

**Annual Inspection Report for Foreign-Invested Enterprises
(for the fiscal year of 2009)**

We hereby confirm: Our company is responsible for the authenticity of Annual Inspection Report, Balance Sheet, Income Statement and other relevant materials.

Company Name: Jinjiang Hengda Ceramics Co.,Ltd.

Business License No.: 350500400039648

Registration Authority: Quanzhou Administration of Industry and Commerce

Filing Date: 2010-04-30

Signature of Legal Representative: Huang Jia Dong

Company Seal: Jinjiang Hengda Ceramics Co., Ltd (Sealed)

Basic Information of Enterprise

Company name	Jinjiang Hengda Ceramics Co.,Ltd.		
Business license No.	350500400039648		
Address	Junbing Industrial Zone, Anhai, Jinjiang City, Fujian Province		
Information of Investor			
	Investor Name	Domestic/Foreign	Nationality(District)
	Hongkong Stand Best Creation Co.,Ltd.	Domestic	Hongkong
Business scope	Production of all kinds of ceramic tiles(80%selling abroad)		
Enterprise type	Wholly Foreign-Owned Enterprises	Zip code	362200
Legal representative	Huang Jia Dong	Founded	1993-09-30
Chairman of the board	Huang Jia Dong	Are changes of directors, supervisors filed?	No
Operation period from	1993-09-30	Operation period to	2043-09-29
Is any previous administrative approval items included in the business scope?	No	Are those previous administrative approval certificates valid?	No

Conditions of Investment Contribution

Total investment	USD 21,975,000				
Registered capital	Subscribed by Chinese parties		USD 0		
	Subscribed by foreign parties		USD 17,577,100		
Paid-in capital	Paid-in by Chinese parties		USD0		
	Paid-in by foreign parties		USD 17,577,100		
Equity participation	Cash	Material object	Intellectual property	Land use right	Others
Amount(USD)	17,577,100	0	0	0	0
Capital that shall be contributed this year(USD)	Chinese parties	0	Capital that was actually contributed this year(USD)	Chinese parties	0
	Foreign parties	0		Foreign parties	0
Is the registered capital fully founded?		Yes			
Contribution by stages					
No. of stages	Deadline	Capital that shall be contributed Chinese parties	Capital that shall be contributed Foreign parties	Capital that was actually contributed by Chinese parties	Capital that was actually contributed by foreign parties
Reason for default contributive payment					
Amount contributed by Chinese parties in the form of state-owned assets		RMB 0			

Information of Foreign Investment

Investing company name	Business license No.	Registration authority	Amount invested(RMB)	Percentage(%)
------------------------	----------------------	------------------------	----------------------	---------------

Information of affiliates

Affiliate name	Business license No.	Registration authority	Is it filed?
----------------	----------------------	------------------------	--------------

Production and operation condition in 2009

Sales (operating) income	RMB880,127,300	Including: operating income of services	0
Domestic sales	RMB880,127,300	Including: turnover of services	0
Total tax paid	RMB59,152,800	Including: customs duty	0
Total profit	RMB236,611,000	Net profit	RMB177,458,300
Total assets	RMB696,018,200	Long-term investment	RMB57,951,000
Total debts	RMB241,416,200	Long-term debts	0
Information of import and export			
Nationality(District)		Amount of imports(USD)	Amount of exports(USD)
Inspection (Audit) institution	Fujian Baihong Associated Certified Public Accountants		
State of operation	In business	Established	1993-09-30
Reasons for losses and improper production			
Any contract operation	No	Contractor name	

Other Relevant Information of Enterprise

Business ID No.	611551266		Enterprise type	Encouraged	
Industry	Manufacture		Industrial code	Ceramic manufacturing	
Investment enterprise?	No	Advanced technique enterprise?	No	Export enterprise?	No
Total employees	1715	Foreign employees	3	New employees recruited in 2009	164
Approval date	1993-09-02		Approval certificate No.	3500611551266	
National tax registration certificate No.	350582611551266		Finance registration certificate No.		
Local tax registration certificate No.	350582611551266		Custom registration certificate No.		
Foreign exchange registration certificate No.	350582010402		Are annual report and quarterly report filed?	Yes	

