

MIRA INFORM REPORT

Report No. :	534775
Report Date :	17.10.2018

IDENTIFICATION DETAILS

Name :	WENZHOU GUOPENG STAINLESS STEEL CO., LTD.
Registered Office :	Room 1107, 1109, Science and Technology Building, Longwan Center Zone, Longwan District, Wenzhou, Zhejiang Province, 325000 Pr
Country :	China
Date of Incorporation :	23.04.20018
Com. Reg. No.:	91330303MA2CP01L6C
Legal Form :	Limited Liabilities Company
Line of Business :	<ul style="list-style-type: none"> Subject is mainly engaged in trading of goods. Products mainly include: Stainless steel Seamless pipes, Duplex Stainless, Stainless steel pipe fitting, Stainless ingots and Industrial Pipe.
No. of Employees :	10

RATING & COMMENTS

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

MIRA's Rating :	NB
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Credit Rating	Explanation	Rating Comments
NB	New Business	No recommendation can be done due to business in infancy stage

Status :	New Business
Payment Behaviour :	Unknown
Litigation :	Clear

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NOTES:

Any query related to this report can be made on e-mail: 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

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 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

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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

WENZHOU GUOPENG STAINLESS STEEL CO., LTD.

ROOM 1107, 1109, SCIENCE AND TECHNOLOGY BUILDING, LONGWAN CENTER ZONE, LONGWAN DISTRICT, WENZHOU, ZHEJIANG PROVINCE, 325000 PR CHINA
TEL: 86 (0) 577-86917878 FAX: 86 (0) 577-85981123

EXECUTIVE SUMMARY

INCORPORATION DATE	: APR. 23, 2018
CREDIBILITY CODE	: 91330303MA2CP01L6C
REGISTERED LEGAL FORM	: LIMITED LIABILITIES CO.
CHIEF EXECUTIVE	: SHAO JIANGUO (LEGAL REPRESENTATIVE)
STAFF STRENGTH	: 10
REGISTERED CAPITAL	: CNY 10,080,000
BUSINESS LINE	: TRADING
TURNOVER	: N/A
EQUITIES	: N/A
PAYMENT	: UNKNOWN
MARKET CONDITION	: FAIR
FINANCIAL CONDITION	: N/A
OPERATIONAL TREND	: FAIRLY STEADY
GENERAL REPUTATION	: AVERAGE

Adopted abbreviations:

ANS - amount not stated
NS - not stated
SC - subject company (the company inquired by you)
NA - not available
CNY - China Yuan Renminbi

HISTORY

SC was registered as a limited liabilities company at local Administration for Industry & Commerce (AIC - The official body of issuing and renewing business license) on Apr. 23, 2018.

Company Status: Limited liabilities co.

This form of business in PR China is defined as a legal person. No more than fifty shareholders contribute its registered capital jointly. Shareholders bear limited liability to the extent of shareholding, and the co. is liable for its debts only to extent of its total assets. The characteristics of this form of co. are as follows:

Upon the establishment of the co., an investment certificate is issued to the each of shareholders.

The board of directors is comprised of three to thirteen members.

The minimum registered capital for a co. is CNY 30,000.

Shareholders may take their capital contributions in cash or by means of tangible assets or intangible assets such as industrial property and non-patented technology.

Cash contributed by all shareholders must account for at least 30% of the registered capital.

Existing shareholders have pre-exemption right to purchase shares of the co. offered for sale by the other shareholders and to subscribe for the newly increased registered capital of the co.

SC's registered business scope includes import and export of goods and technology; sales of steel tubes, metal materials, valves, flanges, pipes, round steel, electronic products (excluding electronic publications), pipe fittings, hardware, billets, stainless steel products, rods, mechanical accessories (if needed with permit).

SC is mainly engaged in trading of goods.

Shao Jianguo is legal representative, executive director and general manager of SC at present.

SC is known to have approx. 10 employees at present.

SC is currently operating at the above stated address, and this address houses its operating office in Wenzhou. Detailed premise information is not available at present.

WEB SITE

<http://chinaguopeng.com/> The design is professional and the content is well organized. At present it is in English and Chinese versions.

Email: sales@guopengsteel.com

KEY EVENTS/RECENT DEVELOPMENT

No significant changes were found during our checks with the local Administration for Industry and Commerce.

HS Code: 33039690LE

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Import/ Export License Number: 3300MA2CP01L6

LITIGATION

There is no record of litigation.

OWNERSHIP/MANAGEMENT

MAIN SHAREHOLDERS:

Name	% of Shareholding
Shao Jianguo	40
Guan Hongjian	30
Zhang Linxin	30

MANAGEMENT

- **Legal Representative, Executive Director and General Manager:**

Shao Jianguo is currently responsible for the overall management of SC.

Working Experience(s):

At present Working in SC as legal representative, executive director and general manager;
Also working in Zhejiang Pengye Stainless Steel Tube Industrial Co., Ltd. as supervisor.

- **Supervisor:**

Shao Hesun

BUSINESS OPERATIONS

SC is mainly engaged in trading of goods.

