

Qingdao Inter-Credit Services Pte Co., Ltd.

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Date of Report : May 15, 2010

Client's ref. :

Our ref. : 50125-232

SHISHI RIXIANG MARINE FOODS CO., LTD.

石狮市日祥海洋食品有限公司

DA BAO INDUSTRIAL ZONE, XIANGZHI TOWN, SHISHI CITY,

FUJIAN PROVINCE, 362700 PR CHINA

福建省石狮市祥芝镇大堡工业区

TEL: 86 (0) 595-88987588

FAX: 86 (0) 595-88982319

EXECUTIVE SUMMARY

INCORPORATION DATE : MAY 10, 2004
REGISTRATION NO. : 350500400008415
REGISTERED LEGAL FORM : WHOLLY FOREIGN-OWNED ENTERPREISE
CHIEF EXECUTIVE : MR. LIU PENGFEI (CHAIRMAN)
STAFF STRENGTH : 200
REGISTERED CAPITAL : USD 18,000,000
BUSINESS LINE : PROCESSING
TURNOVER : CNY 49,385,000 (AS OF DEC. 31, 2008)
EQUITIES : CNY 93,740,000 (AS OF DEC. 31, 2008)
PAYMENT : AVERAGE
RECOMM. CREDIT RANGE : UP TO USD 350,000
MARKET CONDITION : AVERAGE
FINANCIAL CONDITION : STABLE
OPERATIONAL TREND : STEADY
GENERAL REPUTATION : AVERAGE
EXCHANGE RATE : CNY 6.82685 = USD 1 AS OF 2010-4-1

CREDIT RATING : CA3-

(see below explanatory notes)

| RATING KEY | CREDIT RISK ASSESSMENT | | PROPOSED CREDIT LIMIT (in concerned business field) |
|------------|--------------------------|-------------------------------------------|--------------------------------------------------------|
| CA1 | Minimal | Credit can proceed with favorable terms | Large amount |
| CA2 | Low | Credit can proceed promptly | Fairly large amount |
| CA3 | Average | Credit can proceed normally | Moderate amount |
| CA4 | Above average | Credit should proceed with monitor | Small amount – periodical review |
| CA5 | Fairly High | Credit should be extended under guarantee | C.O.D. To small amount |
| CA6 | High | Credit is not recommended | C.O.D. |
| NR | Assessment not conducted | Insufficient data available | No recommendation |

This rating serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors and their relative weights (as indicated through %) in our credit analysis are as follows:

Financial condition (40%)

Ownership background (20%)

Payment record (10%)

Credit history (10%)

Market trend (10%)

Operational size (10%)

In case of unlimited companies, newly established companies, or lack of financial data, more weight is given to 'Ownership background' and 'Payment record' in our analysis.

Adopted abbreviations:

ANS - amount not stated

NS - not stated

SC - subject company (the company inquired by you)

NA - not available

CNY - China Yuan Renminbi

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HISTORY

Note: SC is also known as Shishi Rixiang Ocean Foodstuff Co., Ltd.

SC was registered as a wholly foreign-owned enterprise at local Administration for Industry & Commerce (AIC - The official body of issuing and renewing business license) on May 10, 2004.

Company Status: Wholly foreign-owned enterprise

This form of business in PR China is defined as a legal person. It is a limited co. established within the territories of PR China with capital provided totally by the foreign investors. More than one foreign investor may jointly invest in a wholly foreign-owned enterprise. The investing party/parties solely exercise management, reap profit and bear risks and liabilities by themselves. This form of companies usually have a limited duration is extendible upon approval of Examination and Approval Authorities.

SC's registered business scope includes aquatic and agricultural products processing and preservation. (该公司的法定经营范围包括：水产品、农副产品加工与储藏。)

SC is mainly engaged in processing, preserving and selling aquatic and agricultural products. (该公司目前主要从事水产品、农副产品的加工，储藏与销售。)

Mr. Liu Pengfei (刘鹏飞) is legal representative and chairman of SC from 2004.

SC is known to have approx. 200 employees at present.

