

MIRA INFORM REPORT

Report No. :	531726
Report Date :	25.09.2018

IDENTIFICATION DETAILS

Name :	SINOMA ADVANCED MATERIALS CO., LTD.
Registered Office :	No. 128 Yumin Road, Hi-Tech Development Zone, Zibo, Shandong Province
Country :	China
Financials (as on) :	31.12.2016
Date of Incorporation :	25.12.2000
Unified Social Credit Code :	91370000726230008J
Legal Form :	Shares Limited Company
Line of Business :	Subject registered business scope includes researching, developing, manufacturing and selling nonmetallic materials and synthetic materials; providing technical services and consulting; building engineering consulting, design, and contracting; developing, manufacturing an selling ceramic new material equipment and instrument, photoelectric equipment and instrument, optical equipment and instrument, industrial automatic control product; international trade.
No. of Employees :	929

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

Status :	Good
Payment Behaviour :	Regular

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Litigation :	Clear
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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. 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	SINOMA ADVANCED MATERIALS CO., LTD.
CURRENT ADDRESS	NO. 5 XISANXIANG, LIUQUAN ROAD, ZHANGDIAN DISTRICT, ZIBO, SHANDONG PROVINCE 255031 PR CHINA
REGISTERED ADDRESS	NO. 128 YUMIN ROAD, HI-TECH DEVELOPMENT ZONE, ZIBO, SHANDONG PROVINCE
TEL. NO.	86 (0) 533-3597258
FAX NO.	86 (0) 533-3182189

EXECUTIVE SUMMARY

DATE OF REGISTRATION	: DECEMBER 25, 2000
UNIFIED SOCIAL CREDIT CODE	: 91370000726230008J
LEGAL FORM	: SHARES LIMITED COMPANY
CHIEF EXECUTIVE	: LIU YAN (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL	: CNY 167,149,500
STAFF	: 929
BUSINESS CATEGORY	: MANUFACTURING & TRADING
REVENUE	: CNY 1,200,000,000 (CONSOLIDATED, AS OF DEC. 31, 2016)
EQUITIES	: CNY 700,000,000 (CONSOLIDATED, AS OF DEC. 31, 2016)
WEBSITE	: www.zoomber.com
E-MAIL	: zoomber@zoomber.com
PAYMENT	: REGULAR
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
Fairly Steady

General Reputation:-

Excellent
Good
Fairly Good

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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 shares limited company of PRC with State Administration of Industry & Commerce (SAIC) under Unified Social Credit Code: 91370000726230008J.

SC's Import and Export Enterprise Code: 3700726230008

SC's registered capital: CNY 167,149,500

Registration Change Record:-

Date	Change of Contents	Before the change	After the change
2016-2-26	Registration No./ Unified Social Credit Code	370000018065321	91370000726230008J
2017-11-10	Registered Capital	CNY 107,590,551	CNY 167,149,500

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

Name of Shareholder (s)	% of Shareholding
China National Materials Company Limited	99.46
Wang Defang	0.54

*****Note: The above shareholding information was SC's former ones, and the former registered capital was CNY 107,590,551. But SC's new shareholding information has not been on file in local SAIC.**

SC's Chief Executives:-

Position	Name
Legal Representative, Chairman and General Manager Director	Liu Yan Yu Guobo Yan Faqiang Lu Dangjun Zhang Weiru
Supervisor	Zhang Naiwang Wang Zhong

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Lei Yamin

RECENT DEVELOPMENT

No recent development was found during our checks at present.

