

MIRA INFORM REPORT

Report No. :	517822
Report Date :	29.06.2018

IDENTIFICATION DETAILS

Name :	SHANDONG HIKING INTERNATIONAL COMMERCE GROUP CO., LTD.
Registered Office :	19/F Xinkaida Mansion, No. 33 Longcheng Road, Shibei District, Qingdao, Shandong Province 266071 PR
Country :	China
Financials (as on) :	30.06.2017
Date of Incorporation :	12.01.2011
Unified Social Credit Code :	91370212568552406D
Legal Form :	Limited Liabilities Company
Line of Business :	Subject is engaged in selling food, textiles, arts & crafts, mechanical and electrical products, daily necessities, grain, vegetables, fruits, raw meat, building materials; importing and exporting commodities and technology; commodities freight forwarding; property management; and commercial information consulting.
No. of Employees :	68

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 :	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

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

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COMPANY NAME AND ADDRESS

COMPANY NAME Shandong Hiking International Commerce Group Co., Ltd.
CURRENT ADDRESS 19/F Xinkaida Mansion, No. 33 Longcheng Road, Shibei
District, Qingdao, Shandong Province 266071 PR China
REGISTERED ADDRESS No. 127 Songling Road, Laoshan District, Qingdao,
Shandong Province
TEL. NO. 86 (0) 532-82899835/68860169
FAX NO. 86 (0) 532-85877680

EXECUTIVE SUMMARY

Date of Registration : jANUARY 12, 2011
Unified social credit code : 91370212568552406D
LEGAL FORM : limited liabilities Company
CHIEF EXECUTIVE : wang huidao (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL : CNY 50,000,000
staff : 68
BUSINESS CATEGORY : TRADE AGENCY
REVENUE : CNY 406,850,000 (FROM JAN. 1, 2017 TO JUN. 30, 2017)
EQUITIES : CNY 57,870,000 (AS OF JUN. 30, 2017)
WEBSITE : www.hikingic.com.cn
E-MAIL : mikewang@hikingic.com & salina0450@hikingic.com
PAYMENT : AVERAGE
MARKET CONDITION : COMPETITIVE
FINANCIAL CONDITION : stable
OPERATIONAL TREND : fairly steady
GENERAL REPUTATION : AVERAGE

OPERATIONAL TREND & GENERAL REPUTATION

This section aims at indicating the relative positions of SC in respect of its operational trend & general reputation

Operational Trend:-	General Reputation:-
Upward	Excellent
Steady	Good
Fairly Steady	Fairly Good
Ordinary	Average
Fair	Fair
Stagnant	Detrimental
Downward	Not known
Not known	Not yet be determined
Not yet be determined	

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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: 91370212568552406D.

SC's Import and Export Enterprise Code: 3700568552406

SC's registered capital: CNY 50,000,000

SC's paid-in capital: CNY 50,000,000

Registration Change Record:-

Date	Change of Contents	Before the change	After the change
2014-5-26	Legal Representative	Zhao Hongsheng	Wang Huidao
2015-12-24	Registration No./ Unified Social Credit Code	370000000002578	91370212568552406D
2017	Business Scope	Operating and acting as an agent of importing and exporting various kinds of commodities and technology; contractor cargo transport agency business; business consulting, property management; selling arts and crafts, electronic products, daily necessities, building materials.	Selling food, textiles, arts & crafts, mechanical and electrical products, daily necessities, grain, vegetables, fruits, raw meat, building materials; importing and exporting commodities and technology; commodities freight forwarding; property management; and commercial information consulting.

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

Name of Shareholder (s)	% of Shareholding
Hiking Group Co., Ltd.	80
Shandong Hiking Investment & Holdings Co., Ltd.	20

SC's Chief Executives:-

Position	Name
Legal Representative and Director	Wang Huidao
Chairman	Zhang Jianhua
Director	Xu Dongbo
Supervisor	Zhong Wei

RECENT DEVELOPMENT

No recent development was found during our checks at present.

SHAREHOLDER CHART & BACKGROUND

Name	% of Shareholding
Hiking Group Co., Ltd.	80
Shandong Hiking Investment & Holdings Co., Ltd.	20

Hiking Group Co., Ltd.

Hiking Group is a large scale enterprises consortium founded in June 2002, it was formed by Hiking Group Co., Ltd. and the other five major foreign trade companies in Shandong Province, namely, Shandong Textiles Imp. & Exp. Co., Shandong Arts & Crafts Imp. & Exp. Holdings Co., Ltd., Shandong Special Arts & Crafts Imp. & Exp. Corp., China Export Bases Development Shandong Corp. and China Packing I/E Shandong Corp. in accordance with Shandong Provincial Government's strategy of boosting the reconstruction and reform of provincial foreign trade enterprises. Later on, Hiking Group took over the trusteeship of Shandong Foreign Trade (Holdings) Corp., Ltd. At present, the Group owns 132 subsidiaries or holding enterprises, with over 17,900 employees on the regular payroll.

