

## MIRA INFORM REPORT

<b>Report No. :</b>	521313
<b>Report Date :</b>	26.07.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	FITOK INCORPORATED
<b>Registered Office :</b>	1-4F, Block C, Zone E, Yingtai Industrial Park, Dalang South Road, Langkou Community Dalang Street Longhua District, Shenzhen, Guangdong Province, Pr
<b>Country :</b>	China
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	18.06.2003
<b>Credibility Code :</b>	91440300750484593C
<b>Legal Form :</b>	Limited Liabilities Co.
<b>Line of Business :</b>	The subject's registered business scope includes set up industry; manufacturing and selling instrument valves, instrument fittings, precision mechanical parts; domestic business and material supply and marketing; importing and exporting goods and technologies (excluding confined items)
<b>No. of Employees :</b>	880

### RATING & COMMENTS

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

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

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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**

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

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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 & ADDRESS**

**Company Name** : FITOK INCORPORATED  
**Address** : 1-4F, BLOCK C, ZONE E, YINGTAI INDUSTRIAL PARK, DALANG SOUTH ROAD, LANGKOU COMMUNITY DALANG STREET LONGHUA DISTRICT, SHENZHEN, GUANGDONG PROVINCE, PR CHINA  
**Telephone** : 0086 755 2803 2500  
**Facsimile** : 0086 755 2803 2508  
**Website** : <http://www.fitokgroup.com/>  
**Email** : [info@fitok.com.cn](mailto:info@fitok.com.cn)

**Note:** The given name is incomplete; the correct email address should be the heading one.

## **REGISTRATION INFORMATION**

**Established Date** : 2003-06-18  
**Credibility Code** : 91440300750484593C  
**Legal Form** : Limited Liabilities Co.  
**Registration Authority**: Market Supervision Bureau - Shenzhen  
**Status** : Active

**Registered Capital** : RMB 51,000,000  
**Paid Up Capital** : RMB 51,000,000  
**Turnover** : RMB 151,340,000 (as of Dec. 31, 2017)  
**Equities** : RMB 132,920,000 (as of Dec. 31, 2017)

**Chief Executive** : Liu Chao  
**Business Line** : Manufacturer  
**Manpower** : 880

**Tax Registration**  
**Certificate No.** : 91440300750484593C  
**Organization Code** : 75048459-3

**HS code** : 4403969306  
**Import & Export code**: 4403750484593

**Financial Condition** : Fairly Stable  
**Business Size** : Medium Enterprise  
**Payment** : No Complaints

### **REGISTERED ADDRESS**

1-4F, BLOCK C, ZONE E, YINGTAI INDUSTRIAL PARK, DALANG SOUTH ROAD, LANGKOU COMMUNITY DALANG STREET LONGHUA DISTRICT, SHENZHEN, GUANGDONG PROVINCE, PR CHINA

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**COMPANY STATUS: LIMITED LIABILITIES CO.**

This form of business in PR China is defined as a legal person. No more than fifty shareholders contribute its registered capital jointly. Shareholders bear limited liability to the extent of shareholding, and the co. is liable for its debts only to extent of its total assets. The characteristics of this form of co. are as follows:

Upon the establishment of the co., an investment certificate is issued to the each of shareholders.

The board of directors is comprised of three to thirteen members.

The minimum registered capital for a co. is RMB 30,000.

Shareholders may take their capital contributions in cash or by means of tangible assets or intangible assets such as industrial property and non-patented technology.

Cash contributed by all shareholders must account for at least 30% of the registered capital.

Existing shareholders have pre-exemption right to purchase shares of the co. offered for sale by the other shareholders and to subscribe for the newly increased registered capital of the co.

**PREMISE**

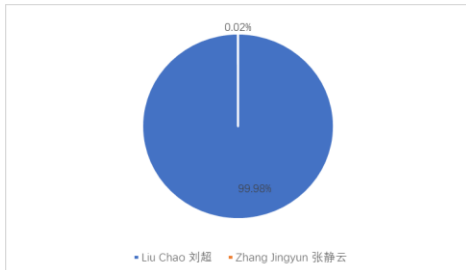
The subject operates from premises located at the heading address, and this address houses its operating office and factory in Shenzhen. Our checks reveal that the subject owns the total premise, but the square meters are unknown.

