

IDENTIFICATION
HARBIN TIAN DI REN MEDICAL SCIENCE & TECHNOLOGY CO., LTD.

哈尔滨市天地仁医药科技有限公司

ROOM 1706, DIWANG BUILDING, NO. 30, GANSHUI ROAD, NANGANG DEVELOPMENT ZONE,

HARBIN, HEILONGJIANG PROVINCE, 150090 PR CHINA

黑龙江省哈尔滨市南岗开发区赣水路 30 号地王大厦 1706 室

TEL: 86 (0) 451-53994064/87006045 FAX: 86 (0) 451-87006045

CREDIT RECOMMENDATIONS
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 favourable 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

OFFICIAL DATA
EXECUTIVE SUMMARY

INCORPORATION DATE : OCT. 10, 2005

REGISTRATION NO. : 230199400001268
REGISTERED LEGAL FORM : WHOLLY FOREIGN-OWNED ENTERPRISE
CHIEF EXECUTIVE : MR. LIU YANQING (CHAIRMAN)
STAFF STRENGTH : 55
REGISTERED CAPITAL : USD 24,640,000
BUSINESS LINE : TRADING
TURNOVER : CNY 6,920,000 (AS OF DEC. 31, 2008)
EQUITIES : CNY 177,540,000 (AS OF DEC. 31, 2008)
PAYMENT : AVERAGE
RECOMM. CREDIT RANGE : UP TO USD 1,000,000 (PERIODICAL REVIEW)
MARKET CONDITION : FAIR
FINANCIAL CONDITION : FAIRLY STABLE
OPERATIONAL TREND : FAIRLY STEADY
GENERAL REPUTATION : AVERAGE
EXCHANGE RATE : CNY 6.83712 = USD1 AS OF 2009-6-25

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 Oct. 10, 2005.

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 manufacturing Class II of 6864-2 medical health materials and dressing, such as dressing and materials for care; Class II of 6864-1 medical polymer materials and products, such as transfusion, blood transfusion apparatus and pipes; (in accordance with the permit) selling self-made commodities (excluding confined items) (该公司的法定经营范围包括：按照《医疗器械生产企业许可证》生产 II 类 6864-2 医用卫生材料及敷料 - 敷料、护创材料，II 类 6866-1 医用高分子材料及制品 - 输液、输血器具及管路；销售自产产品（外商投资产业指导目录中限制类及禁止类除外）。)

SC is mainly engaged in selling medicine (该公司目前实际主要从事销售药品。)

Mr. Liu Yanqing (刘艳青) is the legal representative, chairman and general manager of SC at present.

SC is known to have approx. 55 employees at present.

SC is currently operating at the above stated address, and this address houses its operating office in the commercial zone of Harbin. Our checks reveal that SC rents the total premise about 80 square meters.

WEB SITE

<http://www.mgjzyy.com.cn/> The website belongs to SC's parent company. The design is professional and the content is well organized. At present the web site is in Chinese version.

Email: tdroffice@163.com

Changes of its registered information are as follows:

Date of change	Item	Before the change	After the change
2008	Registration capital	USD 2,640,000	Present amount

*To what extent is your company affected by the current Credit Crisis?
According to SC's accountant Ms. Liu, the economic crisis has great influence on SC.

Till December 31, 2008, SC's paid-up capital was CNY 175,120,000.

SHAREHOLDERS

MAIN SHAREHOLDER:

Name	% of Shareholding
American California Pharmaceutical Group, Inc	100

Web: <http://www.mgjzyy.com.cn/>

MANAGEMENT

Legal representative, Chairman and General Manager:

Mr. Liu Yanqing (刘艳青), born in 1963 with university education. He is currently responsible for the overall management of SC.

Working Experience(s):

At present Working in SC as legal representative, chairman and general manager.

BUSINESS OPERATIONS

SC is mainly engaged in selling medicine. (该公司目前实际主要从事销售药品。)

SC's products mainly include: ointment, anti-smoking patch, health supplement, etc.

