

## MIRA INFORM REPORT

Report No. :	535877
Report Date :	22.10.2018

### IDENTIFICATION DETAILS

Name :	CHANGZHOU DAHUA IMP. & EXP. (GROUP) CORP., LTD.
Registered Office :	No. 180 Guanhe West Road, Changzhou, Jiangsu Province 213002
Country :	China
Financials (as on) :	30.06.2017
Date of Incorporation :	05.02.1997
Unified Social Credit Code:	91320400137202930B
Legal Form :	Limited Liabilities Company
Line of Business :	Subject registered business scope includes selling various stereotype food; importing and exporting commodities and technologies, excluding export commodities under state-unified operation and import commodities operated by the state-designated companies, processing with imported materials, processing with imported samples, assembling with imported parts, and compensation trade in agreement; purchasing, transferring and storing export sources; domestic trade, economic technology exchange and consulting services; selling industrial manufacture materials (excluding special items).
No. of Employees :	95

### RATING & COMMENTS

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

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	No Complaints

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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**

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
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

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## 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

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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**

**COMPANY NAME** Changzhou Dahua Imp. & Exp. (Group) Corp., Ltd.  
**CURRENT ADDRESS/ REGISTERED ADDRESS** No. 180 Guanhe West Road, Changzhou, Jiangsu Province  
213002 PR China  
**TEL. NO.** 86 (0) 519-86183017/86183161/86183089/86183130  
**FAX NO.** 86 (0) 519-86183150/86183079/86183151

## **EXECUTIVE SUMMARY**

**DATE OF REGISTRATION** : FEBRUARY 5, 1997  
**UNIFIED SOCIAL CREDIT CODE** : 91320400137202930B  
**LEGAL FORM** : LIMITED LIABILITIES COMPANY  
**CHIEF EXECUTIVE** : LING ZIXUE (LEGAL REPRESENTATIVE)  
**REGISTERED CAPITAL** : CNY 20,000,000  
**STAFF** : 95  
**BUSINESS CATEGORY** : TRADING  
**REVENUE** : CNY 1,048,405,000 (FROM JAN. 1, 2017 TO JUN. 30, 2017)  
**EQUITIES** : CNY 78,453,000 (AS OF JUN. 30, 2017)  
**WEBSITE** : [www.dahuagroup.com.cn](http://www.dahuagroup.com.cn)  
**E-MAIL** : [jiangbo@dahuagroup.com.cn](mailto:jiangbo@dahuagroup.com.cn)  
**PAYMENT** : NO COMPLAINTS  
**MARKET CONDITION** : COMPETITIVE  
**FINANCIAL CONDITION** : FAIRLY STABLE  
**OPERATIONAL TREND** : FAIRLY STEADY  
**GENERAL REPUTATION** : AVERAGE

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

Operational Trend:-

Upward

Steady

Fairly Steady

Ordinary

Fair

General Reputation:-

Excellent

Good

Fairly Good

Average

Fair

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Stagnant	Detrimental
Downward	Not known
Not known	Not yet be determined
Not yet be determined	

## **LEGAL STATUS & HISTORY**

SC was established as a limited liabilities company of PRC with State Administration of Industry & Commerce (SAIC) under unified social credit code: 91320400137202930B.

SC's Import and Export Enterprise Code: 3200137202930

SC's registered capital: CNY 20,000,000

SC's paid-in capital was CNY 20,000,000

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

<b>Date</b>	<b>Change of Contents</b>	<b>Before the change</b>	<b>After the change</b>
2003-4-9	Registered Capital	CNY 10,000,000	CNY 8,000,000
2005-1-12	Registered Capital	CNY 8,000,000	CNY 16,000,000
--	Registered No.	3204002103290	320400000017627
2011-6-27	Registered Capital	CNY 16,000,000	CNY 20,000,000
2016-2-23	Registration No./Unified Social Credit Code	320400000017627	91320400137202930B

