

MIRA INFORM REPORT

Report No. :	527580
Report Date :	01.09.2018

IDENTIFICATION DETAILS

Name :	NANYANG TEXTILE CO., LTD.
Registered Office :	No. 50 Jinxiangshang, Mazhen Industry Zone, Xiake Town, Jiangyin, Jiangsu Province 214406 PR
Country :	China
Financials (as on) :	31.12.2017
Date of Incorporation :	04.05.1997
Unified social credit code :	91320281628347907G
Legal Form :	Limited Liabilities Company
Line of Business :	Subject registered business scope includes manufacturing, processing painted master batch, chemical fiber, non-standard metal equipment, and plastic packaging materials; chemical fiber & spinning; selling textile raw materials (excluding seed cotton), hardware, plastic products; import and export of various goods and technologies, excluding commodities and technologies prohibited by country; the following business scope is limited to operating in branches; bottle cleaning. (with permit if needed)
No. of Employees :	580

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 :	Good
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

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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 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

COMPANY NAME	Nanyang Textile Co., Ltd.
CURRENT ADDRESS/ REGISTERED ADDRESS	No. 50 Jinxiangshang, Mazhen Industry Zone, Xiake Town, Jiangyin, Jiangsu Province 214406 PR China
TEL. NO.	86 (0) 510-86268368/86522218/86528989
FAX NO.	86 (0) 510-86522558

EXECUTIVE SUMMARY

DATE OF REGISTRATION	: MAY 4, 1997
UNIFIED SOCIAL CREDIT CODE	: 91320281628347907G
LEGAL FORM	: LIMITED LIABILITIES COMPANY
CHIEF EXECUTIVE	: ZHU HANXIAO (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL	: CNY 40,000,000
STAFF	: 580
BUSINESS CATEGORY	: MANUFACTURING & TRADING
REVENUE	: CNY 436,629,000 (AS OF DEC. 31, 2017)
EQUITIES	: CNY 53,491,000 (AS OF DEC. 31, 2017)
WEBSITE	: www.ny-textile.cn
E-MAIL	: N/A
PAYMENT	: NO COMPLAINTS
MARKET CONDITION	: COMPETITIVE
FINANCIAL CONDITION	: FAIRLY 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

General Reputation:-

Excellent

Good

Fairly Good

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Ordinary	Average
Fair	Fair
Stagnant	Detrimental
Downward	Not known
Not known	Not yet be determined
Not yet be determined	

LEGAL STATUS & HISTORY

SC was established as a limited liabilities company of PRC with State Administration of Industry & Commerce (SAIC) under Unified Social Credit Code: 91320281628347907G.

SC's import and export enterprise code: 3200628347907

SC's registered capital: CNY 40,000,000

SC's paid-in capital: CNY 40,000,000

Registration Change Record:-

Date	Change of Contents	Before the change	After the change
--	Registration No.	3202812103862	320281000040136
2001-1	Registered Capital	CNY 733,000	CNY 5,000,000
2001-9	Company Name	Jiangyin Nanyang Metal Manufacturing Co., Ltd.	Nanyang Textile Co., Ltd.
2006-4	Registered Capital	CNY 5,000,000	CNY 10,000,000
	Shareholder (s) (% of Shareholding)	Zhu Hanxiao 95% Gao Yiping 5%	Xu Long 7.5% Zhu Hanxiao 90% Gao Yiping 2.5%
2007-3	Shareholder (s) (% of Shareholding)	Xu Long 7.5% Zhu Hanxiao 90% Gao Yiping 2.5%	Zhu Hanxiao 45% Zhang Xiaorong 55%
2007-9	Registered Capital	CNY 10,000,000	CNY 15,000,000
	Shareholder (s) (% of Shareholding)	Zhu Hanxiao 45% Zhang Xiaorong 55%	Zhu Hanxiao 60% Zhang Xiaorong 40%
2009-12	Registered Capital	CNY 15,000,000	CNY 20,000,000
	% of Shareholding	Zhu Hanxiao 60% Zhang Xiaorong 40%	Zhu Hanxiao 70% Zhang Xiaorong 30%
2010-1	Registered Capital	CNY 20,000,000	CNY 26,000,000
--	% of Shareholding	Zhu Hanxiao 70% Zhang Xiaorong 30%	Zhang Xiaorong 23.08% Zhu Hanxiao 76.92%
--	Registered Capital	CNY 26,000,000	CNY 40,000,000
	Shareholder (s) (% of Shareholding)	Zhang Xiaorong 23.08% Zhu Hanxiao 76.92%	Xu Ying 15% Zhu Hanxiao 85%
2016-4-22	Registration No./	320281000040136	91320281628347907G

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Unified Social Credit
Code

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

Name of Shareholder (s)	% of Shareholding
Xu Ying	15
Zhu Hanxiao	85

SC's Chief Executives:-

Position	Name
Legal Representative, Chairman and General Manager	Zhu Hanxiao
Supervisor	Xu Ying

RECENT DEVELOPMENT

No recent development was found during our checks at present.

