

NINGBO YONGOT

The Normal Credit Report on the Chinese Enterprise



SINOSURE

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

NINGBO YONGQI ALUMINIUM-WHEEL MANUFACTURE CO., LTD

SinoRating

Panjiva Inc. (Customer):

SinoRating sends you this credit report according to your following inquiry on 2010-09-25:

Ref No.	—
The Given Name	Ningbo Yongqi Aluminum Wheel Manufacture Co. Ltd.
The Given Address	Industrial Park, Jishigang, Ningbo, China, 315171

Investigated Company Name	NINGBO YONGQI ALUMINIUM-WHEEL MANUFACTURE CO., LTD
Investigated Company Address	JISHIGANG INDUSTRIAL PARK, YINZHOU DISTRICT
Investigated Company Chinese Name	宁波雨祺铝轮制造有限公司
Investigated Company Chinese Address	鄞州区集士港工业开发区
SinoRating Grade	CCC
SinoRating Default Rate	0.00%
Report Date	2010-09-25

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	
2010-09-29	

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NINGBO YONGQI ALUMINIUM-WHEEL MANUFACTURE CO., LTD

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COMPANY SUMMARY

SinoRating Ref. No.	CHN000572287
Company Name	NINGBO YONGQI ALUMINIUM-WHEEL MANUFACTURE CO., LTD
Operating Address	JISHIGANG INDUSTRIAL PARK, YINZHOU DISTRICT, , NINGBO CITY, ZHEJIANG PROVINCE(315171)
Registered Address	FENGCHENG VILLAGE, JISHIGUANG TOWN, YINZHOU DISTRICT, NINGBO CITY, ZHEJIANG PROVINCE(315171)
Telephone	(86)574-55005158
Fax	(86)574-55005160
Website	www.yqwheels.cn
Email	sales@yqwheels.com
Start Year	2002-11-01
Business Scope	Manufacturer of aluminum alloy automobile wheel hub
Industry	Manufacturer of car parts and accessories
Industry Code	3725
Listed Company	No
Export/Import License	Yes
Sales	86,118,000 (2009)
Net Worth	6,378,000 (2009)
Employee	400
Enterprise Size	Medium
Financial Status	Poor
Trend	Unstable
Payment Record	Unable to judge
SinoRating Credit Rating	CCC
SinoRating Default Rate	6.10~10.14(%)
SinoRating Comment	Although subject shows an Unstable development trend on the whole, its financial status is Poor. SinoRating proposes CCC credit rating to subject - Weak strength, low resistance to risk, relatively poor 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

Registered Date 2002-11-01
 Registry Zhejiang Province Ningbo City Yinzhou Administration for Industry and Commerce
 Organization Code 742188495
 Value Added Tax No. 330227742188495
 Legal Representative Lu Yinfang
 Registration No. 330200400011119
 Registered Capital USD 450,000
 Company Type Wholly HK, Macau or Taiwan Owned Enterprise
 Business Licence Valid Until 2012-10-31
 Business Scope Production and processing of automobile aluminum wheels, automobile parts, hardware tools, plastic products and mold

HISTORY

On Oct. 18, 2007, subject's registration number was changed from 006530 to the current number.

OWNERSHIP

Shareholders	ID Card No.	Shareholding
MASTER RICH INTERNATIONAL INVESTMENT LIMITED (Hong Kong)		100.0%

PARENT INFORMATION

Company Name MASTER RICH INTERNATIONAL INVESTMENT LIMITED

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NINGBO YONGQI ALUMINIUM-WHEEL MANUFACTURE CO., LTD

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Country/Region HONG KONG, CHINA

Shares Hold 100%

The company is registered in Hong Kong. The following information is obtained from Hong Kong ICRIS Cyber Search Center.

