

MIRA INFORM REPORT

Report No. :	520948
Report Date :	19.07.2018

IDENTIFICATION DETAILS

Name :	PINGHU PETRO CHEMICAL CO., LTD.
Registered Office :	No. 136 Tonggang Road, Dushangang Town, Pinghu City, Zhejiang Province
Country :	China
Financials (as on) :	31.12.2017
Date of Incorporation :	06.09.2012
Unified Social Credit Code :	91330482052845996Y
Legal Form :	One-Person Limited Liabilities Company
Line of Business :	Subject registered business scope includes manufacturing acrylic acid, butyl acrylate, nitrogen; selling its owned products; wholesale of hazardous chemicals, chemicals raw materials; importing and exporting above commodity and technology.
No. of Employees :	217

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 economy. Beijing has committed to giving the market a more decisive role in allocating resources, but the

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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 AND ADDRESS

COMPANY NAME	Pinghu Petro Chemical Co., Ltd.
CURRENT ADDRESS	No. 1 Xinggong Road, Dushan Port, Pinghu City, Jiaxing, Zhejiang Province 314004 PR China
REGISTERED ADDRESS	No. 136 Tonggang Road, Dushangang Town, Pinghu City, Zhejiang Province
TEL. NO.	86 (0) 573-82226696/82222999
FAX NO.	86 (0) 573-83285216/82222999

EXECUTIVE SUMMARY

DATE OF REGISTRATION	: SEPTEMBER 6, 2012
UNIFIED SOCIAL CREDIT CODE	: 91330482052845996Y
LEGAL FORM	: ONE-PERSON LIMITED LIABILITIES COMPANY
CHIEF EXECUTIVE	: YANG WEIDONG (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL	: CNY 1,200,000,000
STAFF	: 217
BUSINESS CATEGORY	: MANUFACTURING & TRADING
REVENUE	: CNY 3,886,510,000 (AS OF DEC. 31, 2017)
EQUITIES	: CNY 1,270,910,000 (AS OF DEC. 31, 2017)
WEBSITE	: N/A
E-MAIL	: N/A
PAYMENT	: REGULAR
MARKET CONDITION	: COMPETITIVE
FINANCIAL CONDITION	: FAIRLY 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 one-person limited liabilities company of PRC with State Administration of Industry & Commerce (SAIC) under Unified Social Credit Code: 91330482052845996Y.

SC's Import and Export Enterprise Code: 3300052845996

SC's registered capital: CNY 1,200,000,000

SC's paid-in capital: CNY 1,200,000,000

Registration Change Record:-

Date	Change of Contents	Before the change	After the change
2013-9-2	Registered Capital	CNY 300,000,000	CNY 600,000,000
2015-5-8	Registered Capital	CNY 600,000,000	CNY 1,200,000,000
2015-11-5	Registration No./ Unified Social Credit Code	330482000088352	91330482052845996Y

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

Name of Shareholder (s)	% of Shareholding
Zhejiang Satellite Petro-Chemical Co., Ltd.	100

SC's Chief Executives:-

Position	Name
Legal Representative and Chairman	Yang Weidong

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General Manager
Director
Supervisor

Ma Guolin
Yang Yuying
Hu Xiaolong

RECENT DEVELOPMENT

No recent development was found during our checks at present.

SHAREHOLDER CHART & BACKGROUND

Name	% of Shareholding
Zhejiang Satellite Petro-Chemical Co., Ltd. ----- Date of Registration: August 3, 2005 Unified Social Credit Code: 9133000077826404X2 Chief Executive : Yang Weidong Registered Capital: CNY 1,063,710,806 Web: www.satlpec.com	100

MANAGEMENT

Yang Weidong, Legal Representative and Chairman

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

At present, working in SC as legal representative and chairman
Also working in Zhejiang Satellite Petro-Chemical Co., Ltd. as legal representative

Ma Guolin, General Manager

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

At present, working in SC as general manager

Director

Yang Yuying

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Supervisor

Hu Xiaolong

BUSINESS OPERATION

SC's registered business scope includes manufacturing acrylic acid, butyl acrylate, nitrogen; selling its owned products; wholesale of hazardous chemicals, chemicals raw materials; importing and exporting above commodity and technology.

SC is mainly engaged in manufacturing and selling hazardous chemicals.

SC's products mainly include: acrylic acid, butyl acrylate, nitrogen, etc.

SC sources its materials 70% from domestic market, and 30% from overseas market. SC sells 40% of its products in domestic market, and 60% to overseas market.

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.

***Major Customer:**

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Archroma Textiles Mexico
Grupo Industrial Del Parque S.A. De C.V.
Organic Chemical Corp.
Archroma India Private Limited
Organic Chemicals, Llc
Saraswati Chemicals Corporation
Adheplast S.A.
Glucom S.A.C.

Staff & Office:

SC is known to have approx. 217 staff at present.

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

RELATED COMPANY

SC is not known to have any subsidiary at present.

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 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:

Industrial and Commercial Bank of China Jiaying Branch

AC#: 1204060009000071322

FINANCIALS

Financial Summary

Unit: CNY'000

	As of Dec. 31, 2013	As of Dec. 31, 2014	As of Dec. 31, 2015	As of Dec. 31, 2016	As of Dec. 31, 2017
Total assets	1,619,302	2,845,606	2,755,811	2,515,464	2,736,944
Total liabilities	1,026,244	2,394,913	1,896,336	1,600,261	1,466,034
Equities	593,058	450,693	859,475	915,203	1,270,910
Revenue	0	1,596,628	2,434,169	3,104,664	3,886,510
Profits	-6,908	-146,786	-187,144	55,641	356,067

Important Ratios

	As of Dec. 31, 2013	As of Dec. 31, 2014	As of Dec. 31, 2015	As of Dec. 31, 2016	As of Dec. 31, 2017
*Liabilities to assets	0.63	0.84	0.69	0.64	0.54
*Net profit margin (%)	--	-9.19	-7.69	1.79	9.16
*Return on total assets	-0.43	-5.16	-6.79	2.21	13.01

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(%)					
*Revenue/Total assets	0	0.56	0.88	1.23	1.42

FINANCIAL COMMENTS

PROFITABILITY: AVERAGE

The revenue of SC appears fairly good in its line.
SC's net profit margin is fairly good in 2017.
SC's return on total assets is fairly good in 2017.

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 low.

Overall financial condition of the SC: Fairly Stable.

CONCLUSIONS

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

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.57
UK Pound	1	INR 89.73
Euro	1	INR 79.74
CNY	1	INR 10.21

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

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	SYL

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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)