

# Graydon

## Graydon International Credit Report

Supplied on SAMPLE

### Identification Details

<b>Subject Reported on</b>	YING TAI TRADING (SHANGHAI) CORPORATION (obtained from official sources)
<b>Order Number</b>	0284045427
<b>Registration Number</b>	310000400459386
<b>Internal Number</b>	0284045427
<b>Address</b>	Rm. A2, 6/F, No.3211, Hongmei Rd., Minhang District, Shanghai, 201103
<b>Telephone Number</b>	(021)64067268
<b>Facsimile</b>	(021)64067505

### Creditline Recommendations

**Amount Advised** CNY 100,000  
**Current Rating** 5 4 **3** 2 1

#### Rating Explanation

The Chinese rating system ranges from 1, indicating a high risk to 5, the lowest risk. A rating of 8 indicates an unclassified risk (risk unknown). The amount advised is a base credit limit. When calculating base credit limit our source presupposes that the subject purchases main commodities/services equally from many suppliers. Main factors considered include Registered Capital, Net Assets, Turnover, Profit, Credit Rating, etc. No consideration is given to the specific situation of your transaction with the subject.

### Official Company Data

<b>Legal Form</b>	Limited liability company (solely funded by a foreign corporation)
<b>Registration Number</b>	310000400459386
<b>Date of Incorporation</b>	14/03/2006
<b>Registered Office</b>	Rm. 6A-2, 6/F, No. 3211, Hongmei Rd., Minhang District, Shanghai, 201103
<b>History</b>	2006-03 - Subject was incorporated. 2006-12 - Subject reported a principal operating income of RMB639,000 and a total profit of RMB-598,000 that year. 2007-12 - Subject reported a principal operating income of RMB24,598,000 and a total profit of RMB790,000 that year. 2008-12 - Subject reported a principal operating income of RMB45,132,000 and a total profit of RMB36,000 that year.

### Operations

<b>Activities</b>	Selling chemicals
<b>Nace Code</b>	6369 - Other chemical products wholesale industry
<b>Staff Employed</b>	20
<b>Import Countries</b>	Taiwan, Malaysia, United Kingdom
<b>Export Countries</b>	Taiwan

**Bankers** Shanghai Pudong Development Bank, Minhang Sub-branch

## Directors

**Chairman of the Board and Legal Representative** DENG Chenming

## Share Capital

**Issued Number** 200,000

**Principal Shareholder** NaN Goodwill Materials Incorporated

**The above reflects the principle shareholder(s) by number of shares held, irrespective of share classification type.**

## General Information

Import and Export Permits - Yes

Business Scope - Wholesale, and import & export of chemicals, chemical raw materials and chemical additives (excluding hazardous chemicals), and conducting the related auxiliary business (by administrative license where involved)

Changes in Registration - In Sept. 2007, Subject's shareholder was changed from XU Hangping (100%) to Goodwill Materials Incorporated (100%). In Sept. 2007, Subject's business scope was changed from "wholesale, import and export of materials for coatings & the related additive, plastic & the related additive and metal parts; conducting the related auxiliary business (those involving quota permit or special regulations are subject to the related state's regulations)" to the present one. In Sept. 2007, Subject's registration number was changed from 040706 to 310000400459386.

Office Facilities - Geographic location: Subject is located at Rm. A2, 6/F, No.3211, Hongmei Rd., Minhang District, Shanghai, where the geographic location and traffic conditions are both acceptable. Property ownership: N/A

Products and Services - It is learned from Mr. LIU with Subject that the company mainly sells chemical products, chemical materials and chemical additives. Now, the main products it deals in include lubricating oil additive, metal processing liquid, etc. To be specific, the products include extreme pressure agent, antioxidant, lubricant, emulsifier, antirust, antiseptic, defoamer, detergent, etc. Products Subject deals in mainly carry overseas brands like Polartech, Ineos, pluschem, Taiwan Patech, American Dow, etc.