Registration Number: 0855630

Company Name: MASTER RICH INTERNATIONAL INVESTMENT LIMITED

Company Category: Local Company

Date of Establishment: Aug. 1, 2003

Company Type: Private Company

Current Status: Active

KEY EXECUTIVES

Name	Lu, Yinfang
Gender	Male
ID Card No.	330227631020587
Age	47
Title	General Manager
Responsibility	Overall Management
Remark	Lu Yinfang also acts as subject's Legal Representative.

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NINGBO YONGQI ALUMINIUM-WHEEL MANUFACTURE CO., LTD

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FINANCIALS

Auditor: —

Balance Sheet (in thousands)		
Date	2009-12-31	2008-12-31
Source of Funds	3,320,000	3,320,000
Audited/Consolidated	—/—	—/—
Cash	13,700	24,820
Short-Term Investment	—	—
Notes Receivable	—	—
Dividends Receivable	—	—
Accounts Receivable	11,074	22,318
Other Accounts Receivable	1,049	4,000
Advances to Suppliers	146	99
Subsidiary Receivable	1,639	—
Inventory	76,235	63,608
Prepaid Expenses	1,492	1,312
Long-term debt investment within one year	—	—
Other Current Assets	—	—
Total Current Assets	135,316	153,188
Long-Term Debt Investments	—	—
Long-Term Equity Investments	—	—
Other Long-Term Assets	—	—
*Equity investment difference	—	—
Total Long-Term Investments	—	—
Fixed Assets	47,700	47,334
Accumulated Depreciation	18,496	14,002
Net Fixed Assets	29,305	33,332
Provision for Impairment of Fixed Assets	—	—
Net Value of Fixed Assets	29,305	33,332
Construction in Progress	—	—
Construction Materials	—	—
Other	—	—
Total Fixed Assets	29,305	33,332
Intangible Assets	—	—
Long-Term Prepaid Expenses	—	—
Other Long-Term Assets	138	324
Intangible Assets and Other Assets	138	324
Deferred Taxation Charges	—	—
Deferred Taxation	—	—
Total Assets	164,759	186,844

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NINGBO YONGQI ALUMINIUM-WHEEL MANUFACTURE CO., LTD

SinoRating

Date	2009-12-31	2008-12-31
Source	3rd party	3rd party
Short-term Loans	2,000,000	178,221
Notes Payable	25,726	49,212
Accounts Payable	31,496	39,741
Advances from Customers	4,006	3,843
Accrued Payables	42	800
Welfare Payable	—	—
Dividends Payable	—	—
Tax Payable	-1,192	-932
Other Taxes Payable	—	—
Other Payable	20,313	7,985
Accrued Expenses	—	—
Accrued Liabilities	—	—
Interest Payable	—	—
Long-Term Liabilities Due Within One Year	—	—
Other Current Liabilities	—	—
Total Current Liabilities	158,381	172,879
Bonds Payable	—	—
Long-term Payable	—	—
Government grants payable	—	—
Other Long-term Liabilities	—	—
Total Long-Term Liabilities	—	—
Deferred Taxes Credit	—	—
Deferred Taxation	—	—
Total Liabilities	158,381	172,879
*Minority Interests	—	—
Paid-up Capital	1,725	1,725
Capital Reserve	198	198
Surplus Reserve	—	—
Accumulated Profits	2,455	10,042
Retained Earnings	—	—
Other Owner's Equity	—	—
Total Owner's Equity	6,378	13,965
Total Liabilities and Owner's Equity	164,759	186,844

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NINGBO YONGQI ALUMINIUM-WHEEL MANUFACTURE CO., LTD

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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	3rd party
Sales	86,118	190,358
- Cost of Goods Sold	80,831	176,686
- Sales Tax	31	—
Gross Profit	5,756	13,672
+ Other Revenues and Gains	—	—
- Administrative Expenses	6,082	8,051
- Operating Expenses	1,187	1,821
Financial Expenses	75,609	8,654
Income from Operations	-7,767	-4,853
+ Return on Investment	376	480
+ Subsidy Income	—	—
- Non-operating Income	—	—
- Non-operating Expense	196	442
Non-operating Net Income	—	—
Income before Income Taxes	-7,587	-4,815
- Income Taxes	—	—
- *Minority Loss/Profit	—	—
Net Income	-7,587	-4,815

