

## MIRA INFORM REPORT

<b>Report No. :</b>	530827
<b>Report Date :</b>	21.09.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	ZHEJIANG GEARTECH MACHINERY CO., LTD.
<b>Registered Office :</b>	No. 1900 Haifeng Road, Binhai Industrial Zone, Economic Development Zone, Taizhou, Zhejiang Province, 318000 Pr
<b>Country :</b>	China
<b>Financials (as on) :</b>	31.12.2016
<b>Date of Incorporation :</b>	20.06.2006
<b>Credibility Code :</b>	9133100078968674XN
<b>Legal Form :</b>	Limited Liabilities Company
<b>Line of Business :</b>	<ul style="list-style-type: none"> <li>Subject includes researching, developing, manufacturing &amp; selling of transportation equipment, general equipment, metallurgical special equipment, plastic processing equipment, plastic plates, pipes, profiles, metal products, molds, printing special equipment, non-ferrous metal rolling processing, metal surface treatment and heat treatment processing, sales of building materials, import and export of goods and technology.</li> <li>Subject is mainly engaged in researching, developing, manufacturing and selling of aluminum composite panel production line.</li> </ul>
<b>No. of Employees :</b>	105

### RATING & COMMENTS

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

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

<b>Status :</b>	Satisfactory
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<b>Payment Behaviour :</b>	Slow but Correct
<b>Litigation :</b>	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**

<b>Country Name</b>	<b>Previous Rating (31.12.2017)</b>	<b>Current Rating (01.04.2018)</b>
China	A2	A1

<b>Risk Category</b>	<b>ECGC Classification</b>
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***

### **ZHEJIANG GEARTECH MACHINERY CO., LTD.**

NO. 1900 HAIFENG ROAD, BINHAI INDUSTRIAL ZONE, ECONOMIC DEVELOPMENT ZONE, TAIZHOU,  
ZHEJIANG PROVINCE, 318000 PR CHINA  
TEL: 86 (0) 576-88128787      FAX: 86 (0) 576-88128785

## ***EXECUTIVE SUMMARY***

INCORPORATION DATE	: JUNE 20, 2006
CREDIBILITY CODE	: 9133100078968674XN
REGISTERED LEGAL FORM	: LIMITED LIABILITIES COMPANY
CHIEF EXECUTIVE	: MR. RUAN HEPING (LEGAL REPRESENTATIVE)
STAFF STRENGTH	: 105
REGISTERED CAPITAL	: CNY 11,000,000
BUSINESS LINE	: RESEARCHING, DEVELOPING, MANUFACTURING & TRADING
TURNOVER	: CNY 51,820,000 (AS OF DEC. 31, 2016)
EQUITIES	: CNY 23,210,000 (AS OF DEC. 31, 2016)
PAYMENT	: SLOW BUT CORRECT
MARKET CONDITION	: AVERAGE
FINANCIAL CONDITION	: FAIRLY STABLE (AS OF DEC. 31, 2016)
OPERATIONAL TREND	: STEADY
GENERAL REPUTATION	: AVERAGE

### **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

SC was registered as a limited liabilities co. at local Administration for Industry & Commerce (AIC - The official body of issuing and renewing business license) on June 20, 2006.

### Company Status: Limited liabilities co.

This form of business in PR China is defined as a legal person. No more than fifty shareholders contribute its registered capital jointly. Shareholders bear limited liability to the extent of shareholding, and the co. is liable for its debts only to extent of its total assets. The characteristics of this form of co. are as follows:

Upon the establishment of the co., an investment certificate is issued to the each of shareholders.

The board of directors is comprised of three to thirteen members.

The minimum registered capital for a co. is CNY 30,000.

Shareholders may take their capital contributions in cash or by means of tangible assets or intangible assets such as industrial property and non-patented technology.

Cash contributed by all shareholders must account for at least 30% of the registered capital.

