

SHANSHI Mingqi

# The Normal Credit Report on the Chinese Enterprise



中國出口信用保險公司  
China Export & Credit Insurance Corporation

SHANGHAI MINGQI ALUMINIUM INDUSTRY CO., LTD.

SinoRating

Panjiva Inc. (Customer) :

SinoRating sends you this credit report according to your following inquiry on 2011-04-13:

Ref No.	---
The Given Name	Shanghai Mingqi Aluminium Industry Co Ltd 上海明岐铝业有限公司
The Given Address	No. 3181 Gugao Road, Pudong New Area, Caolu Town, Shanghai, 200000

Investigated Company Name	SHANGHAI MINGQI ALUMINIUM INDUSTRY CO., LTD.
Investigated Company Address	NO. 3181, GUGAO ROAD, CAOLU TOWN, , PUDONGXIN DISTRICT, SHANGHAI
Investigated Company Chinese Name	上海明岐铝业有限公司
Investigated Company Chinese Address	上海市浦东新区曹路镇顾高公路3181号
SinoRating Credit Rating	BBB
SinoRating Default Rate	1:16~2.35%
Explanation	The given Chinese name is subject's previous Chinese name. Subject's current Chinese name is as shown in the report.
Announcement	SinoRating doesn't ensure that subject's English name shown in the report is its legal English name which is provided just for your reference.

Should you have any questions, please feel free to contact SinoRating at	
Tel	(8610) 66582474
Fax	(8610) 66516097
Email	sinorating@sinosure.com.cn
Contact Person	Wang Tao
SinoRating Customer Service Center	
2011-04-20	

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SHANGHAI MINGQI ALUMINIUM INDUSTRY CO., LTD.

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**COMPANY SUMMARY**

SinoRating Ref. No. CHN000351506

Company Name SHANGHAI MINGQI ALUMINIUM INDUSTRY CO., LTD.

Former Name SHANGHAI MINGQI ALUMINIUM INDUSTRY CO., LTD. (Changeed Date:2002-08-22)

Operating Address NO. 3181, GUGAO ROAD, CAOLU TOWN, , PUDONGXIN DISTRICT, SHANGHAI (201209)

Telephone (86)21-68722868

Fax (86)21-68722868

Start Year 2001-08-28

Business Scope Manufacturer of automotive wheel, etc.

Industry Manufacturer of car parts and accessories

Industry Code 3725

Listed Company No

Export/Import License Yes

Sales 535,414,000 (2009)

Net Worth 165,728,000 (2009)

Employee 2,000

Enterprise Size Large

Financial Status Good

Trend Stable

Payment Record Unable to judge

SinoRating Credit Rating BBB

SinoRating Default Rate 1.16~2.35(%)

SinoRating Comment Although subject shows an Stable development trend on the whole, its financial status is Good.SinoRating proposes BBB credit rating to subject - Average strength, average resistance to risk, acceptable credit status

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Remark Renminbi unless otherwise stated.  
 'Industry Code' is according to the 'National Economic Industry Classification' by National Bureau of Statistics of China.  
 'Enterprise Size' is divided by Classification Standard of Small, Medium and Large Enterprises constituted by National Bureau of Statistics of China, National Development and Reform Commission of China, and Ministry of Finance of China.

**REGISTRATION INFORMATION**

Registry	Shanghai City Pudong New District Administration for Industry & Commerce
Registered Address	NO. 3181, GUGAO ROAD, CAOLU TOWN, PUDONG NEW DISTRICT, SHANGHAI CITY (201209)
Organization Code	703240801
Value Added Tax No.	310115703240801
Registration No.	企合沪总字第314395号
Company Type	HK, Macau or Taiwan Joint Venture
Registered Capital	USD 10,000,000
Legal Representative	Zhang Mingqi
Business Scope	Production and processing of aluminium alloy wheel; sale of self-made products (operation should be subject to business license if involved)
Registered Date	2001-08-28
Business Licence Valid Until	2021-08-27

**HISTORY**

Subject was established by Xu Xiaotian, Zhang Daomin and Shanghai Donghai Non-ferrous Alloy Factory on August 28, 2001 under the name of Shanghai Mingqi Aluminium Industry Co., Ltd. with the registered capital of USD600 thousand. On August 22, 2002, its Chinese name was changed to the current one, but its English name remained unchanged.