Key Financial Figures (in thousands)		
Date	2009-12-31	2008-12-31
Source	3rd party	3rd party
Sales	86,118	190,358
Net Income	-7,587	-4,815
Total Assets	164,759	186,844
Working Capital	23,065	19,691
Total Liabilities	158,381	172,879
Net Assets	6,378	13,965

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WINGBO YONGQI ALUMINIUM-WHEEL MANUFACTURE CO., LTD

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Key Financial Ratios

Date	2009	2008
Source	3rd party	3rd party
Current Ratio	0.85	0.89
Quick Ratio	0.37	0.52
Accounts Receivable Collection Period	70	42
Accounts Payable Payment Period	146	69
Days in Inventory	313	130
Asset Turnover	0.49	1.02
Debts to Total Assets Ratio(%)	96.13	92.53
Liabilities to Equity(%)	248.24	123.54
Return on Assets(%)	-4.6	-2.58
Return on Net Assets(%)	10.99	34.48
Operating Profit Margin (%)	6.72	7.18
Profit Margin(%)	8.81	2.53

Industry Comparison

	Subject Data	*Percentile 25	*Median	*Percentile 75
Date	2009	2009	2009	2009
Current Ratio	0.85	1.03	1.36	1.74
Quick Ratio	0.37	0.76	1.01	1.43
Accounts Receivable Collection Period	70	52.0	75.0	97.0
Accounts Payable Payment Period	146	52.0	81.0	111.0
Days in Inventory	313	25.0	56.0	84.0
Asset Turnover	0.49	0.86	0.94	1.82
Debts to Total Assets Ratio(%)	96.13	44.58	55.03	68.57
Liabilities to Equity(%)	248.24	80.43	120.50	213.14
Return on Assets(%)	-4.6	2.67	7.29	14.38
Return on Net Assets(%)	10.99	16.85	18.74	29.16
Operating Profit Margin (%)	6.72	12.38	19.51	22.96
Profit Margin(%)	8.81	1.84	6.19	9.64

★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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SinoRating Explanation

Subject's staff refused to verify the above financial figures or to explain why it suffered net income loss for two consecutive years. However, according to the staff, the reason for the great decline of subject's sales in 2009 is the decrease of overseas order quantity due to the influence of financial crisis. Subject's operation status in 2010 is improved obviously over 2009 and its order quantity is relatively big.

BANKING

Main Correspondent Bank , Ningbo Commercial Bank Feihong Sub-branch

Date 2010-09-26

Bank Telephone 0574-88209010

RMB Account Number 82560320107000414

According to the staff from the bank, subject once held the above account herein, but the account was closed several years ago.

Main Correspondent Bank(s) , Yinzhou Bank Jishigang Sub-branch

Date 2010-09-26

Bank Telephone 0574-88422683

RMB Account Number 81270101302099808

Credit Limit high 8 digits

According to the staff from the bank, subject holds a basic account herein with the account number shown above. Subject mainly receives credit through mortgage of land use right and house property use right. The bank grants a credit limit of RMB80 million to subject. Currently subject has about RMB40 million of loans in the bank. Moreover, the staff also stated that as the largest enterprise in local automobile wheel hub industry, subject maintained sound credit standing.

OPERATIONS**Core Business**

Manufacturer of aluminum alloy automobile wheel hub

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Subject is principally engaged in production and sale of automobile wheel hub and its leading products are 10-28 inch aluminum alloy automobile wheel hubs. Subject has nearly 100 styles and more than 300 specifications of wheel hub products. Currently subject has an annual production capacity of 700 thousand to 800 thousand pieces and the annual production capacity in the next year is expected to be one million pieces. Subject has its own brand, "Yongqi", and also provides OEM service.

