

MIRA INFORM REPORT

Report No. :	527238
Report Date :	28.08.2018

IDENTIFICATION DETAILS

Name :	HERAEUS METALS HONG KONG LIMITED
Registered Office :	Room 2111-2113, 21/F., Peninsula Square, 18 Sung On Street, Hunghom, Kowloon
Country :	Hongkong
Date of Incorporation :	21.11.1975
Com. Reg. No.:	04597532
Legal Form :	Private Limited Company.
Line of Business :	Importer, Exporter and Wholesaler of Precious metals.
No. of Employees :	16

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+	Low Risk	Business dealings permissible with low risk of default

Status :	Good
Payment Behaviour :	Regular
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 (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

HERAEUS METALS HONG KONG LIMITED

ADDRESS: Room 2111-2113, 21/F., Peninsula Square, 18 Sung On Street, Hunghom, Kowloon, Hong Kong.

PHONE: 852-2773 1733

FAX: 852-2773 1090

E-MAIL: tradinghk@heraeus.com

MANAGEMENT

Managing Director: Mr. Andre Christl

SUMMARY

Incorporated on: 21st November, 1975.

Organization: Private Limited Company.

Issued Share Capital: HK\$253,500,000.00

Business Category: Importer, Exporter and Wholesaler.

Group Revenue: EUR 2,185 million (Year ended 2017)

Employees: 16.

Main Dealing Banker: The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.

Banking Relation: Good.

ADDRESS

Registered Head Office:-
Room 2111-2113, 21/F., Peninsula Square, 18 Sung On Street, Hunghom, Kowloon, Hong Kong.

Branch:-

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Heraeus Technology Centre, 30 On Chuen Street, On Lok Tsuen, Fanling, New Territories, Hong Kong.

Holding Company:-
Heraeus Ltd., Hong Kong.

Ultimate Holding Company:-
Heraeus Holding GmbH, Germany.

Affiliated Companies:-

Heraeus Group of Companies

Argor-Heraeus SA, Switzerland.
Fukui Shin-Etsu Quartz Co. Ltd., Japan.
Heraeus (China) Investment Co. Ltd., China.
Heraeus (Thailand) Ltd., Thailand.
Heraeus (Zhaoyuan) Precious Metal Materials Co. Ltd., China.
Heraeus Breda, Netherlands.
Heraeus CZ s.r.o., Czech Republic.
Heraeus Deutschland GmbH & Co. KG, Germany.
Heraeus Drijfhout B.V., Netherlands.
Heraeus Electronic Materials Philippines Inc., Philippines.
Heraeus Electro-Nite (Aust.) Pty. Ltd., Australia.
Heraeus Electro-Nite (U.K.) Ltd., U.K.
Heraeus Electro-Nite AB, Sweden.
Heraeus Electro-Nite Canada Ltd., Canada.
Heraeus Electro-Nite Co. LLC, U.S.
Heraeus Electro-Nite Espana S.L., Spain.
Heraeus Electro-Nite France S.A.R.L, France.
Heraeus Electro-Nite GmbH & Co. KG, Germany.
Heraeus Electro-Nite Instrumentos Ltda., Brazil.
Heraeus Electro-Nite International N.V, Finland.
Heraeus Electro-Nite International N.V., Austria.
Heraeus Electro-Nite International N.V., Belgium.
Heraeus Electro-Nite International N.V., Romania.
Heraeus Electro-Nite Italy S.r.L., Italy.
Heraeus Electro-Nite Japan Ltd., Japan.
Heraeus Electro-Nite L.L.C., Russia.
Heraeus Electro-Nite Mexicana S.A. de C.V., Mexico.
Heraeus Electro-Nite Pty. Ltd., South Africa.
Heraeus Electro-Nite Shanghai Co. Ltd., China.
Heraeus Electro-Nite Taicang Co. Ltd., China.
Heraeus Electro-Nite Taiwan Ltd., Taiwan.
Heraeus Electro-Nite Termoteknik Sanayi ve Ticaret A.S., Turkey.
Heraeus Electro-Nite Ukraina LLC, Ukraine.
Heraeus Hellas Monoprosopi EPE (GmbH), Greece.
Heraeus Incorporated, U.S.
Heraeus K.K., Japan.
Heraeus Korea Corp, Korea.
Heraeus Kulzer Austria GmbH, Austria.
Heraeus Materials Ltd., U.K.

