

## MIRA INFORM REPORT

<b>Report No. :</b>	533509
<b>Report Date :</b>	10.10.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	WUXI LEAD INTELLIGENT EQUIPMENT CO., LTD.
<b>Registered Office :</b>	No. 20 Xinxi Road, National High - tech Industrial Development Zone, Wuxi, Jiangsu Province 214000 PR
<b>Country :</b>	China
<b>Financials (as on) :</b>	30.06.2018
<b>Date of Incorporation :</b>	30.04.2002
<b>Unified Social Credit Code :</b>	91320200735716149R
<b>Legal Form :</b>	Shares Limited Company
<b>Line of Business :</b>	Registered business scope includes R&D, production and technical services of special equipment for electronics industry; undertake customization of automation equipment
<b>No. of Employees :</b>	3,529

### 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	Acceptable Risk	Business dealings permissible with moderate risk of default

<b>Status :</b>	Good
<b>Payment Behaviour :</b>	No Complaints
<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. 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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<http://www.miraglobalcheck.com>  
<http://www.miraglobalcollections.com>

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** Wuxi Lead Intelligent Equipment Co., Ltd.  
**CURRENT ADDRESS** No. 20 Xinxi Road, National High - tech Industrial Development Zone,  
Wuxi, Jiangsu Province 214000 PR China  
**TEL. NO.** 86 (0) 510-81163609/81975830/81163600  
**FAX NO.** 86 (0) 510-81163638

## **EXECUTIVE SUMMARY**

**DATE OF REGISTRATION** : APRIL 30, 2002  
**UNIFIED SOCIAL CREDIT CODE** : 91320200735716149R  
**LEGAL FORM** : SHARES LIMITED COMPANY  
**CHIEF EXECUTIVE** : WANG YANQING (LEGAL REPRESENTATIVE)  
**REGISTERED CAPITAL** : CNY 881,659,139  
**STAFF** : 3,529  
**BUSINESS CATEGORY** : MANUFACTURING & TRADING  
**REVENUE** : CNY 1,440,295,000 (CONSOLIDATED, JAN. 1, 2018 TO JUN. 30, 2018)  
**EQUITIES** : CNY 3,045,676,000 (CONSOLIDATED, AS OF JUN. 30, 2018)  
**WEBSITE** : [www.chinaxiandao.com](http://www.chinaxiandao.com)  
**E-MAIL** : [service@leadchina.cn](mailto:service@leadchina.cn)  
**PAYMENT** : NO COMPLAINTS  
**MARKET CONDITION** : COMPETITIVE  
**FINANCIAL CONDITION** : STABLE  
**OPERATIONAL TREND** : FAIRLY STEADY  
**GENERAL REPUTATION** : FAIRLY GOOD

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

<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 shares limited company of PRC with State Administration of Industry & Commerce (SAIC) under Unified Social Credit Code: 91320200735716149R.

SC's Import and Export Enterprise Code: 3200735716149

SC's registered capital: CNY 881,659,139

SC's paid-in capital: CNY 881,659,139

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

<b>Date</b>	<b>Change of Contents</b>	<b>Before the change</b>	<b>After the change</b>
2015-10-1	Registered Capital	CNY 51,000,000	CNY 68,000,000
2015-12-2	Registered Capital	CNY 68,000,000	CNY 136,000,000
	Company Name	Wuxi Lead Equipment Co., Ltd.	Auto Wuxi Lead Intelligent Equipment Co., Ltd.
2016-4-28	Registered Capital	CNY 136,000,000	CNY 408,000,000
--	Registration No./ Unified Social Credit Code	320200400012058	91320200735716149R
2017-12-1	Registered Capital	CNY 408,000,000	CNY 440,137,075
2018-9-12	Registered Capital	CNY 440,137,075	CNY 881,659,139

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

<b>Name of Shareholder (s) (As of June 30, 2018)</b>	<b>% of Shareholding</b>
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**WUXI LEAD INTELLIGENT EQUIPMENT CO., LTD. - 533509**

