

MIRA INFORM REPORT

Report No. :	532362
Report Date :	28.09.2018

IDENTIFICATION DETAILS

Name :	HANGZHOU BAIHE CLARIANT PIGMENTS CO.LTD.
Registered Office :	No. 1888, Jingwu Road Linjiang Industrial Zone Of Xinwan Town Xiaoshan District, Hangzhou City, Zhejiang Province, Pr
Country :	China
Financials (as on) :	31.12.2017
Date of Incorporation :	31.12.2004
Credibility Code :	9133010076823711X6
Legal Form :	Chinese-foreign equity joint venture enterprise
Line of Business :	Manufacturing high performance organic pigments (immortal pigments), quinacridone organic pigments (excluding hazardous chemicals and precursor chemicals), 30% phosphoric acid (by-product); phosphate (by-product); selling self-made products (with permit if needed)
No. of Employees :	249

RATING & COMMENTS

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

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	No Complaints

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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

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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 AND ADDRESS

Company Name : HANGZHOU BAIHE CLARIANT PIGMENTS CO.LTD.
Address : NO. 1888, JINGWU ROAD LINJIANG INDUSTRIAL ZONE OF XINWAN TOWN
XIAOSHAN DISTRICT, HANGZHOU CITY, ZHEJIANG PROVINCE, PR CHINA
Telephone : 0086 571 82988603
Facsimile : --
Website : --
Email : quizhi.cheng@clariant.com

REGISTRATION INFORMATION

Established Date : 2004-12-31
Credibility Code : 9133010076823711X6
Legal Form : Chinese-foreign equity joint venture enterprise
Registration Authority : Market Supervision Bureau – Hangzhou
Status : Active

Registered Capital : RMB 139,800,000
Paid Up Capital : RMB 139,800,000
Turnover : RMB 458,703,000 (as of Dec. 31, 2017)
Equities : RMB 279,230,000 (as of Dec. 31, 2017)

Chief Executive : Chen Lirong
Business Line : Manufacturer
Manpower : 249

Tax Registration
Certificate No. : 9133010076823711X6
Credit rating : A(Y2017)
Organization Code : 76823711-X

HS code : 3316930660
Import & Export code : 330076823711X

Financial Condition : Fairly good
Business Size : Medium Enterprise
Payment : No Complaints

Registered Address
NO. 1888, JINGWU ROAD LINJIANG HIGH TECH INDUSTRIAL ZONE OF HANGZHOU CITY, ZHEJIANG
PROVINCE, PR CHINA

Company Status: Chinese-foreign equity joint venture enterprise

This form of business in PR China is defined as a legal person. It is a limited co. jointly invested by one or more foreign companies and one or more PR China controlled companies within the territories of PR China according to a certain proportion of capital investment. The investing parties exercise business management, share profits and bear all risks and liabilities of the co. together. The equity joint venture law requires that foreign party contribute not less than 25% of the registered capital, with no maximum. The investing parties are free to agree on method of profit distribution and liabilities bearing according to the proportion of capital investment. Each investing parties contributes funds, tangible assets, technology & etc. The board of directors excises the high authority. The joint venture usually has a limited duration of 10 to 50 years. Enterprise with large investment, long construction periods, low investment returns, introducing of advanced technology & advanced technology products that have good competition position in international market may extend beyond the 50 years limit.

Premise

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

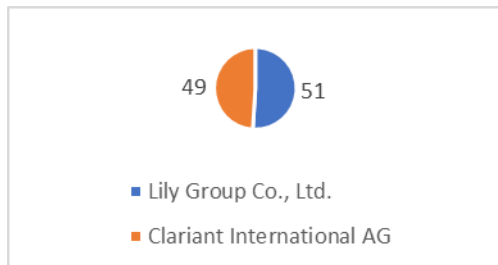
MANAGEMENT

Position	Name	Nationality
Legal representative, Chairman	Chen Lirong	Chinese
Vice Chairman	Michael Erich Grobkopf	--
Directors	Jan Kreibanum	--
	Alfred Christian Munch	
	Felix Wendelin Grimm	
	Wang Diming	Chinese
	Chen Weizhong	
	Wang Feng	

MAJOR SHAREHOLDERS

Name	% Shareholding
Lily Group Co., Ltd.	51
Clariant International AG (Switzerland)	49

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Lily Group Co., Ltd.

Credibility Code: 9133010025569303X1
Legal representative: Chen Lirong
Registered Capital: RMB 225,000,000
Established Date: 1995-08-11

KEY EVENTS

Changes of its registered information are as follows:

Date of change	Item	Before the change	After the change
2008-04-16	Registered capital	RMB 61,800,000	Present one

BUSINESS OPERATIONS

The subject's registered business scope includes manufacturing high performance organic pigments (immortal pigments), quinacridone organic pigments (excluding hazardous chemicals and precursor chemicals), 30% phosphoric acid (by-product); phosphate (by-product); selling self-made products (with permit if needed)

The subject is mainly engaged in manufacturing and selling pigments.

Products:

High performance organic pigments
Quinacridone organic pigment

Etc.

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

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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.

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: No record.

Equity freeze information: No record.

Administrative Penalty: No record.

MORTGAGE

There is no record of mortgage information at present.

TRADEMARK

No record.

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PATENT

Patent name	Published Application Number	Application number	Date of publication
Automatic control system for convective coupling	CN207614704U	CN201721663611.X	2018-07-17
Azo pigment red and its synthetic method	CN107513288A	CN201710769392.1	2017-12-26

Etc.

BANKING

Industrial & Commercial Bank of China Xiaoshan Sub-Branch

Account No.: 1202090109900214090

ABBREVIATED FINANCIAL STATEMENT

Financial Summary

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Unit: RMB'000

	As of Dec. 31, 2015	As of Dec. 31, 2016	As of Dec. 31, 2017
Total assets	366,293	403,992	449,264
	=====	=====	=====
Total liabilities	104,606	117,450	170,034
Equities	261,687	286,542	279,230
	-----	-----	-----
Total liabilities & equities	366,293	403,992	449,264
	=====	=====	=====
Turnover	376,582	430,699	458,703
Profits before tax	54,864	70,006	43,678
Less: tax	7,110	9,336	5,487
Profits	47,754	60,670	38,191

Important Ratios

=====

	As of Dec. 31, 2015	As of Dec. 31, 2016	As of Dec. 31, 2017
*Liabilities to assets	0.29	0.29	0.38
*Net profit margin (%)	12.68	14.09	8.33
*Return on total assets (%)	13.04	15.02	8.50
*Turnover/Total assets	1.03	1.07	1.02

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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 average, 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 Chinese-foreign equity joint venture enterprise 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 72.65
UK Pound	1	INR 95.43
Euro	1	INR 85.04
CNY	1	INR 10.53

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

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	DNS

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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)