



## Company Identification

Company Name:	Zhejiang Heavy Machinery & Equipment Co., Ltd. (Sample Report)		
Company Name (CN):	浙江重工机械设备有限公司 (样本报告)		
Address:	No. 67, Xinggang Road Science & Technology Tower 1	Phone:	+86-0579-67525900, 67525908
District:	Economic and Technological Development Zone	Facsimile:	+86-0579-67525902
City:	Nanshan City	E-mail:	info@beijinghme.com
Province:	Zhejiang	Website:	www.beijinghme.com
Country:	China	Zip Code:	320513

Crefo Nr:	9360000000	Organizational Code:	667179359
Registration Nr:	667581400123456	Tax Nr:	667581667179359

## Solvency Index



Solvency Index:	307
Risk Assessment:	Moderate Risk
Recommended Line:	CNY 15,000,000

Note: Solvency index is a very strong and capable early-alarm indicator enabling a fast assessment of solvency of business

The higher the solvency index, the higher the risk of default of a client. The solvency index ranges from 100, a very good rating, to 600 where highly negative characteristics are present.



## Company Highlights

Date Established:	2006-04-01	Main Business:	Production and sale of steel products
Legal Form:	Limited Liability Company	Industry Code:	3140 Steel Rolling Process
Employees:	1100	Public Record:	Nothing detrimental noted.
Status:	Active	Litigation Record:	Legal Actions
Listed:	No	Audit Year:	2013

### Financial Summary: (Unit: CNY 1,000)

Year	2013		2012		2011	
Turnover	4,390,698	↑	750,714	↑	432,771	
Net Income	14,029	↓	15,013	↓	49,786	
Current Assets	1,963,159	↑	1,616,535	↑	842,164	
Current Liabilities	1,301,376	↑	847,240	↑	109,900	
Working Capital	661,783	↓	769,295	↑	732,264	
Equity	733,251	↑	592,966	↑	577,953	
Total Assets	3,484,627	↑	2,820,206	↑	1,237,853	
Return on Equity (%)	1.91	↓	2.53	↓	8.61	
Profit Margin(%)	0.32	↓	2.00	↓	11.50	
Current Ratio (x)	1.51	↓	1.91	↓	7.66	
Quick Ratio (x)	1.03	↓	1.38	↓	6.40	
Debt Ratio (%)	78.96	↓	78.97	↑	53.31	

Note: '↑' means increase, '↓' means decrease and '-' means unchanging compared to the previous year result.



## Legal Information

Registered Name:	Zhejiang Heavy Machinery & Equipment Co., Ltd. (Sample Report)
Registered Address:	Science & Technology Tower 1, No. 67, Xinggang Road Economic and Technological Development Zone, Nanshan City, Zhejiang Zip:320513 China
Registered Address (CN):	中国浙江省南山市经济技术开发区 新港路67号科创大厦甲楼 邮编: 320513
Legal Form:	Limited Liability Company
Company Type:	Limited Liability Company
Incorporation Date:	2006-04-01
Status:	Active
Registration Nr:	667581400123456
Organization Code:	667179359
Tax Nr:	667581667179359
Expiration Date:	2056-03-31
Registered Capital:	CNY 500,000,000
Paid Up Capital:	CNY 500,000,000
Registry:	Administration of Industry & Commerce, Nanshan, Zhejiang Province
Legal Representative:	Zhang Jianguo 张建国
Business Scope:	Subject's registered business scope includes all kinds of castings and forgings technology development, production and sales, and manufacturing and sale of related equipment; import and export of various goods and technologies on self-run and commission basis with exception of those run by the state's designated firms and those prohibited from being imported and exported by the State.



## Shareholder Structure

Shares	Shareholder Names
62%	Zhejiang General Equipment Group Co., Ltd.
38%	Nanshan Municipal Industrial Assets Management Co., Ltd.

