

MIRA INFORM REPORT

Report No. :	535987
Report Date :	24.10.2018

IDENTIFICATION DETAILS

Name :	HANGZHOU STARSHINE PHARMACEUTICAL CO.,LTD
Registered Office :	Room 1903 No. 508 Wensan Road Xihu Dist. Hangzhou Zhejiang Province, Pr
Country :	China
Financials (as on) :	31.12.2017
Date of Incorporation :	10.01.2007
Credibility Code.:	91330106796667360Y
Legal Form :	Limited liabilities co
Line of Business :	The subject's registered business scope includes service: technology development of pharmaceutical intermediates; wholesaling and retailing chemical products and pharmaceutical intermediates; importing and exporting goods and technologies (with permit if needed)
No. of Employees :	26

RATING & COMMENTS

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

MIRA's Rating :

B

Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Status :	Moderate
Payment Behaviour :	No Complaints
Litigation :	Clear

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

ECGC Country Risk Classification List

Country Name	Previous Rating (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

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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. 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: HANGZHOU STARSHINE PHARMACEUTICAL CO.,LTD
Address : ROOM C 19F, TIANYUAN BUILDING, NO. 508, WENSAN ROAD, HANGZHOU
zhejiang PROVINCE, PR CHINA
Telephone : 0086-571- 81022839
Facsimile : 0086-571- 85122157
Website : <http://www.starshinepharm.com>
Email : sales@starshinepharm.com

REGISTRATION INFORMATION

Established Date : 2007-01-10
Credibility Code : 91330106796667360Y
Legal Form : Limited liabilities co.
Registration Authority: Market Supervision Bureau – Xihu Dist. Hangzhou
Status : Active

Registered Capital : RMB 1,000,000
Paid Up Capital : RMB 1,000,000
Turnover : RMB 57,141,000 (as of Dec. 31, 2017)
Equities : RMB 1,569,000 (as of Dec. 31, 2017)

Chief Executive : Wen Zuocheng
Business Line : Trade
Manpower : 26

Tax Registration
Certificate No. : 91330106796667360Y
Organization Code : 79666736-0

HS code : 3301962626
Import & Export code: 3300796667360

Financial Condition : Fairly Stable
Business Size : Small Enterprise
Payment : No Complaints

REGISTERED ADDRESS

ROOM 1903 NO. 508 WENSAN ROAD XIHU DIST. HANGZHOU ZHEJIANG PROVINCE, PR CHINA

COMPANY STATUS: LIMITED LIABILITIES CO.

This form of business in PR China is defined as a legal person. No more than fifty shareholders contribute its registered capital jointly. Shareholders bear limited liability to the extent of shareholding, and the co. is liable for its debts only to extent of its total assets. The characteristics of this form of co. are as follows:

Upon the establishment of the co., an investment certificate is issued to the each of shareholders.

The board of directors is comprised of three to thirteen members.

The minimum registered capital for a co. is RMB 30,000.

Shareholders may take their capital contributions in cash or by means of tangible assets or intangible assets such as industrial property and non-patented technology.

Cash contributed by all shareholders must account for at least 30% of the registered capital.

Existing shareholders have pre-exemption right to purchase shares of the co. offered for sale by the other shareholders and to subscribe for the newly increased registered capital of the co.

PREMISE

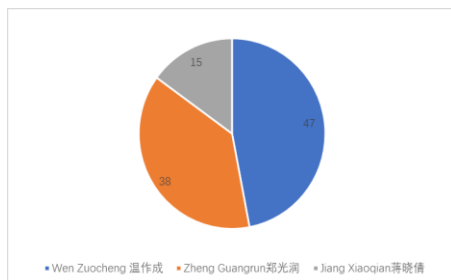
The subject operates from premises located at the heading address, and this address houses its operating office in Hangzhou. Our checks reveal that the subject rents the total premise, but the square meters are unknown.

