

MIRA INFORM REPORT

Report No. :	546536
Report Date :	24.12.2018

IDENTIFICATION DETAILS

Name :	BUHLER (CHANGZHOU) MACHINERY CO., LTD.
Registered Office :	No. 88 Yunmei Road, Tianmu Lake District, Liyang, Jiangsu Province 213300 Pr
Country :	China
Financials (as on) :	31.12.2017
Date of Incorporation :	08.04.2004
Unified Social Credit Code :	913204817596890504
Legal Form :	Wholly Foreign-Owned Enterprise
Line of Business :	Subject is mainly engaged in manufacturing and selling feed machinery, grass machinery, port cargo handling machinery, etc.
No. of Employees :	812

RATING & COMMENTS

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

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

Status :	Good
Payment Behaviour :	Regular
Litigation :	Clear

NOTES :

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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 (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

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

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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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COMPANY NAME & ADDRESS

COMPANY NAME	BUHLER (CHANGZHOU) MACHINERY CO., LTD.
CURRENT ADDRESS/ REGISTERED ADDRESS	NO. 88 YUNMEI ROAD, TIANMU LAKE DISTRICT, LIYANG, JIANGSU PROVINCE 213300 PR CHINA
TEL. NO.	86 (0) 519-87966022/87966021
FAX NO.	86 (0) 519-87966000

EXECUTIVE SUMMARY

DATE OF REGISTRATION	: APRIL 8, 2004
UNIFIED SOCIAL CREDIT CODE	: 913204817596890504
LEGAL FORM	: WHOLLY FOREIGN-OWNED ENTERPRISE
CHIEF EXECUTIVE	: KONG YUNSHENG (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL	: CNY 320,000,000
STAFF	: 812
BUSINESS CATEGORY	: MANUFACTURING & TRADING
REVENUE	: CNY 1,333,899,000 (AS OF DEC. 31, 2017)
EQUITIES	: CNY 599,825,000 (AS OF DEC. 31, 2017)
WEBSITE	: www.buhlergroup.com
E-MAIL	: buhler.bcha@buhlergroup.com
PAYMENT	: REGULAR
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:-

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 wholly foreign-owned enterprise of PRC with State Administration of Industry & Commerce (SAIC) under unified social credit code: 913204817596890504.

SC's registered capital: CNY 320,000,000

SC's paid-in capital: CNY 320,000,000

Registration Change Record:-

Date	Change of Contents	Before the change	After the change
2014-6-16	Registered Capital	CNY 80,000,000	CNY 320,000,000
	Legal Representative	Dieter Voegtli	Kong Yunsheng 孔云生
--	Shareholder (s) (% of Shareholding)	Buhler (China) Investment Co., Ltd. 60% Buhler Holding AG (Switzerland) 20% Zhou Shuibao 7% Kong Yunsheng 4.71% Wang Ruilin 2.17% Tang Jinxiang 1.53% Wan Hongxin 1.53% Jiang Yaoxin 1.53% Yu Guozhong 1.53%	Buhler Holding AG (Switzerland) 20% Buhler (China) Investment Co., Ltd. 80%
2016-12-26	Registered Capital	CNY 320,000,000	CNY 360,000,000
2017-5-4	Registered Capital	CNY 360,000,000	CNY 320,000,000
--	Registration No./ Unified Social Credit Code	320481400001253	913204817596890504

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

Name of Shareholder (s)	% of Shareholding
Buhler Holding AG (Switzerland)	20
Buhler (China) Investment Co., Ltd.	80

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SC's Chief Executives:-

Position	Name
Legal Representative and Chairman	Kong Yunsheng
General Manager	Shao Liping
Director	Voegtli Dieter Hanspeter
	Meng Yandong
Supervisor	Zhou Xiaobing

RECENT DEVELOPMENT

No recent development was found during our checks at present.

SHAREHOLDER CHART & BACKGROUND

Name	% of Shareholding
-------------	--------------------------

Buhler Holding AG (Switzerland)	20
Buhler (China) Investment Co., Ltd.	80

Buhler Holding AG (Switzerland)

Address: Uzwil, SG 9240, Switzerland
Phone: 41 71 955 11 11

Buhler (China) Investment Co., Ltd.

Unified Social Credit Code: 91320213572621582R
Chief Executive: Voegtli Dieter Hanspeter
Registered Capital: USD 123,600,000
Tel: 86 (0) 510-85282888
Fax: 86 (0) 510-85282889

MANAGEMENT

Kong Yunsheng, Legal Representative and Chairman

Gender: M
Nationality: China

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ID#320481196501032214
Age: 53
Qualification: University
Working experience (s):

From 2014 to present, working in SC as legal representative and chairman, also working in Changzhou Buhler Construction Engineering Co., Ltd. as legal representative

Shao Liping, General Manager

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

At present, working in SC as general manager
Also working in Changzhou Buhler Construction Engineering Co., Ltd. as legal representative

Director

Voegtli Dieter Hanspeter
Meng Yandong

Supervisor

Zhou Xiaobing

BUSINESS OPERATION

SC is mainly engaged in manufacturing and selling feed machinery, grass machinery, port cargo handling machinery, etc.

