

MIRA INFORM REPORT

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|----------------------|------------|
| Report No. : | 533645 |
| Report Date : | 10.10.2018 |

IDENTIFICATION DETAILS

| | |
|--------------------------------|---|
| Name : | GUANGZHOU JET BIOFILTRATION CO.,LTD |
| Registered Office : | No. 1 Doutang Road, Yonghe Economic Zone Economic And Technological Development Zone, Guangzhou Guangdong Province, Pr |
| Country : | China |
| Financials (as on) : | 31.12.2017 |
| Date of Incorporation : | 11.04.2001 |
| Credibility Code : | 91440116728198443M |
| Legal Form : | Shares limited co. |
| Line of Business : | The subject's registered business scope includes manufacturing biodegradable plastic products, medical and health plastic products, plastic films, experimental analytical instruments, drug testing instruments; research and development of drug; house leasing; selling self-made products; importing and exporting technologies; biotechnology development services; new materials technology development services. |
| No. of Employees : | 388 |

RATING & COMMENTS

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

| | |
|------------------------|----|
| MIRA's Rating : | A+ |
|------------------------|----|

| Credit Rating | Explanation | Rating Comments |
|---------------|-------------|--|
| A+ | Low Risk | Business dealings permissible with low risk of default |

| | |
|----------------------------|---------|
| Status : | Good |
| Payment Behaviour : | Regular |
| Litigation : | Clear |

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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. 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 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

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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 : GUANGZHOU JET BIOFILTRATION CO.,LTD
Address : NO. 1 DOUTANG ROAD, YONGHE ECONOMIC
AND TECHNOLOGICAL DEVELOPMENT ZONE, HUANGPU
DIST. GUANGZHOU GUANGDONG PROVINCE, PR CHINA
Telephone : 0086- 20-32811888
Facsimile : 0086- 20-32811888-802
Website : <https://www.jetbiofil.com/>
Email : info@jetbiofil.com

REGISTRATION INFORMATION

Established Date : 2001-04-11
Credibility Code : 91440116728198443M
Legal Form : Shares limited co.
Registration Authority : Market Supervision Bureau – Huangpu Dist. Guangzhou
Status : Active
Registered Capital : RMB 42,500,288
Paid Up Capital : RMB 42,500,288
Turnover : RMB 164,791,000 (as of Dec. 31, 2017)
Equities : RMB 192,879,000 (as of Dec. 31, 2017)
Chief Executive : Yuan Jianhua
Business Line : Manufacturer
Manpower : 388
Tax Registration
Certificate No. : 91440116728198443M
Organization Code : 72819844-3
HS code : 4401230467
Import & Export code : 4401728198443
Financial Condition : Fairly good
Business Size : Medium Enterprise
Payment : Regular

Registered Address

No. 1 Doutang Road, Yonghe Economic Zone Economic And Technological Development Zone, Guangzhou
Guangdong Province, Pr China

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 RMB 5M. while that of the co. with foreign investment is RMB 5M. The total capital of a co. which propose to apply for publicly listed must be no less than RMB 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 Guangzhou. Our checks reveal that the subject rents the total premise, but the square meters are unknown.

MANAGEMENT

| Position | Name | Nationality |
|--------------------------------|---------------|--------------------|
| Legal representative, Chairman | Yuan Jianhua | Chinese |
| General Manager | YUAN YE JAMES | -- |
| Directors | Chen Xudong | Chinese |
| | Huang Jing | |
| | Yang Demao | |
| | Fu Shengchun | |
| | Xiang Yang | |
| | YUAN YE JAMES | -- |
| Supervisors | Yao Junjie | Chinese |
| | Wu Zhiyi | |
| | Li Huilun | |

MAJOR SHAREHOLDERS

| Name | % Shareholding |
|---|-----------------------|
| Yuan Jianhua | 44.24% |
| Guangzhou Hai Hui Fortune Venture Investment Enterprise (Limited Partnership) | 19.58% |

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| | |
|--|--------|
| Jet (H.K) Bioscience Co.,Limited | 17.88% |
| Guangdong Zhuoyue Rundu Venture Investment Partnership (Limited Partnership) | 9.41% |
| Guangzhou Hai Hui Investment Management Co Ltd | 3.01% |
| Guangzhou Maijindun Investment Management Partnership (Limited Partnership) | 2.99% |
| Guangzhou Luogang District Huizi Investment Management Partnership (Limited Partnership) | 2.89% |

KEY EVENTS

No Significant Changes.

