

## MIRA INFORM REPORT

|               |            |
|---------------|------------|
| Report No. :  | 543606     |
| Report Date : | 05.12.2018 |

### IDENTIFICATION DETAILS

|                         |   |
|-------------------------|---|
| Name :                  | GOLD EAST TRADING (HONG KONG) COMPANY LIMITED                               |
| Registered Office :     | Room 501-504A, 5/F., Empire Centre, 68 Mody Road, Tsimshatsui East, Kowloon |
| Country :               | Hong Kong   |
| Date of Incorporation : | 14.06.2007  |
| Com. Reg. No.:          | 38159647  |
| Legal Form :            | Private Limited Company   |
| Line of Business :      | Importer, Exporter and Wholesaler of All Kinds of Paper.                    |
| No. of Employees :      | 17 (Including Associates)   |

### RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23<sup>rd</sup> 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](mailto:infodept@mirainform.com) while quoting report number, name and date.

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**ECGC Country Risk Classification List**

| Country Name | Previous Rating<br>(30.06.2018) | Current Rating<br>(30.09.2018) |
|--------------|---------------------------------|--------------------------------|
| Hong Kong    | A1                              | 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                   |

**HONG KONG - ECONOMIC OVERVIEW**

Hong Kong has a free market economy, highly dependent on international trade and finance - the value of goods and services trade, including the sizable share of reexports, is about four times GDP. Hong Kong has no tariffs on imported goods, and it levies excise duties on only four commodities, whether imported or produced locally: hard alcohol, tobacco, oil, and methyl alcohol. There are no quotas or dumping laws. Hong Kong continues to link its currency closely to the US dollar, maintaining an arrangement established in 1983.

Excess liquidity, low interest rates and a tight housing supply have caused Hong Kong property prices to rise rapidly. The lower and middle-income segments of the population increasingly find housing unaffordable.

Hong Kong's open economy has left it exposed to the global economic situation. Its continued reliance on foreign trade and investment makes it vulnerable to renewed global financial market volatility or a slowdown in the global economy.

Mainland China has long been Hong Kong's largest trading partner, accounting for about half of Hong Kong's total trade by value. Hong Kong's natural resources are limited, and food and raw materials must be imported. As a result of China's easing of travel restrictions, the number of mainland tourists to the territory surged from 4.5 million in 2001 to 47.3 million in 2014, outnumbering visitors from all other countries combined. After peaking in 2014, overall tourist arrivals dropped 2.5% in 2015 and 4.5% in 2016. The tourism sector rebounded in 2017, with visitor arrivals rising 3.2% to 58.47 million. Travelers from Mainland China totaled 44.45 million, accounting for 76% of the total.

The Hong Kong Government is promoting the Special Administrative Region (SAR) as the preferred business hub for renminbi (RMB) internationalization. Hong Kong residents are allowed to establish RMB-denominated savings accounts, RMB-denominated corporate and Chinese government bonds have been issued in Hong Kong, RMB trade settlement is allowed, and investment schemes such as the Renminbi Qualified Foreign Institutional Investor (RQFII) Program was first launched in Hong Kong. Offshore RMB activities experienced a setback, however, after the People's Bank of China changed the way it set the central parity rate in August 2015. RMB deposits in Hong Kong fell from 1.0 trillion RMB at the end of 2014 to 559 billion RMB at the end of 2017, while RMB trade settlement handled by banks in Hong Kong also shrank from 6.8 trillion RMB in 2015 to 3.9 trillion RMB in 2017.

Hong Kong has also established itself as the premier stock market for Chinese firms seeking to list abroad. In 2015, mainland Chinese companies constituted about 50% of the firms listed on the Hong Kong Stock Exchange and accounted for about 66% of the exchange's market capitalization.

