

PUBLIC FILE

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LIZHONG

(LIZHONG LIZHONG)

The Normal Credit Report on the Chinese Enterprise



中国出口信用保险公司
China Export & Credit Insurance Corporation

BAODING LIZHONG WHEEL MANUFACTURING CO., LTD.

SinoRating

Panjiva Inc. (Customer):

SinoRating sends you this credit report according to your following inquiry on 2011-04-13:

Ref No.	---
The Given Name	Baoding Lizhong Wheel Manufacture Co Ltd 保定市立中车轮制造有限公司
The Given Address	No. 948 Qiyidong Road, Baoding, Hebei, 071000 China

Investigated Company Name	BAODING LIZHONG WHEEL MANUFACTURING CO., LTD.
Investigated Company Address	NO. 948, QIYI EAST ROAD, BEISHI DISTRICT, BAODING CITY, HEBEI PROVINCE
Investigated Company Chinese Name	保定市立中车轮制造有限公司
Investigated Company Chinese Address	河北省保定市北市区七一东路948号
SinoRating Credit Rating	A
SinoRating Default Rate	0.72~1.16(%)
Explanation	The given English name isn't accurate. Subject's accurate English name is as shown in the report.
Announcement	SinoRating doesn't ensure that subject's English name shown in the report is its legal English name, which is provided just for your reference.

Should you have any questions, please feel free to contact SinoRating at	
Tel	(8610) 66582474
Fax	(8610) 66516097
Email	sinorating@sinosure.com.cn
Contact Person	Wang Tao
SinoRating Customer Service Center	
2011-04-19	

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BAODING LIZHONG WHEEL MANUFACTURING CO., LTD.

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COMPANY SUMMARY

SinoRating Ref. No.	CHN000007802
Company Name	BAODING LIZHONG WHEEL MANUFACTURING CO., LTD.
Operating Address	NO. 948, QIYI EAST ROAD, BEISHI DISTRICT, BAODING CITY, HEBEI PROVINCE (071000)
Telephone	(86)312-5030857
Fax	(86)312-5997627
Website	http://www.bdlzwheel.com
Email	glb@bdlzwheel.com
Start Year	1995-09-01
Business Scope	Manufacturer of automotive aluminum alloy wheels
Industry	Manufacturer of car parts and accessories
Industry Code	3725
Listed Company	No
Export/Import License	Yes
Sales	565,292,000 (2009)
Net Worth	292,476,000 (2009)
Employee	1,800
Enterprise Size	Medium
Financial Status	Good
Trend	Stable
Payment Record	Unable to judge
SinoRating Credit Rating	A
SinoRating Default Rate	0.72~1.16(%)
SinoRating Comment	Although subject shows an Stable development trend on the whole, its financial status is Good.SinoRating proposes A credit rating to subject - Relatively strong strength, relatively high resistance to risk, normal credit status

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Remark Renminbi unless otherwise stated.
 'Industry Code' is according to the 'National Economic Industry Classification' by National Bureau of Statistics of China.
 'Enterprise Size' is divided by Classification Standard of Small, Medium and Large Enterprises constituted by National Bureau of Statistics of China, National Development and Reform Commission of China, and Ministry of Finance of China.

REGISTRATION INFORMATION

Registry	Hebei Province Baoding City Administration for Industry & Commerce
Registered Address	NO. 948, QIYI EAST ROAD, BAODING CITY, HEBEI PROVINCE (071000)
Organization Code	601208691
Value Added Tax No.	130603601208691
Registration No.	130600400002428
Company Type	Wholly Foreign Owned Enterprise
Registered Capital	171,500,000
Legal Representative	Zang Ligen
Business Scope	Production and sale of automotive aluminum alloy wheels and related fittings
Registered Date	1995-09-01
Business Licence Valid Until	2024-07-12

HISTORY

On May 9, 2008, subject's registered address was changed from "No. 948, Longfei Road, Baoding City" to the current address.

The date when subject's shareholder was changed from Singapore China Wheel Holdings Ltd. to the current one isn't available.

OWNERSHIP

Shareholders	Registration No./ID Card No.	Shareholding
Singapore Lizhong Wheel Group Ltd. (literal translation)		100.0%

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PARENT INFORMATION

Company Name	Singapore Lizhong Wheel Group Ltd. (literal translation)
Country/Region	SINGAPORE
Address	...
Shares Hold	100%

KEY EXECUTIVES

Name	Zang , Ligen
Gender	Male
Education	High School
ID Card No.	130622195807173010
Age	53
Title	Chairman of the Board
Management Experience	25year(s)
Industry Experience	30year(s)
Remark	He has held an executive position in Singapore Lizhong Wheel Group Ltd. (literal translation) for long. At present, he concurrently works as subject's Chairman of the Board.

