

MIRA INFORM REPORT

Report No. :	528657
Report Date :	05.09.2018

IDENTIFICATION DETAILS

Name :	NANTONG XINGCHEN ELECTRON CO., LTD.
Registered Office :	No. 19 Guoqiang Road, Gangzha Development Zone, Nantong City, Jiangsu Province 226002 Pr
Country :	China
Financials (as on) :	31.03.2017
Date of Incorporation :	31.07.2001
Unified Social Credit Code :	91320600729338831N
Legal Form :	Chinese-Foreign Equity Joint Venture Enterprise
Line of Business :	Subject registered business scope includes manufacturing and selling aluminum electrolytic capacitor, electronic material and electronic component.
No. of Employees :	84

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 :	Satisfactory
Payment Behaviour :	Slow but correct
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

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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

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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 & ADDRESS

COMPANY NAME	NANTONG XINGCHEN ELECTRON CO., LTD.
CURRENT ADDRESS/ REGISTERED ADDRESS	NO. 19 GUOQIANG ROAD, GANGZHA DEVELOPMENT ZONE, NANTONG CITY, JIANGSU PROVINCE 226002 PR CHINA
TEL. NO.	86 (0) 513-82031953/85666953
FAX NO.	86 (0) 513-85666958

EXECUTIVE SUMMARY

DATE OF REGISTRATION	: JULY 31, 2001
UNIFIED SOCIAL CREDIT CODE	: 91320600729338831N
LEGAL FORM	: CHINESE-FOREIGN EQUITY JOINT VENTURE ENTERPRISE
CHIEF EXECUTIVE	: LI ZHIGANG (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL	: USD 700,000
STAFF	: 84
BUSINESS CATEGORY	: MANUFACTURING & TRADING
REVENUE	: CNY 20,039,000 (FROM JAN. 1, 2017 TO MAR. 31, 2017)
EQUITIES	: CNY 16,823,000 (AS OF MAR. 31, 2017)
WEBSITE	: WWW.NTXC.CN
E-MAIL	: HXJ@NTXC.CN
PAYMENT	: SLOW BUT CORRECT
MARKET CONDITION	: AVERAGE
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
Ordinary
Fair
Stagnant
Downward
Not known
Not yet be determined

General Reputation:-

Excellent
Good
Fairly Good
Average
Fair
Detrimental
Not known
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: 91320600729338831N.

SC's registered capital: USD 700,000

SC's paid-in capital: USD 700,000

Registration Change Record:-

Date	Change of Contents	Before the change	After the change
2016-1-12	Registration No./ Unified Social Credit Code	320600400004712	91320600729338831N

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

Name of Shareholder (s)	% of Shareholding
Taiwan Xianfeng Limited	35.7143
Nantong Xinshidai Electronics Co., Ltd.	64.2857

SC's Chief Executives:-

Position	Name
Legal Representative, Chairman and General Manager	Li Zhigang
Vice Chairman	He Xiaoju

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Director

Ge Hongfei

RECENT DEVELOPMENT

No recent development was found during our checks at present.

SHAREHOLDER CHART & BACKGROUND

Name	% of Shareholding
Taiwan Xianfeng Limited	35.7143
Nantong Xinshidai Electronics Co., Ltd.	64.2857

Nantong Xinshidai Electronics Co., Ltd.

Unified Social Credit Code: 9132061225198047XF
Date of Registration: August 11, 1997
Legal Form: Limited Liabilities Company
Registered Capital: CNY 4,700,000
Legal Representative: Li Zhigang

MANAGEMENT

Li Zhigang, Legal Representative, Chairman and General Manager

Gender: M
Nationality: China
Age: 50
ID# 320624196803134551
Qualification: University
Working experience (s):

At present, working in SC as legal representative, chairman and general manager
Also working in Nantong Xinshidai Electronics Co., Ltd. as legal representative

He Xiaoju, Vice Chairman

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

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At present, working in SC as vice chairman

Ge Hongfei, Director

Gender: M

Nationality: China

Qualification: University

BUSINESS OPERATION

SC's registered business scope includes manufacturing and selling aluminum electrolytic capacitor, electronic material and electronic component.

