

MIRA INFORM REPORT

Report No. :	536517
Report Date :	31.10.2018

IDENTIFICATION DETAILS

Name :	JINHUA YONGHE FLUOROCHEMICAL CO., LTD.
Registered Office :	No. 896, Qinglian Road, Economic & Technological Development Zone (Jinxu Block), Jinhua, Zhejiang Province, 321075 Pr
Country :	China
Date of Incorporation :	23.11.2004
Credibility Code:	91330700769606140G
Legal Form :	Chinese-Foreign Equity Joint Venture Enterprise
Line of Business :	Subject is engaged in R&D, manufacturing and selling fluorochemical.
No. of Employees :	390

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd 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 :	Slow but Correct
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.

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ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
China	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

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 AND ADDRESS

JINHUA YONGHE FLUORO-CHEMICAL CO., LTD.

NO. 896, QINGLIAN ROAD, ECONOMIC & TECHNOLOGICAL DEVELOPMENT ZONE (JINXI BLOCK),
JINHUA, ZHEJIANG PROVINCE, 321075 PR CHINA
TEL: 86 (0) 579-83186763/ (0)15067065938 FAX: 86 (0) 579-83186717

EXECUTIVE SUMMARY

INCORPORATION DATE	: NOV. 23, 2004
CREDIBILITY CODE	: 91330700769606140G
REGISTERED LEGAL FORM	: CHINESE-FOREIGN EQUITY JOINT VENTURE ENTERPRISE
CHIEF EXECUTIVE	: FU ZHAOXIANG (LEGAL REPRESENTATIVE)
STAFF STRENGTH	: 390
REGISTERED CAPITAL	: USD 12,360,000
BUSINESS LINE	: R&D, MANUFACTURING & TRADING
TURNOVER	: N/A
EQUITIES	: N/A
PAYMENT	: AVERAGE
MARKET CONDITION	: COMPETITIVE
FINANCIAL CONDITION	: N/A
OPERATIONAL TREND	: FAIRLY STEADY
GENERAL REPUTATION	: AVERAGE

Adopted abbreviations:

ANS - amount not stated

NA - not available

NS - not stated SC - subject company (the company inquired by you)

CNY - China Yuan Renminbi

HISTORY

Note: SC's complete address should be the heading one.

SC was registered as a Chinese-Foreign Equity Joint Venture Enterprise at local Administration for industry & commerce (AIC - the official body of issuing and renewing business license) on Nov. 23, 2004.

Company Status: Chinese-foreign equity joint venture enterprise

This form of business in PR China is defined as a legal person. It is a limited co. jointly invested by one or more foreign companies and one or more PR China controlled companies within the territories of PR China according to a certain proportion of capital investment. The investing parties exercise business management, share profits and bear all risks and liabilities of the co. together. The equity joint venture law requires that foreign party contribute not less than 25% of the registered capital, with no maximum. The investing parties are free to agree on method of profit distribution and liabilities bearing according to the proportion of capital investment. Each investing parties contributes funds, tangible assets, technology & etc. The board of directors excises the high authority. The joint venture usually has a limited duration of 10 to 50 years. Enterprise with large investment, long construction periods, low investment returns, introducing of advanced technology & advanced technology products that have good competition position in

SC's registered business scope includes R&D, developing, manufacturing and selling fluorochemical. (For details, please refer to the "Safe Production License", which is valid until April 26, 2019; Hazardous Chemicals Business License is valid until April 21, 2020). Manufacturing fluoropolymer (excluding the hazard chemicals, monitored chemicals and precursor chemicals) and chemical equipment (with permit if needed).

SC is mainly engaged in R&D, manufacturing and selling fluorochemical

Fu Zhaoxiang has been legal representative, chairman and general manager of SC since 2013.

SC is known to have approx. 390 employees at present.

SC is currently operating at the above stated address, and this address houses its operating office and factory in the economic & technological development zone of Jinhua. The detailed information of the premise is unspecified.

WEB SITE

<http://www.yhfc.com> The design is professional and the content is well organized. At present it is in both Chinese and English versions.

Email: jhnm@qhyh.com

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KEY EVENTS/RECENT DEVELOPMENT

Changes of its registered information are as follows:

Date of change	Item	Before the change	After the change
2009-12-15	Legal representative	Shen Rongliang	Tong Jianguo
2009-12-23	Company name	Zhejiang Xingteng Chemical Co., Ltd.	Present one
2013-09-27	Legal representative	Tong Jianguo	Present one
2016-04-28	Registration No.	330700400008645	Credibility Code: 91330700769606140G

HS Code: 3307930379

LITIGATION

For the past two years there is no record of litigation.

