

MIRA INFORM REPORT

Report No. :	546371
Report Date :	26.12.2018

IDENTIFICATION DETAILS

Name :	SHANGHAI YKK ZIPPER CO., LTD.
Registered Office :	No.1258, Feidu Road, Pudong New District, Shanghai City, 200120 Pr
Country :	China
Date of Incorporation :	08.05.1992
Credibility Code :	9131000060721286X4
Legal Form :	Wholly Foreign-Owned Enterprise
Line of Business :	Subject includes designing, researching and developing, manufacturing and processing of metal, nylon, plastic zipper finished products, semi-finished products and related parts and components, which used in clothing, shoes, bags and so on fastening products, selling self-made products. Providing related technical support, technical services; wholesaling the above products and similar products(excluding certain products), buttons, hardware, resin molded parts, clothing, bags, shoes and hats, bedding, automotive interior accessories and accessories, sewing machinery and parts, commission agency (excluding auction), importing and exporting other related business, leasing sewing machinery and equipment, purchasing the above leased property from domestic and overseas, and processing salvage value and maintenance of above leased property.
No. of Employees :	2,158

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

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Status :	Satisfactory
Payment Behaviour :	Slow but Correct
Litigation :	Clear

NOTES:

Any query related to this report can be made on e-mail: 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

COMPANY NAME AND ADDRESS

SHANGHAI YKK ZIPPER CO., LTD.

NO. 1258, FEIDU ROAD, PUDONG NEW DISTRICT, SHANGHAI CITY, 200120 PR CHINA

TEL: 86 (0) 21-25099988 FAX: 86 (0) 21-54051881

EXECUTIVE SUMMARY

INCORPORATION DATE	: MAY 08, 1992
CREDIBILITY CODE	: 9131000060721286X4
REGISTERED LEGAL FORM	: WHOLLY FOREIGN-OWNED ENTERPRISE
CHIEF EXECUTIVE	: TSUBOSHIMA HIROKAZU (LEGAL REPRESENTATIVE)
STAFF STRENGTH	: 2,158
REGISTERED CAPITAL	: USD 77,000,000
BUSINESS LINE	: DESIGNING, R&D, MANUFACTURING, PROCESSING AND SELLING
TURNOVER	: N/A
EQUITIES	: N/A
PAYMENT	: SLOW BUT CORRECT
MARKET CONDITION	: COMPETITIVE
FINANCIAL CONDITION	: N/A
OPERATIONAL TREND	: STEADY
GENERAL REPUTATION	: WELL-KNOWN

Adopted abbreviations:

ANS - Amount not stated

NS - Not stated

SC - Subject company (the company inquired by you)

NA - Not available

CNY - China Yuan Renminbi

HISTORY

Note: the given address "5th Floor Shanghai Senmao International Bldg, 101 Yin Cheng East Road, Pudong New Area, Shanghai 200120 China" is not confirmed.

SC was registered as a wholly foreign-owned enterprise at local Administration for Industry & Commerce (AIC - The official body of issuing and renewing business license) on May 08, 1992.

Company Status: Wholly foreign-owned enterprise

This form of business in PR China is defined as a legal person. It is a limited co. established within the territories of PR China with capital provided totally by the foreign investors. More than one foreign investor may jointly invest in a wholly foreign-owned enterprise. The investing party/parties solely exercise management, reap profit and bear risks and liabilities by themselves. This form of companies usually have a limited duration is extendible upon approval of Examination and Approval Authorities.

SC's registered business scope includes designing, researching and developing, manufacturing and processing of metal, nylon, plastic zipper finished products, semi-finished products and related parts and components, which used in clothing, shoes, bags and so on fastening products, selling self-made products. Providing related technical support, technical services; wholesaling the above products and similar products(excluding certain products), buttons, hardware, resin molded parts, clothing, bags, shoes and hats, bedding, automotive interior accessories and accessories, sewing machinery and parts, commission agency (excluding auction), importing and exporting other related business, leasing sewing machinery and equipment, purchasing the above leased property from domestic and overseas, and processing salvage value and maintenance of above leased property. [With permit if needed]

SC is mainly engaged in designing, researching and developing, manufacturing, processing and selling zipper.

TSUBOSHIMA HIROKAZU has been legal representative, general manager and director of SC since Feb. of 2018.

SC is known to have approx. 2,158 employees at present.

SC is currently operating at the above stated address, and this address houses its operating office and factory in the industrial zone of Shanghai. The detailed information of the premise is unspecified.

