

## MIRA INFORM REPORT

|                      |            |
|----------------------|------------|
| <b>Report No. :</b>  | 547317     |
| <b>Report Date :</b> | 31.12.2018 |

### IDENTIFICATION DETAILS

|                                     |   |
|-------------------------------------|---|
| <b>Name :</b>                       | DANDONG XINXING PAPER MACHINERY CO., LTD.                                 |
| <b>Registered Office :</b>          | Liujiapao Village, Donggang City, Dandong, Liaoning Province 118300 PR    |
| <b>Country :</b>                    | China   |
| <b>Financials (as on) :</b>         | 30.06.2018  |
| <b>Date of Incorporation :</b>      | 24.04.2001  |
| <b>Unified Social Credit Code :</b> | 91210681728401819F  |
| <b>Legal Form :</b>                 | One-Person Limited Liabilities Company                                    |
| <b>Line of Business :</b>           | Registered business scope includes manufacturing and processing machinery |
| <b>No. of Employees :</b>           | 115   |

### RATING & COMMENTS

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

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

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**ECGC Country Risk Classification List**

| Country Name | Previous Rating<br>(30.06.2018) | Current Rating<br>(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

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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**

**COMPANY NAME** Dandong Xinxing Paper Machinery Co., Ltd.  
**CURRENT ADDRESS/ REGISTERED ADDRESS** Liujiapao Village, Donggang City, Dandong, Liaoning Province 118300 PR China  
**TEL. NO.** 86 (0) 15841574716/415-7195777/7111196  
**FAX NO.** 86 (0) 415-7195567/7195566

## **EXECUTIVE SUMMARY**

**DATE OF REGISTRATION** : APRIL 24, 2001  
**UNIFIED SOCIAL CREDIT CODE** : 91210681728401819F  
**LEGAL FORM** : ONE-PERSON LIMITED LIABILITIES COMPANY  
**CHIEF EXECUTIVE** : HUANG SHUPING (LEGAL REPRESENTATIVE)  
**REGISTERED CAPITAL** : CNY 18,000,000  
**STAFF** : 115  
**BUSINESS CATEGORY** : MANUFACTURING & TRADING  
**REVENUE** : CNY 10,342,000 (FROM JAN. 1, 2018 TO JUN. 30, 2018)  
**EQUITIES** : CNY 17,959,000 (AS OF JUN. 30, 2018)  
**WEBSITE** : [www.xinxingmachine.com](http://www.xinxingmachine.com)  
**E-MAIL** : [xinxingmachine@163.com](mailto:xinxingmachine@163.com) & [tracy1012@yeah.net](mailto:tracy1012@yeah.net)  
**PAYMENT** : NO COMPLAINTS  
**MARKET CONDITION** : AVERAGE  
**FINANCIAL CONDITION** : FAIRLY STABLE  
**OPERATIONAL TREND** : ORDINARY  
**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  
Downward  
Not known  
Not yet be determined

**General Reputation:-**

Excellent  
Good  
Fairly Good  
Average  
Fair  
Detrimental  
Not known  
Not yet be determined

## **LEGAL STATUS & HISTORY**

SC was established as one-person limited liabilities company of PRC with State Administration of Industry & Commerce (SAIC) under unified social credit code: 91210681728401819F.

SC's Import and Export Enterprise Code: 2100728401819

SC's registered capital: CNY 18,000,000

SC's paid-in capital: CNY 18,000,000

**Registration Change Record:-**

| Date       | Change Contents                              | of | Before the change   | After the change                             |
|------------|--|----|---|--|
| 2003-5-28  | Legal Representative                         |    | Shi Hanyun  | Huang Shuping                                |
| 2014-4-16  | Legal Form                                   |    | Chinese-Foreign Equity Joint Venture Enterprise                             | One-Person Limited Liabilities Company       |
|            | Shareholder (s) (% of Shareholding)          |    | Donggang Daping Fishery Group Co., Ltd. 66.67%<br>Japan Dashui Corp. 33.33% | Liaoning Daping Fishery Group Co., Ltd. 100% |
| 2014-8-25  | Registered Capital                           |    | CNY 1,500,000   | CNY 18,000,000                               |
| 2015-10-26 | Registration No./ Unified Social Credit Code |    | 002215  | 91210681728401819F                           |

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

| <b>Name of Shareholder (s)</b>          | <b>% of Shareholding</b> |
|---|--------------------------|
| Liaoning Daping Fishery Group Co., Ltd. | 100                      |

**SC's Chief Executives:-**

| <b>Position</b>                                    | <b>Name</b>   |
|--|---------------|
| Legal Representative, Chairman and General Manager | Huang Shuping |
| Supervisor   | Du Jinying    |

## ***RECENT DEVELOPMENT***

No recent development was found during our checks at present.

