

## MIRA INFORM REPORT

<b>Report No. :</b>	526977
<b>Report Date :</b>	29.08.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	XINXIANG DAKING MACHINERY EQUIPMENT CO.,LTD.
<b>Registered Office :</b>	Deye Neighborhood, High-tech Zone, Xinxiang City
<b>Country :</b>	China
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	23.07.2012
<b>Unified Social Credit Code :</b>	91410700050870813K
<b>Legal Form :</b>	Limited Liabilities Company
<b>Line of Business :</b>	Subject is mainly engaged in manufacture and sales of air conditioning accessories etc. Its main products are air pumps, gas compressors, fans, special-shaped air-conditioning fittings, refrigeration accessories, household electrical appliances components, solder, harness, etc. Subject's products mainly are applied in air conditioning manufacturing and other refrigeration industries.
<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 but Correct
<b>Litigation :</b>	Clear

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**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

**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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## **INVESTIGATION RECORD**

Name of Interviewee Gentleman (who refused to disclose his name or position)  
Tel (86) 13603931106  
Investigation Way Telephone

## **ORDER DETAILS & INVESTIGATION RESULTS**

-	Order Information	Verification
Name(English)	XINXIANG DAKING MACHINERY EQUIPMENT CO LTD	Correct
Address (English)	Xinkle Street New and High Tech Development Zone Xinxiang China	Inaccurate.
Tel	248155497169	The given phone number does not exist. SC's contact information is as stated in the report.
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.	

## **ABSTRACT**

### **BASIC INFORMATION**

Name (English)	XINXIANG DAKING MACHINERY EQUIPMENT CO.,LTD. (Given by Official Sources)
Unified Social Credit Code	91410700050870813K
AIC registration No.	410792000017649
National Organization Code	050870813
Company Status	Operational
Executive	Shang Jun
Registered Capital	CNY 5,000,000.00
Date of Establishment	2012-07-23
Company Size	Microenterprise
SIC (China)	3464,Production of Refrigeration & Air-Condition Equipment

Import and Export 4100050870813  
Enterprise Code  
Import/Export Permit Yes

#### CONTACTS

Mobile (86)13603931106  
Address Deye Neighborhood, High-tech Zone, Xinxiang City, Henan Province (Office /  
Manufacture)  
Address Post code 453000  
Ownership N/A

#### GENERAL COMMENTS

##### RISK ANALYSIS

Established in July of 2012 with the registered capital of CNY 5,000,000.00, SC is mainly engaged in manufacture and sales of air conditioning accessories etc. With years of operation, the company has certain industry. However, as a company founded by natural persons, it has weak financing and risk resisting capacities. According to its current financial information, SC's operating income of 2017 is low, indicating its business scale is small. The company suffered from loss in 2017, indicating subject's profitability is weak and remains to be improved. The company's turnover of total assets of 2017 is low, indicating its assets operation capability is weak. As a whole, with high liabilities to assets ratio of 2017, subject's long-term solvency is weak.

## **REGISTRATION INFORMATION**

#### REGISTRATION INFORMATION

Unified Social Credit Code 91410700050870813K  
AIC registration No. 410792000017649  
Date of Establishment 2012-07-23  
Registered Address Deye Neighborhood, High-tech Zone, Xinxiang City  
Registry Administration Bureau for Industry and Commerce – High-tech Zone, Xinxiang City  
Legal Representative Shang Jun  
Legal Form Limited Liabilities Company  
Registered Capital CNY 5,000,000.00  
Paid-in Capital CNY 5,000,000.00  
Latest Year of Annual Report 2017  
Operation duration 2012-07-23 to 2021-07-22

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**Business Scope** Wholesale and retail of building materials, metal materials, solenoid valves, electronic expansion valves, special-shaped air-conditioning fittings, general refrigeration equipment, refrigeration accessories, household electrical appliances components, solder, harness, plastic film, packaging materials, textile fabrics, clothing;  
Manufacture of mechanical equipment, cleaning equipment, auto parts, filter system, tooling mould (the above projects are in building);  
Leasing of houses;  
Import and export of goods and technologies

**REGISTRATION CHANGES**

-	Date	Item Changed	From	To
1	2015-07-01	Registered address	(G-H) (43-44) III, Torch Park, High-tech Zone, No. 1789, Xinfei Avenue, Xinxiang City	Deye Neighborhood, High-tech Zone, Xinxiang City
2	2014-02-13	Shareholders	Shang Jun; Feng Jun	Shang Jun; Shang Lei

