**{{company}}**



## COUNTRY: PR CHINA

## DATE: July 27, 2018

ZHEJIANG CATHAYA INTERNATIONAL CO., LTD.

浙江凯喜雅国际股份有限公司

NO. 105, TIYUCHANG ROAD, HANGZHOU, ZHEJIANG PROVINCE, 310004 PR CHINA

浙江省杭州市体育场路105号

TEL: 86 (0) 571-85098592/85098588

FAX: 86 (0) 571-85098380

E-MAIL: [cathaya@cathaya.cn](mailto:cathaya@cathaya.cn)

WEBSITE: <http://www.cathaya.cn/>

Legal Structure & History

SC was registered as a shares limited company at Zhejiang Provincial Administration for industry & commerce (AIC - the official body of issuing and renewing business license) on January 28, 2002.

公司于2002年1月28日在浙江省工商行政管理局（发证续办机关）注册为股份有限公司。

Company Status: Shares limited co. 公司类型：股份有限公司

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

Country: PR CHINA

Credibility code: 913300007368613562

Registered capital: CNY 200,000,000

Import/ Export License Number: 3300736861356

HS Code: 3301910338

Incorporation date: January 28, 2002

License Expiry Date: long terms

Business started: 2002

Listed at the stock exchange: No 在证券交易所上市

Shareholders Parent Company(ies)   
Name % of Shareholding

Shanghai Yingna Investment Development Co., Ltd.

上海英纳投资发展有限公司 51.215

Zhejiang State-owned Capital Operation Co., Ltd.

浙江省国有资本运营有限公司 20

Other shareholders

其他股东 28.785

Shanghai Yingna Investment Development Co., Ltd.

上海英纳投资发展有限公司

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Credibility code: 913101157333563890

Legal representative: Li Jilin李继林

Incorporation date: 2001-11-07

Zhejiang State-owned Capital Operation Co., Ltd.

浙江省国有资本运营有限公司

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Credibility code: 91330000798592788H

Legal representative: Sang Junyao桑均尧

Incorporation date: 2007-02-15

[http://www.zjzsc](http://www.zjzsco.com/)[o.com/](http://www.zjzsco.com/)

***Changes of its registered information are as follows: 其注册信息的变化如下：***

|  |  |  |  |
| --- | --- | --- | --- |
| **Date of change** | **Item** | **Before the change** | **After the change** |
| 2007-12 | Registered capital | CNY 128,000,000 | CNY 148,000,000 |
| 2008-01-08 | Registered No. | 3300001008528 | 330000000015796 |
| 2011-07-18 | Registered capital | CNY 148,000,000 | Present amount |
| 2015-11-27 | Registered No. | 330000000015796 | Credibility Code:  913300007368613562 |
| 2017-07-28 | Legal representative | Li Jilin (李继林) | Present one |

SC’s predecessor was China Silk Corporation Zhejiang Branch (中国蚕丝公司浙江分公司).

Management

The subject has the following senior company personnel: 本公司有下列高级公司人员：

* Legal Representative and Chairman: 法定代表人和主席：

Mr. Zhang Guoqiang (张国强), born in 1958 with master’s degree. He is currently responsible for the overall management of SC. 出生于1958，拥有硕士学位。他目前负责SCS的全面管理。

Working Experience(s):

From 2017 to present Working in SC as legal representative and chairman.

Also working in Zhejiang Catarich International Trade Co., Ltd., Zhejiang Silkroad Inheritor Ecommerce Co., Ltd. and Zhejiang Cathaya Investment Co., Ltd. (literal translation) as legal representative.

* General Manager:

Mr. Wu Jin’gen (吴金根), born in 1963, job postgraduate. He is currently responsible for the daily management of SC.

Working Experience(s):

At present Working in SC as general manager.

