

## MIRA INFORM REPORT

|                      |            |
|----------------------|------------|
| <b>Report No. :</b>  | 527616     |
| <b>Report Date :</b> | 30.08.2018 |

### IDENTIFICATION DETAILS

|                                |                                                                                                                                                                         |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name :</b>                  | CHAMPION MACHINERY MANUFACTURING CO., LTD.                                                                                                                              |
| <b>Registered Office :</b>     | 1F, 37# Longyan 2 <sup>nd</sup> Industrial Avenue, Humen Town, Dongguan, Guangdong Province, 523921                                                                     |
| <b>Country :</b>               | China                                                                                                                                                                   |
| <b>Date of Incorporation :</b> | 15.06.2012                                                                                                                                                              |
| <b>Credibility code:</b>       | 91441900597497872X                                                                                                                                                      |
| <b>Legal Form :</b>            | One-Person Limited Liability Company                                                                                                                                    |
| <b>Line of Business :</b>      | Subject registered business scope includes manufacturing and selling general machinery, electrical equipment, hardware parts; import and export of goods and technology |
| <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)

|                        |   |
|------------------------|---|
| <b>MIRA's Rating :</b> | B |
|------------------------|---|

| <b>Credit Rating</b> | <b>Explanation</b> | <b>Rating Comments</b>                                      |
|----------------------|--------------------|-------------------------------------------------------------|
| B                    | Medium Risk        | Business dealings permissible on a regular monitoring basis |

|                            |          |
|----------------------------|----------|
| <b>Status :</b>            | Moderate |
| <b>Payment Behaviour :</b> | Unknown  |
| <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.

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**ECGC Country Risk Classification List**

| Country Name | Previous Rating<br>(31.12.2017) | Current Rating<br>(01.04.2018) |
|--------------|---------------------------------|--------------------------------|
| China        | A2                              | A2                             |

| 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**

### **CHAMPION MACHINERY MANUFACTURING CO., LTD.**

1F, 37# LONGYAN 2<sup>ND</sup> INDUSTRIAL AVENUE, HUMEN TOWN, DONGGUAN, GUANGDONG PROVINCE,  
523921 PR CHINA  
TEL: 86 (0) 769-89877123 FAX: N/A

## **EXECUTIVE SUMMARY**

INCORPORATION DATE : JUNE 15, 2012  
CREDIBILITY CODE : 91441900597497872X  
REGISTERED LEGAL FORM : ONE-PERSON LIMITED LIABILITY COMPANY  
CHIEF EXECUTIVE : MR. LI ZHENG DONG (LEGAL REPRESENTATIVE)  
STAFF STRENGTH : N/A  
REGISTERED CAPITAL : CNY 1,000,000  
BUSINESS LINE : MANUFACTURING AND TRADING  
TURNOVER : N/A  
EQUITIES : N/A  
PAYMENT : UNKNOWN  
MARKET CONDITION : AVERAGE  
FINANCIAL CONDITION : N/A  
OPERATIONAL TREND : FAIRLY STEADY  
GENERAL REPUTATION : AVERAGE

### **Adopted abbreviations:**

ANS - amount not stated    NS - not stated    SC - subject company (the company inquired by you)  
NA - not available    CNY - China Yuan Renminbi

## **HISTORY**

**Note:** the given name "Champion Machinery Manufacturing Co., Ltd." is also registered in Hong Kong with the same Chinese name as SC. The said company is managed by the same team as SC.

According to SC's employee, the given fax no. (86 (0) 769-89099779) is not in use at present.

SC was registered as a Limited liabilities co. at local Administration for Industry & Commerce (AIC - The official body of issuing and renewing business license) on June 15, 2012 and has been under present ownership since 2017.

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**Company Status: One-person Limited Liability Company**

Single person LLC refers to a limited liability company set up by only one natural person or legal person as the single shareholder of it.

The minimum registered capital of Single person LLC is CNY100,000. The shareholder's capital contributes, as set out by the articles of associations should be a lump-sum payment in full.

One natural person can only invest in and set up one limited liability company, which is not permitted to invest in and set up a new Single person LLC.

