

MIRA INFORM REPORT

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|----------------------|------------|
| Report No. : | 533953 |
| Report Date : | 09.10.2018 |

IDENTIFICATION DETAILS

| | |
|--------------------------------|---|
| Name : | ASIA LUCKY INDUSTRIAL LIMITED |
| Registered Office : | Room 702, 7/F., Wah Hung Centre, 41 Hung To Road, Kwun Tong, Kowloon |
| Country : | Hong Kong |
| Date of Incorporation : | 20.05.1993 |
| Com. Reg. No.: | 17155125 |
| Legal Form : | Private Limited Company |
| Line of Business : | Importer, exporter and wholesaler of all kinds of electronic components |
| No. of Employees : | 6 |

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 | Acceptable Risk | Business dealings permissible with moderate risk of default |

| | |
|----------------------------|---------------|
| Status : | Good |
| Payment Behaviour : | No Complaints |
| 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

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| Country Name | Previous Rating (31.12.2017) | Current Rating (01.04.2018) |
|--------------|---------------------------------|--------------------------------|
| Hong Kong | A1 | 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 |

HONG KONG - ECONOMIC OVERVIEW

Hong Kong has a free market economy, highly dependent on international trade and finance - the value of goods and services trade, including the sizable share of reexports, is about four times GDP. Hong Kong has no tariffs on imported goods, and it levies excise duties on only four commodities, whether imported or produced locally: hard alcohol, tobacco, oil, and methyl alcohol. There are no quotas or dumping laws. Hong Kong continues to link its currency closely to the US dollar, maintaining an arrangement established in 1983.

Excess liquidity, low interest rates and a tight housing supply have caused Hong Kong property prices to rise rapidly. The lower and middle-income segments of the population increasingly find housing unaffordable.

Hong Kong's open economy has left it exposed to the global economic situation. Its continued reliance on foreign trade and investment makes it vulnerable to renewed global financial market volatility or a slowdown in the global economy.

Mainland China has long been Hong Kong's largest trading partner, accounting for about half of Hong Kong's total trade by value. Hong Kong's natural resources are limited, and food and raw materials must be imported. As a result of China's easing of travel restrictions, the number of mainland tourists to the territory surged from 4.5 million in 2001 to 47.3 million in 2014, outnumbering visitors from all other countries combined. After peaking in 2014, overall tourist arrivals dropped 2.5% in 2015 and 4.5% in 2016. The tourism sector rebounded in 2017, with visitor arrivals rising 3.2% to 58.47 million. Travelers from Mainland China totaled 44.45 million, accounting for 76% of the total.

The Hong Kong Government is promoting the Special Administrative Region (SAR) as the preferred business hub for renminbi (RMB) internationalization. Hong Kong residents are allowed to establish RMB-denominated savings accounts, RMB-denominated corporate and Chinese government bonds have been issued in Hong Kong, RMB trade settlement is allowed, and investment schemes such as the Renminbi Qualified Foreign Institutional Investor (RQFII) Program was first launched in Hong Kong. Offshore RMB activities experienced a setback, however, after the People's Bank of China changed the way it set the central parity rate in August 2015. RMB deposits in Hong Kong fell from 1.0 trillion RMB at the end of 2014 to 559 billion RMB at the end of 2017, while RMB trade settlement handled by banks in Hong Kong also shrank from 6.8 trillion RMB in 2015 to 3.9 trillion RMB in 2017.

Hong Kong has also established itself as the premier stock market for Chinese firms seeking to list abroad. In 2015, mainland Chinese companies constituted about 50% of the firms listed on the Hong Kong Stock Exchange and accounted for about 66% of the exchange's market capitalization.