OWNERSHIP/MANAGEMENT

MAIN SHAREHOLDERS:

Name	% of Shareholding
Zhejiang Yonghe Refrigerant Co., Ltd.	69.98
Hong Kong Yonghe International Development Company Limited	30.02

Zhejiang Yonghe Refrigerant Co., Ltd.

=====
Credibility Code: 913308007639292214
Legal representative: Tong Jianguo
Date of incorporation: 2004-07-02

Web: <http://www.qhyh.com/>
Tel: +86-570-3832776
Fax: +86-570-8888401

Hong Kong Yonghe International Development Company Limited

=====
CR No.: 1686019
Company Type: Private Company limited by shares

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Date of Incorporation: 01-DEC-2011
Active Status: Live

MANAGEMENT

Legal representative, Chairman and General manager:

Fu Zhaoxiang is currently responsible for the overall management of SC.

Working Experience(s):

From 2013 to present Working in SC as legal representative, chairman and general manager

Vice Chairman:

Zhu Yongtao is currently responsible for the daily management of SC.

Working Experience(s):

At present Working in SC as vice chairman.

Directors:

Tong Jianguo
Tong Xiuying
Tong Limin

Supervisor:


Wang Lizhen

BUSINESS OPERATIONS

SC is mainly engaged in R&D, manufacturing and selling fluorochemical.

SC's products mainly include: NIFLON Fluoropolymers, ICE LOONG Refrigerant Gas.

Trademarks & patents

Registration No.	10073578	6363651	6279886
Registration Date	2012-12-14	2010-03-28	2010-8-14
Trademark Design			

Etc.

SC sources its materials from both domestic market and overseas market. SC sells its products in both domestic market and overseas market.

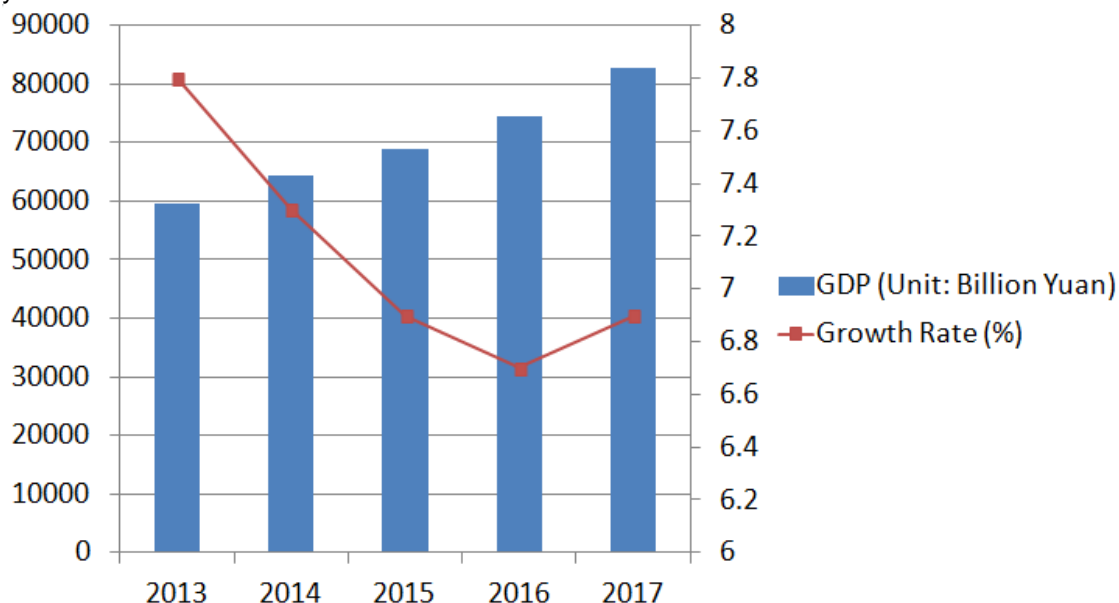
The buying terms of SC include Check, T/T, L/C and Credit of 30-60 days. The payment terms of SC include Check, T/T, L/C and Credit of 30-60 days.