As to any one-person limited liability company, the sole-investor nature of the natural person or legal person shall be indicated in the registration documents of the company and shall be indicated in the business license thereof as well.

The regulation of Single person LLC should be set up by the shareholder

The regulation of Single person LLC has no shareholder meeting.

SC's registered business scope includes manufacturing and selling general machinery, electrical equipment, hardware parts; import and export of goods and technology

SC is mainly engaged in manufacturing and selling packaging machinery and equipment.

Mr. Li Zhengdong is the legal representative, executive director and general manager of SC at present.

SC's management declined to disclose its staff strength.

SC is currently operating at the above stated address, and this address houses its operating office and factory in the industrial zone of Dongguan. The detailed premise information is unknown.

**WEB SITE**

<http://www.champion-machinery.com/> The design is professional and the content is well organized. At present the web site is in English version.

Email: [sales@champion-machinery.com](mailto:sales@champion-machinery.com)

**KEY EVENTS/RECENT DEVELOPMENT**

**Changes of its registered information are as follows:**

| Date of change | Item             | Before the change                   | After the change                        |
|----------------|------------------|-------------------------------------|-----------------------------------------|
| 2017-04-30     | Registration No. | 441900001349484                     | Credibility Code:<br>91441900597497872X |
|                | Legal form       | Limited liabilities co.             | Present one                             |
|                | Shareholders     | Li Chaoyong 49%<br>Li Zhengdong 51% | Present one                             |

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## LITIGATION

For the past one year there is no record of litigation.

## OWNERSHIP/MANAGEMENT

MAIN SHAREHOLDERS:

| <b>Name</b>  | <b>% of Shareholding</b> |
|--------------|--------------------------|
| Li Zhengdong | 100                      |

## MANAGEMENT

- **Legal representative, Executive director and General manager:**

Mr. Li Zhengdong is currently responsible for the overall management of SC.

Working Experience(s):

At present Working in SC as legal representative, executive director and general manager

- **Supervisor:**

Li Chaoyong

## BUSINESS OPERATIONS

SC is mainly engaged in manufacturing and selling packaging machinery and equipment.

SC's products mainly include: paper bag making machine, paper box making machine, etc.

### Trademarks & patents

|                   |          |          |            |
|-------------------|----------|----------|------------|
| Registration No.  | 14765206 | 14765205 | 12042300   |
| Registration Date | 2015-9-7 | 2015-9-7 | 2014-08-21 |

Trademark Design



SC sources its materials 100% from domestic market. SC sells its products in both domestic market and overseas market.

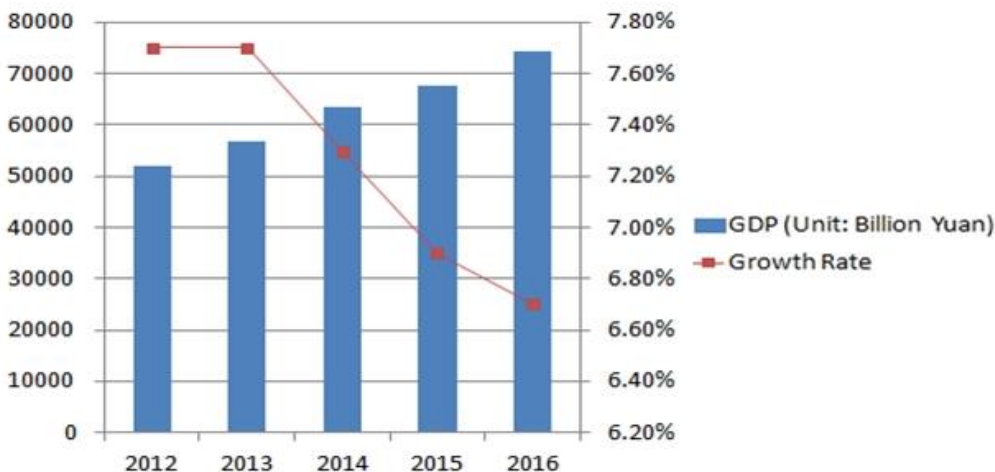
The buying terms of SC include Check, T/T and Credit of 30-60 days. The payment terms of SC include Check, T/T, L/C and Credit of 30-60 days.