***MANAGEMENT***

<b>Position</b>	<b>Name</b>	<b>Nationality</b>
Legal representative, General Manager Executive Director	Liu Chao	Chinese
Supervisors	Zheng Lingli	Chinese

***MAJOR SHAREHOLDERS***

<b>Name</b>	<b>% Shareholding</b>
Liu Chao	99.98%
Zhang Jingyun	0.02%



## **KEY EVENTS**

*Changes of its registered information are as follows:*

Date of change	Item	Before the change	After the change
2016-09-05	Registered capital	RMB 35,500,000	Present one
2016-01-05	Registered capital	RMB 30,500,000	RMB 35,500,000
2014-08-14	Registered capital	RMB 16,500,000	RMB 30,500,000
2009-01-14	Registered capital	RMB 11,500,000	RMB 16,500,000

## **BUSINESS OPERATIONS**

The subject's registered business scope includes set up industry; manufacturing and selling instrument valves, instrument fittings, precision mechanical parts; domestic business and material supply and marketing; importing and exporting goods and technologies (excluding confined items)

The subject is mainly engaged in manufacturing and selling valve and other related products.

Products:

Instrument valve  
Instrument tube connector

Etc.

The subject sources its materials 70% from domestic market, and 30% from overseas market. the subject sells 50% of its products in domestic market, and 50% to overseas market, mainly Asia, etc.

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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.

## **RELATED COMPANIES**

### **Subsidiaries**

Shanghai Fitok Industry Co., Ltd.

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Credibility Code: 91310104666052894Q  
Legal representative: Liu Jifei  
Registered Capital: RMB 5,000,000  
Established Date: 2007-09-04

Fitok Fluid Technology Corporation

=====

Credibility Code: 91440300192462778P  
Legal representative: Liu Chao  
Registered Capital: RMB 15,000,000  
Established Date: 1998-01-12

## **NEGATIVE INFORMATION**

### **Lawsuit Record:**

<b>Date</b>	<b>Case No.</b>	<b>Petitioner</b>	<b>Defendant</b>	<b>Executive court</b>	<b>Status</b>
2014-05-12	2012-251	Swagelok Company	The subject company.	The first intermediate people's Court of Shanghai	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.

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**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.

## ***MORTGAGE***

There is no record of mortgage information at present.

## ***TRADEMARK***

Registration No.	Registration Date	Trademark Design
11113763	2012-06-25	
9780986	2011-07-29	

Etc.

## ***PATENT***

Patent name	Published Application Number	Application number	Date of publication
A butterfly spring overload protection structure	CN207278929U	CN201720771304.7	2018-04-27
A test joint	CN207005500U	CN201720742214.5	2018-02-13

Etc.

## ***BANKING***

Industrial & Commercial Bank of China Shenzhen Zhenhua Sub-Branch

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Account No.: 4000021719200089843

## **ABBREVIATED FINANCIAL STATEMENT**

### **Financial Summary**

Unit: RMB'000

	<b>As of Dec. 31, 2016</b>	<b>As of Dec. 31, 2017</b>
Total assets	235,470	265,580
Total liabilities	108,860	132,660
Equities	126,610	132,920
Total liabilities & equities	235,470	265,580
Turnover	161,810	151,340
Profits before tax	17,390	7,420
Less: tax	1,670	1,110
Profits	15,720	6,310

### **Important Ratios**

	<b>As of Dec. 31, 2016</b>	<b>As of Dec. 31, 2017</b>
*Liabilities to assets	0.46	0.50
*Net profit margin (%)	9.72	4.17
*Return on total assets (%)	6.68	2.38
*Turnover/Total assets	0.69	0.57

### **PROFITABILITY: AVERAGE**

- The turnover of the subject appears fairly good in its line.
- the subject's net profit margin is fairly good.
- the subject's return on total assets is fairly good in 2016 and average in 2017.
- the subject's turnover is in a fair level, comparing with the size of its total assets.

### **LEVERAGE: AVERAGE**

- The debt ratio of the subject is average.
- The risk for the subject to go bankrupt is average.

### **TREND ANALYSIS**

	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Sales Trend</b>	--	--	↓
<b>Profit margin</b>	--	--	↓

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Debt to assets ratio -- -- ↑  
Overall Financial Condition  Good  Fairly Good  Stable  
 Fairly Stable  Fair  Poor

## ***COMMENT***

The subject was registered as a Limited liabilities co. 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 fairly stable financial conditions.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.80
UK Pound	1	INR 90.58
Euro	1	INR 80.45
CNY	1	INR 10.13

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	VIVR
<b>Report Prepared by :</b>	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)