During the past decade, as Hong Kong's manufacturing industry moved to the mainland, its service industry has grown rapidly. In 2014, Hong Kong and China signed a new agreement on achieving basic liberalization of trade in services in Guangdong Province under the Closer Economic Partnership Agreement (CEPA), adopted in 2003 to forge closer ties between Hong Kong and the mainland. The new measures, which took effect in March 2015, cover a negative list and a most-favored treatment provision. On the basis of the Guangdong Agreement, the Agreement on Trade in Services signed in November 2015 further enhanced liberalization, including extending the implementation of the majority of Guangdong pilot liberalization measures to the whole Mainland, reducing the restrictive measures in the negative list, and adding measures in the positive lists for cross-border services as well as cultural and telecommunications services. In June 2017, the Investment Agreement and the Agreement on Economic and Technical Cooperation (Ecotech Agreement) were signed under the framework of CEPA.

Hong Kong's economic integration with the mainland continues to be most evident in the banking and finance sector. Initiatives like the Hong Kong-Shanghai Stock Connect, the Hong Kong- Shenzhen Stock Connect the Mutual Recognition of Funds, and the Bond Connect scheme are all important steps towards opening up the Mainland's capital markets and have reinforced Hong Kong's role as China's leading offshore RMB market. Additional connect schemes such as ETF Connect (for exchange-traded fund products) are also under exploration by Hong Kong authorities. In 2017, Chief Executive Carrie LAM announced plans to increase

government spending on research and development, education, and technological innovation with the aim of spurring continued economic growth through greater sector diversification.

Source : CIA

NOTE

Subject was formerly located at:
Room 1202, 12/F., Wah Hung Centre,
41 Hung To Road, Kwun Tong,
Kowloon, Hong Kong.

COMPANY NAME AND ADDRESS

ASIA LUCKY INDUSTRIAL LIMITED

ADDRESS: Room 702, 7/F., Wah Hung Centre, 41 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

PHONE: 852-2687 3209, 2687 2589

FAX: 852-2687 2151

E-MAIL: asialucky@asialucky.com

MANAGEMENT

Managing Director: Mr. Himanshu Luthra

SUMMARY

Incorporated on: 20th May, 1993.

Organization: Private Limited Company.

Issued Share Capital: HK\$13,000,000.00

Business Category: Importer, Exporter and Wholesaler.

Employees: 6.

Main Dealing Banker: Standard Chartered Bank (Hong Kong) Ltd., Hong Kong.

Banking Relation: Good.

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ADDRESS

Registered Head Office:-

Room 702, 7/F., Wah Hung Centre, 41 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

Associated Companies:-

Ascend International (HK) Ltd., Hong Kong. (Same address)

Divine Vision Infraestate Pvt. Ltd., India.

In Time Infratech Pvt. Ltd., India. (Strike Off)

Innovative India Realty Services Pvt. Ltd., India.

J & H Electronics Pvt. Ltd., India.

Jhinjheria Developers Pvt. Ltd., India.

Mera Baba Real Estate Pvt. Ltd., India.

Rama Krishna Hotels Pvt. Ltd., India.

Rockfort It Solutions Pvt. Ltd., India.

Ukrind Build Pvt. Ltd., India.

BUSINESS REGISTRATION NUMBER

17155125

COMPANY FILE NUMBER

0422071

MANAGEMENT

Managing Director: Mr. Himanshu Luthra

ISSUED SHARE CAPITAL

HK\$13,000,000.00

SHAREHOLDERS

(As per registry dated 20-05-2018)

Name

No. of shares

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| | |
|-----------------|------------|
| Jawahar LAL | 7,473,375 |
| Himanshu LUTHRA | 5,525,000 |
| Rachana | 1,625 |
| | <hr/> |
| Total; | 13,000,000 |
| | ===== |

DIRECTORS

(As per registry dated 20-05-2018)

| Name | Address |
|-------------------------------------|---|
| (Nationality) Jawahar LAL | Flat D, 10/F., Tower 17, Laguna Verde, Hunghom, Kowloon, Hong Kong. |
| Rachana | Flat D, 10/F., Tower 17, Laguna Verde, Hunghom, Kowloon, Hong Kong. |
| Himanshu LUTHRA | Flat D, 10/F., Tower 17, Laguna Verde, Hunghom, Kowloon, Hong Kong. |

SECRETARY

(As per registry dated 20-05-2018)

| Name | Address | Co. No. |
|-------------------------|---|----------------|
| Buttar Secretarial Ltd. | Unit 13, 16/F., Asia Trade Centre, 79 Lei Muk Road, Kwai Chung, Kowloon, Hong Kong. | 2086550 |

HISTORY

The subject was incorporated on 20th May, 1993 as a private limited liability company under the Hong Kong Companies Ordinance.

