

## MIRA INFORM REPORT

<b>Report No. :</b>	523999
<b>Report Date :</b>	10.08.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	GUANGZHOU RUXUAN TRADE COMPANY LIMITED
<b>Registered Office :</b>	(Only as Office Building) Room 1707, No. 37, Huanshi West Road, Liwan District, Guangzhou City
<b>Country :</b>	China
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	02.12.2014
<b>Unified Social Credit Code :</b>	91440103320978534Q
<b>Legal Form :</b>	Limited Liabilities Company
<b>Line of Business :</b>	<ul style="list-style-type: none"> <li>• Wholesale of Garment.</li> <li>• Wholesale of Textiles, Clothing and Footwear</li> </ul>
<b>No. of Employees :</b>	Not Available

**RATING & COMMENTS**

(Mira Inform has adopted New Rating mechanism w.e.f. 23<sup>rd</sup> January 2017)

**MIRA's Rating :**

B

Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

<b>Status :</b>	Moderate
<b>Payment Behaviour :</b>	Slow
<b>Litigation :</b>	Clear

**NOTES:**

Any query related to this report can be made on e-mail: [infodept@mirainform.com](mailto:infodept@mirainform.com) while quoting report number, name and date.

**ECGC Country Risk Classification List**

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
China	A2	A1

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

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**CHINA - ECONOMIC OVERVIEW**

Since the late 1970s, China has moved from a closed, centrally planned system to a more market-oriented one that plays a major global role. China has implemented reforms in a gradualist fashion, resulting in efficiency gains that have contributed to a more than tenfold increase in GDP since 1978. Reforms began with the phaseout of collectivized agriculture, and expanded to include the gradual liberalization of prices, fiscal decentralization, increased autonomy for state enterprises, growth of the private sector, development of stock markets and a modern banking system, and opening to foreign trade and investment. China continues to pursue an industrial policy, state support of key sectors, and a restrictive investment regime. Measured on a purchasing power parity (PPP) basis that adjusts for price differences, China in 2016 stood as the largest economy in the world, surpassing the US in 2014 for the first time in modern history. China became the world's largest exporter in 2010, and the largest trading nation in 2013. Still, China's per capita income is below the world average.

After keeping its currency tightly linked to the US dollar for years, China in July 2005 moved to an exchange rate system that references a basket of currencies. From mid-2005 to late 2008, the renminbi appreciated more than 20% against the US dollar, but the exchange rate remained virtually pegged to the dollar from the onset of the global financial crisis until June 2010, when Beijing announced it would allow a resumption of gradual liberalization. From 2013 until early 2015, the renminbi (RMB) appreciated roughly 2% against the dollar, but the exchange rate fell 13% from mid-2015 until end-2016 amid strong capital outflows in part stemming from the August 2015 official devaluation; in 2017 the RMB resumed appreciating against the dollar – roughly 7% from end-of-2016 to end-of-2017. From 2013 to 2017, China had one of the fastest growing economies in the world, averaging slightly more than 7% real growth per year. In 2015, the People's Bank of China announced it would continue to carefully push for full convertibility of the renminbi, after the currency was accepted as part of the IMF's special drawing rights basket. However, since late 2015 the Chinese Government has strengthened capital controls and oversight of overseas investments to better manage the exchange rate and maintain financial stability.

The Chinese Government faces numerous economic challenges including: (a) reducing its high domestic savings rate and correspondingly low domestic household consumption; (b) managing its high corporate debt burden to maintain financial stability; (c) controlling off-balance sheet local government debt used to finance infrastructure stimulus; (d) facilitating higher-wage job opportunities for the aspiring middle class, including rural migrants and college graduates, while maintaining competitiveness; (e) dampening speculative investment in the real estate sector without sharply slowing the economy; (f) reducing industrial overcapacity; and (g) raising productivity growth rates through the more efficient allocation of capital and state-support for innovation. Economic development has progressed further in coastal provinces than in the interior, and by 2016 more than 169.3 million migrant workers and their dependents had relocated to urban areas to find work. One consequence of China's population control policy known as the "one-child policy" - which was relaxed in 2016 to permit all families to have two children - is that China is now one of the most rapidly aging countries in the world. Deterioration in the environment - notably air pollution, soil erosion, and the steady fall of the water table, especially in the North - is another long-term problem. China continues to lose arable land because of erosion and urbanization. The Chinese Government is seeking to add energy production capacity from sources other than coal and oil, focusing on natural gas, nuclear, and clean energy development. In 2016, China ratified the Paris Agreement, a multilateral agreement to combat climate change, and committed to peak its carbon dioxide emissions between 2025 and 2030.