Existing shareholders have pre-exemption right to purchase shares of the co. offered for sale by the other shareholders and to subscribe for the newly increased registered capital of the co.

SC's registered business scope includes researching, developing, manufacturing & selling transportation equipment, general equipment, metallurgical special equipment, plastic processing equipment, plastic plates, pipes, profiles, metal products, molds, printing special equipment, non-ferrous metal rolling processing, metal surface treatment and heat treatment processing, sales of building materials, import and export of goods and technology. (with permit if needed)

SC is mainly engaged in researching, developing, manufacturing and selling aluminum composite panel production line.

Mr. Ruan Heping is legal representative, executive director and general manager of SC at present.

SC is known to have approx.105 employees at present.

SC is currently operating at the above stated address, and this address houses its operating office and factory in the economic development zone of Taizhou. SC's employee refused to release the detailed information of the premise.

## WEB SITE

<http://www.geartech.cn/> The design is professional and the content is well organized. At present it is in Chinese and English versions.

<http://www.acppanel-line.com> The design is professional and the content is well organized. At present it is in English, Russian and other versions.

Email: [sales@geartech.cn](mailto:sales@geartech.cn) ; [marketing@geartech.cn](mailto:marketing@geartech.cn)

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**KEY EVENTS/RECENT DEVELOPMENT**

SC has gained certificates of: CE, GS, Quality Management System, Environment Management System, Professional Healthy Security Management System.



**Changes of its registered information:**

Date of change	Item	Before the change	After the change
2007-03-19	Company name	Taizhou Ruiji Machinery Co., Ltd. (in Chinese pinyin)	Zhejiang Geartech Machinery Co., Ltd.
2007-04-26	Registered capital	CNY 5,000,000	CNY 13,880,000
2009-04-23	Registration no.	3310002001695	331000000019088
2011-10-14	Registered capital	CNY 13,880,000	CNY 21,880,000
2011-11-08	Company name	Zhejiang Geartech Machinery Co., Ltd.	Zhejiang Geartech Industrial Co., Ltd.
2015-12-01	Registration no.	331000000019088	(Credibility code) 9133100078968674XN
2017-06-09	Company name	Zhejiang Geartech Industrial Co., Ltd.	Zhejiang Geartech Machinery Co., Ltd.
2017-08-10	Registered capital	CNY 21,880,000	CNY 10,000,000
2017-08-18	Shareholders and shareholding	Liang Meidan 30% Ruan Heping 70%	Present amount Present ones

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## LITIGATION

For the past two years there is no record of litigation.

## OWNERSHIP/MANAGEMENT

### MAIN SHAREHOLDERS:

Name	Investment amount (CNY)	% of Shareholding
Ruan Heping	7,000,000	63.64
Liang Meidan	3,000,000	27.27
Taizhou Jutai Investment Management Partnership (Limited Partnership) (in Chinese pinyin)	1,000,000	9.09

Taizhou Jutai Investment Management Partnership (Limited Partnership) (in Chinese pinyin)

=====  
Credibility code: 91331001MA29X2TA0J

Executive partner: Ruan Heping

## MANAGEMENT

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

Mr. Ruan Heping is currently responsible for the overall management of SC.

Working Experience(s):

At present Working in SC as legal representative, executive director and general manager;

Also working in Taizhou Jutai Investment Management Partnership (Limited Partnership) (in Chinese pinyin) as executive partner, Taizhou Jutai Decoration Materials Co., Ltd. (in Chinese pinyin) as general manager.

- **Supervisor:**

Liang Meidan

## BUSINESS OPERATIONS

SC is mainly engaged in researching, developing, manufacturing and selling aluminum composite panel production line.