Foreign Exchange Statement

Monetary unit: USD				
	Accounts	Including: inter-city accounts	Including: overseas accounts	Numerical ceiling approved
Current account				0
Capital account	1			0
Surplus reserve * foreign investment percentage	Capital reserve * foreign investment percentage	Profit * foreign investment percentage	Loss * foreign investment percentage	Profit remitted overseas this year
0	0	0	0	0
Equity that Chinese shareholders transferred to foreign shareholders this year	Registered amount of equity transferred to foreign shareholders this year	Equity that foreign shareholders transferred to Chinese shareholders this year	Accumulated amount of overseas loans this year	Accumulated amount of overseas loans repayment this year
Only the foreign-funded investment companies need to fill in this column	Domestic investment amount this year	Accumulated investments amount	Income from investments this year	Accumulated income from investment
	0	0	0	0

Business registration liaison information

Name	Huang Li Guan
Department	Administration
Contact number(Fixed-line telephone)	13959855348
Contact number(Mobile phone)	13959855348
E-mail address	
Address	Junbing Industrial Zone, Anhai, Jinjiang City
Zip code	362200

Domestic Legal Document Recipient for Overseas Shareholders

Name	Huang Jia Dong
Address	Junbing Industrial Zone, Anhai, Jinjiang City
Zip code	362200
Liaison	Huang Li Guan
Contact number(Fixed-line telephone)	
Contact number(Mobile phone)	13959855348
E-mail address	

FuJian Baihong Associated Certified Public Accountants

Address: 502 Huaxinmingduo, 869 Xiahe Road, Xiamen, PRC. Tel: 0592 5806970 Fax: 0592 5806972

Audit Report

Fu-Bai-Hong-Wai-Shen-Zi (2010) No.0CA015

To Jinjiang Hengda Ceramics Co., Ltd.,

We here audited the enclosed financial statements of Jinjiang Hengda Ceramics Co., Ltd., including the balance sheet on December 31, 2009, income statement, the statement of changes of the ownership interests, cash-flow statement and financial statements annotation for the year of 2009

1, Responsibilities of the Company's management

The compilation of financial statements in accordance with the enterprise accounting standards and Enterprise Accounting System is the responsibility of the management of Jinjiang Hengda Ceramics Co., Ltd., including: (1) designing, implementing and maintaining internal control related to the compilation of financial statements to make sure no significant misstatement caused by embezzlement or mistakes; (2) selecting and exerting appropriate accounting policies; (3) making reasonable accounting evaluations.

2, Responsibilities of the certified public accountants

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Auditing Standards of CICPA which requires us to plan and conduct the audit work and acquire reasonable guarantee for whether there is significant misstatement in the financial statements in compliance with the professional code of ethics.

An audit includes the implementation of audit procedures to obtain the audit evidence supporting the amounts and disclosures in the financial statements. The selected audit procedures lie on the judgment of certified public accountants, including the assessment of significant misstatement risk caused by the embezzlement or mistakes in the financial statements. During the risk assessment, we have considered internal control related to the compilation of financial statements to design appropriate audit procedures, but the purpose is not to express an opinion on the efficiency of internal control. An audit also includes assessing the accounting policies concerned and significant accounting estimates made by management authority in charge, as well as evaluating the overall financial statement presentation.

We believe that our audit evidence is adequate and appropriate to provide a reasonable basis for our opinion.

3, Audit opinion

We believe that, the financial statements of Jinjiang Hengda Ceramics Co., Ltd. conform to the regulations of enterprise accounting standards and Enterprise Accounting System issued; and in all the significant aspects fairly show the financial condition on December 31, 2009, the operation result and the cash-flow condition for the year of 2009 of the company.

Fujian Baihong Associated Certified Public Accountants

Fujian China

CPA: Cui Yunwen (Signed and sealed)

CPA: Xi Xiuxia (Signed and sealed)

May 23, 2010

Balance Sheet

(Page 12)

Prepared by: Jinjiang Hengda Ceramics Co., Ltd.

