

MIRA INFORM REPORT

Report No. :	546430
Report Date :	20.12.2018

IDENTIFICATION DETAILS

Name :	ZHEJIANG WANLI TEXTILE MACHINERY CO., LTD.
Registered Office :	Gongnong Village, Guali Town, Xiaoshan District, Hangzhou, Zhejiang Province
Country :	China
Financials (as on) :	31.12.2017
Date of Incorporation :	12.08.1997
Unified Social Credit Code :	91330109255783457J
Legal Form :	Limited Liabilities Company
Line of Business :	Subject includes manufacturing of textile machinery, mould, hardware machinery components, and plastic products; exporting its products and technology; importing raw materials & accessories, machinery, meters & instruments, components, and technology; processing with imported materials, processing with imported samples, assembling with imported parts, and compensation trade in agreement; selling building materials and stone materials; and real estate development and operation.
No. of Employees :	396

RATING & COMMENTS

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

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Good
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Payment Behaviour :	Regular
Litigation :	Clear

NOTES:

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 (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. 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

COMPANY NAME & ADDRESS

COMPANY NAME ZHEJIANG WANLI TEXTILE MACHINERY CO., LTD.
CURRENT ADDRESS KANSHAN TOWN, XIAOSHAN DISTRICT, HANGZHOU, ZHEJIANG
PROVINCE 311243 PR CHINA
REGISTERED ADDRESS GONGNONG VILLAGE, GUALI TOWN, XIAOSHAN DISTRICT,
HANGZHOU, ZHEJIANG PROVINCE
TEL. NO. 86 (0) 571-82519868/82557888/82585588
FAX NO. 86 (0) 571-82519868

EXECUTIVE SUMMARY

DATE OF REGISTRATION : AUGUST 12, 1997
UNIFIED SOCIAL CREDIT CODE : 91330109255783457J
LEGAL FORM : LIMITED LIABILITIES COMPANY
CHIEF EXECUTIVE : WAN ZUGAN (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL : CNY 35,180,000
STAFF : 396
BUSINESS CATEGORY : MANUFACTURING & TRADING
REVENUE : CNY 214,756,000 (AS OF DEC. 31, 2017)
EQUITIES : CNY 108,008,000 (AS OF DEC. 31, 2017)
WEBSITE : www.zjwanli.com
E-MAIL : 82555888@163.com
PAYMENT : REGULAR
MARKET CONDITION : AVERAGE
FINANCIAL CONDITION : FAIRLY STABLE
OPERATIONAL TREND : FAIRLY STEADY
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
Fair
Stagnant
Downward
Not known
Not yet be determined

General Reputation:-

Excellent
Good
Fairly Good
Average
Fair
Detrimental
Not known
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: 91330109255783457J.

SC's registered capital: CNY 35,180,000

SC's paid-in capital: CNY 35,180,000

Registration Change Record:-

Date	Change of Contents	Before the change	After the change
2006	Registered Capital	CNY 15,180,000	CNY 35,180,000
2011	Registration No.	3301812310109	330181000113064
2016-7-18	Registration No./ Unified Social Credit Code	330181000113064	91330109255783457J

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

Name of Shareholder (s)	% of Shareholding
Wan Zugan	60.2047
Wan Tianjiao	39.7953

SC's Chief Executives:-

Position	Name
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Legal Representative, Chairman and General Manager
Supervisor

Wan Zugan
Wan Tianjiao

RECENT DEVELOPMENT

SC has got the certificate of ISO9001:2000, SC was also honored as "National Torch Project Certificate", "Key High-tech Enterprise Certificate", "Famous trademark certificate", etc.

SHAREHOLDER CHART & BACKGROUND

Name	% of Shareholding
Wan Zugan	60.2047
Wan Tianjiao	39.7953

MANAGEMENT

Wan Zugan, Legal Representative, Chairman and General Manager

Gender: M
Age: 60's
Working experience (s):

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

Wan Tianjiao, Supervisor

Gender: F
Working experience (s):

Also working in Hangzhou Wanli Stone Materials Co., Ltd. as legal representative

BUSINESS OPERATION

SC's registered business scope includes manufacturing textile machinery, mould, hardware machinery components, and plastic products; exporting its products and technology; importing raw materials & accessories, machinery, meters & instruments, components, and technology; processing with imported materials, processing with imported samples, assembling with imported parts, and compensation trade in agreement; selling building materials and stone materials; and real estate development and operation.

