

1) Daqing Xinchengtai Technology Technology Co., LTD\*大庆市新成泰科技有限公司

According to the information provided by the client, the company is one of the three HRBN customers. We later confirmed from Heilongjiang AIC office that the company is engaged in machinery equipment, energy-saving motors, energy-saving car pumping unit, solar generator and enamelled wire.

According to Mr. PAN Qiang, Manager of the Market Department at 0451-87381456, Daqing Oilfield is affiliated to CNPC. It does not have independent procurement right. All electromechanical equipment needed is purchased by CNPC through bidding every year. The company has a good close relationship with the senior management of CNPC. PAN claims that when CNPC bids out contracts for Daqing Oilfield, Xinchengtai usually wins approximately RMB50,000,000 on linear electric motors orders from Daqing through CNPC every year. After it receives the order, it will purchase from HRBN.

According to Mr. WEI Xiang of the Purchasing Department at 0459-5991692, he is responsible for the procurement of 31 sorts of motor products for Daqing Oilfield. He himself does not know HRBN and its principal, YANG Tianfu, or PAN Qiang and Daqing Xinchengtai Technology Co., LTD. however, since the motors that Daqing Oilfield uses have great varieties, the procurement work of these motors involves many purchasers. Thus he couldn't exclude the possibility that his subordinates ever order corresponding products from HRBN or Daqing Xinchengtai Technology Co., Ltd. but he couldn't check it out for us. However, he confirmed that HRBN or Daqing Xinchengtai Technology Co., Ltd. is not the main vendors of the 31 sorts of motors for Daqing Oilfield.

According to Mr. LIANG of the Purchasing Department at 0459-5991692, he is responsible for the procurement of 26 sorts of motor products for Daqing Oilfield. He himself does not know HRBN and its principal, YANG Tianfu, or PAN Qiang and Daqing Xinchengtai Technology Co., LTD. LIANG did find the names of HRBN and Daqing Xinchengtai Technology Co., Ltd. in the vendor list of the company but no product supplied by the two companies is specified. Mr. LIANG stated and then affirmed in a follow-up call, however, that there is no confirmation it is purchasing motors from HRBN or Daqing Xinchengtai Technology Co., Ltd. And LIANG has no details of the size of procurement.

We then mentioned to Mr. LIANG that a staff of Xinchengtai Technology Co., Ltd. released that they ever-supplied linear electric motors to Daqing Oilfield. Mr. LIANG released that linear electric motors and beam-pumping unit are both first grade procurement projects and will be purchased through bidding issued by CNPC. The Purchasing Department of Daqing Oilfield is only responsible for the procurement of those second grade electromechanical equipments of 31 categories and 26 types. That might be why they have records of HRBN and Daqing Xinchengtai Technology Co., Ltd. as vendors but no record of corresponding products supplied. It is

estimated that these two companies supply products to Daqing Oilfield through CNPC. He suggested we find out the personnel who are responsible for contacting CNPC in HRBN and Daqing Xinchengtai Technology Co., Ltd..

We interviewed the DXT employee responsible for the relationship with HRBN: Mr. PAN Qiang, manager of the marketing department at 0451-87381456. Mr. PAN states that he is the person directly responsible for managing the DXT relationship with CNPC Daqing Oil Field. **Mr. PAN has stated on two separate occasions, including in an interview conducted by X overnight, and one conducted in the prior 48 hours, that the total amount of sales of HRBN products to CNPC Daqing Oil Field is RMB50,000,000. Mr. PAN has declined to provide details of the percentage of sales DXT keeps for itself, and the percentage of these sales that became HRBN revenue.**

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