

The Normal Credit Report on the Chinese Enterprise



中国出口信用保险公司
CHINA EXPORT & CREDIT INSURANCE CORPORATION

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****(Customer):
SinoRating sends you this credit report according to your following inquiry on 2010-04-06:

Ref No.:	121-104154-05-107(20100203797)
提供公司名称:	样本进出口有限公司 EXAMPLE IMPORT AND EXPORT CO LTD
提供公司地址:	北京市北四环西路9号样本大厦 EXAMPLE MANSION, NO.9 NORTH 4TH RING WEST ROAD, BEIJING, 100080, CHINA

The Given Name:	EXAMPLE IMPORT & EXPORT CO., LTD.
The Given Address:	BEIJING EXAMPLE MANSION, NO.9, NORTH 4TH RING WEST ROAD
SinoRating Credit Rating	BB
SinoRating Default Rate	2.35~3.99(%)
Explanation	——
Announcement	SinoRating doesn't ensure that subject's English name shown in the report is its legal English name, which is provided just for your reference.

Should you have any questions, please feel free to contact SinoRating at	
Tel:	(8610)66582474
Fax:	(8610)66516097
Email:	sinorating@sinosure.com.cn
Contact Person	Wang Tao
SinoRating Customer Service Center	
2014-01-14	

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COMPANY SUMMARY

SinoRating Ref. No.	CHN000000002
Company Name	EXAMPLE IMPORT & EXPORT CO., LTD.
Operating Address	BEIJING EXAMPLE MANSION, NO.9, NORTH 4TH RING WEST ROAD, HAIDIAN DISTRICT, BEIJING CITY(100080)
Registered Address	BEIJING EXAMPLE MANSION, NO.9, NORTH 4TH RING WEST ROAD, HAIDIAN DISTRICT, BEIJING CITY (100080)
Telephone	(86)10-6280****
Fax	(86)10-8252****
Website	www.example.com.cn
Email	example@example.com.cn
Start Year	1997-06-12
Business Scope	Trader of electronic products
Industry	Wholesale of computers, software and auxiliary equipment
Industry Code	6375
Listed Company	No
Export/Import License	Yes
Sales	295,210,000 (2009)
Net Worth	15,602,000 (2009)
Employee	15
Enterprise Size	Small
Financial Status	OK
Trend	Unstable
Payment Record	Prompt
SinoRating Credit Rating	BB

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SinoRating Default Rate	2.35~3.99(%)
SinoRating Comment	Although subject shows an unstable development trend on the whole, its financial status is OK. SinoRating proposes BB credit rating to subject - below-the-average strength, below-the-average resistance to risk, less acceptable credit status
Remark	Renminbi unless otherwise stated 'Industry Code' is according to the 'National Economic Industry Classification' by National Bureau of Statistics of China. 'Enterprise Size' is divided by Classification Standard of Small, Medium and Large Enterprises constituted by National Bureau of Statistics of China, National Development and Reform Commission of China, and Ministry of Finance of China.

REGISTRATION INFORMATION

Registered Date	1997-06-12
Registry	Beijing City Haidian District Administration for Industry & Commerce
Organization Code	63379****
Value Added Tax No.	*****63379****
Legal Representative	Li Ben
Registration No.	11010800510****
Registered Capital	11,764,706
Company Type	Limited liability Company
Business Licence Valid Until	2024-06-11
Business Scope	Import and export of goods and technologies as well as agency import & export business; no operation is

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	<p>allowed where forbidden by laws, administrative regulations, decision of the State Council or the state's foreign investment enterprise policies; no operation is allowed unless an approval has been obtained from related authority and a registration with related Administration for Industry & Commerce has been transacted if the items are mandated by laws, administrative regulations and decision of the State Council or are restricted by the state's foreign investment enterprise policies; operation shall be at the discretion of the enterprise where no approval is mandated by laws, administrative regulations and decision of the State Council and no restriction is made by the state's foreign investment enterprise policies</p>
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HISTORY

Change Date	Change Content	Before Change	After Change
July 2001	Registered Capital	RMB30 million	RMB10 million
March 2003	Registered Capital	RMB10 million	RMB11,764,706
November 2006	Registration Number	1151****	110108151****
November 2006	Registered Address	3/F, No. 10, Kexueyuan South Road, Haidian District, Beijing City	Current Address