### Shareholder Background

Name:	Zhejiang General Equipment Group Co., Ltd.	Crefo Nr:	9366700001
Company ID:	667122950921001	Type:	Chinese Company
Date Established:	2005-01-21		
Legal Form:	Private Limited Liability Company		
Status:	Active		
Address:	China Wanxian Industrial Park, Zehjiang Province		
Background:	The company is mainly engaged in equipment manufacturing, scientific research and trade logistics.		

Name:	Nanshan Municipal Industrial Assets Management Co., Ltd.	Crefo Nr:	9366700002
Company ID:	667000129923249	Type:	Chinese Company
Date Established:	2010 -07-19		
Legal Form:	Limited Liability Company		
Status:	Active		
Address:	China Economic Development Area, Tiantai, Zhejiang Province		
Background:	The company is mainly engaged in electronic component design and		



**Background:** The company is mainly engaged in electronic component design and production.

## History

**Background:** Subject was registered as a limited liability company at local Administration of Industry & Commerce on August 9, 2006.

Subject was formally known as Changshu Kaishida Forging Technology Co., Ltd.

Info from internet:  
 2007-08-01 Subject was awarded Regional Award for Outstanding Technology Development.  
 2009-12-08 With the introduction of technology in cooperation with Italy, Subject's third production line was completed which greatly increased the annual output.

### Registration Changes

Date	Changes	Before Changes	After Changes
2009-07-02	Reg. Name	Zhejiang Yongxin Forging Technology Co., Ltd.	Zhejiang Heavy Machinery & Equipment Co., Ltd.
2009-09-15	Reg. Capital	CNY 51,000,000	CNY 500,000,000
2009-06-26	Reg. Shareholder	Wangwei 25%, Zhejiang Wanli Investment Co.,Ltd. 75%	Zhejiang General Equipment Group Co., Ltd.62%, Nanshan Municipal Industrial Assets Management Co., Ltd.38%
2009-09-15	Reg. Legal Rep	Wang Wei	Zhang Jianguo
2012-05-17	Reg. Address	No. 129, Zhongshan Road, Beishan, Zhejiang Province	Science & Technology Tower 1, No. 67, Xinggang Road, Economic and Technological



Technological  
 Development Zone,  
 Nanshan, Zhejiang  
 Province

Media Record

Media Search: Nothing detrimental noted.

## Management

Name:	Zhang Jiangguo	ID:	66721958040112**
Position:	Chairman of the Board,Overall Management		
Country:	China		
Age:	56		
Gender:	Male		
Education:	College		
Experience:	Not available		
Others:	-		

Name:	Chen Weihai	ID:	66700019660801**
Position:	General Manager,Business		
Country:	China		
Age:	48		
Gender:	Male		
Education:	Master Degree		
Experience:	1990: He graduated from Zhongshan University. 1981-1988: He worked for the Guangdong government as a government official.		



	1989-1992: With Guangdong Development Corporation as general manager. Since 1993: With subject as general manager.
Others:	-

## Related Companies

Company Name:	Wanxiang Economic Development Group Co., Ltd.	Crefo Nr:	9366700003
Company ID:	320581000004382	Relationship:	Affiliate
Address:	No. 10, Lvdi Road, Binjiang New Area, Wanxiang, Zhejiang China		
Phone:	+86-0579-65257009		
Background:	The company is mainly engaged in project development and investment.		

Company Name:	Zhejiang Heavy Machinery & Equipment Co.,	Crefo Nr:	9360000074
Company ID:	623450678900123	Relationship:	Branch
Address:	Room 1206, Mingxing Mansion, Wangfujin, Beijing, China		
Phone:	+86-010-68386388		
Background:	The branch is mainly in charge of the customer service and maintenance in Beijing and its surrounding provinces.		

