

## MIRA INFORM REPORT

<b>Report No. :</b>	544910
<b>Report Date :</b>	14.12.2018

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### IDENTIFICATION DETAILS

<b>Name :</b>	ZHEJIANG ORIENT GENE BIOTECH CO.,LTD.
<b>Registered Office :</b>	3787# East Yangguang Avenue Dipu Street Anji County Huzhou Zhejiang Province, Pr
<b>Country :</b>	China
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	01.12.2005
<b>Credibility Code :</b>	913305007804719612
<b>Legal Form :</b>	Shares Limited Co.
<b>Line of Business :</b>	Subject is research, development and production of genetic products and biological products; manufacturing second, third class 6840 in vitro diagnostic reagents and two class 6840 clinical analysis instruments; selling self-made products
<b>No. of Employees :</b>	647

### 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

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<b>Litigation :</b>	Clear
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**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.

**ECGC Country Risk Classification List**

<b>Country Name</b>	<b>Previous Rating (30.06.2018)</b>	<b>Current Rating (30.09.2018)</b>
China	A1	A1

<b>Risk Category</b>	<b>ECGC Classification</b>
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

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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

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## **COMPANY NAME AND ADDRESS**

**Company Name** : ZHEJIANG ORIENT GENE BIOTECH CO.,LTD.  
**Address** : 3787# EAST YANGGUANG AVENUE DIPU STREET ANJI COUNTY HUZHOU  
ZHEJIANG PROVINCE, PR CHINA  
**Telephone** : 0086-572-5226111/5303755  
**Facsimile** : 0086-572-5226222  
**Website** : <http://www.orientgene.com/>  
**Email** : [Sales@orientgene.com](mailto:Sales@orientgene.com)

Note: the given address was the former one.

## **REGISTRATION INFORMATION**

**Established Date** : 2005-12-01  
**Credibility Code** : 913305007804719612  
**Registered No.** : 330500400009448  
**Legal Form** : Shares limited co.  
**Registration Authority:** Market Supervision Bureau - Huzhou  
**Status** : Active

**Registered Capital** : CNY 90,000,000  
**Paid Up Capital** : CNY 90,000,000  
**Turnover** : CNY 193,771,000 (as of Dec. 31, 2017)  
**Equities** : CNY 153,839,000 (as of Dec. 31, 2017)

**Chief Executive** : Fang Xiaoliang  
**Business Line** : Manufacturer  
**Manpower** : 647

**Tax Registration**  
**Certificate No.** : 913305007804719612  
**Organization Code** : 78047196-1

**HS code** : 3305931044  
**Import & Export code** : 3300780471961

**Financial Condition** : Stable  
**Business Size** : Medium Enterprise  
**Payment** : Regular

Registered Address  
3787# EAST YANGGUANG AVENUE DIPU STREET ANJI COUNTY HUZHOU ZHEJIANG PROVINCE, PR  
CHINA

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Company Status: Shares limited co.

This form of business in PR China is defined as a legal person. Its registered capital is divided into shares of equal par value and the co. raises capital by issuing share certificates by promotion or by public offer. Shareholders bear limited liability to the extent of shareholding, and the co. is liable for its debts only to the extent of its total assets. The co has independent property of legal person and enjoys property rights of legal person. The characteristics of the shares limited co. are as follows:

The establishment of the co. requires at least two promoters and no more than 200, half of whom shall be domiciled in China. Natural person are allowed to serve as promoters.

The minimum registered capital of a co. is CNY 5M. while that of the co. with foreign investment is CNY 5M. The total capital of a co. which propose to apply for publicly listed must be no less than CNY 30M.

The board of directors must consist of five to nineteen directors.

If the co. raises capital by public offer, the promoters must not subscribe less than 35% of the total shares. the promoters' shares are restricted to transfer- within one year of the offer.

A state-owned enterprise that is restructured into a shares limited co. must comply with the conditions & requirements specified under the law & administrative rule.

Premise

The subject operates from premises located at the heading address, and this address houses its operating office and factory in Anji County. Our checks reveal that the subject rents the total premise, but the square meters are unknown.

## **MANAGEMENT**

<b>Position</b>	<b>Name</b>	<b>Nationality</b>
Legal representative, General Manager Chairman	Fang Xiaoliang	Chinese
Directors	Cheng Lan Lin Wei Fang Xiaoping Han Xiaoping Ye Su	Chinese
Supervisors	Fang Jianqiu Feng Haiying Yan Fuqiang Pan Lijuan	Chinese

## **MAJOR SHAREHOLDERS**

<b>Name</b>	<b>% Shareholding</b>
Anji Florid Imp & Exp Co.,Ltd.	26.00%
Fangshi Holding Co Ltd	25.00%
Shanghai Xianghe Yong An Equity Investment	

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Partnership (Limited Partnership)	15.82%
Anji Yongwei Investment Partnership (Limited Partnership)	13.75%
Zhejiang Yong Shi Equity Investment Partnership (Limited Partnership)	9.19%
Ningbo Meishan Bonded Port Jun Lan Hemei Equity Investment Partnership (Limited Partnership)	2.50%
Shanghai Yongchuang Huaxing Investment Partnership Limited (Limited Partnership)	2.38%
Hangzhou Cheng Tian Investment Management Partnership (Limited Partnership)	2.00%
Anji Yu Wei Bamboo Products Partnership (Limited Partnership)	1.23%
Lianyungang Yong Cheng Equity Investment Partnership (Limited Partnership)	1.19%
Changxin Yong Shi Equity Investment Management Partnership (Limited Partnership)	0.94%

Anji Florid Imp & Exp Co.,Ltd.