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October 2009	Registration Number	110108151****	Current Number
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OWNERSHIP

Shareholders	Contribution Amount	Shareholding
Example Logistics (China) Co., Ltd.	5,764,706	49%
Example Holdings Ltd.	3,720,000	31.62%
Beijing Example Information Technology Co., Ltd.	2,280,000	19.38%

CHANGES IN SHAREHOLDING STRUCTURE

Change Date	Before Change	After Change
June 1998	Example Group Corp. (literal translation) (80%) Beijing Example Industry Control Corp. (literal translation) (20%)	Beijing Example Computer New Technology Development Corp. (literal translation) (80%) Beijing Example Industry Control Corp. (literal translation) (20%)
July 1998	Beijing Example Computer New Technology Development Corp. (literal translation) (80%) Beijing Example Industry Control Corp. (literal translation) (20%)	Example Group Holdings Ltd. (literal translation) (80%) Beijing Example Industry Control Corp. (literal translation) (20%)
August 2000	Example Group Holdings Ltd. (literal translation) (80%) Beijing Example Industry Control Corp. (literal translation) (20%)	Example Group Holdings Ltd. (literal translation) (70%) Beijing Example Information Technology Co., Ltd. (literal translation) (30%)

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	translation) (20%)	translation) (30%)
July 2001	Example Group Holdings Ltd. (literal translation) (70%) Beijing Example Information Technology Co., Ltd. (literal translation) (30%)	Example Group Holdings Ltd. (literal translation) (80%) Beijing Example Information Technology Co., Ltd. (literal translation) (20%)
November 2001	Example Group Holdings Ltd. (literal translation) (80%) Beijing Example Information Technology Co., Ltd. (literal translation) (20%)	Example Holdings Ltd. (62%) Xu Guobing (20%) Tan Bo (18%)
November 2002	Example Holdings Ltd. (62%) Xu Guobing (20%) Tan Bo (18%)	Example Holdings Ltd. (62%) Beijing Example Information Technology Co., Ltd. (literal translation) (38%)
March 2003	Example Holdings Ltd. (62%) Beijing Example Information Technology Co., Ltd. (literal translation) (38%)	Du Huili (49%) Example Holdings Ltd. (31.62%) Beijing Example Information Technology Co., Ltd. (literal translation) (19.38%)
November 15, 2008	Du Huili (49%) Example Holdings Ltd. (31.62%) Beijing Example Information Technology Co., Ltd. (literal translation) (19.38%)	Current Structure

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PARENT INFORMATION

SinoRating Ref. Number	CHN000756526
Company Name	Example Logistics (China) Co., Ltd.
Address	OFFICE BUILDING, EXAMPLE PLAZA, NO. 268, TIBET MIDDLE ROAD, SHANGHAI CITY
Postalcode	200001
Telephone	(86)21-2301****
Fax	(86)21-6340****
Company Type	Wholly Foreign Owned Enterprise
Registered Capital	USD2,200,000
Shares Hold	49%
<p>The company mainly provides freight forwarding service, including shipping space, container assembly & disassembly, storage, issuing cargo receipt, collecting freight and other approved fee, maintaining container and equipment. Meanwhile, it supplies transportation service.</p> <p>The company is a wholly foreign-owned enterprise invested by EXAMPLE LOGISITICS AMERICAS LTD. With more than 150 years of history in the fields of transportation and logistics, EXAMPLE LOGISITICS AMERICAS LTD. is one of the most important logistics service providers in the world.</p> <p>As of 2007, the company reported total assets of RMB395 million, sales of RMB815 million and net income of about RMB60 million.</p>	

OTHER SHAREHOLDERS

SinoRating Ref. Number	CHN000014647
Company Name	EXAMPLE HOLDINGS LTD.
Address	EXAMPLE CENTER, KEXUEYUAN SOUTH ROAD, HAIDIAN DISTRICT, BEIJING CITY

