

MIRA INFORM REPORT

Report No. :	522425
Report Date :	02.08.2018

IDENTIFICATION DETAILS

Name :	JIAXING BARTON CHEMICALS INC.
Registered Office :	Room 1601, Building A, Charming International Plaza, No. 1520, Zhongshan East Road, Jiaxing, Zhejiang Province, 314000 Pr
Country :	China
Date of Incorporation :	15.05.2007
Com. Reg. No.:	91330411661737528G
Legal Form :	Limited Liabilities Company
Line of Business :	Subject includes dangerous chemicals without storage business (trade bills); operated on the basis of a valid hazardous chemicals business license; selling chemical products (excluding hazardous chemicals and precursor chemicals), textiles, clothing, clothing accessories, machinery and equipment; import and export business.
No. of Employees :	7

RATING & COMMENTS

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

MIRA's Rating :	B
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Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Status :	Moderate
Payment Behaviour :	Unknown
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

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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. Measured on a purchasing power parity (PPP) basis that adjusts for price differences, China in 2016 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.

After keeping its currency tightly linked to the US dollar for years, China in July 2005 moved to an exchange rate system that references a basket of currencies. From mid-2005 to late 2008, the renminbi 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 allow a resumption of gradual liberalization. From 2013 until early 2015, the renminbi (RMB) appreciated roughly 2% against the dollar, but the exchange rate fell 13% from mid-2015 until end-2016 amid strong capital outflows in part stemming from the August 2015 official devaluation; in 2017 the RMB resumed appreciating against the dollar – roughly 7% from end-of-2016 to end-of-2017. From 2013 to 2017, China had one of the fastest growing economies in the world, averaging slightly more than 7% real growth per year. 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

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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

COMPANY NAME AND ADDRESS

JIAXING BARTON CHEMICALS INC.

ROOM 1601, BUILDING A, CHARMING INTERNATIONAL PLAZA,
NO. 1520, ZHONGSHAN EAST ROAD, JIAXING,
ZHEJIANG PROVINCE, 314000 PR CHINA
TEL: 86 (0) 573-82719266 FAX: 86 (0) 573-82116094

EXECUTIVE SUMMARY

INCORPORATION DATE	: MAY 15, 2007
CREDIBILITY CODE	: 91330411661737528G
REGISTERED LEGAL FORM	: LIMITED LIABILITIES COMPANY
CHIEF EXECUTIVE	: MR. YU XUEFENG (EXECUTIVE DIRECTOR)
STAFF STRENGTH	: 7
REGISTERED CAPITAL	: CNY 8,000,000
BUSINESS LINE	: TRADING
TURNOVER	: N/A
EQUITIES	: N/A
PAYMENT	: UNKNOWN
MARKET CONDITION	: AVERAGE
FINANCIAL CONDITION	: N/A
OPERATIONAL TREND	: STEADY
GENERAL REPUTATION	: AVERAGE

Adopted abbreviations:

ANS - amount not stated
NS - not stated
SC - subject company (the company inquired by you)
NA - not available
CNY - China Yuan Renminbi

HISTORY

Note: SC is operating in the heading address; the given address is incorrect, while the correct one should be "No. 162, Fumin Road, Honghe Town, Jiaxing, Zhejiang Province" which is SC's registered address and former operating address.

SC was registered as a one-person limited liability company at local Administration for Industry & Commerce (AIC - The official body of issuing and renewing business license) on May 15, 2007 and has been under present ownership since 2009.

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 CNY 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.

SC's registered business scope includes dangerous chemicals without storage business (trade bills); operated on the basis of a valid hazardous chemicals business license; selling chemical products (excluding hazardous chemicals and precursor chemicals), textiles, clothing, clothing accessories, machinery and equipment; import and export business.

SC is mainly engaged in selling chemical products.

Mr. Yu Xuefeng has been legal representative, executive director and general manager of SC since 2009.

SC is known to have approx. 7 employees at present.

SC is currently operating at the above stated address, and this address houses its operating office in the commercial zone of Jiaxing. Our checks reveal that SC rents the total premise about 400 square meters.

WEB SITE

<http://www.aroma-pharm.com/> ; <http://www.chinabarton.com> Both of the websites belong to SC. The design is professional and the content is well organized. At present the websites are only in English version.

