

## MIRA INFORM REPORT

Report No. :	519100
Report Date :	09.07.2018

### IDENTIFICATION DETAILS

Name :	LITZ HITECH CORPORATION
Registered Office :	No.18, You Jiu Rd., Dajia Dist., Taichung City 437
Country :	Taiwan
Date of Incorporation :	16.02.1987
Com. Reg. No.:	22393818
Legal Form :	Joint Stock Company
Line of Business :	Manufacturing and Sale of Vertical Machining Center, etc.
No. of Employees :	About 230

### RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23<sup>rd</sup> 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 :	No Complaints
Litigation :	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.

### ECGC Country Risk Classification List

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Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Taiwan	A1	A2

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

### **TAIWAN - ECONOMIC OVERVIEW**

Taiwan has a dynamic capitalist economy that is driven largely by industrial manufacturing, and especially exports of electronics, machinery, and petrochemicals. This heavy dependence on exports exposes the economy to fluctuations in global demand. Taiwan's diplomatic isolation, low birth rate, rapidly aging population, and increasing competition from China and other Asia Pacific markets are other major long-term challenges.

Following the landmark Economic Cooperation Framework Agreement (ECFA) signed with China in June 2010, Taiwan in July 2013 signed a free trade deal with New Zealand - Taipei's first-ever with a country with which it does not maintain diplomatic relations - and, in November of that year, inked a trade pact with Singapore. However, follow-on components of the ECFA, including a signed agreement on trade in services and negotiations on trade in goods and dispute resolution, have stalled. In early 2014, the government bowed to public demand and proposed a new law governing the oversight of cross-Strait agreements, before any additional deals with China are implemented; the legislature has yet to vote on such legislation, leaving the future of ECFA uncertain. President TSAI since taking office in May 2016 has promoted greater economic integration with South and Southeast Asia through the New Southbound Policy initiative and has also expressed interest in Taiwan joining the Trans-Pacific Partnership as well as bilateral trade deals with partners such as the US. These overtures have likely played a role in increasing Taiwan's total exports, which rose 11% during the first half of 2017, buoyed by strong demand for semiconductors.

Taiwan's total fertility rate of just over one child per woman is among the lowest in the world, raising the prospect of future labor shortages, falling domestic demand, and declining tax revenues. Taiwan's population is aging quickly, with the number of people over 65 expected to account for nearly 20% of the island's total population by 2025.

The island runs a trade surplus with many economies, including China and the US, and its foreign reserves are the world's fifth largest, behind those of China, Japan, Saudi Arabia, and Switzerland. In 2006, China overtook the US to become Taiwan's second-largest source of imports after Japan. China is also the island's number one destination for foreign direct investment. Taiwan since 2009 has gradually loosened rules governing Chinese investment and has also secured greater market access for its investors on the mainland. In August 2012, the Taiwan Central Bank signed a memorandum of understanding (MOU) on cross-Strait currency settlement with its Chinese counterpart. The MOU allows for the direct settlement of Chinese renminbi (RMB) and the New Taiwan dollar across the Strait, which has helped Taiwan develop into a local RMB hub.

Closer economic links with the mainland bring opportunities for Taiwan's economy but also pose challenges as political differences remain unresolved and China's economic growth is slowing. President TSAI's administration has made little progress on the domestic economic issues that loomed large when she was elected, including concerns about stagnant wages, high housing prices, youth unemployment, job security, and financial security in retirement. TSAI has made more progress on boosting trade with South and Southeast Asia, however, which may help insulate Taiwan's economy from a fall in mainland demand should China's growth slow in 2018.

Source : CIA

## **CONTACT POINTS**

Company Name: LITZ HITECH CORPORATION  
Supplied Name: LITZ HITECH CORPORATION  
Trading Address: No.18, You Jiu Rd., Dajia Dist., Taichung City 437, Taiwan  
Supplied Address: No. 18 Yu 9 Rd., Yu Shih Ind. Park, Tachia Town, Taichung  
Hsien, R.O.C.  
Telephone Number: +886-4-2681-5711  
Fax Number: +886-4-2681-5108  
E-mail: [sales@litzhitech.com](mailto:sales@litzhitech.com)

**Notes:** The exact name and address are as above.

## **COMPANY IDENTIFICATION DETAILS**

Registered Name: LITZ HITECH CORPORATION  
Registered Address: No.18, You Jiu Rd., Dajia Dist., Taichung City 437, Taiwan  
Date of Foundation: 1987-2-16  
Registration Number: 22393818  
Registry: Taichung City Government  
Registered Capital: NTD 400,000,000 (USD 13,200,000)  
(As of 2018.7, 1 NTD = 0.033 USD)  
Paid-up Capital: NTD 300,000,000 (USD 9,900,000)  
Legal Representatives: Weihua Hu  
Legal Form: Joint Stock Company  
Principal Activities: Manufacturing and sale of vertical machining center, etc.  
Staff: About 230 Employees  
Listed at Stock Exchange: No  
Date of Last Annual Return: 2017-7-24

## **HISTORY**

Subject was incorporated on 1987-2-16 with registered number 22393818 as Joint Stock Company in Taiwan.

