

Annual Joint Inspection Report of Foreign Investment Enterprise

(2008 year)

Enterprise name: Harbin Tian Di Ren Medical Science & Technology Co., Ltd.

Registration no.: 230199400001268

Registry: Harbin Municipal Administration for Industry and Commerce Development
Zone Branch

Date of filling: May 27, 2009

Signature of legal representative: Liu Yanqing

Enterprise official mark: _____

Made by State Administration for Industry and Commerce of the People's Republic of China

[HTTP://WWW.SAIC.GOV.CN](http://www.saic.gov.cn)

Balance Sheet

Unit: CNY

| | of Dec. 31, 2007 | as of Dec. 31, 2008 |
|------------------------------|------------------|---------------------|
| Cash & bank | 1,578,532.85 | 7,271,819.84 |
| Accounts receivable | 4,498,312.35 | 4,204,138.93 |
| Advances to suppliers | 76,432.00 | 127,211,682.00 |
| Other receivables | 256,929.68 | 5,620,578.06 |
| Inventory | 8,135,587.69 | 10,203,293.06 |
| Prepaid expenses | 70,567.00 | 309,694.00 |
| Other current assets | 9,000.00 | 9,000.00 |
| | ----- | ----- |
| Current assets | 14,625,361.57 | 154,830,205.89 |
| Long-term equity investment | 4,997,309.45 | 31,890,061.00 |
| Fixed assets net value | 3,852,141.13 | 3,826,795.04 |
| Projects under construction | 281,399.84 | 401,875.84 |
| Intangible and other assets | 7,645,372.86 | 12,555,151.22 |
| | ----- | ----- |
| Total assets | 31,401,584.85 | 203,504,088.99 |
| | ----- | ----- |
| Short loans | 0 | 0 |
| Accounts payable | 2,079,074.29 | 1,765,923.64 |
| Advances from customers | 0 | 0 |
| Salaries payable | 65,050.00 | 61,950.00 |
| Welfares payable | 56,161.76 | 0 |
| Taxes payable | 41,640.29 | -244,158.94 |
| Other Accounts payable | 6,494,423.65 | 18,552,448.17 |
| Other unpayable | 0 | 0 |
| Other current liabilities | 0 | 0 |
| | ----- | ----- |
| Current liabilities | 8,736,349.99 | 20,136,162.87 |
| Long term liabilities | 5,819,175.00 | 5,819,175.00 |
| | ----- | ----- |
| Total liabilities | 14,555,524.99 | 25,955,337.87 |
| | ----- | ----- |
| Paid-up capital | 13,644,651.00 | 175,126,503.46 |
| Capital surplus | 3,203,640.42 | 3,203,640.42 |
| Unappropriated profit | -2,231.56 | -781,392.76 |
| | ----- | ----- |
| Equities | 16,846,059.86 | 177,548,751.12 |
| | ----- | ----- |
| Total liabilities & equities | 31,401,584.85 | 203,504,088.99 |
| | ===== | ===== |

Harbin Tian Di
Ren Medical
Science &
Technology Co.,
Ltd.

Heilongjiang Haitong
Certified Public
Accountants Co., Ltd.
The statement has
been audited

Profit and Loss Statement

Unit: CNY

| | Harbin Tian Di Ren Medical Science & Technology Co., Ltd. | as of Dec. 31, 2008 | as of Dec. 31, 2007 |
|-----------------------------------|---|---------------------|---------------------|
| Turnover | | 6,927,515.92 | 9,201,250.89 |
| Cost of goods sold | | 4,070,021.19 | 6,029,511.30 |
| Taxes and additional operation | | 0 | 0 |
| Operation expense | | 1,090,294.71 | 1,178,762.43 |
| Management expense | | 2,552,582.04 | 1,767,840.00 |
| Finance expense | Heilongjiang Haitong Certified Public Accountants Co., Ltd. | -56,220.82 | 161,297.61 |
| Subsidy income | | 0 | 0 |
| Non-operating income | | 0 | 0 |
| Non-operating expense | The statement has been audited | 50,000.00 | 50,000.00 |
| Profit before tax | | -779,161.20 | 13,839.55 |
| Less: profit tax | | 0 | 6,638.22 |
| Net profit | | -779,161.20 | 7,201.33 |

Medical instrument production enterprise license

Chang

(Duplicate)

No.: 20080156

Company name: Harbin Tian Di Ren Medical Science & Technology Co., Ltd.

