

## MIRA INFORM REPORT

Report No. :	545003
Report Date :	14.12.2018

### IDENTIFICATION DETAILS

Name :	WENZHOU YIKUN ELECTRIC CO., LTD.
Registered Office :	Hexiang Road, Aojiang Town, Pingyang County, Wenzhou, Zhejiang Province 325401
Country :	China
Financials (as on) :	31.12.2017
Date of Incorporation :	01.12.1993
Unified Social Credit Code.:	91330300254650927e
Legal Form :	Shares Limited Company
Line of Business :	Subject registered business scope includes manufacturing and selling high-powered equipment and complete sets of equipment; electromechanical integration equipment and automatic control system equipment.
No. of Employees :	354

**RATING & COMMENTS**

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

**MIRA's Rating :**

A

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

<b>Status :</b>	Satisfactory
<b>Payment Behaviour :</b>	No Complaints
<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 (30.06.2018)	Current Rating (30.09.2018)
China	A1	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. 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 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

## **COMPANY NAME AND ADDRESS**

<b>COMPANY NAME</b>	Wenzhou Yikun Electric Co., Ltd.
<b>CURRENT ADDRESS/ REGISTERED ADDRESS</b>	Hexiang Road, Aojiang Town, Pingyang County, Wenzhou, Zhejiang Province 325401 PR China
<b>TEL. NO.</b>	86 (0) 577-63654851/63654828
<b>FAX NO.</b>	86 (0) 577-63676863/63639100

## **EXECUTIVE SUMMARY**

DATE OF REGISTRATION	: DECEMBER 1, 1993
UNIFIED SOCIAL CREDIT CODE	: 91330300254650927E
LEGAL FORM	: SHARES LIMITED COMPANY
CHIEF EXECUTIVE	: YU YANKUN (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL	: CNY 35,500,000
STAFF	: 354
BUSINESS CATEGORY	: MANUFACTURING & TRADING
REVENUE	: CNY 159,320,000 (AS OF DEC. 31, 2017)
EQUITIES	: CNY 40,330,000 (AS OF DEC. 31, 2017)
WEBSITE	: <a href="http://www.yikun.cn">www.yikun.cn</a>
E-MAIL	: <a href="mailto:yikun@wz.zj.cn">yikun@wz.zj.cn</a>
PAYMENT	: NO COMPLAINTS
MARKET CONDITION	: AVERAGE
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:-

Upward

Steady

Fairly Steady

Ordinary

Fair

Stagnant

General Reputation:-

Excellent

Good

Fairly Good

Average

Fair

Detrimental

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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: 91330300254650927E.

SC's registered capital: CNY 35,500,000

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

<b>Date</b>	<b>Change of Contents</b>	<b>of Before the change</b>	<b>After the change</b>
2016-03-10	Registration Unified Social Credit Code	No./ Social 330300400005133	91330300254650927E
2017-12-29	Registered Capital	CNY 30,680,000	CNY 31,496,600
2018-8-14	Registered Capital	CNY 31,496,600	CNY 35,500,000
2018-11-2	Legal Form  Company Chinese Name	Limited Company	Liabilities Shares Limited Company

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

#### **Name of Shareholder (s)**

Yu Mingxuan  
Yu Minyuan  
Yu Yankun  
Pingyang Yuanmei Investment Partnership Enterprise (Limited Partnership)  
Pingyang Yiyao Venture Service Center (Limited Partnership)  
Pingyang Yiyao Venture Service Center (Limited Partnership)  
Shanghai Wennan Lianhang Investment Partnership Enterprise (Limited Partnership)  
Wenzhou Junquan Xinyuan Investment Partnership Enterprise (Limited Partnership)  
Pingyang Yikun Venture Service Center (Limited Partnership)  
Pingyang Xianjian Venture Service Center (Limited Partnership)  
Pingyang Wenyuan Investment Venture Partnership Enterprise (Limited Partnership)

\*\*\*Note: The detailed % of shareholding information is not available.