Also working in Deqing Cathaya Medical Equipment Co., Ltd. (literal translation), Hangzhou China Silk Printing Technology Co., Ltd., Zhejiang Silk Science and Technology Co., Ltd., etc. as legal representative, and in Zhejiang Cathaya International Co., Ltd. Jianguo Road Department as principal.

* Directors:

Bao Rurong包如荣

Li Zhenqiang李振强

Zhen Jianmin甄建敏

Wu Jin’gen吴金根

* Supervisors:

Ye Jichun叶继春

Mao Yimin毛益民

Ma Yuejun马跃军

Related Companies

SC is known to invest in the following companies:公司投资于以下公司：

Zhejiang Catarich International Trade Co., Ltd.

浙江凯德嘉瑞国际贸易有限公司

Zhejiang Silkroad Inheritor Ecommerce Co., Ltd.

浙江丝路传人电子商务有限公司

Zhejiang Cathaya Investment Co., Ltd. (literal translation)

浙江凯喜雅投资有限公司

Deqing Cathaya Medical Equipment Co., Ltd. (literal translation)

德清凯喜雅医疗器械有限公司

Hangzhou China Silk Printing Technology Co., Ltd.

杭州华丝夏莎纺织科技有限公司

Zhejiang Silk Science and Technology Co., Ltd.

浙江丝绸科技有限公司

Etc.

Activities

SC’s registered business scope includes food sales (operated with license). industrial investment; investment consulting; import and export business (see "import and export enterprise qualification certificate" for details);

design, development, production, processing and sales of various fibers, silk, textile fabrics, clothing, silk products, textiles and raw and auxiliary materials; sales of textile machinery, electromechanical parts, auto parts and auto decoration items, handicrafts, packaging items, instrument, building materials (excluding coatings), mineral products, mineral oil (excluding refined oil), fuel oil (excluding refined oil), coal (no storage), asphalt, steel, rubber, wood, hardware, metal materials, chemical products (excluding dangerous goods and precursor chemicals), primary edible agricultural products, and silkworm cocoons. (with permit if needed).（食品销售（凭许可证经营）。 实业投资；投资咨询；经营进出口业务（范围详见《进出口企业资格证书》）；设计开发、生产加工与销售各种纤维、丝绸、纺织面料、服装、丝绸制品、纺织品及原辅材料；纺织机械、机电配件、汽车零部件及汽车装饰用品、工艺品、包装物品、仪器仪表、建材（不包括涂料）、矿产品、矿物油（不含成品油）、燃料油（不含成品油）、煤炭（无储存）、沥青、钢材、橡胶、木材、五金、金属材料、化工产品（不含危险品及易制毒化学品)、初级食用农产品、蚕茧的销售。（依法须经批准的项目，经相关部门批准后方可开展经营活动））

The subject is mainly engaged in investment; manufacturing, processing and selling silk products, apparel products, textile goods, etc. 主要从事丝绸产品、服装产品、纺织品等的投资、制造、加工、销售。

**Products/Services description:** 产品/服务描述：silk products, apparel products, textile goods, etc.

**Sales area:**  wholesale销售：批发

**Operations area:** National, Local

SC sources its materials from domestic and overseas market. SC sells its products in domestic market, and to overseas market. 供应链材料来源于国内外市场。SC公司在国内市场销售产品，并远销海外市场。

**Note: S**C declined to release its major clients and suppliers.

The buying terms of SC include Check, T/T, L/C and Credit of 30-60 days. The payment terms of SC include T/T, L/C and Credit of 30-60 days. SC的购买条件包括支票、T/T、信用证和信用证30-60天。SC的付款条件包括T/T、信用证和信用证30-60天。

We could not get information about local suppliers to confirm the trade references. 我们无法得到当地供应商的信息，以确认贸易参考。