Unified Social Credit Code: 91370000743395445T

Legal Form: Limited Liability Company

Chief Executive: Zhang Jianhua

Registered Capital: CNY 810,000,000

Address: No. 127 Songling Road, Laoshan District, Qingdao, Shandong Province

Tel: 86 (0) 532-85967056

Fax: 86 (0) 532-85967001

Web: www.hiking.com.cn

E-mail: office@hiking.cn

Shandong Hiking Investment & Holdings Co., Ltd.

Unified Social Credit Code: 91370203561185551Y

Legal Form: Limited Liability Company

Chief Executive: Zhang Jianhua

Registered Capital: CNY 255,000,000

MANAGEMENT

Wang Huidao, Legal Representative and Director

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 http://www.miraglobalcollections.com

Gender: M
 Nationality: China
 Age: 52
 ID# 370202196602043919
 Qualification: University
 Working experience (s):

At present, working in SC as legal representative, chairman and general manager, also working in Hiking (Qingdao) Small And Micro Enterprises Foreign Trade Integrated Services Co., Ltd., as legal representative

Zhang Jianhua, Chairman

Gender: M
 Nationality: China
 Qualification: University
 Working experience (s):

At present, working in SC as chairman

Director

 Xu Dongbo

Supervisor

 Zhong Wei

BUSINESS OPERATION

SC's registered business scope includes selling food, textiles, arts & crafts, mechanical and electrical products, daily necessities, grain, vegetables, fruits, raw meat, building materials; importing and exporting commodities and technology; commodities freight forwarding; property management; and commercial information consulting.

SC is mainly engaged in import and export agency.

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 Customers:

- =====
- Aaa Technology and Specialties Co.
 - Euromarket Designs Inc.
 - Pulsagro SAS
 - Valverde Jarrin Angel Polivio

Staff & Office:

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SC is known to have approx. 68 staff at present.

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

RELATED COMPANY

SC is known to have 7 subsidiaries at present.

Shandong Wintex Global Logistics Co., Ltd.

Unified Social Credit Code: 91371600358608774J
Chief Executive: Wang Zhichen
Registered Capital: CNY 10,769,200

Hiking (Qingdao) Small And Micro Enterprises Foreign Trade Integrated Services Co., Ltd.

Unified Social Credit Code: 91370202334072450D
Chief Executive: Wang Huidao 王辉道
Registered Capital: CNY 15,000,000

Hiking(Jimo)International Trade Co., Ltd

Unified Social Credit Code: 91370282MA3C7HPN56
Chief Executive: Chu Tianzhu 褚天姝
Registered Capital: CNY 10,000,000

Qingdao International Business & Commerce Center Co., Ltd.

Unified Social Credit Code: 91370202086499876R
Chief Executive: Zhang Jianjun
Registered Capital: CNY 3,500,000

Hikingic Commerce Co., Ltd.

Unified Social Credit Code: 91370203MA3C516NXF
Chief Executive: Liu Fangyi
Registered Capital: CNY 50,000,000

Hiking (Binzhou) International Trading Service Co., Ltd.

Unified Social Credit Code: 91371600312609501G
Chief Executive: Wang Zhichen
Registered Capital: CNY 10,000,000

Shandong Wintex Global Logistics Co., Ltd.

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Unified Social Credit Code: 913702027636435816
Chief Executive: Zhou Haiming
Registered Capital: CNY 50,000,000

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 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

Basic Bank:

Bank of China Shandong Branch

AC#: 209119433381

Agricultural Bank of China Qingdao Branch

AC#: 38040114040007511

FINANCIALS

Financial Summary

Unit: CNY'000	As of Dec. 31, 2014	As of Dec. 31, 2015	As of Dec. 31, 2016	As of Jun. 30, 2017
Total assets	269,234	250,900	307,340	284,650
Total liabilities	216,502	196,180	250,320	226,780
Equities	52,732	54,720	57,020	57,870

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Unit: CNY'000	As of Dec. 31, 2014	As of Dec. 31, 2015	As of Dec. 31, 2016	From Jan. 1, 2017 to Jun. 30, 2017
Revenue	878,972	916,600	904,530	406,850
Profit before tax	2,133	2,880	3,140	1,170
Less: profit tax	586	790	850	310
Profits	1,547	2,090	2,290	860

Important Ratios

=====

	As of Dec. 31, 2014	As of Dec. 31, 2015	As of Dec. 31, 2016	As of Jun. 30, 2017
*Liabilities to assets	0.80	0.78	0.81	0.80
*Net profit margin (%)	0.18	0.23	0.25	0.21
*Return on total assets (%)	0.57	0.83	0.75	0.30
*Revenue/Total assets	3.26	3.65	2.94	1.43

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: Stable.

CONCLUSIONS

SC is considered medium-sized in its line with stable financial conditions. Taking into consideration of SC's good background, general performance, reputation as well as market conditions.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.93
UK Pound	1	INR 90.21
Euro	1	INR 79.63
CNY	1	INR 10.35

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

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	DNS

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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)