MANAGEMENT

Position	Name	Nationality
Legal representative, Executive Director	Wen Zuocheng	Chinese
General Manager	Zheng Guangrun	Chinese
Supervisors	Jiang Xiaoqian	Chinese

MAJOR SHAREHOLDERS

Name	% Shareholding
Wen Zuocheng	47
Zheng Guangrun	38
Jiang Xiaoqian	15



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KEY EVENTS

No Significant Changes.

BUSINESS OPERATIONS

The subject's registered business scope includes service: technology development of pharmaceutical intermediates; wholesaling and retailing chemical products and pharmaceutical intermediates; importing and exporting goods and technologies (with permit if needed)

The subject is mainly engaged in selling human & veterinary API, vitamins, amino acid, food & feed additives and intermediates & fine chemicals.

Products:

Vitamin A 500/1000
Vitamin B1 HCL/Nitrate (Thiamine)
Vitamin B2(Riboflavin)
Vitamin B3(Niacinamide/Niacin)
Vitamin B5(Calcium D-Pantothenate)
Vitamin B6 HCL(Pyridoxine)
Vitamin B9(Folic acid)
Vitamin B12 (Cyanocobalamin)
Vitamin C
Vitamin C Phosphate 35% (L-Ascorbate-2-Phosphate 35%)
Vitamin D3 500
Vitamin H(D-Biotin)
Vitamin E 98%/50%
Ibuprofen DC90
Entecavir
Betahistine DiHCl
Valaciclovir HCL
Tretinoin/ Isotretinoin

Etc.

The subject sources its materials 80% from domestic market, and 20% from overseas market. the subject sells 20% of its products in domestic market, and 80% to overseas market, mainly Pakistan, Paraguay, etc.

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

No Subsidiary

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:

Case No.	Penalty date	Nature of the case
29403022013166573	2013-08-01	Illegal

Equity freeze information: No record.

Administrative Penalty: No record.

MORTGAGE

There is no record of mortgage information at present.

TRADEMARK

No record.

PATENT

No record.

BANKING

Hangzhou Bank Xiyuan Sub Branch

Account No.: 09208100098303

ABBREVIATED FINANCIAL STATEMENT

Financial Summary

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Unit: RMB'000

	As of Dec. 31, 2016	As of Dec. 31, 2017
Total assets	10,896	17,800
	=====	=====
Total liabilities	9,785	16,231
Equities	1,111	1,569
	-----	-----
Total liabilities & equities	10,896	17,800
	=====	=====
Turnover	56,115	57,141
Profits before tax	95	683
Less: tax	61	171
Profits	34	512

Important Ratios

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	As of Dec. 31, 2016	As of Dec. 31, 2017
*Liabilities to assets	0.90	0.91
*Net profit margin (%)	0.06	0.90
*Return on total assets (%)	0.31	2.88
*Turnover/Total assets	5.15	3.21

PROFITABILITY: AVERAGE

- The turnover of the subject appears average in its line.
- the subject's net profit margin is average.
- the subject's return on total assets is average.
- the subject's turnover is fairly good in 2016 and average in 2017, comparing with the size of its total assets.

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LEVERAGE: FAIR

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

TREND ANALYSIS

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	2015	2016	2017
Sales Trend	--	--	↑
Profit margin	--	--	↑
Debt to assets ratio	--	--	↑
Overall Financial Condition	<input type="checkbox"/> Good <input checked="" type="checkbox"/> Fairly Stable	<input type="checkbox"/> Fairly Good <input type="checkbox"/> Fair	<input type="checkbox"/> Stable <input type="checkbox"/> Poor

COMMENT

The subject was registered as a Limited liabilities co. at local Administration for Industry & Commerce (AIC - The official body of issuing and renewing business license).

The subject is considered small-sized in its line with fairly stable financial conditions

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.78
UK Pound	1	INR 95.56
Euro	1	INR 84.47
CNY	1	INR 10.55

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

INFORMATION DETAILS

Analysis Done by :	VIVR
Report Prepared by :	KET

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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)