

IGARASHI ELECTRIC WORKS INTERNATIONAL LIMITED - 483777 04-JAN-2018.HTM PAGE NO. : 1

MIRA INFORM REPORT

Report No. :	483777
Report Date :	04.01.2018

IDENTIFICATION DETAILS

Name :	IGARASHI ELECTRIC WORKS INTERNATIONAL LIMITED
Registered Office :	Block A, 3/F., Shui Ki Industrial Building, 18 Wong Chuk Hang Road, Aberdeen
Country :	Hong Kong
Date of Incorporation :	31.05.2004
Com. Reg. No.:	34656695
Legal Form :	Private Limited Company.
Line of Business :	Manufacturer and trader of all kinds of automotive motor, DC fractional power motor, geared motor, rectified DC motor, contract manufacturing for motors and units/module
No. of Employees :	20

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 :	Good
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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.

ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2017)	Current Rating (30.09.2017)
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

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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.

Hong Kong's open economy left it exposed to the global economic slowdown that began in 2008. Although increasing integration with China through trade, tourism, and financial links aided a more rapid initial recovery than many observers anticipated, its continued reliance on foreign trade and investment leaves it vulnerable to renewed global financial market volatility or a slowdown in the global economy.

The Hong Kong Government is promoting the Special Administrative Region (SAR) as the site for Chinese 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; and RMB trade settlement is allowed. The territory far exceeded the RMB conversion quota set by Beijing for trade settlements in 2010 due to the growth of earnings from exports to the mainland. RMB deposits grew to roughly 9.4% of total system deposits in Hong Kong by the end of 2015. The government is pursuing efforts to introduce additional use of RMB in Hong Kong financial markets and is seeking to expand the RMB quota.

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 has surged from 4.5 million in 2001 to 47.3 million in 2014, outnumbering visitors from all other countries combined. Mainland visitors to Hong Kong declined 3% in 2015 to approximately 45.7 million, reflecting an overall drop of 2.5% in total visitors to Hong Kong. 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 51% of the firms listed on the Hong Kong Stock Exchange and accounted for about 62.1% 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, adopted in 2003 to forge closer ties between Hong Kong and the mainland. The new measures, effective March 2015, cover a negative list and a most-favored treatment provision, and will improve access to the mainland's service sector for Hong Kong-based companies.

Credit expansion and a tight housing supply have caused Hong Kong property prices to rise rapidly; consumer prices increased 4.4% in 2014, but slowed to 2.9% in 2015. Lower- and middle-income segments of the population are increasingly unable to afford adequate housing.

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 Mutual Recognition of Funds, and The Hong Kong Shanghai Gold Connect are all important steps towards opening up the Mainland's capital markets and has reinforced Hong Kong's leading role as China's offshore RMB market. Additional connect schemes from bonds to commodities and other investment products are also under exploration by Hong Kong authorities.

Source : CIA

COMPANY NAME AND ADDRESS

IGARASHI ELECTRIC WORKS INTERNATIONAL LIMITED

ADDRESS: Block A, 3/F., Shui Ki Industrial Building, 18 Wong Chuk Hang Road, Aberdeen, Hong Kong.

PHONE: 852-2553 9131

FAX: 852-2873 5901

E-MAIL: mail@igarashi.com.hk

MANAGEMENT:

Managing Director: Mr. Keiichi Igarashi

SUMMARY

Incorporated on: 31st May, 2004.

Organization: Private Limited Company.

Issued Share Capital: HK\$6,000,000.00

Business Category: DC motor manufacturer and trader.

Group Sales: US\$322 million (2016).

Employees: 20.

Main Dealing Banker: Bank of Tokyo-Mitsubishi UFJ Ltd., Hong Kong.

Banking Relation: Good.

ADDRESS

Registered Head Office:-

Block A, 3/F., Shui Ki Industrial Building, 18 Wong Chuk Hang Road, Aberdeen, Hong Kong.

China Factory:- (Operated by affiliate)

189 Industrial Zone, Henggang, Longgang District, Shenzhen, China.

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[Phone: (755) 2863 1658; Fax: (755) 2863 1247]

Parent Company:-
Igarashi Electric Works Ltd.
2, 1-chome, Tode Honcho, Saiwai-ku, Kawasaki, 212-0023, Japan.
[Tel: 44 522 052
Fax: 44 544 8760
E-mail: info@igarashimotors.co.jp]

Affiliated Companies:-
Agile Electric Sub Assembly Pvt. Ltd., India.
Baesung Igarashi Co. Ltd., South Korea.
Igarashi Electric Works (H.K.) Ltd., Hong Kong. (Same address)
Igarashi Electric Works (Henggang) Factory, China.
Igarashi Electric Works (Zhuhai) Ltd., China.
Igarashi Motor Sales USA LLC, U.S.A.
Igarashi Motoren GmbH, Germany.
Igarashi Motors India Ltd., India.
Yat Yue Electric (Shenzhen) Co. Ltd., China.
Yat Yue Industrial Co. (H.K.) Ltd., Hong Kong.

