

MIRA INFORM REPORT

Report No. :	530786
Report Date :	21.09.2018

IDENTIFICATION DETAILS

Name :	XINJIANG ZHONGTAI CHEMICAL CO., LTD.
Registered Office :	No. 39 Yangchenghu Road, Economic Technological Development Zone, Urumchi, Xinjiang, 830026, Pr
Country :	China
Financials (as on) :	30.06.2018
Date of Incorporation :	18.12.2001
Credibility Code :	91650000731836311Q
Legal Form :	Shares limited co.
Line of Business :	The subject's registered business scope includes manufacturing and selling food additive sodium hydroxide, hydrochloric acid, sodium hydroxide (caustic soda), liquid chlorine, hydrochloric acid, pyochloride and sodium hypochlorite, manufacturing and selling PVC resins, nanometer PVC, food container, packaging PVC (specific content will be subject to license); manufacturing and selling plastic products; selling chemical products, mechanical & electrical products, metal materials, building materials; storage services; testing corrosion and low pressure liquid bottle of metal products; general importing and exporting goods and technologies; freight forwarder; selling coal and coal products; renting houses; software and information technology services; manufacturing purified pulp; manufacturing and selling synthetic fibers, cotton yarn, chemical fabric and nonwoven fabric; business information technology consulting and services; selling minerals, mechanical equipment, metal products, electronic products, steel, cars, auto parts, food, tobacco, wine, agricultural products and chemical fertilizers; road transport of general cargo, international road transport of general cargo.
No. of Employees :	18,635

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 :	Excellent
Payment Behaviour :	Regular
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. 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

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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 : XINJIANG ZHONGTAI CHEMICAL CO., LTD.
Address : NO. 39 YANGCHENGHU ROAD, ECONOMIC TECHNOLOGICAL
DEVELOPMENT ZONE, URUMCHI, XINJIANG, 830026, PR CHINA
Telephone : 0086-991-8775034
Facsimile : 0086-991-8772646
Website : <http://www.zthx.com/>
Email : zthx@zthx.com

REGISTRATION INFORMATION

Established Date : 2001-12-18
Credibility Code : 91650000731836311Q
Legal Form : Shares limited co.
Registration Authority : Administration for Industry & Commerce (AIC) - The Xinjiang Uygur Autonomous
Region
Status : Active
Registered Capital : RMB 2,146,449,598
Paid Up Capital : RMB 2,146,449,598
Turnover : RMB 27,348,868,000 (Consolidated as of Jun. 30, 2018)
Equities : RMB 20,128,521,000 (Consolidated as of Jun. 30, 2018)
Chief Executive : Wang Hongxin
Business Line : Manufacturer
Manpower : 18,635
Tax Registration
Certificate No. : 91650000731836311Q
Organization Code : 73183631-1
HS code : 6501910383
Import & Export code : 6500731836311
Financial Condition : Fairly stable
Business Size : Large Enterprise
Payment : Regular

Registered Address

NO. 39 YANGCHENGHU ROAD, ECONOMIC TECHNOLOGICAL DEVELOPMENT ZONE, URUMCHI,
XINJIANG, 830026, 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 is currently operating at the above stated address, and this address houses its operating office and factory in the development zone of Urumchi. Our checks reveal that the subject owns the total premise, but the subject's staff refused to release the gross area of the premise.

MANAGEMENT

Position	Name	Nationality
Legal representative & chairman	Wang Hongxin	Chinese
General manager	Yang Jianghong	Chinese
Vice general manager	Ding Yongzhong	Chinese
	Pan Yuying	
	Li Yunhua	
	Li Xinyang	
Directors	Paerhati Maimaitiyiming	Chinese
	Wang Peirong	
	Liang Bin	
	Li Liangfu	
	Xiao Huiming	
	Xiao Jun	
	Yang Jianghong	
	Zhao Chengbin	
	Wang Zigao	
	Wang Xinhua	
	Li Jipeng	
	Wu Jiejiang	

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Supervisors	Shang Xiaoke Tan Shunlong Zhou Fang Shen Yaohua Li Jiao	Chinese
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MAJOR SHAREHOLDERS

