

## MIRA INFORM REPORT

Report No. :	542039
Report Date :	29.11.2018

### IDENTIFICATION DETAILS

Name :	CSPC INNOVATION PHARMACEUTICAL CO., LTD.
Registered Office :	No. 36 Fuqiang West Road, Luancheng County, Shijiazhuang, Hebei Province 310007 Pr
Country :	China
Financials (as on) :	30.06.2017
Date of Incorporation :	05.04.2006
Unified Social Credit Code :	91130100787019708G
Legal Form :	Shares Limited Company
Line of Business :	<ul style="list-style-type: none"> <li>Subject registered business scope includes manufacturing and selling crude drug (caffeine, theophylline, aminophylline, diprophylline, theobromine, pentoxifylline) and psychotropic substances (caffeine). (valid period as of Dec. 31, 2015); manufacturing and selling food additives (caffeine) (valid period as o Feb. 25, 2012); exporting its products &amp; technology and importing materials, instruments, machinery &amp; equipments, parts and technology needed for its production, excluding the goods and technology forbidden by the state.</li> <li>Subject is mainly engaged in manufacturing and selling crude drug, and psychotropic substances.</li> </ul>
No. of Employees :	1,407

### 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+	Low Risk	Business dealings permissible with low risk of default

**DISCLAIMER :** This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

<b>Status :</b>	Good
<b>Payment Behaviour :</b>	Regular
<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 (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

**DISCLAIMER :** This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

## 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

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.



**MIRA INFORM PRIVATE LIMITED**  
605, Palmspring, Near D'Mart, Link Road,  
Malad (West), Mumbai - 400 064. INDIA  
Tel : 91-22-40448000 (44 lines)  
Fax : 91-22-40448045 / 40448046  
E-mail : mira@mirainform.com  
info@mirainform.com  
Website : <http://www.mirainform.com>  
<http://www.miraglobalcheck.com>  
<http://www.miraglobalcollections.com>

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

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

## **COMPANY NAME & ADDRESS**

**COMPANY NAME** CSPC INNOVATION PHARMACEUTICAL CO., LTD.  
**CURRENT ADDRESS/ REGISTERED ADDRESS** NO. 36 FUQIANG WEST ROAD, LUANCHENG COUNTY, SHIJIAZHUANG, HEBEI PROVINCE 310007 PR CHINA  
**TEL. NO.** 86 (0) 311-85408966/85966117  
**FAX NO.** 86 (0) 311-85409463

## **EXECUTIVE SUMMARY**

DATE OF REGISTRATION : APRIL 5, 2006  
UNIFIED SOCIAL CREDIT CODE : 91130100787019708G  
LEGAL FORM : SHARES LIMITED COMPANY  
CHIEF EXECUTIVE : PAN WEIDONG (LEGAL REPRESENTATIVE)  
REGISTERED CAPITAL : CNY 150,000,000  
STAFF : 1,407  
BUSINESS CATEGORY : MANUFACTURING  
REVENUE : CNY 536,665,000 (CONSOLIDATED, JAN. 1, 2017 TO JUN. 30, 2017)  
EQUITIES : CNY 684,343,000 (CONSOLIDATED, AS OF JUN. 30, 2017)  
WEBSITE : [www.xnwpharma.com](http://www.xnwpharma.com)  
E-MAIL : [xnw@xnwpharma.com](mailto:xnw@xnwpharma.com)  
PAYMENT : REGULAR  
MARKET CONDITION : COMPETITIVE  
FINANCIAL CONDITION : FAIRLY GOOD  
OPERATIONAL TREND : 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  
Stagnant

### **General Reputation:-**

Excellent  
Good  
Fairly Good  
Average  
Fair  
Detrimental

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

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: 91130100787019708G.

