

MIRA INFORM REPORT

Report No. :	542862
Report Date :	05.12.2018

IDENTIFICATION DETAILS

Name :	SUZHOU FUSHILAI PHARMACEUTICAL CO., LTD.
Registered Office :	No. 16 Haiwang Road, Changshu Advanced Materials Industrial Park, Jiangsu Province 215522 PR
Country :	China
Financials (as on) :	30.06.2018
Date of Incorporation :	27.11.2000
Unified social credit code.:	913205007205525400
Legal Form :	Shares Limited Company
Line of Business :	Subject registered business scope includes manufacturing ethyl 6,8-dichlorooctanoic acid ethyl ester, lipoic acid and derivatives, L-carnosine and derivatives, glycerophosphatidylcholine, phosphatidylcholine, lipoic acid amide, ericoxib, apatinib, sodium sulfite, polyaluminum chloride, ammonia; importing and exporting commodities and technology, excluding the goods forbidden by the government.
No. of Employees :	398

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 :	Good
Payment Behaviour :	Regular
Litigation :	Clear

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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 (30.06.2018)	Current Rating (30.09.2018)
China	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

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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 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

COMPANY NAME Suzhou Fushilai Pharmaceutical Co., Ltd.
CURRENT ADDRESS/ REGISTERED ADDRESS No. 16 Haiwang Road, Changshu Advanced Materials Industrial Park, Jiangsu Province 215522 PR China
TEL. NO. 86 (0) 512-52838367/52015600/52838771
FAX NO. 86 (0) 512-52831795

EXECUTIVE SUMMARY

DATE OF REGISTRATION : NOVEMBER 27, 2000
UNIFIED SOCIAL CREDIT CODE : 913205007205525400
LEGAL FORM : SHARES LIMITED COMPANY
CHIEF EXECUTIVE : QIAN XIANGYUN (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL : CNY 66,000,000
STAFF : 398
BUSINESS CATEGORY : MANUFACTURING & TRADING
REVENUE : CNY 199,824,000 (FROM JAN. 1, 2018 TO JUN. 30, 2018)
EQUITIES : CNY 398,195,000 (AS OF JUN. 30, 2018)
WEBSITE : www.fuslai.com
E-MAIL : sales@fuslai.com
PAYMENT : REGULAR
MARKET CONDITION : COMPETITIVE
FINANCIAL CONDITION : STABLE
OPERATIONAL TREND : FAIRLY 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

Fair

Stagnant

General Reputation:-

Excellent

Good

Fairly Good

Average

Fair

Detrimental

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Downward	Not known
Not known	Not yet be determined
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: 913205007205525400.

SC's Import and Export Enterprise Code: 3200720552540

SC's registered capital: CNY 66,000,000

SC's paid-in capital: CNY 66,000,000

Registration Change Record:-

Date	Change of Contents	Before the change	After the change
2013-11-21	Legal Form Registered Capital Company Name	Limited Liabilities Company CNY 54,347,800 Changshu Fushilai Medicine & Chemical Co., Ltd.	Shares Limited Company CNY 60,000,000 Suzhou Fushilai Pharmaceutical Co., Ltd.
2016-3-11	Registered Capital	CNY 60,000,000	CNY 66,000,000

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

Name of Shareholder (s)	% of Shareholding
Suzhou Fushilai Technical Service and Development Center (Limited Partnership)	83.64
Wujiang Dongfang Guofa Venture Capital Co., Ltd.	4.55
Wang Yongxing	3.35
Suzhou Guofa Angel Venture Capital Enterprise (Limited Partnership)	2.73
Other Shareholders	5.73

SC's Chief Executives:-

Position	Name
Legal Representative, Chairman and General Manager	Qian Xiangyun
Deputy General Manager	Wang Yongxing

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RECENT DEVELOPMENT

No recent development was found during our checks at present.

SHAREHOLDER CHART & BACKGROUND

<i>Name</i>	<i>% of Shareholding</i>
Suzhou Fushilai Technical Service and Development Center (Limited Partnership)	83.64
Wujiang Dongfang Guofa Venture Capital Co., Ltd.	4.55
Wang Yongxing	3.35
Suzhou Guofa Angel Venture Capital Enterprise (Limited Partnership)	2.73
Other Shareholders	5.73

Suzhou Fushilai Technical Service and Development Center (General Partnership)

Unified Social Credit Code: 91320500750036045R
Principal: Qian Xiangyun
Registered Capital: CNY 100,00,000

Suzhou Guofa Angel Venture Capital Enterprise (Limited Partnership)

Unified Social Credit Code: 91320500578130485T
Registered Capital: CNY 55,000,000

Wujiang Dongfang Guofa Venture Capital Co., Ltd.