During the past decade, as Hong Kong's manufacturing industry moved to the mainland, its service industry has grown rapidly. In 2014, Hong Kong and China signed a new agreement on achieving basic liberalization of trade in services in Guangdong Province under the Closer Economic Partnership Agreement (CEPA), adopted in 2003 to forge closer ties between Hong Kong and the mainland. The new measures, which took effect in March 2015, cover a negative list and a most-favored treatment provision. On the basis of the Guangdong Agreement, the Agreement on Trade in Services signed in November 2015 further enhanced liberalization, including extending the implementation of the majority of Guangdong pilot liberalization measures to the whole Mainland, reducing the restrictive measures in the negative list, and adding measures in the positive lists for cross-border services as well as cultural and telecommunications services. In June 2017, the Investment Agreement and the Agreement on Economic and Technical Cooperation (Ecotech Agreement) were signed under the framework of CEPA.

Hong Kong's economic integration with the mainland continues to be most evident in the banking and finance sector. Initiatives like the Hong Kong-Shanghai Stock Connect, the Hong Kong- Shenzhen Stock Connect the Mutual Recognition of Funds, and the Bond Connect scheme are all important steps towards opening up the Mainland's capital markets and have reinforced Hong Kong's role as China's leading offshore RMB market. Additional connect schemes such as ETF Connect (for exchange-traded fund products) are also under exploration by Hong Kong authorities. In 2017, Chief Executive Carrie LAM announced plans to increase government spending on research and development, education, and technological innovation with the aim of spurring continued economic growth through greater sector diversification.

Source : CIA

## ***COMPANY NAME AND ADDRESS***

### **GOLD EAST TRADING (HONG KONG) COMPANY LIMITED**

**ADDRESS:** Room 501-504A, 5/F., Empire Centre, 68 Mody Road, Tsimshatsui East, Kowloon, Hong Kong.

**PHONE:** 852-2733 0488; 2733 0074

**FAX:** 852-2732 2202

**E-MAIL:** sales@goldeastpaper.com.hk  
cs@goldeastpaper.com.hk

## ***MANAGEMENT***

Managing Director: Mr. Chu Wing Hong, Park

## ***SUMMARY***

Incorporated on: 14th June, 2007.

Organization: Private Limited Company.

Issued Share Capital: HK\$8,143,279,370.00

Business Category: Paper Trader.

Employees: 17. (Including associates)

Main Dealing Banker: CITIC Bank International Ltd., Hong Kong.

Banking Relation: Satisfactory.

## ***ADDRESS***

### **Registered Head Office:-**

Room 501-504A, 5/F., Empire Centre, 68 Mody Road, Tsimshatsui East, Kowloon, Hong Kong.

### **Holding Company:-**

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

Ever Dragon Investments Group Ltd., Hong Kong.

**Associated Companies:-**

**Sinar Mas Group of Companies**

APP (Hong Kong) Ltd., Hong Kong.  
APP China Trading Ltd., Hong Kong.  
APP International Trading (China) Ltd., British Virgin Islands.  
APP Printing Pte. Ltd., Singapore.  
Asia Paper (Shanghai) Co. Ltd., China.  
Asia Pulp & Paper Co. Ltd., Indonesia.  
China Union (Macao Commercial Offshore) Co. Ltd., Macau.  
China Union International Trading Ltd., Hong Kong.  
Gold Daio (Suzhou Industrial Park) Hygiene Products Co. Ltd., China.  
Gold East Paper (Jiangsu) Co. Ltd., China.  
Gold Hai Paper Products (Kun Shan) Co. Ltd., China.  
Gold Hong Ye Paper (Suzhou Industrial Park) Co. Ltd., China.  
Gold Hong Ye Trading (Hong Kong) Co. Ltd., Hong Kong.  
Gold Huasheng Paper (Suzhou Industrial Park) Co. Ltd., China.  
Gold Huasheng Trading (Hong Kong) Co. Ltd., Hong Kong.  
Gold Shengpu Paper Products (Suzhou Industrial Park) Co. Ltd., China.  
Guangxi Jingui Pulp & Paper Co. Ltd., China.  
Hainan Jinhai Pulp & Paper Co. Ltd., China.  
Hainan Jinhai Trading (Hong Kong) Co Ltd., Hong Kong.  
Jin Feng Yuan Paper Industry (Shanghai) Co. Ltd., China.  
Jinxin (Qingyuan) Paper Industry Pte. Ltd., China.  
Jinyu (Qingyuan) Tissue Paper Co. Ltd., China.  
Ningbo Asia Paper Converting Co. Ltd., China.  
Ningbo Asia Paper Tube & Carton Box Co. Ltd., China.  
Ningbo Asia Pulp & Paper Co. Ltd., China.  
Ningbo Asia Unpolluted Paper Products Co. Ltd., China.  
Ningbo Yajiang Trading (Hong Kong) Co Ltd., Hong Kong.  
Ningbo Zhonghua (Hong Kong) Co Ltd., Hong Kong. [Dissolved]  
Ningbo Zhonghua Paper Co. Ltd., China.  
P.T. Purinusa Ekapersada, Indonesia.  
P.T. Smart Tbk., Indonesia.  
P.T. Wirakarya Sakti, Indonesia.  
Richwood Group Ltd., British Virgin Islands.  
Sinar Mas Paper (China) Investment Co. Ltd., China.  
Sinar Mas Paper (Shenzhen) Co. Ltd., China.  
Sinar Mas Pulp & Paper (India) Ltd., India.  
Top Harvest Asia Ltd., Hong Kong.  
Tricell (HK) Trading Ltd., Hong Kong.  
Xinyang Golden Sun Woodwork Co. Ltd., China.  
Yalong Paper Products (Kun Shan) Co. Ltd., China.  
Zhenjiang Dadong Pulp & Paper Co. Ltd., China.

