

MIRA INFORM REPORT

Report No. :	530325
Report Date :	20.09.2018

IDENTIFICATION DETAILS

Name :	ZHEJIANG LUHUA INDUSTRIAL CO., LTD.
Registered Office :	No. 598, Linglong Industrial Zone, Lin'an District, Hangzhou City, Zhejiang Province, 311301 Pr
Country :	China
Financials (as on) :	31.12.2017
Date of Incorporation :	21.05.2007
Credibility Code :	91330185662303553J
Legal Form :	Limited Liabilities Company
Line of Business :	Subject is mainly engaged in manufacturing and selling of coaxial cable, network cable and optical cable.
No. of Employees :	41

RATING & COMMENTS

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

MIRA's Rating :	B
-----------------	---

Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Status :	Moderate
Payment Behaviour :	Slow but Correct
Litigation :	Clear

NOTES:

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

Any query related to this report can be made on e-mail: 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

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

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

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

ZHEJIANG LUHUA INDUSTRIAL CO., LTD.

NO. 598, LINGLONG INDUSTRIAL ZONE, LIN'AN DISTRICT, HANGZHOU CITY,
ZHEJIANG PROVINCE, 311301 PR CHINA
TEL: 86 (0) 571-58605515 FAX: 86 (0) 571-58605516

EXECUTIVE SUMMARY

INCORPORATION DATE	: MAY 21, 2007
CREDIBILITY CODE	: 91330185662303553J
REGISTERED LEGAL FORM	: LIMITED LIABILITIES COMPANY
CHIEF EXECUTIVE	: LUO JINDAN (LEGAL REPRESENTATIVE)
STAFF STRENGTH	: 41
REGISTERED CAPITAL	: CNY 100,000,000
BUSINESS LINE	: MANUFACTURING & TRADING
TURNOVER	: CNY 21,692,000 (AS OF DEC. 31, 2017)
EQUITIES	: CNY 2,620,000 (AS OF DEC. 31, 2017)
PAYMENT	: SLOW BUT CORRECT
MARKET CONDITION	: AVERAGE
FINANCIAL CONDITION	: FAIRLY STABLE
OPERATIONAL TREND	: FAIRLY STEADY
GENERAL REPUTATION	: AVERAGE

Adopted abbreviations:

ANS - amount not stated
NS - not stated
SC - subject company (the company inquired by you)
NA - not available
CNY - China Yuan Renminbi

HISTORY

SC was registered as a limited liabilities co. at local Administration for industry & commerce (AIC - the official body of issuing and renewing business license) on May 21, 2007.

Company Status: Limited liabilities co.

This form of business in PR China is defined as a legal person. No more than fifty shareholders contribute its registered capital jointly. Shareholders bear limited liability to the extent of shareholding, and the co. is liable for its debts only to extent of its total assets. The characteristics of this form of co. are as follows:

Upon the establishment of the co., an investment certificate is issued to the each of shareholders.

The board of directors is comprised of three to thirteen members.

The minimum registered capital for a co. is CNY 30,000.

Shareholders may take their capital contributions in cash or by means of tangible assets or intangible assets such as industrial property and non-patented technology.

Cash contributed by all shareholders must account for at least 30% of the registered capital.

Existing shareholders have pre-exemption right to purchase shares of the co. offered for sale by the other shareholders and to subscribe for the newly increased registered capital of the co.

SC's registered business scope includes manufacturing cable, network cable and optical cable; selling cable materials and communication materials; import and export of goods.

SC is mainly engaged in manufacturing and selling coaxial cable, network cable and optical cable.

Luo Jindan is legal representative, executive director and general manager of SC at present.

SC is known to have approx. 41 employees at present.

SC is currently operating at the above stated address, and this address houses its operating office and factory in the industrial zone of Hangzhou. The detailed information of the premise is unspecified.

WEB SITE

<http://www.luhuacable.com/> The design is professional and the content is well organized. At present it is in English version.

Email: eric@luhuacable.com

KEY EVENTS/RECENT DEVELOPMENT

Changes of its registered information are as follows:

Date of change	Item	Before the change	After the change
----------------	------	-------------------	------------------

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

2010-08-02	Company name	Hangzhou Wanjinrong Wire & Cable Co., Ltd.	Hangzhou Lin'an Luhua Industrial Co., Ltd.
2015-12-28	Registration No.	330185000053629	Credibility Code: 91330185662303553J
2016-06-14	Company name	Hangzhou Lin'an Luhua Industrial Co., Ltd.	Present one
	Registered capital	CNY 50,000,000	Present amount

Import/ Export License No: 3300662303553

HS Code: 3301962930

LITIGATION

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

OWNERSHIP/MANAGEMENT

MAIN SHAREHOLDERS:

Name	% of Shareholding
Jin Yuqin	60
Luo Jinlu	20
Luo Jindan	20

MANAGEMENT

- Legal representative, Executive director and General manager:**

Luo Jindan is currently responsible for the overall management of SC.