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Heraeus Materials Malaysia Sdn. Bhd., Malaysia.
Heraeus Materials Singapore Pte. Ltd., Singapore.
Heraeus Materials Technology North America LLC, U.S.
Heraeus Materials Technology Shanghai Ltd., China.
Heraeus Materials Technology Taiwan Ltd., Taiwan.
Heraeus Medical Australia Pty Ltd., Australia.
Heraeus Medical Belgium, Belgium.
Heraeus Medical Components, Costa Rica.
Heraeus Medical Components, Germany.
Heraeus Medical Components, Puerto Rico.
Heraeus Medical Poland Sp. z o.o., Poland.
Heraeus Medical Schweiz AG, Switzerland.
Heraeus Metal Processing Ltd., Ireland.
Heraeus Metals (Shanghai) Co. Ltd., China.
Heraeus Metals Germany GmbH & Co. KG, Germany.
Heraeus Metals Hong Kong Ltd., Hong Kong.
Heraeus Metals New York LLC, U.S.
Heraeus Noblelight (Shenyang) Ltd., China.
Heraeus Noblelight America LLC, U.S.
Heraeus Noblelight Australia Pty. Ltd., Australia.
Heraeus Noblelight GmbH, Germany.
Heraeus Noblelight Ltd., U.K.
Heraeus Noblelight, Spain.
Heraeus Oriental HiTec Co. Ltd., Korea.
Heraeus Precious Metals North America LLC, U.S.
Heraeus Quartz America LLC, U.S.
Heraeus Quarzglas GmbH & Co. KG, Germany.
Heraeus Recycling Technology (Taicang) Co. Ltd., China.
Heraeus Romania S.R.L., Romania.
Heraeus S.A., Spain.
Heraeus S.A.S., France.
Heraeus S.p.A., Italy.
Heraeus ShinEtsu Quartz China Inc., China.
Heraeus Shin-Etsu Quartz Singapore Pte. Ltd., Singapore.
Heraeus South Africa (Pty.) Ltd., South Africa.
Heraeus Technologies India Pvt Ltd., India.
Heraeus Tenevo LLC, U.S.
Heraeus Tokmak A. S., Turkey.
Heraeus Zhaoyaun Precisions Metal Materials Co. Ltd., China.
Heraeus Zhaoyuan Changshu Electronic Materials Co. Ltd., China.
Heraeus Zurich, Switzerland.
HS Advanced Materials Co. Ltd., Korea.
PT Heraeus Materials Indonesia, Indonesia.
Ravindra Heraeus Private Ltd., India.
Shin-Etsu Quartz Prod. Co. Ltd., Japan.
Topco Quartz Products Co. Ltd, Taiwan.
Woojin Electro-Nite Inc., Korea.
Young Shin Quartz Co. Ltd., Korea.
etc.

BUSINESS REGISTRATION NUMBER

04597532

COMPANY FILE NUMBER

0044942

MANAGEMENT

Managing Director: Mr. Andre Christl
Contact Person: Ms. Zoe Tsang

ISSUED SHARE CAPITAL

HK\$253,500,000.00

SHAREHOLDER

(As per registry dated 21-11-2017)

<u>Name</u>	<u>No. of shares</u>
Heraeus Ltd., Hong Kong.	253,500,000 =====

DIRECTORS

(As per registry dated 21-11-2017)

<u>Name</u>	<u>Address</u>
(Nationality) Michael REXHAUSEN	Agricolaweg 5 ,61381 Friedrichsdorf Seulberg, Germany.
Andre CHRISTL	Am Maintor 3, 63456 Hanau, Germany.
Ernst Marius VIGENER	Oberhochtadter Str. 32, 61440 Oberursel (Taunus), Germany.

SECRETARY

(As per registry dated 21-11-2017)

<u>Name</u>	<u>Address</u>	<u>Co. No.</u>
LLL Secretarial Services Ltd.	Unit 5608, 56/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.	0707004

HISTORY

The subject was incorporated on 21st November, 1975 as a private limited liability company under the Hong Kong Companies Ordinance.

