

MIRA INFORM REPORT

Report No. :	535826
Report Date :	22.10.2018

IDENTIFICATION DETAILS

Name :	JIANGSU TEXSINO CHEMICAL FIBRE CO., LTD.
Registered Office :	No. 1 Zhanqian Road, Dongtai City, Jiangsu Province 224200 PR
Country :	China
Financials (as on) :	31.12.2017
Date of Incorporation :	25.03.2004
Unified Social Credit Code :	91320981756443469F
Legal Form :	Chinese-Foreign Equity Joint Venture Enterprise
Line of Business :	Subject registered business scope includes manufacturing continuous polyester chips and direct spun polyester staple fibers.
No. of Employees :	407

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 :	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.

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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

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

COMPANY NAME AND ADDRESS

COMPANY NAME	JIANGSU TEXSINO CHEMICAL FIBRE CO., LTD.
CURRENT ADDRESS/ REGISTERED ADDRESS	NO. 1 ZHANQIAN ROAD, DONGTAI CITY, JIANGSU PROVINCE 224200 PR CHINA
TEL. NO.	86 (0) 515-85330106/85330091/85330121
FAX NO.	86 (0) 515-85323866

EXECUTIVE SUMMARY

DATE OF REGISTRATION	: MARCH 25, 2004
UNIFIED SOCIAL CREDIT CODE	: 91320981756443469F
LEGAL FORM	: CHINESE-FOREIGN EQUITY JOINT VENTURE ENTERPRISE
CHIEF EXECUTIVE	: WAN WANGSHENG (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL	: CNY 100,000,000
STAFF	: 407
BUSINESS CATEGORY	: MANUFACTURING & TRADING
REVENUE	: CNY 977,477,000 (AS OF DEC. 31, 2017)
EQUITIES	: CNY -107,539,000 (AS OF DEC. 31, 2017)
WEBSITE	: WWW.TEXSINO-CF.COM
E-MAIL	: YMO0509@163.COM
PAYMENT	: SLOW BUT CORRECT
MARKET CONDITION	: AVERAGE
FINANCIAL CONDITION	: FAIRLY STABLE
OPERATIONAL TREND	: ORDINARY
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
Ordinary
Fair
Stagnant

General Reputation:-

Excellent
Good
Fairly Good
Average
Fair
Detrimental

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Downward	Not known
Not known	Not yet be determined
Not yet be determined	

LEGAL STATUS & HISTORY

SC was established as a Chinese-foreign equity joint venture enterprise of PRC with State Administration of Industry & Commerce (SAIC) under Unified Social Credit Code: 91320981756443469F.

SC's registered capital: CNY 100,000,000

SC's paid-in capital: CNY 100,000,000

Registration Change Record:-

Date	Change of Contents	Before the change	After the change
--	Registration No./ Unified Social Credit Code	320900400004199	91320981756443469F
2018-4-4	Legal Representative	Zhou Huatang	Wan Wangsheng

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

Name of Shareholder (s)	% of Shareholding
China Textile Industry Design Institute Co., Ltd.	60
Huayuan Chemical (China) Co., Ltd.	20
Jiangsu Chemway Chemical Industry Co., Ltd.	10
Hong Kong Sunny Enterprise Limited	10

SC's Chief Executives:-

Position	Name
Legal Representative and Chairman	Wan Wangsheng
Vice Chairman	Pan Hongqing
Director	Shi Yanhua
	Bai Libin
	Wang Yi
	Wu Honglin
	Li Ming
Supervisor	Guo Jinfang

RECENT DEVELOPMENT

No recent development was found during our checks at present.

SHAREHOLDER CHART & BACKGROUND

Name	% of Shareholding
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China Textile Industry Design Institute Co., Ltd.	60
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Huayuan Chemical (China) Co., Ltd.	20
------------------------------------	----

Jiangsu Chemway Chemical Industry Co., Ltd.	10
---	----

Hong Kong Sunny Enterprise Limited	10
------------------------------------	----

China Textile Industry Design Institute Co., Ltd.

Unified Social Credit Code: 91110000400002005R

Legal Representative: Fan Ying

Registered Capital: CNY 168,000,000

Huayuan Chemical (China) Co., Ltd.

CR.: 0874607

Legal Form: Private

Status: Live

Jiangsu Chemway Chemical Industry Co., Ltd.

