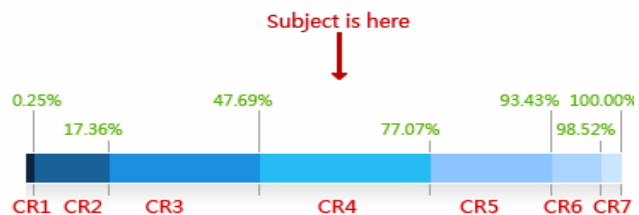
Establishment Date: May 18, 1997  
Legal Status: Limited liability company  
Listed or Not: No  
Legal Rep.: WANG Tao  
Registered Capital: 1,000,000  
Sales: 11,915,000 (2010)  
Net Profit: 193,000 (2010)  
Total Assets: 6,053,000 (Dec. 31, 2010)  
Net Worth: 3,299,000 (Dec. 31, 2010)  
Employees: 56  
I/E License: No  
Litigation Records: Yes  
Credit Records: Yes

Currency in this report is Chinese Yuan (RMB) unless otherwise stated. "--" in this report indicates "unavailable" or "no comments" 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 OPERATIONS

## FINANCIAL SUMMARY

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	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	--

## IMPORTANT EVENTS

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Subject changed its name from Shanghai Zhiheng Technology Development Co., Ltd. to the present one in Apr. 2005.

## GENERAL COMMENTS

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With a history of 14 years, Subject has already established rather sound sales channels in East China and proves certain market competitiveness. Its shareholders boast strong competencies and its management level is also well experienced in respect to industry and management expertise, which lays a solid foundation for its stable development.

Due partly to the impacts of financial crisis and partly to the intensified market competition, the market shares of the products it sells on commission basis dropped so that Subject experienced certain fluctuations in operating revenues over the past three years and a loss was posted in 2009. However, Subject adjusted its sales strategies timely and swung from deficit to surplus in 2010, and its solvency also remained strong.

## 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, communication 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

## BACKGROUND OF MAJOR SHAREHOLDERS

Name: Shanghai Dalong (Group) Co., Ltd.  
Sinotrust No.: 0243321552  
Address: 300 Dalian Rd., Shanghai  
Telephone: (+86 21) 67891234  
Facsimile: (+86 21) 67894321  
Website: www.dalong.com.cn  
Main Business: Investment in industries and real estate development  
Sales: 638,467,200,000 (2010)  
Other Information: As one of Shanghai's renowned real estate companies, Shanghai Dalong (Group) Co., Ltd. got listed on Shanghai Stock Exchange in 2000 (stock code: 666666).

Name: LI Jun  
ID No.: 1101021965xxxxx123

Name: FU Bin  
ID No.: 110105xxxxxxxxx457

## HISTORY

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May.1997	Shanghai Zhiheng Technology Development Co., Ltd. was incorporated.
Apr.2005	Shanghai Zhiheng Technology Development Co., Ltd. was acquired by Shanghai Dalong (Group) Co., Ltd. and accordingly was renamed Shanghai Dalong Zhiheng Technology Development Co., Ltd.
Apr.2006	Subject increased its registered capital from RMB 100,000 to RMB 1,000,000.
May.2009	Subject became the general agent of Nanjing Hwuary Display Co., Ltd. in East China.

## MAJOR RANKS

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Year	Major Rank	Place
2008	<u>Top 100 Private Enterprises of Shanghai</u>	89
2007	<u>Top 100 Private Enterprises of Shanghai</u>	97

## MAIN EXECUTIVE(S)

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Name: WANG Tao  
Post: Chairman of the Board  
Gender: Male  
Date of Birth: Oct. 21, 1969  
ID No.: 220XXX196910217891  
Education: Master's degree  
Working Experience: Previously, with the Chinese Academy of Sciences; currently, with Shanghai Dalong (Group) Co., Ltd. as General Manager; since Apr. 2005, concurrently with Subject as Chairman of the Board.

