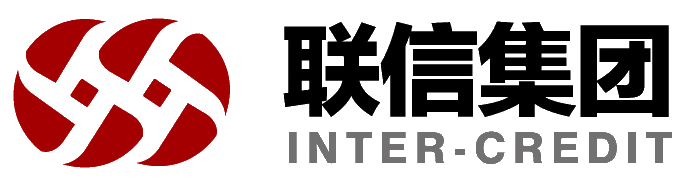
\*\*\*\*\*\*\*\* POWER EQUIPMENT MANUFACTURING CO.,LTD

INTER-CREDIT CODE :123646-368



BUSINESS INFORMATION REPORT

**EXECUTIVE SUMMARY**

|  |  |
| --- | --- |
| COMPANY NAME | :\*\*\*\*\*\*\*\*电力装备制造有限公司 |
| ENGLISH NAME | :\*\*\*\*\*\*\*\* POWER EQUIPMENT  MANUFACTURING CO.,LTD |
| INTER-CREDIT CODE | :123646-368 |
| OPERATION ADDRESS | :浙江丽水市丽阳街572号-1  \*\*\*,\*\*\*\*\*\*\*\*, Lishui City,  Zhejiang Province |
| TELEPHONE NO. | :（+86 571）869\*\*\*\*\*\* |
| FAX NO. | :N/A |
| WEBSITE | :N/A |
| EMAIL | :[zhangxj2009hy@163.com](file:///I:\工作文件\报告\报告\7月\7.19\zhangxj2009hy@163.com) |
| CREDIBILITY CODE | :91331100\*\*\*\*\*\*\*\*\*\*\*\*\* |
| CHIEF EXECUTIVE | :Zhou Wenwei |
| STAFF STRENGTH | :120 |
| NIC CODE | :3411 |
| BUSINESS LINE | :Manufacture and processing of pipe supports and hangers, garbage feeder, steel structure parts (excluding building components); processing of machinery parts; wholesale, retail, consignment-sales and consignment-purchase of metal materials. |
| REGISTERED CAPITAL | :21,000,000 |
| TURNOVER | :1,729,000 (2016-12-31) |
| TOTAL ASSETS | :64,612,000 (2016-12-31) |
| EQUITIES | :10,304,000 (2016-12-31) |

|  |  |
| --- | --- |
| **CREDIT RISK ANALYSIS** | |
| PAYMENT | :Good |
| RECOMM.CREDIT RANGE | :30,000 |
| MARKET CONDITION | :Good |
| FINANCIAL CONDITION | :Poor |
| OPERATIONAL TREND | :Poor |
| GENERAL REPUTATION | :Good |
| EXCHANGE RATE | :CNY 6.7540=USD 1(2017-07-19) |

**CREDIT RATING CA4**  (see below explanatory notes)

|  |  |  |  |
| --- | --- | --- | --- |
| RATING KEY | | CREDIT RISK ASSESSMENT | PROPOSED CREDIT LIMIT  (in concerned business field) |
| CA1 | Minimal | Large amount | Credit can proceed with favorable terms |
| CA2 | Low | Fairly large amount | Credit can proceed promptly |
| CA3 | Average | Moderate amount | Credit can proceed normally |
| CA4 | Above average | Small amount – periodical review | Credit should proceed with monitor |
| CA5 | Fairly High | C.O.D. To small amount | Credit should be extended under guarantee |
| CA6 | High | C.O.D. | Credit is not recommended |
| NR | Assessment not conducted | No recommendation | Insufficient data available |

This rating 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 and their relative weights (as indicated through %) in our credit analysis are as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Financial condition (40%) |  | Ownership background (10%) | | Payment record (10%) |  |
| Credit history (15%) |  | Market trend (10%) |  | Operational size (15%) |  |

In case of unlimited companies, newly established companies, or lack of financial data, more weight is given to ‘Ownership background’ and ‘Payment record’ in our analysis.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Adopted abbreviations： | |  | |  |
| N/A – not available | CNY – China Yuan Renminbi | | SC – subject company (the company inquired by you) | |

