

MIRA INFORM REPORT

Report No. :	522574
Report Date :	02.08.2018

IDENTIFICATION DETAILS

Name :	YE-STEEL TRADING CO., LIMITED
Registered Office :	Room 210, 2/F., Securicor Centre, 481 Castle Peak Road, Kowloon
Country :	Hong Kong
Date of Incorporation :	04.09.2008
Com. Reg. No.:	39751935
Legal Form :	Private Limited Liability
Line of Business :	Not Available [We tried to confirm / obtain the detailed activity but the same is not available from any sources]
No. of Employees :	No Employees In Hong Kong. Note: It is to be noted that the company does not have its own operating office in Hong Kong. The company uses the address of its secretariat as its correspondence address only. Subject operates from some other country and does not have a base in Hong Kong. Such companies are registered in Hong Kong just to tax benefit purpose and due to the strict privacy laws prevailing in the country. In such cases, the companies are not required to have any employees in Hong Kong nor do have an office there.

RATING & COMMENTS

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

MIRA's Rating :	C
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Credit Rating	Explanation	Rating Comments
C	Medium High Risk	Business dealings permissible preferably on secured basis

Status :	No operating office in Hong Kong
Payment Behaviour :	Unknown
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)
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, hydrocarbon 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.

The mainland 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



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

Source : CIA

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COMPANY NAME

YE-STEEL TRADING CO., LIMITED

ADDRESS

Registered Office:-
c/o Taylor's (Nominees) Ltd.
Room 210, 2/F., Securicor Centre, 481 Castle Peak Road, Kowloon, Hong Kong.

Holding Company:-
Beijing YE-Steel Co. Ltd., China.

Associated Companies:-
Dalian Bread Talk Food & Beverage Management Co. Ltd., China.
Everrich AG, Switzerland.
Everrich America LLC, USA.
Everrich Global Resource Co. Ltd., Hong Kong.
Everrich International Investment Ltd., Hong Kong. [Dissolved]
Everrich Investment Holdings Co. Ltd., Hong Kong.
Everrich Shanghai Co. Ltd., China.
Jinan Easteel Co. Ltd., China.
Shanghai Easteel Industrial Co. Ltd., China.
Shanghai Shunye Iron & Steel Group Co. Ltd., China.
Steelvision International Trading Co. Ltd., China.
Tianjin Bengang-Longshine Steel Processing Co. Ltd., China.
Tianjin Hengshun Logistics Co. Ltd., China.
Zhejiang Fortune Import & Export Trading Co. Ltd., China.

BUSINESS REGISTRATION NUMBER

39751935

COMPANY FILE NUMBER

1270362

DATE OF INCORPORATION

4th September, 2008.

ISSUED SHARE CAPITAL

HK\$10,000.00

SHAREHOLDER

(As per registry dated 04-09-2017)

<u>Name</u>	<u>No. of shares</u>
Beijing YE-Steel Co. Ltd. Room 1802, No. 55 Building, Dong Sanhuan Middle Road, Chaoyang District, Beijing, China.	10,000 =====

DIRECTORS

(As per registry dated 04-09-2017)

<u>Name</u>	<u>Address</u>
(Nationality) XIA Hongwei	Room 201, No. 29, Lane 4633, Dushi Road, Minhang District, Shanghai, China.
WANG Shuli	No. 8 Shuichang Village, Malanzhuang Town, Qian'an City, Hebei Province, China.
ZHANG Hai	No. 35 Liuguanying Village, Malanzhuang Town, Qian'an City, Hebei Province, China.
CUI Qingyuan	201, Agricultural Bank Family Building, Qian'an Town, Qian'an City, Hebei Province, China.

SECRETARY

(As per registry dated 04-09-2017)

<u>Name</u>	<u>Address</u>	<u>Co. No.</u>
Taylor's (Nominees) Ltd.	Room 210, 2/F., Securicor Centre, 481 Castle Peak Road, Kowloon, Hong Kong.	0208631

HISTORY

The subject was incorporated on 4th September, 2008 as a private limited liability company under the Hong Kong Companies Ordinance.