## ***SHAREHOLDER CHART & BACKGROUND***

| <i>Name</i> | <i>% of Shareholding</i> |
|-------------|--------------------------|
|-------------|--------------------------|

|   |     |
|---|-----|
| Liaoning Daping Fishery Group Co., Ltd. | 100 |
|---|-----|

-----  
Date of Registration: May 14, 1996  
Unified Social Credit Code: 91210681603910660C  
Legal Form: Limited Liability Company  
Chief Executive : Huang Shuping  
Registered Capital: CNY 53,860,000

## ***MANAGEMENT***

**Huang Shuping, Legal Representative, Chairman and General Manager**

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

At present, working in SC as legal representative, chairman and general manager, also working in Liaoning Daping Fishery Group Co., Ltd., Donggang Daping Seafood Co., Ltd., Donggang Daping Huancheng Fuel Co., Ltd. and Donggang Daping Trade Co., Ltd. as legal representative

**Supervisor**

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Du Jinying

## ***BUSINESS OPERATION***

SC's registered business scope includes manufacturing and processing machinery.

SC is mainly engaged in manufacturing and selling paper machinery.

Brand: DAPING

SC's products mainly include: dryer cylinder.



SC sources its materials 100% from domestic market. SC sells 80% of its products in domestic market, and 20% to overseas market, mainly Pakistan, India, etc.

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

\*Major Customer:

=====  
Weifang Kaixin Machinery Co., Ltd.  
Annapurna Imports  
D.S. Pulp And Paper Machinery Pvt. Ltd.  
Anax Industries Private Limited

\*Major Supplier:

=====  
Guangdong Weixing Machinery Manufacturing Co., Ltd.

**Staff & Office:**

-----  
SC is known to have approx. 115 staff at present.

SC rents an area as its operating office & factory of approx. 8,000 sq. meters at the heading address.

## ***RELATED COMPANY***

■ Donggang Daping Seafood Co., Ltd.

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Date of Registration: April 12, 2001

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Unified Social Credit Code: 912106817268770634  
Chief Executive : Huang Shuping  
Registered Capital: CNY 40,480,000

■ Donggang Daping Huancheng Fuel Co., Ltd.  
-----

Date of Registration: May 22, 2015  
Unified Social Credit Code: 912106813187345069  
Chief Executive : Huang Shuping  
Registered Capital: CNY 2,000,000

■ Donggang Daping Trade Co., Ltd.  
-----

Date of Registration: December 27, 2002  
Unified Social Credit Code: 91210681744334628P  
Chief Executive : Huang Shuping  
Registered Capital: CNY 5,080,000

## ***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's suppliers declined to make any comments.

**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:**

Agricultural Bank of China

AC#: 502601040000414

## **FINANCIALS**

### **Financial Summary**

|                   |   |
|-------------------|---|
| Unit: CNY'000     | <b>As of Jun. 30, 2018</b>                |
| Total assets      | 46,050                                    |
|                   | -----                                     |
| Total liabilities | 28,091                                    |
| Equities          | 17,959                                    |
|                   | -----                                     |
| Unit: CNY'000     | <b>From Jan. 1, 2018 to Jun. 30, 2018</b> |
| Revenue           | 10,342                                    |
| Profits           | 107                                       |

### **Important Ratios**

|                             |                            |
|-----------------------------|----------------------------|
| =====                       | <b>As of Jun. 30, 2018</b> |
| *Liabilities to assets      | 0.61                       |
| *Net profit margin (%)      | 1.03                       |
| *Return on total assets (%) | 0.23                       |
| *Revenue/Total assets       | 0.22                       |

## **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: FAIR**

- 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: 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 69.98     |
| UK Pound  | 1    | INR 88.66     |
| Euro      | 1    | INR 80.18     |
| CNY       | 1    | INR 10.15     |

**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> | 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)