Name: LI Jun  
Post: General Manager  
Gender: Male  
Date of Birth: 1965  
ID No.: 1101021965XXXXX123  
Education: Master's degree  
Working Experience: 1983-1985: with Shanghai Chemical Fiber Research Institute as a research fellow; 1985-1989: with Shanghai Foreign Trade Corporation as Dept. Manager; 1989-1990: with Shanghai Honglong Electronic Co., Ltd. as Manager; 1990-1997: with Shanghai Data Industry Co., Ltd. as General Manager; since 1997: with Subject as General Manager.

## AFFILIATE(S)

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Name: Shanghai Dalong Zhiyu Technology Development Co., Ltd. (literal translation)  
Address: 218 Dongfang Rd., Pudong New Area, Shanghai  
Website: www.dalong.com.cn  
Main Business: Selling electronic products  
Sales: 550,000 (2009)  
Shares held by Subject: 95%

Name: Shanghai Dalong Zhichuang Technology Development Co., Ltd. (literal translation)  
Address: 1/F, 2000 Quyang Rd., Shanghai  
Website: www.dalong.com.cn  
Main Business: Producing and selling electronic products  
Sales: 650,000 (2009)  
Shares held by Subject: 90%

## BANKING RELATIONSHIP

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Account Bank: Bank of Shanghai, Xuhui District Sub-branch  
 Account No.: XXXXXXXXX8090333 (RMB)  
 Account No.: XXXXXXXXX8090334 (FC)  
 Interviewee: Miss XU, Service Counter  
 Telephone: (+86 21) 56786666  
 Interviewee's Remarks: Subject does hold accounts with the Bank, and its day-to-day transaction records are normal.  
 Date of Interview: Jun. 16, 2011

## NUMBER OF EMPLOYEES

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Total Employees: 56  
 Head office: 18

The information above was confirmed by Subject's managerial staff in Jun. 2011.

## OFFICE FACILITIES

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Location: Suite B, 24F, 88 Hengshan Road, Shanghai  
 Area: 300 square meters  
 Property Ownership: Rented  
 Traffic Convenience: Situated in Xujiahui Business Circle, Subject enjoys favorable transport facilities.

## OPERATIONS

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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

Subject is the general agent of Hwuary brand displays in East China and also distributes Hongda brand computer memory, Kungpeng brand hard drives, Quanshun brand CD-ROMs, keyboards, mice, etc. on a commission basis.

## TRADEMARKS & PATENTS

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Total No. of Trademarks	2	
Registration No.	2345678	2123456
Registration Date	Mar. 28, 2010	Dec. 7, 2009
Trademark Design		



Notes: Only the information on the three latest registered trademarks is provided herein.

Patent Type	Invention Patent	Utility Model Patent	Design Patent	Total
Total Patents	0	2	4	6
Patents Applied in 2010	--	1	--	1
Patents Applied in 2009	--	1	2	3

## **PURCHASING INFORMATION**

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Main Purchases: Displays, computer memory, hard drives, CD-ROMs, etc.  
 No. of Major Suppliers: Around 10  
 Major Suppliers: Nanjing Hwuary Liquid Crystal Display Technical Co., Ltd., Suzhou Zhongji Electronic Co., Ltd. and other producers of computer fittings  
 Main Payment Terms: 30-day credit or immediate payment

Subject is the general agent of Hwuary brand displays and purchases displays from Nanjing Hwuary Liquid Crystal Display Technical Co., Ltd. directly on 30-day open account.

The information above was confirmed by Subject's managerial staff in Jun. 2011.

## **SELLING INFORMATION**

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Domestic: About 95%  
 Regions: Shanghai and major cities in Jiangsu Province  
 Customers: Retailers and individual users  
 Sales Terms: 30-day credit or immediate payment

Overseas: About 5%  
 Regions: Hong Kong  
 Customers: ABC Ltd.  
 Sales Terms: L/C

Subject is planning to reinforce its sales efforts in medium- and small-sized cities since gross sales profit margin in medium- and small-sized cities is relatively high. For the time being, competition in large cities of East China is heating up, leading to a declining gross sales profit margin of relevant products, especially displays Subject currently sells.

The information above was confirmed by Subject's managerial staff in Jun. 2011.