E-mail: sales@aroma-pharm.com ; Sales@chinabarton.com

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KEY EVENTS/RECENT DEVELOPMENT

Changes of its registered information:

Date of change	Item	Before the change	After the change
2009	Registration No. Registered legal form	3304002123879 One-person limited liability company	330411000016321 Limited liabilities company
	Registered capital	CNY 500,000	CNY 2,000,000
	Legal representative	Yu Zhenhua	Yu Xuefeng
	Shareholders and shareholding	Yu Zhenhua 100%	Yu Zhenhua 10% Yu Xuefeng 90%
2016-07-08	Registration no./credibility code	330411000016321	91330411661737528G
2018-05-31	Registered capital shareholding	CNY 2,000,000 Yu Zhenhua 10% Yu Xuefeng 90%	Present amount Present ones

Certificate:



HS Code: 3304961762
Import/ Export License No.: 3300661737528

LITIGATION

For the past two years there is no record of litigation.

OWNERSHIP/MANAGEMENT

MAIN SHAREHOLDERS:

Name	% of Shareholding
Yu Zhenhua	2.5

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Yu Xuefeng

97.5

MANAGEMENT

- **Legal representative, executive director and general manager:**

Mr. Yu Xuefeng, with university education. He is currently responsible for the overall management of SC.

Working Experience(s):

From 2009 to present Working in SC as legal representative, executive director and general manager

- **Supervisor:**

Yu Yunfeng

BUSINESS OPERATIONS

SC is mainly engaged in selling chemical products.

SC's products mainly include:

Gum rosin
Alpha pinene
Beta pinene
Dihydromyrcene
Dihydromyrcenol
Myrcene
Camphene
Camphor synthetic powder
Iso bornyl acetate
Borneol
Dipentene
Campholenic Aldehyde
Terpineol MU & PG

SC sources its materials 100% from domestic market, mainly Zhejiang. SC sells 100% of its products to overseas market, mainly Southeast Asian market.

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

Trademark & Patents

Registration No.	7417288	7417272	7417213
Registration Date	2010-10-21	2010-10-28	2010-10-14

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Trademark Design

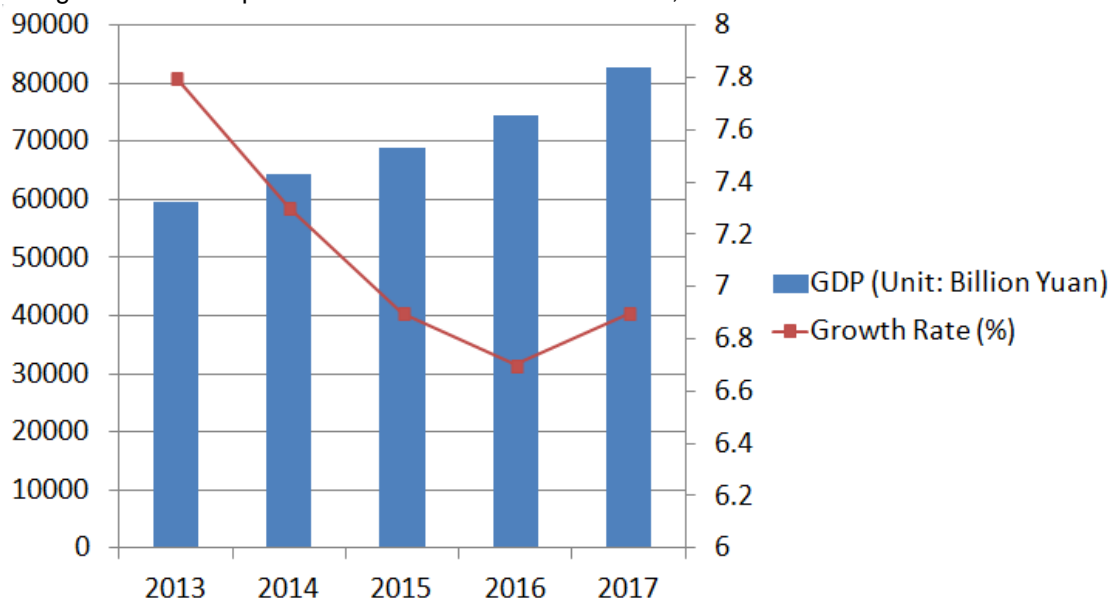


Note: SC's management declined to release its major suppliers and clients.

