

## MIRA INFORM REPORT

Report No. :	523802
Report Date :	10.08.2018

### IDENTIFICATION DETAILS

Name :	ZHXING FRUITS CO., LIMITED
Registered Office :	Fruit Laan #18, Fruit Wholesale Market, Yaumatei, Kowloon
Country :	Hong Kong
Date of Incorporation :	13.12.2005
Com. Reg. No.:	36305404
Legal Form :	Private Limited Company
Line of Business :	Importer, exporter and wholesaler of all kinds of fresh fruits
No. of Employees :	8. (Including retailing outlet)

### RATING & COMMENTS

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

MIRA's Rating :	A
-----------------	---

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

**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.

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

Source : CIA

## **COMPANY NAME AND ADDRESS**

### **ZHXING FRUITS CO., LIMITED**

**ADDRESS:** Shop 2B, G/F, Tung Po Court, 202 Reclamation Street, Kowloon, Hong Kong.

**PHONE:** 852-2771 1086

## **MANAGEMENT**

Managing Director: Mr. Yang Hanzong

## **SUMMARY**

Incorporated on: 13th December, 2005.

Organization: Private Limited Company.

Issued Share Capital: HK\$5,000,000.00

Business Category: Importer, Exporter and Wholesaler.

Employees: 8. (Including retailing outlet)

Main Dealing Banker: Not available.

Banking Relation: Not applicable.

## **ADDRESS**

### **Registered Office:-**

Fruit Laan #18, Fruit Wholesale Market, Yaumatei, Kowloon, Hong Kong.

### **Retailing Outlet:-**

Shop 2B, G/F, Tung Po Court, 202 Reclamation Street, Kowloon, Hong Kong.

### **Associated Company:-**

Zhongxing Runfeng Food Co. Ltd., China.

## **BUSINESS REGISTRATION NUMBER**

36305404

## **COMPANY FILE NUMBER**

1013378

## **MANAGEMENT**

Managing Director: Mr. Yang Hanzong

## **ISSUED SHARE CAPITAL**

HK\$5,000,000.00

## **SHAREHOLDER**

(As per registry dated 13-12-2017)

**Name**

YANG Hanzong

**No. of shares**

5,000,000

=====

## **DIRECTOR**

(As per registry dated 13-12-2017)

**Name**

**(Nationality)**

YANG Hanzong

**Address**

No. 716, Lianhai, Wanke Four Seasons Flower City, Huangqi  
Town, Foshan City, Guangdong Province, China.

## **SECRETARY**

(As per registry dated 13-12-2017)

<u>Name</u>	<u>Address</u>	<u>Co. No.</u>
C.C. Ching Consultancy Ltd.	Room 2001, 20/F., Connaught Commercial Building, 185 Wanchai Road, Hong Kong.	1003533

## **HISTORY**

The subject was incorporated on 13th December, 2005 as a private limited liability company under the Hong Kong Companies Ordinance.

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

## **OPERATIONS**

Activities: Importer, Exporter and Wholesaler.

Lines: All kinds of fresh fruits.

Employees: 8. (Including retailing outlet)

Commodities Imported: Japan, Taiwan, India, other Asian countries, US, South America, etc.

Markets: Hong Kong, China, etc.

Terms/Sales: CAD, L/C, Advanced T/T, etc.

Terms/Buying: L/C, D/P, O/A, etc.

## **FINANCIAL INFORMATION**

Issued Share Capital: HK\$5,000,000.00

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.

Banker: Not available.

**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.

Standing: Normal.

## **GENERAL**

Having issued 5 million ordinary shares of HK\$1.00 each, Zhxing Fruits Co., Limited is wholly-owned by Mr. Yang Hanzong who is a China merchant.

The subject is trading in all kinds of fruits. Its registered address is in Fruit Lann #18, Fruit Wholesale Market, Yaumaei, Kowloon, Hong Kong.

The subject is operating a retailing outlet located at 'Shop 2B, G/F, Tung Po Court, 202 Reclamation Street, Kowloon, Hong Kong'.

It is trading in grapes, water melons, lychees, oranges, apples pears, mangoes, mandarins, bananas, etc. Fruits are retailed and wholesaled in Hong Kong.

The following companies are some of its suppliers:

- Agricola Los Mayos Ltda.
- Terrafrut S.A.
- Soc. Agricola E Inmob. Atlantida.

The subject has had an associated company in China known as Zhongxing Runfeng Food Co. Ltd. [Zhongxing Runfeng] which is also owned and operated by Mr. Yang Hanzong.

Zhongxing Runfeng is a group enterprise which was established in 1983. It occupies an area of over 20,000 square meters with more than 300 employees.

Zhongxing Runfeng's products are sold well in domestic and foreign markets. Chinese fruits are exported to Singapore, Thailand, Malaysia, Indonesia, Russia, the Philippines, Vietnam, Hong Kong, Macao and Taiwan, etc. At the same time, it also imports mass fruits such as red grape, green grape, lemon, citrus, orange, apple, cherry, mango, red plum, plum and nectarine, etc. from all over the world.

Zhongxing Runfeng has invested in fruit farm with an area of about 10,000 Mu (about 670 ha.) in Sichuan Province, China.

Recently, Zhongxing Runfeng has set up a fruit packing factory which is equipped with advanced technology and international standard equipment.

The annual sales turnover of Zhongxing Runfeng is about RMB300 million Yuan.

The subject is fully supported by Zhongxing Runfeng.

The history of the subject in Hong Kong is over twelve years and seven months.

On the whole, consider it good for normal credit requirements.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.62
UK Pound	1	INR 88.35
Euro	1	INR 79.63
HKD	1	INR 8.78

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

**INFORMATION DETAILS**

Analysis Done by :	DIV
Report Prepared by :	SYL

**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)