

MIRA INFORM REPORT

Report No. :	533716
Report Date :	06.10.2018

IDENTIFICATION DETAILS

Name :	JINNENG SCIENCE AND TECHNOLOGY CO., LTD.
Registered Office :	No. 1 Jinneng Road, Qihe, Shandong Province 251100 PR
Country :	China
Financials (as on) :	31.12.2017
Date of Incorporation :	18.11.2004
Unified Social Credit Code :	91371400768733877C
Legal Form :	Shares Limited Company
Line of Business :	Subject registered business scope includes manufacturing and selling crude benzene, coke oven gas, coal tar, sulphur, Croton, toluene, xylene, pure benzene, heavy benzene, hydrogen, naphthalene, oil, crude phenol, tar pitch, anthracene oil, light oil (benzene), methanol, fusel (methanol), liquid oxygen, nitrogen (compression), cresol, sulfuric acid, p-toluensulfonic acid, and mixed phenol; wholesaling coals; manufacturing and selling carbon black, metallurgical coke, carbon black tar, ammonium sulfate, white carbon black, alkali, silica, food additive silicon dioxide, food additive, sorbic acid, food additive, sorbic acid, food additive potassium sorbate, and feed additive potassium sorbate; urban heating; electric power production; technological development of the products; importing and exporting raw materials & accessories, meters & instruments, machinery & components, and technology; and renting machinery.
No. of Employees :	2,525

RATING & COMMENTS

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

MIRA's Rating : A+

Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low risk of default

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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

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

COMPANY NAME	JINNENG SCIENCE AND TECHNOLOGY CO., LTD.
CURRENT ADDRESS/ REGISTERED ADDRESS	NO. 1 JINNENG ROAD, QIHE, SHANDONG PROVINCE 251100 PR CHINA
TEL. NO.	86 (0) 534-2159868/2159826
FAX NO.	86 (0) 534-2159878/2158666

EXECUTIVE SUMMARY

DATE OF REGISTRATION	: NOVEMBER 18, 2004
UNIFIED SOCIAL CREDIT CODE	: 91371400768733877C
LEGAL FORM	: SHARES LIMITED COMPANY
CHIEF EXECUTIVE	: QIN QINGPING (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL	: CNY 675,939,455
STAFF	: 2,525
BUSINESS CATEGORY	: MANUFACTURING & TRADING
REVENUE	: CNY 6,651,974,000 (AS OF DEC. 31, 2017)
EQUITIES	: CNY 3,854,184,000 (AS OF DEC. 31, 2017)
WEBSITE	: www.jncoke.com
E-MAIL	: rpwm@rpchem.com & zhongxia@rpchem.com
PAYMENT	: REGULAR
MARKET CONDITION	: COMPETITIVE
FINANCIAL CONDITION	: FAIRLY GOOD
OPERATIONAL TREND	: FAIRLY STEADY
GENERAL REPUTATION	: FAIRLY GOOD

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

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

LEGAL STATUS & HISTORY

SC was established as shares limited company of PRC with State Administration of Industry & Commerce (SAIC) under Unified Social Credit Code: 91371400768733877C.

SC's Import and Export Enterprise Code: 3700768733877

SC's registered capital: CNY 675,939,455

Registration Change Record:-

Date	Change of Contents	Before the change	After the change
2005-01-14	Legal Representative	Wang Yongmei	Qin Qingping
2005-12-14	Registered Capital	CNY 100,000,000	CNY 120,000,000
2007-02-09	Registered Capital	CNY 120,000,000	CNY 200,000,000
2008-04-29	Registered Capital	CNY 200,000,000	CNY 250,000,000
2009-11-11	Registered Capital	CNY 250,000,000	CNY 400,000,000
2010-10-13	Company Name	Shandong Jinneng Coal Gasification Co., Ltd.	Jinneng Science And Technology Co., Ltd.
--	Legal Form	Limited liabilities company	Shares Limited Company
	Registered Capital	CNY 400,000,000	CNY 598,639,455
2016-9-20	Registration No./ Unified Social Credit Code	371425018005082	91371400768733877C
2017-6-8	Registered Capital	CNY 598,639,455	CNY 675,939,455

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

Name of Shareholder (s) (As of December 31, 2017)	% of Shareholding
Qin Qingping	29.07
Qin Lu	17.75
Shanghai Fuxing Capital Equity Investment Fund Partnership Enterprise	5.35
Beijing SDIC Xieli Equity Investment Fund (Limited Partnership)	5.11
SDIC Chuangxin (Beijing) Investment Fund Co., Ltd.	4.95
Wang Yongmei	3.26
Goldstone Investment Co., Ltd.	2.82
Junchuang Baiji (Qihe) Equity Investment Partnership Enterprise	2.58