## **BUSINESS REGISTRATION NUMBER**

38159647

## **COMPANY FILE NUMBER**

1141342

## **MANAGEMENT**

Managing Director: Mr. Chu Wing Hong, Park  
Contact Person: Ms. Viona Shek

## **ISSUED SHARE CAPITAL**

HK\$8,143,279,370.00

## **SHAREHOLDERS**

(As per registry dated 14-06-2018)

| <u>Name</u>   | <u>No. of shares</u>   |
|---|------------------------|
| Gold East Paper (Jiangsu) Co. Ltd.<br>8 Xing Gang Dong Road, Dagang, Zhenjiang,<br>Jiangsu 212132, China. | 1,591,764,534          |
| Ever Dragon Investments Group Ltd., Hong Kong.  | 6,551,514,836          |
| Total:  | 8,143,279,370<br>===== |

## **DIRECTORS**

(As per registry dated 14-06-2018)

| <u>Name</u>                                 | <u>Address</u>   |
|---|--|
| <u>(Nationality)</u><br>CHU Wing Hong, Park | Room 3814, 38/F., Un Shing House, Un Chau Estate, Kowloon,<br>Hong Kong. |

|                |   |
|----------------|---|
| LEE Cha Ming   | 5F, No. 21, LN. 136, Sec. 3, Zhongshan Road, Zhonghe District, New Taipei City, Taiwan.               |
| Erwin ISKANDAR | Plaza BII Tower 2, 9/F, Jalan M. H. Thamrin 51, Jakarta 10350, Indonesia.                             |
| Ah Lek TEI     | 31/F., Tower II, Shanghai Arch, No. 533 Loushanguan Road, Changning District, Shanghai 200051, China. |
| DI Jing-Li     | 31/F., Tower II, Shanghai Arch, No. 533 Loushanguan Road, Changning District, Shanghai 200051, China. |

## ***SECRETARY***

CHU Wing Hong, Park (As per registry dated 14-06-2018)

## ***HISTORY***

The subject was incorporated on 14th June, 2007 as a private limited liability company under the Hong Kong Companies Ordinance.

The subject increased its ordinary shares to 8,143,279,370 in September 2015. It changed its directors in May 2017.

Apart from these, neither material change nor amendment has been ever traced and noted.

## ***OPERATIONS***

|                       |   |
|-----------------------|---|
| Activities:           | Importer, Exporter and Wholesaler.            |
| Lines:                | All kinds of paper.                           |
| Employees:            | 17. (Including associates)                    |
| Commodities Imported: | Southeast Asia, China, etc.                   |
| Markets:              | Hong Kong, China, other Asian countries, etc. |
| Terms/Sales:          | L/C or as per contracted.                     |
| Terms/Buying:         | L/C, T/T, D/P, etc.                           |

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

## **FINANCIAL INFORMATION**

Issued Share Capital: HK\$8,143,279,370.00

Mortgage or Charge  
(since 2011): (See attachment)

Profit or Loss: Making small profits in the past years.

