

## MIRA INFORM REPORT

<b>Report No. :</b>	526196
<b>Report Date :</b>	22.08.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	SUZHOU CAPSUGEL LTD.
<b>Registered Office :</b>	No. 369, Suhong Middle Road, Suzhou Industrial Park, Jiangsu Province 215021 PR
<b>Country :</b>	China
<b>Financials (as on) :</b>	30.06.2017
<b>Date of Incorporation :</b>	22.04.1986
<b>Unified Social Credit Code.:</b>	91320594608197112C
<b>Legal Form :</b>	Chinese-Foreign Equity Joint Venture Enterprise
<b>Line of Business :</b>	Subject registered business scope includes manufacturing empty capsule, selling its owned products; wholesale, import and export of related equipment and components with manufactured capsule and filled capsule; commission agency and providing related supporting business.
<b>No. of Employees :</b>	345

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	A+
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Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low risk of default

<b>Status :</b>	Good
<b>Payment Behaviour :</b>	Regular
<b>Litigation :</b>	Clear

### NOTES :

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Any query related to this report can be made on e-mail : [infodept@mirainform.com](mailto: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 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

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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**

**COMPANY NAME** Suzhou Capsugel Ltd.  
**CURRENT ADDRESS/ REGISTERED ADDRESS** No. 369, Suhong Middle Road, Suzhou Industrial Park,  
Jiangsu Province 215021 PR China  
**TEL. NO.** 86 (0) 512-62585188  
**FAX NO.** 86 (0) 512-62589188

## **EXECUTIVE SUMMARY**

**DATE OF REGISTRATION** : APRIL 22, 1986  
**UNIFIED SOCIAL CREDIT CODE** : 91320594608197112C  
**LEGAL FORM** : CHINESE-FOREIGN EQUITY JOINT VENTURE ENTERPRISE  
**CHIEF EXECUTIVE** : GUIDO DRIESEN (LEGAL REPRESENTATIVE)  
**REGISTERED CAPITAL** : USD 29,700,000  
**STAFF** : 345  
**BUSINESS CATEGORY** : MANUFACTURING & TRADING  
**REVENUE** : CNY 244,683,000 (FROM JAN. 1, 2017 TO JUN. 30, 2017)  
**EQUITIES** : CNY 561,682,000 (AS OF JUN. 30, 2017)  
**WEBSITE** : [www.capsugel.com.cn](http://www.capsugel.com.cn)  
**E-MAIL** : [sclsales@pfizer.com](mailto:sclsales@pfizer.com)  
**PAYMENT** : REGULAR  
**MARKET CONDITION** : COMPETITIVE  
**FINANCIAL CONDITION** : STABLE  
**OPERATIONAL TREND** : STEADY  
**GENERAL REPUTATION** : AVERAGE

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

General Reputation:-

Excellent

Good

Fairly Good

Average

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Fair	Fair
Stagnant	Detrimental
Downward	Not known
Not known	Not yet be determined
Not yet be determined	

## **LEGAL STATUS & HISTORY**

SC was established as Chinese-foreign equity joint venture enterprise of PRC with State Administration of Industry & Commerce (SAIC) under unified social credit code: 91320594608197112C.

SC's Import and Export Enterprise Code: 3200608197112

SC's registered capital: USD 29,700,000

SC's paid-in capital: USD 29,700,000

### **Registration Change Record:**

<b>Date</b>	<b>Change of Contents</b>	<b>Before the change</b>	<b>After the change</b>
2005-8-16	Legal Representative	Lindong	Charles Robert Danjaut
--	Registration No.	007554	021506
	Registration No.	021506	320594400008814
2009-9	Registered Capital	USD 28,200,000	USD 29,700,000
2017-1-26	Legal Representative	Charles Robert Danjaut	Guido Driesen
2018-8-7	Shareholder (s) (% of Shareholding)	Capsugel Holdings (Hong Kong) Limited 75% China National Pharmaceutical Group Assets Management Center	Capsugel Holdings (Hong Kong) Limited 75% China National Pharmaceutical Group Assets Management Co., Ltd.