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Credibility Code: 91330523680704916J

Legal representative: Fang Jianqiu

Registered Capital: CNY 21,000,000

Established Date: 2008-09-19

## **KEY EVENTS**

**Changes of its registered information are as follows:**

<b>Date of change</b>	<b>Item</b>	<b>Before the change</b>	<b>After the change</b>
2017-05-15	Legal form	Chinese-foreign equity joint venture enterprise	Present one
2017-05-15	Registered capital	USD 12,678,718	Present one
2017-05-15	Company Chinese name		Present one
2015-12-21	Registered capital	USD 16,878,718	USD 12,678,718

## **BUSINESS OPERATIONS**

The subject's registered business scope includes research, development and production of genetic products and biological products; manufacturing second, third class 6840 in vitro diagnostic reagents and two class 6840 clinical analysis instruments; selling self-made products (with permit if needed)

The subject is mainly engaged in manufacturing and selling in vitro diagnostic reagents and other related products.

Products:

Genetic diagnosis  
Colloidal gold rapid diagnostic tests  
Dry chemical strips (urinalysis)  
Bio-liquid diagnostic kits  
Clinical test instruments  
POCT time-resolved Fluor immunoassay Test kit (TRFI)  
Raw materials

Etc.

The subject sources its materials 80% from domestic market, and 20% from overseas market. the subject sells 30% of its products in domestic market, and 70% to overseas market, mainly U.S.A. and India, Pakistan, etc.

The buying terms of the subject include Check, T/T, L/C and Credit of 30-60 days. The payment terms of the subject include Check, T/T, L/C and Credit of 30-60 days.

## **SUPPLIER & CUSTOMER**

\*Major customer:

Healgen Scientific LLC (United States)

Etc.

## **RELATED COMPANIES**

### **Subsidiaries**

Hangzhou Wan Zi Jian Medical Instrument Co., Ltd.

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Credibility Code: 91330110MA28NH0W12

Legal representative: Li Lu

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Registered Capital: CNY 1,000,000  
Established Date: 2017-04-05  
Proportion: 100%

Nanjing Chang Jian Biotechnology Co., Ltd.

=====  
Credibility Code: 91320111MA1MRP821W  
Legal representative: Wang Ting  
Registered Capital: CNY 5,000,000  
Established Date: 2016-08-17  
Proportion: 70.00%

Etc.

## ***NEGATIVE INFORMATION***

**Lawsuit Record:** No record.

**Trade payment experience:** The subject 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 the subject was placed to us for collection within the last 6 years.

**Customs administrative penalty:** No record.

**Equity freeze information:** No record.

**Administrative Penalty:** No record.

## ***EQUITY PLEDGE***

There is no record of equity pledge information at present.

## ***MORTGAGE***

There is no record of mortgage information at present.

## **TRADEMARK**

Registration No.	Registration Date	Trademark Design
8865001	2010-11-19	
8457313	2010-07-06	

Etc.

## **PATENT**

Patent name	Published Application Number	Application number	Date of publication
An efficient and environmentally-friendly toilet	CN105547736B	CN201610047546.1	2018-07-10
A multifunctional test pen	CN105486849B	CN201610039633.2	2018-06-29

Etc.

## **BANKING**

The subject declined to release its banking details.

## **ABBREVIATED FINANCIAL STATEMENT**

### **Financial Summary**

=====  
Unit: CNY'000

	<b>As of Dec. 31, 2016</b>	<b>As of Dec. 31, 2017</b>
Total assets	256,298	285,784
	=====	=====
Total liabilities	141,203	131,945
Equities	115,095	153,839
	-----	-----
Total liabilities & equities	256,298	285,784
	=====	=====
Turnover	177,636	193,771

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Profits before tax	43,893	46,076
Less: tax	8,178	7,326
Profits	35,715	38,750

**Important Ratios**

=====

	<b>As of Dec. 31, 2016</b>	<b>As of Dec. 31, 2017</b>
*Liabilities to assets	0.55	0.46
*Net profit margin (%)	20.11	20.00
*Return on total assets (%)	13.93	13.56
*Turnover/Total assets	0.69	0.68

**PROFITABILITY: FAIRLY GOOD**

The turnover of the subject appears fairly good in its line.  
the subject's net profit margin is fairly good.  
the subject's return on total assets is fairly good.

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

**LEVERAGE: AVERAGE**

The debt ratio of the subject is average.  
The risk for the subject to go bankrupt is average.

**TREND ANALYSIS**

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	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Sales Trend</b>	--	--	↑
<b>Profit margin</b>	--	--	↓
<b>Debt to assets ratio</b>	--	--	↓
<b>Overall Financial</b>	<input type="checkbox"/> Good	<input type="checkbox"/> Fairly Good	<input checked="" type="checkbox"/> Stable
<b>Condition</b>	<input type="checkbox"/> Fairly Stable	<input type="checkbox"/> Fair	<input type="checkbox"/> Poor

**COMMENT**

The subject was registered as a Shares limited co. at local Administration for Industry & Commerce (AIC - The official body of issuing and renewing business license).

The subject is considered medium-sized in its line with stable financial conditions.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.54
UK Pound	1	INR 90.31
Euro	1	INR 81.34
CNY	1	INR 10.41

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	DIV
<b>Report Prepared by :</b>	DNS

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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)