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Xi'an Aerospace New Energy Industry Fund Investment Co., Ltd.	2.01
Tianyihe (Qihe) Equity Investment Partnership Enterprise	1.96
Other Shareholders	25.14

SC's Chief Executives:-

Position	Name
Legal Representative, Chairman, General Manager and Director	Qin Qingping
Vice Chairman and Director	Shan Yuexin
Deputy General Manager	Wang Zhongxia
	Fan Anlin
	Liu Hongwei
	Gu Wenbin
	Yin Guoyong

RECENT DEVELOPMENT

SC is a listed company in Shanghai Stock Exchange Market with the code of 603113.

To comply with international standard, production lines for food preservatives are designed and constructed on HACCP & GMP system, and certificated by ISO9000, ISO14001, HACCP, GMP and Kosher.

SC was honoured by Shandong Province as "Honest & Law Abiding Enterprise", "The Best Taxpayer", "The Best Enterprise in Exporting", "Top 50 Private-Owned Enterprise", "Safe Plant in Production", "Enterprise with the highest credit", "Model for Safe in Production". Mr.Qin, the General Manager, was named as "the Best 10 Entrepreneur" by local government.

SHAREHOLDER CHART & BACKGROUND

Name (As of December 31, 2017)	% of Shareholding
Qin Qingping	29.07
Qin Lu	17.75
Shanghai Fuxing Capital Equity Investment Fund Partnership Enterprise	5.35
Beijing SDIC Xieli Equity Investment Fund (Limited Partnership)	5.11
SDIC Chuangxin (Beijing) Investment Fund Co., Ltd.	4.95
Wang Yongmei	3.26

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Goldstone Investment Co., Ltd.	2.82
Junchuang Baiji (Qihe) Equity Investment Partnership Enterprise	2.58
Xi'an Aerospace New Energy Industry Fund Investment Co., Ltd.	2.01
Tianyihe (Qihe) Equity Investment Partnership Enterprise	1.96
Other Shareholders	25.14

Shanghai Fuxing Capital Equity Investment Fund Partnership Enterprise

Unified Social Credit Code: 91310000570775799C
Date of Registration: March 15, 2011

Beijing SDIC Xieli Equity Investment Fund Partnership Enterprise

Unified Social Credit Code: 91110000563621177Y
Date of Registration: November 4, 2010

SDIC Chuangxin (Beijing) Investment Fund Co., Ltd.

Unified Social Credit Code: 911100006923204857
Date of Registration: July 15, 2009
Legal Representative: Gao Guohua
Registered Capital: CNY 1,071,108,789

Xi'an Aerospace New Energy Industry Fund Investment Co., Ltd.

Unified Social Credit Code: 916101385660254426
Date of Registration: January 8, 2011
Legal Representative: Jiang Mina
Registered Capital: CNY 1,001,000,000

MANAGEMENT

Qin Qingping, Legal Representative, Chairman, General Manager and Director



Gender: M
Age: 55
ID# 370783196301186911
Qualification: University
Working experience (s):

From 2005 to present, working in SC as legal representative, chairman, general manager and director

Shan Yuexin, Vice Chairman and Director

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Gender: M
Age: 55
ID# 370783196312033355
Qualification: University
Working experience (s):

At present, working in SC as vice chairman and director

Deoyty General Manager

Wang Zhongxia
Fan Anlin
Liu Hongwei
Gu Wenbin
Yin Guoyong

BUSINESS OPERATION

SC's registered business scope includes manufacturing and selling crude benzene, coke oven gas, coal tar, sulphur, Croton, toluene, xylene, pure benzene, heavy benzene, hydrogen, naphthalene, oil, crude phenol, tar pitch, anthracene oil, light oil (benzene), methanol, fusel (methanol), liquid oxygen, nitrogen (compression), cresol, sulfuric acid, p-toluensulfonic acid, and mixed phenol; wholesaling coals; manufacturing and selling carbon black, metallurgical coke, carbon black tar, ammonium sulfate, white carbon black, alkali, silica, food additive silicon dioxide, food additive, sorbic acid, food additive, sorbic acid, food additive potassium sorbate, and feed additive potassium sorbate; urban heating; electric power production; technological development of the products; importing and exporting raw materials & accessories, meters & instruments, machinery & components, and technology; and renting machinery.

SC is mainly engaged in manufacturing and selling coal chemicals & fine chemicals.

Brand: "Lvfan".