SC is currently operating at the above stated address, and this address houses its operating office and factory in the industrial zone of Shishi. Our checks reveal that SC owns the total premise, but SC's accountant refused to release the gross area of the premise.

WEB SITE

<http://www.mingxiang.com> The website belongs to SC and Shishi Huabao Mingxiang Foods Co., Ltd. The design is professional and the content is well-organized. At present it is both in Chinese and English versions.

KEY EVENTS/RECENT DEVELOPMENT*Changes of SC's registration information:*

| Date of change | Item | Before the change | After the change |
|-----------------------|----------------------|-------------------------------------------------------------------|--------------------------------------------------------------------------------|
| Unspecified | Registration No. | 000953 | 350500400008415 |
| 2004-08-03 | Legal Representative | Liu Pengfei 刘鹏飞 | Liu Dongxing 刘东兴 |
| 2004-11-15 | Legal Representative | Liu Dongxing 刘东兴 | Liu Pengfei 刘鹏飞 |
| 2006-06-19 | Name of Shareholder | Nice Enterprise Trading H.K. Company 100% 祥和 (香港) 实业贸易公司 | Nice Enterprise Trading H.K. Co., Ltd. 100% 祥和实业贸易 (香港) 有限公司 |
| 2009-06-10 | Name of Shareholder | Nice Enterprise Trading H.K. Co., Ltd. 100% 祥和实业贸易 (香港) 有限公司 | Ocean Technology (China) Co., Ltd. (Hong Kong) 100% 海洋科技 (中国) 有限公司 (香港) |

To what extent is your company affected by the current Credit Crisis?

SC's management refuses to make any comments.

OWNERSHIP/MANAGEMENT**MAIN SHAREHOLDERS:**

| Name | % of Shareholding |
|---------------------------------------------------------------------------|--------------------------|
| Ocean Technology (China) Co., Ltd. (Hong Kong) 海洋科技 (中国) 有限公司 (香港) | 100 |

Incorporation Date: April 25, 2006

Registration No.: 1040563

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Registered Legal Form: Private

MANAGEMENT

- **Legal representative and chairman:**

Mr. Liu Pengfei (刘鹏飞), born in 1956. He is currently responsible for the overall management of SC.

Working Experience(s):

From 2004 to present Working in SC as legal representative and chairman;
Also working in Shishi Huabao Mingxiang Foods Co., Ltd. as legal representative.

- **Supervisor:**

Ms. Qiu Liya (邱丽雅)

BUSINESS OPERATIONS

SC is mainly engaged in processing, preserving and selling aquatic and agricultural products.
(该公司目前主要从事水产品、农副产品的加工，储藏与销售。)

SC's products mainly include: roasted squid, roasted file fish, frozen Japanese butter fish, frozen cuttlefish, and etc.



SC sources its merchandises 5% from the overseas market and 95% from domestic market. SC sells 90% of its merchandises in domestic market, and 10% to overseas market.

The buying terms of SC include Check, T/T, L/C and Credit of 30-60 days. The payment terms of SC include Check, T/T, L/C, and Credit of 30-60 days.

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RELATED COMPANIES

Shishi Huabao Mingxiang Foods Co., Ltd.
石狮市华宝明祥食品有限公司

PAYMENT

Overall payment appraisal:

Excellent Good Average Fair Poor Not yet determined

The appraisal serves as a reference to reveal SC's payments habits and ability to pay. It is based on the 3 weighed factors: Trade payment experience (through current enquiry with SC's suppliers), our delinquent payment records and our debt collection record concerning SC.

Trade payment experience: SC did not provide any name of trade/service suppliers and we have no other sources to conduct the enquiry at present.

Delinquent payment record: None in our database.

Debt collection record: No overdue amount owed by SC was placed to us for collection within the last 6 years.

BANKING

Agricultural Bank of China Shishi Sub-branch
中国农业银行石狮市支行

AC# : 13540114040001535 (USD Account)

Relationship: Normal.

