

MIRA INFORM REPORT

Report No. :	519660
Report Date :	17.07.2018

IDENTIFICATION DETAILS

Name :	FARMASINO HOLDINGS (HK) LIMITED
Registered Office :	C/O New Creation Management Ltd., Room 2103, Tung Chiu Commercial Centre, 193 Lockhart Road, Wan Chai
Country :	Hong Kong
Date of Incorporation :	08.12.2011
Com. Reg. No.:	59238571
Legal Form :	Private Limited Liability Company
Line of Business :	The subject is a pharmaceutical trader
No. of Employees :	The subject has no employees in Hong Kong. NOTE: It is to be noted that the company does not have its own operating office in Hong Kong. The company uses the address of its secretariat as its correspondence address only. Subject operates from some other country and does not have a base in Hong Kong. Such companies are registered in Hong Kong just to tax benefit purpose and due to the strict privacy laws prevailing in the country. In such cases, the companies are not required to have any employees in Hong Kong nor do have an office there.

RATING & COMMENTS

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

MIRA's Rating :	C
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Credit Rating	Explanation	Rating Comments
C	Medium High Risk	Business dealings permissible preferably on secured basis

Status :	No operating office in Hong Kong
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Payment Behaviour :	Unknown
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)
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, hydrocarbon 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.

The mainland 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



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government spending on research and development, education, and technological innovation with the aim of spurring continued economic growth through greater sector diversification.

Source : CIA

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NOTE

Subject was formerly located at:-
c/o Orion House Secretarial Ltd.
Room 1401, 14/F., World Commerce Centre, Harbour City,
7-11 Canton Road, Tsimshatsui, Kowloon, Hong Kong.

COMPANY NAME

FARMASINO HOLDINGS (HK) LIMITED

ADDRESS

Registered Office:-
c/o New Creation Management Ltd.
Room 2103, Tung Chiu Commercial Centre, 193 Lockhart Road, Wan Chai, Hong Kong.

Holding Company:-
FarmaSino Pharmaceuticals (Jiangsu) Co. Ltd., China.

Ultimate Holding Company:-
Jiangsu Highhope International Group Corporation, China.

Affiliated Companies:-
Celes Shipping Pte Ltd., Singapore.
Farmasino Pharmaceuticals (Anhui) Co. Ltd. China.
High Hope (H.K.) Co. Ltd., Hong Kong.
High Hope Aglory Ltd., China.
High Hope Group Jiangsu Tongtai Co. Ltd., China.
High Hope Int'l Group Jiangsu Asset Management Co. Ltd., China.
High Hope Int'l Group Jiangsu Champion Holdings Ltd., China
High Hope Int'l Group Jiangsu Medicines & Health Products Import & Export Corp Ltd., China.
High Hope Laiyinda (HK) Ltd., Hong Kong.
High Hope Zhongding Corporation, China.
High Hope Zhongtian Corporation, China.
Jiangsu Animal By-Products Import & Export Group Corporation, China.
Jiangsu Cereals Oils & Foodstuffs Import & Export Group Corp, China.
Jiangsu High Hope Arser Co. Ltd., China.
Jiangsu High Hope Baby Co. Ltd., China.
Jiangsu High Hope Cold China Logistics Co. Ltd., China.
Jiangsu High Hope Convention & Exhibition Corp, China.
Jiangsu High Hope International Group Laiyinda Co. Ltd., China.
Jiangsu High Hope International Group Sunshine Import & Export Corporation, China.

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Jiangsu High Hope Venture Co. Ltd., China.
Nordic Brisbane Ltd., Marshall Island.
Skyrnn Light Industry (Hong Kong) Co. Ltd., Hong Kong.
Skyrun International (HK) Co. Ltd., Hong Kong.

BUSINESS REGISTRATION NUMBER

59238571

COMPANY FILE NUMBER

1688554

DATE OF INCORPORATION

8th December, 2011.

ISSUED SHARE CAPITAL

HK\$100,000.00

SHAREHOLDER

(As per registry dated 08-12-2017)

Name

FarmaSino Pharmaceuticals (Jiangsu) Co. Ltd.
100 Jianye Road, Nanjing, China.

