

## MIRA INFORM REPORT

<b>Report No. :</b>	530844
<b>Report Date :</b>	21.09.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	MACMIC SCIENCE AND TECHNOLOGY CO., LTD.
<b>Registered Office :</b>	No. 18 Huashan Road, Xinbei District, Changzhou, Jiangsu Province 213022 Pr
<b>Country :</b>	China
<b>Financials (as on) :</b>	30.06.2018
<b>Date of Incorporation :</b>	18.08.2006
<b>Unified Social Credit Code :</b>	913204007919521038
<b>Legal Form :</b>	Shares Limited Company
<b>Line of Business :</b>	Subject registered business scope includes designing, researching, developing, manufacturing and selling electronic components and electronic equipment; developing and selling computer software; importing and exporting commodities and technology.
<b>No. of Employees :</b>	305

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	<b>A+</b>
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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

### NOTES :

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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 (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

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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

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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**

<b>COMPANY NAME</b>	MACMIC SCIENCE AND TECHNOLOGY CO., LTD.
<b>CURRENT ADDRESS/ REGISTERED ADDRESS</b>	NO. 18 HUASHAN ROAD, XINBEI DISTRICT, CHANGZHOU, JIANGSU PROVINCE 213022 PR CHINA
<b>TEL. NO.</b>	86 (0) 519-85166088
<b>FAX NO.</b>	86 (0) 519-85162291

## **EXECUTIVE SUMMARY**

DATE OF REGISTRATION	: AUGUST 18, 2006
UNIFIED SOCIAL CREDIT CODE	: 913204007919521038
LEGAL FORM	: SHARES LIMITED COMPANY
CHIEF EXECUTIVE	: ZHAO SHANQI (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL	: CNY 67,150,000
STAFF	: 305
BUSINESS CATEGORY	: MANUFACTURING & TRADING
REVENUE	: CNY 124,868,000 (CONSOLIDATED, JAN. 1, 2018 TO JUN. 30, 2018)
EQUITIES	: CNY 165,201,000 (CONSOLIDATED, AS OF JUN. 30, 2018)
WEBSITE	: <a href="http://www.macmicst.com">www.macmicst.com</a>
E-MAIL	: <a href="mailto:htian@macmicst.com">htian@macmicst.com</a>
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  
Stagnant

### **General Reputation:-**

Excellent  
Good  
Fairly Good  
Average  
Fair  
Detrimental

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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: 913204007919521038.

SC's Import and Export Enterprise Code: 3200791952103

SC's registered capital: CNY 67,150,000

SC's paid-in capital: CNY 67,150,000

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

<b>Date</b>	<b>Change of Contents</b>	<b>Before the change</b>	<b>After the change</b>
2017-11-23	Registered Capital	CNY 60,000,000	CNY 64,450,000
2018-9-3	Registered Capital	CNY 64,450,000	CNY 67,150,000
--	Registration No./ Unified Social Credit Code	320407000058970	913204007919521038

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

<b>Name of Shareholder (s) (As of June 30, 2018)</b>	<b>% of Shareholding</b>
Zhao Shanqi	28.38
Jiangsu Jiuzhou Investment Group Venture Capital Co., Ltd.	20.01
Xu Lianping	7.21
Li Fuhua	7.06
Kang Lu	7.05
Other Shareholders	30.29

### **SC's Chief Executives:-**

<b>Position</b>	<b>Name</b>
Legal Representative, Chairman and General Manager	Zhao Shanqi
Director	Tang Shengjun
	Xu Lianping
	Liu Lifeng
	Li Yan
	Ding Ziwen
Supervisor	Luo Shijin

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Wu Murong  
Qi Lina

## **RECENT DEVELOPMENT**

SC was listed on the new three board stock market, and the stock code is 831872.

## **SHAREHOLDER CHART & BACKGROUND**

Name (As of June 30, 2018)	% of Shareholding
Zhao Shanqi	28.38
Jiangsu Jiuzhou Investment Group Venture Capital Co., Ltd.	20.01
Xu Lianping	7.21 7.06
Kang Lu	7.05
Other Shareholders	30.29

Jiangsu Jiuzhou Investment Group Venture Capital Co., Ltd.

