

MIRA INFORM REPORT

Report No. :	526935
Report Date :	25.08.2018

IDENTIFICATION DETAILS

Name :	SHANGHAI HUIDE SCIENCE & TECHNOLOGY CO., LTD.
Registered Office :	No. 180 Chunhua Road, Jinshan Town, Jinshan District, Shanghai 201512 Pr
Country :	China
Financials (as on) :	31.12.2016
Date of Incorporation :	25.06.2007
Unified Social Credit Code :	91310116662478847M
Legal Form :	Shares Limited Company
Line of Business :	Subject includes technology development, technology consulting, technology transfer, and technology services of chemical technology, new materials technology, information technology, computer technology, new energy technology; manufacturing polyurethane resin; importing and exporting goods and technology.
No. of Employees :	363

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

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. 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	SHANGHAI HUIDE SCIENCE & TECHNOLOGY CO., LTD.
CURRENT ADDRESS/ REGISTERED ADDRESS	NO. 180 CHUNHUA ROAD, JINSHAN TOWN, JINSHAN DISTRICT, SHANGHAI 201512 PR CHINA
TEL. NO.	86 (0) 21-37285599
FAX NO.	86 (0) 21-37285395

EXECUTIVE SUMMARY

DATE OF REGISTRATION	: JUNE 25, 2007
UNIFIED SOCIAL CREDIT CODE	: 91310116662478847M
LEGAL FORM	: SHARES LIMITED COMPANY
CHIEF EXECUTIVE	: QIAN JIANZHONG (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL	: CNY 80,000,000
STAFF	: 363
BUSINESS CATEGORY	: MANUFACTURING & TRADING
REVENUE	: CNY 1,173,867,000 (CONSOLIDATED, AS OF DEC. 31, 2016)
EQUITIES	: CNY 458,930,000 (CONSOLIDATED, AS OF DEC. 31, 2016)
WEBSITE	: www.shhdsz.com
E-MAIL	: zouwg@shhdsz.com
PAYMENT	: REGULAR
MARKET CONDITION	: COMPETITIVE
FINANCIAL CONDITION	: STABLE
OPERATIONAL TREND	: FAIRLY STEADY
GENERAL REPUTATION	: AVERAGE

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
Fairly Steady
Ordinary
Fair
Stagnant
Downward
Not known
Not yet be determined

General Reputation:-

Excellent
Good
Fairly Good
Average
Fair
Detrimental
Not known
Not yet be determined

LEGAL STATUS & HISTORY

SC was established as shares limited company of PRC with State Administration of Industry & Commerce (SAIC) under unified social credit code: 91310116662478847M.

SC's Import and Export Enterprise Code: 3100662478847

SC's registered capital: CNY 80,000,000

SC's paid-in capital: CNY 80,000,000

Registration Change Record:-

Date	Change of Contents	Before the change	After the change
2016-3-25	Legal Form Registration No./Unified Social Credit Code Company Name	Limited Liabilities Company 310228001026769	Shares Limited Company 91310116662478847M
		Shanghai Huide Chemical Industry Co., Ltd.	Shanghai Huide Science & Technology Co., Ltd.

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

Name of Shareholder (s)	% of Shareholding
Shanghai Huide Enterprise Group Co., Ltd.	47.5
Yan Qun	30
Shanghai Zhanran Equity Investment Management Partnership (Limited Partnership)	16.25
Shanghai Yongteng Equity Investment Management Partnership (Limited Partnership)	6.25

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SC's Chief Executives:-

Position

Name

Legal Representative, Chairman and General Manager
Director

Qian Jianzhong
Yanqun
Zhang Yong
Lu Shimin
Qian Hongxiang
Xu Qiang
Huang Cheng
Yan Bingqing

Supervisor

RECENT DEVELOPMENT

No recent development was found during our checks at present.

SHAREHOLDER CHART & BACKGROUND

Name	% of Shareholding
Shanghai Huide Enterprise Group Co., Ltd.	47.5
Yan Qun	30
Shanghai Zhanran Equity Investment Management Partnership (Limited Partnership)	16.25
Shanghai Yongteng Equity Investment Management Partnership (Limited Partnership)	6.25

Shanghai Huide Enterprise Group Co., Ltd.

Date Of Registration: April 28, 2002
Unified Social Credit Code: 913101157385193359
Chief Executive : Yanqun
Registered Capital: CNY 30,000,000

MANAGEMENT

Qian Jianzhong, Legal Representative, Chairman and General Manager

Gender: M
Nationality: China
Qualification: University

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Working experience (s):

At present, working in SC as legal representative, chairman and general manager, also working in Shanghai Huide International Trade Co., Ltd., Changzhou Pufeite Chemicals Co., Ltd., Shanghai Hongde Polyurethane Co., Ltd., and Fujian Huide New Materials Co., Ltd. as legal representative

Director

Yanqun
Zhang Yong
Lu Shimin
Qian Hongxiang

Supervisor

Xu Qiang
Huang Cheng
Yan Bingqing

BUSINESS OPERATION

SC's registered business scope includes technology development, technology consulting, technology transfer, and technology services of chemical technology, new materials technology, information technology, computer technology, new energy technology; manufacturing polyurethane resin; importing and exporting goods and technology.