On January 15, 2003, its shareholders were changed to the current ones.

On January 21, 2005, its registered capital was increased to USD6 million.

On January 12, 2006, its registered capital was increased to the current size and was totally injected.

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SHANGHAI MINGQI ALUMINIUM INDUSTRY CO., LTD.

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**OWNERSHIP**

Shareholders	Registration No./ID Card No.	Shareholding
Shanghai Mingqi Copper Co., Ltd. (literal translation)		75.0%
Xu Xiaotian		20.0%
Zhang Daomin		5.0%

**SinoRating Explanation**

Xu Xiaotian is from Taiwan.

**PARENT INFORMATION**

Company Name Shanghai Mingqi Copper Co., Ltd. (literal translation)

Address ...

Shares Hold 75%

Address: No. 3181, Gugao Road, Caolu Town, Pudong New District, Shanghai City

Tel.: (021)68722868

Fax: (021)68722868

At present, the company shares the same office place with subject, and is principally engaged in sale of copper products, aluminium products and other non-ferrous metal materials.

**KEY EXECUTIVES**

Name Zhang ,Mingqi  
 Gender Male  
 Education Bachelor Degree  
 Title Chairman of the Board & General Manager  
 Management Experience 10year(s)  
 Industry Experience 10year(s)  
 Remark At present, he works as subject's Chairman of the Board and General Manager. Other information isn't available.

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**FINANCIALS**

Auditor:— Currency: CNY

Balance Sheet (in thousands)

Date	2009-12-31	2008-12-31
Source	3rd party 1	3rd party 1
Audited/Consolidated	No/--	No/--
Cash	92,529	124,385
Short-Term Investment	—	—
Notes Receivable	709	—
Dividends Receivable	—	—
Interest Receivable	—	—
Accounts Receivable	64,619	20,476
Other Accounts Receivable	9,515	10,560
Advances to Suppliers	5,463	1,055
Subsidy receivable	—	—
Inventory	209,152	189,120
Prepaid Expenses	—	—
Long-term debt investment within one year	—	—
Other Current Assets	—	—
<b>Total Current Assets</b>	<b>381,987</b>	<b>345,596</b>
Long-Term Debt Investments	—	—
Long-Term Equity Investments	—	—
Other Long-Term Assets	—	—
*Equity investment difference	—	—
<b>Total Long-Term Investments</b>	<b>—</b>	<b>—</b>
Fixed Assets	157,933	155,928
Accumulated Depreciation	56,925	42,583
Net Fixed Assets	101,008	113,345
Provision for Impairment of Fixed Assets	—	—
Net Value of Fixed Assets	—	—
Fixed Assets Disposal	—	—
Construction in Progress	—	—
Construction Material	—	—
Other	—	—
<b>Total Fixed Assets</b>	<b>101,008</b>	<b>113,345</b>
Intangible Assets	—	—
Long-Term Prepaid Expenses	6,750	9,772
Other Long-Term Assets	—	—
Intangible Assets and Other Assets	6,750	9,772
Deferred Taxation Charges	—	—
Deferred Taxation	—	—
<b>Total Assets</b>	<b>489,745</b>	<b>468,713</b>

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SHANGHAI NINGQI ALUMINIUM INDUSTRY CO., LTD.

