

Dagong Credit Rating Bulletin

No. D [2008] 016 Bulletin

Dagong Global Credit Rating Co., Ltd. (Dagong) assigned AA- credit rating to 2007 18-month 292 million yuan China Merchants Bank Tebian Electric Apparatus Structured Finance Program (the Program). The repurchaser of the Program-Tebian Electric Apparatus Stock Co., Ltd., faces optimistic development prospect, owns obvious advantage in production size, technology R&D and financial strength, and has abundant cash flow able to offer quite good guarantee for equity repurchase; moreover, the trustee of the Program-China Merchants Bank has rich experience in credit risk management, which will help reduce credit risk of the Program. On the other hand, the rating also takes into account some negative factors such as persistently high prices of raw material putting upward pressure on the repurchaser's costs, and the repurchaser's rather large interest-bearing liabilities and escalating financial expenses.

Dagong reserves the right for reviewing the credit condition of the Structured Finance Program and announcement of changes to the credit rating.

Dec. 13th, 2007

Dagong Global Credit Rating Co., Ltd.