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## The Normal Credit Report on the Chinese Enterprise



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

TAISHAN CITY WHEELTECH ALUMINUM INDUSTRY CO., LTD.

SinoRating

Panjiva Inc. (Customer) :

SinoRating sends you this credit report according to your following inquiry on 2010-10-14:

Ref No.	—
The Given Name	Taishan City Wheeltech Aluminum Industry Co Ltd
The Given Address	No 1 West Lake Economic Development Zone Taishan City Guangdong Province China

Investigated Company Name	TAISHAN CITY WHEELTECH ALUMINUM INDUSTRY CO., LTD.
Investigated Company Address	NO 1, WEST LAKE FOREIGN INVESTMENT DEMONSTRATIVE ZONE, FUCHENG TOWN
Investigated Company Chinese Name	台山市富诚铝业有限公司
Investigated Company Chinese Address	附城镇西湖外商投资示范区1号
SinoRating Credit Rating	BBB
SinoRating Default Rate	14.25%
Explanation	

Should you have any questions, please feel free to contact SinoRating at	
Tel	(8610)66582474
Fax	(8610)66516097
Email	sino-rating@sinosure.com.cn
Contact Person	Wang Tao
SinoRating Customer Service Center	
2010-10-20	

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TAISHAN CITY WHEELTECH ALUMINUM INDUSTRY CO., LTD.

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COMPANY SUMMARY

SinoRating Ref. No.	CHN001159241
Company Name	TAISHAN CITY WHEELTECH ALUMINUM INDUSTRY CO., LTD.
Operating Address	NO 1, WEST LAKE FOREIGN INVESTMENT DEMONSTRATIVE ZONE, FUCHENG TOWN, TAISHAN CITY, JIANGMEN CITY, GUANGDONG PROVINCE(529200)
Telephone	(86)750-5587771
Fax	(86)750-5587770
Website	www.pthwheel.com
Email	master@wheeltech.com.cn
Start Year	1999-07-27
Business Scope	Manufacturer of auto wheel
Industry	Manufacturer of car parts and accessories
Industry Code	3725
Listed Company	No
Export/Import License	Yes
Sales	245,080,000 (2009)
Net Worth	147,563,000 (2009)
Employee	1,500
Enterprise Size	Medium
Financial Status	OK
Trend	Stable
Payment Record	Unable to judge
SinoRating Credit Rating	BBB
SinoRating Default Rate	1.16~2.35(%)
SinoRating Comment	Although subject shows an Stable development trend on the whole, its financial status is OK.SinoRating proposes BBB credit rating to subject - Average strength, average resistance to risk, acceptable 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	Guangdong Province Jiangmen City Administration for Industry and Commerce
Registered Address	WEST LAKE FOREIGN INVESTMENT DEMONSTRATIVE ZONE, FUCHENG TOWN, TAISHAN CITY, JIANGMEN CITY, GUANGDONG PROVINCE (529200)
Organization Code	714859415
Value Added Tax No.	440781714859415
Registration No.	440700400026361
Company Type	Wholly Foreign Owned Enterprise
Registered Capital	USD 19,500,000
Legal Representative	Chen Guobin
Business Scope	Production and processing of aluminum alloy wheel, automotive and vehicle tyre assembly, aluminum auto parts like cooling pipe, casting and forging workblanks for automobile, magnesium alloy product, cast iron and castings, molds and kinds of hardware (plating and polishing shall be conducted by the metal surface treatment workshop of Wheeltech Aluminum Industry Co., Ltd.)
Registered Date	1999-07-27
Business Licence Valid Until	2019-07-27

## HISTORY

On Mar. 17, 2000, the registered capital of subject was decreased from USD2.3 million to USD7.7 million.  
 On Dec. 26, 2001, subject's registered capital was increased to USD9.7 million.  
 On Sep. 26, 2002, subject's registered capital was increased to USD13 million.  
 On Oct. 23, 2003, subject's registered capital was increased to USD14.5 million.  
 On Oct. 18, 2004, the shareholding structure of subject was changed from Protech Wheel Industry Co., Ltd. (100%) to the current status, and the legal status was

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changed from wholly HK, Macau or Taiwan owned enterprise to the current status.  
On Oct. 24, 2006, subject's registered capital was increased to the current size.

On Mar. 17, 2009, subject's registration number was changed to the current number from 005459.

**OWNERSHIP**

Shareholders	ID Card No.	Shareholding
Protech Wheel Holdings Co., Ltd. (literal translation)		100.0%

**PARENT INFORMATION**

Company Name            Protech Wheel Holdings Co., Ltd. (literal translation)  
Country/Region        CAYMAN ISLANDS  
Shares Hold            100%

As the parent company of subject, the company is registered in Cayman Islands.

