

MIRA INFORM REPORT

Report No. :	518810
Report Date :	09.07.2018

IDENTIFICATION DETAILS

Name :	IMPULSE (QINGDAO) HEALTH TECH CO., LTD.
Registered Office :	No. 369 Huashan 2nd Road, Qingdao Clothing Industry Park, Jimo, Qingdao, Shandong Province 266200 Pr
Country :	China
Financials (as on) :	31.03.2018
Date of Incorporation :	23.06.2004
Unified Social Credit Code :	913702007472052232
Legal Form :	Shares Limited Company
Line of Business :	Subject registered business scope includes manufacturing and selling steel pipe products, steel & plastic products and accessories, fitness equipment and accessories, air film stadium facilities and accessories, steel structure venues facilities and accessories, cage sports facilities and accessories, disassembled swimming pool facilities and accessories, water sports equipment and accessories, office furniture and accessories, food equipment and accessories, solar products and accessories, electronic equipment and accessories, physical monitoring equipment, medical equipment, rehabilitation training equipment and equipment, sports floor court mats, cultural and sporting goods (all kinds of balls, racket, clothing shoes and hats, etc.), children's slides, recreational facilities; construction of sports venues and site renovation; maintenance, installation and after - sales service of sports fitness equipment; design, production, agents, publishing domestic advertising.
No. of Employees :	1,666

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
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A+	Low Risk	Business dealings permissible with low risk of default
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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 IMPULSE (QINGDAO) HEALTH TECH CO., LTD.
CURRENT ADDRESS/ REGISTERED ADDRESS NO. 369 HUASHAN 2ND ROAD, QINGDAO CLOTHING INDUSTRY PARK, JIMO, QINGDAO, SHANDONG PROVINCE 266200 PR CHINA
TEL. NO. 86 (0) 532-88590956/83958616/88590955
FAX NO. 86 (0) 532-88590967/88590968

EXECUTIVE SUMMARY

DATE OF REGISTRATION : JUNE 23, 2004
UNIFIED SOCIAL CREDIT CODE : 913702007472052232
LEGAL FORM : SHARES LIMITED COMPANY
CHIEF EXECUTIVE : DING LIRONG (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL : CNY 120,000,000
STAFF : 1,666
BUSINESS CATEGORY : MANUFACTURING
REVENUE : CNY 174,080,000 (CONSOLIDATED, JAN. 1, 2018 TO MAR. 31, 2018)
EQUITIES : CNY 957,460,000 (CONSOLIDATED, AS OF MAR. 31, 2018)
WEBSITE : www.impulselfitness.com
E-MAIL : sales@impulselfitness.com
PAYMENT : REGULAR
MARKET CONDITION : COMPETITIVE
FINANCIAL CONDITION : STABLE
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

General Reputation:-

Excellent

Good

Fairly Good

Average

Fair

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

LEGAL STATUS & HISTORY

SC was established as a shares limited company of PRC with State Administration of Industry & Commerce (SAIC) under Unified Social Credit Code: 913702007472052232.

SC's registered capital: CNY 120,000,000

SC's paid-in capital: CNY 120,000,000

Registration Change Record:-

Date	Change of Contents	Before the change	After the change
2015-1-23	Registered Capital	CNY 10,000,000	CNY 11,110,000
2015-10-8	Registered Capital	CNY 11,110,000	CNY 90,000,000
2017-11-20	Registered Capital	CNY 90,000,000	CNY 120,000,000

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

Name of Shareholder (s) (As of Mar. 31, 2018)	% of Shareholding
Hainan Jiang Heng Industrial Investment Co., Ltd.	33.89
Yinfu China Investment Co., Ltd.	8.68
Nantong Deyi Investment Center (limited partnership)	3.96
Qingdao Yongwan Growth Venture Capital Co., Ltd.	3.86
Shanghai Jinglin Jingtuo Investment Center (limited partnership)	3.78
Energy Victor Limited (Hong Kong)	3.69
Other Shareholders	42.14

SC's Chief Executives:-

Position	Name
Legal Representative, Chairman and General Manager	Ding Lirong
Deputy General Manager	Liu Zengxun
	Zheng Guoliang
	Zhang Xiaoyong
	Liu Decheng
	Qin Xi
	Zhang Rui

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RECENT DEVELOPMENT

SC is a listed company in Shenzhen Stock Exchange Market with the code of 002899.

SHAREHOLDER CHART & BACKGROUND

Name (As of Mar. 31, 2018)	% of Shareholding
Hainan Jiang Heng Industrial Investment Co., Ltd.	33.89
Yinfu China Investment Co., Ltd.	8.68
Nantong Deyi Investment Center (limited partnership)	3.96
Qingdao Yongwan Growth Venture Capital Co., Ltd.	3.86
Shanghai Jinglin Jingtuo Investment Center (limited partnership)	3.78
Energy Victor Limited (Hong Kong)	3.69
Other Shareholders	42.14

Hainan Jiang Heng Industrial Investment Co., Ltd.