BUSINESS OPERATIONS

The subject's registered business scope includes manufacturing biodegradable plastic products, medical and health plastic products, plastic films, experimental analytical instruments, drug testing instruments; research and development of drug; house leasing; selling self-made products; importing and exporting technologies; biotechnology development services; new materials technology development services.

The subject is mainly engaged in manufacturing and selling laboratory consumable products.

Products:

Cell And Tissue Culture Products
Pipette Products
Centrifuge Tubes Products
Filtration Products
Pipette Micro Tips
JET Tissue Culture Plate Insert
Freezing Vials
ELISA Plates
Molecular Biology Class
Deep-Well Multiwell Plates
PCR Plates & Tubes
Petri Dish
Reagent Reservoir

The subject sources its materials 70% from domestic market, and 30% from overseas market. the subject sells 30% of its products in domestic market, and 70% to overseas market, mainly America, Japan, Canada, Germany, Australia and Korea.

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.

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SUPPLIER & CUSTOMER

No record.

RELATED COMPANIES

Subsidiaries

Guangzhou Yida Science Equipment Co., Ltd.

=====

Credibility Code: 91440101MA59BRW445

Legal representative: Zhang Hong

Registered Capital: RMB 5,000,000

Established Date: 2016-02-17

Guangzhou Baifeier Air Purifying Material Co., Ltd.

=====

Credibility Code: 91440101304301689J

Legal representative: Yuan Jianhua

Registered Capital: RMB 5,000,000

Established Date: 2014-07-11

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.

MORTGAGE

There is no record of mortgage information at present.

TRADEMARK

No record.

PATENT

| Patent name | Published Application Number | Application number | Date of publication |
|---|------------------------------|--------------------|---------------------|
| A bidirectional stretch forming pipette | CN207546548U | CN201721228623.X | 2018-06-29 |
| A vacuum filter | CN207478329U | CN201721222291.4 | 2018-06-12 |

BANKING

The subject declined to release its banking details.

ABBREVIATED FINANCIAL STATEMENT

Financial Summary

=====
Unit: RMB'000

| | As of Dec. 31, 2016 | As of Dec. 31, 2017 |
|------------------------------|---------------------|---------------------|
| Total assets | 203,053 | 236,169 |
| Total liabilities | 51,386 | 43,290 |
| Equities | 151,667 | 192,879 |
| Total liabilities & equities | 203,053 | 236,169 |
| Turnover | 121,279 | 164,791 |
| Profits before tax | 32,971 | 48,408 |
| Less: tax | 4,586 | 6,858 |
| Profits | 28,385 | 41,550 |

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Important Ratios

=====

| | As of Dec. 31, 2016 | As of Dec. 31, 2017 |
|-----------------------------|---------------------|---------------------|
| *Liabilities to assets | 0.25 | 0.18 |
| *Net profit margin (%) | 23.40 | 25.21 |
| *Return on total assets (%) | 13.98 | 17.59 |
| *Turnover/Total assets | 0.60 | 0.70 |

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: FAIRLY GOOD

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

TREND ANALYSIS

=====

| | 2015 | 2016 | 2017 |
|-----------------------------|---|--|--|
| Sales Trend | -- | -- | ↑ |
| Profit margin | -- | -- | ↑ |
| Debt to assets ratio | -- | -- | ↓ |
| Overall Financial Condition | <input type="checkbox"/> Good <input type="checkbox"/> Fairly Stable | <input checked="" type="checkbox"/> Fairly Good <input type="checkbox"/> Fair | <input type="checkbox"/> Stable <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 fairly good financial conditions.

FOREIGN EXCHANGE RATES

| Currency | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1 | INR 74.10 |
| UK Pound | 1 | INR 96.99 |
| Euro | 1 | INR 85.11 |
| CNY | 1 | INR 10.72 |

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

INFORMATION DETAILS

| | |
|----------------------|-----|
| Analysis Done by : | VIV |
| 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)