

MIRA INFORM REPORT

Report No. :	517812
Report Date :	03.07.2018

IDENTIFICATION DETAILS

Name :	JINAN YUXING CHEMICAL CO., LTD.
Registered Office :	No. 100, Yuxing Road, New Materials Idnustry Zone, Tianqiao District, Jinan City, Shandong Province 250119
Country :	China
Financials (as on) :	30.06.2017
Date of Incorporation :	25.12.2001
Unified social credit code.:	91370100734707945K
Legal Form :	Limited liabilities company
Line of Business :	subject registered business scope includes wholesale of flammable solids, pyrophoric articles, wet flammable articles, oxidants, organic peroxides; manufacturing and selling sulfuric acid, waste sulfuric acid, gypsum; waste heat power generation; general cargo; manufacturing and selling titanium dioxide, sodium sulfate, ferrous sulfate; selling alkaline chromium sulfate, ore; development, processing, sales and technical consulting services for leather products; international trade; railway freight transportation, railway leasing, cargo handling, site leasing, plant leasing.
No. of Employees :	1,035

RATING & COMMENTS

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

MIRA's Rating :	C
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Credit Rating	Explanation	Rating Comments
C	Medium High Risk	Business dealings permissible preferably on secured basis

Status :	Moderate
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Payment Behaviour :	Slow but Correct
Litigation :	Clear

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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MIRA INFORM PRIVATE LIMITED
605, Palmspring, Near D'Mart, Link Road,
Malad (West), Mumbai - 400 064. INDIA
Tel : 91-22-40448000 (44 lines)
Fax : 91-22-40448045 / 40448046
E-mail : mira@mirainform.com
info@mirainform.com
Website : <http://www.mirainform.com>
<http://www.miraglobalcheck.com>
<http://www.miraglobalcollections.com>

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 Jinan Yuxing Chemical Co., Ltd.
CURRENT ADDRESS/ REGISTERED ADDRESS No. 100, Yuxing Road, New Materials Industry Zone,
Tianqiao District, Jinan City, Shandong Province 250119 PR
China
TEL. NO. 86 (0) 531-67612792/67612803/67612878
FAX NO. 86 (0) 531-67612666/67612796

*****Note: SC's correct name should be the above stated one, instead of the given name - JINAN YUKING CHEMICAL CO LTD.**

EXECUTIVE SUMMARY

DATE OF REGISTRATION : DECEMBER 25, 2001
UNIFIED SOCIAL CREDIT CODE : 91370100734707945K
LEGAL FORM : LIMITED LIABILITIES COMPANY
CHIEF EXECUTIVE : ZHOU XIANGXIN (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL : CNY 312,810,000
STAFF : 1,035
BUSINESS CATEGORY : MANUFACTURING & TRADING
REVENUE : CNY 248,423,000 (FROM JAN. 1, 2017 TO
JUN. 30, 2017)
EQUITIES : CNY -1,594,925,000 (AS OF JUN. 30, 2017)
WEBSITE : www.yuxing-chem.com
E-MAIL : jnyxtrade@yuxing-chem.com.cn
PAYMENT : SLOW BUT CORRECT
MARKET CONDITION : AVERAGE
FINANCIAL CONDITION : POOR
OPERATIONAL TREND : FAIR
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

General Reputation:-
Excellent

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Steady	Good
Fairly Steady	Fairly Good
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: 91370100734707945K.

SC's Import and Export Enterprise Code: 3700734707945

SC's registered capital: CNY 312,810,000

SC's paid-in capital: CNY 312,810,000

Registration Change Record:-

Date	Change Contents	of Before the change	After the change
2014-12-31	Legal Representative	Gao Jianjun	Zhou Xiangxin
2015-9-8	Registration No./ Unified Social Credit Code	370100000000074	91370100734707945K

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

Name of Shareholder (s)	% of Shareholding
China Bluestar Petroleum & Chemical Corp.	42.13
China Cinda Asset Management Co., Ltd.	24.75
State-Owned Assets Supervision and Administration Commission of Jinan People's Government	5.00
Jinan Yuxing Chemical Plant	28.12

SC's Chief Executives:-

Position	Name
Legal Representative and General Manager	Zhou Xiangxin
Chairman	Gao Zhiwei
Vice Chairman	Zhao Bo
Director	Han Jun

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Supervisor

Ji Yongsheng
Gao Jianjun
Li Dong
Su Yaowei
Guo Qinghua
Cao Qingqiang
Pan Xianglei
Lu Shulei
Feng Degang
Zhao Yushan

RECENT DEVELOPMENT

No recent development was found during our checks at present.