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Date	2009-12-31	2008-12-31
Source	3rd party 1	3rd party 1
Short-term Loans	68,500	75,000
Notes Payable	164,000	224,000
Accounts Payable	75,716	16,606
Advances from Customers	17,061	1,483
Accrued Payroll	—	—
Welfare Payable	—	—
Dividends Payable	—	—
Tax Payable	-1,409	-3,458
Other Taxes Payable	—	—
Other Payable	149	121
Accrued Expense	—	—
Accrued Liabilities	—	—
Interest Payable	—	—
Long-Term Liabilities Due Within One Year	—	—
Other Current Liabilities	—	—
<b>Total Current Liabilities</b>	<b>324,017</b>	<b>313,752</b>
Long-Term Loans	—	—
Bonds Payable	—	—
Long-Term Payable	—	—
Government grants payable	—	—
Other Long-Term Debts	—	—
<b>Total Long-Term Liabilities</b>	<b>—</b>	<b>—</b>
Deferred Taxes Credits	—	—
Deferred Taxation	—	—
<b>Total Liabilities</b>	<b>324,017</b>	<b>313,752</b>
*Minority Interests	—	—
Paid-up Capital	81,858	81,858
Capital Reserve	—	—
Surplus Reserve	24,114	22,499
Accumulated Profits	59,756	50,604
Retained Earnings	—	—
Other Owner's Equity	—	—
<b>Total Owner's Equity</b>	<b>165,728</b>	<b>154,961</b>
<b>Total Liabilities and Owner's Equity</b>	<b>489,745</b>	<b>468,713</b>

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SHANGHAI MINGQI ALUMINIUM INDUSTRY CO., LTD.

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**Income Statement (in thousands)**

Date	2009-01-01 to 2009-12-31	2008-01-01 to 2008-12-31
Source	3rd party 1	3rd party 1
Sales	535,414	665,734
- Cost of Goods Sold	462,674	576,309
- Sales Tax	—	—
Gross Profit	72,740	89,425
+ Other Revenues and Gains	33	44
- Administrative Expenses	63,916	61,760
- Operating Expenses	2,175	426
- Financial Expenses	4,593	14,758
Income from Operations	12,090	12,525
+ Return on Investment	—	—
+ Subsidy Income	—	—
+ Non-operating Income	—	184
- Non-operating Expense	—	—
Non-operating Net Income	—	—
Income before Income Taxes	12,090	12,709
- Income Taxes	1,323	2,083
- +Minority Loss/Profit	—	—
Net Income	10,767	10,626

**Key Financial Figures (in thousands)**

Date	2009-12-31	2008-12-31
Source	3rd party 1	3rd party 1
Sales	535,414	665,734
Net Income	10,767	10,626
Total Assets	489,745	468,713
Working Capital	57,970	31,844
Total Liabilities	324,017	313,752
Net Assets	165,728	154,961

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SHANGHAI BINGQI ALUMINIUM INDUSTRY CO., LTD.

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## Key Financial Ratios

Date	2009	2008
Source	3rd party 1	3rd party 1
Current Ratio	1.18	1.1
Quick Ratio	0.53	0.6
Accounts Receivable Collection Period	29	15
Accounts Payable Payment Period	36	10
Days in Inventory	155	104
Asset Turnover	1.12	1.45
Debts to Total Assets Ratio(%)	66.16	66.94
Liabilities to Equity(%)	195.51	202.47
Return on Assets(%)	2.2	2.27
Return on Net Assets (%)	6.5	6.86
Operating Profit Margin (%)	13.59	13.43
Profit Margin(%)	2.01	1.6

## Industry Comparison

	Subject Data	*Percentile 25	*Median	*Percentile 75
Date	2009	2009	2009	2009
Current Ratio	1.18	0.98	1.28	1.7
Quick Ratio	0.53	0.75	1.01	1.36
Accounts Receivable Collection Period	29	57.0	75.0	100.0
Accounts Payable Payment Period	36	54.0	78.0	111.0
Days in Inventory	155	27.0	54.0	95.0
Asset Turnover	1.12	0.83	1.28	1.76
Debts to Total Assets Ratio(%)	66.16	43.82	58.42	71.79
Liabilities to Equity(%)	195.51	78.0	140.63	248.74
Return on Assets(%)	2.2	0.63	5.21	13.38
Return on Net Assets (%)	6.5	2.78	16.42	28.76
Operating Profit Margin (%)	13.59	10.51	17.1	23.49
Profit Margin(%)	2.01	0.92	3.81	9.55

★Note: If there are 100 companies in the same industry, SinoRating will rank the data under the same ratio from the smallest to the largest. Percentile 25% is the figure ranked 25th. Medium is the figure ranked 50th while percentile 75% is that ranked 75th. By using this comparison, one can have a clear idea of the status of subject's financial ratio in its industry. "—" means that SinoRating does not have enough industry data to generate the comparison.