Unified Social Credit Code: 91320400667602106N

Legal Form: Limited Liabilities Company

Registered Capital: CNY 243,250,000

Legal Representative: Liu Canfang

## **MANAGEMENT**

### **Zhao Shanqi, Legal Representative, Chairman and General Manager**

Gender: M

Nationality: China

Qualification: University

Working experience (s):

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

### **Director**

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Tang Shengjun  
Xu Lianping  
Liu Lifeng  
Li Yan  
Ding Ziwen

**Supervisor**

-----  
Luo Shijin  
Wu Murong  
Qi Lina

## ***BUSINESS OPERATION***

SC's registered business scope includes designing, researching, developing, manufacturing and selling electronic components and electronic equipment; developing and selling computer software; importing and exporting commodities and technology.

SC is mainly engaged in manufacturing and selling electronic components and electronic equipment.

SC's products mainly include:

Chips  
Discretes  
Modules  
Power Modulars

Trademark:



SC sources its materials 100% from domestic market. SC sells 60% of its products in domestic market, and 40% to overseas market, mainly Taiwan, Hong Kong, India, U.S.A., etc.

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\*

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Logican Technologies Inc

**Staff & Office:**

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SC is known to have approx. 305 staff at present.

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

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## **RELATED COMPANY**

SC is known to have the following subsidiaries and branch at present,

Guangzhou Qihangxing Electronic Products Co., Ltd.

Jiangsu Hongdian Energy Saving Service Co., Ltd.

MacMic Science and Technology Co., Ltd. Shenzhen Branch

## **PAYMENT**

### **Overall payment appraisal:**

( ) Excellent ( ) Good (X) 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:**

Bank of China Changzhou Branch

AC#: 485866578841

## **FINANCIALS**

### **Consolidated Balance Sheet**

Unit: CNY'000	As of Dec. 31, 2017	As of Jun. 30, 2018
Cash	22,602	16,028
Notes receivable & Accounts receivable	97,905	104,654

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**MACMIC SCIENCE AND TECHNOLOGY CO., LTD. - 530844**

**PAGE NO. : 10**

Advances to suppliers	4,086	7,965
Other receivable	616	1,157
Inventory	66,439	72,588
Prepaid expenses	0	0
Other current assets	58	135
	-----	-----
Current assets	191,706	202,527
Fixed assets	46,332	47,220
Construction in progress	7,748	13,929
Intangible assets	1,714	1,610
Goodwill	8,521	8,521
Long-term prepaid expenses	1,360	1,205
Deferred income tax assets	3,117	2,982
Other non-current assets	0	0
	-----	-----
Total assets	260,498	277,994
	=====	=====
Short-term loans	37,000	45,280
Notes payable & Accounts payable	37,024	41,386
Wages payable	4,094	2,680
Taxes payable	1,873	2,257
Advances from clients	2,124	2,490
Other payable	7,871	1,617
Accrued expenses	0	0
Other current liabilities	55	0
	-----	-----
Current liabilities	90,041	95,710
Non-current liabilities	19,414	17,083
	-----	-----
Total liabilities	109,455	112,793
Equities	151,043	165,201
	-----	-----
Total liabilities & equities	260,498	277,994
	=====	=====

**Consolidated Income Statement**

Unit: CNY'000	As of Dec. 31, 2017	Jan. 1, 2018 to Jun. 30, 2018
Revenue	205,644	124,868
Cost of sales	159,979	94,255
Taxes and surcharges	494	517
Sales expense	8,430	5,290
Management expense	30,434	5,310
Finance expense	2,437	977
Investment income	0	49
Non-operating income	5,627	27
Non-operating expense	628	0
Profit before tax	15,780	16,287

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Less: profit tax	1,665	2,129
Profits	14,115	14,158

**Important Ratios**

	<b>As of Dec. 31, 2017</b>	<b>As of Jun. 30, 2018</b>
*Current ratio	2.13	2.12
*Quick ratio	1.39	1.36
*Liabilities to assets	0.42	0.41
*Net profit margin (%)	6.86	11.34
*Return on total assets (%)	5.42	5.09
*Inventory / Revenue x365/180	118 days	105 days
*Revenue / Total assets	0.79	0.45
*Cost of sales / Revenue	0.78	0.75

## **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 average, comparing with its revenue.

### **LIQUIDITY: AVERAGE**

The current ratio of SC is maintained in a fairly good level.  
SC's quick ratio is maintained in a normal level.  
The inventory of SC appears average.  
SC's short-term loans appear average.  
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 72.67
UK Pound	1	INR 95.59
Euro	1	INR 84.90
CNY	1	INR 10.55

**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

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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)