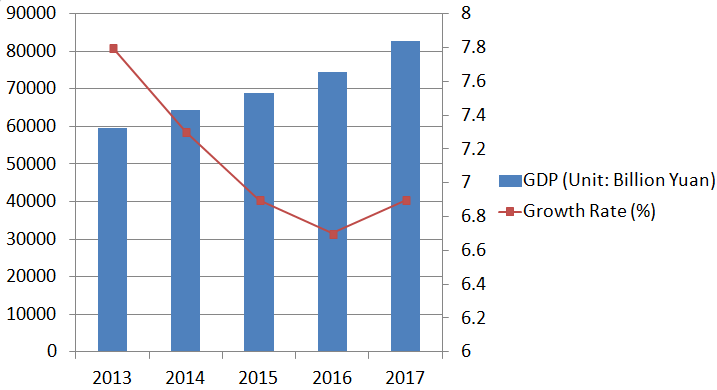
| **TRADEMARKS & PATENTS商标与专利** |
| --- |

|  |  |  |  |
| --- | --- | --- | --- |
| Registration No. | 15092189 | 9774052 | 7011067 |
| Registration Date | 2015-09-21 | 2015-1-21 | 2010-10-07 |
| Trademark Design |  |  |  |

Industry code: 1700

Industry name: textile industry

The gross domestic product of China in 2017 which is 82,712.17 billion that is increased 6.9% than previous year. 2017中国的国内生产总值（GDP）比上年增长了82兆7121亿7000万。



China's textile fiber processing volume has maintained steady growth in the past few years. According to statistics from the Ministry of Industry and Information Technology, the national textile fiber processing volume reached 54.2 million tons in 2016, a year-on-year increase of 2.3%, accounting for more than 50% of the total global fiber processing, according to the textile industry. The 13th Five-Year Development Plan predicts that China's fiber processing capacity will continue to grow at a rate of 1 million to 2 million tons per year in the next four years, and will reach 60 million tons in 2020, an increase of 3.5%. China is already the world's largest textile processing country, and China is also the world's largest textile exporter. According to the China Textile Industry Association, since 2010, China's textile and apparel exports accounted for a steady increase in the proportion of global textile and apparel exports, but the growth rate has gradually slowed down. In 2016, the global textile and apparel exports accounted for 38%. However, according to customs data, in the whole year of 2015, China exported 291.1 billion US dollars of textiles and clothing, down 4.8% year-on-year. Among them, China's textile exports amounted to 115.26 billion US dollars, down 2.3% year-on-year, and clothing exports were 175.89 billion US dollars, down 6.4% year-on-year. This is also the first year of negative export growth in China's textile and apparel exports since the financial crisis. In 2016, the export situation has not improved. The same is from customs data. The cumulative trade volume of China's textiles and apparels in 2016 was US$290.6 billion, down 6.1% year-on-year. Among them, exports were 267.25 billion US dollars, down 5.9% year-on-year. This is the first time that China's textile exports have declined for the past 20 years, and the decline has been increasing year by year. In terms of retail sales, the retail sales of clothing, shoes, hats and needles above designated size increased steadily. In 2016, the retail sales reached 144.3 billion yuan, accounting for 9.95% of the retail sales of consumer goods above designated size.



In 2017, with the withdrawal of the United States from the TPP, the Chinese textile industry began to warm up, and the growth rate of industrial added value of the textile industry gradually increased month by month. From January to June, the industrial added value of enterprises increased by 5.3% year-on-year; the textile industry exceeded 5 million yuan. The investment completion of investment projects was 60.301 billion yuan, a year-on-year increase of 9.11%. From January to May, the main business income was 2,945.57 billion yuan, a year-on-year increase of 9.4%; the total profit was 149.5 billion yuan, a year-on-year increase of 10.6%. The textile industry's exports showed a pick-up trend. From January to June 2017, China's total exports of textiles and clothing reached US$124.05 billion, a year-on-year increase of 2.1%. The growth rate of domestic sales has also accelerated. From January to June, the retail sales of clothing, shoes, hats and needles above the national quota increased by 7.3% year-on-year, 0.3% higher than the same period of the previous year.

