

# Dagong Credit Rating Bulletin

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Dagong Global Credit Rating Co., Ltd. (Dagong) assigned BBB<sub>ZC</sub> credit rating to Huaxia Longhui (Beijing) Motor Electron Technology Co., Ltd. The rating reflects increasing demands of motor technological products which result from rapid rise of motor output and the focus on motor technology during “Eleventh Five” period, strong R&D power, EMS technology R&D which lead the industry and fast increasing of profitability. On the other hand, it reflects the high trade barrier in motor technology industry which makes foreign products still denominates domestic market, and the difficulty of keeping the relationship between motor technology company and down-supply chain clients and the difficulty of extending markets. This company faces high R&D fee which hamper profitability, short-term relation with clients, centralized clients reducing bargain power of company and increasing operational risk.

Dagong reserves the right for reviewing the credit condition of the Company and announcement of change to the credit rating.

Jul 14<sup>th</sup>, 2008

**Dagong Global Credit Rating Co., Ltd.**