December 31, 2009

Monetary Unit: Yuan

Assets	Line	Opening balances	Closing balances	Liabilities and owner's equity	Line	Opening balances	Closing balances
Current Assets:	1			Current Liabilities	50		
Cash and bank balances	2	51,603,422.00	98,788,306.45	Short-term loans	51	12,300,000.00	26,500,000.00
Short-term investments	3			Notes payable	52		
Notes receivable	4			Accounts payable	53	92,887,866.58	126,288,817.37
Dividends receivable	5			Advance receipts	54		
Interests receivable	6			Accrued payroll	55	3,040,326.00	3,214,140.00
Accounts receivable	7	196,159,476.95	271,151,724.16	Welfare payable	56		
Less: bad debt loss provision	8			Dividend payable	57	22,456,318.75	
Net accounts receivable	9	196,159,476.95	271,151,724.16	Taxes payable	58	8,585,664.54	20,255,167.59
Other receivable	10		87,433,247.75	Other Accruals	59	157,936.53	181,991.22
Accounts prepaid	11			Other payable	60	12,400,000.00	15,763,024.50
Boot receivable	12			Accrued expenses	61	44,853,915.62	49,213,032.93
Inventories	13	131,561,643.16	114,658,110.46	Accrued liabilities	62		
Amortize expense	14			Deferred income	63		
Non-current assets maturing within one year	15			Long-term noncurrent liabilities due in one year	64		
Other current assets	16			Other current liabilities	65		
Total current assets	17	379,324,542.11	572,031,388.82	Total current liabilities	66	196,682,028.02	241,416,173.61
Long-term investment	18			Long-term liabilities	67		
Long-term equity investments	19		57,950,953.11	Long-term loans	68		
Long-term bond investment	20			Bonds payable	69		
*Acquired Business Price Difference	21			Long-term payable	70		
	22			Special accounts payable	71		
	23			Other Long-term liabilities	72		
Total long-term investments	24	-	57,950,953.11	Including: 待转销汇兑收益	73		
Fixed Assets:	25			Total Long-term liabilities	74	-	-
Fixed assets-costs	26	169,504,928.00	169,531,345.82	Deferred tax	75		
Less: Accumulated depreciation	27	95,488,528.73	103,495,439.08	Deferred tax debit	76		
Fixed assets-net value	28	74,016,399.27	66,035,906.74	Total liabilities	77	196,682,028.02	241,416,173.61
Less: Reserve for fixed asset revaluation	29			*Minority equity	78		
Net fixed assets	30	74,016,399.27	66,035,906.74	Owner's equity (Shareholders' equity):	79		
Project material	31			Paid-in capital (stock)	80	58,980,000.00	79,464,900.00
Construction in progress	32			Domestic investment	81		
Liquidation of fixed assets	33			Foreign investment	82		
	34			Less: Investment Returned	83		
	35			Net paid-in capital (stock)	84	58,980,000.00	79,464,900.00
Total fixed assets	36	74,016,399.27	66,035,906.74	Capital surplus	85	-693.80	-693.80
Intangible assets and other assets	37			Surplus reserves	86	29,490,000.00	29,490,000.00
Intangible assets	38			Including: legal reserve	87		
Long-term deferred expenses	39			Statutory welfare reserve	88		
Other long-term assets	40			Free surplus reserves	89		
Including: 待转销汇兑损失	41			Reserve fund	90		
	42			Venture expansion fund	91		
	43			Profits capitalizad on return of investment	92		
Total intangible assets and other assets	44	-	-	Current year profit	93		
Deferred tax	45			*Uncertained investment loss	94		
Deferred assets debits	46			Undistributed profits	95	168,189,607.16	345,647,868.86
	47			Currency exchange difference	96		
	48			Total owner's equity	97	256,658,913.36	454,602,075.06
Total Assets	49	453,340,941.38	696,018,248.67	Total liabilities and owner's equity	98	453,340,941.38	696,018,248.67

Income Statement

(Page 13)

Prepared by: Jinjiang Hengda Ceramics Co., Ltd. December 31, 2009 Monetary Unit: Yuan

