

Dagong Credit Rating Bulletin

No. D [2008]122 Bulletin

Dagong Global Credit Rating Co., Ltd. (Dagong) assigned credit rating BBB_{ZC} on Yangguang Taiketechnological Co., Ltd. The rating reflects wide markets for motor technology industry which result from rapid rise of motor output and the focus on motor technology during “Eleventh Five” period, strong R&D power of parent company which ensure EMS output, strong 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, 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 reliability on parent company which hampers development of company-own R&D, short-term relation with clients, centralized clients resulting in big Account Receivable, and tied-up current assets which decrease operational efficiency.

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

Jul 14th, 2008

Dagong Global Credit Rating Co., Ltd.