**HISTORY/BACKGROUND**

|  |  |
| --- | --- |
| **Registration Information** | |
| Registered No./Credibility Code | :91331100\*\*\*\*\*\*\*\*\*\*\*\*\* |
| Legal Representative | :Zhou Wenwei |
| Legal Form | :One-person Limited Liability Company  This form of business in PR China is defined as a legal person. Its registered capital is contributed jointly by at least 2 shareholders and no more than thirty. Shareholders bear limited liability to the extent of its total assets. The private enterprise law requires this form of enterprise employ not less than 8 employees and to set aside no less than 50% of its after-tax profits as a production development fund. |
| Register Date | :2002-06-12 |
| Duration | :2032-06-11 |
| Registered Capital | :21,000,000 |
| Registered Address | : \*\*\*,\*\*\*\*\*\*\*\*, Lishui City, Zhejiang Province |
| Registration Authority | : Lishui City Administration for Industry and  Commerce |
| Status | :Operating |
| Business Scope | :Manufacture and processing of pipe supports and hangers, garbage feeder, steel structure parts (excluding building components); processing of machinery parts; wholesale, retail, consignment-sales and consignment-purchase of metal materials. |

**Change of Registration Information**

|  |  |  |  |
| --- | --- | --- | --- |
| **Date** | **Item** | **Before** | **After** |
| 2009-03-19 | Registered Address | \*\*\*,\*\*\*\*\*\*\*\*, Huancheng West Road, Haishu | \*\*\*,\*\*\*\*\*\*\*\*, Lishui City, Zhejiang Province |
| 2009-03-19 | Company’s name | Ningbo Fuxing Pipe Frame Manufacturing Co., Ltd. | \*\*\*\*\*\*\*\* Power Equipment Manufacturing Co., Ltd. |
| 2009-03-19 | egistered capital | RMB 500,000 | RMB 21,000,000 |
|  |  |  |  |
| 2016-04-26 | Registration no. | 330200000052730 | Credibility Code:  91331100\*\*\*\*\*\*\*\*\*\*\*\*\* |

**Summary**

Mr. Zhou Wenwei has been legal representative and chairman of SC since 2002.

SC is known to have approx. 120 employees at present.

SC is currently operating at \*\*\*,\*\*\*\*\*\*\*\*, Lishui City, Zhejiang Province .

**SHAREHOLDING AND MANAGEMENT**

**Shareholding**

|  |  |  |
| --- | --- | --- |
| **Name** | **State** | **% of shareholding** |
| Hangzhou \*\*\*\*\*\*\*\* \*\*\*\*\*\*\*\* Co., Ltd. | China | 100 |
|  |  |  |
| **Total** |  | **100%** |

|  |  |
| --- | --- |
| Hangzhou \*\*\*\*\*\*\*\* \*\*\*\*\*\*\*\* Co., Ltd. | |
| Registered No./Credibility Code | :91330100\*\*\*\*\*\*\*\* |
| Register Date | :1996-11-19 |
| Registered Capital | :21,160,000 |
| Registered Address | : \*\*\*\*\*\*\*\*, \*\*\*\*\*\*\*\* Town, \*\*\*\*\*\*\*\* District, Hangzhou City, Zhejiang Province. |
| Telephone No. | :0571-87061839 |
| Fax No. | :N/A |
| Email | : [351\*\*\*\*\*\*\*\*@qq.com](mailto:351********@qq.com) |
| Website | : http://www. \*\*\*\*\*\*\*\* .com |
| Business Line | : Contract to: Fire control facility engineering (Level 1), building intelligent system project (Level 3), city and road lighting project (Level 3). Design: Special fire control facility engineering (Class A) (Business scopes above can only run within the approved period of validity). Wholesale, retail: Commercial vehicle and passenger car with more than 9 seats, fire-fighting equipment, construction material, chemical material (Except dangerous chemicals and precursor chemical), water-based coatings and raw materials (Except dangerous chemicals and precursor chemical), anti-fire and anti-explosion equipment. Services: Computer network, mechanical and electrical equipment installation (Except installing (maintenance and test) electricity facility), fire control equipment maintenance, construction consulting, computer technology developing, computer maintenance and test. |

|  |  |  |
| --- | --- | --- |
| Investment | ：Company Name | Shareholding |
|  | Zhejiang \*\*\*\*\*\*\*\* safety equipment Co., Ltd. | 70.00% |
|  | \*\*\*\*\*\*\*\* Power Equipment Manufacturing Co., Ltd | 100.00% |
|  | Hangzhou \*\*\*\*\*\*\*\* Co., Ltd | 100.00% |

|  |  |
| --- | --- |
| **Management** | |
| Name | :Zhou Wenwei |
| Position | :Chairman |
| IC No. | :N/A |
| Age | :N/A |
| Gender | :Male |
| Working Experiences | : Now with Subject as Chairman of the Board; Also working in Hangzhou Public Fire Protection & Security Co., Ltd. As legal representative, etc. |
| Telephone No. | :N/A |
| Fax No. | :N/A |
| Email | :N/A |

