DOSSIER FIDELITAS

NINGBO TOPSIGNAL MACHINERY & ELECTRIC CO LTD

Report requested by DIRECTV ARGENTINA S.A.

China

November 2020

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Executive Overview

NINGBO TOPSIGNAL MACHINERY & ELECTRIC CO. LTD. is a Chinese manufacturer of satellite dishes, LNB, DCSS, VSAT (mobile antenna and marine antenna) and TVRO dishes, which supplies products to the TV operator market. Its shareholders are JERRY WANG (China, 90%) and RONG QIAN (China, 10%). The company indicates it is somehow related to JIAXING ROGETECH COMMUNICATION TECHNOLOGY CO., LTD and NINGBO SENFU MACHINERY AND ELECTRIC MFG.CO.LTD, without specifying the type of relation. Ningbo declares to have 49 employees and 430 subcontractors. It does not register bounced checks, banking delays, lawsuits, Compliance issues or adverse media. From an accounting point of view, the company presented a reasonable economic performance as of 12/2019, showing a year-on-year growth in Sales of 4.8%, and a final return of 3.5% on sales. Financially, it exhibited adequate levels of Liquidity (1.55) and Working Capital ($ 7.2 million, representing 35% of total assets). The Equity profile is average considering the low level of Capitalization of the Net Worth, the low Solvency (0.58) and the rather high Current Indebtedness (1.72). No elements were identified that impede the commercial relationship with the analyzed company.

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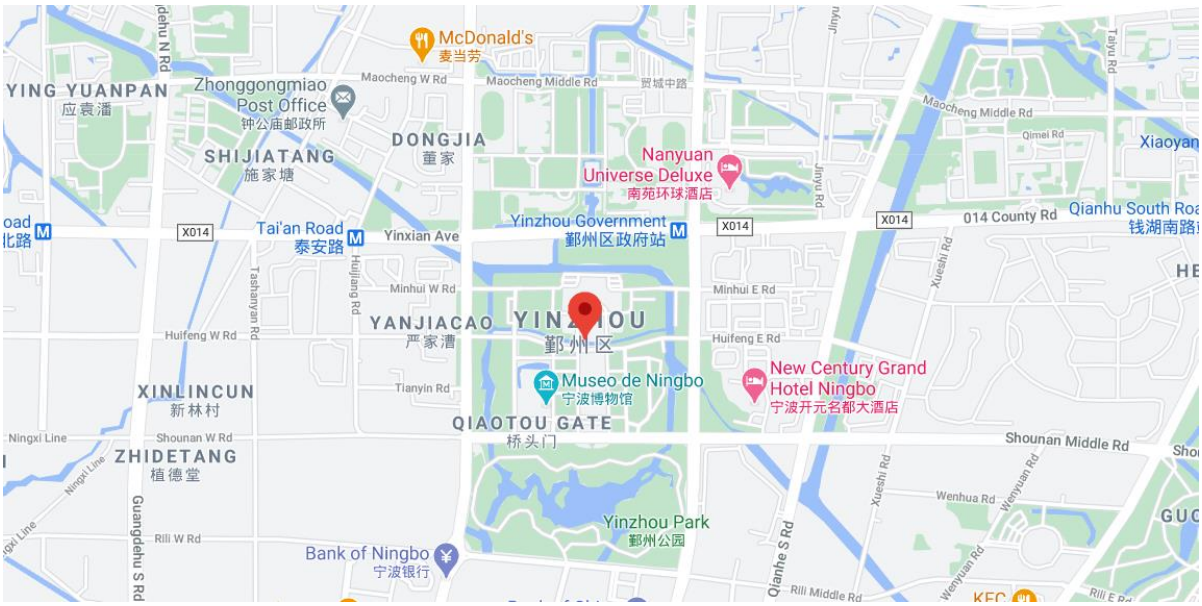
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Company Data/Details/ Information