SC is mainly engaged in manufacturing and selling polyurethane resin.

SC's products mainly include: synthetic leather, polyester polyol, etc.

SC sources its materials 100% from domestic market, mainly Shanghai. SC sells 80% of its products in domestic market, and 20% to overseas market, mainly U.S.A., Europe, Mid East, Southeast Asia, etc.

The buying terms of SC include Check, T/T and Credit of 30-60 days. The payment terms of SC include T/T, L/C and Credit of 30-60 days.

Major Customer

Rubiano Perea Carlos Enrique

Staff & Office:

SC is known to have approx. 363 staff at present.

SC owns an area as its operating office & factory of approx. 58,000 sq. meters at the heading address.

RELATED COMPANY

SC is known to have 5 subsidiaries at present,

Fujian Huide New Materials Co., Ltd.

Date of Registration: July 19, 2016
Unified Social Credit Code: 91350982MA349RNJ0D
Chief Executive : Qian Jianzhong
Registered Capital: CNY 50,000,000

Changzhou Yunqi Transport Co., Ltd.

Date of Registration: June 3, 2013
Unified Social Credit Code: 913204110710621613
Chief Executive : Zou Wenge
Registered Capital: CNY 2,000,000

Shanghai Huide International Trade Co., Ltd.

Date of Registration: August 20, 2010
Unified Social Credit Code: 91310115560166930G
Chief Executive : Qian Jianzhong
Registered Capital: CNY 5,000,000

Changzhou Pufeite Chemicals Co., Ltd.

Date of Registration: April 4, 2007
Unified Social Credit Code: 913204126600846175
Chief Executive : Qian Jianzhong
Registered Capital: CNY 8,000,000

Shanghai Hongde Polyurethane Co., Ltd.

Date of Registration: June 10, 2004
Unified Social Credit Code: 91310115763340038R
Chief Executive : Qian Jianzhong
Registered Capital: CNY 2,000,000

PAYMENT

Overall payment appraisal:

Excellent Good Average Fair Poor Not yet be determined

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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

The bank information of SC is not filed in SAIC.

FINANCIALS

Consolidated Balance Sheet

Unit: CNY'000	As of Dec. 31, 2016
Cash	157,974
Notes receivable	230,522
Accounts receivable	238,566
Advances to suppliers	32,743
Other receivable	5,670
Inventory	80,197
Non-current assets within one year	0
Other current assets	203,830

Current assets	949,502
Long-term investment	0
Fixed assets	71,033
Construction in progress	5,648
Intangible assets	18,487
Other non-current assets	8,530

Total assets	1,053,200
	=====
Short-term loans	101,000
Notes payable	341,116
Accounts payable	66,965
Wages payable	20,716
Taxes payable	26,978
Advances from clients	30,551
Other payable	1,008

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Other current liabilities	132

Current liabilities	588,466
Non-current liabilities	5,804

Total liabilities	594,270
Equities	458,930

Total liabilities & equities	1,053,200
	=====

Consolidated Income Statement

Unit: CNY'000	As of Dec. 31, 2016
Revenue	1,173,867
Cost of sales	913,312
Sales expense	43,033
Management expense	97,903
Finance expense	2,169
Profit before tax	113,117
Less: profit tax	14,360
Profits	98,757

Important Ratios

=====	As of Dec. 31, 2016
*Current ratio	1.61
*Quick ratio	1.48
*Liabilities to assets	0.56
*Net profit margin (%)	8.41
*Return on total assets (%)	9.38
*Inventory / Revenue x365	25 days
*Accounts receivable/ Revenue x365	75 days
*Revenue/Total assets	1.11
*Cost of sales / Revenue	0.78

FINANCIAL COMMENTS

PROFITABILITY: FAIRLY GOOD

The revenue of SC appears fairly good in its line.
SC's net profit margin is fairly good.
SC's return on total assets is fairly good.
SC's cost of sales is average, comparing with its revenue.

LIQUIDITY: AVERAGE

The current ratio of SC is maintained in a normal level.
SC's quick ratio is maintained in a fairly good level.

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The inventory of SC is maintained in an average level.
The accounts receivable of SC is maintained in an average level.
SC's short-term loans are in an average level.
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: Stable.

CONCLUSIONS

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

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.14
UK Pound	1	INR 89.97
Euro	1	INR 81.17
CNY	1	INR 10.25

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	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)