

Dagong Credit Rating Bulletin

No. D [2008] 104 Bulletin

Dagong Global Credit Rating Co., Ltd. (Dagong) reviewed the credit rating on 1.0 billion yuan corporate bonds issued by Yuntianhua Group Co., Ltd. (the Company) in Apr. 2006. During the review period, the Company saw robust market demand for its major products, continuous expanding production capacity and constant improving profitability; on the other hand, the Company also faces some negative factors such as sharp rise in export tax rate on fertilizer limiting its fertilizer exports and insufficient supply of electricity and natural gas leading to its plants operating under capacity. In general, the Company has very strong ability to repay the corporate bonds given guarantee provided by Agriculture Bank of China for the corporate bonds.

As a result, Dagong remained the Company's 2006 corporate bonds credit rating unchanged at AAA.

Jun. 5th, 2008

Dagong Global Credit Rating Co., Ltd.