## Current Operations

Business:	Main Business:	Subject is mainly engaged in production and sale of steel forgings, steel ingot and continuous casting billet.
	Main Products:	Products mainly include: tool and die steel, wind power nuclear forgings, petrochemical forgings, all



		kinds of ship spare part, fan shaft, motor shaft and roller, etc.
	Production:	Subject's maximum annual output value is about CNY5 billion.
	Main Activity:	Production and sale of steel products / Project development /
	Info from internet:	Subject's products are mainly used in the fields of shipping, electric power, petrochemical, metallurgical equipment manufacturing and other industries.  Subject plans to achieve sales volume to CNY6 billion in 2016.
Territories:	Purchase:	Subject sources 90% of its materials from domestic market, and 10% from overseas market, mainly Europe and America.
	Sales:	Domestic: Subject sells 95% of its products in domestic market.  International: Subject sells 5% of its products to overseas market, mainly Southeast Asia.
Import:	10%	Europe and America
Export:	5%	Southeast Asia
China Customs Record:	Customer Nr:	1495320961
	Clearance Type:	Self-Run
	Company Category:	B
	Registration Expiration Date:	2020-12-31
	Notes:	Average
<p>Note: In accordance with "Measures of the Customs of the People's Republic of China for the Classified Management of Enterprises" published on April 1st,2008, the followings are the Company Category Definition by General Customs:</p> <p>AA: Excellent                  A: Good                  B: Average                  C: Fairly Poor                  D: Very Poor</p>		





Terms:	Purchase: Various including cash, check, T/T, credit of 60 days and L/C	
	Sales: Various including cash, check, T/T, credit of 60 days and L/C	
Certification:	Subject has passed ISO9001:2008 certification.	
Employees:	1100 (2013) 1100 (2012) 1200 (2011)	
Facility:	Premise:	Subject is currently operating at the above stated address.
	Location:	Suburb
	Size:	80,000 .sq.m
	Ownership:	Owned
Location:	Nanshan is a prefecture-level city of Zhejiang province. Nanshan Economic Development Zone is one of the important industrial areas of the Yangtze River Delta.	

Industry

Chinese (CSIC):	3140 Steel Rolling Process
American (ISIC):	331511 Iron Foundries
European (NACE):	24.52 Casting of steel
Industry Description:	It refers to the production of steel products through hot rolling, cold processing, forging and casting extruding billet and ingot.
Industry Overview:	According to National Bureau of Statistics, as of May 2012, for Steel Rolling Processing Industry, the numbers of enterprise above designated size in May 2012, May 2011, and May 2010, were 4627, 4321, 5093; average practitioner numbers were 491.67, 505.81, 406.89; average total assets were CNY845,563,500, CNY827,096,900, CNY635,326,800; average net receivables were CNY32,544,000, CNY33,616,900, CNY25,512,700; average



sales incomes were CNY425,568,500, CNY451,485,600, CNY301,205,600; average total profits were CNY2,979,200, CNY10,867,900, CNY9,884,700; loss-generating enterprise numbers were 1201, 752, 864; the percentage rates of loss-generating enterprise to enterprise above designated size were 25.96%, 17.4%, 16.96%.

Note: China's Industry Code applied is the 2011 version of the National Industry Classification issued by the China National Bureau of Statistics; North American Industry Code uses a 2012 version of NAICS code; European Industry Code uses NACE Rev. 2 approved by the European Commission.

## Bank Information

Bank Name:	Industrial and Commercial Bank of China, Zhejiang Branch, Nanshan Sub-
Bank Address:	No. 1650, Zhongshan Road, Nanshan, Zhejiang Province
Account Nr:	94070155301100311
Phone:	(0574) 86886020
Banker Comments:	Active account with normal banking relationship

## Payment History

Company Name:	Shanghai World Machinery Co., Ltd.	Crefo Nr:	9360000007
Main Activities:	Equipments		
Phone:	021-58386699		
Payment Mode:	Prompt		
Delinquent Payment:	Unknown		
Debt Collection:	Not available		

Company Name :	Nanjing Equipment Import and Export	Crefo Nr:	9360000008
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	Corporation		
Main Activities:	Machinery and equipment		
Phone:	025-32386006		
Payment Mode:	Sometimes late		
Delinquent Paymen:	Nothing detrimental against the subject has been reported.		
Debt Collection:	No debt collection claims against the subject were found in our record.		

