

MIRA INFORM REPORT

Report No. :	542602
Report Date :	30.11.2018

IDENTIFICATION DETAILS

Name :	RUIAN NEW TREND IMP. & EXP. TRADE CO., LTD.
Registered Office :	7th Floor, Xinchao Building, Longshan East Road, Anyang Street, Ruian, Zhejiang Province 325200 PR
Country :	China
Financials (as on) :	31.12.2016
Date of Incorporation :	27.10.2000
Com. Reg. No.:	913303817252779631
Legal Form :	Limited Liabilities Company
Line of Business :	Subject includes import and export of goods and technology, excluding the goods and technology prohibited or limited by the country.
No. of Employees :	22

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 (30.06.2018)	Current Rating (30.09.2018)
China	A1	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

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COMPANY NAME AND ADDRESS

COMPANY NAME	Ruian New Trend Imp. & Exp. Trade Co., Ltd.
CURRENT ADDRESS/ REGISTERED ADDRESS	7th Floor, Xinchao Building, Longshan East Road, Anyang Street, Ruian, Zhejiang Province 325200 PR China
TEL. NO.	86 (0) 577-65129996/65166998/65800853/13968931002
FAX NO.	86 (0) 577-65191555/65800856

EXECUTIVE SUMMARY

DATE OF REGISTRATION	: OCTOBER 27, 2000
UNIFIED SOCIAL CREDIT CODE	: 913303817252779631
LEGAL FORM	: LIMITED LIABILITIES COMPANY
CHIEF EXECUTIVE	: XIANG CHUNCHAO (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL	: CNY 5,000,000
STAFF	: 22
BUSINESS CATEGORY	: TRADING
REVENUE	: CNY 532,200,000 (AS OF DEC. 31, 2016)
EQUITIES	: CNY 17,930,000 (AS OF DEC. 31, 2016)
WEBSITE	: N/A
E-MAIL	: N/A
PAYMENT	: SLOW BUT CORRECT
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 a limited liabilities company of PRC with State Administration of Industry & Commerce (SAIC) under Unified Social Credit Code: 913303817252779631.

SC's Import and Export Enterprise Code: 3300725277963

SC's registered capital: CNY 5,000,000

SC's paid-in capital: CNY 5,000,000

Registration Change Record:-

Date	Change of Contents	Before the change	After the change
--	Shareholder's Name	Zhejiang New Trend Industrial Co., Ltd.	New Trend Group Co., Ltd.
2016-2-16	Registration No./ Unified Social Credit Code	330381000006838	913303817252779631

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

Name of Shareholder (s)	% of Shareholding
New Trend Group Co., Ltd.	80
Xu Changfu	4
Shen Wenbo	4
Zheng Zuobo	4
Lin Jianguang	4

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Wang Yinmei 4

SC's Chief Executives:-

Position	Name
Legal Representative and Chairman Director	Xiang Chunchao
Supervisor	Xu Changfu
	Shen Wenbo
	Lin Jianguang
	Zheng Zuobo
	Zhu Weifeng

RECENT DEVELOPMENT

No recent development was found during our checks at present.

SHAREHOLDER CHART & BACKGROUND

Name	% of Shareholding
New Trend Group Co., Ltd.	80
Xu Changfu	4
Shen Wenbo	4
Zheng Zuobo	4
Lin Jianguang	4
Wang Yinmei	4

New Trend Group Co., Ltd.

Date of Registration: March 30, 1999
Unified Social Credit Code: 913300001456812069
Legal Representative: Xiang Chunchao
Registered Capital: CNY 58,000,000

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MANAGEMENT

Xiang Chunchao, Legal Representative and Chairman

- Gender: M
- Age: 62
- ID# 33032519551016595X
- Qualification: University
- Working experience (s):

From 2000 to present, working in SC as legal representative and chairman
Also working in New Trend Group Co., Ltd, and Ruian International Hotel Co., Ltd. as legal representative

Director

Xu Changfu ID# 330325195101045914
Shen Wenbo ID# 330325194603075916

Supervisor

Lin Jianguang ID# 330325196509085930
Zheng Zuobo ID# 330325195111145919
Zhu Weifeng ID# 330325197109285954

BUSINESS OPERATION

SC's registered business scope includes import and export of goods and technology, excluding the goods and technology prohibited or limited by the country.

SC is mainly engaged in importing and exporting business.

SC's products mainly include: vehicle parts, hardware, garments and shoes, etc.

SC sources its products 100% from domestic market. SC sells 100% of its products to overseas market, mainly U.S.A., Europe and Southeast Asia.