Originally the subject was registered under the name of Polygon Ltd., name changed to Pacific Refinery Ltd. on 27th January, 1976, changed to Zenith Refinery (1977) Ltd. on 25th January, 1977, to Heraeus Zenith Refinery Ltd. on 17th February, 1984, to the present style on 10th January, 2012.

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

OPERATIONS

Activities: Importer, Exporter and Wholesaler.

Lines: Precious metals, etc.

Employees: 16.

Commodities Imported: Germany, other European countries, US, etc.

Markets: Asian countries, Europe, North America, Middle East, etc.

Group Revenue: EUR 3,578 million (Year ended 2013)
EUR 3,356 million (Year ended 2014)
EUR 1,929 million (Year ended 2015)
EUR 2,005 million (Year ended 2016)
EUR 2,185 million (Year ended 2017)

Terms/Sales: Various terms.

Terms/Buying: As per contracted.

FINANCIAL INFORMATION

Issued Share Capital:	HK\$253,500,000.00
Group Net Income:	EUR 454 million (Year ended 2013) EUR 134 million (Year ended 2014) N.A. (Year ended 2015) N.A. (Year ended 2016) N.A. (Year ended 2017)
Profit or Loss:	Making a small profit every year.
Condition:	Keeping in a good manner.
Facilities:	Making rather active use of general banking facilities.
Payment:	Regular.
Commercial Morality:	Satisfactory.
Banker:	The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
Standing:	Very Good.

GENERAL

Heraeus Metals Hong Kong Limited is a wholly-owned subsidiary of Heraeus Ltd. which is a Hong Kong-registered company.

The ultimate holding company of the subject is Heraeus Holding GmbH [Heraeus/Group when including associated companies], a Germany-based company.

The subject is a member of the Heraeus Group, wholly owned by Heraeus Holding GmbH, specializing in the precious metals business. Its principal businesses include the refining, trading, manufacturing and marketing of precious metals either as pure metals or as products. It operates a refinery and a precious metal manufacturing facility at the Heraeus Technology Centre in Fanling, New Territories and Trading business with an office in Hunghom, Kowloon. It offers to trade all precious metals 24 hours a day.

It is trading in the following commodities:-

Silver, Iridium, Palladium, Platinum, Ruthenium, Rhodium, Gold, etc.

It also offer customers with the following services and products:

1. Precious Coatings

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2. Electroplating and Electroforming Chemical Products
3. Master Alloy Products

The subject is also closely connected to major market institutions, such as mining firms, jewellery manufacturers, industrial users, traders, financial institutions and investors, giving us an unprecedented advantage in the marketplace. Its main range of services:-

- (1). Purchase and sales via weight accounts
- (2). Precious metal financing
- (3). Futures transactions
- (4). Options
- (5). Limit orders
- (6). Worldwide availability of precious metal and acceptance through in-house infrastructure.

Heraeus, the technology group headquartered in Hanau, Germany, is a leading international family-owned company formed in 1851.

The Heraeus Group is engaged in the following business scope which include 11 sectors:-

1. Heraeus Chemicals
2. Heraeus Electronics
3. Heraeus Electro-Nite
4. Heraeus Medical
5. Heraeus Medical Components
6. Heraeus Metal Management
7. Heraeus New Businesses
8. Heraeus Noblelight
9. Heraeus Performance Products
10. Heraeus Photovoltaics
11. Heraeus Quarzglas

In the 2017 financial year, Heraeus generated revenues without precious metals of €2.2 billion (2016: €2.0 billion) and a total revenue of €21.8 billion (2016: €21.5 billion). With approximately 13,073 employees (2016: 12,369 employees) worldwide in more than 100 subsidiaries in 38 countries, Heraeus holds a leading position in its global markets.

Heraeus has been present and active in the Greater China region, one of its top 3 markets, for more than 41 years.

In 2017, Heraeus acquired a Switzerland company Argro-Heraeus S A.

The subject is ultimately supported by Heraeus. History in Hong Kong is over 42 years and eight months.

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On the whole, consider it good for normal business engagements.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.04
UK Pound	1	INR 89.95
Euro	1	INR 81.30
HKD	1	INR 8.93

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

INFORMATION DETAILS

Analysis Done by :	VIVR
Report Prepared by :	NIT

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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)