

MIRA INFORM REPORT

Report No. :	521367
Report Date :	26.07.2018

IDENTIFICATION DETAILS

Name :	JIAXING LAYO IMP. & EXP. GROUP CO., LTD.
Registered Office :	Layo Building No. 2500 Dongsheng East Road, Jiaxing Zhejiang Province, Pr
Country :	China
Financials (as on) :	31.12.2017
Date of Incorporation :	11.11.1997
Credibility Code :	913300001464673082
Legal Form :	Shares Limited Co.
Line of Business :	The subject's registered business scope includes wholesaling and retailing prepackaged food, dairy products, wine; selling soil and livestock products, edible agricultural products, clothing, needles, arts and crafts, hardware, electronic products, computers and auxiliary equipment, chemical products, machinery equipment, metal materials, building materials, decoration materials; import and export business; economic information advisory service.
No. of Employees :	255

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 :	Satisfactory
Payment Behaviour :	No Complaints
Litigation :	Clear

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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 (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

COMPANY NAME & ADDRESS

Company Name : JIAXING LAYO IMP.& EXP. GROUP CO., LTD.
Address : LAYO BUILDING NO. 2500 DONGSHENG EAST ROAD, JIAXING ZHEJIANG
PROVINCE, PR CHINA
Telephone : 0086 573 82076829
Facsimile : 0086 573 82084664
Website : <http://www.layogroup.com/>
Email : sales@layogroup.com

REGISTRATION INFORMATION

Established Date : 1997-11-11
Credibility Code : 913300001464673082
Legal Form : Shares Limited Co.
Registration Authority: Administration for Industry & Commerce (AIC) – Zhejiang
Status : Active

Registered Capital : RMB 110,000,000
Paid Up Capital : RMB 110,000,000
Turnover : RMB 2,047,221,000 (as of Dec. 31, 2017)
Equities : RMB 190,303,000 (as of Dec. 31, 2017)

Chief Executive : Wang Zhen
Business Line : Trade
Manpower : 255

Tax Registration
Certificate No. : 913300001464673082
Organization Code : 14646730-8

HS code : 3304910052
Import & Export code: 3300146467308

Financial Condition : Stable
Business Size : Medium Enterprise
Payment : No Complaints

REGISTERED ADDRESS

LAYO BUILDING NO. 2500 DONGSHENG EAST ROAD, JIAXING ZHEJIANG PROVINCE, PR CHINA

COMPANY STATUS: SHARES LIMITED CO.

This form of business in PR China is defined as a legal person. Its registered capital is divided into shares of equal par value and the co. raises capital by issuing share certificates by promotion or by public offer. Shareholders bear limited liability to the extent of shareholding, and the co. is liable for its debts only to the extent of its total assets. The co has independent property of legal person and enjoys property rights of legal person. The characteristics of the shares limited co. are as follows:

The establishment of the co. requires at least two promoters and no more than 200, half of whom shall be domiciled in China. Natural person are allowed to serve as promoters.

The minimum registered capital of a co. is RMB 5M. while that of the co. with foreign investment is RMB 5M. The total capital of a co. which propose to apply for publicly listed must be no less than RMB 30M.

The board of directors must consist of five to nineteen directors.

If the co. raises capital by public offer, the promoters must not subscribe less than 35% of the total shares. the promoters' shares are restricted to transfer- within one year of the offer.

A state-owned enterprise that is restructured into a shares limited co. must comply with the conditions & requirements specified under the law & administrative rule.

PREMISE

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

MANAGEMENT

Position	Name	Nationality
Legal representative, General Manager Chairman Directors	Wang Zhen	Chinese
	Chu Yueping Ding Jianping Zhang Yan Zhong Yonglan Wang Lidong Zhu Yuefang	Chinese
Supervisors	Shen Qi Li Feng He Peikang	Chinese

MAJOR SHAREHOLDERS

Name	% Shareholding
Jiaxing Foodstuff and Livestock Production Conference of Share Holding Employees	44.20%
Wang Zhen and Other 17 Individual Shareholders	55.80%

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KEY EVENTS

No Significant Changes.

BUSINESS OPERATIONS

The subject's registered business scope includes wholesaling and retailing prepackaged food, dairy products, wine; selling soil and livestock products, edible agricultural products, clothing, needles, arts and crafts, hardware, electronic products, computers and auxiliary equipment, chemical products, machinery equipment, metal materials, building materials, decoration materials; import and export business; economic information advisory service.

The subject is mainly engaged in international trade.

Products:

Textile and garment fabrics
Leather light industrial products
Sports outdoor leisure goods
Household electronic products
Hardware and mechanical products
Chemical and building materials products

Etc.

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 Europe and the United States, Southeast Asia, Japan, South Korea, 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

Subsidiaries

Jiaxing Xunyun Imp. & Exp. Co., Ltd.

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Credibility Code: 9133041135010765X9
Legal representative: Shen Qi
Registered Capital: RMB 500,000
Established Date: 2015-07-06

Shanghai Sheng You Import and Export Co., Ltd.

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Credibility Code: 91310112332646545U
Legal representative: Wang Lidong
Registered Capital: RMB 2,000,000
Established Date: 2015-04-21

Etc.

NEGATIVE INFORMATION

Lawsuit Record:

Date	Case No.	Petitioner	Defendant	Executive court	Status
2017-01-17	2016-0411	The subject company.	Jingjiang Han Bai Garment Co., Ltd.	People's Court of Xiuzhou District, Jiaxing	Concluded
2015-09-08	2015-500	The subject company.	Wujiang Hengjie Chemical Trade Co., Ltd.	People's Court of Xiuzhou District, Jiaxing	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.

MORTGAGE

There is no record of mortgage information at present.

TRADEMARK

Registration No.	Registration Date	Trademark Design
6413302	2010-5-21	
6666893	2010-10-28	

Etc.

PATENT

Patent name	Published Application Number	Application number	Date of publication
Vacuum cleaner handle	CN304130717S	CN201630323269.3	2017-05-10
Pet brush	CN304017050S	CN201630468981.2	2017-01-18

Etc.

BANKING

Bank of China Jiaxing Branch

Account No.: 350658337710

ABBREVIATED FINANCIAL STATEMENT

Financial Summary

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Unit: RMB'000

As of Dec. 31, 2016 As of Dec. 31, 2017

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Total assets	413,767	420,518
	=====	=====
Total liabilities	235,585	230,215
Equities	178,182	190,303
	-----	-----
Total liabilities & equities	413,767	420,518
	=====	=====
Turnover	1,814,010	2,047,221
Profits before tax	15,023	16,706
Less: tax	3,577	4,302
Profits	11,446	12,404

Important Ratios

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	As of Dec. 31, 2016	As of Dec. 31, 2017
*Liabilities to assets	0.57	0.55
*Net profit margin (%)	0.63	0.61
*Return on total assets (%)	2.77	2.95
*Turnover/Total assets	4.38	4.87

PROFITABILITY: AVERAGE

- The turnover of the subject appears good in its line.
- the subject's net profit margin is average.
- the subject's return on total assets is average.
- the subject's turnover is average, 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

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

COMMENT

The subject was registered as a Shares limited co. 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 stable financial conditions.

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.80
UK Pound	1	INR 90.58
Euro	1	INR 80.45
CNY	1	INR 10.13

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

INFORMATION DETAILS

Analysis Done by :	VIVR
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)