COMPANY PROFILE

Company Name	Ningbo Topsignal Machinery & Electric Co. Ltd.
Legal Form	Limited Liability Company
Company Registration Number	91330212577529443Y
Activity	Other Machinery and Electronic Products Wholesale
Company Registration Date	06/07/2011
Registred Legal Address	No. 99, Tai Hui Xiang, Shounan Street Office
Location	Yinzhou District
Country	CHINA
Post Code	315100
Telephone	0086 - 574 - 82815260/1/2
Website	http://www.topsignalsat.com/
Employees	49 (Source: Company)
License Number	330212000254392
Business Scope	Mechanical equipment wholesale, retail; coal wholesale (not to have storage);coke wholesale, retail ;self-support or agent goods and technology import export, but national restriction business or ban import export's goods and technology exclusiveness. (must classic confirmation project, classic Related departments confirmation rearward to suit to begin to develop business activity)

Source: External



Source: External

HISTORICAL OVERWIEW

TOPSIGNAL is tier 1 satellite dish manufacturer in the industry. Differentiating from those low end satellite dish manufacturer, TOPSIGNAL is mainly supplying products to TV operator market which has strict quality requirements.
Upon the request of our clients, we started to make LNB at the beginning of 2011. With the help of huge dish export quantity, our LNB quantity has increased quickly. Besides standard universal Ku LNB series, we have developed a lot of special LNB for our TV operator customers, such as famous Ku one cable solution (2 L.O., 3 L.O. or even 4 L.O), DCSS LNB etc.
We have close and strategic cooperation with research institutes and satellite companies in China. With their technical supports, we have developed VSAT antenna (1.2M, 1.8M, 2.4M, 3.7M and 4.5M), mobile antenna and marine antenna. Besides regular TVRO dishes, TOPSIGNAL is trying to penetrate into high end and high tech market.
We contribute our success to strong supports from our faithful customers, suppliers with team spirit, accommodating government and financial institutes. Based on the principle of mutual benefits, we are willing to establish long term cooperation with friends in industrial and commercial circles throughout the World Source: External Means Consulting

MISSION, VISION AND HUMAN VALUES

Undisclosed Information

ASSETS

Undisclosed Information

OFFICIAL PUBLICATIONS

Undisclosed Information

OTHER PUBLICATIONS

No information detected/found

BRANDS & TRADEMARKS

Undisclosed Information

ADITIONAL INFORMATION

Ningbo Topsignal Machinery & Electric Co. Ltd..

Room 1401, No. 99 Taihui Alley.Shounan Street,Yinzhou District,Ningbo

TEL: 0086-574-82815262 FAX: 0086-574-82815263

E-mail:info@topsignalsat.com Http://www.topsignalsat.com

BUSINESS LICENSE

(Duplicate)

Unified Social Credit Code.: 91330212577529443Y

Company Name: Ningbo Topsignal Machinery & Electric Co. Ltd..

Type: Limited Liability Company

Address: Room1401,No.99TaihuiAlley,ShounanStreet,Yinzhou District,Ningbo

Legal person: Wang Jie

Registered capital: 1000000 RMB

Business Scope: Wholesale and retail of electromechanical equipment. Self operating or agent of import and export of goods and technology. (any project that needs to be approved by law can only be carried out after getting approval by relevant authorities)

The Date of registration: 2011/07/06

Operation term: 2011/07/06 to 2021/07/05

Registration Authority: Ningbo Market supervision and Administration Bureau

Date: 2018/02/09

Additional infomation attached to the platform.

Source: Company

PRODUCTS AND SERVICES

Products

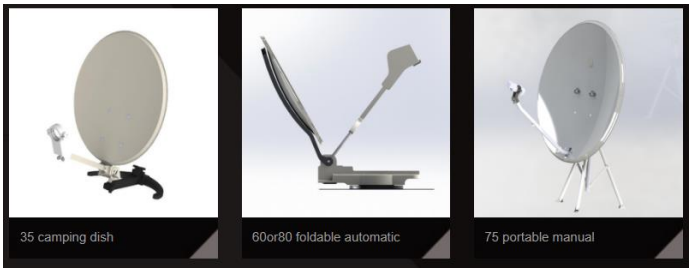
- **STEEL ANTENNA**



- **ALUMINUM MESH ANTENNA**



- **CAMPING ANTENNA**



- **MARINE ANTENNA**



- **KU BAND LNBF**



Source: External

CERTIFICATES

Certificates	Issued by	Issue date	Expiration date
ISO9001	CHINA QUALITY CERTIFICATION	28/02/2013	27/02/2019
ISO14001	CHINA QUALITY CERTIFICATION	26/02/2013	25/02/2019