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FINANCIAL HIGHLIGHTS

Balance Sheet

Unit: CNY'000

| | as of Dec. 31, 2008 | as of Dec. 31, 2007 |
|-----------------------------|----------------------------|----------------------------|
| Cash & bank | 33,554 | 3,144 |
| Dividends receivable | 0 | 0 |
| Bills receivable | 0 | 0 |
| Interest receivable | 0 | 0 |
| Accounts receivable | 4,149 | 510 |
| Other receivables | 52,440 | 77,323 |
| Advances to suppliers | 745 | 67 |
| Inventory | 6,088 | 3,138 |
| Prepaid expenses | 0 | 0 |
| Other current assets | 0 | 0 |
| | ----- | ----- |
| Current assets | 96,976 | 84,182 |
| Fixed assets net value | 7,791 | 5,873 |
| Projects under construction | 0 | 0 |
| Disposal of fixed assets | 0 | 0 |
| Long term investment | 0 | 0 |
| Other assets | 0 | 0 |
| | ----- | ----- |
| Total assets | 104,767 | 90,055 |
| | ===== | ===== |
| Short loans | 0 | 0 |
| Bills payable | 0 | 0 |
| Accounts payable | 2,776 | 125 |
| Welfare payable | 100 | 16 |
| Advances from clients | 880 | 0 |
| Accrued payroll | 771 | 135 |
| Tax payable | 265 | 268 |
| Dividends payable | 0 | 0 |
| Other Accounts payable | 6,234 | 100 |
| Surcharge payable | 1 | 2 |
| Other current liabilities | 0 | -1 |
| | ----- | ----- |
| Current liabilities | 11,027 | 645 |
| Non-Current liabilities | 0 | 0 |

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SHISHI RIXIANG MARINE FOODS CO., LTD.

| | | |
|------------------------------|---------|--------|
| | ----- | ----- |
| Total liabilities | 11,027 | 645 |
| Equities | 93,740 | 89,410 |
| | ----- | ----- |
| Total liabilities & equities | 104,767 | 90,055 |
| | ===== | ===== |

Income Statement

Unit: CNY'000

| | as of Dec. 31, 2008 | as of Dec. 31, 2007 |
|--------------------|---------------------|---------------------|
| Turnover | 49,385 | 14,792 |
| Cost of goods sold | 39,725 | 12,397 |
| Sales expense | 1,655 | 444 |
| Management expense | 3,814 | 1,196 |
| Finance expense | -741 | 454 |
| Profit before tax | 4,949 | 540 |
| Less: profit tax | 619 | 112 |
| Net Profits | 4,330 | 428 |

Important Ratios

| | as of Dec. 31, 2008 | as of Dec. 31, 2007 |
|------------------------------------|---------------------|---------------------|
| *Current ratio | 8.79 | 130.51 |
| *Quick ratio | 8.24 | 125.65 |
| *Liabilities to assets | 0.11 | 0.01 |
| *Net profit margin (%) | 8.77 | 2.89 |
| *Return on total assets (%) | 4.13 | 0.48 |
| *Inventory /Turnover ×365 | 45 days | 78 days |
| *Accounts receivable/Turnover ×365 | 31 days | 13 days |
| *Turnover/Total assets | 0.47 | 0.16 |
| * Cost of goods sold/Turnover | 0.80 | 0.84 |

FINANCIAL COMMENTS

PROFITABILITY: AVERAGE

- The turnover of SC appears average in its line, and it increased in 2008.
- SC's net profit margin is average in 2007, and appears fairly good in 2008.
- SC's return on total assets is average, and it was rising in 2008.
- SC's cost of goods sold is average, comparing with its turnover.

LIQUIDITY: AVERAGE

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- The current ratio of SC is maintained in a fairly good level in both two years.
- SC's quick ratio is maintained in a fairly good level in both two years.
- The inventory of SC is maintained in an average level.
- The accounts receivable of SC is maintained in an average level.
- SC has no short-term loan in both two years.
- SC's turnover is in a fair level, comparing with the size of its total assets.

LEVERAGE: FAIRLY GOOD

- The debt ratio of SC is low.
- The risk for SC to go bankrupt is average.

Overall financial condition of the SC: Stable.

REMARKS

SC is considered medium-sized in its line with stable financial conditions. A credit line up to USD 350,000 would appear to be within SC's capacities.

END OF THIS REPORT