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FINANCIALS

Auditor: — Currency: CNY

Balance Sheet (in thousands)

Date	2009-12-31	2008-12-31
Source	3rd party 2	3rd party 2
Audited/Consolidated	—/—	—/—
Cash	24,430	39,777
Short-Term Investment	—	—
Notes Receivable	20,816	36,841
Dividends Receivable	—	—
Interest Receivable	—	—
Accounts Receivable	137,796	64,019
Other Accounts Receivable	26,847	31,839
Advances to Suppliers	2,083	4,550
Subsidy receivable	—	—
Inventory	108,223	85,302
Prepaid Expenses	3,165	—
Long-term debt investment within one year	—	—
Other Current Assets	—	—
Total Current Assets	323,359	262,328
Long-Term Debt/Investments	—	—
Long-Term Equity Investments	—	—
Other Long-Term Assets	—	—
*Equity investment difference	—	—
Total Long-Term Investments	—	—
Fixed Assets	272,238	276,818
Accumulated Depreciation	107,891	84,902
Net Fixed Assets	164,347	191,916
Provision for Impairment of Fixed Assets	—	—
Net Value of Fixed Assets	164,347	191,916
Fixed Assets Disposal	—	—
Construction in Progress	5,690	1,195
Construction Material	—	—
Other	—	—
Total Fixed Assets	170,037	193,111
Intangible Assets	7,627	7,934
Long-Term Prepaid Expenses	—	—
Other Long-Term Assets	—	—
Intangible Assets and Other Assets	7,627	7,934
Deferred Taxation Charges	—	—
Deferred Taxation	—	—
Total Assets	501,023	463,373

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BAODING LIZHONG WHEEL MANUFACTURING CO., LTD.

SinoRating

Date	2009-12-31	2008-12-31
Source	3rd party 2	3rd party 2
Short-term Loans	53,500	28,500
Notes Payable	31,701	20,000
Accounts Payable	100,377	36,802
Advances from Customers	447	1,282
Accrued Payroll	7,675	5,825
Welfare Payable	—	—
Dividends Payable	—	—
Tax Payable	1,746	-1,316
Other Taxes Payable	—	—
Other Payable	9,167	24,693
Accrued Expense	3,934	—
Accrued Liabilities	—	—
Interest Payable	—	—
Long-Term Liabilities Due Within One Year	—	59,423
Other Current Liabilities	—	—
Total Current Liabilities	208,547	175,209
Long-Term Loans	—	—
Bonds Payable	—	—
Long-Term Payable	—	—
Government grants payable	—	—
Other Long-Term Debts	—	—
Total Long-Term Liabilities	—	—
Deferred Taxes Credits	—	—
Deferred Taxation	—	—
Total Liabilities	208,547	175,209
*Minority Interests	—	—
Paid-in Capital	171,500	171,500
Capital Reserve	721	721
Surplus Reserve	27,905	27,905
Accumulated Profits	92,350	88,038
Retained Earnings	—	—
Other Owner's Equity	—	—
Total Owner's Equity	292,476	288,164
Total Liabilities and Owner's Equity	501,023	463,373

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Income Statement (in thousands)

Date	2009-01-01 to 2009-12-31	2008-01-01 to 2008-12-31
Source	3rd party 2	3rd party 2
Sales	565,292	596,769
- Cost of Goods Sold	481,697	507,373
- Sales Tax	—	—
Gross Profit	83,595	89,396
+ Other Revenues and Gains	—	—
- Administrative Expenses	29,057	26,111
- Operating Expenses	23,339	17,102
- Financial Expenses	4,091	11,055
Income from Operations	27,108	36,128
+ Return on Investment	—	—
+ Subsidy Income	—	—
+ Non-operating Income	888	907
- Non-operating Expense	166	203
Non-operating Net Income	—	—
Income before Income Taxes	27,810	36,832
Income Taxes	2,848	10,362
- *Minority Loss/Profit	—	—
Net Income	25,462	26,470

Key Financial Figures (in thousands)

Date	2009-12-31	2008-12-31
Source	3rd party 2	3rd party 2
Sales	565,292	596,769
Net Income	25,462	26,470
Total Assets	501,023	463,373
Working Capital	114,812	87,119
Total Liabilities	208,547	175,209
Net Assets	292,476	288,164