Source: Company



QUALITY MANAGEMENT SYSTEM CERTIFICATE

Certificate No.: 00116Q20624R1M/3300

We hereby certify that

Ningbo Senfu Machinery and Electric MFG.Co.,Ltd

Organization Code Certificate: 76452577-4

Lingang Development Zones,Ninghai,Ningbo,Zhejiang,China

by reason of its

Quality Management System

has been awarded this certificate for compliance with the standard

ISO9001: 2008 GB/T19001-2008

The Quality Management System Applies in the following area:

Design,Development and Production of Satellite Dish and Accessories (Actuator Polarmount,LNBF and Soon)

Certified since: Feb. 28, 2013 Valid from: Jan. 15, 2016 Valid until: Feb. 27, 2019

After a surveillance cycle, the certificate is valid only when used together with an Acceptance Notice of Surveillance Audit issued by CQC. Please access www.cqc.com.cn for checking validity of the certificate.

(This certificate and its relevant information can query in the website of Certification and Accreditation Administration of the People's Republic of China (www.cnca.gov.cn).

(The validity of the ISO9001:2008 certificates expires on 15/09/2018. Please transfer to new edition certificates before that time.)

CHINA QUALITY CERTIFICATION CENTRE

Section 9, No.188, Nansihuan(the South Fourth Ring Road) Xiba(West Road), Beijing 100070,China

http://www.cqc.com.cn

Q 0005418

2015年版

ENVIRONMENTAL MANAGEMENT SYSTEM CERTIFICATE

Certificate No.: 00116E20104R1M/3300

We hereby certify that

Ningbo Senfu Machinery and Electric MFG.Co.,Ltd

Lingang Development Zones,Ninghai,Ningbo,Zhejiang,China

by reason of its

Environmental Management System

has been awarded this certificate for compliance with the standard

ISO14001:2004 GB/T24001-2004

The Environmental Management System Applies in the following area:

Design,Development and Production of Satellite Dish and Accessories (Actuator Polarmount,LNBF and Soon),and Related Management Activities

Certified since: Feb. 26, 2013 Valid from: Jan. 12, 2016 Valid until: Feb. 25, 2019

After a surveillance cycle, the certificate is valid only when used together with an Acceptance Notice of Surveillance Audit issued by CQC. Please access www.cqc.com.cn for checking validity of the certificate.

(The validity of the ISO14001:2004 certificates expires on 15/09/2018. Please transfer to new edition certificates before that time.)

CHINA QUALITY CERTIFICATION CENTRE

Section 9, No.188, Nansihuan(the South Fourth Ring Road) Xiba(West Road), Beijing 100070,China

