

MIRA INFORM REPORT

Report No. :	530061
Report Date :	17.09.2018

IDENTIFICATION DETAILS

Name :	ZHEJIANG CHEMICAL IMPORT AND EXPORT CORPORATION
Registered Office :	No. 37 Qingchun Road, Hangzhou, Zhejiang Province 310009 PR China
Country :	China
Financials (as on) :	31.03.2018
Date of Incorporation :	10.09.1982
Unified social credit code .:	913300001429459077
Legal Form :	Limited Liabilities Company
Line of Business :	Subject registered business scopes include selling chemical products; wholesale of pre-packaged foods; import and export business; industrial investment; selling textile materials, general merchandise, hardware, for electricity, industrial art products, other chemical products, electric products, agricultural and sideline products; information consultation service.
No. of Employees :	164

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 :	Good
Payment Behaviour :	No Complaints
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 (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. 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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ZHEJIANG CHEMICAL IMPORT AND EXPORT CORPORATION - 530061 PAGE NO. : 4

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 Zhejiang Chemical Import and Export Corporation
CURRENT ADDRESS/ No. 37 Qingchun Road, Hangzhou, Zhejiang Province
REGISTERED ADDRESS 310009 PR China
TEL. NO. 86 (0) 571-87257631/87048515/28968570/87046080
FAX NO. 86 (0) 571-87046240/87046101

***Note: SC's correct name should be the heading one, instead of the given name-Zhejiang Cemicas Import and Export Corporation.

EXECUTIVE SUMMARY

DATE OF REGISTRATION : SEPTEMBER 10, 1982
UNIFIED SOCIAL CREDIT CODE : 913300001429459077
LEGAL FORM : LIMITED LIABILITIES COMPANY
CHIEF EXECUTIVE : GUO BIN (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL : CNY 72,500,000
STAFF : 164
BUSINESS CATEGORY : TRADING
REVENUE : CNY 754,000,000 (FROM JAN. 1, 2018 TO MAR. 31, 2018)
EQUITIES : CNY 200,000,000 (AS OF MAR. 31, 2018)
WEBSITE : www.zhechem.com
E-MAIL : info@zhechem.com
PAYMENT : NO COMPLAINTS
MARKET CONDITION : COMPETITIVE
FINANCIAL CONDITION : FAIRLY STABLE
OPERATIONAL TREND : FAIRLY STEADY
GENERAL REPUTATION : FAIRLY GOOD

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

General Reputation:-

Excellent

Good

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Fairly Steady	Fairly Good
Ordinary	Average
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: 913300001429459077.

SC's Import and Export Enterprise Code: 3300142945907

SC's registered capital: CNY 72,500,000

SC's paid-in capital: CNY 72,500,000

Registration Change Record:-

Date	Change of Contents	Before the change	After the change
2003-10-31	Company Name	Zhejiang Chemicals Import & Export Corporation	Zhejiang Chemicals Import & Export Co., Ltd.
	Registered Capital	CNY 19,300,000	CNY 16,000,000
	Legal Form	State-Owned Enterprise	Limited Liabilities Company
2005-3-24	Registered Capital	CNY 16,000,000	CNY 22,000,000
2007-7-12	Registered Capital	CNY 22,000,000	CNY 32,000,000
2007-7-17	Registration No.	3300001002428	330000000001627
2008-7-8	Registered Capital	CNY 32,000,000	CNY 38,500,000
	Shareholders (% of Shareholding)	Zhejiang Orient Holdings Group Ltd. 38% Employee Shareholders Association of Zhejiang Chemicals Import & Export Co., Ltd. 62%	Zhejiang International Business Group Co., Ltd. 38% Employee Shareholders Association of Zhejiang Chemicals Import & Export Co., Ltd. 62%
2009-2-24	Legal Representative	Jiang Limin	Guo Bin
2009-8-6	Registered Capital	CNY 38,500,000	CNY 45,000,000

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ZHEJIANG CHEMICAL IMPORT AND EXPORT CORPORATION - 530061 PAGE NO. : 7

2010-7-20	Registered Capital	CNY 45,000,000	CNY 50,000,000
2011-9-19	Registered Capital	CNY 50,000,000	CNY 51,000,000
--	Registered Capital	CNY 51,000,000	CNY 60,000,000
2013	Registered Capital	CNY 60,000,000	CNY 72,500,000
2016-11-18	Registration No./ Unified Social Credit Code	330000000001627	913300001429459077

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

Name of Shareholder (s)	% of Shareholding
Zhejiang International Business Group Co., Ltd.	38
Employee Shareholders Association of Zhejiang Chemicals Import & Export Co., Ltd.	62

SC's Chief Executives:-

Position	Name
Legal Representative and Chairman	Guo Bin
Director	Yan Leixiang
	Wang Fen
	Ruan Yue
	Fang Li
Supervisor	Wang Peiqiang
	Wang Zheng
	Zou Weiping

RECENT DEVELOPMENT

SC has been awarded the certificate of ISO9001:2000 since July of 2006.

