

## MIRA INFORM REPORT

<b>Report No. :</b>	520744
<b>Report Date :</b>	21.07.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	ANHUI GUANGXIN AGROCHEMICAL CO., LTD.
<b>Registered Office :</b>	Pengcun Village, Xinhang Town, Guangde County, Xuancheng, Anhui Province
<b>Country :</b>	China
<b>Financials (as on) :</b>	31.03.2018
<b>Date of Incorporation :</b>	15.03.2000
<b>Com. Reg. No.:</b>	91341822750989073A
<b>Legal Form :</b>	Shares Limited Company
<b>Line of Business :</b>	<ul style="list-style-type: none"> <li>Manufacturing and selling of biochemical pesticides, microbial pesticides, veterinary drugs, phosgene, carbendazim, methanol, xylene, sodium chloride, pesticides, pesticides, by-product hydrochloric acid; exporting its products and technology; importing materials, instrument, machinery and equipment, parts and technology needed for its production, excluding the goods forbidden by the government; processing with imported materials, processing with imported samples, assembling with imported parts, and compensation trade in agreement.</li> <li>Subject is mainly engaged in manufacturing and selling pesticide original drug, pesticide preparation.</li> <li>Products mainly include: fungicide, herbicide, insecticide, phosgene intermediate, non phosgene intermediate.</li> </ul>
<b>No. of Employees :</b>	

### 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	Acceptable Risk	Business dealings permissible with moderate risk of default

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<b>Status :</b>	Good
<b>Payment Behaviour :</b>	No Complaints
<b>Litigation :</b>	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.

**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

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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. 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 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

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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** Anhui Guangxin Agrochemical Co., Ltd.  
**CURRENT ADDRESS** Qingling Village, Xinhang Town, Guangde Country, Anhui Province 242235  
PR China  
**REGISTERED ADDRESS** Pengcun Village, Xinhang Town, Guangde County, Xuancheng, Anhui  
Province  
**TEL. NO.** 86 (0) 563-6832979  
**FAX NO.** 86 (0) 563-6832008

**\*\*\*Note: The given telephone numbers (86 21 50817211/5/6) belong to SC's subsidiary-Guangxin Tongda (Shanghai) Imp. & Exp. Co., Ltd.**

## **EXECUTIVE SUMMARY**

**DATE OF REGISTRATION** : MARCH 15, 2000  
**UNIFIED SOCIAL CREDIT CODE** : 91341822750989073A  
**LEGAL FORM** : SHARES LIMITED COMPANY  
**CHIEF EXECUTIVE** : HUANG JINXIANG (LEGAL REPRESENTATIVE)  
**REGISTERED CAPITAL** : CNY 464,679,135  
**STAFF** : 1,424  
**BUSINESS CATEGORY** : MANUFACTURING & TRADING  
**REVENUE** : CNY 758,262,000 (Consolidated, Jan. 1, 2018 to Mar. 31, 2018)  
**EQUITIES** : CNY 4,249,433,000 (Consolidated, as of Mar. 31, 2018)  
**WEBSITE** : [www.chinayaxing.com](http://www.chinayaxing.com)  
**E-MAIL** : [info@chinayaxing.com](mailto:info@chinayaxing.com)  
**PAYMENT** : NO COMPLAINTS  
**MARKET CONDITION** : COMPETITIVE  
**FINANCIAL CONDITION** : FAIRLY GOOD  
**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:-	General Reputation:-
Upward	Excellent
Steady	Good
Fairly Steady	Fairly Good
Ordinary	Average
Fair	Fair
Stagnant	Detrimental
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: 91341822750989073A.

