

## MIRA INFORM REPORT

<b>Report No. :</b>	544554
<b>Report Date :</b>	14.12.2018

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Given address is other office address of the company.

### IDENTIFICATION DETAILS

<b>Name :</b>	TIANJIN SHENGLONG FIBRE CO., LTD.
<b>Registered Office :</b>	East Of Niudaokou Village, Niudaokou Town, Baodi District, Tianjin
<b>Country :</b>	China
<b>Financials (as on) :</b>	30.06.2018
<b>Date of Incorporation :</b>	15.04.2005
<b>Unified Social Credit Code :</b>	91120000770638932D
<b>Legal Form :</b>	Shares Limited Company
<b>Line of Business :</b>	Subject registered business scope includes researching, developing, manufacturing and selling coconut shell, palm, bamboo slats and straw fiber products, car seats, back cushion, sleeper cushion, furniture, furniture accessories, furniture textile products and furniture metal products, providing manufacturing and technology consulting service of concerning production equipment; wholesaling, retailing, importing and exporting of above products; general cargo (with permit if needed).
<b>No. of Employees :</b>	130

### RATING & COMMENTS

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

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

<b>Maximum Credit Limit :</b>	USD 200,000
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<b>Status :</b>	Satisfactory
<b>Payment Behaviour :</b>	Slow but correct
<b>Litigation :</b>	Clear

**NOTES :**

Any query related to this report can be made on e-mail : [infodept@mirainform.com](mailto:infodept@mirainform.com) while quoting report number, name and date.

**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

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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 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**

<b>COMPANY NAME</b>	TIANJIN SHENGLONG FIBRE CO., LTD.
<b>CURRENT ADDRESS</b>	NIU DAO KOU INDUSTRY DEVELOPMENT ZONE, BAODI DISTRICT, TIANJIN 301800 PR CHINA
<b>REGISTERED ADDRESS</b>	EAST OF NIUDAOKOU VILLAGE, NIUDAOKOU TOWN, BAODI DISTRICT, TIANJIN
<b>TEL. NO.</b>	86 (0) 22-22557992/22557997/22556998
<b>FAX NO.</b>	N/A

## **EXECUTIVE SUMMARY**

DATE OF REGISTRATION	: APRIL 15, 2005
UNIFIED SOCIAL CREDIT CODE	: 91120000770638932D
LEGAL FORM	: SHARES LIMITED COMPANY
CHIEF EXECUTIVE	: WU HUAWEI (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL	: CNY 20,000,000
STAFF	: 130
BUSINESS CATEGORY	: R & D & MANUFACTURING & TRADING
REVENUE	: CNY 29,640,000 (CONSOLIDATED, JAN. 1, 2018 TO JUN. 30, 2018)
EQUITIES	: CNY 34,793,000 (CONSOLIDATED, AS OF JUN. 30, 2018)
WEBSITE	: <a href="http://www.slfbire.com">www.slfbire.com</a>
E-MAIL	: <a href="mailto:junqi.gao@slfbire.com">junqi.gao@slfbire.com</a>
PAYMENT	: SLOW BUT CORRECT
RECOMMENDED CREDIT LIMIT	: UP TO USD 200,000
MARKET CONDITION	: AVERAGE
FINANCIAL CONDITION	: FAIR
OPERATIONAL TREND	: ORDINARY
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

### **General Reputation:-**

Excellent  
Good  
Fairly Good

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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 shares limited company of PRC with State Administration of Industry & Commerce (SAIC) under unified social credit code: 91120000770638932D.

SC's Import and Export Enterprise Code: 1200770638932

SC's registered capital: CNY 20,000,000

SC's paid-in capital: CNY 20,000,000

### **Registration Change Record:-**

<b>Date</b>	<b>Change of Contents</b>	<b>Before the change</b>	<b>After the change</b>
2010-07	Legal Form	Chinese-foreign equity joint venture enterprise	One-person Limited Liabilities Company
	Registered Capital	USD 750,000	CNY 6,068,109.60
	Legal Form	One-person Limited Liabilities Company	Limited Liabilities Company
	Legal Representative	Ning Xiaohui	Wu Huawei
2014-01	Registered Capital	CNY 6,068,109.60	CNY 11,000,000
2015-02-09	Registered Capital	CNY 11,000,000	CNY 11,695,700
2015-06-16	Registered Capital	CNY 11,695,700	CNY 20,000,000
	Legal Form	Limited Liabilities Company	Shares Limited Company
	Company Name	Tianjin Sheng Long Rubberised Mattress Co., Ltd.	Tianjin Shenglong Fibre Co., Ltd.