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

<b>Position</b>	<b>Name</b>
Legal Representative, Chairman and General Manager	Yu Yankun

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Supervisor

Bao Xiaolian

## **RECENT DEVELOPMENT**

No recent development was found during our checks at present.

## **SHAREHOLDER CHART & BACKGROUND**

<i>Name</i>	<i>% of Shareholding</i>
Yu Mingxuan	
Yu Minyuan	
Yu Yankun	
Pingyang Yuanmei Investment Partnership Enterprise (Limited Partnership)	
Pingyang Yiyao Venture Service Center (Limited Partnership)	
Pingyan Yiyao Venture Service Center (Limited Partnership)	
Shanghai Wennan Lianhang Investment Partnership Enterprise (Limited Partnership)	
Wenzhou Junquan Xinyuan Investment Partnership Enterprise (Limited Partnership)	
Pingyang Yikun Venture Service Center (Limited Partnership)	
Pingyang Xianjian Venture Service Center (Limited Partnership)	
Pingyang Wenyuan Investment Venture Partnership Enterprise (Limited Partnership)	

\*\*\*Note: The detailed % of shareholding information is not available.

## **MANAGEMENT**

### **Yu Yankun, Legal Representative, Chairman and General Manager**

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- Gender: M
- Qualification: University
- Working experience (s):

At present, working in SC as legal representative, chairman and general manager

### **Bao Xiaolian, Supervisor**

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- Gender: F
- Qualification: University

## **BUSINESS OPERATION**

SC's registered business scope includes manufacturing and selling high-powered equipment and complete sets of equipment; electromechanical integration equipment and automatic control system equipment.

SC is mainly engaged in manufacturing and selling high-powered equipment and complete sets of equipment.

SC's products mainly include:

Metal Oxide Surge Arrester  
Universal Fuse Links for Cutout  
Electrified Railway Products  
Outdoor H.V. Disconnect Switch  
Dropout Fuse Cutout  
Vacuum Circuit Breaker  
Polymer Insulator  
High Voltage Switch

Trademarks:



SC sources its materials 100% from domestic market. SC sells 50% of its products in domestic market, and 50% to overseas market, mainly India, Indonesia, Korea, etc.

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

\*Major Customer\*

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Powerline Hardware

**Staff & Office:**

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SC is known to have approx. 354 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 a subsidiary at present,**

Wuhan Yikun Xianjian Electric Co., Ltd.

Unified Social Credit Code: 91420100MA4L07FN6C

Date of Registration: July 16, 2018

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Legal Form: One-person Limited Liabilities Company  
Registered Capital: CNY 10,000,000  
Legal Representative: Liu Quanzhi

## **PAYMENT**

### **Overall payment appraisal:**

Excellent  Good  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**

Industrial and Commercial Bank of China

AC#: 1203283019021020592

## **FINANCIALS**

### **Financial Summary**

	<b>As of Dec. 31, 2017</b>
Unit: CNY'000	
Total assets	177,030
	-----
Total liabilities	136,700
Equities	40,330
	-----
Revenue	159,320
Profits	17,670

### **Important Ratios**

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**As of Dec. 31, 2017**

*Liabilities to assets	0.77
*Net profit margin (%)	11.09
*Return on total assets (%)	9.98
*Revenue / Total assets	0.90

## **FINANCIAL COMMENTS**

### **PROFITABILITY: AVERAGE**

- The revenue of SC appears average in its line.
- SC's net profit margin is average.
- SC's return on total assets is average.

### **LIQUIDITY: AVERAGE**

- SC's revenue is in an average 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: Fairly Stable.**

## **CONCLUSIONS**

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

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.54
UK Pound	1	INR 90.31
Euro	1	INR 81.34
CNY	1	INR 10.42

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

**INFORMATION DETAILS**

Analysis Done by :	PRI
Report Prepared by :	KET

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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)