

Dagong Credit Rating Bulletin

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Dagong maintains A+ on Sanfangxiang Co., Ltd and A-1 on 1st short term financing bond issued in 2007. During Dagong Global Credit Raing Co., Ltd tracking rating 400 millionRMB short term financing bond of Sanfangxiang Company issued in January 2008, polyester product demand persistently increase and the degree of industry boom recovered a little. Both Company bottle-grade chip and polyester staple fibre output still keep the first in the industry, the bottle-grade chip export volume occupies more than 50% in China which develops strong scale predominance; and profit rose with steady profitability; the debt-to-asset ratio decreased and long term capital to long term asset advanced. On the other hand, since 2008, the price of PTA, the main material of polyester product, increased which imposed more pressure on polyester Company; because of many same-kind enterprises, bargaining power of company weakened and gross profit was low; currently working capital demand is up and short-term debt increase fast.

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

Jul. 14rd 2008

Dagong Global Credit Rating Co., Ltd.