

MIRA INFORM REPORT

Report No. :	525247
Report Date :	16.08.2018

IDENTIFICATION DETAILS

Name :	PONOVO POWER CO., LTD.
Registered Office :	2F, 4 Cell, Tower C, In Do Mansion, No. 48A Zhichun Road, Haidian District, Beijing
Country :	China
Financials (as on) :	30.06.2017
Date of Incorporation :	02.03.2001
Unified Social Credit Code :	91110108802005938H
Legal Form :	Shares Limited Company
Line of Business :	Subject registered business scope includes manufacturing power electronic components, high-voltage power electronic equipment, electrical machinery equipment, electrical equipment testing equipment, power automation equipment testing equipment, communication equipment, computer software and auxiliary equipment; selling power electronic components, electrical and mechanical equipment, instrumentation, communications equipment, computers, software and ancillary equipment, automobiles; application software services; technology development; technology transfer; technical consultation; technical services; technical training of electrical equipment and instruments; importing and exporting goods and technology; export & import agency; property management; rental office space; motor vehicle public parking services.
No. of Employees :	453

RATING & COMMENTS

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

MIRA's Rating : A

Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

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Status :	Good
Payment Behaviour :	No Complaints
Litigation :	Clear

NOTES :

Any query related to this report can be made on e-mail : 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

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 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

COMPANY NAME AND ADDRESS

COMPANY NAME	Ponovo Power Co., Ltd.
CURRENT ADDRESS	No. 139 Jinghai 3 rd Road, Economic and Technology Development Zone, Beijing 100176 PR China
REGISTERED ADDRESS	2F, 4 Cell, Tower C, In Do Mansion, No. 48A Zhichun Road, Haidian District, Beijing
TEL. NO.	86 (0) 10-58526100
FAX NO.	86 (0) 10-59089999

EXECUTIVE SUMMARY

DATE OF REGISTRATION	: MARCH 2, 2001
UNIFIED SOCIAL CREDIT CODE	: 91110108802005938H
LEGAL FORM	: SHARES LIMITED COMPANY
CHIEF EXECUTIVE	: CHEN WEI (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL	: CNY 86,500,000
STAFF	: 453
BUSINESS CATEGORY	: MANUFACTURING & TRADING
REVENUE	: CNY 66,193,000 (CONSOLIDATED, JAN. 1, 2017 TO JUN. 30, 2017)
EQUITIES	: CNY 372,635,000 (CONSOLIDATED, AS OF JUN. 30, 2017)
WEBSITE	: www.ponovo.cn
E-MAIL	: liyawei@ponovo.cn
PAYMENT	: NO COMPLAINTS
MARKET CONDITION	: COMPETITIVE
FINANCIAL CONDITION	: FAIRLY STABLE
OPERATIONAL TREND	: FAIRLY STEADY
GENERAL REPUTATION	: AVERAGE

Adopted abbreviations (as follows)

SC - Subject Company (the company inquired by you)

N/A – Not available

CNY – China Yuan Ren Min Bi

OPERATIONAL TREND & GENERAL REPUTATION

This section aims at indicating the relative positions of SC in respect of its operational trend & general reputation

Operational Trend:-

General Reputation:-

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Upward	Excellent
Steady	Good
Fairly Steady	Fairly Good
Ordinary	Average
Fair	Fair
Stagnant	Detrimental
Downward	Not known
Not known	Not yet be determined
Not yet be determined	

LEGAL STATUS & HISTORY

SC was established as shares limited company of PRC with State Administration of Industry & Commerce (SAIC) under unified social credit code: 91110108802005938H.