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

<b>Name of Shareholder (s)</b>	<b>% of Shareholding</b>
Labor Union of Changzhou Dahua Imp. & Exp. (Group) Corp., Ltd.	11.51
Chen Zhijian	9.23
Ling Zixue	9.19
Xu Ning	5.64
Zhu Mingjuan	4.53
Dong Qiangsheng	4.48
Tan Limin	4.48
Chen Baomin	3.45
Xu Jie	2.79
Hua Hao	2.30
Other 40 individual shareholders	42.40

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

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<b>Position</b>	<b>Name</b>
Legal Representative, Chairman and General Manager	Ling Zixue
Director	Xu Jie
	Tan Li Limin
	Xu Ning
Supervisor	Hua Hao
	Shen Xiaoyang
	Lin Yuehua

## **RECENT DEVELOPMENT**

SC has passed the ISO 9001:2000 Quality Management System Certificate, ISO 13485:2003 Quality Management System Certificate, etc.



## **SHAREHOLDER CHART & BACKGROUND**

<i>Name</i>	<i>% of Shareholding</i>
Labor Union of Changzhou Dahua Imp. & Exp. (Group) Corp., Ltd.	11.51
Chen Zhijian	9.23
Ling Zixue	9.19
Xu Ning	5.64
Zhu Mingjuan	4.53
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Chen Baomin	3.45
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(patient gowns, 12" extended vinyl gloves, elastic bandages, gauze swabs, emergency carpet, lap sponge), garments (knitted top, sweaters, woven garments, women garments), arts & crafts (doll house furniture, doll dresses, stationary sets, doll porcelain tea sets), light industrial products, pharm. & chem. products.



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

=====

Pro-Com Electric Appliances Company

\*Major Customers:

=====

C.I. Mac Ltda  
Industria Colombiana De Cafe S.A.  
Rfe International Inc.  
Digisound-Wie, Inc.

**Staff & Office:**

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SC is known to have approx. 95 staff at present.

SC owns an area as its operating office, but the detailed information is unknown.

## ***RELATED COMPANY***

**SC is known to have the following subsidiaries:**

Changzhou Huabeisi Import and Export Co., Ltd.

Changzhou Huaou Imp. & Exp. Corp., Ltd.

Hong Kong Dahua International Development Group Limited

Jiangsu Huamaotong Import and Export Service Co., Ltd.

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## **PAYMENT**

### **Overall payment appraisal:**

( ) Excellent ( ) Good (X) 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's suppliers declined to make any comments.

**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:**

Bank of China Changzhou Branch

AC#: 552158200781

## **FINANCIALS**

### **Financial Summary**

Unit: CNY'000	<b>As of Jun. 30, 2017</b>
Total assets	793,080
	-----
Total liabilities	714,627
Equities	78,453
	-----
Unit: CNY'000	<b>From Jan. 1, 2017 to Jun. 30, 2017</b>
Revenue	1,048,405
Profits	6,482

### **Important Ratios**

=====	<b>As of Dec. 31, 2017</b>
*Liabilities to assets	0.90
*Net profit margin (%)	0.62
*Return on total assets (%)	0.82
*Revenue/Total assets	1.32

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## **FINANCIAL COMMENTS**

### **PROFITABILITY: AVERAGE**

- The revenue of SC appears fairly good in its line.
- SC's net profit margin is average.
- SC's return on total assets is average.

### **LIQUIDITY: AVERAGE**

- SC's revenue is in an average level, comparing with the size of its total assets.

### **LEVERAGE: AVERAGE**

- The debt ratio of SC is fairly high.
- The risk for SC to go bankrupt is average.

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

## **CONCLUSIONS**

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

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.44
UK Pound	1	INR 95.65
Euro	1	INR 84.17
CNY	1	INR 10.58

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

**INFORMATION DETAILS**

Analysis Done by :	DIV
Report Prepared by :	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)
- 0