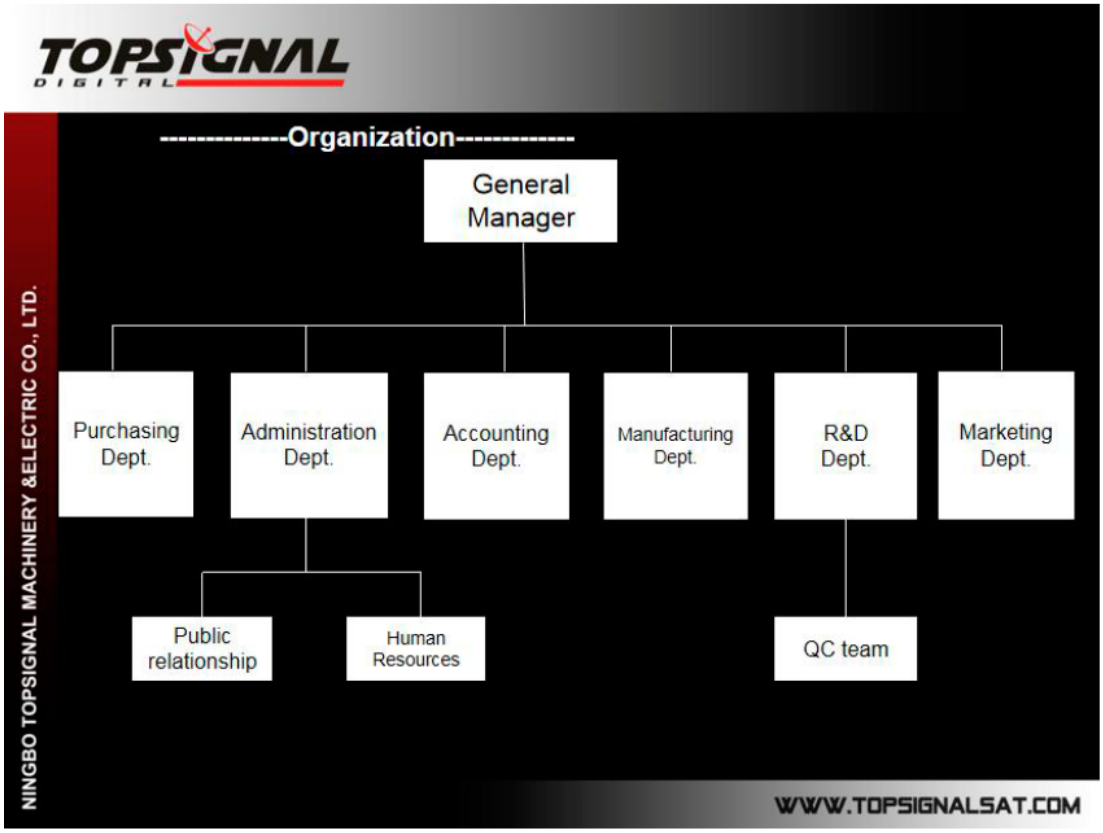
http://www.cqc.com.cn

E 0002013

2015年版

Source: Company

ORGANIZATIONAL CHART



Source: Company

MONTHLY BREAKDOWN/ HIRED EMPLOYEES DETAILS

Year	Production Staff	Commercial staff	Administration staff	Total Personnel
2017	34	8	7	49
2018	32	9	8	89
2019	31	10	8	**49**

Source: Company

SUBCONTRACTED STAFF

Year	Production Staff	Commercial staff	Administration staff	Total Personnel
2017	395	7	9	411
2018	390	8	10	408
2019	410	10	10	**430**

Source: Company

Corporate Structure and Related Companies

PARTNERS / SHAREHOLDERS

Name and Surname / Company Name	Nationality	Tax ID	%
JERRY WANG	CHINA	N/A	90
RONG QIAN	CHINA	N/A	10

Source: External

RELATED COMPANIES

Company Name	Tax ID	Nationality	Tipo de Relación
Jixaing Rogetech Communication Technology Co., Ltd	91330424780474652C	China	N/A
Ningbo Senfu Machinery and Electric MFG.Co., Ltd	91330226764526774U	China	N/A

Source: Company

MANAGERS

Name and Surname / Company Name	Nationality	Tax ID	Position
JERRY WANG	China	N/A	Legal Representative
WESLEY FU	China	N/A	R&D Manager
ALISA TAO	China	N/A	Administration Manager
EILEEN CHEN	China	N/A	Financial Manager
KRYSTAL XU	China	N/A	Sales Manager

Source: Company

Business Situation

INSURANCE

Undisclosed Information

SUPPLIERS

Company Name	Tax ID	Nationality	Annual Amount of Purchases (net)	Currency
Ningbo Marine Xitielong Industrial Co.,LTD	913302267264105273	China	¥ 8 000 000	Yuan
Haiyan Hongyu Fastener Co. LTD	913304247877370726	China	¥ 3 000 000	Yuan
Xinhai Thin Plate Group Co. LTD	91331122MA2A0FMF37	China	¥ 5 000 000	Yuan

Source: Company

CUSTOMERS

Undisclosed Information

ANNUAL PURCHASES

Undisclosed Information

SALES TO DIRECTV

Undisclosed Information

Analysis of Banking Activity

BANKING STATUS

No record found.

