

MIRA INFORM REPORT

Report No. :	531160
Report Date :	22.09.2018

IDENTIFICATION DETAILS

Name :	SHANDONG HUIFENG WOOD-PLASTIC PROFILE CO., LTD.
Registered Office :	Wenshui Park, Economic Development Zone, Pingyi County, Linyi, Shandong Province, 273300 Pr
Country :	China
Date of Incorporation :	08.06.2013
Credibility Code :	9137130007130436XT
Legal Form :	Shares limited co.
Line of Business :	Subject registered business scope includes processing and sales of high-grade building wood-plastic formwork, wood-plastic profile, advertising board, cabinet board, bathroom board, floor substrates, plastic doors and windows, aluminum-plastic composite profile, broken bridge insulation profile (if needed with permit).
No. of Employees :	100

RATING & COMMENTS

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

MIRA's Rating :	A
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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.

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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 Chinese Government's policies continue to favor state-owned enterprises and emphasize stability. Chinese

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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

SHANDONG HUIFENG WOOD-PLASTIC PROFILE CO., LTD.
WENSHUI PARK, ECONOMIC DEVELOPMENT ZONE, PINGYI COUNTY,
LINYI, SHANDONG PROVINCE, 273300 PR CHINA
TEL: 86 (0) 539-4950888/17605396009 FAX: 86 (0) 539-4950777

EXECUTIVE SUMMARY

INCORPORATION DATE	: JUNE 8, 2013
CREDIBILITY CODE	: 9137130007130436XT
REGISTERED LEGAL FORM	: SHARES LIMITED CO.
CHIEF EXECUTIVE	: MS. DUAN PEICAI (LEGAL REPRESENTATIVE)
STAFF STRENGTH	: 100
REGISTERED CAPITAL	: CNY 53,600,000
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
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 local Administration for Industry & Commerce (AIC - The official body of issuing and renewing business license) on June 8, 2013, and has been under present legal form since 2014.

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Company Status: Shares limited co.

This form of business in PR China is defined as a legal person. Its registered capital is divided into shares of equal par value and the co. raises capital by issuing share certificates by promotion or by public offer. Shareholders bear limited liability to the extent of shareholding, and the co. is liable for its debts only to the extent of its total assets. The co has independent property of legal person and enjoys property rights of legal person. The characteristics of the shares limited co. are as follows:

The establishment of the co. requires at least two promoters and no more than 200, half of whom shall be domiciled in China.. Natural person are allowed to serve as promoters.

The minimum registered capital of a co. is CNY 5M. while that of the co. with foreign investment is CNY 5M. The total capital of a co. which propose to apply for publicly listed must be no less than CNY 30M.

The board of directors must consist of five to nineteen directors.

If the co. raises capital by public offer, the promoters must not subscribe less than 35% of the total shares. the promoters' shares are restricted to transfer- within one year of the offer.

A state-owned enterprise that is restructured into a shares limited co. must comply with the conditions & requirements specified under the law & administrative rule.

SC's registered business scope includes processing and sales of high-grade building wood-plastic formwork, wood-plastic profile, advertising board, cabinet board, bathroom board, floor substrates, plastic doors and windows, aluminum-plastic composite profile, broken bridge insulation profile (if needed with permit). SC is mainly engaged in manufacturing and selling panels.

Ms. Duan Peicai is legal representative, chairman and general manager of SC at present.

SC is known to have approx. 100 employees at present.

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

WEB SITE

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

Email: hfxiaowu@163.com

QQ: 2483691595

WeChat/WhatsApp: +86 17605396009

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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SHANDONG HUIFENG WOOD-PLASTIC PROFILE CO., LTD. - 531160

PAGE NO. : 7

2014-07-31	Registered capital	CNY 10,000,000	CNY 30,000,000
2014-08-25	Legal form	Limited liabilities company	Present one
2016-09-30	Registered capital	CNY 30,000,000	CNY 50,000,000
2018-01-11	Registered capital	CNY 50,000,000	Present amount
Unknown	Registration no.	371326200010624	Credibility Code: 9137130007130436XT

Note: SC changed its Chinese name in 2014, while its English name remains the same.

HS Code: 3715965549

Import/ Export License Number: 370007130436X

LITIGATION

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

OWNERSHIP/MANAGEMENT

MAIN SHAREHOLDERS:

Name	Amount (CNY)	% of Shareholding
Lu Dongjiang	350,000	0.65
Liu Na	100,000	0.19
Duan Peicai	46,000,000	85.82
Duan Yan	400,000	0.75
Gao Yongli	2,250,000	4.20
Gao Bingkun	200,000	0.37
Zhang Xiaojian	600,000	1.12
Pan Dawei	100,000	0.19
Shandong Xinxing Industry Venture Capital Co., Ltd. (In Chinese Pinyin)	3,600,000	6.72

Note: The above information is got from SC's annual report reported by SC.

