

## MIRA INFORM REPORT

<b>Report No. :</b>	518394
<b>Report Date :</b>	07.07.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	NANJING RUIYA EXTRUSION SYSTEMS CO., LTD.
<b>Registered Office :</b>	23 # Linhuai Street, Jiangning Economic and Technological Development Zone, Nanjing, Jiangsu Province 211106 PR
<b>Country :</b>	China
<b>Financials (as on) :</b>	31.03.2018
<b>Date of Incorporation :</b>	20.10.1993
<b>Com. Reg. No.:</b>	913201156089279201
<b>Legal Form :</b>	Chinese-Foreign Equity Joint Venture Enterprise
<b>Line of Business :</b>	Subjects Registered Business Scope includes Manufacturing Plastic Products and Accessories, Plastic Machinery, Food Machinery and Electronic Control Equipment; Selling its Owned Products, and Providing Related Technology Transfer and Supporting Services.
<b>No. of Employees :</b>	98

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	A+
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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 :

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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. Measured on a purchasing power parity (PPP) basis that adjusts for price differences, China in 2016 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.

After keeping its currency tightly linked to the US dollar for years, China in July 2005 moved to an exchange rate system that references a basket of currencies. From mid-2005 to late 2008, the renminbi 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 allow a resumption of gradual liberalization. From 2013 until early 2015, the renminbi (RMB) appreciated roughly 2% against the dollar, but the exchange rate fell 13% from mid-2015 until end-2016 amid strong capital outflows in part stemming from the August 2015 official devaluation; in 2017 the RMB resumed appreciating against the dollar – roughly 7% from end-of-2016 to end-of-2017. From 2013 to 2017, China had one of the fastest growing economies in the world, averaging slightly more than 7% real growth per year. 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

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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**

<b>COMPANY NAME</b>	Nanjing Ruiya Extrusion Systems Co., Ltd.
<b>CURRENT ADDRESS/ REGISTERED ADDRESS</b>	23 # Linhuai Street, Jiangning Economic and Technological Development Zone, Nanjing, Jiangsu Province 211106 PR China
<b>TEL. NO.</b>	86 (0) 13605182534/25-52768642/58003938/52768685
<b>FAX NO.</b>	86 (0) 25-52768669/52768688

## **EXECUTIVE SUMMARY**

DATE OF REGISTRATION	: OCTOBER 20, 1993
UNIFIED SOCIAL CREDIT CODE	: 913201156089279201
LEGAL FORM	: CHINESE-FOREIGN EQUITY JOINT VENTURE ENTERPRISE
CHIEF EXECUTIVE	: ROBERT CHARLES URTEL (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL	: USD 13,000,000
STAFF	: 98
BUSINESS CATEGORY	: MANUFACTURING & TRADING
REVENUE	: CNY 44,651,000 (FROM JAN. 1, 2018 TO MAR. 31, 2018)
EQUITIES	: CNY 140,229,000 (AS OF MAR. 31, 2018)
WEBSITE	: <a href="http://www.njruiya.com">www.njruiya.com</a>
E-MAIL	: <a href="mailto:sales@njruiya.com">sales@njruiya.com</a> & <a href="mailto:janedeng@njruiya.com">janedeng@njruiya.com</a>
PAYMENT	: REGULAR
MARKET CONDITION	: AVERAGE
FINANCIAL CONDITION	: FAIRLY GOOD
OPERATIONAL TREND	: FAIRLY STEADY
GENERAL REPUTATION	: AVERAGE
EXCHANGE RATE	: CNY 6.60 = USD 1 AS OF 2018-7-5

## **OPERATIONAL TREND & GENERAL REPUTATION**

This section aims at indicating the relative positions of SC in respect of its operational trend & general reputation

<b>Operational Trend:-</b>	<b>General Reputation:-</b>
Upward	Excellent
Steady	Good
Fairly Steady	Fairly Good
Ordinary	Average
Fair	Fair
Stagnant	Detrimental
Downward	Not known
Not known	Not yet be determined
Not yet be determined	

## **LEGAL STATUS & HISTORY**

SC was established as Chinese-foreign equity joint venture enterprise of PRC with State Administration of Industry & Commerce (SAIC) under unified social credit code: 913201156089279201.

SC's registered capital: USD 13,000,000

SC's paid-in capital: USD 13,000,000

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

<b>Date</b>	<b>Change of Contents</b>	<b>Before the change</b>	<b>After the change</b>
2016-6-20	Registered Capital	USD 1,600,000	USD 3,300,000
	Registration No./ Unified Social Credit Code	330681000000546	913201156089279201
2017-10-26	Registered Capital	USD 3,300,000	USD 13,000,000

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

<b>Name of Shareholder (s)</b>	<b>% of Shareholding</b>
CPM Acquisition Corporation (U.S.A.)	63.64
Nanjing Ruiya Polymer Processing Equipment Co., Ltd.	36.36

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

<b>Position</b>	<b>Name</b>
Legal Representative and Chairman	Robert Charles Urtel
Director	Chen Yaokun
	Ted Douglas Waitman
	Douglas Eugene
	Charles James Spearing
Supervisor	Nicholas John Taiber

## **RECENT DEVELOPMENT**

No recent development was found during our checks at present.

## **SHAREHOLDER CHART & BACKGROUND**

<b>Name</b>	<b>% of Shareholding</b>
CPM Acquisition Corporation (U.S.A.)	63.64
Nanjing Ruiya Polymer Processing Equipment Co., Ltd.	36.36

CPM Acquisition Corporation (U.S.A.)