Source: External

DISHONORED CHECKS

No record found.

Source: External

Analysis of Judicial and Prosecutorial Situation

LAWSUITS AS PLAINTIFF OR DEFENDANT

No information detected/ found

Compliance

SEARCH CRITERIA

Analyzed Subject NINGBO TOPSIGNAL MACHINERY

Negative

Sources checked: List of worldwide politicians and government controlled entities (also known as PEPs, for politically exposed persons), Profiles of persons who hold political office, their immediate family members, close associates, and companies under their control; Crime - Global Enforcement List, Profiles of entities listed worldwide; Reputation - Global Foreign Officials List, SDN and Financial Intelligence Units, following the FATF (Financial Action Task Force) recommendations.

SEARCH CRITERIA

Analyzed Subject Jerry Wang

Negative

Sources checked: List of worldwide politicians and government controlled entities (also known as PEPs, for politically exposed persons), Profiles of persons who hold political office, their immediate family members, close associates, and companies under their control; Crime - Global Enforcement List, Profiles of entities listed worldwide; Reputation - Global Foreign Officials List, SDN and Financial Intelligence Units, following the FATF (Financial Action Task Force) recommendations.

SEARCH CRITERIA

Analyzed Subject Wesley Fu

Negative

Sources checked: List of worldwide politicians and government controlled entities (also known as PEPs, for politically exposed persons), Profiles of persons who hold political office, their immediate family members, close associates, and companies under their control; Crime - Global Enforcement List, Profiles of entities listed worldwide; Reputation - Global Foreign Officials List, SDN and Financial Intelligence Units, following the FATF (Financial Action Task Force) recommendations.

SEARCH CRITERIA

Analyzed Subject Alisa Tao

Negative

Sources checked: List of worldwide politicians and government controlled entities (also known as PEPs, for politically exposed persons), Profiles of persons who hold political office, their immediate family members, close associates, and companies under their control; Crime - Global Enforcement List, Profiles of entities listed worldwide; Reputation - Global Foreign Officials List, SDN and Financial Intelligence Units, following the FATF (Financial Action Task Force) recommendations.

SEARCH CRITERIA

Analyzed Subject Eileen Chen

Negative

Sources checked: List of worldwide politicians and government controlled entities (also known as PEPs, for politically exposed persons), Profiles of persons who hold political office, their immediate family members, close associates, and companies under their control; Crime - Global Enforcement List, Profiles of entities listed worldwide; Reputation - Global Foreign Officials List, SDN and Financial Intelligence Units, following the FATF (Financial Action Task Force) recommendations.

SEARCH CRITERIA

Analyzed Subject Krystal Xu

Negative

Sources checked: List of worldwide politicians and government controlled entities (also known as PEPs, for politically exposed persons), Profiles of persons who hold political office, their immediate family members, close associates, and companies under their control; Crime - Global Enforcement List, Profiles of entities listed worldwide; Reputation - Global Foreign Officials List, SDN and Financial Intelligence Units, following the FATF (Financial Action Task Force) recommendations.

PRESS INFORMATION

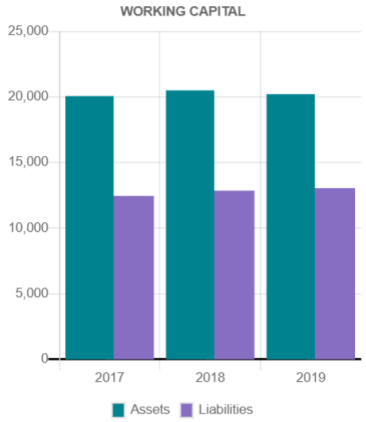
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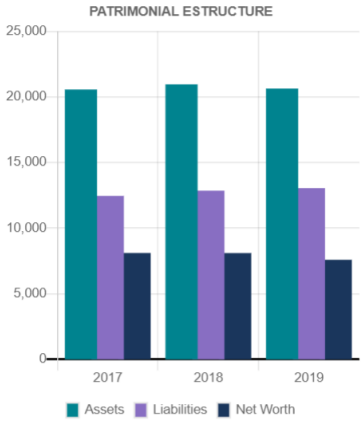
Financial Statements