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Postalcode	100080
Telephone	(86)10-6250****
Fax	(86)10-6256****
Company Type	Limited Liability Company
Registered Capital	660,860,380
Shares Hold	31.62%
<p>Originally, the company was a computer development enterprise founded by Institute of Computing Technology, Chinese Academy of Sciences in 1984 with the investment of RMB200,000. Along with years of development, in 2008 the company reported a total turnover of RMB115.2 billion and total assets of RMB64.4 billion. The accumulated tax paid over the years totaled RMB12.6 billion. It now has nearly 30,000 employees.</p> <p>At present, the company sets foot in such 3 industries as IT, equity investment and real estate. So far, the company has set up 5 subsidiary companies, including Example Group, Digital China, Example Capital, Raycom Real Estate, etc.</p> <p>Website: www.exampleholdings.com.cn</p>	

SinoRating Ref. Number	CHN001143464
Company Name	Beijing Example Information Technology Co., Ltd.
Country/Region	CHINA
Shares Hold	19.38%
<p>As a distributor, the company mainly supplies gasoline additive and diesel fuel additive. At present, the company is a franchised distributor of the UK Nielsen Automobile Care China Development Head Office (literal translation), and provides the products under the brand of "Nielsen" and automobile service technology for customers.</p>	

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KEY EXECUTIVES

Name	Yan , Guoqiang
Title	General Manager
Gender	Male
Passport No.	C59****(Hong Kong)
Responsibility	Overall Management

Name	Li , Ben
Title	Chairman of the Board
Gender	Male
Age	69
ID Card No.	1101084101*****
Education	Bachelor Degree

From 1960 to 1965, he studied in Beijing Institute of Machinery.

From 1965 to 1985, he worked in Institute of Computing Technology, Chinese Academy of Sciences.

In 1985, he, as the early entrepreneur, participated in the establishment of New Technology Development Corporation of Institute of Computing Technology, Chinese Academy of Sciences (literal translation) (the predecessor of EXAMPLE).

Now, he works as Executive Vice President in Example Holdings Ltd., and Chairman of Board of Directors in Digital China Holdings Limited.

Since subject was founded, he has concurrently acted as subject's Chairman of the Board.

----- Turn the Page -----

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FINANCIALS

Balance Sheet (in thousands)

	2009-12-31	2008-12-31
Source	3rd party	3rd party
Cash	11,180	19,679
Dividends Receivable	33	33
Accounts Receivable	39,336	61,000
Other Accounts Receivable	51,596	45,430
Advances to Suppliers	18,814	21,850
Inventory	59,190	37,524
Prepaid Expenses		229
Total Current Assets	180,149	185,745
Long-Term Equity Investments	11,877	
Total Long-Term Investments	11,877	7,890
Fixed Assets		4,365
-Accumulated Depreciation		3,125
Net Fixed Assets	951	1,240
Net Value of Fixed Assets	951	1,240
Total Fixed Assets	951	1,240
Intangible Assets	109	315
Intangible Assets and Other Assets	109	315
Deferred Taxation Charges	254	
Deferred Taxation	254	
Total Assets	193,340	195,190

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Short-term Loans	5,167	13,579
Accounts Payable	88,676	86,951
Advances from Customers	38,515	36,481
Accrued Payroll	605	655
Welfare Payable		352
Dividends Payable	361	361
Tax Payable	-5,801	-2,288
Other Taxes Payable		32
Other Payable	50,215	48,373
Accrued Expense		156
Total Current Liabilities	177,738	184,652
Total Liabilities	177,738	184,652
Paid-in Capital	11,765	11,765
Capital Reserve	870	870
Surplus Reserve	4,437	4,627
Accumulated Profits	-1,470	-6,724
Total Owner's Equity	15,602	10,538
Total Liabilities and Owner's Equity	193,340	195,190

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Income Statement (in thousands)

	FY2009	FY2008
Source	3rd party	3rd party
Sales	295,210	349,328
- Cost of Goods Sold	290,613	341,526
Sales Tax	487	635
Gross Profit	4,110	7,167
- Administrative Expenses	4,369	6,319
Operating Expenses	1,615	3,615
Financial Expenses	-4,672	-4,710
Income from Operations	2,798	1,943
+ Return on Investment		-1
Non-operating Income	35	858
- Non-operating Expense	354	141
Income before Income Taxes	2,479	2,659
- Income Taxes	641	1,350
Net Income	1,838	1,309

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Key Financial Figures (in thousands)

