

### Business Credit Report

Your Enquiry [REDACTED]

Given Address WEST XINGBIN ROAD,INDUSTRY ZONE,SHAOXING COUNTY  
ZHEJIANG CHINA

Given Telephone [REDACTED]

Given Facsimile [REDACTED]

Date of Enquiry Dec 21,2010

Report Type Business Credit Report

Type of Enquiry Normal

Date of Completion Dec 24,2010

Sinotrust No. [REDACTED]

Subject Name [REDACTED] obtained from official  
sources)

Business Address [REDACTED]  
[REDACTED]

Zip Code [REDACTED]

Telephone [REDACTED]

Facsimile [REDACTED]

Website [www.glass.com](http://www.glass.com)

AIC Registration No. [REDACTED]

Organization Code [REDACTED]

### INVESTIGATION NOTES

## Sua Ponte entre Brasil e China

The given address "[REDACTED]" is Subject's registered address. According to Subject's staff, Subject is located at a crossing and its business address is "[REDACTED]", which is actually the same address with the registered address. They are two different descriptions of the same address.

Report Date: 23/12/2010  
Report Type: Business Credit Report

Currency in this report is Chinese yuan unless otherwise stated.

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

Registered Address: [REDACTED]

Zip Code: [REDACTED]

Telephone: [REDACTED]

Business Address: [REDACTED]

Zip Code: [REDACTED]

Telephone: [REDACTED]

Facsimile: [REDACTED]

Website: [www.glass.com](http://www.glass.com)

Organization Code: [REDACTED]

SIC Code (China): [3140, Glass & glass products manufacturing industry](#)

ISIC Code: 2610, Manufacture of glass and glass products

NACE Code:

## SUMMARY

Date of Establishment: Jun 23, 2006

Legal Status: Limited liability company (natural person-funded or -controlled)

Registered Capital: 10,000,000.00

Main Business: Production and sales of glassware

Turnover: 18,308,000.00 (2009)

Net Profit: -38,000.00 (2009)

Total Assets: 114,511,000.00 (Dec 31, 2009)

Net Worth: 6,014,000.00 (Dec 31, 2009)

Employees: 400

Import and Export Permits: Self-run import and export permits

Credit Rating: CR5

Base Credit Limit: 400,000

#### REGISTRATION

Date of Establishment: Jun 23, 2006

Registry: Shaoxing County Administration for Commerce and Industry

Legal Representative: [REDACTED]

AIC Registration Number: [REDACTED]

Legal Status: Limited liability company (natural person-funded or -controlled)

Registered Capital: 10,000,000.00

Business Scope: Processing and sales of wooded products (excluding pinewood); production, processing and distribution of glassware, metal parts and glass sanitary products; R&D, production, processing and distribution of TV sets, displays, computers, digital players, navigating instrument and auxiliary equipment and spare parts; distribution of plastic products and wooded products; import and export of commodities (excluding those forbidden by laws and administrative regulations)

Duration of Operation: From Jun 23, 2006 To Jun 20, 2026

Changes in Registration: In Aug. 2006, Subject's shareholders were changed from [REDACTED] [REDACTED] (RMB6 million) and [REDACTED] (RMB4 million) to [REDACTED] [REDACTED] (RMB6 million) and [REDACTED] (RMB4 million).

In May 2007, Subject's shareholders were changed to [REDACTED] (RMB9.5 million) and [REDACTED] (RMB500,000).

In Dec. 2008, Subject's registration number was changed from [REDACTED] to [REDACTED].

In Mar. 2010, Subject's shareholders were changed to [REDACTED] (RMB9.5 million) and [REDACTED] (RMB500,000).

In Nov. 2010, Subject's business scope was changed from "production, processing and distribution of glassware, metal parts and glass sanitary products; R&D, production, processing and distribution of TV sets, displays, computers, digital players, navigating instrument and auxiliary equipment and spare parts; distribution of plastic products and wooded products; import and export of commodities (operation shall be subject to a license where applicable)" to the present one.