## **CORPORATE STRUCTURE**

### **Factory**

Address: No.18, You Jiu Rd., Dajia Dist., Taichung City 437, Taiwan  
Date of Foundation: 1987-4-22  
Date of Registration: 1987-4-22  
Factory Registration Number: 99633597

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Factory Manager: Weihua Hu  
Status: In Production  
Date of Last Annual Return: 2017-7-10  
Major Products: 291 metal processing machinery equipment  
293 general machinery equipment

## **SHAREHOLDERS**

### Major Shareholders

Name	Subscription Shares
Weihua Hu	7,316,236
Qianghua Hu	1,320,826
Jinyuan Liu	630,000
Shizhen Zhang	924,000

## **MANAGEMENT INFORMATION**

### Core Management

#### Directors

1

Name	Weihua Hu
Position	Chairman of the Board

2

Name	Qianghua Hu
Position	Director

3

Name	Jinyuan Liu
Position	Director

4

Name	Shizhen Zhang
Position	Supervisor

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Personnel Structure

Total Employees                      About 230 Employees

***OPERATION INFORMATION***

Offices & Factories

Headquarters  
Add                                      No.18, You Jiu Rd., Dajia Dist., Taichung City 437, Taiwan

Production Information

Subject is engaged in manufacturing of vertical machining center, etc.  
Subject has a factory in Taiwan for production.  
Subject obtained the certification of ISO 14000, ISO 9001.

Purchase Information

The registered activities of subject:

Business Code	Details
--	Manufacturing and processing trade of Locomotives, automobile
--	The manufacture and sale of stacking machines and handling equipment
--	The manufacture and sale of excavators and construction machinery
--	Manufacturing and trading business of computer numerical control machinery, etc.
--	Manufacturing, processing and trading of backhoes and their components
--	Manufacturing, processing and trading of loader and its components
--	Aluminum alloy casting, forging
--	Manufacturing, processing, inspection, trading business of metal sheet metal
--	manufacturing of aluminum alloy wheel steel ring, machinery
--	Manufacturing, processing, trading business of aerospace industry components
--	Manufacturing, processing, trading of mold design
C805050	Industrial plastic products manufacturing
CC01060	Wired communication machinery equipment manufacturing
CC01070	Wireless communication machinery equipment manufacturing
CC01080	Electronic component manufacturing
F114060	Wholesale of ships and their parts
F114070	Aircraft and its parts wholesale

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F214060	Shipping and parts retail
F214070	Retail of aircraft and its parts
--	Technical transfer of the previous business
--	The former relevant parts, parts group processing and manufacturing business
--	The import and export business of the above mentioned products, components, machinery and equipment
--	The previous bidding and quotation services for products of domestic and foreign manufacturers (except futures)
ZZ99999	Besides licensed business, all other business items those are not banned or restricted.

The components and raw materials for production are purchased both at home and from abroad.

Sales Information

Subject is engaged in sale of vertical machining center, etc.

The major products are vertical machining center, tapping center, 5 Axes machining center, horizontal machining center, boring center, turning center, integrated production center, etc.

Subject's sales regions cover Taiwan, the Mainland of China, other Asian Countries, Africa, Australia, America, etc.

Subject has dealers in Asia, Europe, America, Middle East, Africa, etc.

It is introduced that subject also provides OEM and ODM service.

Import and export right:

Import right	Yes
Export right	Yes

**SETTLEMENTS**

Purchase

**Domestic Purchase**

Products	Components and raw materials
Payment Terms	T/T, Cash, etc.

**Import**

Products	Components and raw materials
Payment Terms	L/C, T/T, etc.

Sales

**Domestic Markets**

Product	Vertical machining center, etc.
Selling Terms	T/T, Cash, etc.

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**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.87
UK Pound	1	INR 91.14
Euro	1	INR 80.63
TWD	1	INR 2.27

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	VIV
<b>Report Prepared by :</b>	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)