SC is mainly engaged in manufacturing and selling feed machinery, grass machinery, port cargo handling machinery, etc.

Brand: Buhler

SC's products mainly include: Grinding and Pulverizing machinery; Dosing and Mixing machinery; Pelleting machinery; Extruding and Expanding machinery; Cooling machinery, Crumbling and Sieving machinery; Stabilizing machinery, Drying machinery, etc.



SC sources its materials 90% from domestic market, and 10% from overseas market. SC sells 70% of its products in domestic market, and 30% to overseas market.

The buying terms of SC include Check, T/T, L/C 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

Buhler Aeroglide Corporation
Procesadora Nacional De Alimentos Ca

Staff & Office:

SC is known to have approx. 812 staff at present.

SC rents an area as its operating office & factory of approx. 100,000 sq. meters at the heading address.

RELATED COMPANY

Wuxi Buhler Machinery Manufacturing Co., Ltd.

Buhler Mechanical Equipment (Shenzhen) Co., Ltd.

Buhler Equipment (Xi'an) Co., Ltd.

Buhler Food Ingredients (Guangzhou) Co., Ltd.

Buhler (China) Holding Co., Ltd.

Etc.

SC is known to have a subsidiary at present,

Changzhou Buhler Construction Engineering Co., Ltd.

Date of Registration: August 8, 2006
Unified Social Credit Code: 91320481791088685Q
Chief Executive: Shao Liping
Registered Capital: CNY 20,000,000

PAYMENT

Overall payment appraisal:

Excellent Good Average Fair Poor Not yet be determined

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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 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 & Commercial Bank of China

AC#: N/a

FINANCIALS

Balance Sheet

Unit: CNY'000	As of Dec. 31, 2016	As of Dec. 31, 2017
Cash	283,936	205,241
Notes receivable	3,180	1,000
Accounts receivable	284,995	338,322
Advances to suppliers	50,552	55,984
Other receivable	24,008	27,184
Inventory	208,577	339,132
Non-current assets within one year	360	0
Other current assets	0	522
	-----	-----
Current assets	855,608	967,385
Long-term investment	3,000	0
Fixed assets	106,087	391,853
Construction in progress	61,492	3,232
Intangible assets	60,329	61,298
Long-term prepaid expenses	0	0
Deferred income tax assets	0	0
Other non-current assets	0	0
	-----	-----
Total assets	1,086,516	1,423,768
	=====	=====
Short-term loans	0	0

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Notes payable	0	0
Accounts payable	320,779	353,106
Wages payable	12,665	13,958
Taxes payable	-2,008	-18,281
Advances from clients	284,418	385,043
Other payable	5,039	70,117
Other current liabilities	0	20,000
	-----	-----
Current liabilities	620,893	823,943
Non-current liabilities	0	0
	-----	-----
Total liabilities	620,893	823,943
Equities	465,623	599,825
	-----	-----
Total liabilities & equities	1,086,516	1,423,768
	=====	=====

Income Statement

Unit: CNY'000	As of Dec. 31, 2016	As of Dec. 31, 2017
Revenue	839,843	1,333,899
Cost of sales	592,455	972,744
Taxes and surcharges	2,215	7,159
Sales expense	73,056	99,021
Management expense	73,888	92,883
Finance expense	-3,151	2,135
Profit before tax	93,159	156,471
Less: profit tax	13,674	23,471
Profits	79,485	133,000

Important Ratios

	As of Dec. 31, 2016	As of Dec. 31, 2017
*Current ratio	1.38	1.17
*Quick ratio	1.04	0.76
*Liabilities to assets	0.57	0.58
*Net profit margin (%)	9.46	9.97
*Return on total assets (%)	7.32	9.34
*Inventory / Revenue x365	91 days	93 days
*Accounts receivable/ Revenue x365	124 days	93 days
*Revenue/Total assets	0.77	0.94
*Cost of sales / Revenue	0.71	0.73

FINANCIAL COMMENTS

PROFITABILITY: FAIRLY GOOD

The revenue of SC appears fairly good in its line.
SC's net profit margin is fairly good.
SC's return on total assets is fairly good.
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 appears large.
The accounts receivable of SC appears large.
SC has no short-term loans in three years.
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. 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 70.04
UK Pound	1	INR 88.70
Euro	1	INR 80.21
CNY	1	INR 10.16

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)