Shandong Xinxing Industry Venture Capital Co., Ltd. (In Chinese Pinyin)

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Incorporation Date: 2013-12-26
Credibility Code: 91370000090658200J
Legal representative: Zhang Ruijie

MANAGEMENT

Legal Representative, Chairman and General Manager:

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Ms. Duan Peicai is currently responsible for the overall management of SC.

Working Experience(s):

At present Working in SC as legal representative, chairman and general manager.

Director:

Ding Feng
Liu Na
Bu Xiaolong
Gao Bingkun

Supervisor:

Pan Dawei
Liu Enling
Duan Yan

BUSINESS OPERATIONS

SC is mainly engaged in manufacturing and selling panels.

SC's products mainly include: ABS and PVC sheets, PVC building template, etc.

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

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.

Trademark & Patents

Registration No. 13713070
Registration Date 2015-08-21
Trademark Design

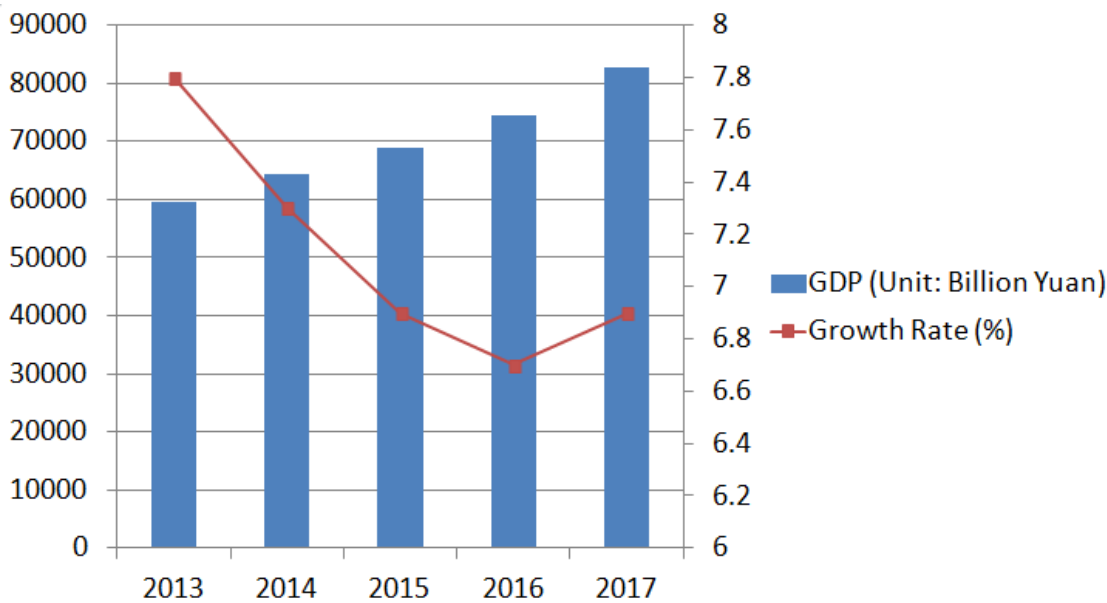


Industry code: 2922

Industry name: Plastic sheet, tube and profile manufacturing

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

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From January to August 2017, the cumulative output of China's plastic products industry was 52.616 million tons, increased by 4.4% over the same period of last year. In August, China's plastic product output was 7.1 million tons, increased by 5.2% over the same period of previous year.

From January to July 2017, the export delivery value of China's plastic products industry totaled 134.9 billion yuan, increased by 6.8% over the same period of last year. The cumulative production and sales rate reached 97.7%, increased by 0.1% over the same period of last year. In July, the export delivery value of plastic products in China reached 19.73 billion yuan, increased by 6.1% over the same period of the previous year with a sales-production ratio of 98.2% and a year-on-year increased by 0.4%.

In terms of economic benefits, from January to July 2017, the total revenue from plastic products manufacturing enterprises reached 1,175.18 billion yuan, increased by 10.1% over the same period of last year. The total profit was 78.64 billion yuan, increased by 7.7% over the same period of last year.

RELATED COMPANIES

SC is not known to have the subsidiary at present.

PAYMENT

Overall payment appraisal:

Excellent Good 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

Industrial and Commercial Bank of China Pingyi Sub-branch
A/C #: 1610020709022185051

Relationship: Normal

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 5 years.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.85
UK Pound	1	INR 95.15
Euro	1	INR 84.68
CNY	1	INR 10.55

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	TRU

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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)