**BUSINESS OPERATION**

**Industry**

|  |  |
| --- | --- |
| NIC Code | : 3411 |
| Industry Name | : Boiler and auxiliary equipment manufacturing |

**Business**

|  |  |
| --- | --- |
| Products/Services | : Pipe-hanger support |

|  |  |
| --- | --- |
| Import | :N/A |
| Export | :N/A |
| HS Code | :N/A |

**Purchase**

|  |  |
| --- | --- |
| State | :China |
| Percentage | :N/A |
| Payment Terms | :Accept, T/T, etc. |

**Sales**

|  |  |
| --- | --- |
| State | :Nationwide |
| Percentage | :N/A |
| Payment Terms | :Accept, T/T, etc. |

**Clients**

Main customers of Subject Company are China Nuclear Industry 23 Construction Co., Ltd and The China Zhongyuan Engineering Corporation, etc.

**Suppliers**

|  |  |
| --- | --- |
| Supplier | :Yangzhou Chengxin Printing and Dyeing Machinery Co., Ltd. (In Chinese Pinyin) |
| Commodities Supplied | :N/A |
| Telephone | :N/A |
| Cooperation Duration | :N/A |
| Payment Punctuality | :N/A |
| Interviewee’s Remarks | :We did not find the company’s contact  information, so the Credit Records is  not |
| Post | :N/A |
| Date of Interview | :2017-07-17 |

|  |  |
| --- | --- |
| Supplier | :Tonglu Dongzhi Machinery Factory (In Chinese Pinyin) |
| Commodities Supplied | :Machinery products |
| Telephone | :86(0)-13777396335 |
| Cooperation Duration | :Average |
| Payment Punctuality | :Prompt |
| Interviewee’s Remarks | : Reportedly, Subject is one of clients of the company and makes payment normally without adverse payment record like arrears. |
| Post | : Company Personnel |
| Date of Interview | : 2017-07-17 |

**Trademarks & Patents**

|  |  |
| --- | --- |
| Registration No. | :8597123 |
| Registration Date | :2011-09-07 |
| Trademark Design |  |

|  |  |
| --- | --- |
| Registration No. | :8597122 |
| Registration Date | :2011-10-21 |
| Trademark Design |  |

**Honors**

N/A

|  |  |
| --- | --- |
| **Staff Number** | :120 |

|  |  |
| --- | --- |
| **Major Functional Department** | :N/A |

**Location**

|  |  |
| --- | --- |
| **Operating Address** | :\*\*\*,\*\*\*\*\*\*\*\*, Lishui City,  Zhejiang Province |

|  |  |
| --- | --- |
| Ownership | :N/A |
| Area | :6,000 square meter |

**PAYMENT**

**Overall payment appraisal:**

( ) Excellent (X) Good ( ) Average ( ) Fair ( ) Poor ( ) Not yet 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.

**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.

**FINANCIAL and BANKING**

**Key Financial Items**

|  |  |  |
| --- | --- | --- |
|  |  | **Unit CNY '000** |
|  | **2016-12-31** | **2015-12-31** |
| Current Assets | 62,418 | 37,425 |
| Current Liabilities | 19,340 | 14,919 |
| Fixed Assets | 1,212 | 160 |
| Total Assets | 64,612 | 37,767 |
| Total Liabilities | 54,308 | 24,919 |
| Equities | 10,304 | 12,848 |
| Turnover | 1,729 | 10,047 |
| Net Profit | -1,693 | -752 |