Registered address: No.24, Songshan Road, Nangang District, Harbin

Production address: Binxi Economic Development Zone, Harbin

Products scope: Category II 6864 medical healthcare materials and dressings—dressings and protective materials.

Category II 6826 physiotherapy apparatus

Legal representative: Liu Yanqing

Responsible person: Liu Yanqing

Validity period: As of Dec. 31, 2013

License-issuing authority: Heilongjiang Food & Drug Administration

Date of issue: Dec. 31, 2008

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Changing content:

**The information of the liaison officer who handles the industry and
commerce registration**

| | |
|-------------|---|
| Name | Zhang Yanjie |
| Department | Administration Department |
| Tel. | Fixed-line tel.: 0451-86782838 |
| | Mobile tel.: 1504580905 |
| Email | zhangtaoxiaomao@163.com |
| Address | No.10, Weihai Road, Jizhong District, Haping Road, Development Zone, Harbin, Heilongjiang Province |
| Postal code | 150060 |

Recipient of foreign shareholders' legal documents in China

| | |
|----------------|---|
| Name | Cao Ying |
| Address | No.10, Weihai Road, Jizhong District, Haping Road, Development Zone, Harbin, Heilongjiang Province |
| Postal code | |
| Contact person | Tang Xiuwei |
| Tel. | Fixed-line tel.: 13946076683 |
| | Mobile tel.: 86782808 |
| Email | |

**The certificate of designated representative or commission agent who
handles annual inspection**

The name of designated representative or commission agent: Zhang Tao

Tel.: Fixed-line tel.: 0451-86782838 Mobile tel.: 15045809050

Request item: Submit annual inspection reports and other annual inspection materials.
 Take the business license duplicate capping annual inspection stamp.

Request jurisdiction: Whether agree that designated representative or commission agent
amends the mistake in the annual inspection reports

Agree
 Not agree

The validity period: From May 1, 2009 to June 30, 2009

Business License

Registration no.: DF0638

Company name: Harbin Tian Di Ren Medical Science & Technology Co., Ltd. Songbei
Branch
Address: Bldg. 1, No. 35, New Songbei District, Songbei District, Harbin
Enterprise form: Branch office of foreign investment enterprise
Legal representative: Liu Yanqing
Business scope: Consulting and contacting business for parent company.

Parent company: Harbin Tian Di Ren Medical Science & Technology Co., Ltd.

Duration: From Aug. 10, 2007 to Mar. 25, 2021

Date of incorporation: Aug. 10, 2007

Registry: Harbin Municipal Administration for Industry and Commerce

Aug. 10, 2007

**The annual joint inspection flow list of foreign investment enterprise
of Harbin in 2009**

Company name: Harbin Tian Di Ren Medical Science & Technology Co., Ltd.

| Department name | Examination condition | |
|---|-----------------------|--------------|
| | Approved | Not approved |
| Harbin Bureau of Economic Cooperation and Promotion | Yes | |
| Harbin Municipal Administration for Industry and Commerce | | |
| Harbin Municipal National Tax Bureau | Yes | |
| Harbin Municipal Local Tax Bureau | Yes | |
| Harbin Municipal Finance Bureau | Yes | |
| Harbin Statistics Bureau | Yes | |
| State Administration of Foreign Exchange | | |

6. Login in the service website of State Administration of Foreign Exchange (<http://www.safesvc.gov.cn>) and download the information registration form, registration introduction, enterprise client software and the instruction book. Then submit the electronic data of the 《The information registration form of the annual joint inspection (foreign exchange part) of foreign investment enterprise》 to the local administration of foreign exchange through the enterprise client software. At the same time, submit the paper sheet of 《The information registration form of the annual joint inspection (foreign exchange part) of foreign investment enterprise》 to the local administration of foreign exchange and make sure that the electronic data are consistent with written materials.

7. Foreign investment enterprises should attend the annual inspection on time and declare the inspection information faithfully. If the enterprises don't attend the foreign exchange annual inspection and declare the inspection information in accordance with the regulations, the enterprises and responsible person would be punished respectively according to Article 48 of 《Regulations of Law of the People's Republic of China on the Management of Foreign Exchanges》 .