CPM Acquisition Corporation ("CPM") is a global leader in the supply of primary processing equipment to the plastics, human food, rubber, animal feed, oilseed and biofuels industries. With 16 facilities located in North America, Europe and Asia, CPM is "Your Partner In Productivity", offering innovative technical solutions and after sales support around the globe.

Web: [www.cpm.net](http://www.cpm.net)

Nanjing Ruiya Polymer Processing Equipment Co., Ltd.

Date of Registration: June 5, 2002

Unified Social Credit Code: 91320100738859196A

Chief Executive : Robert Charles Urtel

Registered Capital: CNY 3,300,000

## **MANAGEMENT**

### **Robert Charles Urtel, Legal Representative and Chairman**

Gender: M

Passport No.: 210172454

Qualification: University

Working experience (s):

At present, working in SC as legal representative and chairman

### **Director**

Chen Yaokun                      Passport No.: S03192612

Ted Douglas Waitman              Passport No.: 026128553

Douglas Eugene                      Passport No.: 402222238

Charlies James Spearing              Passport No.: 207794153

### **Supervisor**

Nicholas John Taiber                      Passport No.: 221160760

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## ***BUSINESS OPERATION***

SC's registered business scope includes manufacturing plastic products and accessories, plastic machinery, food machinery and electronic control equipment; selling its owned products, and providing related technology transfer and supporting services.

SC is mainly engaged in manufacturing and selling machinery and equipment. SC's products mainly include: twin-screw extruder, ancillary equipment, etc.

SC sources its materials 90% from domestic market, and 10% from overseas market. SC sells 80% of its products in domestic market, and 20% 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:

Bento S.A.

Cpm Acquisition Corp.

Wellman Plastics Recycling LLC.

Staff & Office:

SC is known to have approx. 98 staff at present.

SC rents 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  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.

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## **BANKING**

### **Basic Bank:**

China Everbright Bank Nanjing Jiangning Sub-branch

AC#: 76550188000003567

## **FINANCIALS**

### **Balance Sheet**

	<b>As of Dec. 31, 2016</b>	<b>As of Dec. 31, 2017</b>	<b>As of Mar. 31, 2018</b>
Unit: CNY'000			
Cash	76,558	65,963	115,401
Notes receivable	12,550	44,092	11,908
Accounts receivable	30,320	64,162	60,760
Advances to suppliers	7,324	18,001	11,649
Other receivable	4,715	8,298	15,562
Inventory	22,346	39,469	54,241
Non-current assets within one year	0	0	0
Other current assets	0	0	0
	-----	-----	-----
Current assets	153,813	239,985	269,521
Fixed assets	6,074	6,253	6,381
Construction in progress	0	116	350
Intangible assets	606	578	66
Long-term prepaid expenses	0	0	0
Deferred income tax assets	0	0	0
Other non-current assets	0	0	0
	-----	-----	-----
Total assets	160,493	246,932	276,318
	=====	=====	=====
Short-term loans	0	0	0
Notes payable	0	0	0
Accounts payable	36,361	48,831	37,694
Wages payable	0	0	0
Taxes payable	3,966	-538	275
Advances from clients	36,201	71,845	79,934
Other payable	-7,173	-7,172	17,328
Other current liabilities	0	859	858
	-----	-----	-----
Current liabilities	69,355	113,825	136,089
Non-current liabilities	0	0	0
	-----	-----	-----
Total liabilities	69,355	113,825	136,089
Equities	91,138	133,107	140,229

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Total liabilities & equities	160,493	246,932	276,318
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**Income Statement**

Unit: CNY'000	As of Dec. 31, 2016	As of Dec. 31, 2017	From Jan. 1, 2018 to Mar. 31, 2018
Revenue	127,331	238,329	44,651
Cost of sales	83,162	154,625	29,026
Sales expense	5,756	9,965	2,956
Management expense	8,851	18,647	5,781
Finance expense	-2,957	-41	-422
Non-business income	292	208	5
Non-business expenditure	-613	5	0
Profit before tax	36,438	58,910	8,378
Less: profit tax	9,110	14,728	1,256
Profits	27,328	44,182	7,122

**Important Ratios**

	As of Dec. 31, 2016	As of Dec. 31, 2017	As of Mar. 31, 2018
*Current ratio	2.22	2.11	1.98
*Quick ratio	1.90	1.76	1.58
*Liabilities to assets	0.43	0.46	0.49
*Net profit margin (%)	21.46	18.54	15.95
*Return on total assets (%)	17.03	17.89	2.58
*Inventory / Revenue x365/90	65 days	61 days	110 days
*Accounts receivable/ Revenue x365/90	87 days	99 days	123 days
*Revenue/Total assets	0.79	0.97	0.16
*Cost of sales / Revenue	0.65	0.65	0.65

**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: FAIRLY GOOD**

The current ratio of SC is maintained in a fairly good level.  
SC's quick ratio is maintained in a fairly good level.  
The inventory of SC is maintained in an average level.  
The accounts receivable of SC is maintained in an average level.  
SC has no short-term loans.

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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 Good.**

## **CONCLUSIONS**

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

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.77
UK Pound	1	INR 91.37
Euro	1	INR 80.83
CNY	1	INR 10.35

**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>	PRN

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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)