## SHAREHOLDERS AND SHARES

As indicated in the following table:

Shareholders	Capital Subscribed	Percentage
[REDACTED]	9,500,000.00	95.00%
[REDACTED]	500,000.00	5.00%
	-----	-----
Total	10,000,000.00	100.00%

Shareholders	Paid-up percentage
[REDACTED]	100.00%
[REDACTED]	100.00%

## BACKGROUND OF MAJOR SHAREHOLDERS

Name: [REDACTED]

ID Card No.: [REDACTED]

## HISTORY

Jun 2006	Subject was registered and incorporated.
Dec 2008	Subject reported an annual principal operating income of RMB10,865,000 and a total profit of RMB-2,445,000.
Dec 2009	Subject reported an annual principal operating income of RMB18,308,000 and a total profit of RMB18,000.

#### MAIN EXECUTIVE(S)

Name:	[REDACTED]
Post:	Executive Director
Gender	Male
Date of Birth:	Jun. 4, 1970
ID Card No.:	[REDACTED]
Working Experience:	Currently with Subject as Executive Director

#### AFFILIATE(S)

Name:	[REDACTED]
Interest of Subject:	0.16%

#### BANKING RELATIONSHIP

Account Bank:	China Construction Bank, Shaoxing Branch, Xinghuo Sub-branch
Account No.(RMB):	[REDACTED]
Tel. of Interviewee:	[REDACTED]
Remarks of Interviewee:	The bank clerk confirmed that Subject has cancelled this account now.
Date of Interview:	Dec 22, 2010

Account Bank:	Agricultural Bank of China, Shaoxing Shaoxing County Branch Qixian Sub-branch
Account No.(RMB):	[REDACTED]
Tel. of Interviewee:	[REDACTED]

Remarks of Interviewee: The bank clerk confirmed that Subject has cancelled this account now.

Date of Interview: Dec 22, 2010

### NUMBER OF EMPLOYEES

Employees: 400

### OFFICE FACILITIES

Geographic Location: Subject is located at [REDACTED], Binhai Industrial Zone, Shaoxing County, Shaoxing, Zhejiang with its area unavailable, enjoying relatively convenient traffic.  
Property Ownership: N/A.

### MAIN BUSINESS

Main Business: Production and sales of glassware

Products and Services: Subject is specialized in deep processing of glass, wash basin and silver mirror. Currently, its products are mainly 0.75-19mm float glass, 2-6mm silver mirror and aluminum mirror, full tempered glass basin, mirror frames, bathroom mirror, bath cabinet, shower cabinet, faucet, hardware hanging pieces and related products.

Thus far, no trademark registration record has been found from Trademark Office of State Administration for Industry and Commerce of the PRC.

Thus far, no patent application record has been found from State Intellectual Property Office of the PRC.

### PURCHASING INFORMATION

Main Commodities Purchased: Glass, glass coating, metal components, processing and production equipment, testing equipment, packaging materials, etc.

Number of Major Suppliers: Around ten

Major Suppliers: [REDACTED]

Main Terms of Payment: Normally Immediate payment or credit of 30-60 days for domestic purchases and L/C or T/T for imports

Subject makes purchases both at home and abroad. Its production raw materials are mostly finished glass. It mainly makes purchases in Jiangsu and Zhejiang. In addition, Subject has complete sets of computer rabbeting machines, computer lace machines, wide-brimmed machines, straight-sided machines, beveling machines and melting furnaces, toughening furnaces and other

advanced hardware devices, which are mainly imported from Italy, France, etc.

The information above was provided by Subject's staff on Dec. 22, 2010.

### SALES INFORMATION

Domestic: 30%

Regions: East China, South China, North China, etc.

Domestic Customers (Industries): Traders, sanitary ware distributors, etc.

Sales Terms: Immediate payment, prepayment or credit payment

Overseas: 70%

Regions: Europe, America, Southeast Asia, the Middle East, Australia and other countries and regions

International Customers (Industries): Distributors, supermarkets, etc.

Sales Terms: L/C or T/T

Subject is mainly engaged in production and sales of glass and processing and production of glass wash basin mirror. Currently, its products are mainly for export, especially to the Middle East and Thailand. Currently, Subject's products include computer carved mirror, sandblast mirror, color artistic mirror, lace wavy mirror, new-type dressing mirror, electronic spray mirror, etc. Its full glass siamesed aluminum basin series are made of internationally advanced Yaohua Pilkington thick glass. Subject has accumulated certain customer groups in the international market.

