

**MIRA INFORM REPORT**

<b>Report No. :</b>	527680
<b>Report Date :</b>	01.09.2018

**IDENTIFICATION DETAILS**

<b>Name :</b>	ZHONGKE MEILING CRYOGENICS COMPANY LIMITED
<b>Registered Office :</b>	No. 1862 Zishi Road, Hefei Economics Development Zone, Anhui Province 230601 Pr
<b>Country :</b>	China
<b>Financials (as on) :</b>	30.06.2018
<b>Date of Incorporation :</b>	29.10.2002
<b>Unified Social Credit Code :</b>	91340100743098352K
<b>Legal Form :</b>	Shares Limited Company
<b>Line of Business :</b>	Subject registered business scope includes development, production, sales and service of cryogenic refrigeration equipment and products; development, production, sales and service of 6858 medical cold treatment, low temperature, refrigeration equipment and appliances; computer network system integration; intelligent product system integration; software development, technology Information services; development of electronic products, automation equipment, production, sales and service; installation, commissioning, maintenance and sales of refrigeration engineering equipment; sales of cold chain transport vehicles, refrigerated and refrigerated trucks; development, production and sales of cold chain incubators Services; development, production, sales and service of cold storage and commercial cold chain products; development, production, sales and service of liquid nitrogen biological containers and accessories; development, production, sales and service of household health products; medical consumables, laboratory consumables, Monitoring product development, production, sales and service; operating and acting as an agent of importing and exporting various kinds of commodities and technology, excluding the goods forbidden by the government.
<b>No. of Employees :</b>	247

**RATING & COMMENTS**

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

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<b>MIRA's Rating :</b>	<b>A+</b>
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Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low risk of default

<b>Status :</b>	Good
<b>Payment Behaviour :</b>	Regular
<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

**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. From 2013 to 2017, China had one of the fastest growing economies in the world, averaging slightly more than 7% real growth per year. Measured on a

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purchasing power parity (PPP) basis that adjusts for price differences, China in 2017 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.

In July 2005 moved to an exchange rate system that references a basket of currencies. From mid-2005 to late 2008, the renminbi (RMB) 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 resume a gradual appreciation. From 2013 until early 2015, the renminbi held steady against the dollar, but it depreciated 13% from mid-2015 until end-2016 amid strong capital outflows; in 2017 the RMB resumed appreciating against the dollar – roughly 7% from end-of-2016 to end-of-2017. 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

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**ZHONGKE MEILING CRYOGENICS COMPANY LIMITED - 527680**

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## **COMPANY NAME & ADDRESS**

**COMPANY NAME** ZHONGKE MEILING CRYOGENICS COMPANY LIMITED  
**CURRENT ADDRESS/ REGISTERED ADDRESS** NO. 1862 ZISHI ROAD, HEFEI ECONOMICS DEVELOPMENT ZONE, ANHUI PROVINCE 230601 PR CHINA  
**TEL. NO.** 86 (0) 551-62219671  
**FAX NO.** 86 (0) 551-62219667

## **EXECUTIVE SUMMARY**

**DATE OF REGISTRATION** : OCTOBER 29, 2002  
**UNIFIED SOCIAL CREDIT CODE** : 91340100743098352K  
**LEGAL FORM** : SHARES LIMITED COMPANY  
**CHIEF EXECUTIVE** : WU DINGGANG (LEGAL REPRESENTATIVE)  
**REGISTERED CAPITAL** : CNY 68,640,300  
**STAFF** : 247  
**BUSINESS CATEGORY** : MANUFACTURING & TRADING  
**REVENUE** : CNY 82,034,000 (FROM JAN. 1, 2018 TO JUN. 30, 2018)  
**EQUITIES** : CNY 127,653,000 (AS OF JUN. 30, 2018)  
**WEBSITE** : [www.zkmeiling.com](http://www.zkmeiling.com)  
**E-MAIL** : [liuxianping@zkmeiling.com](mailto:liuxianping@zkmeiling.com)  
**PAYMENT** : REGULAR  
**MARKET CONDITION** : COMPETITIVE  
**FINANCIAL CONDITION** : 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:-**

Upward

Steady

Fairly Steady

Ordinary

**General Reputation:-**

Excellent

Good

Fairly Good

Average

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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: 91340100743098352K.