SC's products mainly include:

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ACP Production Line  
A2 Grade Fireproof Core Production Line  
Hollow Core Metal Composite Panel Production Line  
PVC Free Foaming Board, Skinning Foaming Board Production Line  
Aluminum Coil Coating Line  
Steel Coil Coating Line  
Hot-Dip Galvanizing Line  
Hot Film Covering Line  
Steel Aluminum Heat Insulation Board Production Line  
ACP Separating Machine  
Steel/Aluminum Coil Rewinding Machine  
Auxiliary equipment

SC sources its materials 100% from domestic market. SC sells 40% of its products in domestic market, and 60% to overseas market.

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.

Note: SC refused to release its main suppliers and clients.

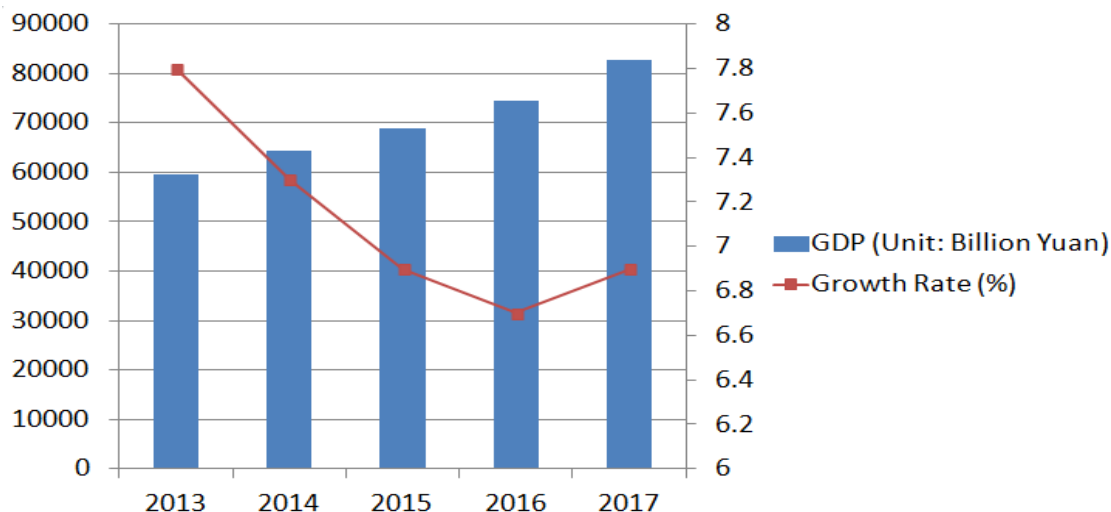
**Trademark & Patents**

Registration No.	17799774	4052177	4052161
Registration Date	2017-02-28	2006-06-14	2006-06-14
Trademark Design			

**Industry code: 3500**

**Industry name: Special equipment manufacturing**

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



As of June 30, 2018, the current assets of the special equipment industry reached 2,398.56 billion yuan, increased by 12.1% year-on-year; the total assets of the special equipment industry reached 3,795.74 billion yuan, increased by 11.6% year-on-year; the liabilities totaled 2,073.64 billion yuan, increased by 12.9% year-on-year.

As of Dec. 31, 2017, the current assets of the special equipment industry reached 2,393.93 billion yuan, increased by 10% year-on-year; the total assets of the special equipment industry reached 3,944.55 billion yuan, increased by 10.1% year-on-year; the liabilities totaled 2,091.03 billion yuan, increased by 10.8% year-on-year.

From January to June of 2018, the main business income of China's special equipment industry reached 1,589.36 billion yuan, increased by 13.3% year-on-year; the total profit of the industry reached 106.7 billion yuan, increased by 19.4% year-on-year. The main business cost reached 1,310.59 billion yuan, increased by 12.8% year-on-year; sales expenses were 60.41 billion yuan, increased by 16.1% year-on-year; management fees were 96.22 billion yuan, increased by 12.1% year-on-year; financial costs were 18.68 billion yuan, increased by 7.6% year-on-year.