SC's products mainly include: Stainless steel Seamless pipes, Duplex Stainless, Stainless steel pipe fitting, Stainless ingots and Industrial Pipe, etc.

SC sources its materials 100% from domestic market. SC sells its products in domestic market, and to overseas market.

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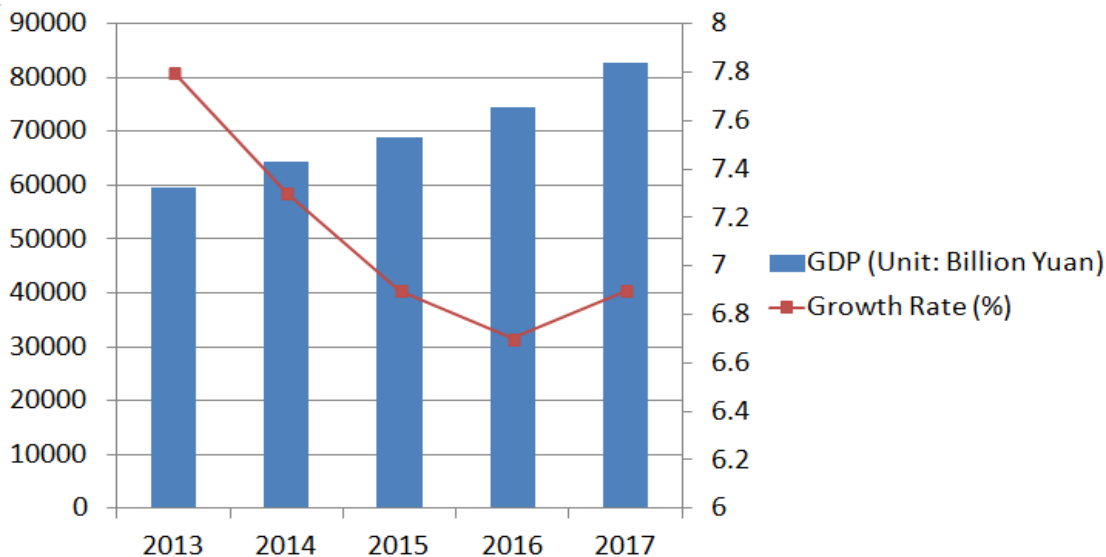
The buying terms of SC include Check, T/T and Credit of 30-60 days. The payment terms of SC include Check, T/T, L/C and Credit of 30-60 days.

Note: SC declined to release its major suppliers and clients.

Industry code: 5100

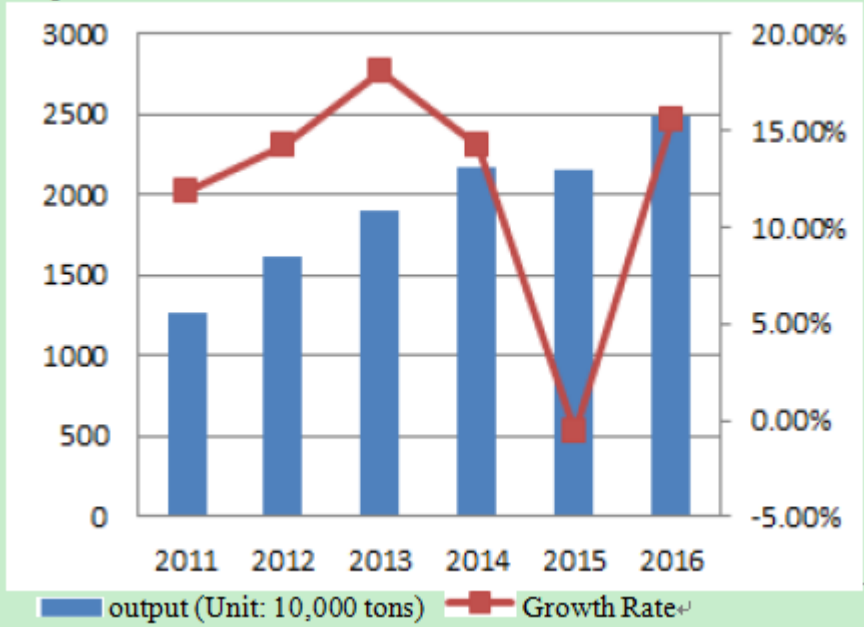
Industry name: Wholesale industry

The gross domestic product of China in 2017 which is 82,712.17 billion that is increased 6.9% than previous year.

