

MIRA INFORM REPORT

Report No. :	524679
Report Date :	10.08.2018

IDENTIFICATION DETAILS

Name :	ANHUI BAYI CHEMICAL INDUSTRY CO., LTD.
Registered Office :	No. 1369 Tushan Road, Bengbu City, Anhui Province 233010 Pr
Country :	China
Financials (as on) :	31.12.2016
Date of Incorporation :	26.09.1996
Unified Social Credit Code :	91340000610360441J
Legal Form :	Shares Limited Company
Line of Business :	Subject registered business scope includes manufacturing and selling manufacturing and selling a series of products such as chloro-alkali, nitril chlorobenzene. Selling its products; selling guaiacol, vanillin, ortho-nitrochlorobenzene and sodium thiosulfate; check regularly in terms of welding cylinder.
No. of Employees :	1,100

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+	Low Risk	Business dealings permissible with low risk of default

Status :	Good
Payment Behaviour :	Regular
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.

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. Measured on a purchasing power parity (PPP) basis that adjusts for price differences, China in 2016 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.

After keeping its currency tightly linked to the US dollar for years, China in July 2005 moved to an exchange rate system that references a basket of currencies. From mid-2005 to late 2008, the renminbi 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 allow a resumption of gradual liberalization. From 2013 until early 2015, the renminbi (RMB) appreciated roughly 2% against the dollar, but the exchange rate fell 13% from mid-2015 until end-2016 amid strong capital outflows in part stemming from the August 2015 official devaluation; in 2017 the RMB resumed appreciating against the dollar – roughly 7% from end-of-2016 to end-of-2017. From 2013 to 2017, China had one of the fastest growing economies in the world, averaging slightly more than 7% real growth per year. 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

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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 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 & ADDRESS

COMPANY NAME	ANHUI BAYI CHEMICAL INDUSTRY CO., LTD.
CURRENT ADDRESS/ REGISTERED ADDRESS	NO. 1369 TUSHAN ROAD, BENGBU CITY, ANHUI PROVINCE 233010 PR CHINA
TEL. NO.	86 (0) 552-3027765/3036074/4926162/4928326
FAX NO.	86 (0) 552-3029731

EXECUTIVE SUMMARY

DATE OF REGISTRATION	: SEPTEMBER 26, 1996
UNIFIED SOCIAL CREDIT CODE	: 91340000610360441J
LEGAL FORM	: SHARES LIMITED COMPANY
CHIEF EXECUTIVE	: LI DECHANG (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL	: CNY 337,500,000
STAFF	: 1,100
BUSINESS CATEGORY	: MANUFACTURING & TRADING
REVENUE	: CNY 1,584,145,000 (AS OF DEC. 31, 2016)
EQUITIES	: CNY 886,765,000 (AS OF DEC. 31, 2016)
WEBSITE	: WWW.BAYICHEM.COM
E-MAIL	: MARKETING@BAYICHEM.COM
PAYMENT	: REGULAR
MARKET CONDITION	: COMPETITIVE
FINANCIAL CONDITION	: FAIRLY GOOD
OPERATIONAL TREND	: FAIRLY STEADY
GENERAL REPUTATION	: FAIRLY GOOD

Adopted abbreviations (as follows)

SC - Subject Company (the company inquired by you)
N/A – Not available
CNY – China Yuan Ren Min Bi

OPERATIONAL TREND & GENERAL REPUTATION

This section aims at indicating the relative positions of SC in respect of its operational trend & general reputation

Operational Trend:-

Upward
Steady
Fairly Steady
Ordinary
Fair
Stagnant
Downward
Not known
Not yet be determined

General Reputation:-

Excellent
Good
Fairly Good
Average
Fair
Detrimental
Not known
Not yet be determined

LEGAL STATUS & HISTORY

SC was established as shares limited company of PRC with State Administration of Industry & Commerce (SAIC) under unified social credit code: 91340000610360441J.