Unified Social Credit Code: 9132050968215476XT
Principal: Wang Jilin
Registered Capital: CNY 60,00,000

MANAGEMENT

Qian Xiangyun, Legal Representative, Chairman and General Manager

- Gender: M
- Nationality: China
- ID# 320520196909101511
- Age: 49
- Working experience (s):

At present, working in SC as legal representative, chairman and general manager, also as principal of Suzhou Fushilai Technical Service and Development Center

Wang Yongxing, Deputy General Manager

- Gender: M
- Nationality: China
- Age: 55
- Working experience (s):

At present, working in SC as deputy general manager

BUSINESS OPERATION

SC's registered business scope includes manufacturing ethyl 6,8-dichlorooctanoic acid ethyl ester, lipoic acid and derivatives, L-carnosine and derivatives, glycerophosphatidylcholine, phosphatidylcholine, lipoic acid amide, ericoxib, apatinib, sodium sulfite, polyaluminum chloride, ammonia; importing and exporting commodities and technology, excluding the goods forbidden by the government.

SC is mainly engaged in manufacturing and selling medical and chemical products. (

SC's products mainly include:

Alpha Lipoic Acid
L-Carnosine
Ipriflavone
Thiodipropionic acid
Thioctamide
R(α)Alpha lipoic Acid Tromethamine salt
L-α-Glycerolphosphorylcholine hydrate
Alpha Lipoic Acid
N-ACETYL-L-CARNOSINE
Garlic Oil
6,8-Dichloro ethyl Caprylate
Inositol Nicotinate

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5-Methyl-7-methoxy isoflavone
Dithiosalicylic acid
R(+)-Alpha Lipoic Acid
4-Methyl-2-oxovaleric acid calcium
Zinc Carnosine
Pyridoxamine Dihydrochloride
β-Thymidine
Etc.

SC sources its materials 100% from domestic market. SC sells 60% of its products in domestic market, and 40% to overseas market, mainly U.S.A., Southeast Asia, etc.

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.

*Major Customers:

=====

Aidp Inc.
Lalilab Inc.

Staff & Office:

SC is known to have approx. 398 staff at present.

SC owns an area as its operating office and factory, but the detailed information is unknown.



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

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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 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:

Agricultural Bank of China Changshu Dongnan Development Zone Sub-branch

AC#: 10522101040001328

FINANCIALS

Balance Sheet

Unit: CNY'000	As of Dec. 31, 2017	As of Jun. 30, 2018
Cash	89,514	106,843
Notes receivable & Accounts receivable	69,316	87,597
Advances to suppliers	3,219	3,508
Other receivable	201	199
Inventory	57,920	62,468
Prepaid expenses	0	0
Other current assets	500	427
	-----	-----
Current assets	220,670	261,042
Fixed assets	267,302	256,578
Construction in progress	846	2,287
Intangible assets	18,512	24,068
Long-term prepaid expenses	0	0
Deferred income tax assets	1,361	1,670
Other non-current assets	10,120	6,601
	-----	-----
Total assets	518,811	552,246
	=====	=====
Short-term loans	30,000	0

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Notes payable & Accounts payable	73,105	90,834
Wages payable	9,426	6,493
Taxes payable	4,329	7,123
Advances from clients	660	197
Other payable	132	610
Accrued expenses	0	0
Other current liabilities	2,125	3,523
	-----	-----
Current liabilities	119,777	108,780
Non-current liabilities	46,535	45,271
	-----	-----
Total liabilities	166,312	154,051
Equities	352,499	398,195
	-----	-----
Total liabilities & equities	518,811	552,246
	=====	=====

Income Statement

Unit: CNY'000	As of Dec. 31, 2017	From Jan. 1, 2018 to Jun. 30, 2018
Revenue	375,437	199,824
Cost of sales	228,125	123,418
Taxes and surcharges	4,973	2,010
Sales expense	11,435	4,416
Management expense	36,006	10,591
Finance expense	7,545	-1,523
Non-operating income	1,105	298
Non-operating expense	122	139
Profit before tax	90,905	53,843
Less: profit tax	13,544	8,146
Profits	77,361	45,697

Important Ratios

=====	As of Dec. 31, 2017	As of Jun. 30, 2018
*Current ratio	1.84	2.40
*Quick ratio	1.36	1.83
*Liabilities to assets	0.32	0.28
*Net profit margin (%)	20.61	22.87
*Return on total assets (%)	14.91	8.27
*Inventory / Revenue x365/180	57 days	57 days
*Revenue / Total assets	0.72	0.36
*Cost of sales / Revenue	0.61	0.62

➤ **FINANCIAL COMMENTS**

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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 fairly good.
- SC's cost of sales is average, comparing with its revenue.

LIQUIDITY: AVERAGE

- The current ratio of SC is maintained in a fairly good level.
- SC's quick ratio is maintained in a fairly good level.
- The inventory of SC appears large.
- SC has no short-term loans.
- SC's revenue is in a fair level, comparing with the size of its total assets.

LEVERAGE: AVERAGE

- 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 70.34
UK Pound	1	INR 89.64
Euro	1	INR 80.07
CNY	1	INR 10.27

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

INFORMATION DETAILS

Analysis Done by :	VIV
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)