MIRA INFORM REPORT

Report No. :	536856
Report Date :	31.10.2018

IDENTIFICATION DETAILS

Name :	QINGDAO YIMEI WOOD WORK CO., LTD.
Registered Office :	No. 46, Haisheng Road, Nancun Town, Pingdu, Qingdao, Shandong Province, 266736 Pr
Country :	China
Date of Incorporation :	24.06.2002
Com. Reg. No.:	91370283740361194N
Legal Form :	Limited Liabilities Company
Line of Business :	Subject is mainly engaged in manufacturing, processing and selling of cupboard.
No. of Employees :	200

RATING & COMMENTS

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

MIRA's Rating :	B

Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Status :	Moderate
Payment Behaviour :	Unknown
Litigation :	Clear

NOTES:

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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

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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. 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

QINGDAO YIMEI WOOD WORK CO., LTD.
NO. 46, HAISHENG ROAD, NANCUN TOWN, PINGDU,
QINGDAO, SHANDONG PROVINCE, 266736 PR CHINA
TEL: 86 (0) 532-87063727/18561310686 FAX: N/A

EXECUTIVE SUMMARY

INCORPORATION DATE	: JUNE 24, 2002
CREDIBILITY CODE	: 91370283740361194N
REGISTERED LEGAL FORM	: LIMITED LIABILITIES COMPANY
CHIEF EXECUTIVE	: LV SISHENG (LEGAL REPRESENTATIVE)
STAFF STRENGTH	: 200
REGISTERED CAPITAL	: CNY 5,000,000
BUSINESS LINE	: MANUFACTURING, PROCESSING AND TRADING
TURNOVER	: N/A
EQUITIES	: N/A
PAYMENT	: UNKNOWN
MARKET CONDITION	: AVERAGE
FINANCIAL CONDITION	: N/A
OPERATIONAL TREND	: 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 Ren Min Bi

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HISTORY

SC was registered as a Limited liabilities co. at local Administration for Industry & Commerce (AIC - The official body of issuing and renewing business license) on June 24, 2002.

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 manufacturing and processing woodenware, production of fabric sofa; interior and exterior decoration; importing and exporting goods (excluding items prohibited by legal, administrative rules and regulations, and operating the limited items after obtaining the permits). (with permit if needed)

SC is mainly engaged in manufacturing, processing and selling cupboard.

Lv Sisheng is the legal representative and executive director of SC at present.

According to SC's staff, SC is known to have approx. 200 employees at present.

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

WEB SITE

SC is not known to host website of its own at present.

Email: yimeiqd@163.com

KEY EVENTS/RECENT DEVELOPMENT

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

HS Code: 3729966014
Import/ Export License No: 3702740361194

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LITIGATION

For the past two years, there is no record of litigation.

OWNERSHIP/MANAGEMENT

MAIN SHAREHOLDERS:

Name	% of Shareholding
Lv Sisheng	85
Yu Yanwei	10
Lv Yun	5

MANAGEMENT

- **Legal representative and executive director:**

Lv Sisheng is currently responsible for the overall management of SC.

Working Experience(s):

At present Working in SC as legal representative and executive director.
Also working in Qingdao Zhengyang Wood Co., Ltd. (in Chinese pinyin) as legal representative.

- **Supervisor**

Lv Yun

BUSINESS OPERATIONS

SC is mainly engaged in manufacturing, processing and selling cupboard.

SC's products mainly include: cupboard.

According to SC's staff, SC sources its materials from domestic market and overseas market. SC sells 100% of its products to overseas market, mainly America.

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

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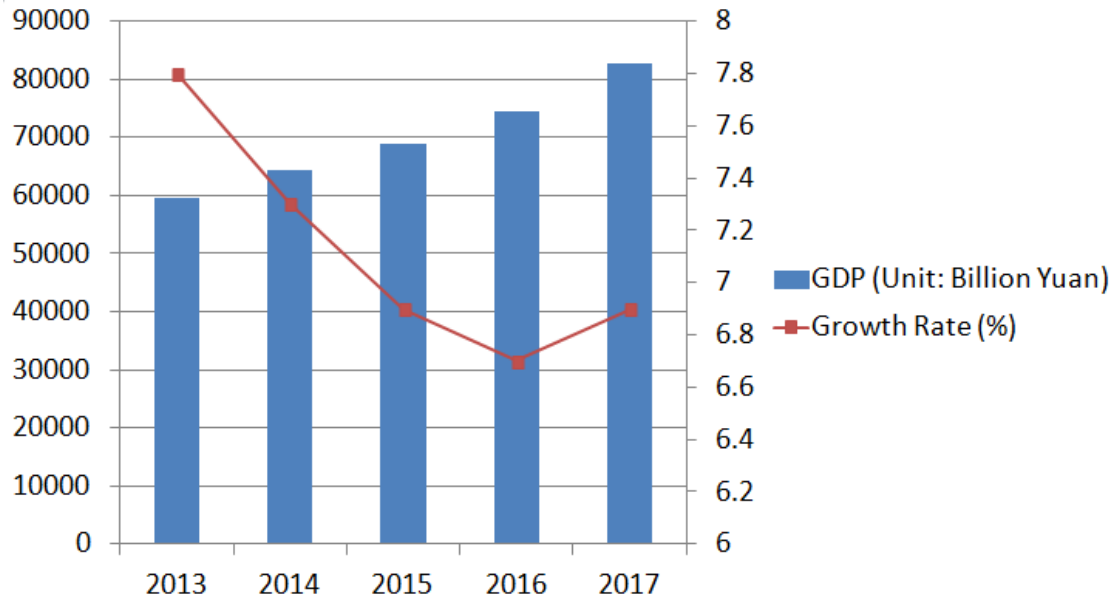
Note: SC's management declined to release its major customers and suppliers.

Trademark & Patents
No record

Industry code: 2110
Industry name: Wooden furniture manufacturing

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



In 2017, the cumulative export of China's furniture industry was 51.424 billion yuan, an increase of 4.24% over the same period of last year, accounting for 35.2% of the world's furniture exports. Wooden furniture is the largest area in China's furniture industry. With the development of China's furniture industry, the market scale of wooden furniture is also expanding, and the proportion of the furniture industry tends to increase. In 2017, China's wood furniture industry above designated enterprises achieved operating income of 577.9 billion yuan, a year-on-year increase of 6.4%. From 2010 to 2017, the total profit of China's wood furniture industry fluctuated. In 2017, the total profit of the wooden furniture industry was 33.7 billion yuan, a year-on-year increase of 2.1%.

RELATED COMPANIES

Qingdao Zhengyang Wood Co., Ltd. (in Chinese pinyin)
==========
Credibility code: 91370213614238240E
Legal rep.: Lv Sisheng
Incorporation date: 1994-03-11

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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.

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

BANKING

Agricultural Bank of China Pingdu Nancun Sub-branch
A/C #: 160901040003720
Relationship: Normal

FINANCIAL HIGHLIGHTS

SC's management declined to release its financial details.

REMARKS

SC is considered medium-sized in its line with a development history of 16 years.

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.57
UK Pound	1	INR 94.18
Euro	1	INR 83.71
CNY	1	INR 10.63

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

INFORMATION DETAILS

Analysis Done by :	PRI
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)

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