

## International Report

Supplied on	26 Nov. 18
Client Reference	-
Graydon Order Number	4354644

WANYANG HONGHAI (SHANGHAI) METAL CO., LTD.

万洋鸿海(上海)金属有限公司

AIC No.:	310115003298165
Unified Social Credit Code:	91310115MA1H8LQM0A
N.O.C.:	MA1H8LQM0
Address:	Room 1702, Zhongyi International Building, No. 88, Guangxin Road Putuo District Shanghai City
Zip Code:	200061
Telephone:	(+86 21) 52929833
Facsimile:	(+86 21) 52929833

Currency in this report is Chinese Yuan (RMB) unless otherwise stated. "--" in this report indicates "unavailable" or "no comments" due to insufficient information.

### INVESTIGATION NOTES

The given address is similar to Subject's registered address but incomplete. Subject's accurate registered address and business address are as shown in the report.

## Credit Recommendations

Graydon Credit Rating	3
Graydon Risk	Medium Risk
Maximum Monthly Credit Guide	CNY 2,000,000

### Rating Explanation

The rating system ranges from 1, indicating a high risk to 5, the lowest risk. A rating of 8 indicates an unclassified risk (risk unknown), used on brand new companies as an example. A rating of 9 is used for companies, which are either in Receivership, Liquidation, and Dissolution or have ceased trading for some other reason.

## Report Details

### MAIN BUSINESS & INDUSTRY CLASSIFICATION

Main Business:	Sale of precious metal
Chinese SIC:	5164,Wholesale of metals and metal ores
ISIC:	4662,Wholesale of metals and metal ores
NACE:	46.72,Wholesale of metals and metal ores

More information about Subject's lines of business can be found in OPERATIONS

### FINANCIAL SUMMARY

	<b>2017</b>
Sales	689,367,000
Total profit	-1,306,000
Net profit	-1,318,000
Total assets	38,117,000
Total liabilities	19,435,000
Total shareholders' equity	18,682,000
Total current assets	38,074,000
Total current liabilities	19,435,000
Working capital	18,639,000
Total fixed assets	43,000
Return on net assets (%)	-7.05
Net profit margin (%)	-0.19
Turnover of total assets	18.09
Liabilities/assets ratio (%)	50.99
Current ratio	1.96
Quick ratio	1.57
Sales growth (%)	--
Gross profit growth (%)	--
Total assets growth (%)	--

### IMPORTANT EVENTS

Subject's registered business scope involves import and export. A license is mandated for import and export business. However, our check with official sources finds no I/E license of Subject. Thus, the "I/E License" column herein reads "No".

## GENERAL COMMENTS

Founded in Feb. 2017, Subject is mainly engaged in sale of precious metal. With a short history, it develops business rapidly. Its product brands enjoys certain recognition in its line. In view of its operation status, further observation is needed before a sound conclusion can be drawn on the development prospect.

Judging from the financial data available, Subject's sales for 2017 stood at RMB 689,367,000; however, due to large costs of sales, Subject suffered losses in 2017, denoting to-be-improved profitability; its capital operation ability was acceptable; besides, its liabilities were small, suggesting sound short-term payment ability and cashability and strong comprehensive debt repayment ability.

## REGISTRATION

Establishment Date:	Feb. 06, 2017
Registered Address:	Room 107, Building 5, No. 2075, Lingkong North Road, Pudong New Area, Shanghai
Zip Code:	201209
Registry:	Pudong New Area Market Supervision Administration, Shanghai
Legal Rep.:	LU Qiang
AIC No.:	310115003298165
Unified Social Credit Code:	91310115MA1H8LQM0A
Legal Status:	Limited liability company
Registered Capital:	80,000,000
Business Scope:	Sale of non-ferrous metals, metal products and materials, metallurgical furnace charge, gold and silver jewelry, crafts & gifts, storage battery, chemical raw materials and products (excluding dangerous chemicals, monitoring chemicals, civil explosives or precursor chemicals); import and export of goods and technologies (no operation is allowed until an approval has been obtained from relevant authorities where applicable)
Duration of Operation:	From Feb. 06, 2017 To Feb. 05, 2037
Latest Yearly Inspection:	2017