From January to December of 2017, the main business income of China's special equipment industry reached 3,663.48 billion yuan, increased by 10.2% year-on-year; the total profit of the industry reached 249.02 billion yuan, increased by 29.3% year-on-year. The main business cost reached 3,052.37 billion yuan, increased by 9.4% year-on-year; sales expenses were 123.34 billion yuan, increased by 13% year-on-year; management fees were 204.83 billion yuan, increased by 9.1% year-on-year; financial costs were 42.54 billion yuan, increased by 25.7% year-on-year.

**RELATED COMPANIES**

**Taizhou Jutai Decoration Materials Co., Ltd. (in Chinese pinyin)**

=====  
 Credibility code: 913310003229997423

Legal representative: Liang Meidan

Incorporation date: 2014-11-06

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**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**

Agricultural Bank of China Taizhou Luqiao Sub-branch  
 AC# : 19920101040100359  
 Relationship: Normal.

**FINANCIAL HIGHLIGHTS**

**Balance Sheet**

Unit: CNY'000

	<b>As of Dec. 31, 2016</b>	<b>As of Dec. 31, 2015</b>
Cash & bank	7,560	3,930
Inventory	12,930	18,130
Accounts receivable	10,390	8,240
Other Accounts receivable	10,490	2,750
Advances to suppliers	1,200	870
Interest receivable	0	20
Other current assets	0	0
	-----	-----
Current assets	42,570	33,940
Fixed assets net value	15,800	17,120
Long-term investment	0	0
Intangible and other assets	4,400	4,510
	-----	-----
Total assets	62,770	55,570
	=====	=====
Short loans	8,000	13,000

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**ZHEJIANG GEARTECH MACHINERY CO., LTD. - 530827**

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Accounts payable	12,810	11,150
Advance from customers	4,760	3,580
Other Accounts payable	360	330
Notes payable	12,730	7,540
Accrued payroll	700	360
Taxes payable	180	510
Interest payable	20	20
Other current liabilities	0	0
	-----	-----
Current liabilities	39,560	36,490
Long term liabilities	0	0
	-----	-----
Total liabilities	39,560	36,490
Equities	23,210	19,080
	-----	-----
Total liabilities & equities	62,770	55,570
	=====	=====

**Income Statement**

Unit: CNY'000

	<b>As of Dec. 31, 2016</b>	<b>As of Dec. 31, 2015</b>
Turnover	51,820	51,460
Cost of goods sold	41,660	41,620
Taxes and additional of main operation	320	/
Sales expense	2,020	1,860
Management expense	6,490	6,220
Finance expense	290	-10
Investment income	60	/
Non-operating income	230	/
Non-operating expense	340	/
Profit before tax	990	950
Less: profit tax	120	250
Profits	870	700

**Note: we didn't find the latest financial report.**

**Important Ratios**

	<b>As of Dec. 31, 2016</b>	<b>As of Dec. 31, 2015</b>
*Current ratio	1.08	0.93
*Quick ratio	0.75	0.43
*Liabilities to assets	0.63	0.66
*Net profit margin (%)	1.68	1.36
*Return on total assets (%)	1.39	1.26
*Inventory /Turnover x365	92 days	129 days
*Accounts receivable/Turnover x365	74 days	59 days
*Turnover/Total assets	0.83	0.93

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\* Cost of goods sold/Turnover 0.80 0.81

### FINANCIAL COMMENTS

#### PROFITABILITY: AVERAGE

- The turnover 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 goods sold is average, comparing with its turnover.

#### 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 is fairly large.
- The accounts receivable of SC is maintained in an average level.
- SC's short-term loan is fairly large in 2015, and average in 2016.
- SC's turnover 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. (as of Dec. 31, 2016)**

### REMARKS

SC is considered medium-sized in its line with a development history of 12 years.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.68
UK Pound	1	INR 95.59
Euro	1	INR 84.91
CNY	1	INR 10.50

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	VIVR
<b>Report Prepared by :</b>	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)