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SHANGHAI MINQI ALUMINIUM INDUSTRY CO., LTD.

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**SinoRating Explanation**

Subject has already passed the annual survey for 2009.  
 Subject mainly obtains loan from bank through the mortgage of its fixed assets.  
 The reason why subject's sales in 2009 dropped greatly compared with that in 2008, but its profit increased slightly in 2009 isn't available.

**BANKING**

Main Correspondent Bank Agricultural Bank of China , Shanghai City Branch  
 Chuanshacao Road Sub-branch Banking Office

Date 2011-04-18  
 Bank Telephone (021)58631231  
 RMB Account Number 03790408015003180

The staff from the bank confirmed the above banking information, and stated that subject maintained normal settlement record.

**OPERATIONS****Core Business**

Manufacturer of automotive wheel, etc.

Subject is principally engaged in production and sale of automotive wheel. Its products mainly include aluminium alloy wheels, which are generally used for various kinds of automobiles.  
 Subject's main production and testing equipment is totally purchased from America, Germany, etc. It obtains ISO9001 certificate. Meanwhile, it can provide OEM service for customers. It enjoys relatively strong production capacity and comparatively advanced production technology.  
 According to subject's staff, at present, subject is constructing a new factory building in Yizheng, Jiangsu Province, which is expected to put into formal production in 2012. At that time, its production scale will be further expanded.

**Sales**

**Sales Network** Subject's products are partly sold domestically (especially in East China and South China) and partly exported (especially to America and Europe). Its customers are mainly automobile manufacturers in the above regions.  
 Subject usually settles with customers by T/T, L/C, cheque, etc., and grants a credit term of 0-30 days to them.  
 The proportion of domestic sale to export isn't available.

**Remark** Subject's export volume was USD17,791,895 in the 4th quarter of 2009, and USD21,315,148 in the 4th quarter of 2010.

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Export Record	
<b>Export to(2010)</b>	
JAPAN	41.72%
UNITED STATES	34.45%
GERMANY	7.0%
SWEDEN	3.8%
NETHERLANDS	3.7%
Others	3.49%
INDONESIA	1.26%
NORWAY	1.23%
ITALY	1.17%
DENMARK	1.15%
PERU	1.03%
★Remark: subject exports products to the above regions in the latest year.	
<b>Export Volume</b>	
2010	USD 70,390,631
2009	USD 47,313,121
2008	USD 64,012,922
2007	USD 65,190,476
<b>Export*</b>	
Vehicle and its parts and accessories ( railway vehicle excluded) ★Note: Commodity names shown herein are not subject's actual import/export product name, but category name classified by China Customs.	
<b>Trade Term for Export</b>	
General Trade	90.88%
Feeding Processing Trade	9.12%
Other Trade	0.0%

Purchase

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**Local Purchase**                    Aluminium alloy materials, etc.  
 Subject's raw materials are mostly purchased domestically, especially from Shanghai City and surrounding area. Its suppliers are mainly manufacturing enterprises and trade companies in the above regions.  
 Subject usually settles with suppliers by T/T, cheque, etc., and gets a credit term of 0-30 days from them.

**Remark**                                Subject's import volume was USD52,339 in the 4th quarter of 2009, and USD31,135 in the 4th quarter of 2010.