Date of Registration: October 12, 2004
Unified Social Credit Code: 91460000760395658L
Chief Executive : Ding Lirong
Registered Capital: CNY 50,000,000

MANAGEMENT

Ding Lirong, Legal Representative, Chairman and General Manager

Gender: M
Nationality: China
Age: 43
Qualification: University
Working experience (s):

At present, working in SC as legal representative, chairman and general manager
Also working in Hainan Jiang Heng Industrial Investment Co., Ltd. as legal representative

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Deputy General Manager

Liu Zengxun
Zheng Guoliang
Zhang Xiaoyong
Liu Decheng
Qin Xi
Zhang Rui

BUSINESS OPERATION

SC's registered business scope includes manufacturing and selling steel pipe products, steel & plastic products and accessories, fitness equipment and accessories, air film stadium facilities and accessories, steel structure venues facilities and accessories, cage sports facilities and accessories, disassembled swimming pool facilities and accessories, water sports equipment and accessories, office furniture and accessories, food equipment and accessories, solar products and accessories, electronic equipment and accessories, physical monitoring equipment, medical equipment, rehabilitation training equipment and equipment, sports floor court mats, cultural and sporting goods (all kinds of balls, racket, clothing shoes and hats, etc.), children's slides, recreational facilities; construction of sports venues and site renovation; maintenance, installation and after - sales service of sports fitness equipment; design, production, agents, publishing domestic advertising.

SC is mainly engaged in manufacturing and selling fitness equipment and accessories.

SC's products mainly include: fitness equipment, etc.

SC sources its materials 100% from domestic market. SC sells 20% of its products in domestic market, and 80% to the overseas market.

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

Major Customers
=====

USA Fitness
Bh Exercycle De Mexico
Milan Saman Cordes
Vitauro Cia.Lta (Ecuador)
Equipments And Coaching Fitness Sac
Tuffstuff Fitness International Inc.

Staff & Office:

SC is known to have approx. 1,666 staff at present.

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

RELATED COMPANY

SC is known to invest in the following companies:

Qingdao Impulse Health Development Co., Ltd.

Qingdao Impulse Trading Co., Ltd.

Qingdao Yingjili Steel Pipe Co., Ltd.

Nanjing Impulse Health Technology Co., Ltd.

Xi'an Impulse Health Technology Co., Ltd.

Etc.

PAYMENT

Overall payment appraisal:

Excellent Good 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's suppliers declined to make any comments.

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 Jimo Sub-branch

AC#: 37101997606050502575

FINANCIALS

Consolidated Balance Sheet

Unit: CNY'000	As of Dec. 31, 2017	As of Mar. 31, 2018
Cash	331,426	357,652
Notes receivable	0	0
Accounts receivable	176,290	151,510
Advances to suppliers	14,287	14,679
Other receivable	11,039	10,565
Inventory	140,616	149,118
Prepaid expenses	0	0
Other current assets	277,289	219,957
	-----	-----
Current assets	950,947	903,481
Long-term investment	0	0
Fixed assets	180,019	181,974
Construction in progress	4,380	6,658
Engineering materials	0	0
Intangible assets	38,813	38,509
Long-term prepaid expenses	1,690	1,678
Deferred income tax assets	12,698	11,858
Other non-current assets	32,541	60,237
	-----	-----
Total assets	1,221,088	1,204,395
	=====	=====
Short-term loans	30,000	30,000
Notes payable	0	30,940
Accounts payable	168,150	128,686
Wages payable	7,509	1,385
Taxes payable	9,251	1,982
Interest payable	40	40
Dividends payable	0	0
Advances from clients	46,061	47,723
Other payable	6,767	4,404
Accrued expenses	0	0
Other current liabilities	0	0
	-----	-----
Current liabilities	267,778	245,160
Non-current liabilities	1,840	1,775
	-----	-----
Total liabilities	269,618	246,935
Equities	951,470	957,460
	-----	-----
Total liabilities & equities	1,221,088	1,204,395
	=====	=====

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Consolidated Income Statement

Unit: CNY'000	As of Dec. 31, 2017	Jan. 1, 2018 to Mar. 31, 2018
Revenue	857,232	174,080
Cost of sales	536,180	125,798
Taxes and surcharges	12,435	1,942
Sales expense	113,762	23,138
Management expense	88,589	17,442
Finance expense	9,285	4,433
Asset impairment loss	5,826	-794
Investment income	1,092	0
Profit before tax	94,964	7,378
Less: profit tax	11,794	1,388
Profits	83,170	5,990

Important Ratios

=====	As of Dec. 31, 2017	As of Mar. 31, 2018
*Current ratio	3.55	3.69
*Quick ratio	3.03	3.08
*Liabilities to assets	0.22	0.21
*Net profit margin (%)	9.70	3.44
*Return on total assets (%)	6.81	0.50
*Inventory / Revenue x365/90	60 days	78 days
*Accounts receivable / Revenue x365/90	76 days	79 days
*Revenue / Total assets	0.70	0.14
*Cost of sales / Revenue	0.63	0.72

FINANCIAL COMMENTS

PROFITABILITY: AVERAGE

The revenue of SC appears fairly good in its line.
SC's net profit margin is average.
SC's return on total assets is average.
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 is maintained in an average level.
The accounts receivable of SC is maintained in an average level.
SC's short-term loans are in an average level.
SC's revenue is in a fair level, comparing with the size of its total assets.

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LEVERAGE: FAIRLY GOOD

The debt ratio of SC is low.

The risk for SC to go bankrupt is low.

Overall financial condition of the SC: Stable.

CONCLUSIONS

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

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.87
UK Pound	1	INR 91.14
Euro	1	INR 80.63
CNY	1	INR 10.38

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

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	TPT

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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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