SHAREHOLDER CHART & BACKGROUND

Name	% of Shareholding
Zhu Hanxiao	85
Xu Ying	15

MANAGEMENT

Zhu Hanxiao, Legal Representative, Chairman and General Manager

Gender: M
ID# 320219196006092018
Age: 58
Qualification: University
Working experience (s):

At present, working in SC as legal representative, chairman and general manager
Also working in Nanyang Textile Co., Ltd. Mazhen Branch Company and Nanyang Textile Co., Ltd. Chemical Branch Company as principal, and in Jiangsu Nanyang Color Fiber Technology Co., Ltd. as legal representative

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Supervisor

Xu Ying
ID# 320219196309032063

BUSINESS OPERATION

SC's registered business scope includes manufacturing, processing painted master batch, chemical fiber, non-standard metal equipment, and plastic packaging materials; chemical fiber & spinning; selling textile raw materials (excluding seed cotton), hardware, plastic products; import and export of various goods and technologies, excluding commodities and technologies prohibited by country; the following business scope is limited to operating in branches; bottle cleaning. (with permit if needed)

SC is mainly engaged in manufacturing and selling painted master batch.

SC's products mainly include: dope dyed polyester stable fiber, Polyester staple fiber (COLOR), recycle polyester spun yarn, polyester yarn, etc.

SC sources its materials 90% from domestic market and 10% from overseas market. SC sells 50% of its products in domestic market, and 50% 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:**

=====
C A World Plastic S.A
Pacific Metals Ltd.
Rsm Co.
Tradepro Inc.

Staff & Office:

SC is known to have approx. 580 staff at present.

SC owns an area as its operating office & factory of approx. 48,000 sq. meters at the heading address.

RELATED COMPANY

SC is known to have the following subsidiary and branches:

Jiangsu Nanyang Color Fiber Technology Co., Ltd.
Unified Social Credit Code: 91320281MA1NKLJM7U
Date of Registration: March 17, 2017

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NANYANG TEXTILE CO., LTD. - 527580

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Legal Form: Limited Liabilities Company
Registered Capital: CNY 200,000,000
Legal Representative: Zhu Hanxiao

Nanyang Textile Co., Ltd. Mazhen Branch Company

Registration No.: 320281000254366
Principal: Zhu Hanxiao
Date of Registration: 2009-09-23

Nanyang Textile Co., Ltd. Chemical Branch Company

Registration No.: 320281000200860
Principal: Zhu Hanxiao
Date of Registration: 2005-08-16

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:

Jiangyin Rural Commercial Bank Huangtang Sub-branch Mazhen Office

AC#: 302240201

FINANCIALS

Balance Sheet

Unit: CNY'000

	As of Dec. 31, 2016	As of Dec. 31, 2017
Cash	47,035	40,221
Notes receivable	21,795	71,485
Accounts receivable	86,457	59,931
Advances to suppliers	0	0
Other receivable	23,610	16,669
Inventory	47,006	22,164
Prepaid expenses	0	0
Other current assets	0	0
	-----	-----
Current assets	225,903	210,470
Long-term investment	2	0
Fixed assets	22,492	18,141
Construction in progress	0	0
Intangible assets	0	0
Long-term prepaid expenses	0	0
Deferred income tax assets	0	0
Other non-current assets	0	0
	-----	-----
Total assets	248,397	228,611
	=====	=====
Short-term loans	164,924	111,873
Notes payable	16,000	1,000
Accounts payable	13,857	58,851
Wages payable	5,089	5,455
Taxes payable	-13	-626
Advances from clients	0	0
Other payable	-5,646	-1,433
Accrued expenses	0	0
Other current liabilities	0	0
	-----	-----
Current liabilities	194,211	175,120
Non-current liabilities	0	0
	-----	-----
Total liabilities	194,211	175,120
Equities	54,186	53,491
	-----	-----
Total liabilities & equities	248,397	228,611
	=====	=====

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Income Statement

Unit: CNY'000	As of Dec. 31, 2016	As of Dec. 31, 2017
Revenue	368,888	436,629
Cost of sales	336,213	410,766
Taxes and surcharges	271	1,222
Sales expense	5,692	8,264
Management expense	7,045	7,362
Finance expense	5,809	5,181
Non-operating income	313	964
Non-operating expense	50	238
Profit before tax	14,538	4,882
Less: profit tax	519	1,159
Profits	14,019	3,723

Important Ratios

=====	As of Dec. 31, 2016	As of Dec. 31, 2017
*Current ratio	1.16	1.20
*Quick ratio	0.92	1.08
*Liabilities to assets	0.78	0.77
*Net profit margin (%)	3.80	0.85
*Return on total assets (%)	5.64	1.63
*Inventory / Revenue x365	47 days	19 days
*Accounts receivable / Revenue x365	86 days	51 days
*Revenue / Total assets	1.49	1.91
*Cost of sales / Revenue	0.91	0.94

FINANCIAL COMMENTS

PROFITABILITY: AVERAGE

The revenue of SC appears average 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 normal level.
SC's quick ratio is maintained in a normal level.
The inventory of SC appears average.
The accounts receivable of SC appears average.
The short-term loans of SC appear large.
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: Fairly Stable.

CONCLUSIONS

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

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.93
UK Pound	1	INR 92.35
Euro	1	INR 82.84
CNY	1	INR 10.38

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

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	TRU

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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)