

MIRA INFORM REPORT

Report No. :	521879
Report Date :	24.07.2018

IDENTIFICATION DETAILS

Name :	J.S. CORRUGATING MACHINERY CO., LTD
Registered Office :	Light Machine Industrial Park Economic-Technological Development Area Jingshan County Hubei Province, Pr
Country :	China
Financials (as on) :	31.12.2017
Date of Incorporation :	30.03.1993
Credibility Code:	9142000027175092XR
Legal Form :	Shares Limited Co
Line of Business :	The subject's registered business scope includes manufacturing and selling carton, carton packaging machinery, printing machinery; accessories sales; raw material supply; high and new technology development; technical service; exporting self-made products and related technologies; designing, manufacturing and selling auto parts.
No. of Employees :	2,065

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+	Low Risk	Business dealings permissible with low risk of default

Status :	Good
Payment Behaviour :	Regular
Litigation :	Clear

NOTES :

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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. 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

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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

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COMPANY NAME AND ADDRESS

Company Name : J.S. CORRUGATING MACHINERY CO., LTD.
Address : LIGHT MACHINE INDUSTRIAL PARK ECONOMIC-TECHNOLOGICAL
DEVELOPMENT AREA JINGSHAN COUNTY HUBEI PROVINCE, PR
CHINA
Telephone : 0086 724-7210773
Facsimile : 0086 724-7210972
Website : <http://www.jspackmach.com/>
Email : xmsy02@163.com

Note: The given address and phone number belong to the Wuhan Office of the subject.

REGISTRATION INFORMATION

Established Date : 1993-03-30
Credibility Code : 9142000027175092XR
Legal Form : Shares Limited Co.
Registration Authority : Administration for Industry & Commerce (AIC) - Hubei
Status : Active

Registered Capital : RMB 538,235,000
Paid Up Capital : RMB 477,730,000 (as of Dec. 31, 2017)
Turnover : RMB 1,536,524,000 (Consolidated as of Dec. 31, 2017)
Equities : RMB 1,931,489,000 (Consolidated as of Dec. 31, 2017)

Chief Executive : Li Jian
Business Line : Manufacturer
Manpower : 2,065

Tax Registration
Certificate No. : 9142000027175092XR
Organization Code : 27175092-X

HS code : 4212910005
Import & Export code : 420027175092X

Financial Condition : Fairly good
Business Size : Large Enterprise
Payment : Regular

REGISTERED ADDRESS

LIGHT MACHINE INDUSTRIAL PARK ECONOMIC-TECHNOLOGICAL DEVELOPMENT AREA JINGSHAN
COUNTY HUBEI PROVINCE, PR CHINA

Company Status: Shares limited co.

This form of business in PR China is defined as a legal person. Its registered capital is divided into shares of equal par value and the co. raises capital by issuing share certificates by promotion or by public offer. Shareholders bear limited liability to the extent of shareholding, and the co. is liable for its debts only to the extent of its total assets. The co has independent property of legal person and enjoys property rights of legal person. The characteristics of the shares limited co. are as follows:

The establishment of the co. requires at least two promoters and no more than 200, half of whom shall be domiciled in China. Natural person are allowed to serve as promoters.

The minimum registered capital of a co. is RMB 5M. while that of the co. with foreign investment is RMB 5M. The total capital of a co. which propose to apply for publicly listed must be no less than RMB 30M.

The board of directors must consist of five to nineteen directors.

If the co. raises capital by public offer, the promoters must not subscribe less than 35% of the total shares. the promoters' shares are restricted to transfer- within one year of the offer.

A state-owned enterprise that is restructured into a shares limited co. must comply with the conditions & requirements specified under the law & administrative rule.