## Trade References

Company Name:	Suzhou Local Marine Heavy Industry Co., Ltd.	Crefo Nr:	9360000015
Phone:	(512) 52311234	Relationship:	Client
Comments:	The company is mainly engaged in production of diesel engine bent axle. Registration No: 308420580020140 Address: Changqing Road, Suzhou, Jiangsu China		

Company Name:	Jiangsu Local Metallurgical Equipment Manufacturing Co., Ltd.	Crefo Nr:	9370072025
Phone:	(523) 84321234	Relationship:	Client
Comments:	Registration No: 308782021122002 Address: Xinqiao, Jingjiang, Jiangsu China		

Company Name:	Jiangsu Local Special Steel Technology Co., Ltd.	Crefo Nr:	9360000014
Phone:	-	Relationship:	Supplier
Comments:	The company name is obtained from other sources and it can not be verified at present.		

Company Name:	Shanghai World Machinery Co., Ltd.	Crefo Nr:	9360000007
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Phone:	(021) 58386699	Relationship:	Supplier
Comments:	The company is mainly engaged in R&D and manufacturing of industrial milling machine. Registration No: 383115086008014 Address: No. 416, Jinqiao Road, Pudong New Area, Shanghai China		

## Public Record

Bankruptcy: Clear

### Civil Litigation

Subject Name:	Zhejiang Heavy Machinery & Equipment Co., Ltd.	Plaintiff/Defendant:	Defendant
Court:	Nanshan District People's Court of Zhejiang		
Register Date:	2012-09-24		
File Nr:	(2012) ZFZZ No. 01113		
Case Type:	Transportation Contract		
Claim Amount:	CNY 10,000		
Case Status:	Case is settled.		
Source:	From local government sources		

Subject Name:	Zhejiang Heavy Machinery & Equipment Co., Ltd.	Plaintiff/Defendant:	Plaintiff
Court:	Nanshan District People's Court of Zhejiang		
Register Date:	2012-09-24		
File Nr:	(2011) ZFZZ No. 01170		



Case Type:	Foreign Trade Agent
Claim Amount:	CNY 200,000
Case Status:	The judgment is not satisfied.
Source:	From local government sources

## Other Information

Order Info Verification	<p>The given address from the order indicates subject's another production address.</p> <p>Mr. Ji, Accountant of subject's finance department was contacted and confirmed part of report info.</p>
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## Financial Figures

### Balance Sheet (Unit: CNY1,000)

Assets			
Year	2013-12-31	2012-12-31	2011-12-31
<b>Current Assets:</b>			
Cash & bank	405,846	453,031	66,344
Short-term investment	0	0	0
Bill receivable	159,249	83,878	43,150
Account receivable	82,564	32,794	32,506
Other receivables	28,967	11,084	2,466
Advances to suppliers	659,484	584,228	559,240
Inventory	625,481	450,548	138,728
To be appointed expense	1,568	972	180
Other current assets	0	0	0
<b>Total Current Assets</b>	<b>1,963,159</b>	<b>1,616,535</b>	<b>842,164</b>
<b>Non-Current Assets:</b>			
Long-term investment	46,500	46,500	14,100
Fixed assets net value	1,241,584	222,740	122,572
Projects under construction	110,000	818,255	139,954
Intangible assets	116,243	116,176	118,643
Long-term to be appointed expense	0	0	0
Other long-term assets	5,000	0	0
Other assets	141	0	420
Deferred tax debit	2,000	0	0
<b>Total Non-Current Assets</b>	<b>1,521,468</b>	<b>1,203,671</b>	<b>395,689</b>
<b>TOTAL ASSETS</b>	<b>3,484,627</b>	<b>2,820,206</b>	<b>1,237,853</b>