## **IMPORT & EXPORT**

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I/E License: No

## **CREDIT RECORDS**

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Supplier: Nanjing Hwuary Liquid Crystal Display Technical Co., Ltd  
 Commodities Supplied: Computer displays  
 Interviewee: Miss YAN  
 Post: Financial Dept.  
 Telephone: 025-84556567  
 Interviewee's Remarks: As the general agent of the said company in East China, Subject makes payments in a fairly prompt manner.  
 Date of Interview: Jun. 16, 2011

Supplier: Suzhou Zhongji Electronic Co., Ltd.  
 Commodities Supplied: Computer mice and hard drives  
 Interviewee: Mr. WANG  
 Post: Sales Manager  
 Telephone: 0551-63415399  
 Interviewee's Remarks: Extended a credit of 45 days, Subject makes payments in a fairly prompt manner.  
 Date of Interview: Jun. 16, 2011

## LITIGATION RECORDS

Source: www.hshfy.sh.cn  
Hearing Court: Pudong New Area People's Court, Shanghai  
Case Number: (2010) PMY(M)CZ No. 15487  
Plaintiff: SONG Sanxiong  
Date of Hearing: Sep. 28, 2010  
Case Brief: Dispute over the sales contract between SONG Sanxiong and Subject  
Date of Acquisition: Jun. 16, 2011

## FINANCE

### 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
<b>Total Current Assets</b>	<b>3,359</b>	<b>2,692</b>
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
<b>Total Non-Current Assets</b>	<b>2,694</b>	<b>2,843</b>
<b>TOTAL ASSETS</b>	<b>6,053</b>	<b>5,535</b>
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
<b>Total Current Liabilities</b>	<b>2,501</b>	<b>2,256</b>
Long-term loans	253	162
<b>Total Non-Current Liabilities</b>	<b>253</b>	<b>162</b>
<b>TOTAL LIABILITIES</b>	<b>2,754</b>	<b>2,418</b>
Paid-up capital	1,000	1,000
Capital reserve	889	889
Surplus reserve	663	663
Undistributed profit	606	423
Minority interests	141	142
<b>TOTAL SHLDRS' EQUITY</b>	<b>3,299</b>	<b>3,117</b>
<b>TOTAL LIABILITIES &amp; SHLDRS' EQUITY</b>	<b>6,053</b>	<b>5,535</b>

### Income Statement ('000)

	2010	2009
Sales	11,915	10,950

Less: Cost of sales	7,440	7,434
Sales taxes and additional	789	782
<b>Gross Profit</b>	<b>3,686</b>	<b>2,734</b>
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
<b>Operating Profit</b>	<b>230</b>	<b>-819</b>
Plus: Non-operating income	96	290
Less: Non-operating expenses	41	38
<b>Total profit</b>	<b>285</b>	<b>-567</b>
Less: Income tax	92	-78
<b>Net profit</b>	<b>193</b>	<b>-489</b>

## NOTES TO FINANCE

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

<b>Growth</b>	<b>2010</b>	<b>2009</b>
Sales growth (%)	8.81	--
Assets growth (%)	9.36	--
Equity growth (%)	5.84	--

