

X has conducted internet research in Chinese language and found that GPL is affiliated to China POTEVIO, and is a large-scaled logistics technology enterprise specialized in logistics planning, research and development, design, production, installation, debugging, service and training and general integrity service of logistic technology products. The Chinese character name

for GPL is: 贵阳普天物流技术股份有限公司.

X has obtained the official financial records filings by GPL held by the AIC in China. These suggest that HRBN claimed sales to GPL were equivalent in RMB to 85% of GPL's total revenues. (Please see Annex E for the corporate records of GPL.) A review of the GPL website shows that motors make up only a small fraction of GPL's business.

GPL	2008
Total assets	194,671,493.0000
Total liabilities	169,792,215.0000
Operating income	116,208,537.0000
Profit after tax	94,002.0000

X has interviewed Mr. YUAN, Manager of the Purchasing Department at 0851-4720063. Mr. YUAN is the person directly responsible for the procurement of linear electric motors from HRBN since 2009, and has served with the company since 2008. Mr. YUAN states that GPL's annual procurement amount from HRBN in 2008 and 2009 was approximately 120 to 150 sets of (linear motors) with a unit price of over RMB3000 per set. (I.e. RMB360,000 to RMB450,000). In 1H2011, GPL has purchased 50 linear electric motors from HRBN for approximately RMB100,000. [Note – Total 1H2011 purchases are US\$15,501, with units purchased at a 30% discount to previous years.]

It is X assessment that Mr. YUAN's statements suggest HRBN overstated its 2008 sales to GPL by 219%.

It is X further assessment that Mr. YUAN's statements are reliable because:

Additional contact with and brief interviews of Mr. YUAN's colleagues at GPL have suggested Mr. YUAN is the individual with the most direct knowledge of the relevant background and relationships.