**SHAREHOLDER INFORMATION**

-	Name	% Ownership	Capital Contributed	Currency	Investment Way	Paid-in %	Country
1	Shang Jun	90.00	4,500,000.00	CNY	Capital	100	China
2	Shang Lei	10.00	500,000.00	CNY	Capital	100	China
Total		100.0	5,000,000				

**ULTIMATE HOLDING**

-	Ultimate Shareholder	Investment Way
1	Shang Jun	Capital

English Name Shang Jun  
Country China  
Type Natural person shareholder  
Investment Way Capital  
Note Shang Jun  
-->90.00% XINXIANG DAKING MACHINERY EQUIPMENT CO., LTD.

**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 Shang Jun  
Country China  
Position Executive Director  
Age 44

### **INVOLVEMENT IN OTHER COMPANIES**

-	Name (English)	License Status	Legal Representative	Position	Type of Engagement
1	HENAN FIREMAN TEXTILE CO., LTD	Operational	NO	Supervisor	Directorship; Investment(30%)
2	Xinxiang Xinke Protective Technology Co., Ltd.	Operational	YES	General Manager	Directorship
3	Xinxiang Xinke Information Technology Co., Ltd.	Operational	YES	General Manager	Directorship; Investment(80%)

Name (English) HENAN FIREMAN TEXTILE CO., LTD

License Status Operational

Name Of Legal Representative Yang Lin

Registered Capital CNY 1,000,000.00

Country China

Registration No. 410103000244066

Unified Social Credit Code 91410103MA3XCK6E5R

Legal Form Limited Liabilities Company

Share Holding 300,000.00

Currency Of Share Holding CNY

% Ownership 30

Position Supervisor

Date of Establishment 2016-08-03

Name (English) Xinxiang Xinke Protective Technology Co., Ltd.

License Status Operational

Name Of Legal Representative	Shang Jun
Registered Capital	CNY 10,000,000.00
Country	China
Registration No.	410711100001372
Unified Social Credit Code	91410711661859541B
Legal Form	Limited Liabilities Company
Position	General Manager
Date of Establishment	2007-04-25
Name (English)	Xinxiang Xinke Information Technology Co., Ltd.
License Status	Operational
Name Of Legal Representative	Shang Jun
Registered Capital	CNY 500,000.00
Country	China
Registration No.	410792000032422
Unified Social Credit Code	91410700MA3XDBH44C
Legal Form	Limited Liabilities Company
Share Holding	400,000.00
Currency Of Share Holding	CNY
% Ownership	80
Position	General Manager
Date of Establishment	2016-09-03

#### MANAGEMENT

-	Name	Position	Gender
1	Shang Jun	Executive Director	-

#### DIRECTORS AND SUPERVISORS

-	Name	Position	Gender
1	Shang Jun	Executive Director	-
2	Feng Jun	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;
- D. Judicial information of database.

### 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;
- D. Judicial information of database.

### 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;
- D. Judicial information of database.

### 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;
- D. Judicial information of database.

### 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;
- D. Judicial information of database.

## **OPERATION INFORMATION**

### MAIN BUSINESS

Main Business	Manufacture and sales of air conditioning accessories etc.
Products & Service	SC is mainly engaged in manufacture and sales of air conditioning accessories etc. Its main products are air pumps, gas compressors, fans, special-shaped air-conditioning fittings, refrigeration accessories, household electrical appliances components, solder, harness, etc. Subject's products mainly are applied in air conditioning manufacturing and other refrigeration industries.

**OPERATION FACILITIES**

Business Address	Deye Neighborhood, High-tech Zone, Xinxiang City, Henan Province (Office / Manufacture)
Mobile	(86)13603931106
Post code	453000
Environment	Main industrial area
Ownership	N/A
Traffic Condition	Convenient

**SALES INFORMATION**

Region	Products	Customer Type	Number of Customers	Payment Terms	Region	Percentage
Domestic	Air pumps, gas compressors, fans, etc.	Air conditioning manufacturers, traders, etc.	Above 10	Prompt payment; Credit payment	All over China	90
International	Air pumps, gas compressors, fans, etc.	Traders, etc.	Above 2	T/T, etc.	India, the Republic of Croatia, etc.	10

**OTHER INFORMATION** SC's products are sold at home and abroad and the company concentrates on the domestic market. Its main customers are air conditioning manufacturers, traders, etc. SC's sales channels are under development now.

