

## MIRA INFORM REPORT

Report No. :	535501
Report Date :	22.10.2018

### IDENTIFICATION DETAILS

Name :	DUPONT XINGDA FILAMENTS CO., LTD.
Registered Office :	No. 18, Xingda Road, Yuqi Town, Huishan District, Wuxi, Jiangsu Province 214183 PR
Country :	China
Financials (as on) :	31.12.2017
Date of Incorporation :	27.02.2004
Unified Social Credit Code :	913202007573207869
Legal Form :	Chinese-Foreign Equity Joint Venture Enterprise
Line of Business :	Registered business scope includes manufacturing nylon resin, nylon monofilament, polyester monofilament, brush products of nylon monofilament and polyester monofilament, wholesale, commission agency, importing and exporting of above products
No. of Employees :	320

**RATING & COMMENTS**

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

**MIRA's Rating :**

A

Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

<b>Status :</b>	Good
<b>Payment Behaviour :</b>	No Complaints
<b>Litigation :</b>	Clear

**NOTES :**

Any query related to this report can be made on e-mail : [infodept@mirainform.com](mailto:infodept@mirainform.com) while quoting report number, name and date.

**ECGC Country Risk Classification List**

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
China	A1	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

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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**

<b>COMPANY NAME</b>	Dupont Xingda Filaments Co., Ltd.
<b>CURRENT ADDRESS/ REGISTERED ADDRESS</b>	No. 18 Xingda Road, Yuqi Town, Huishan District, Wuxi, Jiangsu Province 214183 PR China
<b>TEL. NO.</b>	86 (0) 510-83898613
<b>FAX NO.</b>	86 (0) 510-83898617

## **EXECUTIVE SUMMARY**

DATE OF REGISTRATION	: FEBRUARY 27, 2004
UNIFIED SOCIAL CREDIT CODE	: 913202007573207869
LEGAL FORM	: CHINESE-FOREIGN EQUITY JOINT VENTURE ENTERPRISE
CHIEF EXECUTIVE	: RICHARD MAYO (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL	: USD 6,600,000
STAFF	: 320
BUSINESS CATEGORY	: MANUFACTURING & TRADING
REVENUE	: CNY 371,989,000 (AS OF DEC. 31, 2017)
EQUITIES	: CNY 235,924,000 (AS OF DEC. 31, 2017)
WEBSITE	: N/A
E-MAIL	: N/A
PAYMENT	: NO COMPLAINTS
MARKET CONDITION	: COMPETITIVE
FINANCIAL CONDITION	: FAIRLY GOOD
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:-	General Reputation:-
Upward	Excellent
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 Chinese-foreign equity joint venture enterprise of PRC with State Administration of Industry & Commerce (SAIC) under unified social credit code: 913202007573207869.

SC's Import and Export Enterprise Code: 3200757320786

SC's registered capital: USD 6,600,000

SC's paid-in capital: USD 6,600,000 (CNY 54,633,216)

### **Registration Change Record:-**

<b>Date</b>	<b>Change Contents</b>	<b>of</b>	<b>Before the change</b>	<b>After the change</b>
--	Legal Representative		Francine Cheeseman Shaw	James Ralph Hay
--	Legal Representative		James Ralph Hay	Diane H Gulyas
2014-11-12	Legal Representative		Diane H Gulyas	Colleen Sue Pritchett
2015-11-11	Legal Representative		Colleen Sue Pritchett	Philippe Hanck
--	Registration No./ Unified Social Credit Code		320200400019084	913202007573207869
2017-8-17	Legal Representative Shareholder (s)		Philippe Hanck DuPont China Group Co., Ltd. (U.S.A.) 70%	Richard Mayo Shenzhen DuPont High-performance Materials

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Wuxi Xingda Nylon Co., Ltd. 30%	Investment Co., Ltd.70% Wuxi Xingda Nylon Co., Ltd.30%
------------------------------------	--

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

<b>Name of Shareholder (s)</b>	<b>% of Shareholding</b>
Shenzhen DuPont High-performance Materials Investment Co., Ltd.	70
Wuxi Xingda Nylon Co., Ltd.	30

**SC's Chief Executives:-**

<b>Position</b>	<b>Name</b>
Legal Representative and Chairman	Richard Mayo
General Manager	Wang Mingsong
Director	Yin Xinzhong
	Zhang Xuejun
Supervisor	TONG WU

## **RECENT DEVELOPMENT**

No recent development was found during our checks at present.

## **SHAREHOLDER CHART & BACKGROUND**

<i>Name</i>	<i>% of Shareholding</i>
Shenzhen DuPont High-performance Materials Investment Co., Ltd.	70
Wuxi Xingda Nylon Co., Ltd.	30
Wuxi Xingda Nylon Co., Ltd.	

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Date of Registration: May 25, 2001  
Unified Social Credit Code: 91320206728734250W  
Legal Form: Limited Liabilities Company  
Legal Representative: Yin Xinzhong  
Registered Capital: CNY 100,274,000

## **MANAGEMENT**

### **Richard Mayo, Legal Representative and Chairman**

- Gender: M
- Passport No.: 761216091
- Qualification: University
- Working experience (s):

At present, working in SC as legal representative and chairman

### **Wang Mingsong, General Manager**

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

At present, working in SC as general manager

### **Director**

Yin Xinzhong ID# 320222195801263932 (Also working in Wuxi Xingda Nylon Co., Ltd. as legal representative)  
Zhang Xuejun

### **Supervisor**

TONG WU

## **BUSINESS OPERATION**

SC's registered business scope includes manufacturing nylon resin, nylon monofilament, polyester monofilament, brush products of nylon monofilament and polyester monofilament, wholesale, commission agency, importing and exporting of above products.