The government's 13th Five-Year Plan, unveiled in March 2016, emphasizes the need to increase innovation and boost domestic consumption to make the economy less dependent on government investment, exports, and heavy industry. However, China has made more progress on subsidizing innovation than rebalancing the economy. Beijing has committed to giving the market a more decisive role in allocating resources, but the Chinese Government's policies continue to favor state-owned enterprises and emphasize stability. Chinese leaders in 2010 pledged to double China's GDP by 2020, and the 13th Five Year Plan includes annual economic

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growth targets of at least 6.5% through 2020 to achieve that goal. In recent years, China has renewed its support for state-owned enterprises in sectors considered important to "economic security," explicitly looking to foster globally competitive industries. Chinese leaders also have undermined some market-oriented reforms by reaffirming the "dominant" role of the state in the economy, a stance that threatens to discourage private initiative and make the economy less efficient over time. The slight acceleration in economic growth in 2017—the first such uptick since 2010—gives Beijing more latitude to pursue its economic reforms, focusing on financial sector deleveraging and its Supply-Side Structural Reform agenda, first announced in late 2015.

Source : CIA

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## **ORDER DETAILS & INVESTIGATION RESULTS**

-	Order Information	Verification
Name(English)	GUANGZHOU RUXUAN TRADE COMPANY LIMITED	Subject's English name is unavailable from official or public channels, and the company's staff refused to disclose its English name. Since the given English name is consistent with the one via phonetic translation, subject's English name provided in the report is the given one.
Address (English)	Room No.1707, No. 37, Huanshi RD, Liwan District Guangzhou, China	Incomplete
Tel	008615521150224	Correct
Investigation Note	Subject's fixed-line phone number and fax number are unavailable from various channels. Subject's staff was contacted but refused to disclose the company's fixed-line phone number or fax number. Hence only a mobile phone number of subject is provided for client's reference.	

## **BASIC INFORMATION**

Name (English)	GUANGZHOU RUXUAN TRADE COMPANY LIMITED (Given in the Order)
Unified Social Credit Code	91440103320978534Q
AIC registration No.	440103000221076
National Organization Code	320978534
Company Status	Operational
Executive	Xu Shuang
Registered Capital	CNY 1,000,000.00
Date of Establishment	2014-12-02
Company Size	Microenterprise
SIC (China)	5132,Wholesale of Garment
Import/Export Permit	No
<b>CONTACTS</b>	
Mobile	(86)15521150224
Address	Room 1707, No. 37, Huanshi West Road, Liwan District, Guangzhou City, Guangdong Province□(Office)
Address Post code	510000

Ownership

Rented

## **GENERAL COMMENTS**

### **RISK ANALYSIS**

Established in Dec. 2014 with registered capital of CNY 1,000,000.00, SC is mainly engaged in wholesale business of clothing. Currently, the company has accumulated certain industrial experience. However, its shareholders are natural persons, and thus its financing ability and ability to resist market risk are poor.

According to SC's current financial information, the company's operating income of 2017 decreased greatly over that of 2016, indicating its business development condition is not good. SC's net profit margin in 2017 is high, reflecting its profitability is good. The company's liabilities to assets ratio in 2016 and 2017 is higher than 100%, indicating it is in the insolvency state, and its long-term debt paying pressure and risk are high. Some attention should be given to its operating risk.

## **REGISTRATION INFORMATION**

Unified Social Credit Code	91440103320978534Q
AIC registration No.	440103000221076
Date of Establishment	2014-12-02
Registered Address	(Only as Office Building) Room 1707, No. 37, Huanshi West Road, Liwan District, Guangzhou City
Registry	Administration Bureau of Industry and Commerce – Liwan District, Guangzhou City
Legal Representative	Xu Shuang
Legal Form	Limited Liabilities Company
Registered Capital	CNY 1,000,000.00
Latest Year of Annual Report	2017
Operation duration	Perpetual
Business Scope	Wholesale of clothing; Wholesale of garment accessories; Retail of clothing; Retail of garment accessories; Retail of shoes; Wholesale of shoes; Wholesale of leather and leather products; Wholesale trade in commodities (excluding the items need approval); Retail trade in commodities (excluding the items need approval).

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## **REGISTRATION CHANGES**

-	Date	Item Changed	From	To
1	2016-05-11	Shareholder	Sun Li Xu Shuang	Xu Shan; Xu Shuang

## **SHAREHOLDER INFORMATION**

-	Name	% Ownership	Capital Contributed	Currency	Investment Way	Paid-in %	Country
1	Xu Shuang	60.00	600,000.00	CNY	Capital	-	China
2	Xu Shan	40.00	400,000.00	CNY	Capital	-	China
	Total	100.0	1,000,000				

## **ULTIMATE HOLDING**

-	Ultimate Shareholder	Investment Way
1	Xu Shuang	Capital

English Name	Xu Shuang
Country	China
Type	Natural person shareholder
Investment Way	Capital
Note	Xu Shuang --60.00% GUANGZHOU RUXUAN TRADE COMPANY LIMITED

## **BRANCHES**

No branch information of subject is searched out from database.