Name (As of 2018-06-30)	% Shareholding
Xinjiang Zhongtai (Group) Co., Ltd.	19.35
Hongda Xingye Group Co., Ltd.	10.44
Zhejiang Fulida Co., Ltd.	6.57
Urumchi Huanpeng Co., Ltd.	3.49
Gongqingcheng Xinhui Investment Management Partnership (Limited Partnership)	2.1
Guangdong Yuecai Financial Trust Co., Ltd. - Yuecai Trust Huili No. 1 Single Capital Trust Scheme	1.92
Central Huijin Assets Management Co., Ltd.	1.8
Guangzhou Xuanyuan Investment Management Co Ltd - Xuan Yuan Six Degrees	
Yuanbao 8 Private Equity Investment Fund	1.59
Chizhou Dongfang Chentian Trade Co., Ltd.	1.51
Urumchi State-Owned Assets Operation (Group) Co., Ltd.	1.26
Other Shareholders	49.97

Xinjiang Zhongtai (Group) Co., Ltd.

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Credibility code: 916501005991597627

Legal representative: Wang Hongxin

Establishment date: 2012-07-06

Registered capital: RMB 1,944,371,992

KEY EVENTS

Changes of its registered information are as follows:

Date of change	Item	Before the change	After the change
2010-9-8	Registered capital	RMB 769,560,000	RMB 1,154,340,000
2010-9-8	Company's name	Xinjiang Zhongtai Chemical Co., Ltd.	Xinjiang Zhongtai Chemical (Group) Co., Ltd.
2012-6-21	Company's name	Xinjiang Zhongtai Chemical (Group) Co., Ltd.	Xinjiang Zhongtai Chemical Co., Ltd.
2013-11-01	Registered capital	RMB 1,154,340,000	RMB 1,390,239,078
2016-09-08	Registered capital	RMB 1,390,239,078	Present one
2016-09-08	Legal form	Limited liabilities co.	Present one

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The subject was listed in Shenzhen Stock Exchange Market with the code 002092.

BUSINESS OPERATIONS

The subject's registered business scope includes manufacturing and selling food additive sodium hydroxide, hydrochloric acid, sodium hydroxide (caustic soda), liquid chlorine, hydrochloric acid, pyochloride and sodium hypochlorite, manufacturing and selling PVC resins, nanometer PVC, food container, packaging PVC (specific content will be subject to license); manufacturing and selling plastic products; selling chemical products, mechanical & electrical products, metal materials, building materials; storage services; testing corrosion and low pressure liquid bottle of metal products; general importing and exporting goods and technologies; freight forwarder; selling coal and coal products; renting houses; software and information technology services; manufacturing purified pulp; manufacturing and selling synthetic fibers, cotton yarn, chemical fabric and nonwoven fabric; business information technology consulting and services; selling minerals, mechanical equipment, metal products, electronic products, steel, cars, auto parts, food, tobacco, wine, agricultural products and chemical fertilizers; road transport of general cargo, international road transport of general cargo.

The subject is mainly engaged in manufacturing and selling Polyvinyl chloride (PVC) resin, ionic membrane caustic soda, viscose fiber, cotton yarn.

Products:

Polyvinyl chloride (PVC) resin
Caustic soda
Viscose staple fiber
yarn
Calcium carbide

The subject sources its materials 70% from domestic market, and 30% from the overseas market, mainly Germany, Japan, Switzerland. The subject sells 50% of its products in domestic market, and 50% to the overseas market, mainly Russia, Central Asia, South Asia, South America and Africa.

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

Xinjiang Zhongtai Power Co., Ltd.
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Credibility Code: 916501003580969321
Legal representative: Hou Shihong
Registered Capital: RMB 200,000,000
Established Date: 2015-09-14

Beijing Zhongtai Qili International Science & Trade Co., Ltd.

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Credibility Code: 911101110628011022
Legal representative: Zhang Yanfeng
Registered Capital: RMB 100,000,000
Established Date: 2013-02-19

Etc.

NEGATIVE INFORMATION

Lawsuit Record:

Date	Case No.	Petitioner	Defendant	Executive court	Status
2016-07-29	2016-0117-1872	Xinjiang Zhongtai Chemical Co., Ltd.	Shanghai Tongleng Packaging Materials Co., Ltd.	The People's court of Songjiang District, Shanghai	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

There is no record of mortgage information at present.

TRADEMARK

Trademark & Patents

Registration No.	9854034	9276070
Registration Date	2011-08-16	2011-03-29
Trademark Design		



PATENT

Patent name: Self baking electrode pressure volume measurement device
Published Application Number: CN205718827U
Application number: CN201620663859.5
Date of publication: 2016-11-23

Patent name: Hydrogen chloride synthesis furnace burner online cleaning device
Published Application Number: CN205709850U
Application number: CN201620663844.9
Date of publication: 2016-11-23
Etc.

