

## MIRA INFORM REPORT

<b>Report No. :</b>	528441
<b>Report Date :</b>	05.09.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	SINOCHHEM HEBEI CORPORATION
<b>Registered Office :</b>	Sinochem Building, No. 707, Lianmeng Road, Shijiazhuang, Hebei Province 050061 PR
<b>Country :</b>	China
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	11.10.1992
<b>Unified Social Credit Code :</b>	91130000104325416G
<b>Legal Form :</b>	One-Person Limited Liabilities Company
<b>Line of Business :</b>	Subject registered business scope includes wholesale dangerous chemicals; operating and acting as an agent of importing and exporting various kinds of commodities and technology, excluding the goods forbidden by the government; wholesale and retail of steel, pig iron, iron alloy products; import and export consulting services; selling chrome ore, manganese, boron, tin, lead, nickel and other raw ore and antimony concentrate, zinc concentrate, celestine ore; wholesale and retail of pre-packaged food; site lease; and renting agricultural products, agricultural and sideline products, feed, food additives, dairy products, tea, and natural rubber.
<b>No. of Employees :</b>	156

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	A+
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Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low risk of default

<b>Maximum Credit Limit :</b>	USD 3,500,000
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<b>Status :</b>	Good
<b>Payment Behaviour :</b>	Regular
<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.

**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

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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 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**

<b>COMPANY NAME</b>	Sinochem Hebei Corporation
<b>CURRENT ADDRESS/ REGISTERED ADDRESS</b>	Sinochem Building, No. 707, Lianmeng Road, Shijiazhuang, Hebei Province 050061 PR China
<b>TEL. NO.</b>	86 (0) 311-85028631/85028735
<b>FAX NO.</b>	86 (0) 311-85028180/85028808

## **EXECUTIVE SUMMARY**

DATE OF REGISTRATION	: OCTOBER 11, 1992
UNIFIED SOCIAL CREDIT CODE	: 91130000104325416G
LEGAL FORM	: ONE-PERSON LIMITED LIABILITIES COMPANY
CHIEF EXECUTIVE	: ZHAO CAIJUN (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL	: CNY 473,322,687
STAFF	: 156
BUSINESS CATEGORY	: TRADING
TOTAL ASSETS	: CNY 794,603,000 (AS OF DEC. 31, 2017)
EQUITIES	: CNY 354,017,000 (AS OF DEC. 31, 2017)
WEBSITE	: <a href="http://www.sinochemhebei.com">www.sinochemhebei.com</a>
E-MAIL	: <a href="mailto:hebei@sinochem.com">hebei@sinochem.com</a> & <a href="mailto:li_jian@sinochem.com">li_jian@sinochem.com</a>
PAYMENT	: REGULAR
RECOMMENDED CREDIT LIMIT	: UP TO USD 3,500,000
MARKET CONDITION	: COMPETITIVE
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

General Reputation:-

Excellent

Good

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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 one-person limited liabilities company of PRC with State Administration of Industry & Commerce (SAIC) under unified social credit code: 91130000104325416G.

SC's Import and Export Enterprise Code: 1300104325416

SC's registered capital: CNY 473,322,687

SC's paid-in capital: CNY 473,322,687

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

<b>Date</b>	<b>Change of Contents</b>	<b>Before the change</b>	<b>After the change</b>
2006-3	Company Name	Sinochem Hebei Import & Export Corporation	Sinochem Hebei Corporation
	Registered Capital	CNY 86,780,000	CNY 116,550,000
	Legal Representative	Xu Zhenghui	Yao Xuejun
--	Registered No.	1300001400542	130000100002218
	Legal Form	State-owned enterprise	one-person limited liabilities company
	Registered Capital	CNY 116,550,000	CNY 419,002,687
2014-3-12	Legal Representative	Yao Xuejun	Zhao Caijun
--	Registered Capital	CNY 419,002,687	CNY 473,322,687
	Shareholder (s)	China Sinochem Group Corporation 100%	Sinochem Corporation 100%
2017-8-15	Business Scope	wholesale dangerous chemicals; operating and acting as an agent of importing and exporting various kinds of commodities and technology, excluding the goods forbidden by the government; wholesale and retail of steel, pig iron, iron alloy products; import and export consulting services;	wholesale dangerous chemicals; operating and acting as an agent of importing and exporting various kinds of commodities and technology, excluding the goods forbidden by the government; wholesale and retail of steel, pig iron, iron alloy products; import and export consulting services; selling chrome ore, manganese, boron, tin, lead, nickel and other raw ore and

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selling chrome ore,  
manganese, boron, tin, lead,  
nickel and other raw ore and  
antimony concentrate, zinc  
concentrate, celestine ore;  
wholesale and retail of pre-  
packaged food.

antimony concentrate, zinc  
concentrate, celestine ore;  
wholesale and retail of pre-  
packaged food; site lease; and  
renting agricultural products,  
agricultural and sideline products,  
feed, food additives, dairy products,  
tea, and natural rubber.