SC is mainly engaged in manufacturing and selling nylon resin, nylon monofilament, and polyester monofilament.

SC's products mainly include: nylon resin, nylon monofilament, and polyester monofilament.

SC sources its materials 70% from domestic market, and 30% from overseas market, mainly U.S.A. SC sells 40% of its products in domestic market, and 60% to overseas market, mainly U.S.A., Europe and Southeast Asia, etc.

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

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**\*Major Customers\***

=====

Invista S.A R.L.  
Midas Internacional S.R.L.  
Dopont Filaments-Americas, L.L.C.

**Staff & Office:**

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SC is known to have approx. 320 staff at present.

SC owns an area as its operating office & factory of approx. 35,000 sq. meters at the heading address.

## **RELATED COMPANY**

SC is not known to have any subsidiary at present.

## **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.

## **BANKING**

**Basic Bank:**

Huifeng Bank Shanghai Branch

AC#: N/a

## **FINANCIALS**

### **Balance Sheet**

Unit: CNY'000	As of Dec. 31, 2014	As of Dec. 31, 2015	As of Dec. 31, 2016	As of Dec. 31, 2017
Cash	3,176	20,200	4,705	1,340
Notes receivable	1,615	451	1,054	0
Accounts receivable	36,402	37,290	37,629	45,083
Advances to suppliers	1,142	3,151	0	1,937
Other receivable	87,080	72,638	41,323	90,926
Inventory	33,436	39,160	34,624	43,494
Non-current assets within one year	0	0	0	0
Other current assets	528	0	0	0
<b>Current assets</b>	<b>163,379</b>	<b>172,890</b>	<b>119,335</b>	<b>182,780</b>
Fixed assets	84,025	81,021	88,101	92,965
Construction in progress	1,760	6,261	6,922	2,914
Intangible assets	12,924	12,596	12,268	11,940
Long-term prepaid expenses	0	0	0	0
Deferred income tax assets	1,073	961	961	903
Other non-current assets	0	0	0	0
<b>Total assets</b>	<b>263,161</b>	<b>273,729</b>	<b>227,587</b>	<b>291,502</b>
Short-term loans	0	0	0	0
Notes payable	0	0	0	0
Accounts payable	24,113	16,176	20,115	29,762
Wages payable	4,283	3,684	1,163	5,615
Taxes payable	1,633	1,239	2,304	1,361
Advances from clients	1,133	384	1,163	773
Other payable	19,759	18,973	12,395	18,067
Other current liabilities	0	0	4,092	0
<b>Current liabilities</b>	<b>50,921</b>	<b>40,456</b>	<b>41,232</b>	<b>55,578</b>
Non-current liabilities	0	0	0	0
<b>Total liabilities</b>	<b>50,921</b>	<b>40,456</b>	<b>41,232</b>	<b>55,578</b>
Equities	212,240	233,273	186,355	235,924
<b>Total liabilities &amp; equities</b>	<b>263,161</b>	<b>273,729</b>	<b>227,587</b>	<b>291,502</b>

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**Income Statement**

Unit: CNY'000	As of Dec. 31, 2014	As of Dec. 31, 2015	As of Dec. 31, 2016	As of Dec. 31, 2017
Revenue	288,156	293,289	286,019	371,989
Cost of sales	199,029	195,584	185,720	257,032
Taxes and surcharges	1,903	2,004	2,156	3,051
Sales expense	19,169	17,618	18,901	17,495
Management expense	37,027	31,244	31,961	33,166
Finance expense	-1,494	-2,446	-7,197	4,083
Non-business income	844	918	494	298
Non-business expenditure	449	3,731	1,578	274
Profit before tax	32,702	46,327	53,153	57,083
Less: profit tax	4,806	6,634	7,573	8,121
Profits	27,896	39,693	45,580	48,962

**Important Ratios**

=====	As of Dec. 31, 2014	As of Dec. 31, 2015	As of Dec. 31, 2016	As of Dec. 31, 2017
*Current ratio	3.21	4.27	2.89	3.29
*Quick ratio	2.55	3.31	2.05	2.51
*Liabilities to assets	0.19	0.15	0.18	0.19
*Net profit margin (%)	9.68	13.53	15.94	13.16
*Return on total assets (%)	10.60	14.50	20.03	16.80
*Inventory / Revenue x365	43 days	49 days	45 days	43 days
*Accounts receivable/ Revenue x365	47 days	47 days	49 days	45 days
*Revenue/Total assets	1.09	1.07	1.26	1.28
*Cost of sales / Revenue	0.69	0.67	0.65	0.69

**FINANCIAL COMMENTS**

**PROFITABILITY: FAIRLY GOOD**

- The revenue of SC appears fairly good in its line.
- SC's net profit margin is fairly good.
- SC's return on total assets is fairly good.
- SC's cost of sales is average, comparing with its revenue.

**LIQUIDITY: FAIRLY GOOD**

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- The current ratio of SC is maintained in a fairly good level.
- SC's quick ratio is maintained in a fairly good level.
- The inventory of SC is maintained in an average level.
- The accounts receivable of SC is maintained in an average level.
- SC has no short-term loans.
- SC's revenue is in an average level, comparing with the size of its total assets.

**LEVERAGE: AVERAGE**

- The debt ratio of SC is low.
- The risk for SC to go bankrupt is average.

**Overall financial condition of the SC: Fairly Good.**

## **CONCLUSIONS**

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

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.44
UK Pound	1	INR 95.65
Euro	1	INR 84.17
CNY	1	INR 10.57

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	PRI
<b>Report Prepared by :</b>	SYL

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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)