The buying terms of SC include Check, T/T 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:**

Autopro USA Inc.
Holley Performance Products Co.
Frontier Equestrian Inc.

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Staff & Office:

SC is known to have approx. 22 staff at present.

SC owns an area as its operating office of approx. 600 sq. meters at the heading address.

RELATED COMPANY

■ Wuhu New Trend Industrial Co., Ltd.

Address: Wuhu High and New Technology Industrial Development Zone

Tel: 0553-4225306

Fax: 0553-4225306

■ Ruian International Hotel Co., Ltd.

Add: 555 Wansong East Road, Ruian, Zhejiang, China P.C: 325200

Tel: 86-577-65886666

Fax: 86-577-65882222

Website: www.raihotel.com

E-mail: raihotel@raihotel.com

■ Ruian Aohua Plastic Co., Ltd.

Address: No. 1, Bianzhi Road, Taoshan Town, Ruian City Zhejiang Province

Tel: 86-577-65465808

Fax: 86-577-65465676

■ Shanghai Chunchao Industrial Co., Ltd.

Add: No. 3768 Hunan Road, Shanghai

Tel: (+) 86-21-68131572

Fax: (+) 86-21-68131658

■ Shanghai Tongling Automotive Decoration Co., Ltd.

Add: 3768#, Hunan Road, Nanhui Area, Shanghai

Tel: +86-21-51968686

Fax: +86-21-51968603

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:

Bank of China Ruian Sub-branch
AC#: 11731908091001

Agricultural Bank of China Ruian Sub-branch
AC#: 245101040007180

FINANCIALS

Balance Sheet

Unit: CNY'000

	As of Dec. 31, 2015	As of Dec. 31, 2016
Cash	25,460	12,980
Notes receivable	11,180	10,250
Accounts receivable	80,260	60,450
Advances to suppliers	30,680	59,600
Other receivable	15,480	33,040
Inventory	870	330
Non-current assets within one year	0	0
Other current assets	0	0
	-----	-----
Current assets	163,930	176,650
Long-term investment	0	0
Fixed assets	10,620	10,010
Construction in progress	0	0

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RUIAN NEW TREND IMP. & EXP. TRADE CO., LTD. - 542602

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Intangible assets	0	0
Long-term deferred expense	4,250	4,540
Deferred income tax assets	0	0
Other non-current assets	6,930	0
	-----	-----
Total assets	185,730	191,200
	=====	=====
Short-term loans	29,130	33,110
Notes payable	0	0
Accounts payable	36,570	7,680
Payroll payable	540	380
Taxes payable	-8,790	-9,950
Advances from clients	25,210	34,220
Other payable	68,530	59,580
Accrued expenses	16,710	48,250
Other current liabilities	0	0
	-----	-----
Current liabilities	167,900	173,270
Non-current liabilities	0	0
	-----	-----
Total liabilities	167,900	173,270
Equities	17,830	17,930
	-----	-----
Total liabilities & equities	185,730	191,200
	=====	=====

Income Statement

Unit: CNY'000	As of Dec. 31, 2015	As of Dec. 31, 2016
Revenue	590,480	532,200
Cost of sales	576,000	516,550
Sales tax and extra charges	10	12
Sales expense	5,060	6,040
Management expense	4,630	4,020
Finance expense	3,780	4,640
Profit before tax	1,860	1,550
Less: profit tax	410	330
Profits	1,450	1,220

Important Ratios

	As of Dec. 31, 2015	As of Dec. 31, 2016
*Current ratio	0.98	1.02
*Quick ratio	0.97	1.02
*Liabilities to assets	0.90	0.91
*Net profit margin (%)	0.25	0.23
*Return on total assets (%)	0.78	0.64
*Inventory / Revenue x365	1 day	1 day

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*Accounts receivable / Revenue x365	50 days	42 days
*Revenue / Total assets	3.18	2.78
*Cost of sales / Revenue	0.98	0.97

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.
- SC's cost of sales is high, comparing with its revenue.

LIQUIDITY: AVERAGE

- The current ratio of SC is maintained in a fair level.
- SC's quick ratio is maintained in a normal level.
- The inventory of SC appears small.
- 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: FAIR

- The debt ratio of SC is high.
- The risk for SC to go bankrupt is average.

Overall financial condition of the SC: Fairly Stable.

CONCLUSIONS

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

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 69.92
UK Pound	1	INR 89.74
Euro	1	INR 79.58
CNY	1	INR 10.05

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

INFORMATION DETAILS

Analysis Done by :	VIVR
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)