Condition: Business is active and steady.

Facilities: Making active use of general banking facilities.

Payment: Regular.

Commercial Morality: Good.

Bankers:-

China CITIC Bank International Ltd., Hong Kong.  
Bank of Communications Co. Ltd., Hong Kong Branch.  
Bank SinoPac, Hong Kong Branch.  
Cathay United Bank Co. Ltd., Hong Kong Branch.  
China Development Bank Corporation, Hong Kong Branch.  
China Development Industrial Bank Co. Ltd., Taiwan.  
Industrial & Commercial Bank of China (Asia) Ltd., Hong Kong.  
Industrial & Commercial Bank of China Ltd., Hong Kong Branch  
Taishin International Bank Co. Ltd., Hong Kong Branch.  
East West Bank, Hong Kong Branch.  
Cathay Bank, Hong Kong Branch.

Standing: Very Good.

## **GENERAL**

Having issued 8,143,279,370 ordinary shares of HK\$1.00 each in total as at October 2015, Gold East Trading (Hong Kong) Company Limited is jointly-owned by Gold East Paper (Jiangsu) Co. Ltd. [GEP] which is a China-based firm holding 19.5% interests, and Ever Dragon Investments Group Ltd., holding 80.5%.

GEP is a member of the Sinar Mas Group of Companies. Formerly, the subject was wholly-owned by GEP which is a significant paper trader.

The subject is trading in GEP's products and is responsible for sourcing raw materials for it. The subject is the sole agent of Asia Pulp and Paper in Hong Kong and Southern China. It offers a wide range of art paper, art board, woodfree, brief card, ivory board, playing card board, carbonless paper, thermal paper, and

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

photocopy paper. The subject provides various types of PEFC-CoC certified paper, recycled paper, coated and uncoated digital paper.

The main associated company of the subject in Hong Kong is Gold Hong Ye Trading (Hong Kong) Co. Ltd. [Gold Hong Ye].

Gold Hong Ye is jointly owned by Gold East Trading (Hong Kong) Co. Ltd., a Hong Kong-registered company holding 55.7%, and Gold Hongye Paper Group Co. Ltd. [GHPG], a China-based company holding 44.3%. GHPG is a listed company in China.

The main associated companies of the subject in China are as follow:

1. Asia Pulp & Paper Co. Ltd. (China) [APP]
2. Gold Huasheng Paper (Suzhou Industrial Park) Co., Ltd.
3. Guangxi Jingui Pulp & Paper Co., Ltd.
4. Hainan Jinhai Pulp & Paper Industry Co., Ltd.
5. Ningbo Asia Pulp & Paper Co., Ltd.
6. Ningbo Zhonghua Paper Co., Ltd.

Established in May 1997, GEP is located at the third largest port of the Yangtze River, Port of Zhenjiang, with an area of 5.33 square kilometres. It has over 4,600 employees and the capability to produce nearly 2 million tons of coated art paper per year, making it one of the largest single manufacturers of coated art paper in the world. As the flagship enterprise of Sinar Mas Group APP China, GEP has invested RMB900 million Yuan (US\$146 million) in environmental protection.

GEP has introduced cutting-edge technology such as the 6 Sigma and CTR to greatly increase its operating efficiency. It also has received ISO9002 Quality Management System certification as well as ISO14001 Environment Management System and OHSAS18001 Occupation Health and Safety Management System certification.

GEP services customers all over the world through franchisers in America, Europe and Japan.

GEP's major products include C2S Art Paper, C1S Art Paper, Art Paper/Matt, HSWO Gloss Art Paper, Digital Paper, and Handbag and packaging paper.

GEP's brands include Space Shuttle, XPLORE, Nireus, Art-tech, Sunbrite, and Nevia. Among other things, Space Shuttle was rated as a prominent trademark in China in 2007. Its notoriety, satisfaction and market share ranks the top in the industry in China.