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Key Financial Ratios

Date	2009	2008
Source	3rd party 2	3rd party 2
Current Ratio	1.55	1.5
Quick Ratio	1.03	1.01
Accounts Receivable Collection Period	64	70
Accounts Payable Payment Period	51	37
Days in Inventory	72	57
Asset Turnover	1.17	1.18
Debts to Total Assets Ratio(%)	41.62	37.81
Liabilities to Equity(%)	71.3	60.8
Return on Assets(%)	5.08	5.71
Return on Net Assets (%)	8.71	9.19
Operating Profit Margin (%)	14.79	14.98
Profit Margin(%)	4.6	4.44

Industry Comparison

	Subject Data	*Percentile 25	*Median	*Percentile 75
Date	2009	2009	2009	2009
Current Ratio	1.55	0.98	1.28	1.7
Quick Ratio	1.03	0.75	1.01	1.36
Accounts Receivable Collection Period	64	57.0	75.0	100.0
Accounts Payable Payment Period	51	54.0	78.0	111.0
Days in Inventory	72	27.0	54.0	95.0
Asset Turnover	1.17	0.83	1.28	1.76
Debts to Total Assets Ratio(%)	41.62	43.82	58.42	71.79
Liabilities to Equity(%)	71.3	78.0	140.53	248.74
Return on Assets(%)	5.08	0.63	5.21	13.38
Return on Net Assets (%)	8.71	2.78	16.42	28.76
Operating Profit Margin (%)	14.79	10.51	17.1	23.49
Profit Margin(%)	4.6	0.92	3.81	9.55

★Note: If there are 100 companies in the same industry, SinoRating will rank the data under the same ratio from the smallest to the largest. Percentile 25% is the figure ranked 25th. Medium is the figure ranked 50th while percentile 75% is that ranked 75th. By using this comparison, one can have a clear idea of the status of subject's financial ratio in its industry. '—' means that SinoRating does not have enough industry data to generate the comparison.

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BANKING

SinoRating Explanation

SinoRating didn't get subject's banking information from official source.

OPERATIONS

Core Business

Manufacturer of automotive aluminum alloy wheels

Subject is principally engaged in design, production and sale of various kinds of automotive aluminum alloy wheels. It is capable of producing more than 300 kinds of automotive aluminum alloy wheels with the diameter ranging from 12 inches to 26 inches.

Sales

Sales NetWork

Subject mainly sells automotive aluminum alloy wheels. It is learnt that subject's products are sold both at home (all over the country) and abroad (especially in America, Europe, Japan and South Korea). The settlement term between subject and customers includes bank transfer, T/T, L/C, etc. Subject's customers include Beijing Dazheng Jianye Automotive Parts Co., Ltd. (literal translation), Baoding Wuzhou Tyre Co., Ltd. (literal translation), Shijiazhuang Jiuxin Trade Co., Ltd. (literal translation), South Korea Hyundai Motor Company, South Korea Kia Motor Corporation, Zhejiang Geely Holding (Group) Co., Ltd., Great Wall Automobile Holding Company Limited, Dongfeng Motor Co., Ltd., etc.

Remark

Subject's export volume was USD7,345,540 in the 4th quarter of 2009, and USD14,531,630 in the 4th quarter of 2010.

Export Record	
Export to(2010)	
GERMANY	48.9%
JAPAN	26.11%
RUSSIA FEDERATION	14.97%
UNITED KINGDOM	1.97%
INDIA	1.94%
Others	1.89%
ITALY	1.69%
POLAND	1.31%

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AUSTRALIA	1.22%
★Remark: subject exports products to the above regions in the latest year.	
Export Volume	
2010	USD 51,212,579
2009	USD 30,840,023
2008	USD 32,928,627
2007	USD 23,942,127
Export*	
Vehicle and its parts and accessories (railway vehicle excluded) ★Note: Commodity names shown herein are not subject's actual import/export product name, but category name classified by China Customs.	
Trade Term for Export	
General Trade	99.75%
Feeding Processing Trade	0.25%
Other Trade	0.0%

Purchase

Local Purchase

Subject purchases aluminum alloy, coating and other raw materials.
It is learnt that subject's raw materials are mostly purchased domestically, especially from Tianjin City, Hebei Province and surrounding area.
The settlement term between subject and suppliers includes bank transfer, T/T, etc.
Subject's suppliers include Baoding Longda Aluminum Industry Co., Ltd., Tianjin Lizhong Alloy Co., Ltd. (literal translation), etc.

Remark

Subject's import volume was USDO in the 4th quarter of 2009, and USD397,868 in the 4th quarter of 2010.

