

MIRA INFORM REPORT

Report No. :	527259
Report Date :	30.08.2018

IDENTIFICATION DETAILS

Name :	ZHEJIANG KINGSAFE INTERLINING CO LTD
Registered Office :	Economic & Technological Development Zone Changxing County Zhejiang Province, Pr
Country :	China
Financials (as on) :	31.12.2017
Date of Incorporation :	23.12.1992
Credibility Code :	91330500609591218Q
Legal Form :	Chinese-Foreign Equity Joint Venture Enterprise
Line of Business :	The subject's registered business scope includes manufacturing sewing apparel accessories and garment accessories; selling self-made products.
No. of Employees :	245

RATING & COMMENTS

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

MIRA's Rating : A

Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Good
Payment Behaviour :	Regular
Litigation :	Clear

NOTES :

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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. Measured on a purchasing power parity (PPP) basis that adjusts for price differences, China in 2016 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.

After keeping its currency tightly linked to the US dollar for years, China in July 2005 moved to an exchange rate system that references a basket of currencies. From mid-2005 to late 2008, the renminbi 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 allow a resumption of gradual liberalization. From 2013 until early 2015, the renminbi (RMB) appreciated roughly 2% against the dollar, but the exchange rate fell 13% from mid-2015 until end-2016 amid strong capital outflows in part stemming from the August 2015 official devaluation; in 2017 the RMB resumed appreciating against the dollar – roughly 7% from end-of-2016 to end-of-2017. From 2013 to 2017, China had one of the fastest growing economies in the world, averaging slightly more than 7% real growth per year. 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

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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

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COMPANY NAME & ADDRESS

Company Name : ZHEJIANG KINGSAFE INTERLINING CO LTD
Address : NO. 999 LUHUI ROAD CHANGXING ECONOMIC & TECHNOLOGICAL
DEVELOPMENT ZONE ZHICHENG STREET CHANGXING COUNTY HUZHOU
ZHEJIANG PROVINCE, PR CHINA
Telephone : 0086-572-6230705
Facsimile : 0086-572-6230999
Website : --
Email : jbm20007@163.com

Note: The correct name should be the heading one.

REGISTRATION INFORMATION

Established Date : 1992-12-23
Credibility Code : 91330500609591218Q
Legal Form : Chinese-Foreign Equity Joint Venture Enterprise
Registration Authority: Market Supervision Bureau - Huzhou
Status : Active

Registered Capital : RMB 13,999,752
Paid Up Capital : RMB 13,999,752
Turnover : RMB 205,069,000 (as of Dec. 31, 2017)
Equities : RMB 132,062,000 (as of Dec. 31, 2017)

Chief Executive : Yan Huarong
Business Line : Manufacturer
Manpower : 245

Tax Registration
Certificate No. : 91330500609591218Q
Organization Code : 60959121-8

HS code : 3305930214
Import & Export code: --

Financial Condition : Fairly Stable
Business Size : Medium Enterprise
Payment : Regular

REGISTERED ADDRESS

ECONOMIC & TECHNOLOGICAL DEVELOPMENT ZONE CHANGXING COUNTY ZHEJIANG PROVINCE, PR CHINA

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COMPANY STATUS: CHINESE-FOREIGN EQUITY JOINT VENTURE ENTERPRISE

This form of business in PR China is defined as a legal person. It is a limited co. jointly invested by one or more foreign companies and one or more PR China controlled companies within the territories of PR China according to a certain proportion of capital investment. The investing parties exercise business management, share profits and bear all risks and liabilities of the co. together. The equity joint venture law requires that foreign party contribute not less than 25% of the registered capital, with no maximum. The investing parties are free to agree on method of profit distribution and liabilities bearing according to the proportion of capital investment. Each investing parties contributes funds, tangible assets, technology & etc. The board of directors excises the high authority. The joint venture usually has a limited duration of 10 to 50 years. Enterprise with large investment, long construction periods, low investment returns, introducing of advanced technology & advanced technology products that have good competition position in international market may extend beyond the 50 years limit.

PREMISE

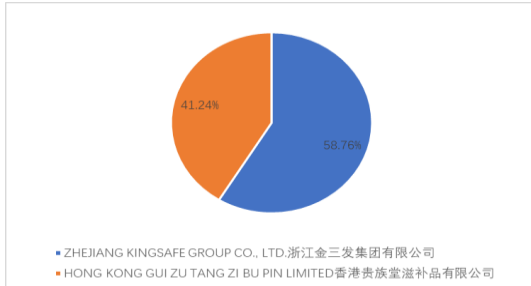
The subject operates from premises located at the heading address, and this address houses its operating office and factory in Changxing County. Our checks reveal that the subject rents the total premise, but the square meters are unknown.