	2009-12-31	2008-12-31
Source	3rd party	3rd party
Sales	295,210	349,328
Net Income	1,838	1,309
Total Assets	193,340	195,190
Working Capital	2,411	1,093
Total Liabilities	177,738	184,652
Net Assets	15,602	10,538

Key Financial Ratios

	FY2009	FY2008
Source	3rd party	3rd party
Current Ratio	1.01	1.01
Quick Ratio	0.68	0.8
Accounts Receivable Collection Period	61	63
Accounts Payable Payment Period	109	92
Days in Inventory	60	40
Asset Turnover	1.52	1.79
Debts to Total Assets Ratio(%)	91.93	94.6
Liabilities to Equity(%)	1139.2	1752.25
Return on Assets(%)	0.95	0.67
Return on Net Assets (%)	11.78	12.42
Operating Profit Margin (%)	1.56	2.23
Profit Margin(%)	0.62	0.37

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Industry Comparison

	Subject Data	*Percentile 25	*Median	*Percentile 75
	FY2009	FY2009	FY2009	FY2009
Current Ratio	1.01	1.21	1.52	2.08
Quick Ratio	0.68	.83	1.14	1.53
Accounts Receivable Collection Period	61	15	22	50
Accounts Payable Payment Period	109	11	27	63
Days in Inventory	60	8	24	44
Asset Turnover	1.52	2.18	3.87	6.6
Debts to Total Assets Ratio(%)	91.93	46.81	64.79	80.16
Liabilities to Equity(%)	1139.2	887.99	984.04	1204.07
Return on Assets(%)	0.95	.06	.5	2.01
Return on Net Assets (%)	11.78	.2	1.34	8.06
Operating Profit Margin (%)	1.56	3.43	5.68	12.35
Profit Margin(%)	0.62	.02	.1	.39

*Note: If there are 100 companies in the same industry, SinoRating will rank the data under the same ratio from the smallest to the largest. Percentile 25% is the figure ranked 25th. Medium is the figure ranked 50th while percentile 75% is that ranked 75th. By using this comparison, one can have a clear idea of the status of subject's financial ratio in its industry. '--' means that SinoRating does not have enough industry data to generate the comparison.

SinoRating Explanation

Subject's financial staff refused to verify its financial figures on the ground of

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confidentiality, but stated that its customers were influenced by the financial crisis in 2009, which affected its sales indirectly, therefore, its sales in 2009 dropped by about 15% compared with that in 2008, however, its sales would turn better in 2010.

BANKING

Main Correspondent	Bank of China Beijing Branch, Example Mansion
Bank(s)	Sub-branch
Bank Telephone	010-6280****
RMB Account Number	07817808*****

According to the staff from the bank, subject, as one of important customers with relatively big settlement amount in the bank, operates at the same office building with the bank. Subject has kept pleasant cooperation relation with the bank. No negative credit record against subject is found for the time being.

OPERATIONS

Core Business

Trader of electronic products

Subject is principally engaged in import and export of electronic components, electronic equipment, electromechanical equipment, network server, etc. on the self-operation and commission basis. Without domestic business, subject mainly conducts import business (accounting for more than 95% of total business), and its export business accounts for a small proportion. Its domestic business is in the charge of its affiliated companies.

Subject not only provides service for the companies under EXAMPLE Group, but also provides service for other companies. At present, subject has many customers, all of which are domestic well-known electronic product manufacturers.

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Sales

Export Record		
Export to (2009)	UNITED STATES	67.8%
	Czech Republic	20.3%
	HONG KONG, CHINA	9.41%
	GERMANY	1.91%
	Others	.58%
	* Remark: subject exports products to the above regions in the latest year.	
Export Volume	USD 1,155,060 (2009) USD 13,916,008 (2008) USD 23,208,364 (2007) USD 30,860,909 (2006)	
Export*	Electric machinery, electric, audio-video equipment and its parts and accessories/ Nuclear reactor, boiler, mechanical apparatus and its parts/ Equipment and its parts and accessories for optics, photography and medical treatment/ Steels/ Base metal appliance, sharp edge appliance, tableware and accessories *Note: Commodity names shown herein are not subject's actual import/export product name, but category name classified by China Customs.	
Trade Term for Export	Trade Term	Proportion(%)
	General Trade	100
	Other Trade	0
Payment Term for Export	Payment Term	Proportion (%)
	T/T	11.86
	L/C	88.14
Remark		
According to subject's staff, the products exported by subject are all electronic components, PC computer, etc., most of which are sold to the USA. Subject's export business accounts for a small proportion and is generally conducted on the self-operation basis. Subject usually settles with customers by T/T, and allows		

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them to make payment after the receipt of goods.