The information above was provided by Subject's staff on Dec. 22, 2010.

### IMPORT & EXPORT

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

### CREDIT RECORDS

Name of Supplier: [REDACTED]

Main Commodities Supplied: Application system software

Post of Interviewee: Business clerk

Tel. of Interviewee: 05XX-5XXXXX80



Remarks of Interviewee: It is confirmed that Subject is a customer of the said company. Subject's credit standing is sound without any intended arrears.

Date of Interview: Dec 22, 2010

Litigation Record: Name of party against whom execution issues: [REDACTED]  
[REDACTED]  
Court: Shaoxing County People's Court  
Date of initiation: Mar. 15, 2010  
Case number: (2010) SZMZ No. [REDACTED]  
Case status: Closed

Source: <http://zhi.court.gov.cn/search/>

Date of Acquisition : Dec 22, 2010

Litigation Record: Name of party against whom execution issues: [REDACTED]  
[REDACTED]  
Court: Shaoxing County People's Court  
Date of initiation: Mar. 15, 2010  
Case number: (2010) SZMZ No [REDACTED]  
Case status: Closed

Source: <http://zhi.court.gov.cn/search/>

Date of Acquisition : Dec 22, 2010

## FINANCE

Balance Sheet (Unit: 1,000):

	Dec 31, 2009 (Unconsolidated)	Dec 31, 2008 (Unconsolidated)
Total assets	114,511	79,550
Including:		
Total current assets	101,232	68,407
Including:		
Cash & bank	28,315	18,233
Accounts receivable	942	441
Provision for bad debts	0	0

Accounts receivable, net	942	441
Prepayment	1,621	1,081
Other receivables	62,077	43,443
Amount to be amortized	0	13
Inventory	8,277	5,196
LT investment	6,466	6,466
Total fixed assets	6,813	4,677
Including:		
Fixed assets at cost	8,843	5,869
Accumulated depreciation	2,030	1,192
Fixed assets, net	6,813	4,677
Total intang. & defer. assets	0	0
Other LT assets	0	0
Total liab. & shareholders' equity	114,511	79,550
Total liab	108,497	73,471
Including:		
Total current liab.	108,497	73,471
Including:		
ST loans	73,000	54,000
Bills payable	28,205	19,338
Accounts payable	2,275	3,625
Advances from customers	396	469
Tax unpaid	-357	7
Other unpaid	3	2
Other payables	4,975	-3,970
Total long-term liabilities	0	0
Total shareholders' equity	6,014	6,079

Including:

Paid-up capital	10,000	10,000
Unappropriated profit	-3,986	-3,921

Income Statement (Unit: 1,000):

	2009	2008
Principal operating income	18,308	10,865
Principal operating costs	12,568	8,017
Sales tax and additional	0	4
Principal operating profit	5,740	2,844
Other operating profit	13	1
Selling expenses	746	480
General administration expenses	1,278	770
Financial expenses	3,692	4,014
Operating profit	37	-2,419
Non-operating income	0	0
Non-operating expenses	19	26
Total profit	18	-2,445
Income tax	56	1
Net profit	-38	-2,446

Important Ratios:

	2009	2008
Return on net assets (%)	-0.63	-40.24
Return on total assets (%)	-0.03	-3.07
Net profit margin (%)	-0.21	-22.51
Turnover of total assets	0.16	0.14
Turnover of current assets	0.18	0.16
Turnover of accounts receivable	19.44	24.64

Liabilities/assets ratio (%)	94.75	92.36
Current ratio	0.93	0.93
Quick ratio	0.86	0.86
Sources	Government	Government
Whether audited or not	Yes	Yes

## 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.

Subject's shareholders' equity of 2009 decreased to some extent compared with that of 2008 because Subject suffered losses in 2009 and it adjusted unappropriated profit.