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SC is mainly engaged in manufacturing and selling textile machinery.

SC's products mainly include:

WL310G Two-for-one Twister

WL99-2 Covering Machine

WL450(c) High Speed Electronic Jacquard Loom

WL450-K Wider Width Electronic Rapier Loom

wL450(c) High Speed Electronic Rapier Loom

WL2002 Two-for-one Twister for Short Fiber

Etc.



SC sources its materials 100% from domestic market. SC sells 85% of its products in domestic market, and 15% to overseas market, mainly Egypt, Syria, Turkey, Morocco, India, Pakistan, Indonesia, etc.

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.

Staff & Office:

SC is known to have approx. 396 staff at present.

SC rents an area as its operating office and factory, but the detailed information is unknown.

RELATED COMPANY

Subsidiaries & Branch,

Hangzhou Wanli Stone Materials Co., Ltd.
Unified Social Credit Code: 913301095526702136
Date of Registration: April 9, 2010
Registered Capital: CNY 5,080,000
Legal Representative: Wan Tianjiao

Zhejiang Wanli Jiuju Automation Technology Co., Ltd.
Unified Social Credit Code: 91330109596613616E
Date of Registration: May 30, 2012
Registered Capital: CNY 20,000,000
Legal Representative: Gao Feng

Zhejiang Wanli Textile Machinery Co., Ltd. Rapier Loom Branch
Unified Social Credit Code: 91330109665215241E
Date of Registration: July 20, 2007

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Principal: Li Guixiang

PAYMENT

Overall payment appraisal:

() Excellent () Good (X) 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 Kanshan Office
AC#: 083401040003519

FINANCIALS

Balance Sheet

Unit: CNY'000	As of Dec. 31, 2016
Cash	26,070
Notes receivable	0
Accounts receivable	89,700
Advances to suppliers	0
Other receivable	24,060
Inventory	31,500
Non-current assets within one year	0
Other current assets	470

Current assets	171,800
Fixed assets	103,050
Construction in progress	0
Intangible assets	0
Long-term investment	0
Deferred income tax assets	0

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Other non-current assets	38,340

Total assets	313,190
	=====
Short-term loans	96,400
Notes payable	0
Accounts payable	75,480
Welfares payable	0
Taxes payable	0
Advances from clients	0
Other payable	36,880
Other current liabilities	11,640

Current liabilities	220,400
Non-current liabilities	0

Total liabilities	220,400
Equities	92,890

Total liabilities & equities	313,190
	=====

Income Statement

Unit: CNY'000	As of Dec. 31, 2016
Revenue	115,640
Cost of sales	94,400
Profit before tax	2,460
Less: profit tax	0
Profits	2,460

Financial Summary

Unit: CNY'000	As of Dec. 31, 2017
Total assets	355,532

Total liabilities	247,524
Equities	108,008

Revenue	214,756
Profit before tax	10,236
Less: profit tax	1,535
Profits	8,701

Important Ratios

	As of Dec. 31, 2016	As of Dec. 31, 2017
*Current ratio	0.78	--
*Quick ratio	0.64	--
*Liabilities to assets	0.70	0.70

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*Net profit margin (%)	2.13	4.05
*Return on total assets (%)	0.79	2.45
*Inventory / Revenue x365	100 days	--
*Accounts receivable / Revenue x365	284 days	--
*Revenue / Total assets	0.37	0.60
*Cost of sales / Revenue	0.82	--

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.

LIQUIDITY: FAIR

The current ratio of SC is maintained in a fair level.
SC's quick ratio is maintained in a fair level.
The inventory of SC appears average.
The accounts receivable of SC appears large.
The short-term loans of SC appear large.
SC's revenue is in a fair 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 average.

Overall financial condition of the SC: Fairly Stable.

CONCLUSIONS

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

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.11
UK Pound	1	INR 88.74
Euro	1	INR 79.82
CNY	1	INR 10.21

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

INFORMATION DETAILS

Analysis Done by :	VIVR
Report Prepared by :	NIT

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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)