Those foreign investment enterprises which register in the development zone need to provide the following materials to the development zone:

1. The copy of annual inspection report with the signature of legal representative and official seal;
2. The duplicate of approval certificate and its copy;
3. The copy of the duplicate of business license;
4. The annual audit report which audited by certified public accountants;
5. The copy of capital verification report (the enterprises which contribute this year need to submit it)

Enterprise Legal Person Business License

Registration no.: 230199400001268

Company name: Harbin Tian Di Ren Medical Science & Technology Co., Ltd.
Address: Room 2, 6F, Unit 1, No.24, Songshan Road, Nangang District, Harbin
Legal representative: Liu Yanqing
Registered capital: USD 24,640,000
Paid-up capital: USD 24,640,000
Enterprise form: Wholly foreign-owned enterprise
Business scope: Manufacturing Category II 6864 medical healthcare materials and dressings — dressings and protective materials, Category II 6826 physiotherapy apparatus; selling self-made products (excluding the items prohibited in the catalogue for the guidance of foreign investment industries) (the validity period of the medical instrument production enterprise license as of Dec. 30, 2013)

Shareholder: American California Pharmaceutical Group, Inc

Duration: From Oct. 10, 2005 to Mar. 26, 2021

Date of incorporation: Dec. 29, 2000

Registry: Harbin Municipal Administration for Industry and Commerce
Jun. 20, 2009

1. The statement of enterprise basic information

| | | | |
|---|--|-------------------------------------|-------------------------------------|
| Enterprise name | Harbin Tian Di Ren Medical Science & Technology Co., Ltd. | | |
| Registration no. | 230199400001268 | Postal code | 150090 |
| Address | Room 2, 6F, Unit 1, No.24, Songshan Road, Nangang District, Harbin, Heilongjiang Province | | |
| The name of investor | | | |
| Chinese side | | | |
| Foreign side | American California Pharmaceutical Group, Inc (U.S.A.) | Nation (Region) | U.S.A. |
| Business scope | Manufacturing Category II 6864-2 medical healthcare materials and dressings—dressings and protective materials, Category II 6866-1 medical high molecular materials and products—apparatus and pipeline of transfusion and blood transfusion in accordance with the license; selling self-made products (excluding the items prohibited in the catalogue for the guidance of foreign investment industries). | | |
| Enterprise form | Wholly foreign-owned enterprise | | |
| Legal representative | Liu Yanqing | | |
| Chairman | Liu Yanqing | General manager | Han Xiaoyan |
| Whether the directors and supervisors changed | No | Whether the changing put on records | No |
| Date of incorporation | Dec. 29, 2000 | Duration | From Oct. 10, 2005 to Mar. 26, 2021 |
| Whether the business scope contains the items need prepositive administrative licensing | | | Yes |
| Whether the prepositive administrative license is effective | | | Yes |

2. The statement of investment

| | | | | | |
|--|---------------------|--|--|--|--------------|
| Total investment | | USD 35,200,000 | | | |
| Registered capital | | Chinese side subscriptions | 0 | | |
| | | Foreign side subscriptions | USD 24,640,000 | | |
| Paid-up capital | | Chinese side paid-in capital | 0 | | |
| | | Foreign side paid-in capital | USD 24,640,000 | | |
| Means of capital contribution | Currency | Practicality | Intellectual property | Land use right | Others |
| Amount (ten thousand dollars) | 2,464 | 0 | 0 | 0 | 0 |
| The contributing should be invested this year (ten thousand dollars) | Chinese side | 0 | Actual contributing (ten thousand dollars) | Chinese side | 0 |
| | Foreign side | 2,464 | | Foreign side | 2,464 |
| Whether the registered capital fully funded | | | Yes | | |
| The condition of contributing by installment | | | | | |
| Periods | Deadline | The contributing should be invested (ten thousand dollars) | | Actual contributing (ten thousand dollars) | |
| | | Chinese side | Foreign side | Chinese side | Foreign side |
| 1 | As of Aug. 26, 2008 | 0 | 2,464 | 0 | 2,464 |
| The reason of the default of payment | | | | | |
| Chinese side contributes by state-owned property | | | 0 | | |