SC's Import and Export Enterprise Code: 1100802005938

SC's registered capital: CNY 86,500,000

SC's paid-in capital: CNY 86,500,000

Registration Change Record:-

Date	Change of Contents	Before the change	After the change
2011-3-28	Registered Capital	CNY 15,000,000	CNY 16,666,666.67
2011-6-9	Registered Capital Legal Form	CNY 16,666,666.67 Limited Liabilities Company	CNY 80,000,000 Shares Limited Company
2013-12-27	Registered Capital	CNY 80,000,000	CNY 85,000,000
2016-8-22	Registered Capital	CNY 85,000,000	CNY 86,500,000
--	Registration No./ Unified Social Credit Code	110108001970596	91110108802005938H

Current Co search indicates SC's shareholders & chief executives are as follows:-

Name of Shareholder (s)	% of Shareholding
Chen Wei	35.51
Beijing Huiyou Zhiyuan Investment Centre (limited partnership)	7.71
Liang Jing	7.33
Beijing Jirui Kechuang Investment Centre (limited partnership)	7.28
Beijing Yinde Venture Capital Center (Limited Partnership)	5.78
Zheng Lishu	4.51
Xu Liying	3.12

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Zhu Haochun	2.71
He Hao	2.54
Xue Yandong	2.54
Other Shareholders	20.97

SC's Chief Executives:-

Position	Name
Legal Representative, Chairman and General Manager Director	Chen Wei
	Li Fengling
	Xue Yandong
	Li Yake
Supervisor	Liang Jing
	Zhou Wenwen
	Li Haochun
	Zhao Jingfeng

RECENT DEVELOPMENT

No recent development was found during our checks at present.

SHAREHOLDER CHART & BACKGROUND

Name	% of Shareholding
Chen Wei	35.51
Beijing Huiyou Zhiyuan Investment Centre (limited partnership)	7.71
Liang Jing	7.33
Beijing Jirui Kechuang Investment Centre (limited partnership)	7.28
Beijing Yinde Venture Capital Center (Limited Partnership)	5.78
Zheng Lishu	4.51
Xu Liying	3.12
Zhu Haochun	2.71
He Hao	2.54
Xue Yandong	2.54

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Other Shareholders

20.97

MANAGEMENT

Chen Wei, Legal Representative, Chairman and General Manager

Gender: M
Nationality: China
Qualification: University
Working experience (s):

At present, working in SC as legal representative, chairman and general manager, also working in Beijing Ponovo Guohua New energy Technology Development Co., Ltd. and Beijing Dianke Leize General Equipment Technology Co., Ltd. as legal representative

Director

Li Fengling
Xue Yandong
Li Yake
Liang Jing

Supervisor

Zhou Wenwen
Li Haochun
Zhao Jingfeng

BUSINESS OPERATION

SC's registered business scope includes manufacturing power electronic components, high-voltage power electronic equipment, electrical machinery equipment, electrical equipment testing equipment, power automation equipment testing equipment, communication equipment, computer software and auxiliary equipment; selling power electronic components, electrical and mechanical equipment, instrumentation, communications equipment, computers, software and ancillary equipment, automobiles; application software services; technology development; technology transfer; technical consultation; technical services; technical training of electrical equipment and instruments; importing and exporting goods and technology; export & import agency; property management; rental office space; motor vehicle public parking services.

SC is mainly engaged in manufacturing and selling electrical equipment testing equipment, etc.

Brand: Ponovo

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SC's products mainly include: electrical equipment testing equipment, power automation equipment testing equipment.

SC sources its materials 100% from domestic market. SC sells 70% of its products in domestic market, and 30% to overseas market, mainly U.S.A., Europe, Mid East, Southeast Asia, etc.

The buying terms of SC include Check, T/T and Credit of 30-60 days. The payment terms of SC include T/T, L/C and Credit of 30-60 days.

Major Customer

=====

Compromeding Sc De RI De Cv

Major Supplier

=====

Scope T&M Pvt., Ltd.

Staff & Office:

SC is known to have approx. 453 staff at present.

SC owns an area as its operating office and factory, but the detailed information is unknown.

RELATED COMPANY

SC is known to have the following subsidiaries at present,

Beijing PonoVO Guohua New energy Technology Development Co., Ltd.

Beijing Ronghua Hengxin Switching Technology Co., Ltd.

Beijing PonoVO New Energy Technology Co., Ltd.

