

MIRA INFORM REPORT

Report No. :	529182
Report Date :	11.09.2018

IDENTIFICATION DETAILS

Name :	CHANGZHOU HEXING MACHINERY CO., LTD.
Registered Office :	10-C-401Changxing Estate, No. 888 Hanjiang Road, Xinbei District, Changzhou, Jiangsu Province 213022 PR
Country :	China
Financials (as on) :	30.06.2018
Date of Incorporation :	13.01.2005
Unified Social Credit Code :	913204117691386905
Legal Form :	Limited Liabilities Company
Line of Business :	Subject is registered business scope includes selling auto parts, motorcycle accessories, electronic equipment, mechanical equipment, and chemical; importing and exporting commodities and technology.
No. of Employees :	10

RATING & COMMENTS

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

MIRA's Rating :	B
------------------------	---

Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Status :	Moderate
Payment Behaviour :	Slow but Correct
Litigation :	Clear

NOTES :

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

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 (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 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 Hexing Machinery Co., Ltd.
CURRENT ADDRESS/ REGISTERED ADDRESS	10-C-401Changxing Estate, No. 888 Hanjiang Road, Xinbei District, Changzhou, Jiangsu Province 213022 PR China
TEL. NO.	86 (0) 519-85110928/85110222/85110228/85110738
FAX NO.	86 (0) 519-88172887

EXECUTIVE SUMMARY

DATE OF REGISTRATION	: JANUARY 13, 2005
UNIFIED SOCIAL CREDIT CODE	: 913204117691386905
LEGAL FORM	: LIMITED LIABILITIES COMPANY
CHIEF EXECUTIVE	: WANG LIPING (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL	: CNY 1,000,000
STAFF	: 10
BUSINESS CATEGORY	: TRADING
REVENUE	: CNY 32,601,000 (FROM JAN. 1, 2018 TO JUN. 30, 2018)
EQUITIES	: CNY 1,108,000 (AS OF JUN. 30, 2018)
WEBSITE	: N/A
E-MAIL	: N/A
PAYMENT	: SLOW BUT CORRECT
MARKET CONDITION	: FAIR
FINANCIAL CONDITION	: FAIR
OPERATIONAL TREND	: ORDINARY
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

General Reputation:-

Excellent

Good

Fairly Good

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

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 a limited liabilities company of PRC with State Administration of Industry & Commerce (SAIC) under Unified Social Credit Code: 913204117691386905.

SC's registered capital: CNY 1,000,000

Registration Change Record:-

No significant changes of SC have been noted in SAIC since its incorporation.

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

Name of Shareholder (s)	% of Shareholding
Yu Jiang	35.16
Zhang Fanghua	34.16
Wang Liping	30.68

SC's Chief Executives:-

Position	Name
Legal Representative and Chairman	Wang Liping
General Manager	Yu Jiang
Supervisor	Zhang Fanghua

RECENT DEVELOPMENT

No recent development was found during our checks at present.

SHAREHOLDER CHART & BACKGROUND

Name	% of Shareholding
Yu Jiang	35.16

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

Zhang Fanghua	34.16
Wang Liping	30.68

MANAGEMENT

Wang Liping, Legal Representative and Chairman

Gender: F
ID# 320106196806221247
Age: 50
Qualification: University
Working experience (s):

At present, working in SC as legal representative and chairman

Yu Jiang, General Manager

Gender: M
ID# 32110219710503051X
Age: 47
Qualification: University
Working experience (s):

At present, working in SC as general manager

Supervisor

Zhang Fanghua
ID# 320402194206271023

BUSINESS OPERATION

SC's registered business scope includes selling auto parts, motorcycle accessories, electronic equipment, mechanical equipment, and chemical; importing and exporting commodities and technology.

SC is mainly engaged in selling auto parts, motorcycle accessories, etc.

SC's products mainly include: auto parts, motorcycle accessories, etc.

SC sources the products 100% from domestic market. SC sells 20% of its products in domestic market, and 80% to overseas market.