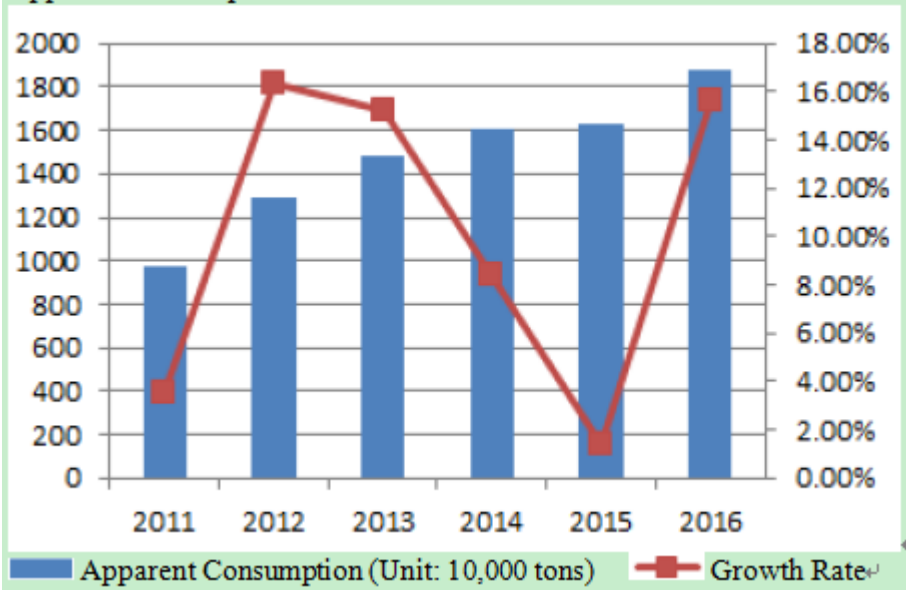


With the dramatic increase in the production of stainless steel in China in recent years, the self-sufficiency rate of domestic stainless steel materials has increased significantly, and the stainless steel industry has gradually changed from relying on imports to satisfying domestic self-use and export. In 2016, the production and consumption of crude steel increased slightly. However, as a whole, the situation in China with overcapacity and oversupply in the market has not changed. Therefore, the excessive release of production capacity will put pressure on the latter market.

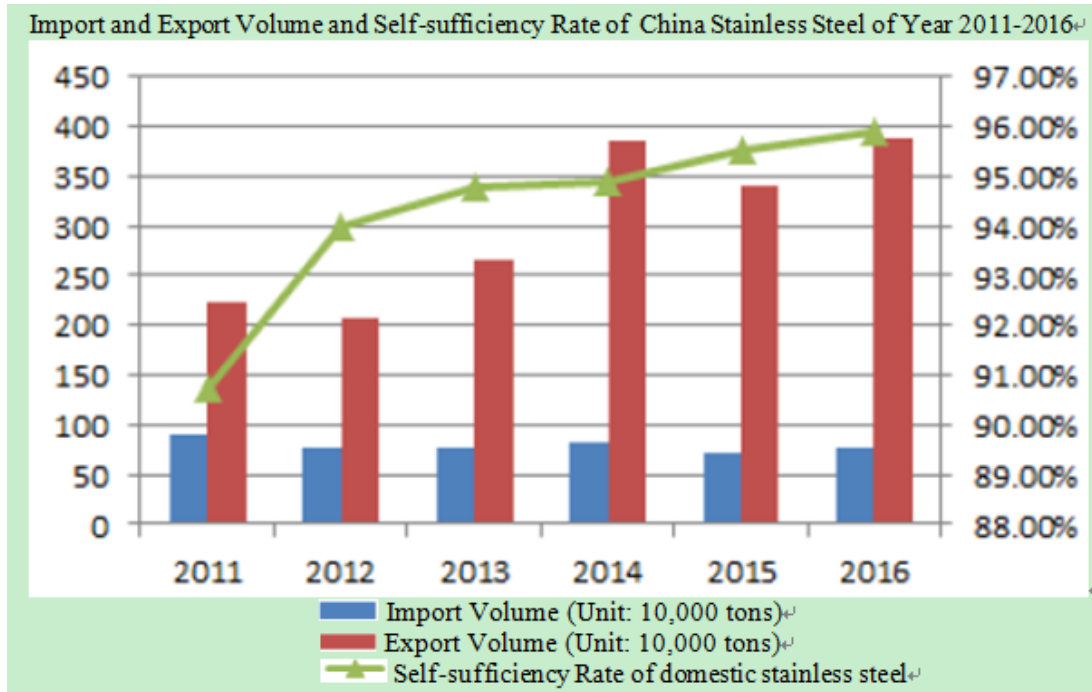
Output and Growth Rate of China Stainless Steel Crude Steel of Year 2011-2016



Apparent Consumption and Growth Rate of China Stainless Steel of Year 2011-2016



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RELATED COMPANIES

Zhejiang Pengye Stainless Steel Tube Industrial Co., Ltd.

=====
 Incorporation Date: 2005-08-25
 Credibility Code: 91331124779370303C
 Legal representative: Shao Shilin
<http://www.chinapengye.com/>

PAYMENT

Overall payment appraisal:

() Excellent () Good (X) Average () Fair () Poor () Not yet 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.

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Debt collection record: No overdue amount owed by SC was placed to us for collection within the last 6 years.

BANKING

SC's management refused to disclose the bank information.

FINANCIAL HIGHLIGHTS

SC was established in Apr. of 2018, so its financial statements are not available at present.

REMARKS

SC was established in Apr. of 2018. Credit dealings with SC are recommended under secured terms at present.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.90
UK Pound	1	INR 97.33
Euro	1	INR 85.58
CNY	1	INR 10.61

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)