## CHANGES IN REGISTRATION

Date of Change	Change(s)	From	To
Jul. 12, 2018	Company Name	Wanyang Muze (Shanghai) Metal Co., Ltd. (Literal Translation)	WANYANG HONGHAI (SHANGHAI) METAL CO., LTD.
Jul. 12, 2018	Registered Address	Building 8, No. 1098, Chuansha Road, Pudong New District, Shanghai	Room 107, Building 5, No. 2075, Lingkong North Road, Pudong New Area, Shanghai

## SHAREHOLDERS AND SHARES

Shareholders	Capital Subscribed	% of Total
Jiyuan Wanyang Smeltery Group Co., Ltd.	79,200,000	99.00
LU Qiang	800,000	1.00
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Total	80,000,000	100.00
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Shareholders	Way of Investment
Jiyuan Wanyang Smeltery Group Co., Ltd.	Cash
LU Qiang	Cash

## BACKGROUND OF MAJOR SHAREHOLDERS

Name:	Jiyuan Wanyang Smeltery Group Co., Ltd.
Establishment Date:	Mar. 27, 2001
Legal Rep.:	LU Yiming
AIC No.:	410881100003786
Legal Status:	Limited liability company (natural person-funded or -controlled)
Registered Capital:	280,000,000
Business Scope:	Production, processing and sale of crude lead smelting, electrolytic lead, reduced lead, refined lead, zinc oxide, antimony oxide, matte, coarse copper, bismuth, tin, tellurium, alloy lead, gold, silver, precious metals; sale of sulphuric acid (with storage facilities for hazardous chemicals); waste lead slag and waste battery recycling services (operation shall be subject to branches); road transport; export of self-made products and related technologies; import of raw & auxiliary materials, mechanical equipment, instruments & meters, parts & accessories and related technologies needed for production and scientific research of the enterprise
Debt Issued or Not:	No
Listed or Not:	No
Address:	North of Sili Village, Sili Town Jiyuan City, Henan Province
Website:	www.wanyanggroup.cn

## HISTORY

Feb.2017	Subject was set up.
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## MAIN EXECUTIVE(S)

Name:	LU Qiang
Post:	Executive Director
Gender:	Male
Working Experience:	Currently with Subject as Executive Director
No. of Invested and Appointed Companies:	5

## BOARD OF DIRECTORS

Name:	LU Qiang
Post:	Executive Director
Nationality:	China

Gender: Male

## **BOARD OF SUPERVISORS**

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Name: LI FANG  
Post: Supervisor

## **NUMBER OF EMPLOYEES**

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Total Employees: 15

## **OFFICE FACILITIES**

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Location: Room 1702, Zhongyi International Building, No. 88, Guangxin Road, Putuo District, Shanghai  
Area: About 100 sq. meters  
Property Ownership: Leasehold  
Traffic Convenience: Subject enjoys convenient traffic access and has acceptable environment.

## **OPERATIONS**

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Main Business: Sale of precious metal  
Chinese SIC: 5164, Wholesale of metals and metal ores  
ISIC: 4662, Wholesale of metals and metal ores  
NACE: 46.72, Wholesale of metals and metal ores

According to a staff member of Subject, Subject is mainly engaged in sale of precious metal. Its products include silver. Subject's products are under brands of "Jinchuan", "Dajiang", "Yuguang", etc.

## **TRADEMARKS & PATENTS**

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Our check with the Trademark Office of the State Administration for Industry and Commerce of the People's Republic of China finds no trademarks registered by Subject in the latest five years.

Our check with State Intellectual Property Office of the People's Republic of China finds no patent applications filed by Subject in the latest five years.

## **PURCHASING INFORMATION**

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Main Purchases: Silver, office equipment, business services, etc.  
Main Payment Terms: Prepayment, etc.