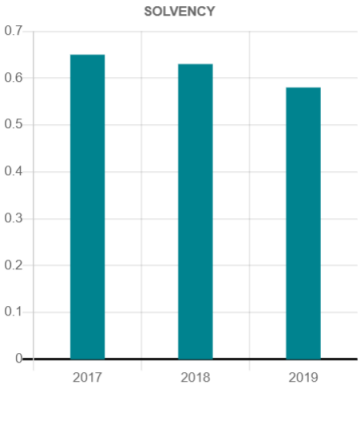
ASSETS

Date	31/12/2017	31/12/2018	31/12/2019
Cash and Banks	4 486	5 322	4 866
Current Investments	3 000	3 000	3 000
Accounts Receivable (Long-Term Assets)	9 315	9 114	9 383
Other Credits	2 359	2 159	2 057
Inventories	900	900	900
Intangible Inventories	0	0	0
Other Current Assets	0	0	0
Total Current Assets	20 059	20 496	20 206
Accounts Receivable	0	0	0
Long-Term Credits	0	0	0
Long-Term Investments	91	0	0
Fixed Assets - Original Value	1 896	2 306	2 306
Accumulated Depreciation	1 486	1 940	1 970
Fixed Assets	410	366	336
Long-Term Intangible Assets	0	0	0
Other Long-Term Assets	0	91	91
Total Long-Term Assets	502	458	428
Total Assets	20 561	20 954	20 634

Values in thousands Yuanes Chinos



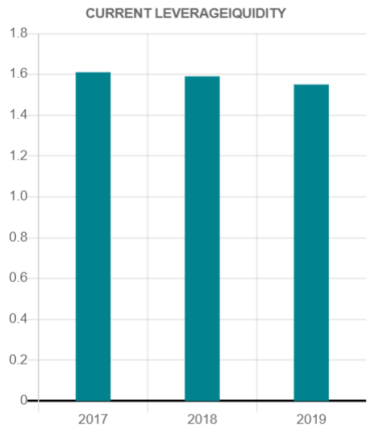


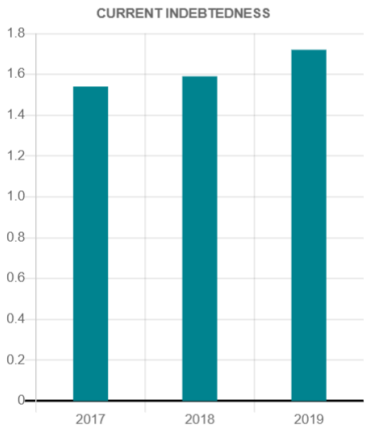


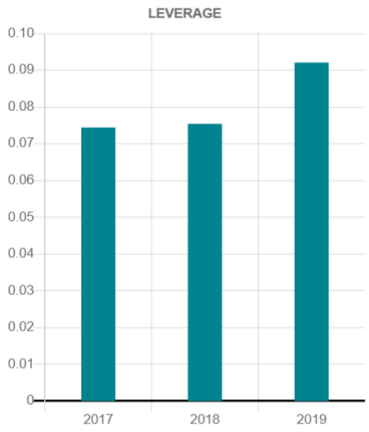
LIABILITIES/NET WORTH

Date	31/12/2017	31/12/2018	31/12/2019
Accounts Payable	8 122	8 438	7 833
Bank Debts (Bank)	0	0	0
Corporate Debts	477	676	2 666
Taxes Payable	29	18	23
Clients' Prepayments	3 828	3 722	2 523
Other Liabilities	0	0	0
Total Current Liabilities	12 455	12 854	13 046
Accounts Payable	0	0	0
Bank Debts	0	0	0
Taxes Payable	0	0	0
Other Liabilities	0	0	0
Pensions	0	0	0
Total Long-Term Liabilities	0	0	0
Total Liabilities	12 455	12 854	13 046
Share Capital	1 000	1 000	1 000
Unassigned Profits	7 106	7 099	6 588
Net Worth	8 106	8 099	7 588