SC's Import and Export Enterprise Code: 1300787019708

SC's registered capital: CNY 150,000,000

SC's paid-in capital: CNY 150,000,000

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

<b>Date</b>	<b>Change of Contents</b>	<b>Before the change</b>	<b>After the change</b>
2007 July 2008	Registered Capital Legal Form  Company Name  Registered Capital Shareholder (s) (% of Shareholding)	CNY 26,300,000 Limited Company Shijiazhuang Pharmaceutical Innovation Co., Ltd. CNY 100,000,000 Shijiazhuang Pharmaceutical Group Co., Ltd. 95%	Liabilities Shares Limited Company CSPC Innovation Pharmaceutical Co., Ltd. CSPC Pharmaceutical Group Limited 98.69% CSPC Import and Export Trade Co., Ltd. 1.31%
-- 2010	Legal Representative Registration No. Legal Representative	Yue Jin  1301001005042 Pan Weidong	Pan Weidong  130100000144986 Wang Huaiyu
2017-3-13	Legal Representative	Wang Huaiyu	Pan Weidong
--	Registration No./ Unified Social Credit Code	130100000144986	91130100787019708G

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

<b>Name of Shareholder (s)</b>	<b>% of Shareholding</b>
CSPC Pharmaceutical Group Limited	98.69
CSPC Import and Export Trade Co., Ltd.	1.31

**SC's Chief Executives:-**

<b>Position</b>	<b>Name</b>
Legal Representative and Chairman	Pan Weidong
General Manager	Han Feng

## **RECENT DEVELOPMENT**

SC has got the certificate ISO9001.

## **SHAREHOLDER CHART & BACKGROUND**

<b>Name</b>	<b>% of Shareholding</b>
CSPC Pharmaceutical Group Limited	98.69
CSPC Import and Export Trade Co., Ltd.	1.31

CSPC Pharmaceutical Group Limited  
-----

CSPC Pharmaceutical Group Limited (CSPC Pharma) was founded on August 21, 1997 by the strong union of Hebei Pharmaceutical Group Company, Shijiazhuang No. 1 Pharmaceutical Group Company, and so on, total 4 companies. It is the first one of the oversized pharmaceutical enterprises that were founded by strong union in pharmaceutical industry and a backbone enterprise group of Hebei Province.

Currently CSPC's total asset is above 8 billion Yuan. It has approx. 15,000 staff members and possesses Zhongrun, Weisheng, Zhongnuo, Zhongrun Neimeng, NBP, etc., more than 10 wholly-owned or holding subsidiaries. Among them, the one that was established in Hongkong--China Pharmaceutical Group Co., Ltd (hereinwith called China Pharma.) is the No. 1 in China's pharmaceutical industry that went to the abroad market. It is the biggest pharmaceutical company on Hongkong market at present and is also one of the Constituent Stocks of Hong Kong Heng Seng Red Chips index.

Address: No. 276 Zhongshan West Road, Shijiazhuang, Hebei Province

Tel: 86 0311-87037015

Fax: 86 0311-87039608

Website: [www.cspc.com.cn](http://www.cspc.com.cn)

E-mail: [cspc@mail.ecspc.com](mailto:cspc@mail.ecspc.com)

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

Unified Social Credit Code: 911301002360444643  
Date of Registration: March 31, 1998  
Legal Form: Wholly foreign-owned enterprise  
Registered Capital: CNY 521,360,000  
Legal Representative: Cai Dongchen 蔡东晨

## **MANAGEMENT**

### **Pan Weidong, Legal Representative and Chairman**

-----

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

At present, working in SC as legal representative and chairman, also working in Hebei Zhongnuo Guoweikang Health Products Co., Ltd. and CSPC Zhongnuo Pharmaceutical (Taizhou) Co., Ltd. as legal representative

### **Han Feng, General Manager**

-----

Gender: M  
Nationality: China  
Age: 44  
Qualification: University  
Working experience (s):

From 2010 to present, working in SC as general manager

## **BUSINESS OPERATION**

SC's registered business scope includes manufacturing and selling crude drug (caffeine, theophylline, aminophylline, diprophylline, theobromine, pentoxifylline) and psychotropic substances (caffeine). (valid period as of Dec. 31, 2015); manufacturing and selling food additives (caffeine) (valid period as of Feb. 25, 2012); exporting its products & technology and importing materials, instruments, machinery & equipments, parts and technology needed for its production, excluding the goods and technology forbidden by the state.

SC is mainly engaged in manufacturing and selling crude drug, and psychotropic substances.