## INDUSTRIAL COMPARISON

SIC Code (China): 3140, Glass & glass products manufacturing industry

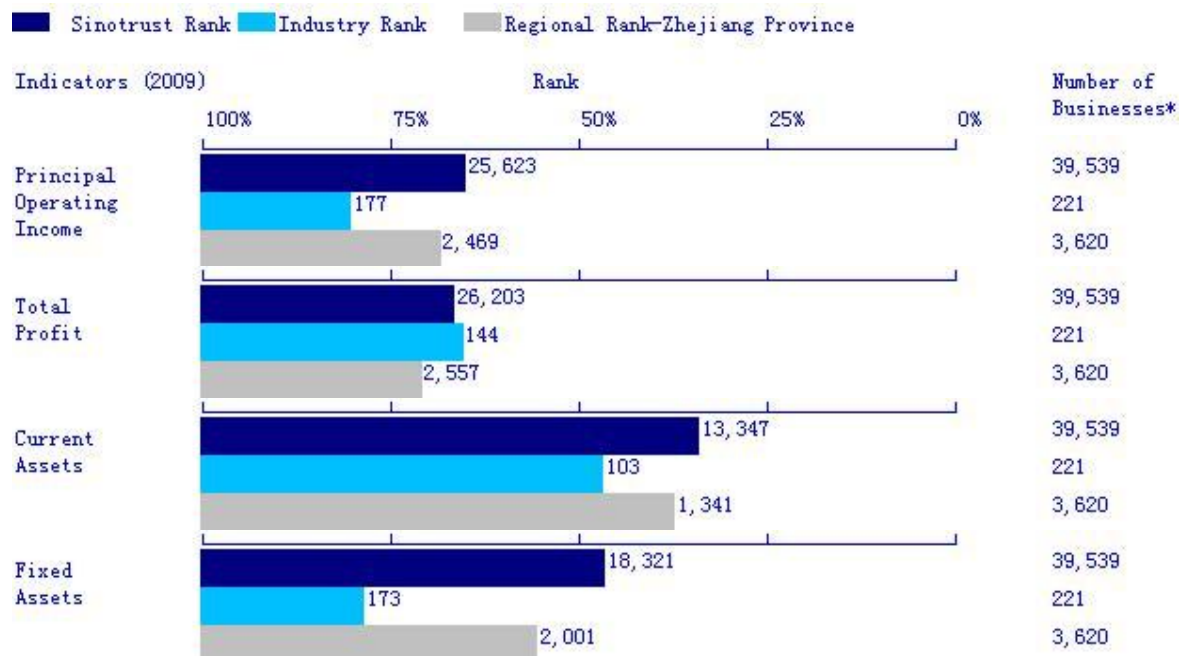
Indicators (2009)	Subject	Industry Top	Industry Average	Industry Bottom (221*)
Return on net assets (%)	-0.63	47.11	9.82	-39.93
Return on total assets (%)	-0.03	20.65	3.67	-12.61
Net profit margin (%)	-0.21	30.28	6.83	-35.44
Turnover of total assets	0.16	1.80	0.48	0.17
Turnover of current assets	0.18	3.35	1.24	0.45
Turnover of accounts receivable	19.44	34.99	4.90	1.78
Liabilities/assets ratio (%)	94.75	20.56	60.19	100.14
Current ratio	0.93	2.36	0.85	0.38
Quick ratio	0.86	1.88	0.66	0.18
Indicators (2008)	Subject	Industry Top	Industry Average	Industry Bottom (583*)
Return on net assets (%)	-40.24	43.97	5.99	-49.53

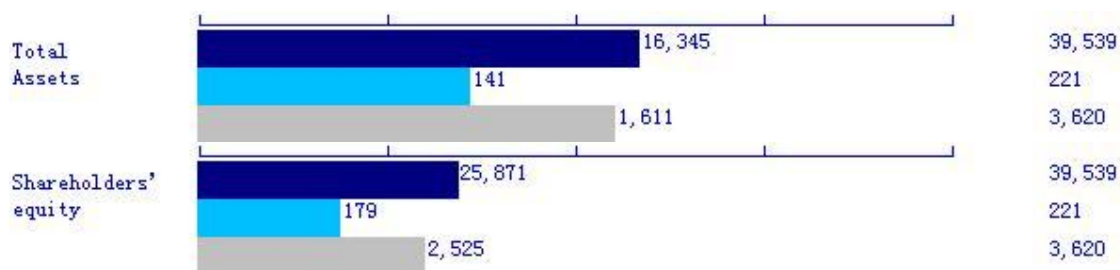
Return on total assets (%)	-3.07	17.97	1.89	-17.56
Net profit margin (%)	-22.51	20.15	3.38	-39.82
Turnover of total assets	0.14	3.00	0.55	0.16
Turnover of current assets	0.16	6.72	1.48	0.39
Turnover of accounts receivable	24.64	105.48	7.03	1.83
Liabilities/assets ratio (%)	92.36	11.91	60.50	107.27
Current ratio	0.93	5.29	0.82	0.31
Quick ratio	0.86	3.35	0.58	0.12