Etc.

PAYMENT

Overall payment appraisal:

() Excellent () Good (X) Average () Fair () Poor () Not yet be determined

The appraisal serves as a reference to reveal SC's payments habits and ability to pay. It is based on the 3 weighed factors: Trade payment experience (through current enquiry with SC's suppliers), our delinquent payment records and our debt collection record concerning SC.

Trade payment experience: SC did not provide any name of trade/service suppliers and we have no other sources to conduct the enquiry at present.

Delinquent payment record: None in our database.

Debt collection record: No overdue amount owed by SC was placed to us for collection within the last 6 years.

BANKING

The bank information of SC is not filed in SAIC.

FINANCIALS

Consolidated Balance Sheet

Unit: CNY'000	As of Dec. 31, 2016	As of Jun. 30, 2017
Cash	61,567	27,142
Notes receivable	3,528	3,512
Accounts receivable	105,486	98,623
Advances to suppliers	4,235	8,243
Other receivable	19,169	31,445
Inventory	60,063	64,007
Non-current assets within one year	0	0
Other current assets	189	305
	-----	-----
Current assets	254,237	233,277
Fixed assets	214,765	210,852
Construction in progress	7,684	12,339
Intangible assets	15,151	14,609
Long-term prepaid expenses	1,995	2,155
Deferred income tax assets	8,205	6,970
Other non-current assets	28,233	27,972
	-----	-----
Total assets	530,270	508,174
	=====	=====
Short-term loans	62,000	60,000
Notes payable	0	0
Accounts payable	22,821	22,139
Wages payable	6,217	569
Taxes payable	10,852	1,703
Advances from clients	5,442	11,872
Other payable	28,831	27,665
Other current liabilities	0	0
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Current liabilities	136,163	123,948
Non-current liabilities	11,719	11,591
	-----	-----
Total liabilities	147,882	135,539
Equities	382,388	372,635
	-----	-----
Total liabilities & equities	530,270	508,174
	=====	=====

Consolidated Income Statement

Unit: CNY'000	As of Dec. 31,	Jan. 1, 2017 to
	2016	Jun. 30, 2017
Revenue	180,529	66,193
Cost of sales	49,476	20,260
Sales expense	54,174	25,152
Management expense	63,866	30,097
Finance expense	3,061	1,454
Profit before tax	9,041	-7,679
Less: profit tax	4,009	2,074
Profits	5,032	-9,753

Important Ratios

=====	As of Dec. 31,	As of Jun. 30,
	2016	2017
*Current ratio	1.87	1.88
*Quick ratio	1.43	1.37
*Liabilities to assets	0.28	0.27
*Net profit margin (%)	2.79	-14.73
*Return on total assets (%)	0.95	-1.92
*Inventory / Revenue x365/180	122 days	175 days
*Accounts receivable/ Revenue x365/180	214 days	269 days
*Revenue/Total assets	0.34	0.13
*Cost of sales / Revenue	0.27	0.31

FINANCIAL COMMENTS

PROFITABILITY: FAIR

The revenue of SC appears fairly good in its line.
SC's net profit margin is poor.
SC's return on total assets is fair.
SC's cost of sales is low, comparing with its revenue.

LIQUIDITY: AVERAGE

The current ratio of SC is maintained in a normal level.
SC's quick ratio is maintained in a fairly good level.
The inventory of SC appears large.
The accounts receivable of SC appears large.
SC's short-term loans are in an average level.
SC's revenue is in a fair level, comparing with the size of its total assets.

LEVERAGE: AVERAGE

The debt ratio of SC is low.
The risk for SC to go bankrupt is average.

Overall financial condition of the SC: Fairly Stable.

CONCLUSIONS

SC is considered medium-sized in its line with fairly stable financial conditions. The large amount of inventory and accounts receivable may be a threat to SC's financial condition.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 69.47
UK Pound	1	INR 88.63
Euro	1	INR 79.19
CNY	1	INR 10.18

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

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	TRU

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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)