No. of shares

100,000

=====

DIRECTOR

(As per registry dated 08-12-2017)

Name

(Nationality)

YAN Libo

Address

5/F., Hongxin Mansion, 100 Jianye Road, Nanjing, China.

SECRETARY

(As per registry dated 04-06-2018)

<u>Name</u>	<u>Address</u>	<u>Co. No.</u>
New Creation Management Ltd.	Room 2103, Tung Chiu Commercial Centre, 193 Lockhart Road, Wanchai, Hong Kong.	2309321

HISTORY

The company was incorporated on 8th December, 2011 as a private limited liability company under the Hong Kong Companies Ordinance.

Formerly the subject's registered address was located at Room 1401, 14/F., World Commerce Centre, Harbour City, 7-11 Canton Road, Tsimshatsui, Kowloon, Hong Kong where was the operating address of a commercial service provider known as Orion House Secretarial Ltd. The subject's registered office moved to the present address in December 2016 as it has changed its commercial service provider since then.

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

GENERAL

Farmasino Holdings (HK) Limited. was incorporated on 8th December, 2011 as a private limited liability company. The subject does not have its own operating office. Its registered office is in a commercial service firm located at "Room 2103, Tung Chiu Commercial Centre, 193 Lockhart Road, Wan Chai, Hong Kong" known as "New Creation Management Ltd." [New Creation] which is handling its correspondences and documents. New Creation is also the corporate secretary of the subject.

The subject has no employees in Hong Kong.

According to the Companies Registry of Hong Kong, the subject has issued 100,000 ordinary shares of HK\$1.00 each which are wholly-owned by FarmaSino Pharmaceuticals (Jiangsu) Co. Ltd. [FSP] which is a China-based company. The director of the subject Mr. Yan Libo is a China merchant. He is a China ID holder and does not have the right to reside in Hong Kong permanently. He is also the only director of the subject. His registered address is in Nanjing City, Jiangsu Province, China.

The subject is a pharmaceutical trader. It is trading in the products of FSP. The General Manager of FSP is also Mr. Yan Libo. FSP is a subsidiary company of Jiangsu Highhope International Group Corporation [HIGC] which is a listed company in Shanghai, China.

FSP is trading in the following two types of products:-

- FarmaSino Pharmaceuticals; &
- FarmaSino Chemicals.

FSP is one of the key subsidiaries of HIGC which is one of the largest companies in the "China Top 500". It is mainly engaged in the R&D, manufacturing and distribution of finished drugs, bulk pharmaceuticals, and intermediates, chemicals, etc. Its commodities are exported to more than 60 countries and regions of the world. FSP is involved in many fields and has got its ISO9001 certification.

FSP has set up its own manufacture plants for Finished Drugs, Bulk Pharmaceuticals, and Intermediates & Chemicals. Besides, it also has established a R&D Centre which has been equipped with advanced equipment and staffed with experienced professionals.

FSP, established in 2005, has become a significant pharmaceutical company specialized in manufacturing API & Intermediates.

The followings are some of the highlights of FSP:-

Floor area: 35,000 M², building area: 8,000 M²

1 API Workshop, 3 Fine chemicals Workshops

Devices & reactors of various sizes are capable of producing from grams to tons of API & Intermediate.

Over 1,000 MTs manufacturing capacity per year.

The following table shows the financial highlights of HIGC:

Unit: RMB' million Yuan (year ended 31 December)

Items	2017	2016	2015
Revenue	36,800.0	35,864.2	42,362.5
Profit/(Loss) Attributable to equity holders of parent	736.8	669.9	774.2
Total Assets	30,716.4	32,263.3	32,538.4

The subject's business in Hong Kong is not active. History in Hong Kong is just over six years and seven months. On the whole, since the subject does not have its own operating office and has no employees in Hong Kong, consider it good for business engagements on L/C basis or in small credit amounts.

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.59
UK Pound	1	INR 90.85
Euro	1	INR 80.25
HKD	1	INR 8.72

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

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	SYL

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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)