\* 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. The industry top is the average of the top 10% businesses in the same line ranked from high to low (liabilities/assets ratio is the only exception that is ranked from low to high) and the industry bottom, the average of the bottom 10% businesses.

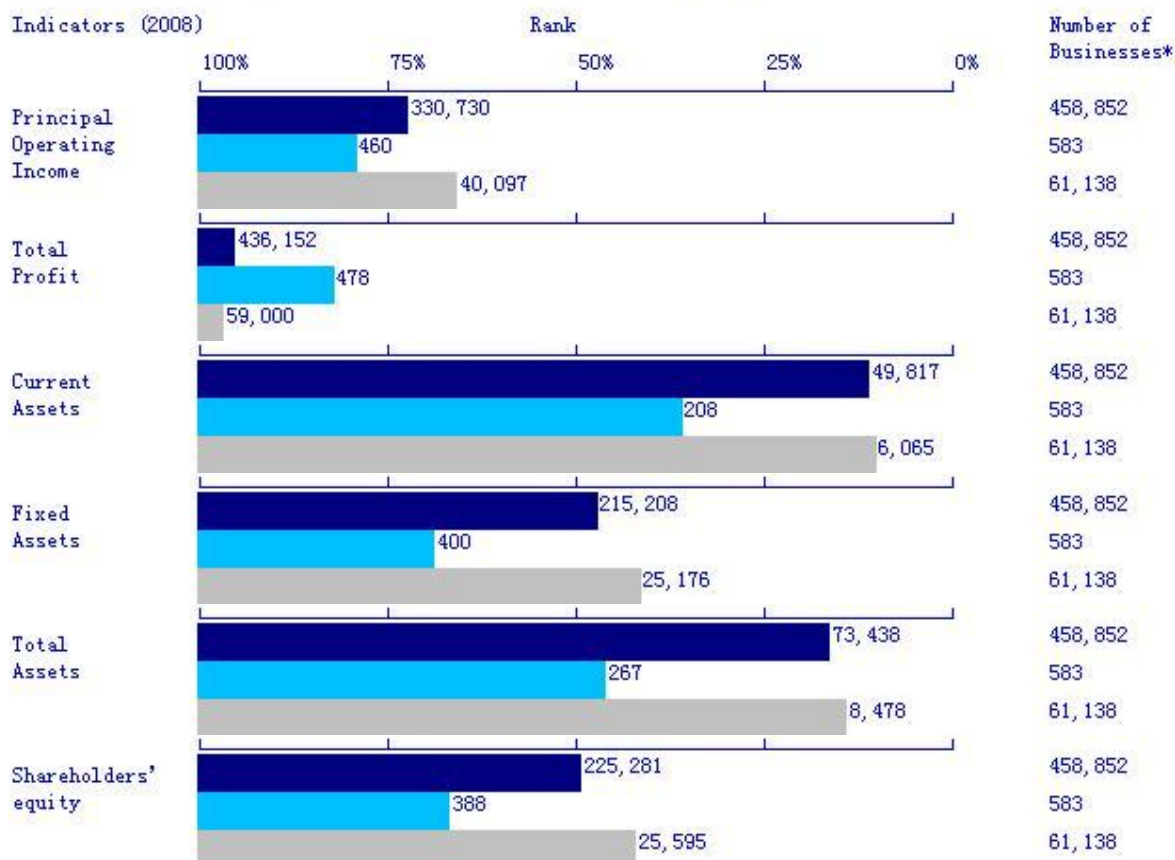
## FINANCIAL INDEX RANK

The bar figure below respectively indicates the subject company's industry rank, regional rank among all businesses in the databank.