Note: SC has an office located in 7/F, White Magnolia Plaza, No. 501, East Daming Road, Hongkou District, Shanghai

WEB SITE

<http://www.ykk.com.cn/> The website belongs to YKK Corporation. The design is professional and the content is well organized. At present it is in Chinese and English versions.

Email: zhangxuzhao@ykk.com.cn

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KEY EVENTS/RECENT DEVELOPMENT

Changes of its registered information are as follows:

Date of change	Item	Before the change	After the change
2014-06-20	Legal representative	OTANI HIROAKI	KAWAKAMI HITOSHI
2016-03-23	Legal representative	KAWAKAMI HITOSHI	SHIRAKAWA YOSHIHIRO
2018-02-11	Legal representative	SHIRAKAWA YOSHIHIRO	Present one

Import/Export License Code: 310060721286X
HS Code: 3116241002

LITIGATION

See below records for SC as executive party (defendant).

Executed Party SC
Court Shanghai City Minhang District People's Court
Date of Case Sep. 19, 2003
Case Number (2003) 03362
Claim Amount RMB 6,962.23

Executed Party SC
Court Shanghai City Minhang District People's Court
Date of Case Sep. 19, 2003
Case Number (2003) 03363
Claim Amount RMB 5,502

Executed Party SC
Court Shanghai City Minhang District People's Court
Date of Case Sep. 19, 2003
Case Number (2003) 03370
Claim Amount RMB 4,154.02
Etc.

Remark: Due to the lack of information, we are unable to provide the cause of action, judgment or other information.

OWNERSHIP/MANAGEMENT

MAIN SHAREHOLDERS:

Name	% of Shareholding
YKK China Investment Co., Ltd.	100

Credibility code: 91310000710936145G
Registered Legal Form: wholly foreign-owned enterprise
Legal representative: DAIMON KAZUTO
Registered Capital: USD 401,000,000
Website: www.ykk.cn

MANAGEMENT

- **Legal representative, general manager and director:**

TSUBOSHIMA HIROKAZU, Japanese, is currently responsible for the daily management of SC.

Working Experience(s):

From Feb. of 2018 to present Working in SC as legal representative, general manager and director.
Also working in Shanghai YKK International Trade Co., Ltd. legal representative, YKK China Investment Co., Ltd., YKK Zipper (Shenzhen) Co., Ltd., Dalian YKK Zipper Co., Ltd. as director; and in Shanghai YKK Zipper Co., Ltd. Minhang Branch, Shanghai YKK Zipper Co., Ltd. Hangzhou Branch and Shanghai YKK Zipper Co., Ltd. Nanjing Branch, Shanghai YKK Zipper Co., Ltd. Wuxi Branch as principal, etc.

- **Chairman:**

DAIMON KAZUTO, Japanese, is currently responsible for the overall management of SC.

Working Experience(s):

At present Working in SC as chairman.
Also working in YKK China Investment Co., Ltd. as legal representative, in Shanghai YKK International Trade Co., Ltd., YKK Zipper (Shenzhen) Co., Ltd., Dalian YKK Zipper Co., Ltd. as chairman, etc.

- **Director:**

MAEDA MINORU

- **Supervisor:**

SATO YUJI

BUSINESS OPERATIONS

SC is mainly engaged in designing, researching and developing, manufacturing, processing and selling of zipper.

SC's products mainly include: metal zipper, metal zipper standard, reversed coil zipper with Alcantara material, plastic hardware, etc.

Trademarks & patents: No record.

SC sources its materials from domestic market and overseas market. SC sells products in domestic market and overseas market.