Established in Mar. 2006, Subject is a wholly foreign owned enterprise mainly engaged in distributing chemical products, chemical materials and chemical additive. Seen from registered capital and sales income, it is a small-to-medium-sized enterprise with average recognition in the line. Due to short history, further observation is still needed before a sound conclusion can be drawn on its development prospect. In view of financials available, Subject's 2008 principal operating income increased by 83.48% from the previous year. Due to poor control over principal operating cost and the related expenses, Subject's profit reference indicators all declined to some extent. And it made very thin profit. So, it can be seen that the company's profitability was in need of further improvement. Compared with the previous year, its turnover of accounts receivable grew faster, indicating that its accounts collection had grown faster. Compared with the year before, liabilities/assets ratio was higher and current ratio and quick ratio were lower, showing heavier pressure on long-term solvency and weakened

short-term solvency.

## Financial Data

### Balance Sheet

The following figures are shown in units of 1000

Accounts Date	31/12/2008	31/12/2007	31/12/2006
Currency	CNY	CNY	CNY
<b>TOTAL FIXED ASSETS</b>	<b>794</b>	<b>810</b>	<b>48</b>
Tangible Assets	397	405	24
Fixed Assets	397	405	24
Intangible Assets	72		
<b>TOTAL CURRENT ASSETS</b>	<b>10099</b>	<b>8941</b>	<b>2474</b>
Stocks	6613	4731	554
Trade Debtors	1327	2159	501
Other Current Assets	2159	2051	1419
Misc Current Assets	1857	834	1417
Cash	302	1217	2
<b>TOTAL ASSETS</b>	<b>10568</b>	<b>9346</b>	<b>2498</b>
<b>TOTAL CURRENT LIABILITIES</b>	<b>8909</b>	<b>7628</b>	<b>1496</b>
Trade creditors	5699	4837	1073
Other Liabilities	3210	2791	423
<b>WORKING CAPITAL</b>	<b>1190</b>	<b>1313</b>	<b>978</b>
<b>SHAREHOLDERS FUNDS</b>	<b>1659</b>	<b>1718</b>	<b>1002</b>
Issued Share Capital	1600	1600	1600
Profit and Loss account	59	118	(598)

### Profit and loss

The following figures are shown in units of 1000

Accounts Date	31/12/2008	31/12/2007	31/12/2006
Currency	CNY	CNY	CNY
<b>SALES</b>	<b>45132</b>	<b>24598</b>	<b>639</b>
Cost of Goods Sold	40376	20821	625
<b>GROSS PROFIT</b>	<b>4756</b>	<b>3777</b>	<b>14</b>
<b>OPERATING PROFIT</b>	<b>38</b>	<b>790</b>	<b>(598)</b>
Non Trading Income	2		
<b>PRE TAX PROFIT</b>	<b>36</b>	<b>790</b>	<b>(598)</b>
Taxation	10	74	
<b>PROFIT AFTER TAX</b>	<b>26</b>	<b>716</b>	<b>(598)</b>

### Key Credit Ratios

The following figures are shown as Ratios or Percentages

Accounts Date	2008	2007	2006
<b>Current Ratio</b>	1.1	1.2	1.6
<b>Quick Ratio</b>	0.4	0.6	1.3
<b>Borrowing Ratio%</b>	84.3	81.6	59.9
<b>Rtn on Shareholders Funds%</b>	1.6	41.7	(59.7)
<b>Return on Assets%</b>	0.2	7.7	(23.9)

### Cashflow Statement

The following figures are shown in units of

Accounts Year	2008
Currency	CNY
Cashflow From Operating	(1502)

Activities	
Cash Paid to Acquire Assets	81
Net Cashflow From Financing Activities	668

### Key Industry Sector Trends

Year	2008	2007	2006
<b>Sample Size</b>	<b>102</b>	<b>816</b>	<b>847</b>
<b>Current Ratio</b>	1.2	0.8	0.8
<b>Quick Ratio</b>	1	0.3	0.3
<b>Borrowing Ratio</b>	70.1	56.6	55.1
<b>Rtn on Shareholders Funds</b>	13.2	18.1	19.5
<b>Return on Assets</b>	3.8	7.2	8.1

Above figures relate to companies in 2003 Standard Industry Classification (Nace) sector : Other chemical products wholesale industry

### Financial Summary

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 unpaid tax read negative in 2006, 2007 and 2008, for it had overpaid some taxes in the previous years.

**\*\*\* End of Report on YING TAI TRADING (SHANGHAI) CORPORATION  
(obtained from official sources) \*\*\***