SHAREHOLDER CHART & BACKGROUND

Name	% of Shareholding
Zhejiang International Business Group Co., Ltd.	38
Employee Shareholders Association of Zhejiang Chemicals Import & Export Co., Ltd.	62
Zhejiang International Business Group Co., Ltd.	

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Zhejiang International Business Group Co., Ltd. was established in 2008. It is a sole state-owned enterprise that the provincial government investment establishes.

The registered capital of the group is CNY 980 million, which comes from the capital of original Zhejiang Rongda Group Holding Co., Ltd. , Zhejiang Zhongda Group Holding Co., Ltd. and Zhejiang Dongfang Group Holding Co., Ltd.

Date of Registration: February 14, 2008

Legal Representative: Lou Jing

Unified Social Credit Code: 91330000671637379A

Legal Form: Sole State-Owned Enterprise

Registered Capital: CNY 980,000,000

Add: International Trade Building, No. 199 Qingchun Road, Hangzhou, Zhejiang Province

Tel: 86 0571-87385921

Fax: 86 0571-87385988

E-mail: info@zibchina.com

Web: www.zibchina.com

MANAGEMENT

Guo Bin , Legal Representative and Chairman

- Gender: M
- Nationality: China
- Age: 59
- ID# 330105195903011015
- Qualification: University
- Working experience (s):

At present, working in SC as legal representative and chairman

Director

Yan Leixiang

Wang Fen

ID# 33262719711003204X

Ruan Yue

ID# 330522197303077034

Fang Li

Supervisor

Wang Peiqiang

Wang Zheng

ID# 330105197507030010

Zou Weiping

ID# 330104196901041630

BUSINESS OPERATION

SC's registered business scopes include selling chemical products; wholesale of pre-packaged foods; import and export business; industrial investment; selling textile materials, general merchandise, hardware, for electricity, industrial art products, other chemical products, electric products, agricultural and sideline products; information consultation service.

SC is mainly engaged international trade.

SC's products mainly include:

Pharmaceuticals
Agro-chemicals
Colorants
Dyestuff
Food additives
Herbal extracts
Intermediates
Veterinary
Inorganic compound

SC sources its products 80% from domestic market, and 20% from overseas market. SC sells 40% of its products in domestic market, and 60% to overseas market, mainly U.S.A., etc.

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.

Major Supplier

=====
Hangzhou Xiaoshan Qianjin Chemical Co., Ltd.

Major Customers

=====
Aakas Health Care
Vitalchemie Cia. Ltda.
Rainbow Chemicals Co.
Amoli Organics Pvt Ltd
C J Shah And Co

Staff & Office:

SC is known to have approx. 164 staff at present.

SC owns an area as its operating office of approx. 2,816 sq. meters at the heading address.

RELATED COMPANY

SC is known to have 3 subsidiaries at present,

Zhejiang For Chem Enterprise Co., Ltd.

Zhejiang Ueasy Business Service Co., Ltd.

Zhechem Chemicals Company Limited

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 records and our debt collection record concerning SC.

Trade payment experience: SC's suppliers declined to make any comments.

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:

Bank of China Zhejiang Branch

AC#: 800100022708091001

FINANCIALS

Financial Summary

Unit: CNY'000	As of Dec. 31, 2016	As of Dec. 31, 2017	As of Mar. 31, 2018
Total assets	1,744,000	2,588,000	2,275,000
Total liabilities	1,536,000	2,376,000	2,075,000
Equities	208,000	212,000	200,000

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ZHEJIANG CHEMICAL IMPORT AND EXPORT CORPORATION - 530061 PAGE NO. : 11

Unit: CNY'000	As of Dec. 31, 2016	As of Dec. 31, 2017	From Jan. 1, 2018 to Mar. 31, 2018
Revenue	4,533,000	4,432,000	754,000
Profits	32,000	15,000	-12,000

Important Ratios

=====	As of Dec. 31, 2016	As of Dec. 31, 2017	As of Mar. 31, 2018
*Liabilities to assets	0.88	0.92	0.91
*Net profit margin (%)	0.71	0.34	-1.59
*Return on total assets (%)	1.83	0.58	-0.53
*Revenue/Total assets	2.60	1.71	0.33

FINANCIAL COMMENTS

PROFITABILITY: AVERAGE

- The revenue of SC appears fairly good in its line.
- SC's net profit margin is average.
- SC's return on total assets is average.

LIQUIDITY: AVERAGE

- 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 average.

Overall financial condition of the SC: Fairly Stable.

CONCLUSIONS

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

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupee
US Dollar	1	INR 71.81
UK Pound	1	INR 94.16
Euro	1	INR 83.98
CNY	1	INR 10.56

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)