Values in thousands Yuanes Chinos



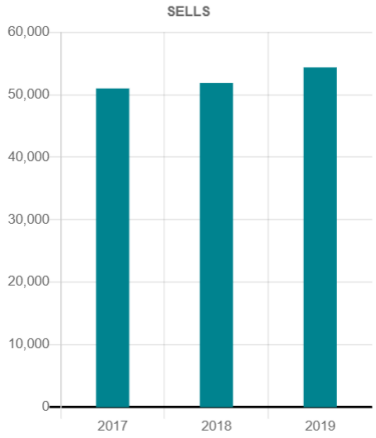


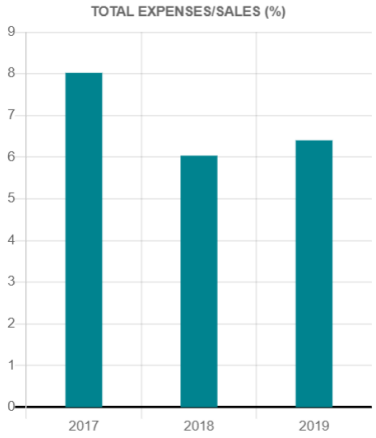


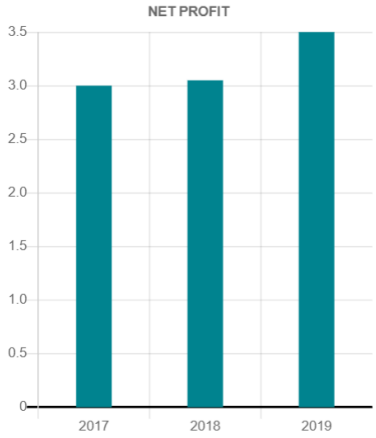
PROFIT & LOSS STATEMENT

Date	31/12/2017	31/12/2018	31/12/2019
Sales	50 980	51 860	54 350
Purchases	0	0	0
Cost of Sales	4 183	43 260	44 890
Gross Margin	46 797	8 600	9 460
Amortization	50	0	50
Business Expenses	3 250	2 450	480
Administrative Expenses	680	680	3 000
Financial Expenses	160	0	0
Other Incomes	0	0	0
Other Expenses	41 177	3 890	3 900
Financial & Holding Results	0	0	0
Income Tax	0	0	180
Return on Sales	1 530	1 580	1 900

Values in thousands Yuanes Chinos







KPIs

Date	31/12/2017	31/12/2018	31/12/2019
Current Liquidity Current Assets / Current Liabilities	1,61	1,59	1,55
Acid Liquidity (Current Assets - Inventories) / Current Liabilities	1,54	1,52	1,48
Indebtedness Total Liabilities / Net Worth	1,54	1,59	1,72
Indebtedness Fixed Assets Long-Term Liabilities / Fixed Assets	0,00	0,00	0,00
Solvency Equity / Liabilities	0,65	0,63	0,58
Working Capital Current Assets - Current Liabilities	7 604,03	7 641,87	7 160,34
Fixed Assets Investments Net Worth / Fixed Assets	19,76	22,11	22,56
Gross Profit (Gross Profit / Sells) * 100	91,79	16,58	17,41
Net Profit (Net Profit / Sells) * 100	3,00	3,05	3,50
Return on equity Net Profit / Net Worth	0,19	0,20	0,25
Total Assets Turnover Sells / Total Assets	2,48	2,48	2,63
Fixed Assets Turnover Sells / Fixed Assets	124,28	141,59	161,61
Return on Assets (Net Profit / Total Assets) * 100	7,44	7,54	9,21
EBITDA/Liabilities (Result of Exercise + Amortization + Financial Expenses + Income Tax) / Total Liabilities	0,14	0,12	0,16
Credit Turnover Sells / Accounts Receivable	5,47	5,69	5,79
Inventory Turnover Cost of Sales / Inventories	4,65	48,06	49,87
Bank Debts / Net Worth Bank Debts / Net Worth	0,00	0,00	0,00
Bank Debts / (Sells/12) Bank Debts / (Sells / 12)	0,00	0,00	0,00