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

<b>Name of Shareholder (s)</b>	<b>% of Shareholding</b>
Capsugel Holdings (Hong Kong) Limited	75
China National Pharmaceutical Group Assets Management Co., Ltd.	25

### **SC's Chief Executives:-**

<b>Position</b>	<b>Name</b>
-----------------	-------------

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Legal Representative and Chairman  
General Manager  
Director

Guido Driesen  
Domenico Angelini  
Cheng Zhong  
John Loras Shroyer  
John Byrne De Grandpre  
Lee Chang  
Robert Madsen Whitelaw  
Sun Defeng  
Ding Haiyun  
Yuan Chenggang  
Jin Chunqing

Supervisor

## **RECENT DEVELOPMENT**

No recent development was found during our checks at present.

## **SHAREHOLDER CHART & BACKGROUND**

<i>Name</i>	<i>% of Shareholding</i>
Capsugel Holdings (Hong Kong) Limited	75
China National Pharmaceutical Group Assets Management Co., Ltd.	25

### **✚ Capsugel Holdings (Hong Kong) Limited**

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CR No.: 1600991  
Company Type: Private Company Limited by Shares  
Date of Incorporation: 16 May 2011  
Active Status: Live

### **✚ China National Pharmaceutical Group Assets Management Co., Ltd.**

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Date of Registration: December 2, 2010  
Unified Social Credit Code: 911100007178284894  
Chief Executive : Guo Congzhao  
Registered Capital: CNY 10,000,000

## **MANAGEMENT**

### **Guido Driesen, Legal Representative and Chairman**

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- Gender: M
- Qualification: University
- Working experience (s):

At present, working in SC as legal representative and chairman

### **Domenico Angelini, General Manager**

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- Gender: M
- Nationality: Italy
- Age: 65
- Qualification: University
- Working experience (s):

At present, working in SC as general manager

### **Director**

-----

Cheng Zhong程忠  
John Loras Shroyer  
John Byrne De Grandpre  
Lee Chang  
Robert Madsen Whitelaw  
Sun Defeng  
Ding Haiyun  
Yuan Chenggang

### **Supervisor**

-----

Jin Chunqing

## **BUSINESS OPERATION**

SC's registered business scope includes manufacturing empty capsule, selling its owned products; wholesale, import and export of related equipment and components with manufactured capsule and filled capsule; commission agency and providing related supporting business.

SC is mainly engaged in manufacturing and selling capsules.

SC's products mainly include: capsules.

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SC sources its materials 95% from domestic market, and 5% from overseas market. SC sells 85% of its products in domestic market, and 15% 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 T/T, L/C and Credit of 30-60 days.

\*Major Customers\*

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Capsugel De Mexico S De RI De Cv  
Bombay Ampoules Pvt Ltd.

**Staff & Office:**

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SC is known to have approx. 345 staff at present.

SC owns an area as its operating office & factory of approx. 60,000 sq. meters at the heading address.

## ***RELATED COMPANY***

SC is not known to have any subsidiary at present.

## ***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:**

China Construction Bank Suzhou Branch

AC#: 32201989036050085817

## **FINANCIALS**

### **Financial Summary**

Unit: CNY'000	<b>As of Jun. 30, 2017</b>
Total assets	760,035
	-----
Total liabilities	198,353
Equities	561,682
	-----
Unit: CNY'000	<b>From Jan. 1, 2017 to Jun. 30, 2017</b>
Revenue	244,683
Profits	26,068

### **Important Ratios**

=====	<b>As of Jun. 30, 2017</b>
*Liabilities to assets	0.26
*Net profit margin (%)	10.65
*Return on total assets (%)	3.43
*Revenue/Total assets	0.32

## **FINANCIAL COMMENTS**

### **PROFITABILITY: FAIRLY GOOD**

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

### **LIQUIDITY: FAIR**

- 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 low.
- The risk for SC to go bankrupt is average.

**Overall financial condition of the SC: Stable.**

## **CONCLUSIONS**

SC is considered medium-sized in its line with stable financial conditions

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 69.67
UK Pound	1	INR 89.40
Euro	1	INR 80.25
CNY	1	INR 10.21

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

**INFORMATION DETAILS**

Analysis Done by :	PRA
Report Prepared by :	KET

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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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