

MIRA INFORM REPORT

Report No. :	533334
Report Date :	04.10.2018

IDENTIFICATION DETAILS

Name :	MAXIM LABEL AND PACKAGING SHANGHAI CO LTD
Registered Office :	1-3/F No.49 Lane 3142 Hechuan Road Minhang Dist. Shanghai Pr
Country :	China
Financials (as on) :	31.12.2017
Date of Incorporation :	08.06.1994
Credibility Code :	91310000607263640T
Legal Form :	Wholly Foreign-Owned Enterprise
Line of Business :	The subject's registered business scope includes manufacturing clothing supplementary material; designing, developing, manufacturing packaging bags, printed label, woven label, RFID label, tags, stickers, bar code label, bar code hardware and software; selling self-made products; developing system software related to garments accessories; providing related technical consulting and technical service; wholesaling clothing accessories, packaging materials, RFID smart tags, printing equipment; import and export business; commission agent; providing related supporting service. (with permit if needed)
No. of Employees :	670

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+	Low Risk	Business dealings permissible with low risk of default

Status :	Good
Payment Behaviour :	Regular
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

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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

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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 : MAXIM LABEL AND PACKAGING SHANGHAI CO LTD
Address : NO.49 LANE 3142 HECHUAN ROAD MINHANG DIST. SHANGHAI PR
CHINA
Telephone : 0086-21-64064227
Facsimile : 0086-21-64064243
Website : <http://www.maxim-group.com.cn/>
Email : fangzr@maxim-group.com

REGISTRATION INFORMATION

Established Date : 1994-06-08
Credibility Code : 91310000607263640T
Legal Form : Wholly Foreign-Owned Enterprise
Registration Authority: Administration for Industry & Commerce (AIC) - Shanghai
Status : Active

Registered Capital : USD 8,664,000
Paid Up Capital : USD 8,664,000
Turnover : RMB 424,393,000 (as of Dec. 31, 2017)
Equities : RMB 303,421,000 (as of Dec. 31, 2017)

Chief Executive : Zhai Suoqiang
Business Line : Manufacturer
Manpower : 670

Tax Registration
Certificate No. : 91310000607263640T
Organization Code : 60726364-0

HS code : 3111940010
Import & Export code: --

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

REGISTERED ADDRESS

1-3/F NO.49 LANE 3142 HECHUAN ROAD MINHANG DIST. SHANGHAI PR CHINA

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.

PREMISE

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

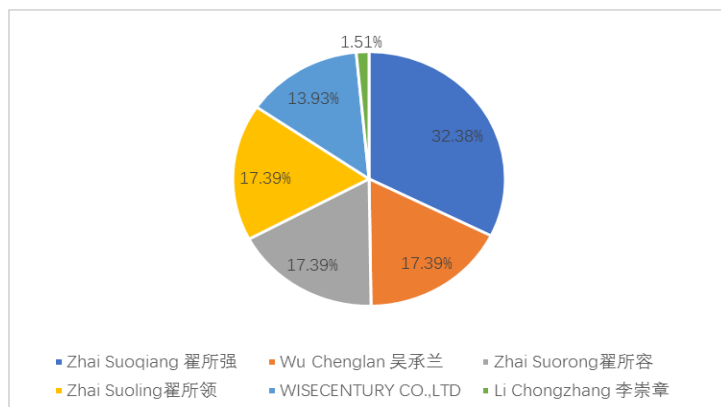
MANAGEMENT

Position	Name	Nationality
Legal representative, Chairman	Zhai Suoqiang	--
Directors	Wu Chenglan Li Chongzhang Zhai Suoling Zhai Suorong	--
Supervisors	Hu Huijun	--

MAJOR SHAREHOLDERS

Name	% Shareholding
Zhai Suoqiang	32.38%
Wu Chenglan	17.39%
Zhai Suorong	17.39%
Zhai Suoling	17.39%
WISECENTURY CO.,LTD	13.93%
Li Chongzhang	1.51%

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Note: The above individual shareholders are foreign nationality.

KEY EVENTS

Changes of its registered information are as follows:

Date of change	Item	Before the change	After the change
Unknown	Company English name	Shanghai Maxim Garment Accessories Co.Ltd	Maxim Label and Packaging Shanghai Co Ltd

BUSINESS OPERATIONS

The subject's registered business scope includes manufacturing clothing supplementary material; designing, developing, manufacturing packaging bags, printed label, woven label, RFID label, tags, stickers, bar code label, bar code hardware and software; selling self-made products; developing system software related to garments accessories; providing related technical consulting and technical service; wholesaling clothing accessories, packaging materials, RFID smart tags, printing equipment; import and export business; commission agent; providing related supporting service. (with permit if needed)

The subject is mainly engaged in manufacturing and selling garments accessories.