**KEY EXECUTIVES**

Name                    Chen, Guobin  
Gender                  Male  
Passport No.          K121051794  
Title                    Chairman of the Board & General Manager  
Responsibility        Overall Management  
Remark                He is from Taiwan and also acts as subject's Legal Representative.

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## FINANCIALS

Auditor: — Currency: CNY

## Balance Sheet (in thousands)

Date	2009-12-31	2008-12-31
Source	3rd party	3rd party
Audited/Consolidated	—/—	—/—
Cash	64,976	91,533
Short-Term Investment	—	—
Notes Receivable	—	190
Dividends Receivable	—	—
Interest Receivable	—	—
Accounts Receivable	2,335	3,012
Other Accounts Receivable	448.15	60,712
Advances to Suppliers	51,270	13,476
Subsidiary Receivable	—	—
Inventory	81,439	80,311
Prepaid Expenses	—	231
Long-term debt investment within one year	—	—
Other Current Assets	—	—
Total Current Assets	146,072	167,465
Long-term Debt Investment	—	—
Long-Term Equity Investments	—	—
Other Long-Term Assets	—	—
*Equity investment difference	—	—
Total Long-Term Investments	—	—
Fixed Assets	257,471	253,042
- Accumulated Depreciation	110,720	89,160
Net Fixed Assets	146,751	163,882
Long-term Prepaid Expenses	—	—
Net Value of Fixed Assets	146,751	163,882
Fixed Assets Disposal	—	—
Construction in Progress	—	—
Construction Materials	—	—
Other	—	—
Total Intangible Assets	146,751	163,882
Intangible Assets	13,287	13,580
Long-term Prepaid Expenses	—	—
Other Long-Term Assets	5,275	8,360
Intangible Assets and Other Assets	18,562	21,940
Deferred Taxation Charges	—	—
Deferred Taxation	—	—
Total Assets	311,385	353,287

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Date:	2009-12-31	2008-12-31
Source	3rd party	3rd party
Notes Payable	80,046	75,300
Accounts Payable	56,520	21,776
Advances from Customers	21,494	92,043
Accrued Payables	1,902	1,283
Welfare Payable	—	198
Dividends Payable	—	—
Tax Payable	-8,287	-6,216
Other Taxes Payable	—	7
Other Payable	1,160	752
Accrued Expenses	—	—
Accrued Liabilities	—	—
Long-Term Liabilities Due Within One Year	—	—
Other Current Liabilities	—	—
Total Current Liabilities	153,349	185,143
Long-Term Liabilities	—	—
Bonds Payable	—	—
Long-Term Payables	—	—
Government grants payable	—	—
Other Long-Term Liabilities	—	—
Total Long-Term Liabilities	10,473	8,963
Deferred Taxes Credits	—	—
Deferred Taxation	—	—
Total Liabilities	163,822	194,106
Minority Interests	—	—
Parent's Equity	154,689	154,689
Capital Reserve	—	—
Surplus Reserve	—	—
Accumulated Profits	-11,000	618
Retained Earnings	—	—
Other Owner's Equity	—	—
Total Owners' Equity	147,563	159,181
Total Liabilities and Owner's Equity	311,385	353,287

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## Income Statement (in thousands)

Date	2009-01-01 to 2009-12-31	2008-01-01 to 2008-12-31
Source of Funds	3rd party	3rd party
Sales	245,080	362,099
- Cost of Goods Sold	237,344	338,693
- Sales Tax	—	—
Gross Profit	7,736	23,406
+ Other Revenues and Gains	764	331
- Administrative Expenses	9,206	11,436
- Operating Expenses	6,817	10,124
- Financial Expenses	4,417	1,776
Income from Operations	-11,937	401
+ Return on Investments	—	—
+ Subsidy Income	—	—
Non-operating Income	310	84
- Non-operating Expense	310	84
Non-operating Income	—	—
Income before Income Taxes	-11,327	386
- Income Taxes	—	—
- *Minority Loss/Profit	—	—
Net Income	-11,327	386

## Key Financial Figures (in thousands)

Date	2009-12-31	2008-12-31
Source of Funds	3rd party	3rd party
Sales	245,080	362,099
Net Income	-11,327	386
Total Assets	311,385	353,287
Non-current Assets	17,777	17,818
Total Liabilities	163,822	194,106
Net Assets	147,563	159,181

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Key Financial Ratios		
Date	2009	2008
Source	3rd-party	3rd-party
Current Ratio	0.95	0.9
Quick Ratio	0.47	0.44
Accounts Receivable Collection Period	4	24
Accounts Payable Payment Period	69	53
Days in Inventory	123	63
Asset Turnover	0.73	0.71
Debts to Total Assets Ratio(%)	52.61	54.94
Liabilities to Equity(%)	111.02	124.94
Return on Assets(%)	-3.64	0.11
Return on Net Assets(%)	-7.68	0.24
Operating Profit Margin (%)	3.16	6.46
Profit Margin(%)	4.62	9.01