SC's products mainly include: Coke, Carbon Black, Coal Gas, Coal Tar, Crude Benzene, Medical Intermediate Para Cresol, and Food Preservatives Sorbic Acid & Potassium Sorbate.



SC sources its materials 100% from domestic market, mainly Shandong. SC sells 30% to overseas market, mainly Europe, U.S.A., Japan, Korea, etc., and 70% in domestic market, mainly Shandong, etc.

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

*Major Customers:

=====

Shandong Chengye Development Co., Ltd.
Lihuayi Weiyuan Chemical Co., Ltd.
Shandong Minyuan Steel Co.,Ltd.
Tianjin Tianzhong Giant Heavy Industry Co., Ltd.
Shandong Huagang Energy Development Co., Ltd.
Prinova Us Llc
Skyline Color Inc.
Intertex World Resources Inc.
Mitsubishi International Corp.
Watson Inc.
Graham Chemical Corp.

Staff & Office:

SC is known to have approx. 2,525 staff at present.

SC owns an area as its operating office & factory of approx. 750,000 sq. meters at the heading address.



RELATED COMPANY

SC is known to have the following subsidiaries at present,

Qingdao West Coast Jinneng Investment Co., Ltd.

Nanjing Jinneng Technology Investment Co., Ltd.

Qihe Qikong New Energy Investment Center Partnership Enterprise (Limited Partnership)

PAYMENT

Overall payment appraisal:

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() 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 SAIC.

FINANCIALS

Consolidated Balance Sheet

Unit: CNY'000

	As of Dec. 31, 2016	As of Dec. 31, 2017
Cash	27,969	430,763
Notes receivable	228,917	177,670
Accounts receivable	297,854	428,196
Advances to suppliers	149,424	312,566
Other receivable	1,557	1,428
Inventory	483,732	522,869
Prepaid expenses	0	0
Other current assets	7,000	780,117
	-----	-----
Current assets	1,196,453	2,653,609
Long-term investment	0	30,000
Fixed assets	1,884,298	1,748,716
Construction in progress	41,540	449,247
Engineering materials	60	12,497
Intangible assets	280,319	316,768
Long-term prepaid expenses	386	0
Deferred income tax assets	52,678	90,829
Other non-current assets	0	0
	-----	-----
Total assets	3,455,734	5,301,666
	=====	=====
Short-term loans	105,057	56,509
Notes payable	56,122	229,097

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Accounts payable	335,219	432,965
Wages payable	29,316	36,097
Taxes payable	67,014	28,582
Advances from clients	77,021	109,035
Other payable	31,221	31,356
Accrued expenses	0	0
Other current liabilities	161,078	88,000
	-----	-----
Current liabilities	862,048	1,011,641
Non-current liabilities	397,310	435,841
	-----	-----
Total liabilities	1,259,358	1,447,482
Equities	2,196,376	3,854,184
	-----	-----
Total liabilities & equities	3,455,734	5,301,666
	=====	=====

Consolidated Income Statement

Unit: CNY'000	As of Dec. 31, 2016	As of Dec. 31, 2017
Revenue	4,237,944	6,651,974
Cost of sales	3,398,239	5,377,773
Taxes and surcharges	33,385	50,188
Sales expense	141,780	166,493
Management expense	138,576	159,617
Finance expense	28,619	23,604
Investment income	324	7,781
Non-operating income	41,243	16,724
Non-operating expense	198	7,709
Profit before tax	493,430	787,315
Less: profit tax	73,626	108,527
Profits	419,804	678,788

Important Ratios

=====	As of Dec. 31, 2016	As of Dec. 31, 2017
*Current ratio	1.39	2.62
*Quick ratio	0.83	2.11
*Liabilities to assets	0.36	0.27
*Net profit margin (%)	9.91	10.20
*Return on total assets (%)	12.15	12.80
*Inventory / Revenue x365	42 days	29 days
*Accounts receivable / Revenue x365	26 days	24 days
*Revenue / Total assets	1.23	1.25
*Cost of sales / Revenue	0.80	0.81

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: AVERAGE

The current ratio of SC is maintained in a fairly good level in 2017.
SC's quick ratio is maintained in a fairly good level in 2017.
The inventory of SC appears average.
The accounts receivable of SC appears average.
The short-term loans of SC appear average.
SC's revenue is in an average level, comparing with the size of its total assets.

LEVERAGE: FAIRLY GOOD

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

Overall financial condition of the SC: Fairly Good.

CONCLUSIONS

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

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.58
UK Pound	1	INR 95.88
Euro	1	INR 84.70
CNY	1	INR 10.78

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

INFORMATION DETAILS

Analysis Done by :	DIV
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)