## **INVESTMENT IN OTHER COMPANIES**

No investment information of subject is searched out from database.

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## **MANAGEMENT**

### **LEGAL REPRESENTATIVE**

Name Xu Shuang  
Position Executive Director; General Manager

## **INVOLVEMENT IN OTHER COMPANIES**

No other involvement information of subject's legal representative is searched out from database.

## **MANAGEMENT**

-	Name	Position	Gender
1	Xu Shuang	Executive Director; General Manager	-

## **DIRECTORS AND SUPERVISORS**

-	Name	Position	Gender
1	Xu Shuang	Executive Director; General Manager	-
2	Xu Shan	Supervisor	-

## **JUDICIAL INFORMATION**

### **DEFAULT EXECUTED PARTY**

As of the reporting date, no related record about subject is found through below sources:

- A. Website of China Court Organization;
- B. Websites of local courts of subject's location;
- C. Websites of major domestic courts;

### **SUBJECT AS EXECUTED PARTY**

As of the reporting date, no related record about subject is found through below sources:

- A. Website of China Court Organization;
- B. Websites of local courts of subject's location;
- C. Websites of major domestic courts;

**CIVIL & COMMERCIAL TRIAL PROCESS**

As of the reporting date, no related record about subject is found through below sources:

- A. Website of China Court Organization;
- B. Websites of local courts of subject's location;
- C. Websites of major domestic courts;

**CIVIL & COMMERCIAL JUDGMENT DOCUMENT**

As of the reporting date, no related record about subject is found through below sources:

- A. Website of China Court Organization;
- B. Websites of local courts of subject's location;
- C. Websites of major domestic courts;

**ADMINISTRATIVE ILLEGAL RECORDS**

As of the reporting date, no related record about subject is found through below sources:

- A. Website of China Court Organization;
- B. Websites of local courts of subject's location;
- C. Websites of major domestic courts;

## **OPERATION INFORMATION**

**MAIN BUSINESS**

Main Business	Wholesale business of clothing
Products & Service	SC is mainly engaged in wholesale business of clothing. Its products are mainly leggings, etc.

## **OPERATION FACILITIES**

Business Address	Room 1707, No. 37, Huanshi West Road, Liwan District, Guangzhou City, Guangdong Province □(Office)
Mobile	(86)15521150224
Post code	510000
Environment	Urban Area
Ownership	Rented
Traffic Condition	Convenient

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## **SALES INFORMATION**

Region	Products	Customer Type	Number of Customers	Payment Terms	Region	Percentage
Domestic	Clothing and other products	Traders, etc.	More than 5	Prompt advance contract payment, etc.	Guangdong Province and surrounding areas	100
OTHER INFORMATION	SC's products are all sold to domestic market and its domestic market is concentrated in Guangdong Province and surrounding areas. Its products are mainly sold directly. Currently, the company has established certain sales channels.					

## **PURCHASE INFORMATION**

Region	Main Purchased	Products	Number of Suppliers	Payment Terms	Region	Percentage
Domestic	Clothing, supplies, etc.	office	More than 5	Prompt advance short-term credit payment, etc.	East China, South China	100
OTHER INFORMATION	SC's purchasing business is all developed in domestic market and its domestic purchasing market is concentrated in East China, South China, etc. Currently, the company has established certain purchasing channels.					

## **NOTE TO CREDIT RECORD**

Note	SC's staff was cautious and refused to disclose the suppliers' names and purchasing information of the company due to business secrecy. The suppliers' names are unavailable through public channels. Hence no payment records of subject can be provided in the report.
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## **ELECTRICITY CONSUMPTION RECORD**

No electricity consumption record of subject can be obtained as the electricity consumer may not be filed with subject's name.

## **QUALIFICATIONS & TRENDS**

### **EXPORT/IMPORT PERMIT**

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EXPORT/IMPORT PERMIT No

## **EMPLOYEE**

OTHER INFORMATION Subject's staff refused to disclose the company's employee number and no relevant information was obtained from official or public channels. Hence the company's employee number cannot be provided in the report.

## **ADMINISTRATIVE INFORMATION**

### **RANDOM INSPECTION**

-	Inspection Party	Type	Date	Result
1	Administration Bureau of Industry and Commerce - Liwan District, Xiwan Industry and Commerce Institute, Guangzhou City	sampling inspection	2016-05-20	-
2	Administration Bureau of Industry and Commerce - Liwan District, Xiwan Industry and Commerce Institute, Guangzhou City	sampling inspection	2016-05-20	Normal

### **ABNORMAL TAX PAYER**

As of the reporting date, no related record about subject is found through below sources:

- A. Website of Tax Bureau of China;
- B. Website of local Tax Bureau of subject's location;
- C. Taxpayer information of database.