Note: SC's management declined to release its customer and supplier details.

Industry code: 2600

Industry name: Chemical Raw Materials and Chemical Products Manufacturing

The gross domestic product of China in 2017 which is 82,712.17 billion that is increased 6.9% than previous year.

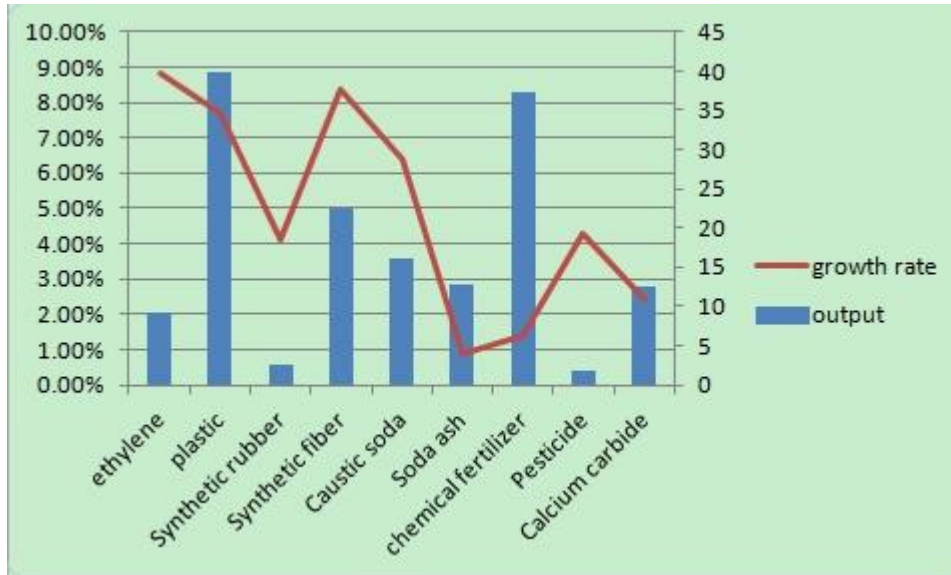


In the first half of 2016, the added value of the chemical industry increased by 9.2% year on year, and the growth rate dropped 0.2 percentage points year on year. Among the main products, the output of ethylene is 9.2 million tons, increased by 8.8%; the output of plastics in primary form is 39.76 million tons, increased by 7.7%; the output of Synthetic rubber is 2.57 million tons, increased by 4.1%; the output of Synthetic fiber is 22.56 million tons, increased by 8.4%. the output of Caustic soda is 16.19 million tons, increased by 6.4%; the output of Soda ash is 12.68 million tons, increased by 0.9%. The output of chemical fertilizers is 37.19 million tons, increased by 1.4%.

Among them, the output of nitrogen fertilizer and potash fertilizer increased by 3.1% and 6.7% respectively, and the output of phosphate fertilizer decreased by 2%. The output of Pesticide is 1.88 million tons, increased by 4.3%. The output of Rubber tire cover tire is 457.23 million, increased by 9.1%. The output of Calcium carbide is of 12.58 million tons, increased by 2.4%

The output of all types of chemical products in the first half of 2016
 (Unit: million tons)

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RELATED COMPANIES

Zhejiang Huasheng Mining Co., Ltd. (Literal Translation)

 Credibility Code: 91330000668321533D
 Legal representative: Tong Limin
 Date of incorporation: 2007-10-23

Shaowu Yonghe Jintang New Materials Co., Ltd. (Literal Translation)

 Credibility Code: 91350781MA31E0EJ4X
 Legal representative: Tong Jianguo
 Date of incorporation: 2017-12-27

Etc.

PAYMENT

Overall payment appraisal :

() Excellent () Good (X) Average () Fair () Poor () Not yet 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 and our debt collection record concerning SC.

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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

Bank of China Jinhua Branch
AC#: 384458353113

Relationship: Normal

FINANCIAL HIGHLIGHTS

SC's management declined to release any financial information.

REMARKS

SC is considered medium-sized in its line with a development history of 14 years. Due to lack of financial status, we are unable to recommend accurate credit limit for SC. Credit up to moderate amount appears acceptable.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.57
UK Pound	1	INR 94.18
Euro	1	INR 83.71
CNY	1	INR 10.59

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

INFORMATION DETAILS

Analysis Done by :	VIVR
Report Prepared by :	SDA

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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)