MANAGEMENT

Position	Name	Nationality
Legal representative, Chairman	Yan Huarong	Chinese
Vice Chairman	Yu Mingtian	Chinese
General Manager	Zhou Shouquan	Chinese
Directors	Feng Chunnan	Chinese
Supervisors	Tang Yunhua	Chinese

MAJOR SHAREHOLDERS

Name	% Shareholding
Zhejiang Kingsafe Group Co., Ltd.	58.76%
Hong Kong Gui Zu Tang Zi Bu Pin Limited	41.24%



Zhejiang Kingsafe Group Co., Ltd.

Credibility Code: 91330522704464452R
Legal representative: Yan Huarong
Registered Capital: RMB 50,500,000
Established Date: 1996-01-26

KEY EVENTS

Changes of its registered information are as follows:

Date of change	Item	Before the change	After the change
2008-03-06	Company name	Zhejiang Gold BMW Fusible Interlining Co., Ltd	Present one
2004-10-18	Company name	Zhejiang Changxin Golden Triangle Garment Material Co., Ltd.	Zhejiang Gold BMW Fusible Interlining Co., Ltd

BUSINESS OPERATIONS

The subject's registered business scope includes manufacturing sewing apparel accessories and garment accessories; selling self-made products.

The subject is mainly engaged in manufacturing and selling linings and other related products.

Products:

Linings
Nonwoven fabric

Etc.

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The subject sources its materials 90% from domestic market, and 10% from overseas market. the subject sells 30% of its products in domestic market, and 70% to overseas market, mainly India, Vietnam, Russia, etc.

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

SUPPLIER & CUSTOMER

No record.

RELATED COMPANIES

No Subsidiary

NEGATIVE INFORMATION

Lawsuit Record:

Date	Case No.	Petitioner	Defendant	Executive court	Status
2018-07-12	2018-0522	The subject company.	Huzhou Sihua Textile Co., Ltd.	Changxing County people's court	Concluded
2018-04-09	2018-698	The subject company.	Shaoxing Xue Kun Textile Co., Ltd.	Changxing County people's court	Concluded

Etc.

Trade payment experience: The subject 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 the subject was placed to us for collection within the last 6 years.

Customs administrative penalty: No record.

Equity freeze information: No record.

Administrative Penalty: No record.

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MORTGAGE

There is no record of mortgage information at present.

TRADEMARK

Registration No.	Registration Date	Trademark Design
6022400	2010-3-14	西格玛

PATENT

Patent name	Published Application Number	Application number	Date of publication
An improved nonwovens dyeing line	CN206328574U	CN201620876493.X	2017-07-14
A nonwovens dyeing line	CN206328573U	CN201620870066.0	2017-07-14

Etc.

BANKING

Zhejiang Chouzhou Commercial Bank Huzhou Changxing Sub-Branch

Account No.: 13701012010090000640

ABBREVIATED FINANCIAL STATEMENT

Financial Summary

=====
Unit: RMB'000

	As of Dec. 31, 2016	As of Dec. 31, 2017
Total assets	253,213	340,115
Total liabilities	124,642	208,053
Equities	128,571	132,062

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Total liabilities & equities	----- 253,213	----- 340,115
Turnover	=====	=====
Profits before tax	194,033	205,069
Less: tax	28,259	5,048
Profits	4,143	1,571
	24,116	3,477

Important Ratios

=====

	As of Dec. 31, 2016	As of Dec. 31, 2017
*Liabilities to assets	0.49	0.61
*Net profit margin (%)	12.43	1.70
*Return on total assets (%)	9.52	1.02
*Turnover/Total assets	0.77	0.60

PROFITABILITY: AVERAGE

- The turnover of the subject appears fairly good in its line.
- The subject's net profit margin is fairly good in 2016 and average in 2017.
- The subject's return on total assets is fairly good in 2016 and average in 2017.
- The subject's turnover is in a fair level, comparing with the size of its total assets.

LEVERAGE: AVERAGE

- The debt ratio of the subject is average.
- The risk for the subject to go bankrupt is average.

TREND ANALYSIS

=====

	2015	2016	2017
Sales Trend	--	--	↑
Profit margin	--	--	↓
Debt to assets ratio	--	--	↑
Overall Financial Condition	<input type="checkbox"/> Good <input checked="" type="checkbox"/> Fairly Stable	<input type="checkbox"/> Fairly Good <input type="checkbox"/> Fair	<input type="checkbox"/> Stable <input type="checkbox"/> Poor

COMMENT

The subject was registered as a Chinese-foreign equity joint venture enterprise at local Administration for Industry & Commerce (AIC - The official body of issuing and renewing business license). The subject is considered medium-sized in its line with fairly stable financial conditions.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.50
UK Pound	1	INR 90.63
Euro	1	INR 82.34
CNY	1	INR 10.36

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

INFORMATION DETAILS

Analysis Done by :	PRA
Report Prepared by :	TPT

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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)