### **TAX ARREARS LIST**

As of the reporting date, no related record about subject is found through below sources:

- A. Website of Tax Bureau of China;
- B. Website of local Tax Bureau of subject's location;
- C. Taxpayer information of database.

### **DEBT ARREARS LIST**

As of the reporting date, no related record about subject is found through below sources:

- A. Major telecommunication operators of China;
- B. Telecommunication information of database.

### **FINANCIAL INFORMATION**

## **DETAILED FINANCIAL INFORMATION (UNIT: CNY 1,000)**

Financial Note: Due to the lack of a clear government policy regarding the transparency of enterprise financial information, some financial items might be missing in the financial statements, causing possible inequality between the sum of the provided items and the provided total numbers.

### **Assets**

<b>Year</b>	<b>2016-12-31</b>	<b>2017-12-31</b>
Report Type	Annual Report	Annual Report
Statement Type	Individual	Individual
Source	AIC	AIC
Audited or Not	Unknown	Unknown
Total Assets	29	25

### **Liabilities**

<b>Year</b>	<b>2016-12-31</b>	<b>2017-12-31</b>
Total Liabilities	30	108
Total Owner's Equity	-1	-83
Total Liabilities and Owner's Equity	29	25



**Income Statement**

Year	2016-12-31	2017-12-31
Operating Income	293	105
Total Profit	1	82
Income Tax	0	0
Net Profit	1	82

**GROWTH RATE OF MAJOR FINANCIAL**

	2016	Growth(%)	2017
Operating Income	293	-64.16	105
Total Assets	29	-13.79	25
Total Profit	1	8,100.00	82
Net Profit	1	8,100.00	82
Total Liabilities	30	260.00	108
Total Owner's Equity	-1	-8,200.00	-83

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**IMPORTANT RATIO**

<b>Profitability</b>	<b>2016</b>	<b>2017</b>
Return on total assets (%)	3.45	328.00
Net profit margin (%)	0.34	78.10
<b>Operation capacity</b>	<b>2016</b>	<b>2017</b>
Turnover of total assets	10.10	4.20
<b>Solvency</b>	<b>2016</b>	<b>2017</b>
Liabilities to assets ratio (%)	103.45	432.00
<b>Development capacity</b>	<b>2016</b>	<b>2017</b>
Yearly Growth of Operating Income (%)	-	-64.16
Yearly growth of total assets (%)	-	-13.79

**FINANCIALS & ANALYSIS**

Financial Note

1. Subject's detailed financial information of 2016 and 2017 is unavailable through all available channels. Subject's staff was contacted but declined to provide relevant financial information. Hence only subject's financial summaries of 2016 and 2017 obtained from AIC source are provided for client's reference.
2. SC's liabilities to assets ratio in 2016 and 2017 is higher than 100%, indicating it is in the insolvency state, and its long-term debt paying pressure and risk are high. Some attention should be given to its operating risk.
3. Subject's operating income in 2017 decreased greatly over that in 2016. The company's staff was contacted but refused to disclose relevant reasons due to business secrecy. According to possible analysis, subject's business development in 2017 was not good, and the decrease in volume of business leads to the decrease in operating income. The above analysis is provided only for client's reference.

**INDUSTRY INFORMATION**

**INDUSTRY CODE**

SIC (China)	5132,Wholesale of Garment <b>【Major】</b>
ISIC	4641,Wholesale of textiles, clothing and footwear
NACE	46.42,Wholesale of textiles, clothing and footwear

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## **INDUSTRY FINANCIAL AVERAGE**

-	2016	Subject	Best(10%)	Average	Worst (10%)
Solvency	Liabilities to Assets Ratio (%)	103.45	58.15	69.43	100.06
	Current ratio	-	1.68	1.34	1.01
	Quick ratio	-	1.05	0.84	0.63
Development Capacity	Yearly Growth of Operating Income (%)	-	17.46	10.85	4.59
	Yearly Growth of Gross Profit (%)	-	16.85	10.58	3.03
	Yearly Growth of Total Assets (%)	-	8.90	5.29	0.92
Profitability	Return on net assets (%)	-	9.34	5.82	1.01
	Return on total assets (%)	3.45	8.12	4.78	0.55
	Gross profit margin (%)	-	16.33	7.94	1.19
Operation Capacity	Turnover of total assets	10.10	3.14	1.50	0.55
	Turnover of current assets	-	5.67	2.21	0.83
	Turnover days of account receivable	-	17.70	29.35	125.08

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.62
UK Pound	1	INR 88.35
Euro	1	INR 79.63
CNY	1	INR 10.06

**Note:** Above are approximate rates obtained from sources believed to be correct

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	VIVR
<b>Report Prepared by :</b>	NIT

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**RATING EXPLANATIONS**

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)