

## MIRA INFORM REPORT

<b>Report No. :</b>	534335
<b>Report Date :</b>	11.10.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	XIAMEN ITG GROUP CORP., LTD.
<b>Registered Office :</b>	18th Floor, Guomao Building, No. 388 Hubin South Road, Siming District, Xiamen, Fujian Province
<b>Country :</b>	China
<b>Financials (as on) :</b>	31.03.2018 [Consolidated]
<b>Date of Incorporation :</b>	02.04.1993
<b>Unified Social Credit Code :</b>	913502001550054395
<b>Legal Form :</b>	Shares Limited Company
<b>Line of Business :</b>	Registered business scope includes wholesale of metal and metal mine; importing and exporting commodities and technologies, excluding the items limited or prohibited by state; retail of arts and crafts and collectibles; real estate development and management; domestic and international freight agency; logistics service, warehousing service; select to deal with any items that do not need any permit
<b>No. of Employees :</b>	4,992 (Including subject's subsidiaries)

### 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

<b>Status :</b>	Good
<b>Payment Behaviour :</b>	Regular
<b>Litigation :</b>	Clear

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**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**

<b>Country Name</b>	<b>Previous Rating (30.06.2018)</b>	<b>Current Rating (30.09.2018)</b>
China	A1	A1

<b>Risk Category</b>	<b>ECGC Classification</b>
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

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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

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## **COMPANY NAME AND ADDRESS**

<b>COMPANY NAME</b>	Xiamen ITG Group Corp., Ltd.
<b>CURRENT ADDRESS</b>	8-18Th Floor, Guomao Building, No. 388 Hubin South Road, Xiamen, Fujian Province 361004 PR China
<b>REGISTERED ADDRESS</b>	18th Floor, Guomao Building, No. 388 Hubin South Road, Siming District, Xiamen, Fujian Province
<b>TEL. NO.</b>	86 (0) 592-5862592/5161888/5898711
<b>FAX NO.</b>	86 (0) 592-5160280

\*\*\*Note: SC's correct name should be the above stated one, instead of the given name - XIAMEN ITG CORP LTD.

## **EXECUTIVE SUMMARY**

DATE OF REGISTRATION	: APRIL 2, 1993
UNIFIED SOCIAL CREDIT CODE	: 913502001550054395
LEGAL FORM	: SHARES LIMITED COMPANY
CHIEF EXECUTIVE	: XU XIAOXI (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL	: CNY 1,816,259,698
STAFF	: 4,992 (INCLUDING SC'S SUBSIDIARIES)
BUSINESS CATEGORY	: TRADE & LOGISTICS & REAL ESTATE & INVESTMENT
REVENUE	: CNY 34,642,921,000 (CONSOLIDATED, JAN. 1, 2018 TO MAR. 31, 2018)
EQUITIES	: CNY 27,296,356,000 (CONSOLIDATED, AS OF MAR. 31, 2018)
WEBSITE	: <a href="http://www.itg.com.cn">www.itg.com.cn</a>
E-MAIL	: <a href="mailto:itgchina@itg.com.cn">itgchina@itg.com.cn</a>
PAYMENT	: REGULAR
MARKET CONDITION	: COMPETITIVE
FINANCIAL CONDITION	: STABLE
OPERATIONAL TREND	: 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

<b>Operational Trend:-</b>	<b>General Reputation:-</b>
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 a shares limited company of PRC with State Administration of Industry & Commerce (SAIC) under Unified Social Credit Code: 913502001550054395.

SC's Import and Export Enterprise Code: 3502155005439

SC's registered capital: CNY 1,816,259,698

SC's paid-in capital: CNY 1,816,259,698

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

<b>Date</b>	<b>Change of Contents</b>	<b>Before the change</b>	<b>After the change</b>
2014	Registered Capital	CNY 1,330,840,000	CNY 1,664,470,022
2016-8-12	Registration No./ Unified Social Credit Code	350200100002504	913502001550054395
--	Legal Representative	He Fulong	Xu Xiaoxi
	Registered Capital	CNY 1,664,470,022	CNY 1,816,259,698

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

<b>Name of Shareholder (s) (As of March 31, 2018)</b>	<b>% of Shareholding</b>
Xiamen ITG Holding Co., Ltd.	32.39
Central Huijin Asset Management Co., Ltd.	2.68
He Qingping	0.49
Fang Zhilin	0.39

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Xiamen ITG Holding Construction and Development Co., Ltd.	0.39
Agricultural Bank of China Co., Ltd.-Zhongzheng 500 Trading	0.36
Open Securities Investment Fund	
Other Shareholders	63.3

**SC's Chief Executives:-**

**Position**

Legal Representative and Chairman  
CEO  
Vice President

**Name**

Xu Xiaoxi  
Gao Shaoyong  
Xiong Zhizhou  
Li Yunshan  
Zeng Tingyi

***RECENT DEVELOPMENT***

SC is a listed company in Shanghai Stock Exchange Market with the code of 600755.