Reportedly, Subject's products are principally purchased at home. Subject's product brands include "Jinchuan", "Dajiang (Literal Translation)", "Yuguang", etc.

The information above was confirmed by a staff member of Subject.

## **SELLING INFORMATION**

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Domestic: 100%  
Regions: Nationwide  
Sales Terms: Prepayment or payment on agreed terms

Reportedly, Subject's products are principally sold at home.

The information above was confirmed by a staff member of Subject.

## **IMPORT & EXPORT**

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I/E License: No

## **CREDIT RECORDS**

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The investigator failed to obtain Subject's supplier information so no Subject's related credit record is available in the report.

## **MAJOR RANKS**

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As of the completion of this report, our check with open sources and major search engines has found no ranking lists involving Subject in the latest five years.

## **LITIGATION RECORDS**

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As of the completion date of the report, no litigation records by or against Subject have been found in the latest five years through our searching the website [www.chinacourt.org](http://www.chinacourt.org), the local court's website and other major search engines.

## **PUBLIC RECORDS**

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As of the completion of this report, our check with open sources and major search engines has found no public records involving Subject in the latest five years.

## **FINANCE**

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### **Balance Sheet ('000):**

	<b>Dec. 31, 2017 (Unconsolidated)</b>
Cash & bank	1,813
Advances to suppliers	13,502
Other receivables	15,151
Inventory	7,608

<b>Total Current Assets</b>	38,074
Fixed assets	43
<b>Total Non-Current Assets</b>	43
<b>TOTAL ASSETS</b>	38,117
Advances from customers	19,352
Taxes payable	75
Other payables	8
<b>Total Current Liabilities</b>	19,435
<b>Total Non-Current Liabilities</b>	0
<b>TOTAL LIABILITIES</b>	19,435
Paid-up capital	20,000
Undistributed profit	-1,318
<b>TOTAL SHLDRS' EQUITY</b>	18,682
<b>TOTAL LIABILITIES &amp; SHLDRS' EQUITY</b>	38,117

## Income Statement ('000)

	<b>2017</b>
<b>Starting Date</b>	Jan. 01, 2017
<b>Closing Date</b>	Dec. 31, 2017
<b>Sales</b>	689,367
Less: Cost of sales	689,119
Business taxes and surcharges	180
<b>Gross Profit</b>	68
Less: Selling expenses	93
Administrative expenses	1,498
Financial expenses	-63
Plus: Investment income	154
<b>Operating Profit</b>	-1,306
Plus: Non-operating income	0
Less: Non-operating expenses	0
<b>Total profit</b>	-1,306
Less: Income tax	12
<b>Net profit</b>	-1,318

## NOTES TO FINANCE

Due to lack of clear government policy regarding transparency of enterprise financial information, many financial items might be missing in the above financial statements, causing possible inequality between the sum of the provided items and the provided Total Number.

Paid-up capital in the report differed from Subject's registered capital because Subject's registered capital was injected in

instalments. As of report completion, the investigator failed to obtain the paid-up percentage of Subject's registered capital.

Subject's negative financial expenses for 2017 mainly resulted from interest income and exchange gain.

Subject was in deficit in 2017, but it still paid some income tax probably because the taxation authorities thought Subject reported some expenses that cannot be deducted before tax and then changed its income tax base.

## Important Ratios:

<b>Profitability</b>	<b>2017</b>
Return on net assets (%)	-7.05
Return on total assets (%)	-3.46
Gross profit margin (%)	0.01
Net profit margin (%)	-0.19

  

<b>Efficiency</b>	<b>2017</b>
Turnover of total assets	18.09
Turnover of current assets	18.11

  

<b>Solvency</b>	<b>2017</b>
Liabilities/assets ratio (%)	50.99
Current ratio	1.96
Quick ratio	1.57

  

<b>Growth</b>	<b>2017</b>
Sales growth (%)	--
Gross profit growth (%)	--
Total assets growth (%)	--

**\*\*\* End of Report \*\*\***