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Wuxi Xiandao Investment Development Co., Ltd.	37.49
Shihezi Jiading Equity Investment Partnership (Limited Partnership)	11.72
Wuxi Xiandao Capacitor Equipment Factory	4.92
Wang Denv	2.98
National Social Security Fund 413 Combination	2.02
Hong Kong Securities Clearing Company Limited	1.8
Li Yongfu	1.49
Shanghai Qijia Equity Investment Partnership (Limited Partnership)	1.3
Agricultural Bank of China Co., Ltd.-Huitianfu Social Responsibility Hybrid Securities Investment Fund	1.19
Bank of Communications Co., Ltd.-E-fund Hybrid Securities Investment Fund	1.14
Other Shareholders	33.95

**SC's Chief Executives:-**

<b>Position</b>	<b>Name</b>
Legal Representative, Chairman and General Manager	Wang Yanqing
Deputy General Manager	Wang Jianxin
	Sun Jianjun
	Ni Hongnan
	Chen Qiang
	Miao Feng

**RECENT DEVELOPMENT**

SC is a listed company in Shenzhen Stock Exchange Market with the code of 300450.

**SHAREHOLDER CHART & BACKGROUND**

<i>Name</i>	<i>% of Shareholding</i>
<b>(As of June 30, 2018)</b>	
Wuxi Xiandao Investment Development Co., Ltd.	37.49
Shihezi Jiading Equity Investment Partnership (Limited Partnership)	11.72
Wuxi Xiandao Capacitor Equipment Factory	4.92
Wang Denv	2.98

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National Social Security Fund 413 Combination	2.02
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Li Yongfu	1.49
Shanghai Qijia Equity Investment Partnership (Limited Partnership)	1.3
Agricultural Bank of China Co., Ltd.-Huitianfu Social Responsibility Hybrid Securities Investment Fund	1.19
Bank of Communications Co., Ltd.-E-fund Hybrid Securities Investment Fund	1.14
Other Shareholders	33.95

✚ Wuxi Xiandao Investment Development Co., Ltd.

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Date of Registration: July 26, 2007  
Unified Social Credit Code: 913202146649430449  
Chief Executive : Wang Yanqing  
Registered Capital: CNY 20,000,000

✚ Wuxi Xiandao Capacitor Equipment Factory

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Date of Registration: June 16, 2000  
Unified Social Credit Code: 91320214720638563K  
Chief Executive : Wang Yanqing  
Registered Capital: CNY 400,000

## **MANAGEMENT**

### **Wang Yanqing, Legal Representative, Chairman and General Manager**

- 
- Gender: M
  - Nationality: China
  - Age: 52
  - ID# 320222660407021
  - Working experience (s):

At present, working in SC as legal representative, chairman and general manager, also working in Wuxi Xiandao Investment Development Co., Ltd., Wuxi Xiandao Capacitor Equipment Factory, Wuxi Yiling Electronic Technology Co., Ltd. and Zhuhai Titans New Power Electronics Co., Ltd. as legal representative

### **Deputy General Manager**

-----  
Wang Jianxin  
Sun Jianjun

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Ni Hongnan  
Chen Qiang  
Miao Feng

## **BUSINESS OPERATION**

SC's registered business scope includes R&D, production and technical services of special equipment for electronics industry; undertake customization of automation equipment.

SC is mainly engaged in manufacturing and selling special equipment for electronics industry.

Brand: Lead

SC's products mainly include: capacitor automation equipment, lithium battery automation equipment, PV automation equipment, etc.



SC sources its materials 90% from domestic market and 10% from the overseas market. SC sells 75% in domestic market and 25% to overseas market, mainly U.S.A., etc.

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\*

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Regal Beloit America, Inc.  
Csi Technologies Inc.  
Epcos India Pvt Ltd.

**Staff & Office:**

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SC is known to have approx. 3,529 staff at present.

SC owns an area as its operating office & factory of approx. 44,000 sq. meters at the heading address.