■ Sinotrust Rank ■ Industry Rank ■ Regional Rank-Zhejiang Province



\* The figure refers to the number of all businesses in the same line (for Industry Rank), in the same region (for Regional Rank).

## ANALYSIS OF INDUSTRIAL COMPARISON

In 2009, all of Subject's profit indicators were negative and Subject was in losses, showing relatively weak profitability; Subject's assets liquidity was unsatisfactory in that its assets turnover indicators were below the industry averages; its turnover of accounts receivable was higher than the industry average, indicating rather good collection ability of goods payment; in addition, Subject's liabilities/assets ratio was higher than the industry average, suggesting relatively weak long-term solvency; its current ratio was basically equal to the industry average and its quick ratio was slightly higher than the industry average, implying relatively good short-term solvency.

## INDUSTRY PROFILE

3140, Glass & glass products manufacturing industry

Definition:

This industry involves the production of glass and glass products of various shapes, glass fiber and related products, and the activities of reproducing glass products with scrap glass and scrap glass fiber. This industry contains such sub-industries as flat glass manufacturing, technical glass products manufacturing, optical glass manufacturing, glass instruments manufacturing, daily-use glass products and glass packing containers manufacturing, heat-preservation glass containers manufacturing, glass fiber and glass fiber products manufacturing, glass fiber reinforced plastic products manufacturing, and other glass products manufacturing.

Status Quo & Trend:

The glass & glass products manufacturing industry is an important part of China's industrial products manufacturing sector. Though the effect of financial crisis still exists, the rapid developments of such important downstream industries as real estate and automobile have fueled the rally of the industry. In the first two months of 2010, the industry totally realized an income of 58,570,677,000 yuan, up 36.35%, and a profit of 4,632,785,000 yuan, up 247% year-on-year. The industry maintains a quite good developing status.

In 2008, China once released a string of documents on the macro regulation and control of glass industry. The fulfillment and implementation of these documents will effectively boost the alternation of industry development way, the adjustment of industry structure and the control over production capacity's fast growth and create rare developing opportunities for the large-scale backbone enterprises featuring strong technical strength and outstanding product quality.

## INDUSTRY FINANCIAL RATIOS

SIC Code (China): 3140, Glass & glass products manufacturing industry

	2009(221*)	2008(583*)	2007(496*)
Return on net assets (%)	9.82	5.99	11.68
Return on total assets (%)	3.67	1.89	4.20
Net profit margin (%)	6.83	3.38	7.70
Turnover of total assets	0.48	0.55	0.58
Turnover of current assets	1.24	1.48	1.58
Turnover of accounts receivable	4.90	7.03	6.94

Liabilities/assets ratio (%)	60.19	60.50	58.58
Current ratio	0.85	0.82	0.83
Quick ratio	0.66	0.58	0.63

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

## GENERAL COMMENTS

Established in Jun. 2006, Subject is a private enterprise specialized in processing of glass and glass wash basin mirror. With a not long history, Subject has established certain recognition in domestic and foreign markets. Currently, Subject's operation status is sound.

As indicated by financial data obtained, Subject's principal operating income of 2009 increased by 68.50% compared with that of 2008, and its total profit increased also, but Subject still suffered accumulative losses, and it should keep this kind of profit tendency in future in order to completely improve its operation conditions. Subject's assets liquidity was unsatisfactory in that all of its profit indicators were below the industry averages; the average accounts collection period was about 19 days, indicating sound overall accounts collection. In addition, Subject's liabilities/assets ratios for the past two years were relatively high, being 93.56% averagely while its current ratio and quick ratio were basically stable, suggesting that its assets structure needed adjustment and it had certain comprehensive solvency risks.

## CREDIT RATING

CR5

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

Rating	Risk Level	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 close monitoring basis.
CR5	Above average	Credit should be avoided as much as possible.
CR6	High	Credit should be on a security basis.
CR7	Very high	Transaction should be on COD basis.

#### **BASE CREDIT LIMIT**

400,000

When calculating base credit limit, 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 of base credit limit
30%-40%	3 to 4 times of base credit limit
20%-30%	2 to 3 times of base credit limit
10%-20%	1 to 2 times of base credit limit
Below 10%	Within base credit limit

----- End of the Report -----