

Dagong Credit Rating Bulletin

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Dagong Global Credit Rating Co., Ltd. (Dagong) assigned A_{zc-} credit rating on InterVision Software Co., Ltd. The rating reflects the development opportunities brought by developing of informational construction and demand of middleware software market, certain R&D ability, high gross profit, stable raw material supply and stable relationship with clients. On the other hand, the company faces fierce competition in middleware software market, small company scale, plain profitability, low operation efficiency, fluctuating operational cash flow and weak debt repayment ability.

Accordance with the development of the global information technology, the Chinese government enlarges the investment on the infrastructure facilities in finance, telecommunication, government, education etc. The development of middleware software market as well as the growing market demand brought fantastic business opportunities for the company. For the recent half decade, the centralization of the middleware market goes down and the target clients prefer to choose the products from reputable companies both domestically and internationally. The company has small scale and did not have high reputation in this area, however, they do have certain market share and copyright for their products. Most of the employees in the R&D department have the experience and strong capability in the software industry, and their new products could fulfill the requirements of their clients.

The company undertook the product line of specialization and differentiation. On the terms of products and service, the company is certain competitive in telecommunication, electricity power, national defense and manufacture industry. The raw material supply is stable, as well as the relationship with clients, which is good for the development of

business. The future development strategy will help to strengthen the overall competence. Currently, the main risk are as following: in the terms of market, the competition from some famous foreign companies, such as IBM, BEA and some domestic peers; in the terms of financing, there is collateral limit resulting to weak financing ability.

The revenue and profit are stable but the profitability is not that strong; the assets scale and quality of company are in common level. The liquidity is good but the operational efficiency is low. The leverage ratio is below the average level and the fluctuation of operational cash flow is big. The liability repayment ability is comparatively low.

Dagong reserves the right for reviewing the credit condition of the Company and announcement of change to the credit rating.

Sep 5th,2008

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