Products:

Packaging bags
Tags
Sticker
Printing label

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Hooks
Hangers

Etc.

The subject sources its materials 80% from domestic market, and 20% from overseas market, mainly Shanghai. the subject sells 30% of its products in domestic market, and 70% to overseas market, mainly Vietnam, Bangladesh, Cambodia, India, 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

Maxim Smart Manufacturing Co., Ltd

=====

Credibility Code: 913300007996188476

Legal representative: Zhai Suoqiang

Registered Capital: USD 17,000,000

Established Date: 2007-04-05

Shenzhen Maxim Printing And Packaging Co., Ltd

=====

Credibility Code: 914403005930262720

Legal representative: Li Chongzhang

Registered Capital: RMB 1,500,000

Established Date: 2012-03-22

Etc.

Branch

Shanghai Maxim Garment Accessories Co.Ltd Minhang Branch

=====

Credibility Code: 91310000MA1GBJ3T1L

Legal representative: Li Chongzhang

Established Date: 2017-03-13

NEGATIVE INFORMATION

Lawsuit Record:

Date	Case No.	Petitioner	Defendant	Executive court	Status
2016-06-21	2015- 26101	Tao Rongdong	The subject company.	Minhang District Shanghai people's court	Concluded

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.	10734823	9432027
Registration Date	2012-04-06	2011-05-06
Trademark Design		



Etc.

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PATENT

Patent name : Automatic labeling equipment for cardboard
Published Application Number : CN205525365U
Application number : CN201620115765.4
Date of publication : 2016-08-31

Patent name : Labeling device
Published Application Number : CN205396758U
Application number : CN201620115515.0
Date of publication : 2016-07-27

Etc.

BANKING

Agricultural Bank of China Changning Dist. Chengqiao Subbranch

Account No.: 033128

ABBREVIATED FINANCIAL STATEMENT

Balance Sheet

Unit: RMB'000

	As of Dec. 31, 2016	As of Dec. 31, 2017
Cash & bank	110,310	139,917
Inventory	19,500	24,230
Accounts receivable	89,580	83,656
Other current assets	108,240	96,024
	-----	-----
Current assets	327,630	343,827
Other assets	88,080	87,125
	-----	-----
Total assets	415,710	430,952
	=====	=====
Short loans	0	0
Accounts payable	78,230	89,247
Other current liabilities	54,020	38,284
	-----	-----
Current liabilities	132,250	127,531
Long term liabilities	0	0

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Total liabilities	132,250	127,531
Equities	283,460	303,421
Total liabilities & equities	415,710	430,952

Income Statement

Unit: RMB'000

	As of Dec. 31, 2016	As of Dec. 31, 2017
Turnover	421,600	424,393
Cost of goods sold	276,630	304,188
Profit before tax	56,100	25,976
Less: profit tax	7,480	6,016
Profits	48,620	19,960

Important Ratios

	As of Dec. 31, 2016	As of Dec. 31, 2017
*Current ratio	2.48	2.70
*Quick ratio	2.33	2.51
*Liabilities to assets	0.32	0.30
*Net profit margin (%)	11.53	4.70
*Return on total assets (%)	11.70	4.63
*Inventory /Turnover x365	17 days	21 days
*Accounts receivable/Turnover x365	78 days	72 days
*Turnover/Total assets	1.01	0.98
* Cost of goods sold/Turnover	0.66	0.72

PROFITABILITY: FAIRLY GOOD

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

LIQUIDITY: FAIRLY GOOD

- The current ratio of the subject is maintained in a fairly good level.
- The subject's quick ratio is maintained in a fairly good level.
- The inventory of the subject is average.
- The accounts receivable of the subject is average.
- The subject's turnover is in an average level, comparing with the size of its total assets.

LEVERAGE: FAIRLY GOOD

- The debt ratio of the subject is low.

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- 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 type="checkbox"/> Fairly Stable	<input checked="" type="checkbox"/> Fairly Good <input type="checkbox"/> Fair	<input type="checkbox"/> Stable <input type="checkbox"/> Poor

COMMENT

The subject was registered as a Wholly foreign-owned 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 good financial conditions.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR72.03
UK Pound	1	INR 94.99
Euro	1	INR 84.58
CNY	1	INR 10.71

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

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	KET

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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)