**Honours:**

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In August 2007, SC was titled national "Paragon of Labor Relation & Harmoniousness Enterprise";  
In July 2007, SC ranked 177 in "China Top 1000";  
In May 2007, SC became one of "Top 100 Listed Companies in Market Value Managing 2006";  
In February, 2007, SC was awarded "Top 10 Golden Stock 2007";  
Ever since 2006, SC has been in the absolute positioned of "China Top 100 listed Companies" and ranked No.44;  
Ever since 2005, SC was ranked among "China Top 500 Company Groups" published by National Statistics Bureau;  
In August, 2005, SC was ranked No. 71 among "100 Largest Chinese Listed Companies" issued by Standard & Poor's for the first time;  
Ever since 2005, SC has been ranked among "Top 100 Chinese Listed Companies" published by FORTUNE magazine;  
In January 2005, SC was awarded "AAA Grade Credit Foreign Trade Enterprise" by China Foreign Trade and Economic Cooperation Enterprise Association;  
In August 2004, "ITG" was chosen to be "Famous Trade Mark of Fujian Province";  
Since August, 2005, SC has been listed into "Top 500 Chinese Enterprises";

***SHAREHOLDER CHART & BACKGROUND***

<i>Name (As of March 31, 2018)</i>	<i>% of Shareholding</i>
Xiamen ITG Holding Co., Ltd.	32.39
Central Huijin Asset Management Co., Ltd.	2.68

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He Qingping	0.49
Fang Zhilin	0.39
Xiamen ITG Holding Construction and Development Co., Ltd.	0.39
Agricultural Bank of China Co., Ltd.-Zhongzheng 500 Trading Open Securities Investment Fund	0.36
Other Shareholders	63.3

✚ Xiamen ITG Holding Co., Ltd.

-----  
Unified Social Credit Code: 91350200260147498N  
Registered Capital: CNY 1,659,900,000  
Legal Representative: Xu Xiaoxi  
Tel: 86 (0) 592-5830999  
Fax: 86 (0) 592-5830990  
Add: 38/F, 43/F, ITG Building, No. 388, Hubin South Road, Xiamen  
Website: [www.itgholding.com.cn](http://www.itgholding.com.cn)

✚ Xiamen ITG Holding Construction and Development Co., Ltd.

-----  
Unified Social Credit Code: 91350200791257573A  
Registered Capital: CNY 500,000,000  
Legal Representative: Chen Jianming

## **MANAGEMENT**

### **Xu Xiaoxi, Legal Representative and Chairman**

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

At present, working in SC as legal representative and chairman, also working in Xiamen ITG Holding Co., Ltd. as legal representative

### **Gao Shaoyong, CEO**

- 
- Gender: M
  - Nationality: China
  - Age: 46
  - Qualification: Master Degree
  - Working experience (s):

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At present, working in SC as CEO

**Vice President**

-----  
Xiong Zhizhou  
Li Yunshan  
Zeng Tingyi

## ***BUSINESS OPERATION***

SC's registered business scope includes wholesale of metal and metal mine; importing and exporting commodities and technologies, excluding the items limited or prohibited by state; retail of arts and crafts and collectibles; real estate development and management; domestic and international freight agency; logistics service, warehousing service; select to deal with any items that do not need any permit.

SC is mainly engaged in trade and logistics service, real estate development business and other business, investment and management of its subsidiaries.

SC's products mainly include: textile & garments, coal, ferrous metals, non-ferrous metals, automobile, etc.

SC sources its products 80% from domestic market, and 20% from overseas market. SC sells 30% of its products in domestic market, and 70% to the overseas market, mainly U.S.A., etc.

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

**\*Major Supplier\***

=====  
China Xiamen Corporation for International Techno-Economic Cooperation

**\*Major Customers\***

=====  
American Tire Distributors  
La Empre Sacomercializadora Y Expor

**Staff & Office:**

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SC is known to have approx. 4,992 staff (including SC's subsidiaries) at present.

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

## **RELATED COMPANY**

SC is known to have the following subsidiaries at present.