Item	Line	YTD Total
1, Total operating revenues	1	880,127,334.45
Including: export business revenues	2	
Less: cost of sales from primary business	3	581,925,083.00
Including: cost of sales from export business	4	
Primary business tax and extra charges	5	605,455.20
2, Primary business gross profit	6	297,596,796.25
Add: other business profit	7	
Less: Selling expenses	8	51,841,951.33
Administrative expenses	9	11,230,322.50
Finance expenses	10	1,123,810.31
3, Operating profit (loss expressed with "-")	11	233,400,712.11
Add: income from investments (loss expressed with "-")	12	
Subsidy revenue	13	
Non-operating income	14	3,210,303.50
Less: Non-operating expense	15	
4, Total profit (loss expressed with "-")	16	236,611,015.61
Less: Income tax	17	59,152,753.91
	18	
5, Net profit (loss expressed with "-")	19	177,458,261.70
Add: Opening undistributed profit	20	168,189,607.16
Other transfer-in	21	
6, Profit available for distribution	22	345,647,868.86
Less: Withdrawal legal reserve	23	-
Withdrawal statutory welfare reserve	24	
Withdrawal staff and workers' bonus and welfare fund	25	
Withdrawal reserve fund	26	
Withdrawal venture expansion fund	27	
Profits capitalized on return of investment	28	
7, Profit available for investors' distribution	29	345,647,868.86
Less: Preferred Stock dividends payable	30	
Withdrawal other common accumulation fund	31	
Dividend payable	32	-
Dividends changed to assets (or stock)	33	
8, Undistributed profit	34	345,647,868.86

Statement of Changes in Equity

(Page 14)

Prepared by: Jinjiang Hengda Ceramics Co., Ltd.

December 31, 2009

Monetary Unit: Yuan

Item	Line	Current Year	Last Year	Item	Line	Current Year	Last Year
1, Paid-in capital (stock)				Including: legislative reserve	49		
Opening balances of the year	1	58,980,000.00		Free surplus reserves	50		
Number added this year	2	20,484,900.00		Reserve fund	51		
Including:Capital reserve transfer-in	3			Venture expansion fund	52		
Surplus reserve transfer-in	4			Statutory welfare reserve transfer-in	53		
Profit distribution transfer-in	5			Number reduced this year	54		
Capital expenditure(or equity)	6			Including:Deficit coverage	55		
Number reduced this year	10			Transfer to capital(or equity)	56		
Year end balances	15	79,464,900.00	-	Payment for dividend or interest	57		
2, Capital reserve				Distribute dividend	58		
Opening balances of the year	16	-693.80		Year end balances	62	29,490,000.00	-
Number added this year	17	-		Including: legal reserve	63		
Including:Capital premium(or equity)	18			Reserve fund	64		
Receive non-cash donate reserve	19			Venture expansion fund	65		
Receive cash donate	20			4, Statutory welfare reserve			
Stock right investment reserves	21			Opening of the year	66		
Allocate sums changeover in	22			Number added this year	67		
Foreign currency capital	23			Including:Withdrawal from net profit	68		
Other capital reserve	30			Number reduced this year	70		
Number reduced this year	40			Including:Collective welfare expense	71		
Including:Transfer to capital(or equity)	41			End of the year	75		
Year end balances	45	-693.80	-	5, Undistributed profit			
3, Legislative and free surplus reserve :				Opening balances Undistributed profit	76	168,189,607.16	
Opening balances of the year	46	29,490,000.00		Current year net profit (loss expressed with"-")	77	177,458,261.70	
Number added this year	47	-		Current year profit distribution	78	-	
Including:Withdrawal from net profit	48			Closing balances for undistributed profit(couldn't cover deficit expressed with"-")	80	345,647,868.86	-

Cash Flow Statement

(Page 15)

Prepared by: Jinjiang Hengda Ceramics Co.,Ltd.

