

MIRA INFORM REPORT

Report No. :	518094
Report Date :	05.07.2018

IDENTIFICATION DETAILS

Name :	KERRY OILS & GRAINS (QINGDAO) LTD.
Registered Office :	No. 99, Qianwangang Road, Economic & Technical Development Zone, Qingdao City, Shandong Province 266555 PR
Country :	China
Date of Incorporation :	17.11.1994
Unified Social Credit Code :	91370211614316798G
Legal Form :	Chinese-Foreign Equity Joint Venture Enterprise
Line of Business :	<ul style="list-style-type: none"> Manufacturing and selling of vegetable oil, packaging materials and products; wholesaling, manufacturing and selling edible vegetable oil fuel, pre-packaged food and oil packaging products, providing related support services; mechanical equipment lease; manufacturing food additive nitrogen. Subject is mainly engaged in manufacturing of animal and vegetable oil.
No. of Employees :	Not Available

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 :	Satisfactory
Payment Behaviour :	Slow but Correct
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 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

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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 AND ADDRESS

COMPANY NAME	Kerry Oils & Grains (Qingdao) Ltd.
CURRENT REGISTERED ADDRESS	ADDRESS/ No. 99, Qianwangang Road, Economic & Technical Development Zone, Qingdao City, Shandong Province 266555 PR China
TEL. NO.	86 (0) 532-86828908
FAX NO.	86 (0) 532-86828690

EXECUTIVE SUMMARY

DATE OF REGISTRATION	: NOVEMBER 17, 1994
UNIFIED SOCIAL CREDIT CODE	: 91370211614316798G
LEGAL FORM	: CHINESE-FOREIGN EQUITY JOINT VENTURE ENTERPRISE
CHIEF EXECUTIVE	: ZHANG JIANXIN (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL	: USD 6,000,000
STAFF	: N/A
BUSINESS CATEGORY	: MANUFACTURING
REVENUE	: N/A
EQUITIES	: N/A
WEBSITE	: N/A
E-MAIL	: N/A
PAYMENT	: SLOW BUT CORRECT
MARKET CONDITION	: AVERAGE
FINANCIAL CONDITION	: N/A
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:-	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	

LEGAL STATUS & HISTORY

SC was established as Chinese-foreign equity joint venture enterprise of PRC with State Administration of Industry & Commerce (SAIC) under unified social credit code: 91370211614316798G.

SC's registered capital: USD 6,000,000

SC's paid-in capital: USD 6,000,000

Registration Change Record:

Date	Change of Contents	Before the change	After the change
2006	Company Name	Qingdao Kerry Vegetable Oils Co., Ltd.	Kerry Oils And Grains (Qingdao) Co., Ltd.
--	Legal Representative	Guo Jianhai	Niu Yuxin
	Registration No.	001679	370200400016791
	Shareholder (s) (% of Shareholding)	Kerry Oils & Grains (China) Ltd. (Western Samoa) 70% Qingdao Changsheng Group Co., Ltd. 30%	Qingdao Changsheng Group Co., Ltd. 30% Wilmar Trading (China) Pte. Ltd. (Singapore) 70%
2015-9-17	Legal Representative	Niu Yuxin	Zhang Jianxin

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

Name of Shareholder (s)	% of Shareholding
Qingdao Changsheng Group Co., Ltd.	30
Wilmar Trading (China) Pte. Ltd. (Singapore)	70

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SC's Chief Executives:-

Position

Legal Representative and Chairman
Vice Chairman
General Manager
Director

Supervisor

Name

Zhang Jianxin
Jiao Hengwei
Fu Jianxing
Jiao Mingjia
Xu Yongjun
Chen Bo
Li Changping

RECENT DEVELOPMENT

No recent development was found during our checks at present.

SHAREHOLDER CHART & BACKGROUND

Name	% of Shareholding
Qingdao Changsheng Group Co., Ltd.	30
Wilmar Trading (China) Pte. Ltd. (Singapore)	70

✚ Qingdao Changsheng Group Co., Ltd.

Date of Registration: August 12, 1997
Unified Social Credit Code: 913702002646300657
Legal Form: Shares Limited Company
Chief Executive: Jiao Hengwei
Registered Capital: CNY 10,000,000
Address: No.94 Liaoning Road, Qingdao, Shandong Province
Telephone: 86-532-84628707
Fax: 86-532-84628707
Web: www.changsheng.com.cn

✚ Wilmar Trading (China) Pte. Ltd. (Singapore)

Wilmar Trading (China) Pte. Ltd. manufactures, trades, supplies, and exports edible oils and their products in Malaysia. The company's products include vegetable fats and oils. It has plants in China, Vietnam, and Bangladesh, as well as in Rotterdam. The company is based in Great World City, Singapore. As of June 28, 2007, Wilmar Trading (China) Pte. Ltd. operates as a subsidiary of Wilmar International Limited.
Address: 1 Kim Seng Promenade, Suite 05-01, Great World City, 23799-4, Singapore

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Tel: 65 6738 8622
Fax: 65 6735 6366

MANAGEMENT

Zhang Jianxin, Legal Representative and Chairman

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

At present, working in SC as legal representative and chairman, also working in Qingdao Kerry Peanut Oil Co., Ltd. and Jiangsu Yihai Energy Sources Co., Ltd. as legal representative

Jiao Hengwei, Vice Chairman

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

At present, working in SC as vice chairman

Fu Jianxing, General Manager

- Gender: M
- Qualification: University
- Working experience (s):

At present, working in SC as general manager

Director

Jiao Mingjia
Xu Yongjun
Chen Bo

Supervisor

Li Changping

BUSINESS OPERATION

SC's registered business scope includes manufacturing and selling vegetable oil, packaging materials and products; wholesaling, manufacturing and selling edible vegetable oil fuel, pre-packaged food and oil packaging products, providing related support services; mechanical equipment lease; manufacturing food additive nitrogen.

SC is mainly engaged in manufacturing animal and vegetable oil.

SC's brands include: Arawana, Orchid, Fuyan, and Gold Ingots Brand, etc.



SC's products mainly include: peanuts oil, sesame oil, and palm oil, etc.

SC sources its materials 90% from domestic market, mainly Shandong and Liaoning, and 10% from overseas market, mainly Singapore. SC sells 99% of its products in domestic market, and 1% to overseas market, mainly Korea, Hong Kong, Japan, etc.

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

Major Customer

=====

Ebj Group of Companies

Staff & Office:

SC refused to release the details of its staff.

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

RELATED COMPANY

SC is known to have a subsidiary at present,

Yihai Kerry (Qingdao) Flour Co., Ltd.

Date of Registration: August 12, 1997
Unified Social Credit Code: 9137021169716096X3
Chief Executive: Gan Dequan
Registered Capital: CNY 44,000,000

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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 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 Communications Qingdao Development Zone Sub-branch
AC#: 372005581018000754509

FINANCIALS

The financials of SC is not available in local SAIC, and SC also refused to release the details.

CONCLUSIONS

SC is considered medium-sized in its line with a development history of 24 years.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.53
UK Pound	1	INR 90.52
Euro	1	INR 80.02
CNY	1	INR 10.36

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

INFORMATION DETAILS

Analysis Done by :	VIV
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)