As one of the world's largest pulp and paper companies, APP is responsible for delivering quality products to meet the growing global demand for tissue, packaging and paper. Now APP runs operations across Indonesia and China with an annual combined pulp, paper, packaging product and converting capacity of over 19 million tons per annum. Today, APP markets its products in more than 120 countries across six continents. Currently, APP employs nearly 40,000 full-time staff members in China.

APP-China has focused on operations in the Yangtze River and Pearl River Delta regions since 1992, and has invested in several large world-leading pulp & paper companies, including Gold East Paper (Jiangsu), Ningbo Zhonghua, Ningbo Asia, Gold Huasheng, Gold Hongye, Hainan Jinhai and Guangxi Jingui.

The business of the subject keeps on improving as the demand of paper of the world market has been increasing as well.

The subject also trades in recycling papers. Its associated company Ningbo Zhonghua and Ningbo Asia Pulp & Paper are among China's largest recycled industrial paper makers that use waste paper as raw materials, recycling more than 600,000 tons of waste paper respectively each year.

The subject is supported by GEP. History in Hong Kong is over ten years and six months. Business is active and steady.

On the whole, in view of the parentage and background of the subject, consider it good for normal business engagements.

## ***MORTGAGE OR CHARGE***

(Since 2011)

| Date       | Description of Instrument   | Mortgagee   |
|------------|---|---|
| 12-01-2011 | Deed of Indemnity, Charge Over Deposit and Set-Off                            | Bank of Communications Co. Ltd., Hong Kong Branch.  |
| 07-03-2011 | Security Over Deposit in respect of Obligations of the Depositor              | Industrial & Commercial Bank of China (Asia) Ltd., Hong Kong.                                 |
| 28-04-2011 | Contract of Mortgage or Charge (Contract No.: Zhen Fa Li Gi Zhi OSCOZY0006NJ) | Shenzhen Development Bank, China.   |
| 21-05-2011 | Charge on Cash Deposit(s)   | Bank SinoPac, Hong Kong Branch.   |
| 26-09-2011 | Charge over Bank Accounts   | Cathay United Bank Co. Ltd., Hong Kong Branch.  |
| 26-09-2011 | General Assignment  | Cathay United Bank Co. Ltd., Hong Kong Branch.  |
| 28-11-2011 | Master Agreement  | Taishin International Bank Co. Ltd., Hong Kong Branch.  |
| 06-03-2012 | Security Deed in Respect of Goods Receivables and Accounts.                   | China Development Bank Corporation, Hong Kong Branch.   |
| 30-04-2012 | Trade Finance Security Assignment   | Industrial & Commercial Bank of China Ltd., Hong Kong Branch                                  |
| 13-08-2012 | Special Account Pledge Agreement  | China Development Industrial Bank Co., Ltd. 125 Section 5, Nanjing East Road, Taipei, Taiwan. |
| 26-06-2013 | Account Charge  | China Development Bank Corporation, Hong Kong Branch.   |
| 23-06-2014 | Security Deed   | Bank of Communications Co. Ltd., Hong Kong Branch.  |
| 12-01-2015 | Charge Over Deposit to Secure Liabilities of the Depositors                   | East West Bank, Hong Kong Branch.   |
| 20-07-2017 | Deed of Charge Over Deposit   | Bank of Communications Co. Ltd., Hong Kong Branch.  |
| 30-08-2017 | Charge Over Deposit to Secure Liabilities of the Depositors                   | Cathay Bank, Hong Kong Branch.  |
| 12-07-2018 | Debenture   | China CITIC Bank International Ltd., Hong Kong.   |

**FOREIGN EXCHANGE RATES**

| Currency  | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1    | INR 70.35     |
| UK Pound  | 1    | INR 89.65     |
| Euro      | 1    | INR 80.07     |
| HKD       | 1    | INR 9.05      |

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

**INFORMATION DETAILS**

|                      |     |
|----------------------|-----|
| Analysis Done by :   | DIV |
| Report Prepared by : | TPT |

**DISCLAIMER :** This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**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)