SHAREHOLDER CHART & BACKGROUND

Name	% of Shareholding
China National Materials Company Limited	99.46
Wang Defang	0.54

*****Note: The above shareholding information was SC's former ones, and the former registered capital was CNY 107,590,551. But SC's new shareholding information has not been on file in local SAIC.**

China National Materials Company Limited

Date of Registration: June 22, 1987
Unified Social Credit Code: 91110000100006100T
Chief Executive : Liu Zhijiang
Registered Capital: CNY 3,571,464,000

MANAGEMENT

Liu Yan, Legal Representative, Chairman and General Manager

Gender: M
Nationality: China
Age: 53
ID# 320102196511062415
Qualification: University
Working experience (s):

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

Director

Yu Guobo
Yan Faqiang

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Lu Dangjun
Zhang Weiru

Supervisor

Zhang Naiwang
Wang Zhong
Lei Yamin

BUSINESS OPERATION

SC's registered business scope includes researching, developing, manufacturing and selling non metallic materials and synthetic materials; providing technical services and consulting; building engineering consulting, design, and contracting; developing, manufacturing an selling ceramic new material equipment and instrument, photoelectric equipment and instrument, optical equipment and instrument, industrial automatic control product; international trade.

SC is mainly engaged in manufacturing and selling non metallic materials and synthetic materials.

Brand: SINOMA

SC's products mainly include: zirconium silicate beads, alumina tiles, wear resistant tiles, etc.

SC sources its materials 100% from domestic market, mainly Shandong. SC sells 65% of its products in domestic market, and 35% to overseas market, mainly U.S.A., Europe, Mid East, Southeast Asia, etc.

The buying terms of SC include Check, 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

=====
Ceramica Andina C.A.
Glasstech Inc.
Img Equipamientos Sac
Demosa Opacantes Mexico S.A.

Staff & Office:

SC is known to have approx. 929 staff at present.

SC rents an area as its operating office & factory of approx. 327,000 sq. meters at the heading address.

RELATED COMPANY

SC is known to have the following subsidiaries at present,

Sinoma Jiangxi Insulator and Electricity Co., Ltd.

Date of Registration: March 22, 2013
Unified Social Credit Code: 91360323063493893Y
Chief Executive : Zhang Xuchang
Registered Capital: CNY 284,195,000

Sinoma Advanced Nitride Ceramics Co., Ltd.

Date of Registration: September 9, 2011
Registration No.: 37030000001758
Chief Executive : Zhang Weiru
Registered Capital: CNY 25,000,000

Sinoma Chengdu Energy Technology Co., Ltd.

Date of Registration: July 18, 2011
Unified Social Credit Code: 91510132577389946W
Chief Executive : Liu Xin
Registered Capital: CNY 60,000,000

Sinoma Jiangsu New Solar Materials Co., Ltd.

Date of Registration: January 7, 2011
Unified Social Credit Code: 913207225677815307
Chief Executive : Cao Wei
Registered Capital: CNY 109,000,000

Donghai United Quartz Technology Co., Ltd.

Date of Registration: October 17, 2008
Registration No.: 320722000040402
Chief Executive : Yan Faqiang
Registered Capital: CNY 23,000,000

Etc.

PAYMENT

Overall payment appraisal:

Excellent Good Average Fair Poor Not yet be determined

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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 Zibo Branch

AC#: 396356247508093001

FINANCIALS

Financial Summary (Consolidated)

Unit: CNY'000	As of Dec. 31, 2015	As of Dec. 31, 2016
Total assets	1,859,000	2,100,000
Total liabilities	1,250,000	1,400,000
Equities	609,000	700,000
Revenue	1,023,000	1,200,000
Profits	10,000	20,000

Important Ratios

	As of Dec. 31, 2015	As of Dec. 31, 2016
*Liabilities to assets	0.67	0.67
*Net profit margin (%)	0.98	1.67
*Return on total assets (%)	0.54	0.95
*Revenue/Total assets	0.55	0.57

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FINANCIAL COMMENTS

PROFITABILITY: AVERAGE

The revenue of SC appears fairly good in its line.
SC's net profit margin is average.
SC's return on total assets is average.

LIQUIDITY: FAIR

SC's revenue is in a fair 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 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 72.69
UK Pound	1	INR 95.00
Euro	1	INR 85.25
CNY	1	INR 10.60

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)