Formerly the subject was located at 'Room 1202, 12/F., Wah Hung Centre, 41 Hung To Road, Kwun Tong, Kowloon, Hong Kong', moved to the present address in July 2017.

Apart from these, neither material change nor amendment has been ever traced and noted.

OPERATIONS

Activities: Importer, Exporter and Wholesaler.

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Lines: All kinds of electronic components.
Employees: 6.
Commodities Imported: Europe, other Asian countries, US, etc.
Markets: Asian countries, etc.
Terms/Sales: L/C, T/T, O/A, etc.
Terms/Buying: As per contracted.

FINANCIAL INFORMATION

Issued Share Capital: HK\$13,000,000.00
Mortgage or Charge: (See attachment)
Profit or Loss: Made small profits in past years.
Condition: Keeping in a satisfactory manner.
Facilities: Making rather active use of general banking facilities.
Payment: No complaints.
Commercial Morality: Satisfactory.
Bankers:-
Standard Chartered Bank (Hong Kong) Ltd., Hong Kong.
Union Bank of India, Hong Kong Branch.
The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
China Construction Bank (Asia) Corporation Ltd., Hong Kong.
Habib Bank Zurich (Hong Kong) Ltd.
[formerly known as HBZ Finance Ltd., Hong Kong],
Standing: Normal.

GENERAL

Asia Lucky Industries Limited are jointly owned by Ms. Jawahar Lal, holding 57.5% interests, Mr. Himanshu Luthra, holding 42.5%, and Ms. Rachana, holding an insignificant amount of stake. All of them are India merchants and belong to the same family.

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The subject moved to the present address in July 2017.

The three shareholders are also directors of the subject. They are Hong Kong ID holders and have got the right to reside in Hong Kong.

The subject is engaged in selling and marketing Electronic Components globally. The main products carried are semiconductors including ICs, Silicon wafers, Diodes, Transistors, Rectifiers, Capacitors, etc.

The subject has been trading in the following products as well recently:

- CATV encoders & decoders
- CATV headends
- CATV modulators
- CATV/SMATV/MMDS accessories
- DVB-S2 modulators
- DVB-T modulators
- IPTV encoders
- Satellite multiswitches
- Scramblers
- TV splitters

The subject is the authorized Distributor / Stockiest of world well-known brands such as NXP (Philips), STMicroelectronics, Toshiba, Sony, Samwha Capacitor Group, Everlight, Nuvoton, winbond, Trident, Littelfuse, etc. Products are exported to Asian countries.

The subject has set up a warehouse stocking most of the products bearing the above-mentioned brands. The subject now has set up associated companies in Singapore, China, and India (New Delhi, Bangalore, Mumbai, and Pune).

Besides, the subject has had a number of associated companies in India engaged in the other lines of business. The business of the subject is chiefly handled by the directors of the subject. History in Hong Kong is over 25 years and a month.

On the whole, in view of the background and history of the subject, consider it good for normal credit requirements.

MORTGAGE OR CHARGE

| Date | Description of Instrument | Mortgagee |
|-------------|----------------------------------|--|
| 26-05-2015 | Floating Charge | Union Bank of India, Hong Kong Branch. |
| 14-03-2018 | Mortgage | Union Bank of India, Hong Kong Branch. |

FOREIGN EXCHANGE RATES

| Currency | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1 | INR 73.92 |
| UK Pound | 1 | INR 96.86 |
| Euro | 1 | INR 85.06 |
| HKD | 1 | INR 9.49 |

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

INFORMATION DETAILS

| | |
|-----------------------------|-----|
| Analysis Done by : | VIV |
| Report Prepared by : | SYL |

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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)