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

<b>Name of Shareholder (s) (As of June 30, 2018)</b>	<b>% of Shareholding</b>
Wu Huawei	43.12
Xiamen Shengfang Bio Tech Co., Ltd.	32.43
Chen Ming	9
Wei Wei	9

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Tianjin Zhengrui Capital Management Center (Limited Partnership) 5.95  
Song Yiding 0.5

**SC's Chief Executives:-**

**Position**

**Name**

Legal Representative, Chairman and General Manager  
Director

Wu Huawei  
Zhou Xudong  
Chi Liping  
Song Yiding  
Chen Ming  
Yao Zhiyang  
Yu Yuemin  
Wu Xiaolong  
Yang Yan

Supervisor

**RECENT DEVELOPMENT**

SC is a listed company in National Equities Exchange and Quotations with the code of 833520.

**SHAREHOLDER CHART & BACKGROUND**

**Name** **% of Shareholding**

**(As of June 30, 2018)**

Wu Huawei	43.12
Xiamen Shengfang Bio Tech Co., Ltd.	32.43
Chen Ming	9
Wei Wei	9
Tianjin Zhengrui Capital Management Center (Limited Partnership)	5.95
Song Yiding	0.5

Xiamen Shengfang Bio Tech Co., Ltd.

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Unified Social Credit Code: 91350200737875928L

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Date of Registration: 2002-12-26  
Legal Form: Shares Limited Company  
Registered Capital: CNY 35,000,000  
Legal Representative: Zhou Xudong  
Web: [www.shengfangbio.com](http://www.shengfangbio.com)

Tianjin Zhengrui Capital Management Center (Limited Partnership)

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Unified Social Credit Code: 91120224300761952X

## **MANAGEMENT**

**Wu Huawei, Legal Representative, Chairman and General Manager**

- 
- Gender: M
  - Nationality: China
  - Age: 49
  - Qualification: EMBA
  - Working experience (s):

At present, working in SC as legal representative, chairman and general manager

Also working in Chengdu Shenglong Plant Fibre Products Co., Ltd. as legal representative

### **Director**

-----  
Zhou Xudong  
Chi Liping  
Song Yiding  
Chen Ming  
Yao Zhiyang

### **Supervisor**

-----  
Yu Yuemin  
Wu Xiaolong  
Yang Yan

## **BUSINESS OPERATION**

SC's registered business scope includes researching, developing, manufacturing and selling coconut shell, palm, bamboo slats and straw fiber products, car seats, back cushion, sleeper cushion, furniture, furniture accessories, furniture textile products and furniture metal products, providing manufacturing and technology consulting service

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of concerning production equipment; wholesaling, retailing, importing and exporting of above products; general cargo (with permit if needed).

The subject is mainly engaged in researching, developing, manufacturing and selling plant fiber products and concerning products.

SC's products mainly include: various plant fiber mattress, car cushion, etc.



SC has passed ISO/TS16949 and other certifications.

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

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 and Credit of 30-60 days.

Trademark:



**\*Major Customers\***

=====  
Chongqing Weland Mattress & Furniture Co., Ltd.  
Chengdu Bayi Furniture Co., Ltd.  
Shiyan Yaxinda Industry & Trade Co., Ltd.

**\*Major Suppliers\***

=====  
Honghe Zheli Palm Products Co., Ltd.  
Changshu Zongqian Fiber Products Co., Ltd.  
Puer Senjie Natural Latex Industry Co., Ltd.

**Staff & Office:**

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SC is known to have approx. 130 staff at present.

SC owns an area as its operating office and factory, but the detailed information is unknown.