Import Record	
Import from (2010)	
GERMANY	98.44%
Others	1.56%
★Remark: subject imports products from the above regions in the latest year.	
Import Volume	
2010	USD 399,063

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2009	USD 172,812
2008	USD 131,496
2007	USD 1,118,156
Import*	
Equipment and its parts and accessories for optics, photography and medical treatment/ Vehicle and its parts and accessories (railway vehicle excluded)/ Steel products ★Note: Commodity names shown herein are not subject's actual import/export product name, but category name classified by China Customs.	
Trade Term for Import	
General Trade	1.3%
Other Trade	98.7%

Premises

Operating Space 71,000 square metres
Owned/Rented Rented
Location Main Industrial District

Employees

Total Employees 1,800

PAYMENT RECORDS

As of report date, we did not get any payment record relating to the subject company.

LITIGATION

As of report date, no litigation record has been found against subject through our searching the website of local court, other courts and major search engines.

PUBLIC INFORMATION

As of report date, we did not find any negative information relating to the subject company.

INDUSTRY ANALYSIS

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As the basis of automobile industry, automotive parts are indispensable in supporting the sustainable and healthy development of automobile industry. In 2009, over 40% of auto parts suppliers in China would be up against serious liquidity challenges, while after-sales market would be the major powerhouse for automotive parts industry. From Jan. to Nov. of 2009, the parts and components import accumulated to USD15.675 billion, up by 4.11% year on year; thereinto, the engine import quantity and value totaled at 575,900 sets and USD1.565 billion, up by 11.45% and 2.21% year on year; the import value of auto parts, accessories and body accumulated to USD12.873 billion, up by 3.25% year on year; the automobile & motorcycle tire import totaled at USD270 million, up by 2.30% year on year; and other car-related merchandise import totaled at USD967 million, up by 21.94% year on year. In 2009, China's automobile part enterprises were confronted with the toughest challenge of the past three decades since reform and opening up.

As predicted, this industry's export will restore to the 2008 level in 2010 and achieve a year-on-year increase of above 30%. The automobile part industry is bound to set the orientation at technology, cost and upstream & downstream industries and launch industry upgrade.

SENIORATING SUMMARY

Established on September 1, 1995, subject is now a wholly foreign-owned enterprise invested by Singapore Lizhong Wheel Group Ltd. (literal translation) with the registered capital of RMB171.5million.

Subject is principally engaged in design, production and sale of various kinds of automotive aluminum alloy wheels, including plated aluminum alloy wheels and coating aluminum alloy wheels. It is capable of producing more than 300 kinds of automotive aluminum alloy wheels with the diameter ranging from 12 inches to 26 inches. It obtains such certificates as QS9000, ISO/TS16949, TüV (Germany), VIA (Japan) and SFI (America). It has the registered trademarks of Ou Ma, TG Racing and AOEM. At present, subject sells its products through three kinds of customer channels, that is OEM service for automobile manufacturers, Chinese retail customer and overseas customer.

With relatively strong production strength, subject has established distribution channels with many domestic and overseas retailers, and has established OEM cooperation relation with large automobile manufacturers, so it has enjoyed perfect sales system. As subject has accumulated many customer resources, subject is expected to keep stable development trend.

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SINO RATING CREDIT RATING**Rating Result**

Rating Symbol	Definition	Default Rate(%)
AAA	Very strong strength, very high resistance to risk, excellent credit status	0~0.17
AA	Strong strength, high resistance to risk, good credit status	0.17~0.72
A	Relatively strong strength, relatively high resistance to risk, normal credit status	0.72~1.16
BBB	Average strength, average resistance to risk, acceptable credit status	1.16~2.35
BB	Below-the-average strength, below-the-average resistance to risk, less acceptable credit status	2.35~3.99
B	Relatively weak strength, relatively low resistance to risk, passable credit status	3.99~6.10
CCC	Weak strength, low resistance to risk, relatively poor credit status	6.10~10.14
CC	Very weak strength, very low resistance to risk, poor credit status	10.14~13.44
C	On the verge of bankruptcy, basically discredited	>13.44
NR	Subject is not rated because it is established for no more than one year or it goes out of business or information is not enough	

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Principal Consulting Index and Weight of Credit Rating

Rating Factors	Weight
Key executives, employees & organizational structure	10%
Company background and operational status	20%
Enterprise size	15%
Financial status	30%
Company development	10%
Competitiveness and industry analysis	10%
Company and industry prospect	5%
Total	100%
Special factors	-10%~+10%

-----End of Report-----

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Organization