Industry Comparison				
	Subject Data	*Percentile 25	*Median	*Percentile 75
Date	2009	2009	2009	2009
Current Ratio	0.95	1.03	1.36	1.74
Quick Ratio	0.47	0.76	1.01	1.43
Accounts Receivable Collection Period	4	52.0	75.0	97.0
Accounts Payable Payment Period	69	52.0	81.0	104.0
Days in Inventory	123	25.0	56.0	84.0
Asset Turnover	0.73	0.86	1.34	1.82
Debts to Total Assets Ratio(%)	52.61	44.58	55.03	68.57
Liabilities to Equity(%)	111.02	80.73	70.61	83.74
Return on Assets(%)	-3.64	2.67	7.29	14.38
Return on Net Assets(%)	-7.68	6.85	18.74	25.51
Operating Profit Margin (%)	3.16	12.38	19.51	22.96
Profit Margin(%)	4.62	11.84	25.19	30.84
<p>★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.</p>				

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**SinoRating Explanation**

The financial figures provided in the report have been verified by subject's financial staff. According to the staff, subject saw a dramatic drop in sales in 2009 due to the financial crisis, but its business has been recovering at present and it is predicted that the business will recover to the level of 2008 by the end of this year.

**BANKING****SinoRating Explanation**

No banking information against subject is available.

**OPERATIONS****Core Business**

Manufacturer of auto wheel

Subject is principally engaged in production of auto wheels, which are mainly used in auto repair and after-sales market. Its products are of various types and are mostly applied to private cars and SUVs.

**Sales****Sales Network**

According to subject's staff, most of subject's products are used in auto after-sales market and are exported, mainly to Japan, America, Australia and some countries in Southeast Asia. Meanwhile, a small amount of products are sold domestically. All of its customers are wheel distributors. The sales business of subject is in the charge of its Taiwan-based headquarters, and subject does not sell products directly, and it is also the headquarters that collects payment.

Export Record	
Export to (2010)	
JAPAN	58.27%
UNITED STATES	13.57%
UNITED KINGDOM	6.96%
Others	6.68%

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RUSSIA FEDERATION	3.17%
AUSTRALIA	2.24%
MALAYSIA	2.17%
MEXICO	2.05%
SOUTH AFRICA	1.82%
THAILAND	1.74%
PANAMA	1.33%
★Remark: subject exports products to the above regions in the latest year.	
Export Volume	
2010(1 - 7)	USD 22,916,908
2009	USD 32,776,134
2008	USD 45,454,471
2007	USD 66,793,784
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	99.89%
Feeding Processing Trade	0.11%
Other Trade	0.0%

### Purchase

#### Local Purchase

According to subject's staff, subject mainly purchases such materials as cast iron and related aluminum alloy products. Most of the materials are purchased domestically, and the suppliers are mainly the distributors of iron, steel and aluminum alloy in Guangdong province and Fujian province; a small portion of products are provided by Taiwan-based headquarters directly. Subject usually settles with domestic suppliers by T/T 30 days.

Import Record	
Import from(2010)	
Taiwan Prov.	97.26%

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JAPAN	2.74%
★Remark: subject imports products from the above regions in the latest year.	
Import Volume	
2010(1 - 7)	USD 149,776
2009	USD 1,666,401
2008	USD 2,299,395
2007	USD 2,346,430
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	2.74%
Feeding Processing Trade	6.32%
Other Trade	90.94%

**Premises:**

Operating Space 300,000 square metres  
Owned/Rented Owned  
Location Main Industrial District  
Remark Reportedly, the factory of subject, located at West Lake Foreign Investment Demonstrative Zone, Fucheng Town, Taishan City, covers a plot area of about 300,000 square meters. Subject now has a staff of around 1,500.

**Employees:**

Total Employees 1,500

**PAYMENT RECORDS**

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

**LITIGATION**

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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

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.

#### SINORATING SUMMARY

##### Historical Development

Registered with Guangdong Province Jiangmen City Administration for Industry and Commerce on July 27, 1999, subject is a wholly foreign owned enterprise invested by Protech Wheel Holdings Co., Ltd. (literal translation) with a registered capital of USD19.5 million.

##### Current Operating Status

Subject is mainly engaged in production of auto wheels, which are mostly used in after-sales market. Most of its products are exported, and a small amount of products are sold domestically. Its sales business is in the charge of the Taiwan-based headquarters, and the customers are all distributors of wheels. At present, it enjoys normal operation.

Comprehensively speaking, supported by a fairly strong shareholder, subject has a relatively large scale and enjoys some reputation in this industry. Although it was seriously influenced by the financial crisis in 2009, its business is recovering at present. It is expected that it will see a fairly stable development prospect.

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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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