SC is mainly engaged in manufacturing and selling aluminum electrolytic capacitor.

SC's products mainly include: aluminum electrolytic capacitor.



Trademark:



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

The buying terms of SC include Check, T/T 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

=====
Ntl Electronics India
Dixon Technologies India
Surya Roshni Ltd.

Staff & Office:

SC is known to have approx. 84 staff at present.

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

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RELATED COMPANY

SC is not known to have any subsidiary at present.

PAYMENT

Overall payment appraisal:

() Excellent () Good (X) 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

The bank information of SC is not filed in local SAIC.

FINANCIALS

Balance Sheet

Unit: CNY'000

	As of Dec. 31, 2015	As of Dec. 31, 2016	As of Mar. 31, 2017
Cash	83	343	490
Notes receivable	190	735	2,448
Accounts receivable	21,885	34,338	24,868
Advances to suppliers	50	50	50
Other receivable	1,846	1,796	1,686
Inventory	715	894	2,458
Deferred expenses	300	0	0
Other current assets	0	0	0
	-----	-----	-----
Current assets	25,069	38,156	32,000
Long-term investment	0	0	0
Fixed assets	22,878	30,408	29,147

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Construction in progress	210	210	0
Intangible assets	1,486	1,448	1,438
Long-term prepaid expenses	2,760	3,067	2,718
Deferred income tax assets	0	0	0
Other non-current assets	0	0	0
	-----	-----	-----
Total assets	52,403	73,289	65,303
	=====	=====	=====
Short-term loans	25,900	27,800	27,800
Notes payable	0	326	326
Accounts payable	8,109	22,583	16,454
Wages payable	0	0	0
Taxes payable	-42	-458	-299
Advances from clients	0	0	0
Other payable	3,326	6,350	4,223
Other current liabilities	0	3	-24
	-----	-----	-----
Current liabilities	37,293	56,604	48,480
Non-current liabilities	0	0	0
	-----	-----	-----
Total liabilities	37,293	56,604	48,480
Equities	15,110	16,685	16,823
	-----	-----	-----
Total liabilities & equities	52,403	73,289	65,303
	=====	=====	=====

Income Statement

Unit: CNY'000

	As of Dec. 31, 2016	From Jan. 1, 2017 to Mar. 31, 2017
Revenue	87,422	20,039
Cost of sales	73,205	15,883
Sales tax and extra charges	441	22
Sales expense	5,475	1,503
Management expense	6,623	1,804
Finance expense	404	121
Subsidy income	276	0
Non-operating income	1	0
Non-operating expense	276	440
Profit before tax	1,820	265
Less: profit tax	455	66
Profits	1,365	199

Important Ratios

=====

	As of Dec. 31, 2015	As of Dec. 31, 2016	As of Mar. 31, 2017
*Current ratio	0.67	0.67	0.66

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*Quick ratio	0.65	0.66	0.61
*Liabilities to assets	0.71	0.77	0.74
*Net profit margin (%)	--	1.56	0.99
*Return on total assets (%)	--	1.86	0.30
*Inventory / Revenue x365/90	--	4 days	12 days
*Accounts receivable/ Revenue x365/90	--	144 days	112 days
* Revenue/Total assets	--	1.19	0.31
* Cost of sales / Revenue	--	0.84	0.79

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: 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 appears small.
The accounts receivable of SC appears large.
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 above average.

Overall financial condition of the SC: Fairly Stable.

CONCLUSIONS

SC is considered small-sized in its line with fairly stable financial conditions. The large amount of accounts receivable and short-term loans may be a threat to SC's financial condition.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.19
UK Pound	1	INR 91.46
Euro	1	INR 82.49
CNY	1	INR 10.48

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

INFORMATION DETAILS

Analysis Done by :	NIS
Report Prepared by :	NIT

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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)