## **RELATED COMPANY**

**SC is known to have following subsidiaries at present.**

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Wuxi Yiling Electronic Technology Co., Ltd.  
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Date of Registration: May 4, 2008  
Unified Social Credit Code: 91320214672047418L  
Legal Representative: Wang Yanqing  
Registered Capital: CNY 30,000,000

Zhuhai Titans New Power Electronics Co., Ltd.  
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Date of Registration: February 24, 2014  
Unified Social Credit Code: 91440400092380062L  
Legal Representative: Wang Yanqing  
Registered Capital: CNY 20,000,000

## **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 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.

## **BANKING**

### **Basic Bank:**

Jiangsu Bank Helie Sub-branch

AC#: 808010188100011643

## **FINANCIALS**

### **Consolidated Balance Sheet**

Unit: CNY'000

	<b>As of Dec. 31, 2016</b>	<b>As of Dec. 31, 2017</b>	<b>As of Jun. 30, 2018</b>
Cash	212,726	866,789	527,326
Notes receivable	365,873	353,532	701,207
Accounts receivable	185,681	896,757	1,064,994
Advances to suppliers	10,553	78,887	40,061
Other receivable	4,372	17,937	30,971
Inventory	1,026,617	2,559,066	2,665,237
Non-current assets within one year	0	0	0
Other current assets	279,967	272,957	134,923
	-----	-----	-----
Current assets	2,085,789	5,045,925	5,164,719
Long-term investment	0	0	0
Fixed assets	183,699	208,921	213,531
Construction in progress	17,461	95,760	158,961
Engineering materials	0	0	0
Fixed assets in liquidation	0	0	0
Intangible assets	107,006	164,972	160,622
Goodwill	0	1,092,335	1,092,335
Long-term prepaid expenses	16,382	28,402	27,823
Deferred income tax assets	5,408	14,790	17,173
Other non-current assets	0	0	0
	-----	-----	-----
Total assets	2,415,745	6,651,105	6,835,164
	=====	=====	=====
Short-term loans	0	50,000	477,746
Notes payable	348,821	1,192,771	679,877
Accounts payable	285,680	644,251	915,578
Wages payable	32,641	61,688	32,620
Taxes payable	22,861	69,422	36,021
Interest payable	0	0	2,932
Dividend payable	0	0	0
Advances from clients	772,393	1,673,579	1,380,420
Other payable	4,099	16,677	11,154
Other current liabilities	0	0	0
	-----	-----	-----
Current liabilities	1,466,495	3,708,388	3,536,348
Non-current liabilities	5,179	160,308	253,140
	-----	-----	-----
Total liabilities	1,471,674	3,868,696	3,789,488
Equities	944,071	2,782,409	3,045,676
	-----	-----	-----
Total liabilities & equities	2,415,745	6,651,105	6,835,164
	=====	=====	=====

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**Consolidated Income Statement**

Unit: CNY'000	As of Dec. 31, 2016	As of Dec. 31, 2017	Jan. 1, 2018 to Jun. 30, 2018
Revenue	1,078,981	2,176,895	1,440,295
Cost of sales	619,816	1,281,266	881,168
Taxes and surcharges	11,385	20,217	9,380
Sales expense	30,636	84,102	38,013
Management expense	142,282	251,177	164,770
Finance expense	-3,560	-5,810	-19
Asset impairment loss	14,099	45,958	17,536
Investment income	5,180	9,050	3,572
Non-business income	101,429	29,582	4,377
Non-business expenditure	36,750	11,115	250
Profit before tax	334,114	622,685	382,441
Less: profit tax	43,462	85,185	55,548
Profits	290,652	537,500	326,893

**Important Ratios**

=====	As of Dec. 31, 2016	As of Dec. 31, 2017	As of Jun. 30, 2018
*Current ratio	1.42	1.36	1.46
*Quick ratio	0.72	0.67	0.71
*Liabilities to assets	0.61	0.58	0.55
*Net profit margin (%)	26.94	24.69	22.70
*Return on total assets (%)	12.03	8.08	4.78
*Inventory / Revenue x365/180	348 days	430 days	334 days
*Accounts receivable/ Revenue x365/180	63 days	151 days	134 days
*Revenue/Total assets	0.45	0.33	0.21
*Cost of sales / Revenue	0.57	0.59	0.61

**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: FAIR**

- The current ratio of SC is maintained in a normal level.
- SC's quick ratio is maintained in a fair level.
- The inventory of SC appears large.
- The accounts receivable of SC appears average.
- The short-term loans of SC appear average.

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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 low.

**Overall financial condition of the SC: Stable.**

## **CONCLUSIONS**

SC is considered large-sized in its line with stable financial conditions.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 74.10
UK Pound	1	INR 96.99
Euro	1	INR 85.11
CNY	1	INR 10.71

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	PRI
<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)