SC's Import and Export Enterprise Code: 3400610360441

SC's registered capital: CNY 337,500,000

SC's paid-in capital: CNY 337,500,000

Registration Change Record:-

Date	Change of Contents	Before the change	After the change
2005-07-19	Legal Representative	Zhang Yuqi	Li Dechang
2007-11-30	Shareholder (s) (% of Shareholding)	Xiangfeng China Chemical Investment Co., Ltd. (Singapore) 48.5% Anhui Hecheng Technology Investment Co., Ltd. 48.5% Bengbu Shouxin Investment Co., Ltd. 2.0% Bengbu Jiucailuo Chemical Co., Ltd. 1.0%	Xiangfeng China Chemical Investment Co., Ltd. (Singapore) 48.5% Anhui Hecheng Technology Investment Co., Ltd. 48.5% Bengbu Shouxin Investment Co., Ltd. 3.0%
2009-9-29	Shareholder (s) (% of Shareholding)	Xiangfeng China Chemical Investment Co., Ltd. (Singapore) 48.5% Anhui Hecheng Technology Investment Co., Ltd. 48.5%	Xiangfeng China Chemical Investment Co., Ltd. (Singapore) 37.04% Anhui Hecheng Technology Investment Co., Ltd. 37.04% Bengbu Shouxin Investment Co., Ltd.

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		Bengbu Shouxin Investment Co., Ltd. 3.0%	25.92%
--	Registration No.	002141	340000400000592
2010-9-27	Shareholder (s) (% of Shareholding)	Xiangfeng China Chemical Investment Co., Ltd. (Singapore) 37.04% Anhui Hecheng Technology Investment Co., Ltd. 37.04% Bengbu Shouxin Investment Co., Ltd. 25.92%	Xiangfeng China Chemical Investment Co., Ltd. (Singapore) 25.00% Anhui Hecheng Technology Investment Co., Ltd. 37.04% Bengbu Shouxin Investment Co., Ltd. 37.96%
2011	Registered Capital % of Shareholding	CNY 202,500,000 Xiangfeng China Chemical Investment Co., Ltd. (Singapore) 25.00% Anhui Hecheng Technology Investment Co., Ltd. 37.04% Bengbu Shouxin Investment Co., Ltd. 37.96%	CNY 270,000,000 Xiangfeng China Chemical Investment Co., Ltd. (Singapore) 20% Anhui Hecheng Technology Investment Co., Ltd. 20% Bengbu Shouxin Investment Co., Ltd. 60%
--	Registration No.	002141	340000400000592
2012	Registered Capital	CNY 270,000,000	CNY 337,500,000
--	Shareholder (s) (% of Shareholding)	Xiangfeng China Chemical Investment Co., Ltd. (Singapore) 20% Anhui Hecheng Technology Investment Co., Ltd. 20% Bengbu Shouxin Investment Co., Ltd. 60%	Xiangfeng China Chemical Investment Co., Ltd. (Singapore) 60% Bengbu Shouxin Investment Co., Ltd. 40%
--	Shareholder (s)	Xiangfeng China Chemical Investment Co., Ltd. (Singapore) 60% Bengbu Shouxin Investment Co., Ltd. 40%	Xiangfeng China Chemical Investment Co., Ltd. (Singapore) 60% Shihezi Derun Equity Investment Partnership (Limited Partnership) 40%
2018-4-17	Registration No./ Unified Social Credit Code	340000400000592	91340000610360441J

Current Co search indicates SC's shareholders & chief executives are as follows:-

Name of Shareholder (s)	% of Shareholding
Xiangfeng China Chemical Investment Co., Ltd. (Singapore)	60
Shihezi Derun Equity Investment Partnership (Limited Partnership)	40

SC's Chief Executives:-

Position	Name
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Legal Representative, Chairman and General Manager
Director

Li Dechang
Huang Yan
Jiang Honghui
Sun Jian
Cai Qile
Long Hua
Fan Xiujin
Zhang Guofu
Jiang Rukun

Supervisor

RECENT DEVELOPMENT

SC is a "National Major High-Tech Enterprise", and has been certified by ISO-9001 and ISO-14001.