December 31, 2009

Monetary Unit: Yuan

Item	Line	Amount	Item	Line	Amount
1, Cash flow generated by operating activities:	1		Supplementary	35	
Cash received from sales of goods and rendering services	2	717,701,839.49	1.adjust net profit to cash flow from operation activities:	36	
Refunds of taxes	3		Net profit	37	177,458,261.70
Cash received relating to other operating activities	4		Add: provision for assets impariment	38	
Sub-total of cash inflows	5	717,701,839.49	Depreciation of fixed assets	39	8,006,910.35
Cash paid for goods and receiving services	6	516,390,203.27	Amortization of intangible assets	40	-
Cash paid to staffs and on behalf of employees	7	35,132,693.60	Amortization of long-term deferred expenses	41	-
Taxes payments	8	48,088,706.06		42	
Cash paid relating to other operating activities	9	24,032,752.12		43	
Sub-total of cash outflows	10	623,644,355.05	Reduction in prepaid expenses(-: decrease)	44	-
Net cash flow generated by operating activities	11	94,057,484.44	Increase in accrued expenses(-: decrease)	45	4,359,117.31
2, Cash flow generated by investment activities	12		Losses on disposal of fixed assets, intangible assets and other long-term assets	46	
Cash received from investment drawback	13		Losses on discarding fixed assets	47	
Cash received from investment income	14	-	Finance expenses	48	1,123,810.31
Net cash from disposing fixed, intangible and long-term assets	15		Investment losses (-: incomes)	49	-
Cash received from other activities relating to investment	16		Deferred tax credit (-: debit)	50	
Sub-total of cash inflows	17	-	Decrease in inventories (-: increase)	51	16,903,532.70
Cash paid for fixed, intangible and long-term assets	18	26,417.82	Decrease in operating receivables (-: increase)	52	-162,425,494.96
Cash paid for investment	19	57,950,953.11	Increase in operating payables (-: decrease)	53	48,631,347.03
Cash paid relating to other investment activities	20		Others	54	
Sub-total of cash outflows	21	57,977,370.93	Net cash flow generated from operating activities	55	94,057,484.44
Net cash flow generated from investment activities	22	-57,977,370.93	2、 Non-cash investing and financing activities:	56	
3, Cash flow generated by financing activities	23		Debt into capital	57	
Cash received from absorbing investments	24	20,484,900.00	Convertible bonds due within one year	58	
Cash received from loans	25	26,500,000.00	Fixed assets under financing lease	59	
Cash received relating to other financing activities	26	-		60	
Sub-total of cash inflows	27	46,984,900.00		61	
Repayment of debts	28	12,300,000.00		62	
Cash paid for dividends and repaying interests	29	23,580,129.06	3、 Net increase in cash and cash equivalents:	63	
Cash paid relating to other financing activities	30		Year end cash balances	64	98,788,306.45
Sub-total of cash outflows	31	35,880,129.06	Less:Beginning balance of cash	65	51,603,422.00
Net cash flow generated by financing activities	32	11,104,770.94	Add: Ending balance of cash equivalents	66	
4, Influence of foreign exchange movement on cash	33		Less: Beginning balance of cash equivalents	67	
5, Net increase in cash and cash equivalents	34	47,184,884.45	Net increase in cash and cash equivalents	68	47,184,884.45

Notes to Financial Statements for the Year of 2009 of Jinjiang Hengda Ceramics Co., Ltd.

(page 16)

Monetary Unit: Yuan

I. Basic information of the company:

Jinjiang Hengda Ceramics Co., Ltd. ("the company") was established on September 30, 1993, registered with approval of Quanzhou Administration for Industry and Commerce and granted with the Business License of Enterprise as Legal Person (the registration no.: 350500400039648-2/6)

Business scope: production of all kinds of ceramic tiles (80% selling abroad)

II. Significant accounting policies:

- 1、The company carries out the Corporate Accounting Codes and the Enterprise Accounting Policy.
- 2、Fiscal year: The fiscal year is from January 1st to December 31st every year in the Gregorian calendar.
- 3、Accounting principles and calculation basis: The company takes the accrual basis as the accounting principle and the historical cost method as the valuation basis
- 4、Bookkeeping base currency: The company takes RMB as the bookkeeping base currency.
- 5、Provision of bad debts: Direct write-off method for actual bad debt loss and record in administration expenses.
- 6、Inventories valuation:

The purchases of inventories are calculated according to the actual costs, the deliveries are calculated according to first-in first-out method. Consumerables are amortized according to one-off amortization method.

7、Fixed assets and depreciation:

Standard for fixed assets: Buildings, machines, conveyance for machinery that have been used for more than one year, and other production and operation related equipments, instruments, tools. Non production and operation related commodities that are used for more than 2 years and unit price above RMB2000. All the above should be calculated by the actual cost.

8、Revenue recognition

Sales of goods: Income from sales of goods should be recognized when meets the following requirements

- (1)、The company have transferred the main risk and ownership of the goods to the purchaser;
- (2)、The company has neither kept continuous management of the ownership nor had control of sold goods;
- (3)、Related economic interest of the trade has transferred to the company;
- (4)、The related income and cost can be reliably measured.

beginning and closing of service belongs to different fiscal years, under the condition that the service result can be reliably estimated, the service income should be confirmed by percentage of completion method on balance sheet date.

9、Costing method:

The company takes the actual cost method as the costing method.