**Liabilities & Equities**

Year	2013-12-31	2012-12-31	2011-12-31
<b>Current Liabilities:</b>			
Short-term loans	235,500	175,000	55,000
Note payable	659,540	550,170	25,000
Accounts payable	388,943	228,096	19,584
Advances from clients	4,059	4,889	33,479
Salaries payable	448	602	0
Welfare payable	0	0	0
Taxes payable	-39,254	-132,664	-27,195
Other accounts payable	40,548	11,458	2,980
Accrued expenses	11,592	9,689	1,052
Other current liabilities	0	0	0
<b>Total Current Liabilities</b>	<b>1,301,376</b>	<b>847,240</b>	<b>109,900</b>
<b>Non-Current Liabilities:</b>			
Long-term liabilities	1,450,000	1,380,000	550,000
Deferred tax credit	0	0	0
Other liabilities	0	0	0
<b>TOTAL LIABILITIES</b>	<b>2,751,376</b>	<b>2,227,240</b>	<b>659,900</b>
<b>Shareholders Equity:</b>			
Paid-up capital	500,000	500,000	500,000
Undistributed profit			
<b>TOTAL SHAREHOLDERS EQUITY</b>	<b>733,251</b>	<b>592,966</b>	<b>577,953</b>
<b>TOTAL LIABILITIES &amp; EQUITIES</b>	<b>3,484,627</b>	<b>2,820,206</b>	<b>1,237,853</b>



## Profit &amp; Loss Account (Unit: CNY1,000)

Year	2013-12-31	2012-12-31	2011-12-31
Turnover	4,390,698	750,714	432,771
Less: Cost of goods sold	4,277,155	687,226	436,623
Less: Sales tax	7,659	0	0
Gross Profit	105,884	63,488	-3,852
Add: Other operating profits	-4,059	-3,335	2,451
Less: Sales expense	18,579	0	0
Less: Management expense	38,068	19,790	11,469
Less: Finance expense	34,682	27,951	2,311
Operating Profit	10,496	12,412	-15,181
Add: Investment profit	0	0	0
Add: Allowance incomes	0	0	0
Less: Assets devaluation	0	0	0
Add: Non-operating income	3,554	2,610	65,341
Less: Non-operating expense	21	9	374
Profit Before Tax	14,029	15,013	49,786
Less: Income tax	0	0	0
Net Income	14,029	15,013	49,786

Data Source:	From local government sources			
Auditor Name:	Yaoxin CPA Firm			
Auditor Comments:	2013			
Note:	Only financial highlights of Year 2013 are available in local AIC and other detail figures are submitted by the subject company.  The financial info before Year 2011 showed in this report is info filed in our database and is for your reference only.			
Exchange:	Year	2013-12-31	2012-12-31	2011-12-31
	CNY100 =	\$ 16.36 € 11.88	\$ 15.83 € 11.98	\$ 15.71 € 12.13





## Financial Ratios

Year	2013	2012	2011
<b>Profitability Ratios</b>			
Return on equity (%)	1.91	2.53	8.61
Return on assets (%)	0.40	0.53	4.02
Profit margin (%)	0.32	2.00	11.50
Gross margin (%)	2.41	8.46	-0.89
<b>Operating Ratios</b>			
Assets turnover (x)	1.26	0.27	0.35
Stock turnover (x)	7.02	1.67	3.12
Sales period (days)	53	239	116
Collection period (days)	7	16	27
Credit period (days)	33.00	121.00	16.00
<b>Structure Ratios</b>			
Current ratio (x)	1.51	1.91	7.66
Quick ratio (x)	1.03	1.38	6.40
Shareholders liquidity ratio (x)	0.51	0.43	1.05
Solvency ratio (%)	21.04	21.03	46.69
Debt ratio (%)	78.96	78.97	53.31
<b>Productivity Ratios</b>			
Profit per employee (th)	12.75	13.65	41.49
Operating revenue per employee (th)	9.54	11.28	-12.65
Shareholders funds per employee (th)	666.59	539.06	481.63
Total assets per employee (th)	3167.84	2563.82	1031.54
<b>Growth Ratios</b>			
Sales growth rate (%)	484.87	73.47	171.66
Net profit growth rate (%)	-6.55	-69.84	832.32
Total assets growth rate (%)	23.56	127.83	116.05



