

## MIRA INFORM REPORT

<b>Report No. :</b>	546938
<b>Report Date :</b>	28.12.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	HENAN TIANLONG TRANSPORT EQUIPMENT CO.,LTD
<b>Registered Office :</b>	North Of Xinchang North Line, Xinxiang, Henan Province, Pr
<b>Country :</b>	China
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	09.01.2002
<b>Com. Reg. No.:</b>	410792100001168
<b>Legal Form :</b>	One-person Limited Liability Company
<b>Line of Business :</b>	The subject's registered business scope includes manufacturing, installation, maintenance and related technical services of air cushion conveyor, hoisting conveyor, mining conveyor, belt conveyor, logistics equipment, heat exchanger, environmental protection and energy saving equipment; importing and exporting goods and technologies; wholesaling and retailing metal materials; installation and maintenance of electrical pipeline and mechanical and electrical equipment; sheet metal box processing.
<b>No. of Employees :</b>	360

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	B
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Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

<b>Status :</b>	Moderate
<b>Payment Behaviour :</b>	Slow but Correct

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<b>Litigation :</b>	Clear
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**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**

<b>Country Name</b>	<b>Previous Rating (30.06.2018)</b>	<b>Current Rating (30.09.2018)</b>
China	A1	A1

<b>Risk Category</b>	<b>ECGC Classification</b>
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 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

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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 AND ADDRESS***

**Company Name** : HENAN TIANLONG TRANSPORT EQUIPMENT CO.,LTD  
**Address** : North Of Xinchang North Line, Xinxiang, Henan PROVINCE, PR CHINA  
**Telephone** : 0086-13781960278  
**Facsimile** : --  
**Website** : <http://www.hntlsszb.com/>  
**Email** : [weitao@hnkl.cn](mailto:weitao@hnkl.cn)

Note: The correct name should be the heading one.

## ***REGISTRATION INFORMATION***

**Established Date** : 2002-01-09  
**Credibility Code** : 914107007355076036  
**Registered No.** : 410792100001168  
**Legal Form** : One-person Limited Liability Company  
**Registration Authority** : Administration for Industry & Commerce (AIC) – High-Tech Zone Branch,  
Xinxiang  
**Status** : Active

**Registered Capital** : CNY 101,680,000  
**Paid Up Capital** : CNY 51,680,000 (as of Dec. 31, 2017)  
**Turnover** : CNY 80,713,000 (as of Dec. 31, 2017)  
**Equities** : CNY 22,011,000 (as of Dec. 31, 2017)

**Chief Executive** : Qin Hanying  
**Business Line** : Manufacturer  
**Manpower** : 360

**Tax Registration**  
**Certificate No.** : 914107007355076036  
**Organization Code** : 73550760-3

**HS code** : 4107960568  
**Import & Export code** : 4100735507603

**Financial Condition** : Fair  
**Business Size** : Medium Enterprise  
**Payment** : Slow but Correct

### **Registered Address**

North Of Xinchang North Line, Xinxiang, Henan PROVINCE, PR CHINA

**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 RMB100,000. 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.

**Premise**

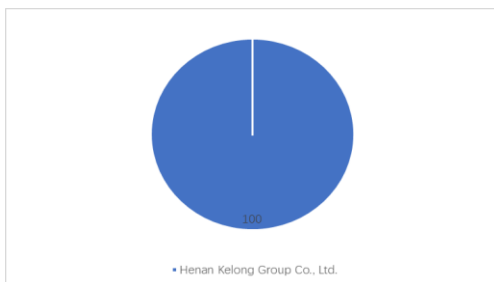
The subject operates from premises located at the heading address, and this address houses its operating office and factory in Xinxiang. Our checks reveal that the subject rents the total premise, but the square meters are unknown.

***MANAGEMENT***

Position	Name	Nationality
Legal representative, Executive Director	Qin Hanying	Chinese
Supervisors	Liu Zongkun	Chinese

***MAJOR SHAREHOLDERS***

Name	% Shareholding
Henan Kelong Group Co., Ltd.	100



Credibility Code: 91410700680780900E

Legal representative: Cheng Qingfeng

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Registered Capital: CNY 58,000,000  
Established Date: 2008-10-15  
Website: <http://www.hnkl.com.cn/>  
Tel: 0086-373-5068939  
Fax: 0086-373-3515618  
Email: [group@hnkl.com.cn](mailto:group@hnkl.com.cn)

## ***KEY EVENTS***

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

<b><i>Date of change</i></b>	<b><i>Item</i></b>	<b><i>Before the change</i></b>	<b><i>After the change</i></b>
2018-06-14	Legal representative	Liu Xindai	Present one
2017-04-05	Legal representative	Cheng Qingfeng	Liu Xindai

## ***BUSINESS OPERATIONS***

The subject's registered business scope includes manufacturing, installation, maintenance and related technical services of air cushion conveyor, hoisting conveyor, mining conveyor, belt conveyor, logistics equipment, heat exchanger, environmental protection and energy saving equipment; importing and exporting goods and technologies; wholesaling and retailing metal materials; installation and maintenance of electrical pipeline and mechanical and electrical equipment; sheet metal box processing.

