

MIRA INFORM REPORT

Report No. :	544676
Report Date :	17.12.2018

IDENTIFICATION DETAILS

Name :	SHIU CHEONG LUNG (HONG KONG) LIMITED
Registered Office :	G/F., 217 Wing Lok Street, Sheung Wan
Country :	Hong Kong
Date of Incorporation :	27.03.2007
Com. Reg. No.:	37764235
Legal Form :	Private Limited Company.
Line of Business :	Importer, Exporter, Wholesaler and Retailer of All Kinds of Dried Seafood and Groceries.
No. of Employees :	12. (Including branch shop)

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 :	No Complaints
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)
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, 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.

Mainland China 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 AND ADDRESS

SHIU CHEONG LUNG (HONG KONG) LIMITED

Address: G/F., 217 Wing Lok Street, Sheung Wan, Hong Kong. (Head Office & Main Shop)
and
G/F., Kin Tye Lung Building, 191-193 Wing Lok Street, Sheung Wan, Hong Kong. (Branch Shop)

PHONE: 852-2541 8881

FAX: 852-2541 8233

E-MAIL: sclmarine@ymail.com

MANAGEMENT:

Managing Director: Mr. Sun Hoi Biu, Dicky

SUMMARY

Incorporated on: 27th March, 2007.

Organization: Private Limited Company.

Issued Share Capital: HK\$10,000.00

Business Category: Importer, Exporter, Wholesaler and Retailer.

Annual Turnover: US\$30~40 million (Including associate)

Employees: 12. (Including branch shop)

Main Dealing Banker: Hang Seng Bank Ltd., Hong Kong.

Banking Relation: Satisfactory.

ADDRESS

Registered Head Office & Main Shop:-
G/F., 217 Wing Lok Street, Sheung Wan, Hong Kong.

Branch Shop:-
G/F., Kin Tye Lung Building, 191-193 Wing Lok Street, Sheung Wan, Hong Kong.
[Tel: 852-2541 0797; Fax: 852-2541 0177]

Associated Companies:- (Same address)
Shiu Cheong Lung International Ltd., Hong Kong.
Shiu Cheong Lung Ltd., Hong Kong.

BUSINESS REGISTRATION NUMBER

37764235

COMPANY FILE NUMBER

1118432

MANAGEMENT

Managing Director: Mr. Sun Hoi Bui, Dicky
Director & Contact Person: Mr. Wong Leung Yee, Simon

ISSUED SHARE CAPITAL

HK\$10,000.00

SHAREHOLDERS

(As per registry dated 27-03-2018)

<u>Name</u>	<u>No. of shares</u>
SUN Hoi Bui, Dicky	9,000
WONG Leung Yee	1,000
Total:	10,000
	=====

DIRECTORS

(As per registry dated 27-03-2018)

Name

(Nationality)

SUN Hoi Biu, Dicky

Address

Flat F, 3/F., Block 16, South Horizons, Ap Lei Chau, Hong Kong.

WONG Leung Yee

Flat 8, 3/F., Block C, Tin Ma Court, Kowloon, Hong Kong.

SECRETARY

(As per registry dated 27-03-2018)

Name

Lee Management Services Ltd.

Address

Flat C, 11/F., World Trust Tower, 50 Stanley
Street, Central, Hong Kong.

Co. No.

0513003

HISTORY

The subject was incorporated on 27th March, 2007 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, Wholesaler and Retailer.
Lines:	All kinds of dried seafood and groceries.
Employees:	12. (Including branch shop)
Commodities Imported:	India, China, Japan, Southeast Asia, etc.
Markets:	Hong Kong, China, other Asian countries, North America, etc.
Annual Turnover:	US\$30~40 million (Including associate)
Terms/Sales:	COD or as per contracted.
Terms/Buying:	L/C, T/T, etc.

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FINANCIAL INFORMATION

Issued Share Capital: HK\$10,000.00
Mortgage or Charge: (See attachment)
Profit or Loss: Making a small profit every year.
Condition: Keeping in an active condition.
Facilities: Making rather active use of general banking facilities.
Payment: No Complaints.
Commercial Morality: Satisfactory.

Bankers:-
Standard Chartered Bank (Hong Kong) Ltd., Hong Kong.
Hang Seng Bank Ltd., Hong Kong.
The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
Wachovia Bank N.A., Hong Kong Branch.
DBS Bank (Hong Kong) Ltd., Hong Kong.

Standing: Satisfactory.

GENERAL

Having issued 10,000 ordinary shares of HK\$1.00 each, Shiu Cheong Lung (Hong Kong) Limited is jointly owned by Mr. Dicky Sun Hoi Biu, holding 90% interests; and Mr. Wong Leung Yee, holding 10%. Being Hong Kong merchants, Sun and Wong are also directors of the subject.

According to the subject, its associated company Shiu Cheong Lung Ltd. [SCLL] was established in 1994. SCLL is also a Hong Kong-registered firm which was incorporated on 7th June, 2000. The subject and SCLL are engaged in the same lines of business and carrying the same kinds of products.

The registered address of the subject is also a retailing outlet.

The subject is a major importer of dried marine products in Hong Kong. It has established a solid network of reseller and distributor with local and the Greater China market.

The subject supplies the Greater China market with dried fish maw, shark fin, sea cucumber, dried scallop, abalone, dried mushroom, dried oysters, other dried aquatic products, etc. Its registered address and branch shop are also wholesaling centres and retailing outlets.

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The subject's suppliers are from India, Australia, Singapore, Iran, Africa, Japan, Egypt, Dubai, etc.

As a major dried marine product importer and exporter, the subject supplies over 10 tons of marine products to China every month also a very large amount of dried products to the other countries. Besides China, the subject's other markets are Southeast Asia, North America, etc.

The subject is a registered processed products of meat, poultry, game and aquatic food importer with the Food Environmental Hygiene Department, the Government of the Hong Kong SAR.

In Hong Kong, the subject serves walk-in customers as well as long term customers such as restaurants and hotels.

The subject has been one of the 'trustworthy' shops selling dried seafood. In recent years it has been frequently visited by Chinese tourists.

The subject's business is chiefly handled by the two shareholders. Annual sales turnover ranges from US\$30 to 40 million (including associate). Making a small profit every year. Business is active.

The history of the subject in Hong Kong is over eleven years and eight months.

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

MORTGAGE OR CHARGE

Date	Description of Instrument	Mortgagee
18-07-2008	Charge Over Deposits – CD 2 (06)	Standard Chartered Bank (Hong Kong) Ltd., Hong Kong.
28-07-2011	Assignment of Insurance Policy (Two-Party)	Hang Seng Bank Ltd., Hong Kong.
29-07-2011	Assignment of Life Insurance	The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
17-03-2017	Charge Over Securities and Deposits with the Bank (Limited Company) (Unlimited Amount)	The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.74
UK Pound	1	INR 90.58
Euro	1	INR 81.46
HKD	1	INR 9.16

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

INFORMATION DETAILS

Analysis Done by :	NIS
Report Prepared by :	TRU

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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)