

MIRA INFORM REPORT

Report No. :	529214
Report Date :	11.09.2018

IDENTIFICATION DETAILS

Name :	SINOCHM HEALTH COMPANY LTD.
Registered Office :	23-25/F, The North Building Golden Plaza, No. 20 Hongkong Middle Road, Qingdao, Shandong Province 266071 Pr
Country :	China
Financials (as on) :	31.07.2017
Date of Incorporation :	23.10.2002
Unified Social Credit Code :	91370200743953769N
Legal Form :	Limited Liabilities Company
Line of Business :	Subject registered business scope includes wholesaling precursor chemicals; operating prepackaging food, refrigerated food, bulk food; wholesaling and retailing paper products, rubber & its products, general machinery, steel, cotton; importing and exporting commodities and technologies. (with permit if needed).
No. of Employees :	105

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	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Good
Payment Behaviour :	Regular
Litigation :	Clear

NOTES :

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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

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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

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COMPANY NAME & ADDRESS

COMPANY NAME SINOCHEM HEALTH COMPANY LTD.
CURRENT ADDRESS/ REGISTERED ADDRESS 23-25/F, THE NORTH BUILDING GOLDEN PLAZA, NO. 20
HONGKONG MIDDLE ROAD, QINGDAO, SHANDONG
PROVINCE 266071 PR CHINA
TEL. NO. 86 (0) 532-55736222
FAX NO. 86 (0) 532-55736555

EXECUTIVE SUMMARY

DATE OF REGISTRATION : OCTOBER 23, 2002
UNIFIED SOCIAL CREDIT CODE : 91370200743953769N
LEGAL FORM : LIMITED LIABILITIES COMPANY
CHIEF EXECUTIVE : XIE XIANFENG (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL : CNY 296,000,000
STAFF : 105
BUSINESS CATEGORY : TRADING & INDUSTRY INVESTMENT
REVENUE : CNY 490,983,000 (FROM JAN. 1, 2017 TO JUL. 31, 2017)
EQUITIES : CNY 96,936,000 (AS OF JUL. 31, 2017)
WEBSITE : www.sinochemqingdao.com
E-MAIL : qingdao@sinochem.com
PAYMENT : REGULAR
MARKET CONDITION : COMPETITIVE
FINANCIAL CONDITION : STABLE
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:-

Upward
Steady
Fairly Steady
Ordinary
Fair

General Reputation:-

Excellent
Good
Fairly Good
Average
Fair

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Stagnant	Detrimental
Downward	Not known
Not known	Not yet be determined
Not yet be determined	

LEGAL STATUS & HISTORY

SC was established as one-person limited liabilities company of PRC with State Administration of Industry & Commerce (SAIC) under unified social credit code: 91370200743953769N.

SC's Import and Export Enterprise Code: 3702743953769

SC's registered capital: CNY 296,000,000

SC's paid-in capital: CNY 50,000,000

Registration Change Record:-

Date	Change of Contents	Before the change	After the change
2010-05	Shareholder (s) (% of Shareholding)	Sinochem Group 80% Sinochem Jinqiao International Trading Company 20%	Sinochem Corporation 80% Sinochem Jinqiao International Trading Company 20%
--	Legal Representative	Wang Yinping	Du Keping
2015-11-18	Legal Representative	Du Keping	Xie Xianfeng
2017-8-2	Registration No./ Unified Social Credit Code	370200018080287	91370200743953769N
2018-2-7	Legal Form	Limited Liabilities Company	One-Person Limited Liabilities Company
2018-6-26	Company Name	Sinochem Qingdao Co., Ltd.	Sinochem Health Company Ltd.
2018-7-30	Registered Capital	CNY 50,000,000	CNY 296,000,000

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

Name of Shareholder (s)	% of Shareholding
Sinochem International Corporation	100

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SC's Chief Executives:-

Position	Name
Legal Representative and General Manager	Xie Xianfeng
Chairman	Dong Jianhua
Director	Cheng Yong
Supervisor	Ding Wei

RECENT DEVELOPMENT

No recent development was found during our checks at present.