SC's Import and Export Enterprise Code: 3400750989073

SC's registered capital: CNY 464,679,135

SC's paid-in capital: CNY 464,679,135

### **Registration Change Record:-**

<b>Date</b>	<b>Change of Contents</b>	<b>Before the change</b>	<b>After the change</b>
2015-6-18	Registered Capital	CNY 141,180,000	CNY 188,240,000
2016-7-15	Registered Capital	CNY 188,240,000	CNY 376,480,000
2018-1-17	Registered Capital	CNY 376,480,000	CNY 464,679,135

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

<b>Name of Shareholder (s) (As of Mar. 31, 2018)</b>	<b>% of Shareholding</b>
Anhui Guangxin Holdings Co., Ltd.	42.06
Guangde Guangxin Investment Co., Ltd.	6.89
Anhui High & New Yida Wanjiang Industrial Development Venture Capital Fund (Limited Partnership)	3.81
National Social Security Fund 114 Combination	2.77
Anhui Xinwan Venture Capital Co., Ltd.	2.57
Other Shareholders	41.9

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**SC's Chief Executives:-**

**Position**

Legal Representative, Chairman and General Manager  
Vice Chairman  
Deputy General Manager

**Name**

Huang Jinxiang  
Ge Kunxing  
Guo Xuejun  
Yuan Shulin

**RECENT DEVELOPMENT**

SC was listed on the new three board stock market, and the stock code is 603599.

**SHAREHOLDER CHART & BACKGROUND**

Name (As of Mar. 31, 2018)	% of Shareholding
Anhui Guangxin Holdings Co., Ltd.	42.06
Guangde Guangxin Investment Co., Ltd.	6.89
Anhui High & New Yida Wanjiang Industrial Development Venture Capital Fund (Limited Partnership)	3.81
National Social Security Fund 114 Combination	2.77
Anhui Xinwan Venture Capital Co., Ltd.	2.57
Other Shareholders	41.9

**Anhui Guangxin Holdings Co., Ltd.**

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Date of Registration: December 25, 2007  
Unified Social Credit Code: 91341822669490750Y  
Legal Representative: Huang Jinxiang  
Registered Capital: CNY 125,000,000

**Guangde Guangxin Investment Co., Ltd.**

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Date of Registration: June 24, 2009  
Unified Social Credit Code: 91341822691055106R  
Legal Representative: Huang Jinxiang  
Registered Capital: CNY 16,000,000

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## **MANAGEMENT**

### **Huang Jinxiang, Legal Representative, Chairman and General Manager**

-----

- Gender: M
- Nationality: China
- Age: 53
- Qualification: University
- Working experience (s):

At present, working in SC as legal representative, chairman and general manager, also working in Anhui Guangxin Holdings Co., Ltd. and Guangde Guangxin Investment Co., Ltd. as legal representative

### **Ge Kunxing, Vice Chairman**

-----

- Gender: M
- Nationality: China
- Age: 63
- Qualification: University
- Working experience (s):

At present, working in SC as vice chairman

### **Guo Xuejun, Deputy General Manager**

-----

- Gender: M
- Nationality: China
- Age: 49
- Qualification: University
- Working experience (s):

At present, working in SC as deputy general manager

### **Yuan Shulin, Deputy General Manager**

-----

- Gender: M
- Nationality: China
- Age: 49
- Qualification: University
- Working experience (s):

At present, working in SC as deputy general manager

## **BUSINESS OPERATION**

SC's registered business scope includes manufacturing and selling biochemical pesticides, microbial pesticides, veterinary drugs, phosgene, carbendazim, methanol, xylene, sodium chloride, pesticides, pesticides, by-product hydrochloric acid; exporting its products and technology; importing materials, instrument, machinery and equipment, parts and technology needed for its production, excluding the goods forbidden by the government; processing with imported materials, processing with imported samples, assembling with imported parts, and compensation trade in agreement.

SC is mainly engaged in manufacturing and selling pesticide original drug, pesticide preparation.

SC's products mainly include: fungicide, herbicide, insecticide, phosgene intermediate, non phosgene intermediate, etc.

SC sources its materials 100% from domestic market. SC sells 55% of its products in domestic market, and 45% to overseas market.