Industry code: 7200

Industry name: Business Services

The business services industry is a growing industry that has been providing attractive business opportunities for investors and enterprises. This industry includes all types of enterprises and companies which services as the core.

China's business services industry will continue to attract investors and enterprises in the future, because the four key elements:

1. Compared to other markets, the business services industry is showing a positive growth trend, compared with other countries, China's business services industry is still in the development stage. the contribution of services to China's GDP is less than 40%. Far less than the United States, Britain, Singapore, South Korea and Malaysia, their contribution rate can reach 70%.

2. The customer is diverse and stable.

3. Global and domestic historical performance

For long-term (five-year) total return on shareholders, business service is one of the highest performing industries in the world. In 2011 and 2015 global business services industry shareholders total return index of 22%, far more than aviation, luxury goods, chemical products, franchise retail and motor transport industries.

4. Attractive investment and trading prospects

At present, Chinese business services companies provide investors with very attractive investment value and availability.

There are approximately 245 employees.

Locations

The subject operates from premises located at the heading address, and this address houses its operating office in Hangzhou. Detailed information of the premise is unknown.

The factory address is not available.

Branches: 分支：

Zhejiang Cathaya International Co., Ltd. Jianguo Road Department

浙江凯喜雅国际股份有限公司建国路营业部

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Credibility code: 91330103352443577M

Principal: Wu Jin’gen吴金根

Incorporation date: 2015-09-11

Zhejiang Cathaya International Co., Ltd. Shanghai-Kunming Expressway Xiaoshan Service Area Department

浙江凯喜雅国际股份有限公司沪昆高速萧山服务区营业部

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Credibility code: 91330109MA2B0RN35B

Principal: Zhang Yanzhe 张彦哲

Incorporation date: 2018-02-06

Sales & Finance

***Balance Sheet***

Unit: CNY’000

|  |  |  |
| --- | --- | --- |
|  | **As of Dec. 31, 2017** | **As of Dec. 31, 2016** |
| Cash & bank | 234,412 | 644,824 |
| Inventory | 60,546 | 829,358 |
| Accounts receivable | 426,972 | 462,893 |
| Advances to suppliers | / | / |
| Note receivable | / | / |
| Other receivables | 193,745 | 223,580 |
| Other current assets | / | / |
|  | ------------------ | ------------------ |
| Current assets | 1,449,661 | 3,053,066 |
| Fixed assets net value | 4,686 | 380,078 |
| Projects under construction | / | / |
| Long term investment | 655,310 | 165,471 |
| Long-term deferred expense | / | / |
| Intangible assets | 1,449 | 30,070 |
| Other assets | / | / |
|  | ------------------ | ------------------ |
| Total assets | 2,455,202 | 4,186,755 |
|  | =========== | =========== |
| Short loan | / | / |
| Accounts payable | 59,453 | 439,978 |
| Advances from clients | / | / |
| Notes payable | / | / |
| Accrued payroll | / | / |
| Taxes payable | / | / |
| Other accounts payable | 267,709 | 129,653 |
| Accrued expenses | / | / |
| Other current liabilities | / | / |
|  | ------------------ | ------------------ |
| Current liabilities | 1,712,375 | 3,181,977 |
| Long term liabilities | 221,926 | 118,821 |
|  | ------------------ | ------------------ |
| Total liabilities | 1,934,301 | 3,300,798 |
| Equities | 520,901 | 885,957 |
|  | ------------------ | ------------------ |
| Total liabilities & equities | 2,455,202 | 4,186,755 |
|  | =========== | =========== |

***Income Statement***

Unit: CNY’000

|  |  |  |
| --- | --- | --- |
|  | **As of Dec. 31, 2017** | **As of Dec. 31, 2016** |
| Turnover营业额 | 2,583,618 | 8,860,668 |
| Cost of goods sold | / | / |
| Taxes and additional of main operation | / | / |
| Sales expense | / | / |
| Management expense | / | / |
| Finance expense | / | / |
| Profit before tax | 51,986 | 129,115 |
| Less: profit tax | -1,520 | 26,792 |
| Profits | 53,506 | 102,323 |

Note: we did not find SC’s detailed financial reports.