**PURCHASE INFORMATION**

Region	Main Purchased Products	Number of Suppliers	Payment Terms	Region	Percentage
Domestic	Hardware materials, production equipment, office equipment, etc.	Above 8	Prompt payment; Credit payment	All over China	100

**OTHER INFORMATION** SC's products are purchased at home. It has stable cooperation with its suppliers, including hardware manufacturers and traders etc.

**NOTE TO CREDIT RECORD**

**Note** SC's staff declined to disclose any information of the suppliers due to company secrecy. No information of its suppliers is obtained through public sources. Hence, no payment records can be provided in the report.

**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**

EXPORT/IMPORT PERMIT Yes

### **IMPORT / EXPORT DETAILS**

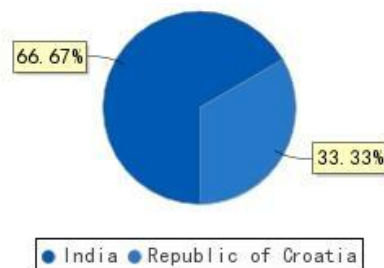
2017 Import / Export Volume (USD 1,000)

Import Volume	Export Volume
-	2

2017 Exporting Regions (USD 1,000)

Exporting Regions	Export Volume
India	2
Republic of Croatia	1

2017 Exporting Countries Lay-out



2017 Exported Products (USD 1,000)

Exported Products	Export Volume
Air or vacuum pumps, air or other gas compressors and fans; ventilating or recycling hoods incorporating a fan, whether or not fitted with filters:Other	2

### **EMPLOYEE**

**OTHER INFORMATION** Subject's employee number is unavailable through public channels. SC's staff was contacted but declined to disclose its employee number. Hence, no employee number is provided in the report.

### **ABNORMAL TAX PAYER**

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

- Website of Tax Bureau of China;
- Website of local Tax Bureau of subject's location;
- 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)**

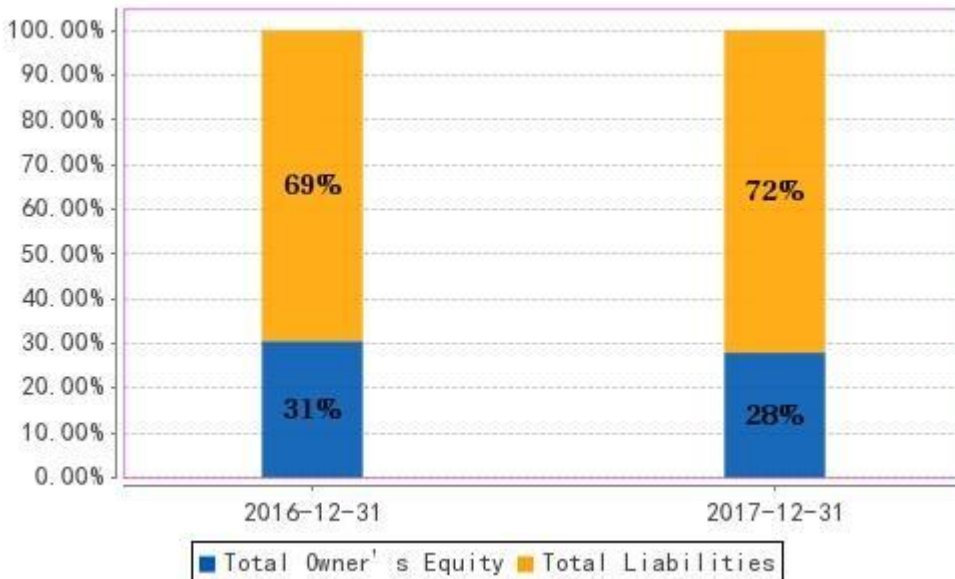
Financial Note: Due to the lack of a clear government policy regarding the transparency of enterprise financial information, some financial items might be missing in the financial statements, causing possible inequality between the sum of the provided items and the provided total numbers.