10、Profit distribution

According to the article of association of the company.

Shanxi Guanghe Industrial Co., Ltd.	12,325,540.39	12,325,540.39	(page 18)
Sichuan Heli Construction Materials Co., Ltd.	11,509,765.64	11,509,765.64	
Other Clients	68,447,699.30	68,447,699.30	
Total	271,151,724.16	271,151,724.16	

3、 Other accounts receivable

Client	Aging	Within one year	Total
	Hengdali		87,433,247.75
Total		87,433,247.75	87,433,247.75

4、 Inventories

Type	Ending balance
Raw Material	15,824,879.03
Unfinished Products	5,050,447.46
Merchandise inventory	93,782,783.97
Total	114,658,110.46

5、 Long-term investment

Item	Ending balance
Hengdali	57,950,953.11
Total	57,950,953.11

6、 Fixed assets and their depreciation

Original fixed assets cost and depreciation	Ending balance
Original value	
Buildings	6,726,049.00
Production Facility	139,416,877.37
Conveyance Facility	3,875,000.00
Office Facility	1,408,878.12
Accessory Facility	17,535,241.33
Experimental Facility	569,300.00
Total	169,531,345.82
Accumulated depreciation	
Total	103,495,439.08
Net value	66,035,906.74

Notes: Ending net value of fixed assets is RMB66,035,906.74, 9.49% of the total assets. Depreciation of this year has been accrued according to stated proportion and method.

7、 Short-term loans

Creditor	Ending balance
ICBC Anhai Sub-branch	4,500,000.00
China Citic Bank Quanzhou Qingyuan Sub-branch	22,000,000.00
Total	26,500,000.00

8、 Accounts payable

Client	Aging	Within one year	Total

III. Major items in the balance sheet:

(page 17)

1、Monetary funds

Type	Currency	Ending balance
Cash on hand	RMB	38,332.13
Bank balances	RMB	98,749,974.32
Total	RMB	98,788,306.45

2、Accounts receivable

Aging	Within one year	Total
Client		
Xiamen Tongying Commercial trade Co., Ltd.	13,454,246.23	13,454,246.23
Chengdu Dehui Construction Materials Co., Ltd.	14,990,542.36	14,990,542.36
Foshan Jundian Ceramic Co., Ltd.	13,968,981.38	13,968,981.38
Shanxi Pacific Construction Materials Trade Co., Ltd.	4,792,651.44	4,792,651.44
Fuzhou Yuanfeng Construction and Decoration Co., Ltd.	9,047,230.05	9,047,230.05
Shanghai Qisen Construction Materials Co., Ltd.	4,941,349.31	4,941,349.31
Jinjiang Xieli Construction Materials Co., Ltd.	8,383,650.80	8,383,650.80
Zhuzhou Datang Construction Material Industrial Limited	4,770,912.34	4,770,912.34
Jiangxi Zhong's Industrial Limited	6,695,152.24	6,695,152.24
Qingdao Jiatong Real Estate Consultant Co., Ltd.	5,585,659.92	5,585,659.92
Jiangsu Weifu Group Construction Co., Ltd.	5,420,417.18	5,420,417.18
Liuzhou Shengquanda Commercial Trade Co., Ltd.	8,244,159.83	8,244,159.83
Chaoyang Meihong Construction Materials Co., Ltd.	5,111,220.33	5,111,220.33
Nanjing Haima Construction Materials Co., Ltd.	4,758,478.76	4,758,478.76
Changchun Huatingmeijia Construction Materials Co., Ltd.	4,489,730.27	4,489,730.27
Tianjin Tanggu District Haosheng Decoration Co., Ltd.	4,522,959.56	4,522,959.56
Wuhan Guofeng Decoration Co., Ltd.	6,975,461.43	6,975,461.43
Liaoning Yatong Logistics Co., Ltd.	11,144,953.88	11,144,953.88
Jinzhou Honghan Real Estate Development Co., Ltd.	5,021,696.56	5,021,696.56
Henan Fucheng Industrial Limited	5,731,607.56	5,731,607.56
Chaozhou Chenqiao Jianxing Construction Materials Co., Ltd.	9,190,690.70	9,190,690.70
Beijing Zhihe Jianye Trading Co., Ltd.	10,603,686.42	10,603,686.42
Shangrao Xinfangyuan Construction Materials Co., Ltd.	5,204,730.04	5,204,730.04
Jingdezhen Nanxing Construction Materials Sales Department	5,818,550.24	5,818,550.24