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\***

=====  
Shandong Weifang Runfeng Chemicals Co., Ltd.  
Shanghai Hujiang Biochemistry Co., Ltd.

### **Staff & Office:**

-----  
SC is known to have approx. 1,424 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 have the following subsidiaries at present.**

Guangxin Tongda (Shanghai) Imp. & Exp. Co., Ltd.  
Anhui Dongzhi Guangxin Agrochemical Co., Ltd.

## **PAYMENT**

### **Overall payment appraisal:**

( ) Excellent ( ) Good (X) 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 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 Guangde County Branch  
AC#: 12076001040002898

## ***FINANCIALS***

### **Consolidated Balance Sheet**

Unit: CNY'000

	<b>As of Dec. 31, 2017</b>	<b>As of Mar. 31, 2018</b>
Cash	2,628,380	1,867,165
Notes receivable	54,377	207,937
Accounts receivable	203,259	295,484
Advances to suppliers	17,925	48,204
Other receivable	17,989	13,435
Inventory	568,703	466,776
Prepaid expenses	0	0
Other current assets	171,922	910,227
	-----	-----
Current assets	3,662,555	3,809,228
Long-term investment	0	0
Investment real estate	0	0
Fixed assets	1,120,899	1,093,170
Construction in progress	420,860	454,935
Engineering materials	17,397	12,173
Liquidation of fixed assets	0	0
Intangible assets	196,568	210,980
Long-term prepaid expenses	1,378	1,263
Deferred income tax assets	23,774	24,485
Other non-current assets	48,839	57,693
	-----	-----
Total assets	5,492,270	5,663,927

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Short-term loans	0	0
Notes payable	281,443	430,811
Accounts payable	728,250	726,722
Wages payable	14,361	17,683
Taxes payable	33,514	34,574
Interest payable	0	0
Dividends payable	0	0
Advances from clients	198,269	96,221
Other payable	2,342	1,860
Accrued expenses	0	0
Other current liabilities	3,211	2,509
Current liabilities	1,261,390	1,310,380
Non-current liabilities	102,536	104,114
Total liabilities	1,363,926	1,414,494
Equities	4,128,344	4,249,433
Total liabilities & equities	5,492,270	5,663,927

**Consolidated Income Statement**

Unit: CNY'000	As of Dec. 31, 2017	Jan. 1, 2018 to Mar. 31, 2018
Revenue	2,346,149	758,262
Cost of sales	1,564,565	505,423
Taxes and surcharges	15,909	4,970
Sales expense	68,432	14,272
Management expense	306,014	72,141
Finance expense	290	25,912
Asset impairment loss	13,795	5,272
Investment income	20	3,187
Non-operating income	1,521	6
Non-operating expense	654	148
Profit before tax	384,041	134,081
Less: profit tax	46,814	21,643
Profits	337,227	112,438

**Important Ratios**

	As of Dec. 31, 2017	As of Mar. 31, 2018
*Current ratio	2.90	2.91
*Quick ratio	2.45	2.55
*Liabilities to assets	0.25	0.25
*Net profit margin (%)	14.37	14.83
*Return on total assets (%)	6.14	1.99
*Inventory / Revenue x365/90	89 days	56 days

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*Accounts receivable / Revenue x365/90	32 days	36 days
*Revenue / Total assets	0.43	0.13
*Cost of sales / Revenue	0.67	0.67

## **FINANCIAL COMMENTS**

### **PROFITABILITY: AVERAGE**

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

### **LIQUIDITY: FAIRLY GOOD**

- 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 average.
- The accounts receivable of SC appears average.
- SC has no short-term loans.
- SC's revenue is in an average level, comparing with the size of its total assets.

### **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: Fairly Good.**

## **CONCLUSIONS**

SC is considered medium-sized in its line with fairly good financial conditions.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.85
UK Pound	1	INR 89.67
Euro	1	INR 80.31
CNY	1	INR 10.15

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	NIY
<b>Report Prepared by :</b>	NIT

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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)