

MIRA INFORM REPORT

Report No. :	530482
Report Date :	19.09.2018

IDENTIFICATION DETAILS

Name :	SHANDONG WANSHAN CHEMICAL CO., LTD.
Registered Office :	Wanshan Road Middle Section, Zhuliu Street, Changle County, Weifang, Shandong Province, 262404 Pr
Country :	China
Date of Incorporation :	26.08.2004
Credibility Code :	913707257657978166
Legal Form :	Limited Liabilities Co
Line of Business :	Manufacture and sales of water reducing agent, cement additive; sales of sodium gluconate, dispersing agent MF and dispersing agent N, import and export business of the above products
No. of Employees :	413

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 :

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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

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

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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

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COMPANY NAME AND ADDRESS

SHANDONG WANSHAN CHEMICAL CO., LTD.

WANSHAN ROAD MIDDLE SECTION, ZHULIU STREET, CHANGLE COUNTY, WEIFANG, SHANDONG PROVINCE, 262404 PR CHINA

TEL: 86 (0) 536-6770280/ 15964311308 FAX: 86 (0) 536-6770280/ 6771798

EXECUTIVE SUMMARY

INCORPORATION DATE	: AUG. 26, 2004
CREDIBILITY CODE	: 913707257657978166
REGISTERED LEGAL FORM	: LIMITED LIABILITIES CO.
CHIEF EXECUTIVE	: LIU WEIQUN (LEGAL REPRESENTATIVE)
STAFF STRENGTH	: 413
REGISTERED CAPITAL	: CNY 120,000,000
BUSINESS LINE	: TRADING AND MANUFACTURING
TURNOVER	: N/A
EQUITIES	: N/A
PAYMENT	: SLOW BUT CORRECT
MARKET CONDITION	: AVERAGE
FINANCIAL CONDITION	: N/A
OPERATIONAL TREND	: STEADY
GENERAL REPUTATION	: AVERAGE

Adopted abbreviations:

ANS - amount not stated
NA - not available

NS - not stated SC - subject company (the company inquired by you)
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 Aug. 26, 2004.

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

SC's registered business scope includes manufacture and sales of water reducing agent, cement additive; sales of sodium gluconate, dispersing agent MF and dispersing agent N, import and export business of the above products (if needed with permit).

SC is mainly engaged in manufacturing and selling chemicals.

Liu Weiquan is legal representative, executive director and general manager of SC at present.

SC is known to have approx. 413 employees at present.

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

WEB SITE

<http://www.wanshanchem.com/> The design is professional and the content is well organized. At present it is in English version.

Email: sdwsjt@163.com

KEY EVENTS/RECENT DEVELOPMENT

Changes of its registered information are as follows:

Date of change	Item	Before the change	After the change
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2014-06-19	Shareholders and shareholding	Shandong Wanshan Group Co., Ltd. 68.83% Liu Guangfu 0.92% Liu Mingquan 0.92% Xu Guobiao 1% Liu Weiquan 23.33% Liu Liangdong 5%	Present ones
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Import/ Export License Number: 3700765797816

LITIGATION

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

OWNERSHIP/MANAGEMENT

MAIN SHAREHOLDERS:

Name	Amount (CNY)	% of Shareholding
Xu Guobiao	1,200,000	1
Shandong Wanshan Group Co., Ltd.	82,600,000	68.83
Liu Weiquan	29,100,000	24.25
Liu Guangfu	1,100,000	0.92
Liu Liangdong	6,000,000	5

Shandong Wanshan Group Co., Ltd.

=====

Incorporation Date: 2004-08-17

Credibility Code: 913707257657978241

Legal representative: Liu Wenxian 刘文先

<http://www.sdwsjt.cn/>

MANAGEMENT

Legal Representative, Executive Director and General Manager:

Liu Weiquan 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 Shandong Juye Wanshan Weiye Chemical Co., Ltd. (Literal translation) as legal representative.

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Supervisor:

Liu Wenxian

BUSINESS OPERATIONS

SC is mainly engaged in manufacturing and selling chemicals.

SC's products mainly include: Sodium Gluconate, Sodium Naphthalene Formaldehyde Powder, Construction Chemicals, Concrete Admixtures, Concrete Additives and Cleaning Chemicals.

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

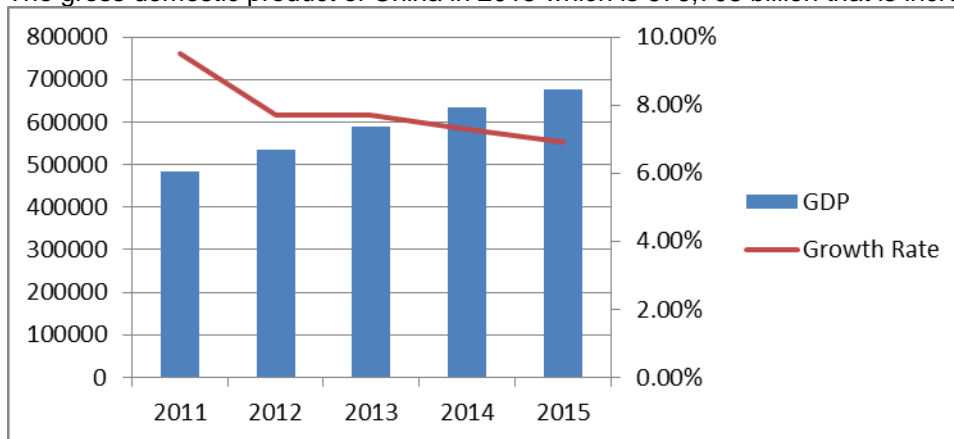
The buying terms of SC include Check, T/T, L/C and Credit of 30-60 days. The payment terms of SC include Check, T/T, L/C and Credit of 30-60 days.