## Industry Norm

Chinese Industry Code (CSIC): 3140

Year	2013	2012	2011	2010
# of Companies	Subject	4,727	4,727	4,362
<b>Profitability Ratios</b>				
Return on equity (%)	1.91	4.79	9.46	10.16
Return on assets (%)	0.40	1.54	3.10	3.51
Profit margin (%)	0.32	1.26	2.47	2.92
Gross margin (%)	2.41	6.19	6.94	7.05
<b>Operating Ratios</b>				
Assets turnover (x)	1.26	1.22	1.25	1.20
Stock turnover (x)	7.02	9.04	8.47	7.87
Collection period (days)	7	11	10	11.00
Credit period (days)	33	37	37	24
<b>Structure Ratios</b>				
Current ratio (x)	1.51	0.81	0.84	1.06
Quick ratio (x)	1.03	0.56	0.57	0.68
Shareholders liquidity ratio (x)	0.51	2.49	2.52	2.96
Solvency ratio (%)	21.04	32.10	32.71	34.57
Debt ratio (%)	78.96	67.90	67.29	65.43
<b>Productivity Ratios</b>				
Profit per employee (th)	12.75	25.90	52.04	54.40
Operating revenue per employee (th)	9.54	2047.98	2105.18	1860.57
Shareholders funds per employee (th)	666.59	540.94	549.91	535.51
Total assets per employee (th)	3167.84	1685.08	1681.06	1548.96
<b>Growth Ratios</b>				
Sales growth rate (%)	484.87	0.08	21.99	
Net profit growth rate (%)	-6.55	3.12	-4.31	
Total assets growth rate (%)	23.56	3.02	18.38	



## Credit Analysis and Risk Assessment

### Credit Analysis:

Based on the information obtained on Subject Company, we found the followings:

- 1.The subject has been in business for about 8 years.
- 2.The subject is a limited liability company.
- 3.The subject is considered a large size manufacturer and wholesaler of steel products with 1,100 people and annual sales of about USD710 million.
- 4.The subject owns its 80,000 square meter lands and premises in local industry zone.
- 5.The subject's financial info indicates a fair performance. The subject's sales have been growing up; its profitability seems very low; its liquidity is average with adequate working capitals; its financial structure is unbalanced with a high debt ratio; its short term loan level is high; its net worth is about USD120 million.
6. The subject's public search found litigation records.
- 7.The subject's industry competition is high.

Note: Creditreform (China) Credit Analysis is based on the following key factors:

Financial factors	Non-financial factors
1, Quick Ratio	1, Company legal status
2, Current Ratio	2, Years in business
3, Debt Ratio	3, Paid-up capital
4, DSO	4, Employee size
5, Asset Turnover	5, Location and region
6, AP to Sales	6, Industry that the subject belongs
7, Return on Equity	7, Court and Agent records

### Risk Assessment:

The above info indicates Moderate Risk when dealing with the subject.

Note: Creditreform (China) Risk Assessment is rated as the following categories:

- 1, Low Risk
- 2, Lower than Average Risk
- 3, Average Risk
- 4, Moderate Risk
- 5, Medium Risk
- 6, High Risk
- 7, Unrated

### Credit Opinion:

Large amount credit line can be extended. This information may be modified when further information is available.

Note:This is just a credit opinion formed based on the information collected in this report. The actual credit decision would be vary and determined by the user based on company's credit policy, risk management strategy, actual situation, and many other circumstances.  
 This report is just for your reference.

End