SC's Import and Export Enterprise Code: 3400743098352

SC's registered capital: CNY 68,640,300

SC's paid-in capital: CNY 68,640,300

### **Registration Change Record:-**

<b>Date</b>	<b>Change of Contents</b>	<b>Before the change</b>	<b>After the change</b>
2017-3-16	Registered Capital	CNY 65,000,000	CNY 68,150,000
2017-11-20	Legal Representative	Li Wei	Wu Dinggang
2018-1-2	Registered Capital	CNY 68,150,000	CNY 68,640,300
--	Registration No./ Unified Social Credit Code	340100000010760	91340100743098352K

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

<b>Name of Shareholder (s) (As of June 30, 2018)</b>	<b>% of Shareholding</b>
Changhong Meiling Company Limited	66.87
Zhongke Xianxing (Beijing) Asset Management Co., Ltd.	28.41
Qu Yaohui	1.19
Fang Rongxin	0.86
Hu Xiaozong	0.86
Other Shareholders	1.81

### **SC's Chief Executives:-**

<b>Position</b>	<b>Name</b>
Legal Representative and Chairman	Wu Dinggang
General Manager	Qu Yaohui
Director	Zhang Yanqi

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Supervisor

Zhong Ming  
Li Xia  
He Xiaonan  
Liu Xianping

## **RECENT DEVELOPMENT**

SC was listed on the new three board stock market, and the stock code is 835892.

## **SHAREHOLDER CHART & BACKGROUND**

Name (As of June 30, 2018)	% of Shareholding
Changhong Meiling Company Limited	66.87
Zhongke Xianxing (Beijing) Asset Management Co., Ltd.	28.41
Qu Yaohui	1.19
Fang Rongxin	0.86
Hu Xiaozong	0.86
Other Shareholders	1.81

Changhong Meiling Company Limited

-----  
Date of Registration: November 18, 1996  
Unified Social Credit Code: 9134000014918555XK  
Chief Executive : Li Wei  
Registered Capital: CNY 1,044,597,881

## **MANAGEMENT**

**Wu Dinggang, Legal Representative and Chairman**

-----  
Gender: M  
Nationality: China  
Age: 45  
Qualification: University  
Working experience (s):

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At present, working in SC as legal representative and chairman

**Qu Yaohui, General Manager**  
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Gender: M  
Nationality: China  
Age: 39  
Qualification: University  
Working experience (s):

At present, working in SC as general manager

**Director**  
-----

Zhang Yanqi  
Zhong Ming

**Supervisor**  
-----

Li Xia  
He Xiaonan  
Liu Xianping

## ***BUSINESS OPERATION***

SC's registered business scope includes development, production, sales and service of cryogenic refrigeration equipment and products; development, production, sales and service of 6858 medical cold treatment, low temperature, refrigeration equipment and appliances; computer network system integration; intelligent product system integration; software development, technology Information services; development of electronic products, automation equipment, production, sales and service; installation, commissioning, maintenance and sales of refrigeration engineering equipment; sales of cold chain transport vehicles, refrigerated and refrigerated trucks; development, production and sales of cold chain incubators Services; development, production, sales and service of cold storage and commercial cold chain products; development, production, sales and service of liquid nitrogen biological containers and accessories; development, production, sales and service of household health products; medical consumables, laboratory consumables, Monitoring product development, production, sales and service; operating and acting as an agent of importing and exporting various kinds of commodities and technology, excluding the goods forbidden by the government.

SC is mainly engaged in manufacturing and selling cryogenic storage device.