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

Industry code: 2600

Industry name: Chemical Raw Materials and Chemical Products Manufacturing

The gross domestic product of China in 2015 which is 676,708 billion that is increased 6.9% than previous year.



In the first half of 2016, the added value of the chemical industry increased by 9.2% year on year, and the growth rate dropped 0.2 percentage points year on year.

Among the main products, the output of ethylene is 9.2 million tons, increased by 8.8%;

The output of plastics in primary form is 39.76 million tons, increased by 7.7%;

the output of Synthetic rubber is 2.57 million tons, increased by 4.1%;

the output of Synthetic fiber is 22.56 million tons, increased by 8.4%.

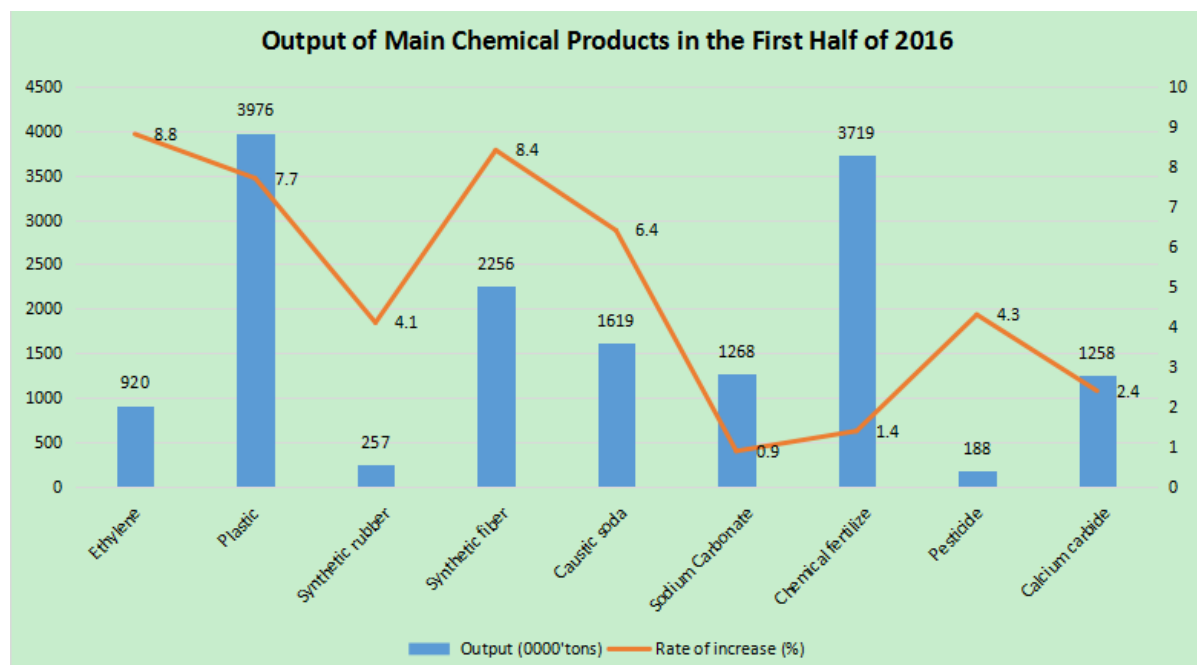
the output of Caustic soda is 16.19 million tons, increased by 6.4%;

the output of sodium carbonate is 12.68 million tons, increased by 0.9%;

The output of chemical fertilizers is 37.19 million tons, increased by 1.4%;

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Among them, the output of nitrogen fertilizer and potash fertilizer increased by 3.1% and 6.7% respectively, and the output of phosphate fertilizer decreased by 2%;
 the output of Pesticide is 1.88 million tons, increased by 4.3%;
 the output of Rubber tire cover tire is 457.23 million, increased by 9.1%;
 the output of Calcium carbide is of 12.58 million tons, increased by 2.4%.



RELATED COMPANIES

SC is known to invest in the following company:

Shandong Juye Wanshan Weiye Chemical Co., Ltd. (Literal translation)

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 Incorporation Date: 2012-05-26

Credibility Code: 91371724596584173C

Legal representative: Liu Weiquan 刘伟全

PAYMENT

Overall payment appraisal:

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

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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

SC's bank details are not available at present.

FINANCIAL HIGHLIGHTS

SC's accountant refused to release the financial information.

REMARKS

SC is considered medium-sized in its line with a development history of 14 years.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.37
UK Pound	1	INR 95.28
Euro	1	INR 84.76
CNY	1	INR 10.62

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

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	DNS

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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)