

## MIRA INFORM REPORT

<b>Report No. :</b>	545571
<b>Report Date :</b>	15.12.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	ZHANGJIAGANG LIANXIN PLASTICS MACHINERY CO., LTD.
<b>Registered Office :</b>	60# Jinqiao West Rd, Luyuan Town, Zhangjiagang City, Jiangsu Province 215616 PR
<b>Country :</b>	China
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	11.08.2003
<b>Unified Social Credit Code.:</b>	91320582752725127U
<b>Legal Form :</b>	Limited Liabilities Company
<b>Line of Business :</b>	Subject registered business scope includes manufacturing, processing and marketing of plastic machinery, textile machinery, printing machinery, hydraulic machinery, plastic products, machinery parts; self-management in importing and exporting business of all kinds of goods and technology (except the goods and technology limited or forbidden by the state)
<b>No. of Employees :</b>	62

**RATING & COMMENTS**

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

**MIRA's Rating :** B

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

<b>Status :</b>	Moderate
<b>Payment Behaviour :</b>	No Complaints
<b>Litigation :</b>	Clear

**NOTES :**

Any query related to this report can be made on e-mail : [infodept@mirainform.com](mailto:infodept@mirainform.com) while quoting report number, name and date.

**ECGC Country Risk Classification List**

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
China	A1	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

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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 AND ADDRESS**

**COMPANY NAME** ZHANGJIAGANG LIANXIN PLASTICS MACHINERY CO., LTD.  
**CURRENT ADDRESS/ REGISTERED ADDRESS** 60# JINQIAO WEST RD, LUYUAN TOWN, ZHANGJIAGANG  
CITY, JIANGSU PROVINCE 215616 PR CHINA  
**TEL. NO.** 86 (0) 512-58342949  
**FAX NO.** 86 (0) 512-58484128

**\*\*\*Note: The "1# Yucai Road Gangkou Town Zhangjiagang City" was SC's former address.**

## **EXECUTIVE SUMMARY**

**DATE OF REGISTRATION** : AUGUST 11, 2003  
**UNIFIED SOCIAL CREDIT CODE** : 91320582752725127U  
**LEGAL FORM** : LIMITED LIABILITIES COMPANY  
**CHIEF EXECUTIVE** : HE ZHIBIN (LEGAL REPRESENTATIVE)  
**REGISTERED CAPITAL** : CNY 500,000  
**STAFF** : 62  
**BUSINESS CATEGORY** : MANUFACTURING & TRADING  
**REVENUE** : CNY 26,503,000 (AS OF DEC. 31, 2017)  
**EQUITIES** : CNY 4,145,000 (AS OF DEC. 31, 2017)  
**WEBSITE** : [www.zjqlxsj.com](http://www.zjqlxsj.com)  
**E-MAIL** : [lx@zjqlx.com](mailto:lx@zjqlx.com)  
**PAYMENT** : NO COMPLAINTS  
**MARKET CONDITION** : AVERAGE  
**FINANCIAL CONDITION** : FAIRLY STABLE  
**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

Ordinary

**General Reputation:-**

Excellent

Good

Fairly Good

Average

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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: 91320582752725127U.

SC's registered capital: CNY 500,000

SC's paid-in capital: CNY 500,000

### **Registration Change Record:-**

<b>Date</b>	<b>Change of Contents</b>	<b>Before the change</b>	<b>After the change</b>
2017-3-17	Registration No./ Unified Social Credit Code	320582000062054	91320582752725127U

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

<b>Name of Shareholder (s)</b>	<b>% of Shareholding</b>
Ni Ai'ming	49
He Zhibin	51

### **SC's Chief Executives:-**

<b>Position</b>	<b>Name</b>
Legal Representative, Chairman and General Manager	He Zhibin
Supervisor	Ni Ai'ming

## **RECENT DEVELOPMENT**

No recent development was found during our checks at present.

## **SHAREHOLDER CHART & BACKGROUND**

<b>NAME</b>	<b>% OF SHAREHOLDING</b>
Ni Ai'ming	49
He Zhibin	51

## **MANAGEMENT**

### **He Zhibin , Legal Representative, Chairman and General Manager**

- Gender: M
- Nationality: China
- Age: 41
- ID# 320582197712063332
- Qualification: University
- Working experience (s):

At present, working in SC as legal representative, chairman and general manager

### **Supervisor**

Ni Ai'ming  
ID# 320521197111143318

## **BUSINESS OPERATION**

SC's registered business scope includes manufacturing, processing and marketing of plastic machinery, textile machinery, printing machinery, hydraulic machinery, plastic products, machinery parts; self-management in importing and exporting business of all kinds of goods and technology (except the goods and technology limited or forbidden by the state)

SC is mainly engaged in manufacturing and selling plastic machinery.