## **RELATED COMPANY**

**SC is known to invest in the following companies:**

Zhangzhou Tenglong Plant Fibre Technology Co., Ltd.

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Unified Social Credit Code: 913506813995757102

Date of Registration: 2014-05-28

Legal Representative: Zhou Xudong

Registered Capital: CNY 6,000,000

Chengdu Shenglong Plant Fibre Products Co., Ltd.

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Unified Social Credit Code: 915101840574707406

Date of Registration: 2012-11-16

Legal Representative: Yuan Yuemin

Registered Capital: CNY 5,000,000

Xiangyang Shenglong Fiber Technology Co., Ltd.

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Unified Social Credit Code: 91420607MA48YRB78N

Date of Registration: 2017-5-4

Legal Representative: Wu Xiaolong

Registered Capital: CNY 10,000,000

## **PAYMENT**

**Overall payment appraisal:**

Excellent  Good  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 supplier refused to make any comments.

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**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**

Agricultural Bank of China Tianjin Baodi Sub-Branch

AC#: 090001040028689

**\*\*Note: SC's management declined to release whether it has account in BANK OF CHINA**

## **FINANCIALS**

### **Consolidated Balance Sheet**

Unit: CNY'000	As of Dec. 31, 2017	As of Jun. 30, 2018
Cash	9,735	341
Notes receivable & Accounts receivable	23,881	19,919
Advances to suppliers	5,028	996
Other receivable	2,354	4,077
Inventory	13,868	15,092
Non-current assets due within one year	0	0
Other current assets	49	0
	-----	-----
Current assets	54,915	40,425
Fixed assets	25,767	25,027
Construction in progress	1,598	4,846
Engineering materials	0	0
Intangible assets	963	949
Goodwill	0	0
Long-term prepaid expenses	208	430
Deferred income tax assets	259	225
Other non-current assets	0	0
	-----	-----
Total assets	83,710	71,902
	=====	=====
Short-term loans	33,870	23,000
Notes payable & Accounts payable	8,292	2,637

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Wages payable	139	108
Taxes payable	1,467	365
Advances from clients	497	0
Other payable	329	10,782
Other current liabilities	125	0
	-----	-----
Current liabilities	44,719	36,892
Non-current liabilities	153	217
	-----	-----
Total liabilities	44,872	37,109
Equities	38,838	34,793
	-----	-----
Total liabilities & equities	83,710	71,902
	=====	=====

**Consolidated Income Statement**

Unit: CNY'000	As of Dec. 31, 2017	Jan. 1, 2018 to Jun. 30, 2018
Revenue	80,338	29,640
Cost of sales	60,958	24,183
Taxes and surcharges	862	385
Sales expense	2,914	936
Management expense	12,104	5,035
Finance expense	2,247	1,173
Asset impairment loss	-81	-131
Investment income	0	0
Non-business income	35	19
Non-business expenditure	52	120
Profit before tax	2,670	-3,968
Less: profit tax	586	20
Profits	2,084	-3,988

**Important Ratios**

=====	As of Dec. 31, 2017	As of Jun. 30, 2018
*Current ratio	1.23	1.10
*Quick ratio	0.92	0.69
*Liabilities to assets	0.54	0.52
*Net profit margin (%)	2.59	-13.45
*Return on total assets (%)	2.49	-5.55
*Inventory / Revenue x365/180	64 days	92 days
*Revenue / Total assets	0.96	0.41
*Cost of sales / Revenue	0.76	0.82

## **FINANCIAL COMMENTS**

### **PROFITABILITY: FAIR**

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

### **LIQUIDITY: FAIR**

- The current ratio of SC is maintained in a normal level.
- SC's quick ratio is maintained in a fair level.
- The inventory of SC is maintained in an average level.
- The short-term loans of SC appear large.
- SC's revenue 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: Fair.**

## **CONCLUSIONS**

SC is considered medium-sized in its line with fair financial conditions. A credit line up to USD 200,000 would appear to be within SC's capacities.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.54
UK Pound	1	INR 90.31
Euro	1	INR 81.34
CNY	1	INR 10.42

**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>	TPT

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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)