SC's products mainly include: caffeine, theophylline, aminophylline, diprophylline and theobromine, etc.

SC sources its materials 100% from domestic market, mainly Hebei. SC sells 10% of its products in domestic market, and 90% to overseas market, mainly to USA, India, etc.

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

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\***

=====

H&M Usa Inc.  
Panasource Ingredients Inc.  
Pepsi Scdc  
Sun Pharmaceutical Industries Ltd.  
Bajaj Healthcare Limited

**Staff & Office:**

-----

SC is known to have approx. 1,407 staff at present.

SC rents an area as its operating office & factory of approx. 20,000 sq. meters at the heading address.

## ***RELATED COMPANY***

**SC is known to have 2 subsidiaries at present,**

Hebei Zhongnuo Guoweikang Health Products Co., Ltd.

CSPC Zhongnuo Pharmaceutical (Taizhou) Co., Ltd.

## ***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 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***

**DISCLAIMER :** This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**Basic Bank**

Bank of China Shijiazhuang Huanghe Avenue Sub-branch

AC#: 101820373905

**FINANCIALS**

**Consolidated Balance Sheet**

Unit: CNY'000	As of Dec. 31, 2016	As of Jun. 30, 2017
Cash	150,589	53,765
Notes receivable	40,410	109,346
Accounts receivable	113,529	138,383
Advances to suppliers	3,784	9,022
Other receivable	1,786	1,232
Inventory	66,870	69,760
To be apportioned expense	0	0
Non-current assets within one year	0	0
Other current assets	21,598	19,925
	-----	-----
Current assets	398,566	401,433
Fixed assets	340,384	388,275
Construction in progress	160,473	146,540
Intangible assets	64,646	63,466
Long-term investment	0	0
Deferred income tax assets	987	2,288
Other non-current assets	8,484	9,293
	-----	-----
Total assets	973,540	1,011,295
	=====	=====
Short-term loans	0	47,421
Note payable	0	10,500
Accounts payable	71,488	79,871
Accrued payroll	2,938	3,445
Taxes payable	18,644	10,052
Advances from clients	18,440	12,820
Other payable	106,715	124,112
Other current liabilities	141,575	663
	-----	-----
Current liabilities	359,800	288,884
Non-current liabilities	36,862	38,068
	-----	-----
Total liabilities	396,662	326,952
Equities	576,878	684,343
	-----	-----
Total liabilities & equities	973,540	1,011,295

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**Consolidated Income Statement**

Unit: CNY'000	As of Dec. 31, 2016	From Jan. 1, 2017 to Jun. 30, 2017
Revenue	890,477	536,665
Cost of sales	470,053	272,815
Sales expense	154,474	100,152
Management expense	33,872	19,480
Finance expense	-13,018	3,027
Profit before tax	233,336	130,853
Less: profit tax	41,160	23,388
Profits	192,176	107,465

**Important Ratios**

	As of Dec. 31, 2016	As of Jun. 30, 2017
*Current ratio	1.11	1.39
*Quick ratio	0.92	1.15
*Liabilities to assets	0.41	0.32
*Net profit margin (%)	21.58	20.02
*Return on total assets (%)	19.74	10.63
*Inventory / Revenue x365/180	28 days	24 days
*Accounts receivable/ Revenue x365/180	47 days	47 days
* Revenue/Total assets	0.91	0.53
* Cost of sales / Revenue	0.53	0.51

**FINANCIAL COMMENTS**

**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 goods sold is average, comparing with its revenue.

**LIQUIDITY: AVERAGE**

The current ratio of SC is maintained in a normal level.  
SC's quick ratio is maintained in a fairly good level.  
The inventory of SC appears average.  
The accounts receivable of SC is maintained in an average level.  
The short-term loans of SC appear average.  
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 average.  
The risk for SC to go bankrupt is low.

**Overall financial condition of the SC: Fairly Good.**

## **CONCLUSIONS**

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

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.69
UK Pound	1	INR 90.14
Euro	1	INR 79.87
CNY	1	INR 10.07

**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>	TPT

**DISCLAIMER :** This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**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)