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

Name of Shareholder (s)	% of Shareholding
Sinochem Corporation	100

**SC's Chief Executives:-**

Position	Name
Legal Representative, Chairman and General Manager Supervisor	Zhao Caijun Lv Haitao

***RECENT DEVELOPMENT***

No recent development was found during our checks at present.

***SHAREHOLDER CHART & BACKGROUND***

Name	% of Shareholding
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Sinochem Corporation	100
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Date of Registration: June 1, 2009  
Unified Social Credit Code: 91110000717824939E  
Chief Executive: Ning Gaoning  
Registered Capital: CNY 39,800,000,000  
Web: [www.sinochem.com](http://www.sinochem.com)

***MANAGEMENT***

**Zhao Caijun, Legal Representative, Chairman and General Manager**

-----  
Gender: M  
Qualification: University

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Working experience (s):

At present, working in SC as legal representative, chairman and general manager

**Supervisor**

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Lv Haitao

## ***BUSINESS OPERATION***

SC's registered business scope includes wholesale dangerous chemicals; operating and acting as an agent of importing and exporting various kinds of commodities and technology, excluding the goods forbidden by the government; wholesale and retail of steel, pig iron, iron alloy products; import and export consulting services; selling chrome ore, manganese, boron, tin, lead, nickel and other raw ore and antimony concentrate, zinc concentrate, celestine ore; wholesale and retail of pre-packaged food; site lease; and renting agricultural products, agricultural and sideline products, feed, food additives, dairy products, tea, and natural rubber.

SC is mainly engaged in importing and exporting tomato paste, barium and strontium salts, ore, agrochemicals and fine chemicals.

SC's products mainly include: coal tar fine chemical (in particular high value-added quinoline hydrogenation series, pesticide, pharmaceutical and photosensitive intermediate material), capacitance chemicals and liquid crystal intermediates, environment-friendly water treatment chemicals and Biochemical products, as well as scarce raw chemical material and pharmaceutical intermediates; ammonium molybdate, tungstic acid, wolframite or scheelite, sodium tungstate and tomato paste in drums, etc.

SC sources the products 30% from domestic market, and 70% from overseas market, mainly India, Turkey, and Central Asia Market. SC sells 70% of its products in domestic market, and 30% to overseas market, mainly U.S.A., Europe, Mid East, Southeast Asia, etc.

The buying terms of SC include Check, 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.

**\*Major Customers:**

=====  
Anqiu Xinli Chemical Co., Ltd.  
Baoshan Iron & Steel Co., Ltd.

**\*Major Supplier:**

=====  
Yuci Jintai Barium Salt Chemical Co., Ltd.

**Staff & Office:**

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SC is known to have approx. 156 staff at present.

SC owns an area as its operating office & factory of approx. 15,000 sq. meters at the heading address.

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## **RELATED COMPANY**

SC is known to have the following subsidiaries:

Sinochem Hebei Xinbao Chemical Technology Co., Ltd.

Hebei Jinpeng International Transport Agency Co., Ltd.

Sinochem Hebei Fuheng Co., Ltd

Gaotai Sinochem Tomato Products Co., Ltd.

Etc.

## **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 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**

**Basic Bank:**

Bank of China Shijiazhuang Branch

AC#: 00112808091001

## **FINANCIALS**

**Financial Summary**

Unit: CNY'000

**As of Dec. 31, 2016**

**As of Dec. 31, 2017**

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Total assets	572,756	601,689
Total liabilities	269,015	247,672
Equities	303,741	354,017
Revenue	561,429	794,603
Profits	11,307	50,276

**Important Ratios**

	As of Dec. 31, 2016	As of Dec. 31, 2017
*Liabilities to assets	0.47	0.41
*Net profit margin (%)	2.01	6.33
*Return on total assets (%)	1.97	8.36
*Revenue / Total assets	0.98	1.32

**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.

**LIQUIDITY: AVERAGE**

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 Stable.**

**CONCLUSIONS**

SC is considered medium-sized in its line with fairly stable financial conditions. Taking into consideration of SC's good background, general performance, reputation as well as market conditions, a credit line up to USD 3,500,000 would appear to be within SC's capacities.

**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 10.49

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

**INFORMATION DETAILS**

Analysis Done by :	DIV
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)