Values in thousands Yuanes Chinos

COMMENTS ON FINANCIAL STATEMENTS

For the analysis of the economic, financial and patrimonial situation of the client, were used the Financial Statements (unaudited) corresponding to the years 2017 2018 and 2019 (closing date 31/12).

Currency: Chinese Yuan

Leading indicators

Economic:

- Sales for the year ended 12/2019 totaled $ 54.3 million, which represented a nominal growth of 4.8% compared to the previous year ($ 51.8 million in 12/2018).
- Direct Cost represented 82.6% of sales (83.4% in 2018) and structural expenses (Administration and Marketing) represented 6.4% of sales, generating an operating result of $ 5.9 Million (11% of sales) vs $ 5.5 Million (10.5% on sales) in 2018.
- Various expenses were recorded for $ 3.9 million, corresponding mainly to advertising expenses.
- Then, after deducting the income tax charge of $ 180 thousand, the company showed a final profit of $ 1.9 million, which represented 3.5% of sales vs. $ 1.6 million and 3% of sales in the previous year.

In summary, the company presented a reasonable economic performance with a slight increase in turnover and acceptable levels of operational and final profitability.

Financial

- The current liquidity indicator showed adequate values in the last three years and as of 12/2019 it was 1.55.
- The working capital reached $ 7.2 million, a figure that represented 35% of the total assets, the relationship being considered adequate.
- The company does not register bank debts.

In summary, the financial situation as of 12/2019 was satisfactory based on the current liquidity and working capital indicators.

Patrimonial

- The net worth showed a reduction of 6% compared to the previous year ($ 7.6 Million in 12/2019 vs $ 8 Million in 12/2018). Of the total NP only $ 1 million corresponds to capital, which is why its composition is considered volatile.
- The current debt indicator went from 1.59 to 1.72 and the solvency fell from 0.63 to 0.58, deteriorating and remaining within adjusted parameters.

In summary, the financial situation as of 12/2019 is adjusted, based on its low level of capitalization of the NP and the adjusted solvency and indebtedness indicators.

Analyzed Periods				2017/2018/2019			
Concepto	Expresado por	Valor	Grade	Concepto	Expresado por	Valor	Grade
Net Worth Analysis				**Financial Analysis**			
Solvency	ratio	0,60	3	Current Liquidity	ratio	1,56	10
Current Indebtedness	ratio	1,67	4	Acid Liquidity	ratio	1,49	10
Current Capital on Assets	%	35,3%	8	Current Liabilities Turnover	días	1.131	1
Non-Current Assets on Assets	%	2,1%	10	Accounts Receivable Turnover	días	53	10
Non-Current Assets Financing	ratio	17,58	10	Leverage	ratio	0,09	10
Bank Debt to Liabilities	%	0,0%	10	**Efficiency Analysis**			
Accounts Payable to Liabilities	%	84,1%	1	Financing Expenses/Sales	%	0,0%	10
Profitability Analysis				Commercial Expenses/Sales	%	2,2%	10
ROI	%	23,3%	10	Administrative Expenses/Sales	%	4,3%	10
Profitability of Investment	%	25,2%	10	Total Expenses/Sales	%	6,5%	10
Profit Margin	%	9,4%	5	Life of Fixed Assets	años	6	5
Gross Return on Sales	%	24,7%	10	Inventory Turnover	días		10
ROS	%	3,4%	5	Assets Turnover	veces	2,57	10
Financing Cost	%	0,1%	10	Total			
Operative Margin	%	18,0%	10	74,10			
EBITDA/Sales	%	3,7%	3				
EBITDA/Interest	%		10				