**Note: SC declined to release its major suppliers and clients.**

**Industry code: 3468**

**Industry name: Packaging special equipment manufacturing**

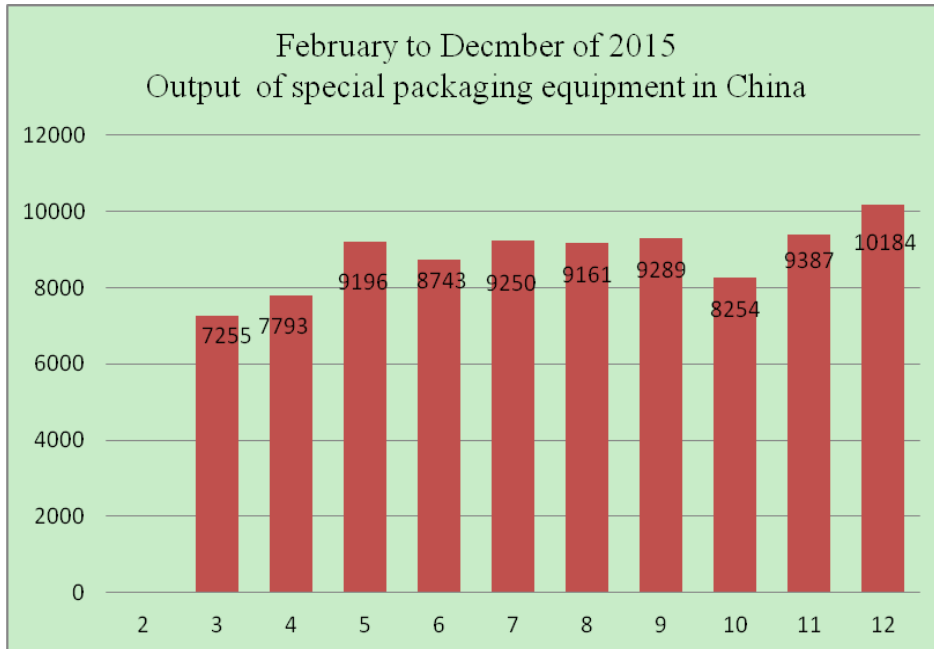
The gross domestic product of China in 2016 which is 74412.72 billion that is increased 6.7% than previous year.



In recent years, packaging machinery toward high-end oriented transition has showed its strong momentum of development, equipment automation, intelligent degree increase greatly. Domestic packaging machinery manufacturing enterprises will face the test of industry transformation and upgrading.

In former years, total industrial output value and sales value year-on-year growth are 11.64% and 11.17% respectively, the total output of special packaging equipment is 8,2673, year-on-year growth is 21.97%, total increased 20.64% year-on-year. The output of special packaging equipment is 10,184 in December of 2015 and which is increased 3.3% year on year. As of December 31, 2015 the total output is 100,507, decreased 2% year on year.

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## RELATED COMPANIES

Champion Machinery Manufacturing Co., Ltd. (Hong Kong)

CR No.: 1774274

Incorporation date: July 17, 2012

Legal form: Private company limited by shares

Status: Live

## PAYMENT

### Overall payment appraisal:

( ) Excellent ( ) Good (X) Average ( ) Fair ( ) Poor ( ) Not yet 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.

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

### **BANKING**

The banking information of SC is unknown.

### **FINANCIAL HIGHLIGHTS**

SC's management declined to release any financial information.

### **REMARKS**

SC was established in 2012, taking into consideration of SC's general performance, reputation as well as market conditions we would rate SC as an above average credit risk company.

**FOREIGN EXCHANGE RATES**

| Currency  | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1    | INR 70.50     |
| UK Pound  | 1    | INR 90.63     |
| Euro      | 1    | INR 82.34     |
| CNY       | 1    | INR 10.34     |

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

**INFORMATION DETAILS**

|                      |     |
|----------------------|-----|
| Analysis Done by :   | DIV |
| Report Prepared by : | TPT |

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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)