Brand: MEILING

SC's products mainly include: medical/pharmacy refrigerator, ultra low temperature freezer, inventory rack/box, professional cold room.

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SC sources its materials 100% from domestic market. SC sells 60% of its products in domestic market, and 40% to overseas market, mainly India, USA, Mexico, etc.

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.

\*Major Customers:

=====

De La Rosa/Zempoalteca/Felipe  
Blue Star Ltd.

**Staff & Office:**

-----

SC is known to have approx. 247 staff at present.

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

## **RELATED COMPANY**

SC is not known to have any subsidiary at present.

## **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**

**Basic Bank:**

Bank of Communications Changdong Sub-branch

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AC#: 341320000018000430146

## **FINANCIALS**

### **Consolidated Balance Sheet**

Unit: CNY'000	As of Dec. 31, 2017	As of Jun. 30, 2018
Cash	83,392	95,451
Accounts receivable	7,113	14,170
Advances to suppliers	2,273	1,775
Other receivable	1,692	1,744
Inventory	22,374	20,308
Non-current assets within one year	0	0
Other current assets	20,777	0
	-----	-----
Current assets	137,621	133,448
Long-term investment	0	0
Fixed assets	116,525	91,313
Construction in progress	0	6,542
Intangible assets	12,273	12,142
Goodwill	0	0
Long-term deferred expense	0	0
Deferred income tax assets	1,162	1,270
Other non-current assets	0	22,753
	-----	-----
Total assets	267,581	267,468
	=====	=====
Short-term loans	9,200	9,200
Accounts payable	82,599	78,127
Payroll payable	4,345	5,056
Taxes payable	1,398	1,604
Interest payable	0	0
Advances from clients	28,368	29,336
Other payable	10,898	10,323
Non-current liabilities within one year	500	679
Other current liabilities	0	0
	-----	-----
Current liabilities	137,308	134,325
Non-current liabilities	4,292	5,490
	-----	-----
Total liabilities	141,600	139,815
Equities	125,981	127,653
	-----	-----
Total liabilities & equities	267,581	267,468
	=====	=====

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**Consolidated Income Statement**

Unit: CNY'000	As of Dec. 31, 2017	Jan. 1, 2018 to Jun. 30, 2018
Revenue	143,091	82,034
Cost of sales	93,175	53,257
Business Taxes and Surcharges	1,312	1,081
Sales expense	24,724	11,203
Management expense	15,071	6,773
Finance expense	-1,010	-1,078
Asset impairment loss	331	637
Non-operating income	0	100
Non-operating expense	0	0
Profit before tax	14,007	6,911
Less: profit tax	1,525	1,121
Profits	12,482	5,790

**Important Ratios**

=====	As of Dec. 31, 2017	As of Jun. 30, 2018
*Current ratio	1.00	0.99
*Quick ratio	0.84	0.84
*Liabilities to assets	0.53	0.52
*Net profit margin (%)	8.72	7.06
*Return on total assets (%)	4.66	2.16
*Inventory / Revenue x365/180	58 days	45 days
*Accounts receivable / Revenue x365/180	19 days	32 days
*Revenue / Total assets	0.53	0.31
*Cost of sales / Revenue	0.65	0.65

**FINANCIAL COMMENTS**

**PROFITABILITY: AVERAGE**

The revenue of SC appears average in its line.  
SC's net profit margin is fairly good.  
SC's return on total assets is average.  
SC's cost of sales is average, 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 normal level.  
The inventory of SC is maintained in an average level.  
The accounts receivable of SC is maintained in an average level.  
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 average.

The risk for SC to go bankrupt is average.

**Overall financial condition of the SC: Stable.**

## **CONCLUSIONS**

SC is considered medium-sized in its line with stable financial conditions.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.93
UK Pound	1	INR 92.35
Euro	1	INR 82.84
CNY	1	INR 10.38

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	DIV
<b>Report Prepared by :</b>	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)