

- IN-DEPTH
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- REGISTRATION

SAMPLE

- NORMAL
- EXPRESS
- URGENT

COMPANY CREDIT INVESTIGATION REPORT

Subject: Zhejiang Linhua Chemical Co., Ltd.
Your Reference: 321654
Unicredit Reference: AD-215309
Date Prepared: June 30, 2008

Harbin Dolphin Trading Co.,Ltd.

Address: Room 235 Yama Plaza No.271 Minsheng Road, Harbin P.R.C 150030

Tel: 0086 451 8333 0781

Fax: 0086 451 8333 0780

Mob: 0086 136 4457 9179

Email: support@chinawhy.net

Website: www.chinawhy.net

Inquiry on Zhejiang Linhua Chemical Co., Ltd.
Address Inquired on 1 Yongning Road, Lin'an Economic & Technological Development
Zone, Hangzhou, Zhejiang
Phone -----
Fax -----

IDENTIFICATION

Company Name Zhejiang Linhua Chemical Co., Ltd.
Registered Address 1 Yongning Road, Lin'an Economic & Technological Development
Zone, Hangzhou, Zhejiang
Operating Address 1 Yongning Road, Lin'an Economic & Technological Development
Zone, Hangzhou, Zhejiang
Phone +86-571-86812708 Fax +86-571-86812709
URL www.linhua.com.cn Email services@linhua.com.cn

CREDIT OPINION

A credit line of CNY 14,695,000 could be considered.

SUMMARY

Legal Representative Lin Xinjie, Board Chairman
Annual Revenue CNY 512,438,000 (Year of 2007)
Net Income CNY 122,638,000 (As of December 31, 2007)
Credit Rating A
Line of Business Manufacture and sale of daily-used chemical goods
Industry Code 2671, Manufacture of chemical reagent
Number of Employees 575

STATUTORY INFORMATION

Legal Status Joint Stock Company
Incorporation Date November 23, 1998
Registered in Zhejiang Provincial Administration for Industry and Commerce
Business Registration No. 3300002998741
Registered Capital CNY 85,000,000
Capital Verification Agency Zhejiang Huarui Certified Public Accountant

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Notes: In accordance with international rules of the credit investigation industry, the information contained herein is for reference of business decision makers only. Chinawhy bears no legal responsibility. The report may not be copied in whole or in part or redistributed to any third party without prior written permission of our company.

Taxation Registration No.	330112750966305
Customs Registration No.	3301257960
Legal Business Scope	Manufacture, sale, import and export of organic silicon and organic fluorin fine goods (exclude chemical hazardous goods), surface-active agent, textile dyeing reagent and other auxiliary materials.
Operation Period	November 23, 1998-November 23, 2018
Import & Export License	Yes (Self-running) (issued by Ministry of Foreign Trade and Economic Cooperation in July 1999)

SHAREHOLDER

Name	Investment	% Ownership
Zhejiang Linhua Group Co., Ltd.	55,250,000	65%
Zhejiang Technological Investment Co., Ltd.	12,750,000	15%
Zhejiang Hongrui Industry Co., Ltd.	8,500,000	10%
Zhejiang Huaxin Investment Management Co., Ltd.	4,250,000	5%
Hangzhou Lida International Trade Co., Ltd.	4,250,000	5%
Total	85,000,000	100%

* Currency reported: China yuan Renminbi (CNY)

BRANCHES

Shanghai Branch

Address: 1289 Xianglin Road, Xuhui District, Shanghai

Phone: 86 21 52697855

Executive: LIU Heng

Shenzhen Branch

Address: Room 2012, Meiling Technology Building, 5525 Shennan Zhonglu, Futian District, Shenzhen

Phone: 86 755 82665969

Executive: LIU Junsheng

FINANCIAL**Balance Sheet ('000)****12/31/2006****12/31/2007**

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Current assets	129,855	152,903
Including: Cash & Bank	38,307	35,762
Accounts receivable	48,199	56,268
Payment in advance	5,940	7,025
Inventories	25,062	29,411
Other current assets	12,347	24,437
Total fixed assets	45,098	44,836
Including: Fixed assets-net value	44,045	44,836
Construction in progress	1,053	0
Long-term investments	856	752
Intangible and deferred assets	1,142	1,059
	-----	-----
Total assets	176,951	199,550
	=====	=====
Current liabilities	69,438	76,912
Including: Short-term loans	30,000	45,500
Accounts payable	13,275	11,734
Advances from customers	6,552	9,651
Others payable	10,785	6,852
Other current liabilities	8,826	3,175
Long-term liabilities	8,728	0
Including: Long-term loans	8,728	0
	-----	-----
Total liabilities	78,166	76,912
Total shareholders' equity	98,785	122,638
Including: Paid-up capital	85,000	85,000
Capital surplus	142	142
Surplus reserve	3,109	5,527
Undistributed profits	10,534	31,969
	-----	-----
Total liabilities and shareholders' equity	176,951	199,550
	=====	=====

Income Statement (CNY '000)	Year 2006	Year 2007
Principal operating income	485,607	512,438
Less: Cost of sales	376,255	380,526
Principal operating tax and the additional	1,722	1,904

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Principal operating profit	107,630	130,008
Add: Other operating profit	851	642
Less: Selling expense	36,712	45,144
General and administrative expense	25,448	30,179
Financial expense	1,016	1,430
Operating profit	45,305	53,897
Add: Investment income	175	196
Subsidy	1,850	2,248
Non-operating income	52	17
Less: Non-operating expense	112	305
Gross profit/loss	47,270	56,053
Less: Income tax	16,133	19,011
Net position	31,137	37,042

Key Financial Ratio	12/31/2006	12/31/2007
Current Ratio		
(Current assets/Current liabilities)	1.87	1.99
Quick Ratio		
(Current assets- Inventories/Current liabilities)	1.51	1.61
Liabilities/Assets		
(Liabilities/Total assets)	0.44	0.39
Current Assets Turnover		
(Principal operating income/Current assets)	3.74	3.35
Total Assets Turnover		
(Principal operating income/Total assets)	2.74	2.57
Inventory Turnover		
(Cost of sales/ Inventories)	15.01	12.94
Accounts Receivable Turnover		
(Principal operating income/ Accounts receivable)	10.08	9.11
Average Collection Period		
(360days/Accounts Receivable Turnover)	36	40
Profitability		
(Gross profits /Principal operating income x100%)	9.73	10.94
Return on Equity		
(Net profits/ Total shareholders' equity x 100%)	31.33	30.20
Return on Assets		
(Net profits/ Total assets x 100%)	17.54	18.56

FINANCIAL ANALYSIS

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Solvency

Subject's long-term solvency is very strong and its short-term solvency is above average in its line. Its short-term realizable ability is fairly strong and asset security is high.

Turnover

Subject's ability of turning over inventory is fairly high and ability of turning over funds is strong. Subject's accounts receivables are good.

Profitability

Subject's profitability is very strong.

---- End of Report ----

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