***Important Ratios***

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|  |  |  |  |
| --- | --- | --- | --- |
|  | **As of Dec. 31, 2017** | | **As of Dec. 31, 2016** |
| \*Current ratio | 0.85 | | 0.96 |
| \*Quick ratio | 0.81 | | 0.70 |
| \*Liabilities to assets | 0.79 | | 0.79 |
| \*Net profit margin (%) | 2.07 | | 1.15 |
| \*Return on total assets (%) | 2.18 | 2.44 | |
| \*Inventory /Turnover ×365 | 9 days | | 35 days |
| \*Accounts receivable/Turnover ×365 | 61 days | | 20 days |
| \*Turnover/Total assets | 1.05 | | 2.12 |
| \* Cost of goods sold/Turnover | / | | / |

**PROFITABILITY: AVERAGE**

* The turnover of SC appears fairly good in its line, but it decreased greatly in 2017.
* SC’s net profit margin is average.
* SC’s return on total assets is average.

**LIQUIDITY: FAIR**

* The current ratio of SC is maintained in a fair level.
* SC’s quick ratio is maintained in a fair level in 2016, and normal in 2017.
* The inventory of SC appears average.
* The accounts receivable of SC appears average.
* SC’s turnover is in a fairly good level in 2016 but average in 2017, comparing with the size of its total assets.

**LEVERAGE: FAIR**

* The debt ratio of SC is fairly high.
* The risk for SC to go bankrupt is average.

**Overall financial condition of the SC: Fairly Stable.**

Contacted with SC’s employee who was not cooperative, and most of the information comes from local AIC.

Public Records

The sources consulted record no detrimental legal court information.

SC has passed ISO9001 certificate, “Cathaya (CATHAYA)” brand products won “China's export brand”, “Zhejiang Famous Brand” and other honorary titles

Payments

No legal actions were traced against the subject during the course of this investigation. No unfavorable information with regard to the subject's commercial reputation was reported.

Payments are regular.

SC is a Shares limited co., that mainly engaged in investment; manufacturing, processing and selling silk products, apparel products, textile goods, etc. This company operates with about 245 employees.

This company has 16 years of experiences in the market where they develop since incorporated.

After our research and based on the information obtained we suggest a credit line for USD 3,000,000 upon a periodical review basis, and the credit amount is calculated according to SC’s equity.

Banking

The subject maintains relations with the following bank:

Bank of China Zhejiang Branch

中国银行浙江省分行

AC#：N/A

It is generally not the policy of local banks to provide credit status information to non-bona fide applications, and interested parties would be advised to consult first with the subject if banker's references are required.

Summary

The subject is a Shares limited co.. The subject is mainly engaged in investment; manufacturing, processing and selling silk products, apparel products, textile goods, etc.

There are approximately 245 employees.

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***Balance Sheet***

Unit: CNY’000

|  |  |  |
| --- | --- | --- |
|  | **As of Dec. 31, 2017** | **As of Dec. 31, 2016** |
| Cash & bank | 234,412 | 644,824 |
| Inventory | 60,546 | 829,358 |
| Accounts receivable | 426,972 | 462,893 |
| Advances to suppliers | / | / |
| Note receivable | / | / |
| Other receivables | 193,745 | 223,580 |
| Other current assets | / | / |
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| Current assets | 1,449,661 | 3,053,066 |
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Financial Ratios

***Important Ratios***

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| \*Turnover/Total assets | 1.05 | 2.12 |
| \* Cost of goods sold/Turnover | / | / |

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