

MIRA INFORM REPORT

Report No. :	539330
Report Date :	14.11.2018

IDENTIFICATION DETAILS

Name :	NINGBO AUX IMP. & EXP. CO. LTD.
Registered Office :	No. 1166 Mingguang North Road Jiangshan Town Yinzhou Dist. Ningbo Zhejiang Province, Pr
Country :	China
Financials (as on) :	31.12.2017
Date of Incorporation :	10.11.1997
Com. Reg. No.:	91330212144534896H
Legal Form :	One-Person Limited Liability Company
Line of Business :	Subject registered business scope includes importing and exporting goods and technologies, excluding goods and technologies prohibited by the state.
No. of Employees :	194

RATING & COMMENTS

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

MIRA's Rating :

A

Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	No Complaints
Litigation :	Clear

NOTES :

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 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

Given Name : NINGBO AUX IMP AND EXP CO. LTD
: NO.1166 NORTH MINGGUANG ROAD, JIANGSHAN TOWN YINZHOU DISTRICT,
NINGBO P R

Company Name : NINGBO AUX IMP. & EXP. CO.,LTD.
Address : NO. 1166 MINGGUANG NORTH ROAD JIANGSHAN TOWN YINZHOU
DIST. NINGBO ZHEJIANG PROVINCE, PR CHINA
Telephone : 0086-574-88220804
Facsimile : 0086-574-88220720
Website : <http://www.cnaux.com>
Email : auxsales@mail.auxgroup.com

REGISTRATION INFORMATION

Established Date : 1997-11-10
Credibility Code : 91330212144534896H
Legal Form : One-person Limited Liability Company
Registration Authority : Market Supervision Bureau – Yinzhou Dist. Ningbo
Status : Active
Registered Capital : CNY 550,000,000
Paid Up Capital : CNY 550,000,000
Turnover : CNY 4,885,470,000 (as of Dec. 31, 2017)
Equities : CNY 565,165,000 (as of Dec. 31, 2017)
Chief Executive : Leng Ling
Business Line : Trade
Manpower : 194
Tax Registration
Certificate No. : 91330212144534896H
Organization Code : 14453489-6
HS code : 3302953091/3352960788
Import & Export code : 3302144534896
Financial Condition : Fair
Business Size : Medium Enterprise
Payment : No Complaints

Registered Address
NO. 1166 MINGGUANG NORTH ROAD JIANGSHAN TOWN YINZHOU DIST. NINGBO ZHEJIANG 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 CNY100,000. 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

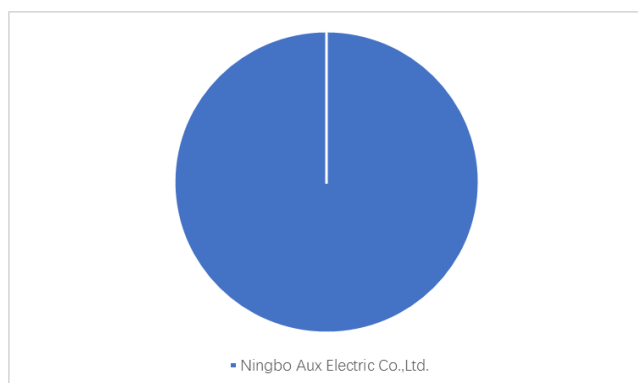
The subject operates from premises located at the heading address, and this address houses its operating office in Ningbo. Our checks reveal that the subject rents the total premise, but the square meters are unknown.

MANAGEMENT

Position	Name	Nationality
Legal representative, Executive Director	Leng Ling	Chinese
General Manager	Zhang Xuequan	Chinese
Supervisors	Chen Hongwu	Chinese

MAJOR SHAREHOLDERS

Name	% Shareholding
Ningbo Aux Electric Co.,Ltd.	100



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Credibility Code: 91330200750364874C
Legal representative: Zheng Jianjiang
Registered Capital: CNY 1,350,000,000
Established Date: 2003-06-24

KEY EVENTS

Changes of its registered information are as follows:

Date of change	Item	Before the change	After the change
2017-10-10	Registered capital	CNY 400,000,000	Present one
2017-07-28	Legal representative	Cui Huabo	Present one
2017-07-28	Legal form	Limited Liabilities co.	Present one
2015-08-11	Legal representative	Qian Xufeng	Cui Huabo
2015-04-10	Registered capital	CNY 250,000,000	CNY 400,000,000
2011-08-15	Legal representative	Li Xin	Qian Xufeng
2008-09-03	Legal representative	Wang Wengen	Li Xin
2008-09-03	Registered capital	CNY 150,000,000	CNY 250,000,000
2004-10-29	Legal representative	Zheng Jiang	Wang Wengen
2004-09-08	Registered capital	CNY 5,000,000	CNY 150,000,000

BUSINESS OPERATIONS

The subject's registered business scope includes importing and exporting goods and technologies, excluding goods and technologies prohibited by the state.

The subject is mainly engaged in international trade.

Products:

Household air conditioner
Commercial air conditioning

Etc.

The subject sources its materials 90% from domestic market, and 10% from overseas market. the subject sells 30% of its products in domestic market, and 70% to overseas market, mainly Argentina, Russia, Ukraine, 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

*Major customer:

Radio Victoria Fuegoina S.A. (Argentina)

Etc.

RELATED COMPANIES

Ningbo Aux High Technology Co.,Ltd.

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Credibility Code: 91330200728095866K

Legal representative: Xin Ning

Registered Capital: CNY 405,000,000

Established Date: 2001-04-18

Ningbo Aux Air Conditioner Co.,Ltd.

=====

Credibility Code: 9133021214451342X4

Legal representative: Leng Ling

Registered Capital: CNY 1,200,000,000

Established Date: 1993-09-18

Etc.

NEGATIVE INFORMATION

Lawsuit Record: No record.

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.

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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

No record.

PATENT

No record.

BANKING

Agricultural Bank of China Yinzhou Subbranch Business Department

Account No.: 39402001040003008

ABBREVIATED FINANCIAL STATEMENT

Financial Summary

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Unit: CNY'000

	As of Dec. 31, 2016	As of Dec. 31, 2017
Total assets	1,981,863	2,179,455
	=====	=====
Total liabilities	1,452,307	1,614,290
Equities	529,556	565,165
	-----	-----
Total liabilities & equities	1,981,863	2,179,455

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	=====	=====
Turnover	3,599,408	4,885,470
Profits before tax	28,837	-13,914
Less: tax	7,421	6,266
Profits	21,416	-20,180

Important Ratios

	=====	
	As of Dec. 31, 2016	As of Dec. 31, 2017
*Liabilities to assets	0.73	0.74
*Net profit margin (%)	0.59	-0.41
*Return on total assets (%)	1.08	-0.93
*Turnover/Total assets	1.82	2.24

PROFITABILITY: FAIR

The turnover of the subject appears good in its line.
the subject's net profit margin is average in 2016 but fair in 2017.
the subject's return on total assets is average in 2016 but fair in 2017.

the subject's turnover is average, comparing with the size of its total assets.

LEVERAGE: FAIR

The debt ratio of the subject is fairly 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.

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.59
UK Pound	1	INR 93.49
Euro	1	INR 81.61
CNY	1	INR 10.40

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

INFORMATION DETAILS

Analysis Done by :	PRI
Report Prepared by :	POJ

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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)