The subject is mainly engaged in manufacturing and selling large logistics transportation equipment.

Products:

Tubular belt conveyor  
Air cushion conveyor  
Roller conveyor  
Etc.

The subject sources its materials 70% from domestic market, and 30% from overseas market. The subject sells 80% of its products in domestic market, and 20% to overseas market.

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

## ***SUPPLIER & CUSTOMER***

No record.

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## **RELATED COMPANIES**

### **Subsidiaries**

Xinxiang Weirun Industrial Co., Ltd.

=====  
Credibility Code: 91410702MA45UB4167  
Legal representative: Chen Zhiyong  
Registered Capital: CNY 10,000,000  
Established Date: 2018-10-12  
Proportion: 35%

Henan Tianlong Installation Co., Ltd.

=====  
Credibility Code: 91410700773670241F  
Legal representative: Qin Hanying  
Registered Capital: CNY 1,000,000  
Established Date: 2005-04-18  
Proportion: 100%

Etc.

### **Branches**

Henan Tianlong Transport Equipment Co.,Ltd Qingdao Branch

=====  
Credibility Code: 91370211MA3BXKWY9J  
Principal: Chen Junzhi  
Established Date: 2015-10-21

## **NEGATIVE INFORMATION**

### **Lawsuit Record:**

<b>Date</b>	<b>Case No.</b>	<b>Petitioner</b>	<b>Defendant</b>	<b>Executive court</b>	<b>Status</b>
2017-11-01	2016-0702	The subject company.	Dandong Port Group Co., Ltd.	People's Court of Hongqi District, Xinxiang City	Concluded

Etc.

**Trade payment experience:** The subject 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 the subject was placed to us for collection within the last 6 years.

**Customs administrative penalty:** No record.

**Equity freeze information:** No record.

**Administrative Penalty:** No record.

## ***EQUITY PLEDGE***

Registration Number	Pledgor	Pledge Shares	Pawnee	Announcement Date	Status
4107922018 00000015	Henan Kelong Group Co., Ltd.	51,680,000	Henan Huixian Rural Commercial Bank	2018-8-17	Effective

## ***MORTGAGE***

Registered No.	Registered Date	Registration Authority	Amount (CNY)
2017-6-2	2017-4-25	Administration for Industry & Commerce (AIC)-High-Tech Zone Branch, Xinxiang	42,900,000

## ***TRADEMARK***

No record.

## ***PATENT***

Patent name	Published Application Number	Application number	Date of publication
A Dust Collection Device at Vertical Tension of Air Cushion	CN108840023A	CN201810693136.3	2018-11-20
A dustproof hopper for air cushion conveying	CN207511371U	CN201721312781.3	2018-06-19

Etc.

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## **BANKING**

China Construction Bank Xinxiang Hualan Sub Branch

Account No.: 41001552710050210499

## **ABBREVIATED FINANCIAL STATEMENT**

### **Financial Summary**

=====

Unit: CNY'000

	As of Dec. 31, 2016	As of Dec. 31, 2017
Total assets	487,878	388,592
	=====	=====
Total liabilities	452,010	366,581
Equities	35,868	22,011
	-----	-----
Total liabilities & equities	487,878	388,592
	=====	=====
Turnover	104,440	80,713
Profits before tax	-14,310	-13,477
Less: tax	0	0
Profits	-14,310	-13,477

### **Important Ratios**

=====

	As of Dec. 31, 2016	As of Dec. 31, 2017
*Liabilities to assets	0.93	0.94
*Net profit margin (%)	-13.70	-16.70
*Return on total assets (%)	-2.93	-3.47
*Turnover/Total assets	0.21	0.21

### **PROFITABILITY: FAIR**

The turnover of the subject appears fairly good in its line in 2016 and average in 2017.

the subject's net profit margin is fair.

the subject's return on total assets is fair.

the subject's turnover is in a fair level, comparing with the size of its total assets.

### **LEVERAGE: FAIR**

The debt ratio of the subject is high.

The risk for the subject to go bankrupt is average.

**TREND ANALYSIS**

=====

	2015	2016	2017
Sales Trend	--	--	↓
Profit margin	--	--	↓
Debt to assets ratio	--	--	↑
Overall Financial	<input type="checkbox"/> Good	<input type="checkbox"/> Fairly Good	<input type="checkbox"/> Stable
Condition	<input type="checkbox"/> Fairly Stable	<input checked="" type="checkbox"/> Fair	<input type="checkbox"/> Poor

***COMMENT***

The subject was registered as a One-person Limited Liability Company at local Administration for Industry & Commerce (AIC - The official body of issuing and renewing business license).

The subject is considered medium-sized in its line with fair financial conditions.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.33
UK Pound	1	INR 88.98
Euro	1	INR 80.02
CNY	1	INR 10.21

**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>	TRU

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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)