SHAREHOLDER CHART & BACKGROUND

Name	% of Shareholding
Xiangfeng China Chemical Investment Co., Ltd. (Singapore)	60
Shihezi Derun Equity Investment Partnership (Limited Partnership)	40

MANAGEMENT

Li Dechang, Legal Representative, Chairman and General Manager

Gender: M
Nationality: China
Qualification: University
Working experience (s):

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

Director

Huang Yan
Jiang Honghui
Sun Jian
Cai Qile
Long Hua

Supervisor

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Fan Xiujin
Zhang Guofu
Jiang Rukun

BUSINESS OPERATION

SC's registered business scope includes manufacturing and selling manufacturing and selling a series of products such as chloro-alkali, nitril chlorobenzene. Selling its products; selling guaiacol, vanillin, ortho-nitrochlorobenzene and sodium thiosulfate; check regularly in terms of welding cylinder.

SC is mainly engaged in manufacturing and selling chemical products.

SC has four major series of more than 20 kinds of products: Chlorine Caustic Soda, Nitrochlorobenzene, Pharma-intermediates and Food Additives. These products are widely used in Pharmaceutical, Agrochemical, Dyestuff, Rubber, Flavorings and other industries. In the above products, the production capacities of two varieties are among the world top three and four varieties ranks first in China.

SC sources its materials 99% from domestic market, and 1% from overseas market, mainly Korea. SC sells 92% of its products in domestic market, and 8% to overseas market, mainly Japan, U.S.A., etc.

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.

Major Customers

First Continental International (NJ) Inc.
Lansdowne Chemicals PLC
Para Products Pltd

Staff & Office:

SC is known to have approx. 1,100 staff at present.

SC owns an area as its operating office & factory of approx. 55,000 sq. meters at the heading address.



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RELATED COMPANY

Beijing Longjin Haifeng Investment & Investment Co., Ltd.

Unified Social Credit Code: 91110101076566473K

Date of Registration: August 28, 2013

Legal Representative: Huang Rui

Registered Capital: CNY 10,000,000

PAYMENT

Overall payment appraisal:

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

Basic Bank:

Bank of China Bengbu Branch

AC#: 175202859933

FINANCIALS

Financial Summary

Unit: CNY'000

	As of Dec. 31, 2013	As of Dec. 31, 2014	As of Dec. 31, 2015	As of Dec. 31, 2016
Total assets	2,161,150	1,888,443	2,078,475	2,120,918
Total liabilities	1,196,776	1,074,018	1,034,825	1,234,153

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ANHUI BAYI CHEMICAL INDUSTRY CO., LTD. - 524679

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Equities	964,374	814,425	1,043,650	886,765
Revenue	2,207,109	2,104,128	1,776,668	1,584,145
Profit before tax	372,297	350,493	269,703	207,645
Less: profit tax	56,382	52,242	40,478	27,030
Profits	315,915	298,251	229,225	180,615

Important Ratios

=====

	As of Dec. 31, 2013	As of Dec. 31, 2014	As of Dec. 31, 2015	As of Dec. 31, 2016
*Liabilities to assets	0.55	0.57	0.50	0.58
*Net profit margin (%)	14.31	14.17	12.90	11.40
*Return on total assets (%)	14.62	15.79	11.03	8.52
*Revenue / Total assets	1.02	1.11	0.85	0.75

FINANCIAL COMMENTS

PROFITABILITY: FAIRLY GOOD

The revenue of SC appears good in its line.
SC's net profit margin is fairly good.
SC's return on total assets is fairly good.

LIQUIDITY: AVERAGE

SC's revenue is in a fair level, comparing with the size of its total assets.

LEVERAGE: FAIRLY GOOD

The debt ratio of SC is average.
The risk for SC to go bankrupt is low.

Overall financial condition of the SC: Fairly Good.

CONCLUSIONS

SC is considered large-sized in its line with fairly good financial conditions.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.62
UK Pound	1	INR 88.35
Euro	1	INR 79.63
CNY	1	INR 10.05

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	SYL

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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)