Subject has obtained ISO9000, ISO9001 and ISO14000 certificates.

Sales**Sales NetWork**

According to subject's staff, its products are sold both at home and abroad. Its major customers are automobile manufacturers and automobile after-sale market. Subject's products are mostly exported, especially to North America, Europe, Oceania, Southeast Asia, etc. A comparatively small part of its products are sold domestically, especially in Jiangsu Province and Zhejiang Province. Subject usually settles with its customers by T/T, L/C and short-term credit.

Remark

Subject's export volume was USD2,998,479 in the 2nd quarter of 2009 and USD5,468,724 in the 2nd quarter of 2010.

Export Record	
Export to (2010)	
UNITED STATES	26.22%
NETHERLANDS	10.38%
INDONESIA	8.74%
AUSTRALIA	7.34%
Others	7.05%
MEXICO	5.8%
CANADA	5.26%
JAPAN	5.01%
Taiwan Prov.	4.74%
PANAMA	3.9%
MALAYSIA	2.3%
FRANCE	1.81%
SOUTH AFRICA	1.72%
SWEDEN	1.7%

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VENEZUELA	1.69%
TURKEY	1.52%
GERMANY	1.43%
BELGIUM	1.24%
REP. OF KOREA	1.15%
FINLAND	1.0%
★Remark: subject exports products to the above regions in the latest year.	
Export Volume	
2010(1 - 7)	USD 11,874,344
2009	USD 11,282,605
2008	USD 22,846,410
2007	USD 20,851,240
Export*	
Vehicle and its parts and accessories (railway vehicle excluded)/ Aluminum and its 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 Export	
General Trade	100.0%
Other Trade	0.0%

Purchase

Local Purchase

According to subject's staff, the raw materials needed by subject in production are purchased both domestically, especially in Yangtze River Delta Region, and abroad, especially in Japan, Taiwan, etc. Subject usually settles with its suppliers by spot trading or short-term credit.

Remark

Subject's import volume was USD174 in the 2nd quarter of 2009 and USD1259 in the 2nd quarter of 2010.

Import Record	
Import from(2010)	
JAPAN	37.55%
Taiwan Prov.	35.25%

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SAUDI ARABIA	27.2%
★Remark: subject imports products from the above regions in the latest year.	
Import Volume	
2010(1 - 7)	USD 2,386
2009	USD 2,770
2008	USD 2,897
2007	USD 1,292
Import*	
Rubber and its products/ 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 Import	
General Trade	27.2%
Other Trade	72.8%

Premises

Operating Space 43,000 square metres
 Location Main Industrial District
 Remark Subject is located at main industrial district with unknown property ownership.

Employees

Total Employees 400

PAYMENT RECORDS

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

LITIGATION

Date 2007-10-26
 Content Enforcement Jurisdiction: Ningbo City Zhenhai District People's Court
 Date of Filing: Oct. 26, 2007
 No. : (2007) 00724
 Subject Matter of Enforcement: RMB67931.57
 Case Status: Concluded

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PUBLIC INFORMATION

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

INDUSTRY ANALYSIS

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; therein, 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.

SINORATING SUMMARY**Historical Development**

Established in November 2002, subject is wholly invested by MASTER RICH INTERNATIONAL INVESTMENT LIMITED (registered in Hong Kong) with the registered capital of USD450,000.

Current Operating Status

Subject is principally engaged in production and sale of automobile wheel hub. Its products are sold both domestically and abroad. Its major customers are automobile manufacturers and automobile after-sale market.

With a short history, subject suffers net income loss in two consecutive years and has poor financial security and operating capacity. Due to the influence of financial crisis, its sales in 2009 decreased greatly over 2008, but in 2010 its operation status is improved, which is reflected by its import and export data. Generally speaking, subject's future development trend needs further observation.

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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 for 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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