BANKING

The subject declined to release its banking details.

ABBREVIATED FINANCIAL STATEMENT

Consolidated Balance Sheet

Unit: RMB'000

	As of Dec. 31, 2017	As of Jun. 30, 2018
Cash & bank	4,507,139	4,991,905
Note receivable	6,282,071	5,622,144
Accounts receivable	1,139,888	1,945,529
Advances to suppliers	3,039,125	4,880,429

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Other receivables	509,159	824,538
Inventory	2,775,438	3,621,091
Non-current assets due within one year	100,409	104,180
Other current assets	1,203,926	1,275,670
	-----	-----
Current assets	19,557,155	23,265,486
Available-for-sale financial assets	49,272	49,272
Long-term accounts receivable	3,978,101	4,233,067
Long-term investment	1,023,818	1,051,136
Investment real estate	128,864	126,302
Fixed assets	26,753,712	26,390,707
Projects under construction	2,667,293	4,321,138
Project materials	59,829	78,322
Intangible assets	716,371	699,875
Development expense	11,594	11,694
Goodwill	26,816	26,816
Long-term deferred expenses	102,543	142,241
Deferred tax assets	72,338	76,168
Other non-current assets	479,703	717,196
	-----	-----
Total assets	55,627,409	61,189,420
	=====	=====
Short loans	10,060,522	11,990,903
Note payable	1,836,473	2,435,534
Accounts payable	4,750,193	5,388,601
Advances from customers	1,351,610	1,962,083
Accrued payroll	637,348	233,197
Taxes payable	251,623	275,851
Interest payable	203,651	259,974
Dividends payable	136	17,834
Other payable	623,511	686,631
Non-current liabilities due within one year	3,785,347	5,223,247
Other current liabilities	1,900,139	1,427,225
	-----	-----
Current liabilities	25,400,553	29,901,080
Long term liabilities	11,079,556	11,159,819
	-----	-----
Total liabilities	36,480,109	41,060,899
Equities	19,147,300	20,128,521
	-----	-----
Total liabilities & equities	55,627,409	61,189,420
	=====	=====

Consolidated Income Statement

Unit: RMB'000

	As of Dec. 31, 2017	As of Jun. 30, 2018
Turnover	41,059,027	27,348,868
Cost of goods sold	33,731,309	23,606,617

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Sales expense	2,385,502	1,251,355
Management expense	904,888	359,007
Finance expense	904,555	510,407
Asset impairment loss	12,485	-21,248
Profit before tax	2,929,812	1,506,912
Less: profit tax	476,794	232,003
Profits	2,453,018	1,274,909

Important Ratios

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	As of Dec. 31, 2017	As of Jun. 30, 2018
*Current ratio	0.77	0.78
*Quick ratio	0.66	0.66
*Liabilities to assets	0.66	0.67
*Net profit margin (%)	5.97	4.66
*Return on total assets (%)	4.41	2.08
*Inventory /Turnover x365	25 days	--
*Accounts receivable /Turnover x365	11 days	--
*Turnover/Total assets	0.74	0.45
* Cost of goods sold/Turnover	0.82	0.86

PROFITABILITY: FAIRLY GOOD

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

LIQUIDITY: FAIR

The current ratio of the subject is maintained in a fair level.
The subject's quick ratio is maintained in a fair level.
The inventory of the subject is average.
The accounts receivable of the subject is average.
The short-term loan of the subject is fairly large.
The subject's turnover is in a fair level, comparing with the size of its total assets.

LEVERAGE: AVERAGE

The debt ratio of the subject is average.
The risk for the subject to go bankrupt is low.

TREND ANALYSIS

=====

	2015	2016	2017
Sales Trend	--	--	--
Profit margin	--	--	--
Debt to assets ratio	--	--	--
Overall Financial Condition	<input type="checkbox"/> Good <input checked="" type="checkbox"/> Fairly Stable	<input type="checkbox"/> Fairly Good <input type="checkbox"/> Fair	<input type="checkbox"/> Stable <input type="checkbox"/> Poor

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 stable financial conditions.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.68
UK Pound	1	INR 95.59
Euro	1	INR 84.91
CNY	1	INR 10.50

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

INFORMATION DETAILS

Analysis Done by :	VIVR
Report Prepared by :	TRU

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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)