Subject's staff confirmed the import & export volume in the report, and stated that its sales in 2009 dropped greatly due to the influence by the financial crisis, but its sales would turn better in 2010.

Purchase

Import Record		
Import from (2009)	CHINA	63.54%
	UNITED STATES	5.8%
	HONG KONG, CHINA	5.61%
	SINGAPORE	4.42%
	SOUTH KOREA	4.35%
	JAPAN	4.31%
	Others	3.39%
	Taiwan Province	2.85%
	GERMANY	2.63%
	VIETNAM	2.09%
	PHILIPPINES	1.01%
* Remark: subject imports products from the above regions in the latest year.		
Import Volume	USD 94,551,748 (2009) USD 152,762,513 (2008) USD 190,315,064 (2007) USD 168,689,989 (2006)	
Import*	Electric machinery, electric, audio-video equipment and its parts and accessories/ Nuclear reactor, boiler, mechanical apparatus and its parts/ Equipment and its parts and accessories for optics, photography and medical treatment/ Steels/ Base metal appliance, sharp edge appliance, tableware and accessories	

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	*Note: Commodity names shown herein are not subject's actual import/export product name, but category name classified by China Customs.	
Trade Term for Import	Trade Term	Proportion(%)
	General Trade	100
	Other Trade	0
Remark		
According to subject's staff, as for its import business either on the self-operation basis or on the commission basis, its foreign suppliers are all appointed by its customers directly. At present, the products imported by subject are mainly electronic components, electronic equipment, electromechanical equipment and server. Subject usually advances from domestic customers, and then pays to foreign suppliers in the manner of T/T.		

Premises

Operating Space	300 square meters
Owned/Rented	Rented
Location	Main Commercial District

Employees

Total Employees	15
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PAYMENT RECORDS

Date	2010-04-09
Comment	Prompt
Payment Term	T/T Remittance 60 days
Relationship	3 years
Supply	Computer

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According to Sales Manager from the company, the company has kept business relation with subject since the company commenced formal production in 2006. The company exports its computers through subject. Their business amount hit about USD1.5 million in 2007, and rose to some extent in 2008. Since 2008, the credit term granted by the company to subject has been prolonged from 30 days to 60 days. Subject has maintained very good payment record.

AFFILIATE INFORMATION

SinoRating Ref. Number	CHN001194896
Company Name	EXAMPLE -ZHIQIN (BEIJING) INTERNATIONAL FREIGHT FORWARDING CO., LTD. (LITERAL TRANSLATION)
Address	ROOM 318, EXAMPLE MANSION, NO.9, NORTH 4TH RING WEST ROAD, HAIDIAN DISTRICT, BEIJING CITY
Postalcode	100080
Telephone	(86)10-6280****
Fax	(86)10-8252****

The company operates at the same address with subject and shares the same telephone exchange with subject. But the company mainly conducts domestic business and isn't involved in import & export business.

LITIGATION

As of report date, no litigation record has been found against subject through our searching the website of local court, other courts and major search engines.

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PUBLIC INFORMATION

As of report date, SinoRating did not find any negative information about subject.