SHAREHOLDER CHART & BACKGROUND

<i>Name</i>	<i>% of Shareholding</i>
China Bluestar Petroleum & Chemical Corp.	42.13
China Cinda Asset Management Co., Ltd.	24.75
State-Owned Assets Supervision and Administration Commission of Jinan People's Government	5.00
Jinan Yuxing Chemical Plant	28.12

 China Bluestar Petroleum & Chemical Corp.

Date of Registration: July 3, 1992
Unified Social Credit Code: 91110105240768174E
Legal Form: State-Owned Enterprise
Chief Executive: Gao Jianjun
Registered Capital: CNY 511,009,000

 China Cinda Asset Management Co., Ltd.

Date of Registration: April 19, 1999
Unified Social Credit Code: 91110000710924945A
Legal Form: Shares Limited Company
Chief Executive: Hou Jianhang
Registered Capital: CNY 36,256,690,035

MANAGEMENT

Zhou Xiangxin , Legal Representative and General Manager

- Gender: M
- Nationality: China
- Age: 44
- ID# 412932197412232917
- Qualification: University
- Working experience (s):

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

Gao Zhiwei , Chairman

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

At present, working in SC as chairman

Zhao Bo , Vice Chairman

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

At present, working in SC as vice chairman

Director

Han Jun
Ji Yongsheng
Gao Jianjun
Li Dong
Su Yaowei
Guo Qinghua

Supervisor

Cao Qingqiang
Pan Xianglei
Lu Shulei
Feng Degang
Zhao Yushan

BUSINESS OPERATION

SC's registered business scope includes wholesale of flammable solids, pyrophoric articles, wet flammable articles, oxidants, organic peroxides; manufacturing and selling sulfuric acid, waste sulfuric acid, gypsum; waste heat power generation; general cargo; manufacturing and selling titanium dioxide, sodium sulfate, ferrous sulfate; selling alkaline chromium sulfate, ore; development, processing, sales and technical consulting services for leather products; international trade; railway freight transportation, railway leasing, cargo handling, site leasing, plant leasing.

SC is mainly engaged in manufacturing and selling titanium pigment and other chemical products.

SC's products mainly include:

Titanium Dioxide
Chromic Acid
Ferrous Sulfate

SC sources its materials 70% from domestic market, and 30% from overseas markets, mainly Europe. SC sells 95% of its products in domestic market, and 5% to overseas market, mainly Europe.

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 Competitors:

=====
Onward Chemicals Pvt., Ltd.
National Plastics Color

Staff & Office:

SC is known to have approx. 1,035 staff at present.

SC owns an area as its operating office & factory of approx. 700,000 sq. meters at the heading address.



RELATED COMPANY

SC is known to have 4 offices at present,

Shanghai Office

Address: Room 502, No. 31, Lane 56, Handan Road, Yangpu District, Shanghai

Tel: 021-51055868 51055878

Fax: 021-51055852

Tianjin Office

Address: Room 429, Evergreen Group, Hei Niu Cheng Road, Hexi District, Tianjin

Tel: 022-88330531 88330557

Fax: 022-88330539

Guangzhou Office

Address: Room 405, Block B, Yang Cheng Garden Xiyuan, Middle Zhongshan Road 508, Tianhe District, Guangzhou

Tel: 022-88330531 88330557

Fax: 022-88330539

Shenyang Office

Address: Room 601, Unit 2, No.149,Hui Xin Building, Hui Gong Street, Shen He District, Shenyang City

Tel: 024-22731989

Fax: 024-22744718

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 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.

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BANKING

Basic Bank:

China Construction Bank Jinan Branch

AC#: 37001616508050004209

FINANCIALS

Financial Summary

Unit: CNY'000	As of Jun. 30, 2017
Total assets	3,493,513

Total liabilities	5,088,438
Equities	-1,594,925

Unit: CNY'000	From Jan. 1, 2017 to Jun. 30, 2017
Revenue	248,423
Profits	-109,842

Important Ratios

=====	As of Jun. 30, 2017
*Liabilities to assets	1.46
*Net profit margin (%)	-44.22
*Return on total assets (%)	-3.14
*Revenue/Total assets	0.07

FINANCIAL COMMENTS

PROFITABILITY: POOR

- The revenue of SC appears fairly good in its line.
- SC's net profit margin is poor.
- SC's return on total assets is fair.

LIQUIDITY: FAIR

- SC's revenue is in a fair level, comparing with the size of its total assets.

LEVERAGE: POOR

- The debt ratio of SC is high.
- The risk for SC to go bankrupt is fairly high.

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Overall financial condition of the SC: Poor.

CONCLUSIONS

SC is considered large-sized in its line with poor financial conditions.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.62
UK Pound	1	INR 90.43
Euro	1	INR 79.96
CNY	1	INR 10.27

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

INFORMATION DETAILS

Analysis Done by :	VAR
Report Prepared by :	KET

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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)