Industry code: 5100

Industry name: Wholesale Industry

The gross domestic product of China in 2017 which is 82,712.17 billion that is increased 6.9% than previous year.

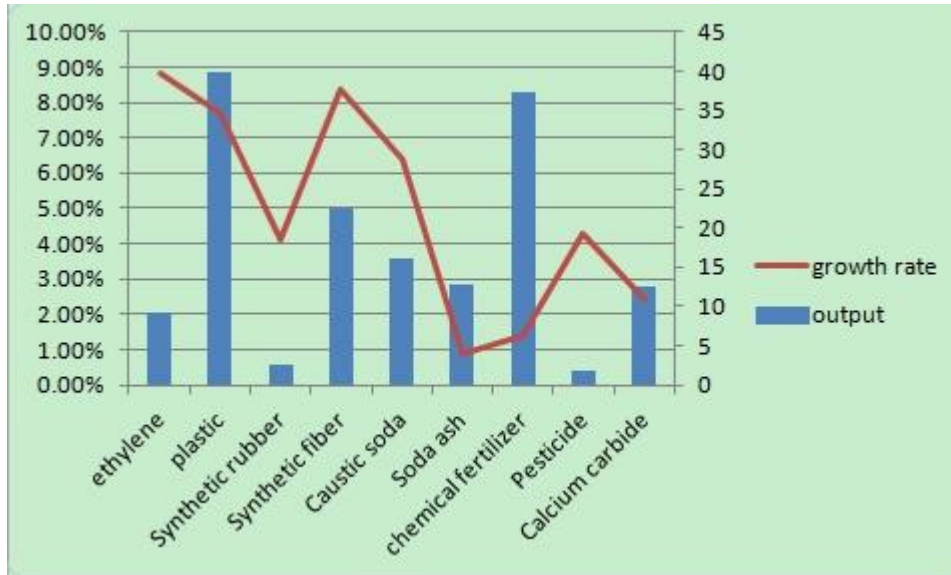


In the first half of 2016, the added value of the chemical industry increased by 9.2% year on year, and the growth rate dropped 0.2 percentage points year on year. Among the main products, the output of ethylene is 9.2 million tons, increased by 8.8%; the output of plastics in primary form is 39.76 million tons, increased by 7.7%; the output of Synthetic rubber is 2.57 million tons, increased by 4.1%; the output of Synthetic fiber is 22.56 million tons, increased by 8.4%. the output of Caustic soda is 16.19 million tons, increased by 6.4%; the output of Soda ash is 12.68 million tons, increased by 0.9%. The output of chemical fertilizers is 37.19 million tons, increased by 1.4%.

Among them, the output of nitrogen fertilizer and potash fertilizer increased by 3.1% and 6.7% respectively, and the output of phosphate fertilizer decreased by 2%. The output of Pesticide is 1.88 million tons, increased by 4.3%. The output of Rubber tire cover tire is 457.23 million, increased by 9.1%. The output of Calcium carbide is of 12.58 million tons, increased by 2.4%

The output of all types of chemical products in the first half of 2016
(Unit: million tons)

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RELATED COMPANIES

Jiaxing Barton Garment Co., Ltd.

=====
 Incorporation date: 2002-10-21
 Credibility code: 91330411744107257J
 Legal rep.: Yu Yunfeng

SC is known to have the following branch:

Jiaxing Barton Chemicals Inc. Nanhu District Branch

=====
 Incorporation date: 2010-11-17
 Credibility code: 913304025658591628
 Principal: Zheng Xiaoyan

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 records and our debt collection record concerning SC.

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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

Zhejiang Hecheng Rural Commercial Bank Youchegang Sub-branch
AC# : 201000154668358
Relationship: Normal.

FINANCIAL HIGHLIGHTS

SC's management declined to release any financial information.

REMARKS

SC is considered small-sized in its line with a development history of 11 years.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.61
UK Pound	1	INR 89.93
Euro	1	INR 80.12
CNY	1	INR 10.02

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

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	NIT

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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)