Brand: Lianxin

SC's products mainly include: Injection Blow Molding Machine, Injection Blow Mold, Bottles, Assistant Equipment and etc.

SC sources its material 100% from domestic market. SC sells 40% of its products in domestic market, and 60% to overseas market.

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

\*Major Customers:

=====  
Work King Tools Colombia S.A  
Khatri Plastic Industries  
Classy Kontainers

**Staff & Office:**

-----  
SC is known to have approx. 62 staff at present.

SC rents an area as its operating office & factory of approx. 2,000 sq. meters at the heading address.

## **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 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**

**Basic Bank:**

Agricultural Bank of China Gangkou Sub-branch

AC#: 10528001040002967

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## **FINANCIALS**

### **Financial Summary**

Unit: CNY'000	As of Dec. 31, 2013
Total assets	13,280
	-----
Total liabilities	10,400
Equities	2,880
	-----
Revenue	17,750
Profit before tax	727
Less: profit tax	326
Profits	401

### **Balance Sheet**

Unit: CNY'000	As of Dec. 31, 2014
Cash	2,210
Accounts receivable	-2,610
Advances to suppliers	50
Other receivable	780
Inventory	3,220
Other current assets	80
	-----
Current assets	3,730
Fixed assets	5,700
Other non-current assets	1,960
	-----
Total assets	11,390
	=====
Short-term loans	0
Accounts payable	8,820
Taxes payable	-230
Advances from clients	-810
Other payable	160
Other current liabilities	0
	-----
Current liabilities	7,940
Non-current liabilities	0
	-----
Total liabilities	7,940
Equities	3,450
	-----
Total liabilities & equities	11,390
	=====

### **Income Statement**

Unit: CNY'000	As of Dec. 31, 2014
Revenue	22,970

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Cost of sales	18,560
Sales expense	2,280
Management expense	1,620
Finance expense	14
Non-operating income	140
Non-operating expense	130
Profit before tax	742
Less: profit tax	167
Profits	575

**Financial Summary**

Unit: CNY'000	<b>As of Dec. 31,</b>	<b>As of Dec. 31,</b>	<b>As of Dec. 31,</b>
	<b>2015</b>	<b>2016</b>	<b>2017</b>
Total assets	14,209	15,125	13,824
	-----	-----	-----
Total liabilities	10,674	11,359	9,679
Equities	3,535	3,766	4,145
	-----	-----	-----
Revenue	13,848	16,831	26,503
Profit before tax	175	249	412
Less: profit tax	94	18	33
Profits	81	231	379

**Important Ratios**

=====	<b>As of Dec. 31,</b>	<b>As of Dec.</b>	<b>As of Dec.</b>	<b>As of Dec.</b>	<b>As of Dec.</b>
	<b>2013</b>	<b>31, 2014</b>	<b>31, 2015</b>	<b>31, 2016</b>	<b>31, 2017</b>
*Current ratio	--	0.47	--	--	--
*Quick ratio	--	0.06	--	--	--
*Liabilities to assets	0.78	0.70	0.75	0.75	0.70
*Net profit margin (%)	2.26	2.48	0.58	1.37	1.43
*Return on total assets (%)	3.02	5.00	0.57	1.53	2.74
*Inventory / Revenue x365	--	51 days	--	--	--
*Accounts receivable/ Revenue x365	--	--	--	--	--
*Revenue/Total assets	1.34	2.02	0.97	1.11	1.92
*Cost of sales / Revenue	--	0.81	--	--	--

**FINANCIAL COMMENTS**

**PROFITABILITY: AVERAGE**

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

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**LIQUIDITY: FAIR**

- The current ratio of SC is maintained in a poor level.
- SC's quick ratio is maintained in a poor level.
- The inventory of SC appears average.
- SC has no short-term loans.
- SC's revenue is in an average level, comparing with the size of its total assets.

**LEVERAGE: AVERAGE**

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

**Overall financial condition of the SC: Fairly Stable.**

## **CONCLUSIONS**

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

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupee
US Dollar	1	INR 71.74
UK Pound	1	INR 90.58
Euro	1	INR 81.46
CNY	1	INR 10.41

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

**INFORMATION DETAILS**

Analysis Done by :	PRI
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)