Premise

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

MANAGEMENT

Position	Name	Nationality
Legal representative, General Manager Chairman	Li Jian	Chinese
Vice General Manager	Wang Zhiqiang Xu Quanjun Yan Li Zeng Tao	Chinese
Directors	Zhou Shirong Luo Xianxu	Chinese

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Supervisors	Fang Wei Wang Wei Zu Guoliang Tan Liwen Wang Yongmei Li Dejun Xun Yongqing Yu Aimin Liu Yuanye Tian Bo Hu Hengfeng	Chinese
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MAJOR SHAREHOLDERS

Name (as of 2018-03-31)	% Shareholding
Jingshan Jingyuan Technology Investment Co., Ltd.	24.14
Zu Guoliang	9.46
Wang Wei	7.73
Huaneng Gui Cheng Trust Co., Ltd. - Huaneng Trust, Shencheng No. 7 Single Fund Trust	2.98
Ye Xinghua	2.53
Dai Huanchao	1.91
Feng Qinghua	1.87
401 Combinations Of The National Social Security Fund	1.86
Jingshan Jingcheng Investment Development Co., Ltd.	1.57
Chi Zewei	1.48
Other Shareholders	44.47

Jingshan Jingyuan Technology Investment Co., Ltd.

Credibility Code: 914208217775538868

Legal representative: Sun Youyuan

Registered Capital: RMB 217,330,000

Established Date: 2005-07-14

KEY EVENTS

Changes of its registered information are as follows:

Date of change	Item	Before the change	After the change
Unknown	Registered capital	RMB 477,730,000	Present one
2015-09-01	Registered capital	RMB 345,240,000	RMB 477,730,000
2014-06-06	Legal representative	Sun Youyuan	Present one

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BUSINESS OPERATIONS

The subject's registered business scope includes manufacturing and selling carton, carton packaging machinery, printing machinery; accessories sales; raw material supply; high and new technology development; technical service; exporting self-made products and related technologies; designing, manufacturing and selling auto parts.

The subject is mainly engaged in manufacturing and selling packaging machinery.

Products:

Mill Roll Stand
Splicer
Pre-heater (Pre-conditioner)
Single Facer
Glue Machine
Double Facer
Rotary Shear
Slitter Scorer
Stacker
Other Machines

The subject sources its materials 80% from domestic market, and 20% from overseas market. the subject sells 50% of its products in domestic market, and 50% to overseas market, mainly Turkey, Russia, Western Europe, India, South America, Southeast Asia, the Middle East, etc.

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

Subsidiaries

Jingyuan International Investment Development Co., Ltd.

Credibility Code: 91420112MA4KYPWA10

Legal representative: Hanimaiti

Registered Capital: RMB 50,000,000

Established Date: 2018-05-29

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Wuhan Shenhai Yizhi Technology Co., Ltd.
Credibility Code: 91420103MA4KPTFH2Y
Legal representative: Liu Hui
Registered Capital: RMB 10,000,000
Established Date: 2016-11-29
Etc.

Branches

J.S. Corrugating Machinery Co., Ltd. Casting Branch
Credibility Code: 914208217775775625
Principal: Fang Wei
Established Date: 2005-08-23

NEGATIVE INFORMATION

Lawsuit Record:

Date	Case No.	Petitioner	Defendant	Executive court	Status
2017-05-17	2016-0821	The subject company.	Sichuan Jie Yi Fa Printing And Packaging Co., Ltd.	People's Court of Jingshan County	Concluded
2017-04-26	2017-158	The subject company.	Zhengzhou Fengxian paper products Co., Ltd.	People's Court of Jingshan County	Concluded

Etc.

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

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There is no record of mortgage information at present.

TRADEMARK

Registration No.	Registration Date	Trademark Design
12786364	2015-3-14	蓝精灵
12786239	2014-10-28	蓝海之星

Etc.

PATENT

Patent name	Published Application Number	Application number	Date of publication
Remote diagnosis system for corrugated cardboard production line	CN207408809U	CN2017212644 69.1	2018-05-25
A high strength corrugated board	CN207274076U	CN2017212644 70.4	2018-04-27

Etc.