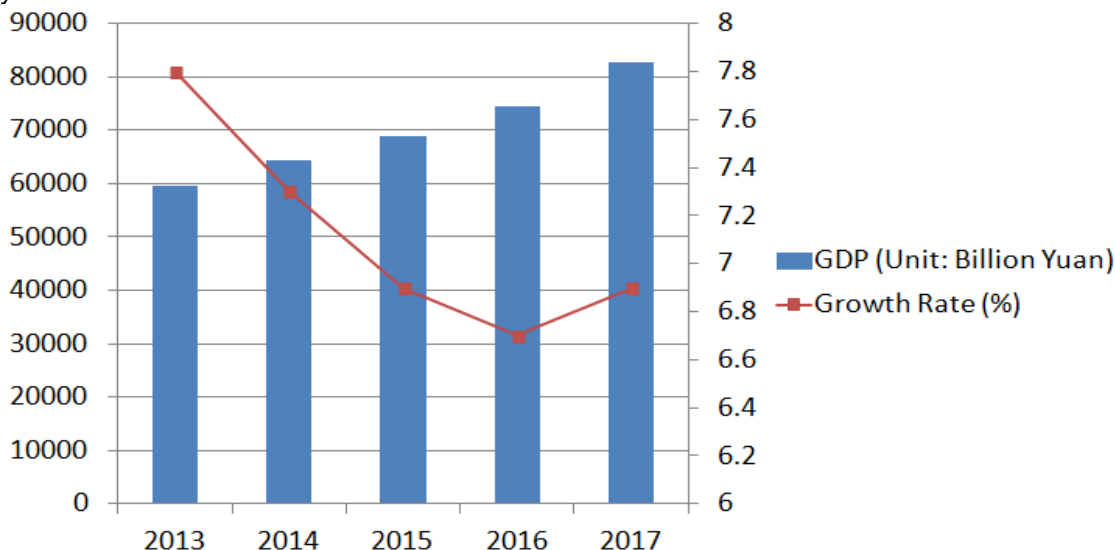
The buying terms of SC include Check, T/T, L/C and Credit of 30-60 days. The payment terms of SC include Check, T/T, L/C and Credit of 30-60 days.

Note: SC's accountant declined to release its customer and supplier details.

Industry code: 4100

Industry name: Other manufacturing

The gross domestic product of China in 2017 which is 82,712.17 billion that is increased 6.9% than previous year.



According to National Bureau of statistics data released, in 2015, the volume of business of decorative materials market reached CNY 187.9 billion which is increased 2.5% on year-on-year basis. And the business area of decorative materials market is 16.27 million square meter in 2015 while it is 16.13 million square meter in 2014. As for the volume of business of decorative materials wholesales market, it is CNY 107.5 billion which is increased CNY 8.2 billion than 2014.

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In 2015, Chinese garment and textile industry achieved total revenue of 2206.8 billion Yuan, and increased by 6.25% year-on-year; total profit was 130.6 billion Yuan, and increased by 4.73% year-on-year, the growth rate fell 1.37% compared with 2014. According to Customs Statistics, in 2015, total trade volume of Chinese garment and textile was 309.5 billion dollars, declined by 4.80% year-on-year; the export volume was 283.9 billion dollars, declined by 4.90% year-on-year and the decline has increased. From Jan. to Jun. 2016, total export volume of Chinese garment and textile was 136.14 billion dollars, and declined by 3.40% year-on-year; the textile export volume was 56.378 billion dollars, and declined by 2.20% year-on-year. Overall, since 2015, affected by the weakening of Chinese garment and textile export advantage and international market demand, the total export volume has declined year-on-year, Chinese garment and textile exports will face a more severe development environment.

RELATED COMPANIES

Shanghai YKK International Trade Co., Ltd.

=====

Credibility code: 913100006072339946

Legal representative: TSUBOSHIMA HIROKAZU 坪島 広和

Incorporation Date: Mar. 10, 1993

YKK Zipper (Shenzhen) Co., Ltd.

=====

Credibility code: 91440300618910444C

Legal representative: NISHIZAKI MAKOTO

Incorporation Date: Dec. 25, 1995

Web: <http://www.ykksz.com>

Dalian YKK Zipper Co., Ltd.

=====

Credibility code: 91210200604859617H

Legal representative: HIRANO TOSHIHIRO

Incorporation Date: Dec. 20, 1995

Web: <https://www.ykkdl.com.cn>

Etc.

Branches:

Shanghai YKK Zipper Co., Ltd. Minhang Branch

Shanghai YKK Zipper Co., Ltd. Nanjing Branch

Shanghai YKK Zipper Co., Ltd. Hangzhou Branch

Shanghai YKK Zipper Co., Ltd. Wuxi Branch

Etc.

PAYMENT

Overall payment appraisal:

() Excellent () Good (X) Average () Fair () Poor () Not yet 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 records 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

MUFG Bank (China), Ltd. Shanghai Branch
AC#: 40402900000320277
Relationship: Normal

FINANCIAL HIGHLIGHTS

SC's management declined to release any financial information.

REMARKS

SC is considered large-sized in its line with a development history of 26 years.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.18
UK Pound	1	INR 88.87
Euro	1	INR 79.88
CNY	1	INR 10.15

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

INFORMATION DETAILS

Analysis Done by :	NIS
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)