



SUPPLIER AUDIT REPORT

**CLASS
D**

LEGAL	Company name (CH)	Confidential
	Company name (EN)	Confidential
	Certificate of incorporation number	Confidential
	Operational status	ACTIVE
	Operating period	2018-11-26 - Present
	Type of company	Limited by actions
	Date of incorporation	2018-11-26
	Register authority	Jinshan Market Supervision Bureau
	Registered address (CH)	Confidential
	Registered address (EN)	Confidential
Contact telephone	Confidential	
E-mail	Confidential	
Legal representative	Confidential	
Business scope (Factory/Trader/Distributor)	Distributor. Mechanical equipment and accessories, electromechanical equipment and accessories, marine equipment and accessories, electronic products, computers, software and ancillary equipment, auto parts sales, import and export of goods and technology, electronic commerce (not engaged in value-added telecommunications and services financial), conference services, exhibition services. [Projects that are subject to approval by law can only be operated after approval by the relevant departments]	
Registered capital	RMB 500,000 (~USD\$72,889.48)	
Registered employees	0	
EQUITY	Equity distribution	100% property of the legal representative
	Registry of changes	None
INTELLECTUAL PROPERTY	Brands	None
	Patents	None
	Software rights	None
	Website registries	None
	Direct risk	The company has been sued twice, once for business malpractice and once for quality problems in their products. The court fined them on both occasions. Furthermore, the company failed to pay the debt to several suppliers during the course of the year, resulting in several bad debt records in the Chinese credit system.

RISK ANALYSIS	Indirect risk	The legal representative has had two companies that similarly operate wholesale machinery businesses before founding this one. One was (confidential), which was founded on 04/10/2014 and voluntarily dissolved on 08-22-2017. The other was (confidential), which was founded on 11/28/2011 and later canceled by the Shanghai Songjiang District Market Supervision Administration on 10/14/2016. , as a penalty for not doing business for more than six months after the establishment of the company, or for ceasing business for more than six consecutive months after opening.
	Strengths	1. The company passed a random check to the Annual Financial Report and Publicity Information Record conducted by Shanghai Municipal Market Supervision Office on 08-22-2019.
	Weaknesses	<p>1. The company is involved in critical lawsuits.</p> <p>2. The Chinese credit system shows that the company has bad debt history.</p> <p>3. The company has only been actively doing business under the current license for two years.</p>

REMARKS	<p>1. Conclusion. According to the study carried out, we recommend not proceeding in doing business with the company audited, taking into account that it is a small distributor, its registered capital is low, it has critical lawsuits, it has bad debt, and the legal representative has a history of having previously registered two similar distribution companies to this one with the same purpose, which were dissolved / canceled.</p> <p>2. Sourcing. If the client is interested, RADAR CHINA can provide supplier/product sourcing services to identify professional and suitable suppliers of the required goods, seeking to minimize risks for the client and a optimize the commercial conditions.</p>
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COMPANY CLASSIFICATION SYSTEM

A	B	C	D
✓ No bad debt	✓ No bad debt	✓ No bad debt	✓ Has bad debt
✓ No critical lawsuits	✓ No critical lawsuits	✓ No critical lawsuits	✓ Has critical lawsuits
✓ No penalties for critical quality problems	✓ No penalties for critical quality problems	✓ No penalties for critical quality problems	✓ Has penalties for critical quality problems
✓ Large quantity of registered employees	✓ Large-medium quantity of registered employees	✓ Medium-Low quantity or no registered employees	✓ Medium-Low quantity or no registered employees
✓ Long period of operation	✓ Long-medium period of operation	✓ Long-medium period of operation	
✓ High level of operational activity	✓ High-medium level of operational activity		
✓ High level of intellectual property	✓ High-medium level of intellectual property		

LEGAL DISCLAIMER:

1. Confidentiality. RADAR CHINA undertakes to maintain due reservation, not to disclose to third parties or make use of third parties or for operations other than the execution of the object of this contract, of any technical or commercial information obtained by reason of the execution of the same or as revealed by the client.
2. Service scope. The information provided by RADAR CHINA in this audit report has the exclusive function of supporting the client in their decision making. RADAR CHINA is not in the capacity to make decisions for the client under any circumstances and the client acknowledges that it acts independently in its decision making.
3. Warranty. The only express or inferred guarantee for the products and / or services acquired or contracted by el client with the intermediation of RADAR CHINA, is the original guarantee offered by the legitimate manufacturer or the supplier of the products and / or services under the terms and conditions thereof. RADAR CHINA will not be implicitly or explicitly liable for the non-contractual civil liability derived from the damages that could come from the product or service offered; Additionally, RADAR CHINA will not be subject to indirect damage or loss of revenue from the given product or service.

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