BANKING

Industrial & Commercial Bank of China Hubei Jingshan County Sub-Branch

Account No.: 1809030009026003669

ABBREVIATED FINANCIAL STATEMENT

Consolidated Balance Sheet

Unit: RMB'000

	as of Dec. 31, 2016	as of Dec. 31, 2017
Cash & bank	516,522	440,110
Notes receivable	103,592	98,138

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J.S. CORRUGATING MACHINERY CO., LTD - 521879

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Inventory	358,757	395,271
Accounts receivable	404,106	604,454
Advances to suppliers	64,773	97,563
Dividends receivable	1,551	0
Other receivables	11,473	13,801
Other current assets	53,063	15,722
	-----	-----
Current assets	1,513,837	1,665,059
Fixed assets net value	523,797	356,801
Projects under construction	21,570	34,976
Intangible assets	68,534	73,029
Goodwill	479,457	542,870
Long-term prepaid expenses	441	871
Long-term investment	192,996	214,298
Investment real estate	68,784	65,218
Available-for-sale financial assets	69,634	64,505
Deferred tax assets	14,188	14,669
Other assets	5	4
	-----	-----
Total assets	2,953,243	3,032,300
	=====	=====
Short loans	242,000	150,000
Notes payable	23,956	48,820
Accounts payable	275,356	423,830
Advances from customers	68,900	94,840
Accrued payroll	15,598	19,609
Taxes payable	33,915	27,584
Interest payable	14	414
Dividends payable	928	928
Other accounts payable	31,742	25,130
Non-current liabilities due within one year	30,000	100,000
Other current liabilities	3	3
	-----	-----
Current liabilities	722,412	891,158
Non-current liabilities	361,029	209,653
	-----	-----
Total liabilities	1,083,441	1,100,811
Shareholders equities	1,869,802	1,931,489
	-----	-----
Total liabilities & equities	2,953,243	3,032,300
	=====	=====

Consolidated Income Statement

Unit: RMB'000

	as of Dec. 31, 2016	as of Dec. 31, 2017
Turnover	1,281,529	1,536,524
Cost of goods sold	910,362	1,086,942
Taxes and additional of main operation	16,148	16,421
Sales expense	69,223	81,924

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Management expense	150,428	166,905
Finance expense	2,380	38,597
Impairment of assets	15,150	10,155
Profit before tax	116,175	179,426
Less: profit tax	18,293	19,435
Net profit	97,882	159,991

Important Ratios

=====

	as of Dec. 31, 2016	as of Dec. 31, 2017
*Current ratio	2.10	1.87
*Quick ratio	1.60	1.42
*Liabilities to assets	0.37	0.36
*Net profit margin (%)	7.64	10.41
*Return on total assets (%)	3.31	5.28
*Inventory /Turnover x365	103 days	94 days
*Accounts receivable/Turnover x365	116 days	144 days
*Turnover/Total assets	0.43	0.51
* Cost of goods sold/Turnover	0.71	0.71

PROFITABILITY: FAIRLY GOOD

- The turnover of the subject is good.
- The subject's net profit margin is fairly good.
- The subject's return on total assets is fairly good.
- The subject's cost of goods sold is average, comparing with its turnover.

LIQUIDITY: AVERAGE

- The current ratio of the subject is maintained in a fairly good level in 2016 and normal in 2017.
- The subject's quick ratio is maintained in a fairly good level in 2016 and normal in 2017.
- The inventory of the subject is fairly large.
- The accounts receivable of the subject is fairly large.
- The short-term loan of the subject is average.
- The subject's turnover is in a fair level, 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

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COMMENT

The subject was registered as a Shares limited co. at local Administration for Industry & Commerce (AIC - The official body of issuing and renewing business license). The subject is considered large-sized in its line with fairly good financial conditions.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.70
UK Pound	1	INR 90.27
Euro	1	INR 80.56
CNY	1	INR 10.12

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

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	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)