Working Experience(s):

At present Working in SC as legal representative, executive director and general manager.

- Supervisor:**

Luo Jinlu

BUSINESS OPERATIONS

SC is mainly engaged in manufacturing and selling coaxial cable, network cable and optical cable.

SC's products mainly include: coaxial cable, network cable and optical cable.

Trademarks & patents

Registration No.	10416891	6221545	8283271
Registration Date	2015-04-07	2010-03-14	2011-07-07
Trademark Design			

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

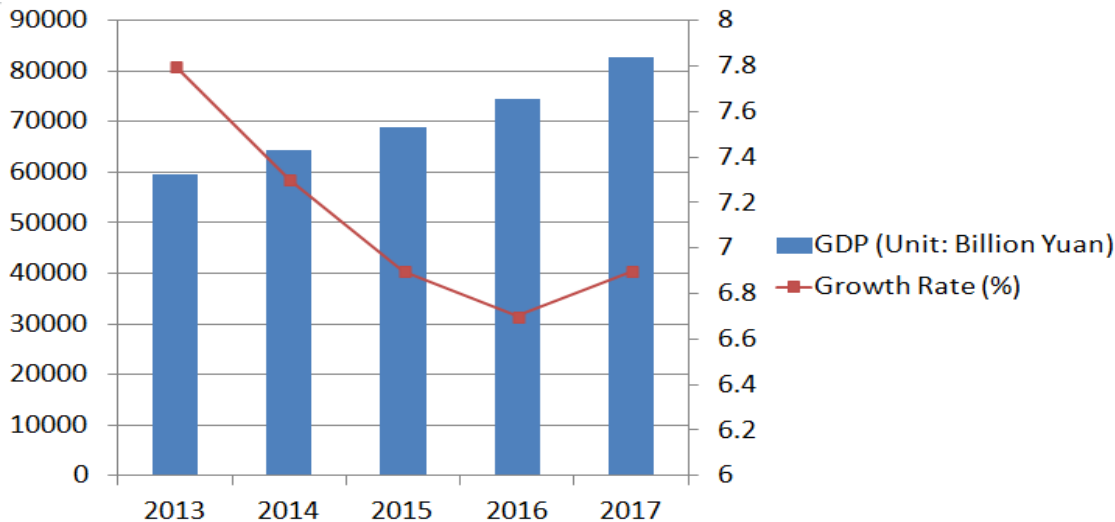
The buying terms of SC include Check, T/T, L/C and Credit of 30-60 days. The payment terms of SC include Check, T/T, L/C and Credit of 30-60 days.

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

Industry code: 3831

Industry name: Wire and cable manufacturing

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



From 2010 to 2017, the revenue of China's wire and cable industry had showed an increasing trend year by year, and the growth rate fluctuated greatly. In 2016, the revenue of wire and cable industry was CNY 1,392.403 billion, up by 14.43% year on year; in 2017, the revenue of wire and cable industry was CNY 1,350 billion, dropped by 2.95% year on year.

The total number of cable manufacturers in China is nearly 10,000, but the number of above the scale enterprises is only more than 4,000. The concentration of the whole industry is very low, China's Cable companies Top 10 accounted for less than 10% of the domestic market in 2017.

As of the end of 2017, the production capacity of China's wire and cable industry was about 70 billion meters. However, due to the slowdown of domestic economic growth and the difficulty of entering overseas markets, the output was about 42 billion meters, dropped by 8.8% year on year.

From Jan. to June of 2018, China exports 1.15 million tons of wire and cable, up by 2.2% over the same period of last year; the amount of China wire and cable export is USD 10,251.13 million, up by 3.8% over the same period of last year.

RELATED COMPANIES

Hangzhou Jinyitai Decorative Paper Co., Ltd.

Credibility Code: 913301855898704707

Legal representative: Jin Yuqin

Date of incorporation: 2012-02-24

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

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 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

Shanghai Pudong Development Bank Hangzhou Lin'an Sub-branch
AC#: 95080154500001816
Relationship: Normal

FINANCIAL HIGHLIGHTS

Financial Information

Unit: CNY'000

As of Dec. 31, 2017

Total liabilities	10,722
Shareholders equities	2,620
Total Assets	13,342
Turnover	21,692

Note: SC's detailed financial reports were not found at local AIC.

Important Ratios

=====

as of Dec. 31, 2017

*Liabilities to assets	0.80
*Turnover/Total assets	1.63

FINANCIAL COMMENTS

- The turnover of SC appears average in its line.
- SC's turnover is in an average level, comparing with the size of its total assets.

LEVERAGE: FAIR

- The debt ratio of SC is fairly high.
- The risk for SC to go bankrupt is average.

Overall financial condition of the SC: Fairly stable.

REMARKS

SC is considered small-sized in its line with fairly stable financial conditions.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.68
UK Pound	1	INR 95.59
Euro	1	INR 84.91
CNY	1	INR 10.52

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

INFORMATION DETAILS

Analysis Done by :	VIVR
Report Prepared by :	NIT

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

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)