**Assets**

Year	2016-12-31	2017-12-31
Report Type	Annual Report	Annual Report
Statement Type	Individual	Individual
Source	AIC	AIC
Audited or Not	Unknown	Unknown
Total Assets	16,773	16,839

**Liabilities**

Year	2016-12-31	2017-12-31
Total Liabilities	11,655	12,140
Total Owner's Equity	5,118	4,699
Total Liabilities and Owner's Equity	16,773	16,839



#### Income Statement

Year	2016-12-31	2017-12-31
Operating Income	0	347
Total Profit	-139	-97
Income Tax	0	0
Net Profit	-139	-97

#### GROWTH RATE OF MAJOR FINANCIAL

	2016	Growth(%)	2017
Operating Income	0	-	347
Total Assets	16,773	0.39	16,839
Total Profit	-139	30.22	-97
Net Profit	-139	30.22	-97
Total Liabilities	11,655	4.16	12,140
Total Owner's Equity	5,118	-8.19	4,699

#### IMPORTANT RATIO

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<b>Profitability</b>	<b>2016</b>	<b>2017</b>
Return on net assets (%)	-2.72	-2.06
Return on total assets (%)	-0.83	-0.58
Net profit margin (%)	-	-27.95
<b>Operation capacity</b>	<b>2016</b>	<b>2017</b>
Turnover of total assets	0	0.02
<b>Solvency</b>	<b>2016</b>	<b>2017</b>
Liabilities to assets ratio (%)	69.49	72.09
<b>Development capacity</b>	<b>2016</b>	<b>2017</b>
Yearly growth of total assets (%)	-	0.39

**FINANCIALS & ANALYSIS**

Financial Note	<p>1. SC's detailed financial information of 2017 and 2016 is unavailable through all available channels. Subject's staff was contacted but declined to provide relevant financial information. Only subject's financial summaries of 2017 and 2016 obtained from AIC source are provided for client's reference.</p> <p>2. SC's operating income of 2016 is CNY 0. Subject's staff was contacted but declined to disclose any information. According to possible analysis, the company may conduct no business in 2016.</p>
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***INDUSTRY INFORMATION***

**INDUSTRY CODE**

SIC (China)	3464,Production of Refrigeration & Air-Condition Equipment <b>【Major】</b>
ISIC	2819,Manufacture of other general-purpose machinery
NACE	28.29,Manufacture of other general-purpose machinery

**INDUSTRY FINANCIAL AVERAGE**

-	2016	Subject	Best(10%)	Average	Worst(10%)
Solvency	Liabilities to Assets Ratio (%)	69.49	55.59	63.44	96.36
	Current ratio	-	2.00	1.12	0.60
	Quick ratio	-	1.25	0.70	0.37

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Development Capacity	Yearly Growth of Operating Income (%)	-	27.91	8.99	-21.99
	Yearly Growth of Gross Profit (%)	-	24.88	5.85	-17.80
	Yearly Growth of Total Assets (%)	-	20.29	8.29	-14.06
Profitability	Return on net assets (%)	-2.72	11.84	5.50	-6.01
	Return on total assets (%)	-0.83	9.00	3.88	-4.42
	Gross profit margin (%)	-	21.94	11.00	2.90
Operation Capacity	Turnover of total assets	0	1.56	0.70	0.19
	Turnover of current assets	-	2.11	0.87	0.28
	Turnover days of account receivable	-	37.40	105.73	816.19
-	<b>2017</b>	<b>Subject</b>	<b>Best(10%)</b>	<b>Average</b>	<b>Worst(10%)</b>
Solvency	Liabilities to Assets Ratio (%)	72.09	51.00	60.60	84.15
	Current ratio	-	2.26	1.33	0.67
	Quick ratio	-	1.42	0.83	0.42
Development Capacity	Yearly Growth of Operating Income (%)	-	21.62	0.31	-29.60
	Yearly Growth of Gross Profit (%)	-	21.52	0.20	-22.34
	Yearly Growth of Total Assets (%)	0.39	22.54	9.69	-12.15
Profitability	Return on net assets (%)	-2.06	13.77	7.45	-4.08
	Return on total assets (%)	-0.58	10.10	5.61	-3.16
	Gross profit margin (%)	-	27.54	14.48	3.57
Operation Capacity	Turnover of total assets	0.02	1.62	0.81	0.10
	Turnover of current assets	-	2.12	0.91	0.20
	Turnover days of account receivable	-	33.98	101.00	727.20

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**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.17
UK Pound	1	INR 90.33
Euro	1	INR 81.93
CNY	1	INR 10.32

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	NIY
<b>Report Prepared by :</b>	SYL

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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)