**Financial Statement**

|  |  |  |
| --- | --- | --- |
| **Balance Sheet** | | |
| **Unit CNY '000** | | |
|  | **2016-12-31** | **2015-12-31** |
| Cash & bank | 564 | 26 |
| Bills receivable | 0 | 400 |
| Accounts receivable | 7,680 | 9139 |
| Advanced to suppliers | 17,178 | 62 |
| Other receivable | 34,991 | 26,295 |
| Inventory | 1,996 | 1,503 |
| **Total Current Assets** | 62,418 | 37,425 |
|  |  |  |
| Long-term equity investment | 0 | 0 |
| Fixed assets net value | 1,212 | 160 |
| Projects under construction | 0 | 0 |
| Disposal of fixed assets | 0 | 0 |
| Intangible assets | 0 | 0 |
| Development expenditure | 0 | 0 |
| Long-term expenses | 982 | 182 |
| Other non-current assets | 0 | 0 |
| **Total Non-Current Assets** | 2,194 | **342** |
| **TOTAL ASSETS** | 64,612 | 37,767 |

|  |  |  |
| --- | --- | --- |
| Short-term loans | 14,000 | 10,000 |
| Notes payable | 0 | 0 |
| Accounts payable | 2,951 | 2,543 |
| Advances from clients | 19 | 0 |
| Accrued payroll | -101 | 0 |
| Taxes payable | -25 | -4 |
| Dividends payable | 0 | 0 |
| Other payable | 2,496 | 2,380 |
| Non-current liabilities due within one year | 0 | 0 |
| **Total Current Liabilities** | 19,340 | 14,919 |

|  |  |  |
| --- | --- | --- |
| Long-term loan | 34,968 | 10,000 |
| **Total Non-Current Liabilities** | 34,968 | 10,000 |
| **Total Liabilities** | 54,308 | 24,919 |

|  |  |  |
| --- | --- | --- |
| Paid-up capital | 21,000 | 21,000 |
| Capital surplus | 0 | 0 |
| Capital reserves | 0 | 0 |
| Undistributed profit | -10,696 | -8,152 |
| **Total Equities** | 10,304 | 12,848 |
| **Total liabilities & equities** | 64,612 | 37,767 |

|  |  |  |
| --- | --- | --- |
| **Income Statement** | | |
| **Unit CNY '000** | | |
|  | **2016-12-31** | **2015-12-31** |
| Turnover | 1,729 | 10,047 |
| Cost of goods sold | 546 | 8,790 |
| Taxes and additional of main operation | 8 | 127 |
| **GROSS PROFIT** | 1,175 | 1,130 |
| Sales expense | 122 | 291 |
| Management expense | 1,061 | 1,132 |
| Finance expense | 1,685 | 442 |
| Assets impairment loss | 0 | 0 |
| Investment income | 0 | 0 |
| **OPERATING PROFIT** | -1,693 | -735 |
| Non-operating income | 1 | 0 |
| Non-operating expenses | 1 | 17 |
| Income from government subsidy | 0 | 0 |
| Other profit | 0 | 0 |
| **PROFIT BEFORE TAX** | -1,693 | -752 |
| Profitable tax | 0 | 0 |
| **NET PROFIT** | -1,693 | -752 |

**Financial Analysis**

|  |  |  |  |
| --- | --- | --- | --- |
| **Key Ratios** | | | |
|  | **2016-12-31** | | **2015-12-31** |
| Current ratio | | 3.23 | 2.51 |
| Quick ratio | | 3.12 | 2.41 |
| Liabilities to assets (%) | | 84.05 | 65.98 |
| Net profit margin (%) | | -97.92 | -7.48 |
| Return on total assets (%) | | -2.62 | -1.99 |
| Inventory /Turnover ×365 (days) | | 1351 | 62 |
| Accounts receivable/Turnover ×365 (days) | | 1621 | 332 |
| Accounts payable/Cost of goods sold ×365 (days) | | 1921.05 | 105.49 |
| Turnover/Total assets (%) | | 0.03 | 0.27 |
| Cost of goods sold/Turnover (%) | | 0.32 | 0.87 |

**Banking**

|  |  |
| --- | --- |
| Banking Name | :Industrial & Commercial Bank of China Lishui Liandu Sub-branch |
| Banking Account No. | :N/A |
| Banking Address | :N/A |

**Note**

The banking clerk refused to disclose any related information on Subject’s credit status for keeping confidentiality for the depositor.

**REMARKS**

During the reporting period, Subject Company had small scale of assets, poor structure of liabilities and assets, both profitability and debt paying ability were poor. Subject Company had normal payment term to suppliers and normal refunding term to customers. The ratio of return on total assets was poor, account receivable occupied a long time to be refunded; poor ability of capital operation for daily use. Subject Company had no delinquent payment record.

Taken all above factors, the overall business risk level of Subject Company above the average.

|  |  |
| --- | --- |
| RECOMM.CREDIT RANGE | :300,000 |

**END OF THIS REPORT**