Formerly the subject's registered address was located at "Room 1613, 16/F., Tai Yau Building, 181 Johnston Road, Wanchai, Hong Kong" where was the operating address of an account firm known as T. N. Lui & Co. The subject moved to 'Room 2101, 21/F., Prosper Commercial Building, 9 Yin Chong Street, Kowloon, Hong Kong' in March 2013 as it has changed its commercial service provider. It moved to the present address in May 2015 as it has changed its commercial service provider again.

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

MORTGAGE OR CHARGE

Date	Description of Instrument	Mortgagee
09-07-2009	Charge on Cash Deposit to Secure Liabilities of the Depositor	DBS Bank (Hong Kong) Ltd., Hong Kong.
30-09-2010	Trade Finance Security Deed	Standard Bank Plc, 20 Gresham Street, London EC2V 7JE
02-11-2010	Charge Over Account and Set-Off	United Overseas Bank Ltd. 80 Raffles Place, UOB Plaza, Singapore 048624
02-11-2010	Addendum to Charge Over Account and Set-Off	United Overseas Bank Ltd. 80 Raffles Place, UOB Plaza, Singapore 048624
02-11-2010	General Memorandum of Pledge of Goods	United Overseas Bank Ltd. 80 Raffles Place, UOB Plaza, Singapore 048624
02-11-2010	Assignment of Letters of Credit	United Overseas Bank Ltd. 80 Raffles Place, UOB Plaza, Singapore 048624
24-04-2012	Trade Finance Security Assignment	United Overseas Bank Ltd. 80 Raffles Place, UOB Plaza, Singapore 048624
21-06-2016	Deed of Charge	BNP Paribas, Hong Kong Branch.
08-03-2018	Charge Over Securities and Deposit with the Bank (Limited Company) (Unlimited Amount)	The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
08-03-2018	Trade Finance Security Agreement	The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.

GENERAL

YE-Steel Trading Co., Limited is a wholly-owned subsidiary of Beijing YE-Steel Co. Ltd. [Beijing YE-Steel] which is a China-based firm.

The subject does not have its own operating office. Its registered office is in a secretarial firm located at 'Room 210, 2/F., Securicor Centre, 481 Castle Peak Road, Kowloon, Hong Kong' known as Taylor's (Nominees) Ltd. which is handling its correspondences and documents. This company is also the corporate secretary of the subject.

The subject has no employees in Hong Kong.

The subject has four directors all of whom are China merchants. They are China ID holders and currently residing in China.

Beijing YE-Steel is an importer of iron and steel from abroad and markets the products in China, so does the subject. At present, Beijing YE-Steel has set up offices in Beijing and Guangzhou, besides the subject.

Beijing YE-Steel was established in 2007 in Beijing. Its brief information is as follow:

Name: Beijing YE-Steel

Address: Room 1802, No. 55 Building, Dong Sanhuan Middle Road, Chaoyang District, Beijing, China.

Date of Incorporation: 26th October, 2007.

Legal Status: Limited Liability Company (owned by natural persons)

Registered Capital: RMB10 million Yuan

Duration: 26th October, 2007 to 25th October, 2027 (20 years)

United Social Credit Code: 91110105668415425C

Registration No.: 110105010575708

Shareholders: Ms. Xia Hongwei (10%),

Mr. Wang Shuli (30%),

Mr. Zhang Hai (30%),

Mr. Cui Qingyuan (30%)

Legal Representative: Mr. Wang Shuli

Beijing YE-Steel is trading in HR strip, billet, slab, wire rod, debar, round bar, steel pipe, H beam, channel, iron ore, blind coal, etc.

The business of Beijing Ye-Steel is chiefly handled by Ms. Xia Hongwei who is also a director of the subject. The contact person is Mr. Wang Shuli who is also a director of the subject.

The subject has been banking with the following banks:

DBS Bank (Hong Kong) Ltd., Hong Kong.

Standard Bank Plc, United Kingdom.

United Overseas Bank Ltd., Singapore.

BNP Paribas, Hong Kong Branch.

The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.

The business of the subject has been affected substantially in recent years due to the sluggish worldwide market.

The subject's business in Hong Kong is not active. History in Hong Kong is over nine years and ten months.

Since the subject does not have its own operating office and has no employees in Hong Kong, consider it good for business engagements on L/C basis.

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.61
UK Pound	1	INR 89.93
Euro	1	INR 80.10
HKD	1	INR 8.75

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

INFORMATION DETAILS

Analysis Done by :	PRA
Report Prepared by :	KET

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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)