Import Record	
Import from(2010)	
Taiwan Prov.	79.98%
JAPAN	15.33%
REP. OF KOREA	3.88%
Others	0.81%
★Remark: subject imports products from the above regions in the latest year.	
Import Volume	
2010	USD 1,748,372
2009	USD 104,492
2008	USD 117,006
2007	USD 1,791,862
Import*	
Nuclear reactor, boiler, mechanical apparatus and its parts/ Rubber and its products/ Vehicle and its parts and accessories ( railway vehicle excluded)/ Miscellaneous chemical products/ Paper and cardboard, paper pulp, paper or cardboard products ★Note: Commodity names shown herein are not subject's actual import/export product name, but category name classified by China Customs.	
Trade Term for Import	
General Trade	3.34%
Feeding Processing Trade	6.78%
Other Trade	89.88%

Premises

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Operating Space	2,000 square metres ??
Owned/Rented	Owned
Location	Main Industrial District
Remark	Subject's factory is located at No. 3181, Gugao Road, Caolu Town, Pudong New District, Shanghai City with a plot area of about 60,000 square meters and an office area of about 2000 square meters.

**Employees**

Total Employees 2,000

**PAYMENT RECORDS**

As of report date, we did not get any payment record relating to the subject company.

**LITIGATION**

As of report date, no litigation record has been found against subject through our searching the website of local court, other courts and major search engines.

**PUBLIC INFORMATION**

As of report date, we did not find any negative information relating to the subject company.

**INDUSTRY ANALYSIS**

As the basis of automobile industry, automotive parts are indispensable in supporting the sustainable and healthy development of automobile industry. In 2009, over 40% of auto parts suppliers in China would be up against serious liquidity challenges, while after-sales market would be the major powerhouse for automotive parts industry. From Jan. to Nov. of 2009, the parts and components import accumulated to USD15.675 billion, up by 4.11% year on year; thereinto, the engine import quantity and value totaled at 575,900 sets and USD1.565 billion, up by 11.45% and 2.21% year on year; the import value of auto parts, accessories and body accumulated to USD12.873 billion, up by 3.25% year on year; the automobile & motorcycle tire import totaled at USD270 million, up by 2.30% year on year; and other car-related merchandise import totaled at USD967 million, up by 21.94% year on year. In 2009, China's automobile part enterprises were confronted with the toughest challenge of the past three decades since reform and opening up.

As predicted, this industry's export will restore to the 2008 level in 2010 and achieve a year-on-year increase of above 30%. The automobile part industry is bound to set the orientation at technology, cost and upstream & downstream industries and launch industry upgrade.

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**SINORATING SUMMARY**

Established on August 28, 2001 as a manufacturing enterprise, subject is now invested by Shanghai Mingqi Copper Co., Ltd. (literal translation), Zhang Daomin and Xu Xiaotian with the registered capital of USD10 million.

Subject is principally engaged in production and sale of aluminium alloy wheel. With normal operating status, subject sells its products both at home and abroad.

With a relatively long history, subject has fixed customers. Although its business amount in 2009 dropped, it still kept certain profitability. Nevertheless, its profitability needs to be further improved. With certain sustainable development capacity, subject shows a stable development trend.

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**SINO RATING CREDIT RATING**

## Rating Result

Rating Symbol	Definition	Default Rate(%)
AAA	Very strong strength, very high resistance to risk, excellent credit status	0~0.17
AA	Strong strength, high resistance to risk, good credit status	0.17~0.72
A	Relatively strong strength, relatively high resistance to risk, normal credit status	0.72~1.16
BBB	Average strength, average resistance to risk, acceptable credit status	1.16~2.35
BB	Below-the-average strength, below-the-average resistance to risk, less acceptable credit status	2.35~3.99
B	Relatively weak strength, relatively low resistance to risk, passable credit status	3.99~6.10
CCC	Weak strength, low resistance to risk, relatively poor credit status	6.10~10.14
CC	Very weak strength, very low resistance to risk, poor credit status	10.14~13.44
C	On the verge of bankruptcy, basically discredited	>13.44
NR	Subject is not rated because it is established for no more than one year or it goes out of business or information is not enough	

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**Principal Consulting Index and Weight of Credit Rating**

Rating Factors	Weight
Key executives, employees & organizational structure	10%
Company background and operational status	20%
Enterprise size	15%
Financial status	30%
Company development	10%
Competitiveness and industry analysis	10%
Company and industry prospect	5%
Total	100%
Special factors	-10%~+10%

-----End of Report-----

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