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

The buying terms of SC include Check, T/T and Credit of 30-60 days. The payment terms of SC include T/T, L/C and Credit of 30-60 days.

Major Customers,

Espinosa Zuleta Martha Lice
Home Price Ltda
Trejo/Garcia/Arturo
Edipesa Eximport Distribuid

Staff & Office:

SC is known to have approx. 10 staff at present.

SC rents an area as its operating office, 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.

BANKING

The bank information of SC is not filed in local SAIC.

FINANCIALS

Balance Sheet

Unit: CNY'000

	As of Dec. 31, 2016	As of Dec. 31, 2017	As of Jun. 30, 2018
Cash	3,020	15,905	8,682
Notes receivable	0	0	0
Accounts receivable	2,312	8,280	-6,415
Advances to suppliers	0	0	0
Other receivable	16	29	120
Inventory	186	529	2,214
Prepaid expenses	0	0	0
Other current assets	1,129	1,223	0
	-----	-----	-----
Current assets	6,663	25,966	4,601
Fixed assets	72	74	73
Construction in progress	0	0	0
Intangible assets	0	0	0
Long-term prepaid expenses	0	0	0
Deferred income tax assets	0	0	0
Other non-current assets	0	0	0
	-----	-----	-----
Total assets	6,735	26,040	4,674
	=====	=====	=====
Short-term loans	0	1,430	0
Notes payable	1,074	890	5,000
Accounts payable	3,240	22,323	-595
Wages payable	0	0	0
Taxes payable	-222	-1,083	-841
Advances from clients	0	0	0
Other payable	149	0	0
Accrued expenses	0	0	0
Other current liabilities	2	2	2
	-----	-----	-----
Current liabilities	4,243	23,562	3,566
Non-current liabilities	0	0	0
	-----	-----	-----
Total liabilities	4,243	23,562	3,566
Equities	2,492	2,478	1,108
	-----	-----	-----
Total liabilities & equities	6,735	26,040	4,674
	=====	=====	=====

Income Statement

Unit: CNY'000

	As of Dec. 31, 2017	From Jan. 1, 2018 to Jun. 30, 2018
Revenue	103,247	32,601

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

Cost of sales	98,360	31,869
Taxes and surcharges	0	0
Sales expense	2,127	1,162
Management expense	953	383
Finance expense	1,891	552
Non-operating income	75	0
Non-operating expense	7	0
Profit before tax	-15	-1,366
Less: profit tax	0	0
Profits	-15	-1,366

Important Ratios

=====

	As of Dec. 31, 2016	As of Dec. 31, 2017	As of Jun. 30, 2018
*Current ratio	1.57	1.10	1.29
*Quick ratio	1.53	1.08	0.67
*Liabilities to assets	0.63	0.90	0.76
*Net profit margin (%)	--	-0.01	-4.19
*Return on total assets (%)	--	-0.06	-29.23
*Inventory / Revenue x365/180	--	2 days	13 days
*Accounts receivable / Revenue x365/180	--	30 days	--
*Revenue / Total assets	--	3.96	6.97
*Cost of sales / Revenue	--	0.95	0.98

FINANCIAL COMMENTS

PROFITABILITY: FAIR

The revenue of SC appears average in its line.
SC's net profit margin is fair.
SC's return on total assets is fair.
SC's cost of sales is fairly high, comparing with its revenue.

LIQUIDITY: AVERAGE

The current ratio of SC is maintained in a normal level.
SC's quick ratio is maintained in a normal level.
The inventory of SC appears small.
The accounts receivable of SC appears average.
The short-term loans of SC appear average.
SC's revenue is in an average level, comparing with the size of its total assets.

LEVERAGE: FAIR

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

Overall financial condition of the SC: Fair.

CONCLUSIONS

SC is considered small-sized in its line with fair financial conditions.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.57
UK Pound	1	INR 93.74
Euro	1	INR 83.81
CNY	1	INR 10.59

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	TRU

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

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)