## INDUSTRY BENCHMARK

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

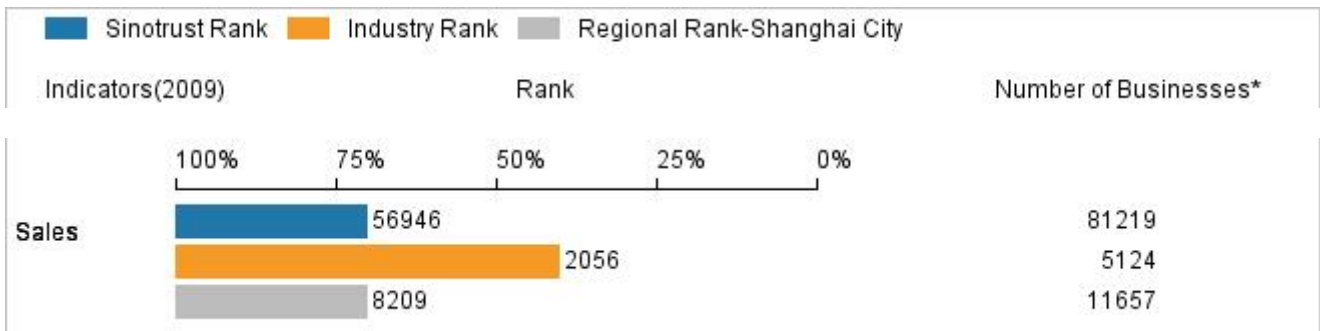
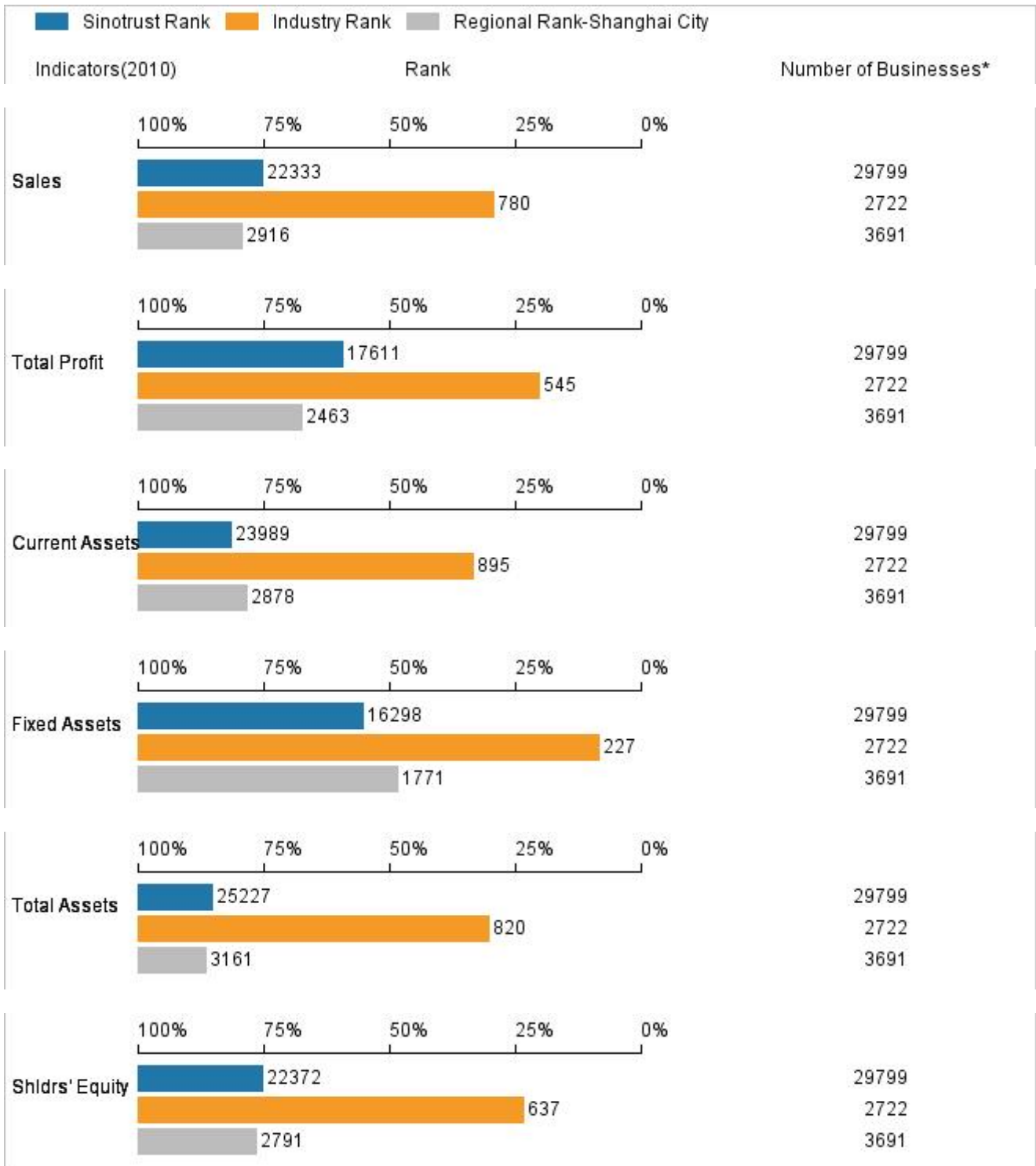
<b>2010 (2722*)</b>	<b>Subject</b>	<b>Best 10%</b>	<b>Average</b>	<b>Worst 10%</b>
Return on net assets (%)	5.85	56.52	18.57	-45.52
Return on total assets (%)	3.19	19.90	5.37	-17.50
Gross profit margin (%)	30.94	47.34	9.30	1.68
Net profit margin (%)	1.62	14.10	3.42	-26.94
Turnover of total assets	1.97	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