BUSINESS REGISTRATION NUMBER

34656695

COMPANY FILE NUMBER

0903880

MANAGEMENT

Managing Director: Mr. Keiichi Igarashi

ISSUED SHARE CAPITAL

HK\$6,000,000.00

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SHAREHOLDER

(As per registry dated 31-05-2017)

<u>Name</u>	<u>No. of shares</u>
Keiichi IGARASHI	6,000,000 =====

DIRECTORS

(As per registry dated 31-05-2017)

<u>Name</u>	<u>Address</u>
(Nationality) WOO Shui Fun	Flat E, 4/F., Hang Sing Mansion, Taikoo Shing, Hong Kong.
Keiichi IGARASHI	Block A, 3/F., 18 Wong Chuk Hang Road, Aberdeen, Hong Kong.

SECRETARY

(As per registry dated 31-05-2107)

<u>Name</u>	<u>Address</u>
Tong Pui Wah	3/F., Block A, Shui Ki Industrial Building, 18 Wong Chuk Hang Road, Aberdeen, Hong Kong.

HISTORY

The subject was incorporated on 31st May, 2004 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: DC motor manufacturer and trader.

Lines: All kinds of automotive motor, DC fractional power motor, geared motor, rectified DC motor, contract manufacturing for motors and units/module,

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Trade Marks: "Igarashi" & "IG".
Office Space: 5,000 sq.ft. (self-owned)
Employees: 20.
Commodities Imported: Mainly imports finished products from its China factory.
Markets: Japan, China, Hong Kong, Southeast Asia, Taiwan, Europe, etc.
Annual Turnover: US\$322 million (2016).
Terms/Sales: As per contracted.
Terms/Buying: Various terms.

FINANCIAL INFORMATION

Issued Share Capital: HK\$6,000,000.00
Profit or Loss: Business is profitable.
Condition: Keeping in a satisfactory manner.
Facilities: Making active use of general banking facilities.
Payment: Regular.
Commercial Morality: Good.
Bankers:-
Bank of Tokyo-Mitsubishi UFJ Ltd., Hong Kong.
Chong Hing Bank Ltd., Hong Kong.
Standing: Good.

GENERAL

Igarashi Electric Works International Limited is wholly-owned by Mr. Keiichi Igarashi who is a Japanese. He is a Hong Kong ID holder and has got the right to reside in Hong Kong. He and Ms. Woo Shui Fun are directors of the subject.

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The subject has had an associated company Igarashi Electric Works (H.K.) Ltd. [Igarashi HK] located at the same address.

The parent company of the subject Igarashi Electric Works Ltd. [Igarashi] is a Japan-based company.

The subject and Igarashi HK are engaged in the same lines of business.

Igarashi HK was incorporated in Hong Kong on 14th September, 1973 as a wholly-owned subsidiary of Igarashi. Igarashi was founded in Japan in Kawasaki in 1946 as a manufacturer of D.C. motors for toys and model ships. Since then, it has been developed to be a miniature D.C. motors manufacturer for more than 60 years. Today, Igarashi has expanded its sales network throughout the world by offering its product line of D.C. motors via its sales offices in Japan, Hong Kong, Germany and the United States.

Igarashi was incorporated on 19th January, 1952 with a capital of ¥20 million and a global group employees of 5,900 persons. It has been dedicating to manufacturing Igarashi motors for more than 6 decades since its establishment in 1952, which include small DC motor, geared motor and motor parts such as armature, etc. Its products are well accepted in the market and are used worldwide in automotive area such as office automation equipment, home electrical appliance, power tool, vending machine, bank notes collector and industrial appliance. Currently, Igarashi HK and the subject are supporting its China factories:

Igarashi Electric Works (Henggang) Factory (established in 1984)

Igarashi Electric Works (Zhuhai) Ltd.

Yat Yue Electric (Shenzhen) Co. Ltd.

The China factories are engaged in the development, production and sales of DC motors, DC motors with accessory, and assembly service like end cap/case/armature.

The subject is responsible for the marketing, sourcing and documentation activities. Igarashi HK and its China Factories were awarded ISO9002 certification in 1997. They further obtained ISO9001, ISO14001 and QS9000 certification in 2002, and TS16949 accreditation in 2005.

In 2016, the total sales of the Group amounted to US\$322 million.

The contact person of the subject is Ms. Woo Shui Fun. History in Hong Kong is over 13 years and seven months.

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

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 63.48
UK Pound	1	INR 86.41
Euro	1	INR 76.54
HKD	1	INR 8.11

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

INFORMATION DETAILS

Analysis Done by :	PRA
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)

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