SHAREHOLDER CHART & BACKGROUND

Name	% of Shareholding
Sinochem International Corporation	100

Date of Registration: December 14, 1998
Unified Social Credit Code: 913100007109235395
Chief Executive: Feng Zhibin
Registered Capital: CNY 2,083,012,671

MANAGEMENT

Xie Xianfeng, Legal Representative and General Manager



Gender: M
Nationality: China
Age: 48
Qualification: University
Working experience (s):

At present, working in SC as legal representative and general manager

Dong Jianhua, Chairman

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

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At present, working in SC as chairman, also working in Sinochem Jiangsu Co., Ltd. as legal representative

Director

Cheng Yong

Supervisor

Ding Wei

BUSINESS OPERATION

SC's registered business scope includes wholesaling precursor chemicals; operating prepackaging food, refrigerated food, bulk food; wholesaling and retailing paper products, rubber & its products, general machinery, steel, cotton; importing and exporting commodities and technologies. (with permit if needed).

SC is mainly engaged in selling biochemical, natural pigments and agro-products; industry investment, etc.

Brand: "Goodspeed", "Minestar" and "Southland".

SC's products mainly include: Biology chemicals, Rubber, Petro-chemicals, other chemicals, Agriculture products, etc.

SC sources its products 90% from domestic market, and 10% from overseas market. SC sells 10% of its products in domestic market, and 90% to overseas market.

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 Customers

=====
Nutriline Ingredients Inc.
Natural Factors Nutritional Products Ltd.
Ge Water & Process Technologies Do Brasil Ltda
Alimentos Profusasa De Cv

Staff & Office:

SC is known to have approx. 105 staff at present.

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

RELATED COMPANY

SC is known to have the following subsidiaries at present,

Yantai Meiqi Foodstuff Co., Ltd.

Sinochem (Qingdao Free Trade Zone) Industry & Trade Co., Ltd.

Sinochem Jiangsu 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

Basic Bank:

China Merchants Bank Qingdao Branch

AC#: 642084066210001

Bank of Communications Qingdao Shinan No. 1 Sub-branch

AC#: 372005510018000972793

FINANCIALS

Balance Sheet

Unit: CNY'000	As of Dec. 31, 2016	As of July 31, 2017
Cash	61,970	27,955
Notes receivable	7,535	7,397
Accounts receivable	38,146	84,369
Advances to suppliers	12,958	14,778
Other receivable	2,099	5,883
Inventory	73,293	90,437
Non-current assets within one year	0	0
Other current assets	12,155	12,133
	-----	-----
Current assets	208,156	242,952
Long term investment	4,500	4,500
Fixed assets	7,534	7,193
Long term accounts receivable	800	750
Intangible assets	4,708	4,638
Other non-current assets	0	0
	-----	-----
Total assets	225,698	260,033
	=====	=====
Short-term loans	0	0
Notes payable	5,964	10,784
Accounts payable	48,110	68,494
Wages payable	373	448
Taxes payable	4,518	5,164
Advances from clients	33,700	20,564
Other payable	54,615	57,643
Other current liabilities	0	0
	-----	-----
Current liabilities	147,280	163,097
Non-current liabilities	0	0
	-----	-----
Total liabilities	147,280	163,097
Equities	78,418	96,936
	-----	-----
Total liabilities & equities	225,698	260,033
	=====	=====

Income Statement

Unit: CNY'000	As of Dec. 31, 2016	From Jan. 1, 2017 to July 31, 2017
Revenue	596,263	490,983
Cost of sales	529,759	433,343
Sales expense	29,301	20,012

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Management expense	14,667	10,208
Finance expense	283	2,228
Profit before tax	21,804	24,766
Less: profit tax	5,746	6,248
Profits	16,058	18,518

Important Ratios

=====

	As of Dec. 31, 2016	As of July 31, 2017
*Current ratio	1.41	1.49
*Quick ratio	0.92	0.94
*Liabilities to assets	0.65	0.63
*Net profit margin (%)	2.69	3.77
*Return on total assets (%)	7.11	7.12
*Inventory / Revenue x365/210	45 days	39 days
*Accounts receivable/ Revenue x365/210	24 days	37 days
*Revenue/Total assets	2.64	1.89
*Cost of sales / Revenue	0.89	0.88

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 fairly good.
SC's cost of sales 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 normal level.
The inventory of SC is maintained in an average level.
The accounts receivable of SC is maintained in an average level.
SC has no short-term loans.
SC's revenue is in an average level, comparing with the size of its total assets.

LEVERAGE: AVERAGE

The debt ratio of SC is average.
The risk for SC to go bankrupt is average.

Overall financial condition of the SC: Stable.

CONCLUSIONS

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

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.57
UK Pound	1	INR 93.74
Euro	1	INR 83.81
CNY	1	INR 10.58

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	TPT

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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)