INDUSTRY ANALYSIS

China has developed into an important electronic information product base in the world. In 2008, the sales amount of PC, including desk-top PC, notebook computer and PC server reached 32,185,000 sets, up by 15.2% year-on-year. In view of product variety, the sales amount of notebook computer hit 9,018,000 sets, up by 43.2% year-on-year, which was still the main power of driving the market. Besides, the sales amount of desk-top PC was 22,489,000 sets, up by 6.8% year-on-year with the enlarged growth rate against that in 2007. The sales amount of netbook was 510,000 sets in domestic market, increasing by nearly 20 times compared with that in the previous year, which is expected to become another growth point in the market. In 2008, the sales volume of notebook computer reached RMB63.55 billion, up by 27.1% year-on-year, desk-top PC RMB85.37 billion, down by 0.8% year-on-year. From January to April of 2009, software industry achieved RMB255.22 billion of sales income, up by 23.5% year-on-year. Due to the depressive global economy, the demand from overseas market has reduced, which has exerted impact on the growth rate of computer industry, especially hardware industry which relies greatly on export. In 2008, the export of computer products slipped a lot. In 2008, the export value of computer products amounted to USD78.55 billion, up by 15.5% year-on-year, with the growth rate down 34 percentage points. In response to the financial crisis, the Chinese government launched 10 measures to enlarge domestic demand in November 2008, which offers more market opportunities to the computer and software companies with proprietary intellectual property rights. Meanwhile, Ministry of Industry and Information Technology also promised policy supports for software and other industries. Nevertheless, the international financial crisis begins to encroach on

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the Chinese market, so enterprises generally reduce IT expenses, particularly the purchasing power of small-and-medium-sized enterprises which have been keeping relatively high growth rate declines obviously. In consumption market, the purchasing power also shows a downward trend. The market is suppressed by more and more prudent consumer behavior.

SINORATING SUMMARY

Historical Development

Subject was registered with Beijing City Haidian District Administration for Industry & Commerce on June 12, 1997. It is a limited liability company invested by Example Logistics (China) Co., Ltd., Example Holdings Ltd. and Beijing Example Information Technology Co., Ltd. (literal translation) with the registered capital of RMB11.76 million.

Current Operating Status

Subject is principally engaged in import and export of electronic components on the self-operation and commission basis. At present, its export business is conducted on the self-operation basis and accounts for a small proportion, while its import business is conducted on the self-operation and commission basis. As for import business either on the self-operation basis or on the commission basis, its foreign suppliers are all appointed by its customers directly. Due to the indirect influence by the financial crisis, subject's business amount in 2009 dropped obviously.

Financial Analysis

The analysis on subject's financial information for 2009 shows that its liquidity ratios were relatively low, and quick ratio dropped to some extent compared with that in 2008, indicating slightly small working capital and comparatively weak short-term solvency; its debts to total assets ratio dropped slightly against that in 2008, but was still at a relatively high level, reflecting unsound financial security and long-term

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solvency; its accounts receivable collection period and accounts payable payment period were slightly long, and its accounts payable payment period in 2009 lengthened obviously compared with that in 2008, demonstrating fairly weak operating capacity; its sales was rather big on the whole, but dropped by about 15.5% in 2009 against that in 2008, revealing that its business scale shrank; meanwhile, its profit margin was slightly low, denoting somewhat weak profitability.

Credit Status

The banks, suppliers and other third party interviewed by SinoRating made a good comment on subject's credit standing.

Generally speaking, subject's business amount declines. Meanwhile, with unsound profitability and slightly tense working capital, subject shows an unstable development trend.

----- Turn the Page -----

SINORATING CREDIT RATING**Rating Result**

Rating Symbol	Definition	Default Rate(%)
AAA	Very strong strength, very high resistance to risk, excellent credit status	0~0.17
AA	Strong strength, high resistance to risk, good credit status	0.17~0.72
A	Relatively strong strength, relatively high resistance to risk, normal credit status	0.72~1.16
BBB	Average strength, average resistance to risk, acceptable credit status	1.16~2.35
BB	Below-the-average strength, below-the-average resistance to risk, less acceptable credit status	2.35~3.99
B	Relatively weak strength, relatively low resistance to risk, passable credit status	3.99~6.10
CCC	Weak strength, low resistance to risk, relatively poor credit status	6.10~10.14
CC	Very weak strength, very low resistance to risk, poor credit status	10.14~13.44
C	On the verge of bankruptcy, basically discredited	>13.44
NR	Subject is not rated because it is established for no more than one year or it goes out of business or information is not enough	

Principal Consulting Index and Weight of Credit Rating

Rating Factors	Weight
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Key executives, employees & organizational structure	10%
Company background and operational status	20%
Enterprise size	15%
Financial status	30%
Company development	10%
Competitiveness and industry analysis	10%
Company and industry prospect	5%
Total	100%
Special factors	-10%~~~+10%

----- *End of Report* -----

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