Unified Social Credit Code: 91320981666812136L

Legal Representative: Zhang Guohua

Registered Capital: CNY 126,000,000

Hong Kong Sunny Enterprise Limited

CR.: 1151131

Legal Form: Private

Status: Live

MANAGEMENT

Wan Wangsheng, Legal Representative and Chairman

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

At present, working in SC as legal representative and chairman

Pan Hongqing, Vice Chairman

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

At present, working in SC as vice chairman

Director

Shi Yanhua
Bai Libin
Wang Yi
Wu Honglin
Li Ming

Supervisor

Guo Jinfang

BUSINESS OPERATION

SC's registered business scope includes manufacturing continuous polyester chips and direct spun polyester staple fibers.

SC is mainly engaged in manufacturing and selling continuous polyester chips and direct spun polyester staple fibers.

SC's products mainly include: continuous polyester chips and direct spun polyester staple fibers.

SC sources the materials 100% from domestic market. SC sells 60% of its products in domestic market, and 40% to overseas market.

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

Major Customers

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Fusion Confort Sa De Cv
Esencial Industria E Comercio

Staff & Office:

SC is known to have approx. 407 staff at present.

SC owns an area as its operating office and factory, but the detailed information is unknown.

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:

Industrial and Commercial Bank of China Dongtai Sub-branch

AC#: 1109621019200061685

FINANCIALS

Balance Sheet

Unit: CNY'000

As of Dec. 31, 2016 As of Dec. 31, 2017

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JIANGSU TEXSINO CHEMICAL FIBRE CO., LTD. - 535826

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Cash	69,059	104,620
Notes receivable	15,487	2,866
Accounts receivable	12,172	10,583
Advances to suppliers	4,268	8,392
Other receivable	25,892	11,288
Inventory	65,987	95,153
Prepaid expenses	0	0
Other current assets	49,827	28,625
	-----	-----
Current assets	242,692	261,527
Fixed assets	240,049	212,603
Engineering materials	393	387
Construction in progress	233	1,237
Intangible assets	34,154	32,425
Long-term prepaid expenses	0	0
Deferred income tax assets	0	0
Other non-current assets	0	0
	-----	-----
Total assets	517,521	508,179
	=====	=====
Short-term loans	90,000	98,000
Notes payable	0	33,647
Accounts payable	149,516	112,856
Wages payable	0	0
Taxes payable	487	577
Advances from clients	9,262	9,362
Other payable	350,909	307,136
Accrued expenses	1,521	0
Other current liabilities	3,964	4,165
	-----	-----
Current liabilities	605,659	565,743
Non-current liabilities	51,802	49,975
	-----	-----
Total liabilities	657,461	615,718
Equities	-139,940	-107,539
	-----	-----
Total liabilities & equities	517,521	508,179
	=====	=====
Income Statement		
Unit: CNY'000	As of Dec. 31, 2016	As of Dec. 31, 2017
Revenue	676,386	977,477
Cost of sales	651,497	921,969
Taxes and surcharges	2,119	2,395
Sales expense	7,313	8,284
Management expense	15,942	11,766
Finance expense	8,132	6,680
Non-operating income	2,686	2,100
Non-operating expense	66	141

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Profit before tax	-2,666	32,401
Less: profit tax	0	0
Profits	-2,666	32,401

Important Ratios

=====

	As of Dec. 31, 2016	As of Dec. 31, 2017
*Current ratio	0.40	0.46
*Quick ratio	0.29	0.29
*Liabilities to assets	1.27	1.21
*Net profit margin (%)	-0.39	3.31
*Return on total assets (%)	-0.52	6.38
*Inventory / Revenue x365	36 days	36 days
*Accounts receivable / Revenue x365	7 days	4 days
*Revenue / Total assets	1.31	1.92
*Cost of sales / Revenue	0.96	0.94

FINANCIAL COMMENTS

PROFITABILITY: AVERAGE

The revenue of SC appears average in its line
SC's net profit margin is fair in 2016, average in 2017.
SC's return on total assets is fair in 2016, average in 2017.
SC's cost of sales is fairly high, comparing with its revenue.

LIQUIDITY: FAIR

The current ratio of SC is maintained in a fair level.
SC's quick ratio is maintained in a fair level.
The inventory of SC is maintained in an average level.
The accounts receivable of SC is maintained in an average level.
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: FAIR

The debt ratio of SC is high.
The risk for SC to go bankrupt is above 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 73.43
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

Analysis Done by :	PRA
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)