<b>2009 (5124*)</b>	<b>Subject</b>	<b>Best 10%</b>	<b>Average</b>	<b>Worst 10%</b>
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.





\* 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.

## BENCHMARK ANALYSIS

Comparison with the industry average indicators shows that Subject suffered somewhat weak profitability. Its assets operating ability was strong and its assets liquidity was high. Meanwhile, its financial security was high and its solvency was fairly strong.

## INDUSTRY PROFILE

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

### Industry Definition:

This industry involves the wholesale and import & export of general machinery, special equipment, traffic & transport equipment, electric machinery, hardware & electric products, household appliances, computer equipment, communication equipment, electronic products, meters & instruments and office machinery. This industry is composed of such sub-industries as wholesale of agricultural machinery; wholesale of automobiles, motorcycles and components thereof; wholesale of hardware & electric products; wholesale of household appliances; wholesale of computer, software & auxiliary equipment; wholesale of communication and broadcasting & television equipment and wholesale of other machinery & equipment and electronic products n.e.s.

### Industry Status & Trend:

In the first half of 2011, the machinery industry realized total industrial output value of 7.88 trillion Yuan and sales output value of 7.69 trillion Yuan, up 27.08% and 26.73% respectively. To be specific, in the first five months of the year, the growth rate of output and sales volume declined monthly and in Jun. the growth rate stopped declining and turned steady and output value and sales value were 1.56 trillion Yuan and 1.52 trillion Yuan respectively, setting new records in history. However, in the past two years, the import growth rate of the machinery industry was always higher than export growth rate and in the first half of 2011, consecutive foreign trade surplus occurred in the machinery industry. Taking the present status into consideration, it is predicted that foreign trade deficit may appear again in six years.

It is predicted that in 2011 the whole industry will still maintain a double-digit increment and the growth rate will be about 20%, but the industry's profit margin will be obviously lower than 2010 and trade deficit will appear again. Faced with a series of new challenges in international and internal economic situation, the industry must accelerate its structure adjustment, transformation and upgrade so as to maintain a sustainable and healthy development.

## INDUSTRY FINANCIAL RATIOS

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

	2010 (2722*)	2009 (5124*)	2008 (5910*)
Return on net assets (%)	18.57	20.56	19.22
Return on total assets (%)	5.37	4.23	4.73
Gross profit margin (%)	9.30	8.42	9.62
Net profit margin (%)	3.42	2.81	2.91
Turnover of total assets	0.91	1.52	1.62
Turnover of current assets	0.98	1.77	1.12
Turnover of inventory (days)	32.00	39.56	46.28
Turnover of accounts receivable (days)	81.45	47.56	25.47
Liabilities/assets ratio (%)	77.84	78.22	74.52
Equity ratio (%)	22.82	32.06	17.51
Current ratio	1.34	1.12	1.05
Quick ratio	0.98	0.91	0.87
Sales growth (%)	12.85	7.08	18.70
Assets growth (%)	5.26	-2.37	8.65
Equity growth (%)	9.97	33.89	28.57

\* 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.

## CREDIT RATING

### CR4

In assessing 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 closely monitoring 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

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100,000

-- End of the Report --

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