Pointer Investment (Hong Kong) Limited  
Xiamen Tongxin Trade Co., Ltd.  
Chengdu Qirun Investment Co., Ltd.  
Xiamen Qirun Industrial Co., Ltd.  
Tianjin Qirun Investment Co., Ltd.  
Shanghai Qirun Industrial Co., Ltd.  
Beijing Fengda Century Trading Co., Ltd.  
Fujian Sansteel International Trade Co., Ltd.  
Guangzhou Qirun Industrial Co., Ltd.  
Xiamen ITG Motors Co., Ltd.  
Longyan ITG Longfeng Auto Sale Service Co., Ltd.  
Xiamen Binbei Auto City Co., Ltd.  
Ningde ITG Zhongbang Auto Sale Service Co., Ltd.  
Guangzhou Qirun Paper Co., Ltd.  
Xiamen Zhaocheng Real Estate Development Co., Ltd.  
Xiamen Tidak Real Estate Co., Ltd.  
Xiamen ITG Real Estate Agency Co., Ltd.  
Hefei Tiantong Real Estate Co., Ltd.  
Xiamen ITG Gulf Investment Development Co., Ltd.  
Xiamen ITG Dongxiang Real Estate Co., Ltd.  
Nanchang ITG Real Estate Co., Ltd.  
Xiamen ITG Tidak Logistics Co., Ltd.  
Xiamen ITG Sea Transportation Co., Ltd.  
Xiamen ITG Wharf Co., Ltd.  
Xiamen ITG Logistic Co., Ltd.  
Xiamen ITG Tidak Bonded Logistics Co., Ltd.

## **PAYMENT**

### **Overall payment appraisal:**

( ) Excellent ( ) Good (X) Average ( ) Fair ( ) Poor ( ) Not yet 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 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:**

Bank of China Xiamen Kaiyuan Sub-branch

AC#: 432558368839

## **FINANCIALS**

### **Consolidated Balance Sheet**

Unit: CNY'000

	<b>As of Dec. 31, 2017</b>	<b>As of Mar. 31, 2018</b>
Cash	4,162,990	5,284,650
Held for trading financial assets	2,344,695	2,950,997
Notes receivable	1,039,154	893,290
Accounts receivable	3,168,493	3,427,729
Advances to suppliers	5,759,478	9,051,417
Interest receivable	14,017	9,128
Dividend receivable	12,427	11,395
Other receivable	4,911,847	4,908,495
Inventory	29,909,496	36,097,075
Non-current assets within one year	678,625	544,718
Other current assets	8,218,591	12,497,568
	-----	-----
Current assets	60,219,813	75,676,462
Financial assets available for sale	1,196,204	1,208,170
Long term receivables	1,326,230	1,264,194
Long-term investment	2,881,130	2,897,795
Investment real estate	2,017,587	1,984,539
Fixed assets	1,581,252	1,604,530
Construction in progress	250,701	234,571
Goodwill	48,042	48,042
Intangible assets	211,962	211,051
Long-term prepaid expenses	69,096	74,753
Deferred income tax assets	1,459,055	1,604,194
Other non-current assets	119,873	118,825
	-----	-----
Total assets	71,380,945	86,927,126
	=====	=====
Short-term loans	7,756,006	12,589,669
Transaction financial liabilities	1,539,456	1,115,762
Notes payable	6,978,872	6,241,451
Accounts payable	2,909,483	2,570,121
Wages payable	517,106	527,023

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Taxes payable	680,819	759,792
Interest payable	55,077	82,371
Dividend receivable	8,384	54,487
Advances from clients	12,906,065	15,042,430
Other payable	3,524,738	5,078,869
Non-current liabilities due within one year	540,382	1,234,734
Other current liabilities	4,301,536	10,294,218
	-----	-----
Current liabilities	41,717,924	55,590,927
Non-current liabilities	3,662,710	4,039,843
	-----	-----
Total liabilities	45,380,634	59,630,770
Equities	26,000,311	27,296,356
	-----	-----
Total liabilities & equities	71,380,945	86,927,126
	=====	=====

**Consolidated Income Statement**

Unit: CNY'000	As of Dec. 31, 2017	Jan. 1, 2018 to Mar. 31, 2018
Revenue	164,650,778	34,642,921
Cost of sales	157,870,334	33,110,445
Taxes and surcharges	1,494,463	167,474
Sales expense	1,872,892	465,495
Management expense	247,063	60,097
Finance expense	1,087,901	225,205
Asset impairment loss	497,393	191,665
Investment income	1,386,147	53,275
Non-business income	19,492	3,312
Non-business expenditure	600,492	310
Profit before tax	2,829,357	784,282
Less: profit tax	655,086	200,968
Profits	2,174,271	583,314

**Important Ratios**

=====	As of Dec. 31, 2017	As of Mar. 31, 2018
*Current ratio	1.44	1.36
*Quick ratio	0.73	0.71
*Liabilities to assets	0.64	0.69
*Net profit margin (%)	1.32	1.68
*Return on total assets (%)	3.05	0.67
*Inventory / Revenue x365/90	67 days	94 days
*Accounts receivable / Revenue x365/90	8 days	9 days
*Revenue / Total assets	2.31	0.40
*Cost of sales / Revenue	0.96	0.96

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## ***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 fairly high, 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 fair level.
- The inventory of SC appears large.
- The accounts receivable of SC appears average.
- The short-term loan of SC appears large.
- 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: 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 74.13
UK Pound	1	INR 97.63
Euro	1	INR 85.26
CNY	1	INR 10.71

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	VIV
<b>Report Prepared by :</b>	TRU

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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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