Fujian Dehua Hengjiu Mining Co., Ltd.	3,464,949.00	3,464,949.00
Fujian Dehua County Hengyang Clay Co., Ltd.	6,223,375.37	6,223,375.37
Fujian Dehua County Jiaxin Mining Co., Ltd.	12,100,313.51	12,100,313.51
Fujian Dehua County Shangdi Guoshan Clay Mining Co., Ltd.	7,004,332.27	7,004,332.27
Jiangxi Tungsten Group Co., Ltd.	5,844,852.00	5,844,852.00
Nan'an Guanqiao Lingdou Louzikeng Ore Field	2,880,525.15	2,880,525.15
Yichun Yongcheng Glass Raw Materials Co., Ltd.	5,757,761.62	5,757,761.62
Foshan Nanhai Zhongtai Glazing Materials Factory	8,602,050.00	8,602,050.00
Foshan Sanshui Baoligao Inorganic Materials Co., Ltd.	2,665,700.00	2,665,700.00
Foshan Sanshui Jinying Inorganic Materials Co., Ltd.	5,194,970.00	5,194,970.00
Hunan Sanhuan Coloring Materials Co., Ltd.	3,570,112.00	3,570,112.00
Jinjiang Jiangbin Farmtrade Market Development Co., Ltd.	3,917,255.30	3,917,255.30
Jinjiang Xinglida Paper Products Co., Ltd.	6,512,666.50	6,512,666.50
Xiamen Xinyangxiang Plastic and Paper Compound Materials Co., Ltd.	2,508,485.80	2,508,485.80
Quanzhou Sanjin Mold Co., Ltd.	2,541,681.00	2,541,681.00
Fujian Jinjiang Xinrong Ceramic Tiles Co., Ltd.	10,961,697.60	10,961,697.60
Foshan Henglixin Diamond Composition Co., Ltd.	7,411,163.01	7,411,163.01
Nanping Yanping District Minjiang Touhui Stone Factory	1,934,639.14	1,934,639.14
Other Clients	27,192,288.10	27,192,288.10
Total	126,288,817.37	126,288,817.37

9、Ending balance of other payables: RMB181,991.22

10、Other payables

Client	Ending balance
Distributor Deposit	12,400,000.00
Hengda Construction Materials Factory	3,363,024.50
Total	15,763,024.50

(page 20)

11、Accrued expenses

Item	Ending balance
Rent	1,062,707.40
Commission	43,460,340.05
Overhaul Cost	1,508,839.15
Electricity Fee	3,181,146.33
Total	49,213,032.93

12、Paid-in capital

Shareholder	Ending balance
Stand Best Creation Limited	79,464,900.00
Total	79,464,900.00

13. Primary business income and cost

Item	This year's actual figure	
	Operating income	Operating cost
Product sales	880,127,334.45	581,925,083.00

14. Operation expenses

No.	Item	This year's actual figure
1	Payroll	605,564.00
2	Travelling expense	1,893,223.40
3	Warehousing and shipping expenses	2,600,560.00
4	Advertising	1,812,308.00
5	Commission	44,930,295.93
	Total	51,841,951.33

15. Administration expenses

No.	Item	This year's actual figure
1	Payroll	4,307,348.00
2	Welfare expenses	19,046.02
3	Depreciation	501,605.41
4	Social insurance fee	560,400.00
5	Office expenses	1,257,015.11
6	Travelling expense	487,690.77
7	Business entertainment	383,640.25
8	Stamp tax	396,057.30
9	Labour union expenditure	4,500.00
10	Extra charge	823,302.21
11	Audit fee	1,236,947.00
12	Retaining fee	1,200,000.00
13	Others	52,770.43
	Total	11,230,322.50

(Page 21)

16. Financial expenses

No.	Item	This year's actual figure
1	Interest expense(Less:interest income)	972,955.09
2	Foreign exchange gain and loss	12,600.00
3	Handling charge	138,255.22
	Total	1,123,810.31

(Page 22 to 26)

Business license of FuJian Baihong Associated Certified Public Accountants and the filing agents information

(Page 27 to 32)

Business license of Jinjiang Hengda Ceramics Co., Ltd (difference numbers)