3. The statement of company's investment

| The name of the investment company | Registration no. | Registry | The amount of investment (ten thousand yuan) | Proportion | The form of investment | Holding or not |
|------------------------------------|------------------|----------|--|------------|------------------------|----------------|
| | | | | | | |

4. The statement of branch

| The name of branch | Registration no. | Registry | Put on records or not |
|--|------------------|---|-----------------------|
| Harbin Tian Di Ren Medical Science & Technology Co., Ltd. Songbei Branch | DF0638 | Harbin Municipal Administration for Industry & Commerce | Yes |

5. The statement of production and operation of this year

| | | | |
|--|--|--|--------------------|
| Turnover | RMB 6,930,000 | Including: Service turnover | 0 |
| Domestic sales | RMB 6,170,000 | Including: Service turnover | 0 |
| Total tax | RMB 580,000 | Including: Customs duty | 0 |
| Profit before tax | RMB -379,000 | Profit | RMB -379,000 |
| Total assets | RMB 203,500,000 | Including: Long-term investment | RMB 31,890,000 |
| Total liabilities | RMB 25,550,000 | Including: Long-term liabilities | 0 |
| The import and export conditions | | | |
| Nation (Region) | Amount of exports (ten thousand dollars) | Amount of imports (ten thousand dollars) | |
| Russia | | 11 | |
| The name of capital verification institution | Heilongjiang Haitong Certified Public Accountants Co., Ltd. | | |
| Enterprise operating conditions | Construction | Start business | Yes Shut down |
| Date of starting business | Dec. 26, 2000 | | |
| Reasons of losing and abnormal production | We made a loss this year because that the price of raw materials increased in 2008 which resulted in the increasing of the cost of goods; otherwise, we established offices and sales force around the country which resulted in the increasing of the management expense including expenses on advertising. The sales will raise substantially in 2009, so we will make a profit basically. | | |
| Contract operation management or not | No | Contractor's name | |

6. The statement of other information

| | | | | | |
|-----------------------------------|--|--------------------------------------|---|-------------------------------------|---|
| Enterprise code | 2301723672484 | | | | |
| Business line | Manufacturing | Industry code | 2770 | | |
| Enterprise category | Encouraged | Permitted | | Limited | |
| | | Yes | | | |
| Investment company or not | Technologically advanced enterprise or not | | Export sale enterprise or not | | |
| No | No | | No | | |
| Staff strength | 45 | Including: expatriate staff strength | 0 | Additional staff strength this year | 0 |
| Authorized date | Feb. 17, 2006 | | Authorized certificate no. | [2006] 0008 | |
| National tax registration no. | 230198723672484 | | Finance registration no. | 2301000472 | |
| Land tax registration no. | 230198723672484 | | Customs registration no. | 2301340033 | |
| Foreign exchange registration no. | 00010913 | | Whether have declared finance annual report or quarterly report already | Yes | |

7. The statement of foreign exchange

| | Amount of opening accounts | Including: Amount of opening accounts in other places of country | Including: Amount of opening accounts overseas | Check and ratify the ceiling |
|--|---|--|---|--|
| current account | 0 | 0 | 0 | 0 |
| capital account | 1 | 0 | 0 | 2,464.00 |
| surplus reserves* investment ratio of foreign side | capital reserves* investment ratio of foreign side | profits* investment ratio of foreign side | losses* investment ratio of foreign side | remit profits to overseas this year |
| 0 | 0 | 0 | 0 | 0 |
| The amount of stock rights transferred to foreign shareholders by Chinese shareholders this year | The amount of foreign shareholders have handled the registration of share transfer earnings this year | The amount of stock rights transferred to Chinese shareholders by foreign shareholders this year | Accumulated amount of loans from overseas this year | Accumulated amount of repaying principle and paying interest this year |
| 0 | 0 | 0 | 0 | 0 |
| The item limited to be filled in by investment foreign investment enterprise | The amount of transferring the investment funds in China this year | The total amount of transferring the investment funds of past years accumulation | The investment income taken back this year | The investment income taken back of past years accumulation |
| | 0 | 0 | 0 | 0 |