SC sources its materials 100% from domestic market. SC sells 80% of its products in domestic market, and 20% to overseas market.

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

*Major customer:

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Shandong Medicinal Materials Co.
山东省药材公司

*Major Supplier:

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Harbin Hongshun Self-Adhesive Color Printing Co., Ltd. (in Chinese Pinyin)
 哈尔滨市宏顺不干胶彩印有限公司

PUBLIC RECORD

SC is known to invest the following companies:

Heilongjiang Tianlong Pharmaceutical Co., Ltd. (in Chinese Pinyin)
 黑龙江天龙药业有限公司

Heilongjiang Haina Pharmaceutical Co., Ltd. (in Chinese Pinyin)
 黑龙江海纳医药有限公司

Etc.

Overall payment appraisal :

() Excellent () Good **(X) 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's supplier refused to make any comments.

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.

Bank of Harbin
 哈尔滨银行

AC#: 164040806109016

Relationship: Normal

FINANCIAL INFORMATION

Balance Sheet

Unit: CNY'000	as of Dec. 31, 2007	as of Dec. 31, 2008
Cash & bank	1,570	7,270
Inventory	8,130	10,200
Accounts receivable	4,490 4,200	
Advances to suppliers	70	70
Other Accounts receivable	250	132,750
To be apportioned expense	70	320
Other current assets	40	20
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Current assets	14,620	154,830
Fixed assets net value	3,850	3,820
Projects under construction	280	400
Long term investment	4,990	31,890
Other assets	7,650	12,550
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Total assets	31,390	203,490
=====	=====	=====
Short loans	0	0
Accounts payable	2,070	1,760
Accrued payroll	60	60
Welfare payable	0	0
Taxes payable	40	-240
Other Accounts payable	6,490	18,550
Withdraw the expenses in advance	0	0
Other current liabilities	70	0
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Current liabilities	8,730	20,130
Long term liabilities	5,820	5,820
Other liabilities	0	0
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Total liabilities	14,550	25,950
Equities	16,840	177,540
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Total liabilities & equities	31,390	203,490
=====	=====	=====

Income Statement

Unit: CNY'000	as of Dec. 31, 2008
Turnover	6,920
Cost of goods sold	4,070
Sales expense	1,090
Management expense	2,550
Finance expense	-50
Profit before tax	-770
Less: profit tax	0
Profits -770	

Important Ratios

=====	As of Dec. 31, 2007	As of Dec. 31, 2008
*Current ratio	1.67	7.69
*Quick ratio	0.74	7.18
*Liabilities to assets	0.46	0.13
*Net profit margin (%)	/	-11.13
*Return on total assets (%)	/	-0.38
*Inventory /Turnover ×365	/	538 days
*Accounts receivable/Turnover ×365	/	222 days
*Turnover/Total assets	/	0.03
* Cost of goods sold/Turnover	/	0.59

PROFITABILITY: FAIR

The turnover of SC appears fair in its line in 2008.
SC's net profit margin is fair in 2008.

SC's return on total assets is fair in 2008.
SC's cost of goods sold is low, comparing with its turnover.

LIQUIDITY: AVERAGE

The current ratio of SC is maintained in a normal level in 2007 and 2008.
SC's quick ratio is maintained in a fair level in 2007 and normal in 2008.
The inventory of SC appears fairly large.
The accounts receivable of SC appears average.
SC has no short-term loan in 2007 and 2008.
SC's turnover is in a fair level, comparing with the size of its total assets.

LEVERAGE: AVERAGE

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

Overall financial condition of the SC: Fairly Stable.

COMMENTS

SC is considered medium-sized in its line with fairly stable financial conditions. According to SC's accountant, the economic crisis has great influence on SC. A credit line up to USD 1,000,000 would appear to be within SC's capacities upon a periodical review basis.

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