

MIRA INFORM REPORT

Report No. :	518067
Report Date :	02.07.2018

Correct name of the company is "ROYAL THAI HK (2017) LIMITED"

IDENTIFICATION DETAILS

Name :	ROYAL THAI HK (2017) LIMITED
Registered Office :	Unit 1602-03, 16/F., Port 33, 33 Tseuk Luk Street, San Po Kong, Kowloon
Country :	Hongkong
Date of Incorporation :	28.06.2017
Com. Reg. No.:	67902217
Legal Form :	Private Limited Company
Line of Business :	Importer, Exporter and Wholesaler of Kinds of Carpets.
No. of Employees :	15

RATING & COMMENTS

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

MIRA's Rating :	NB
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Credit Rating	Explanation	Rating Comments
NB	New Business	No recommendation can be done due to business in infancy stage

Status :	New Business
Payment Behaviour :	Unknown
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)
Hongkong	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

HONGKONG - 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

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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

ROYAL THAI HK (2017) LIMITED

ADDRESS: Unit 1602-03, 16/F., Port 33, 33 Tseuk Luk Street, San Po Kong, Kowloon, Hong Kong

PHONE: 852-2359 8900

E-MAIL: hongkong@royalthai.com

MANAGEMENT

Managing Director: Mr. Wong Jor Yang, Stephen

SUMMARY

Incorporated on: 28th June, 2017.

Organization: Private Limited Company.

Issued Share Capital: HK\$1,000.00 & US\$7,959,000.00

Business Category: Importer, Exporter and Wholesaler.

Group Revenues: Baht 3,872.1 million (Year ended 31-12-2016)

Employees: 15.

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

Banking Relation: Satisfactory.

ADDRESS

Registered Head Office:-

Unit 1602-03, 16/F., Port 33, 33 Tseuk Luk Street, San Po Kong, Kowloon, Hong Kong.

Holding Company:-

Costigan Ltd., British Virgin Islands.

Ultimate Holding Company:-

TCM Corporation, Thailand.
[Formerly known as Thailand Carpet Manufacturing Public Co. Ltd.]

Associated Companies:-

Alexander and James Ltd., UK.
Alstons (Cabinets) Ltd., UK.
Alstons (Upholstery) Ltd., UK.
Alstons Furniture Group Ltd., UK. [Dissolved]
AMX Desing Ltd., UK.
Anderry Ltd., British Virgin Islands.
Ashley Manor Upholstery Ltd., UK.
Carpets International Thailand Public Co. Ltd., Thailand.
Decorative Carpet Inc., US.
DM Midlands Holdings Ltd., UK.
DM Midlands Ltd., UK.
Erawan Holding L.L.C., US.
James Alexander Co. Ltd., UK.
Manor (2016) Holdings Ltd., UK.
Nacton Road Developments Ltd., UK.
Onsen Ltd., British Virgin Islands.
P.T. Suminoe Surya Techno, Indonesia.
Philippines Carpet Manufacturing Corp., Philippines.
President Hotel and Tower Co. Ltd., Thailand.
Royal Thai Americas (2017) Inc., USA.
Royal Thai International Co. Ltd., Thailand.
Royal Thai L.L.C., UAE.
SPM Automotive Textile Co. Ltd., China.
Suminoe Teijin Techno Krishna India Ltd., India.
Suminoe Textile Co. Ltd., Japan.
Suminoe Textile of America Corp., US.
Suminoe Textile Shanghai Co. Ltd., China.
T C H Suminoe Co. Ltd., Thailand.
Tai Ping Carpets (S) Pte. Ltd., Singapore.
Tai Ping Carpets India Pvt. Ltd. India.
TCMC Furniture Ltd., UK.
Thai Lee Hong Trading Co. Ltd., China.
Thai UK (2017) Ltd., UK.
TPC Macau Limitada, Macau.
United Carpet Manufacturing Co. Ltd., Thailand.
Vechachai Co. Ltd., Thailand.
etc.

BUSINESS REGISTRATION NUMBER

67902217

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COMPANY FILE NUMBER

2550095

MANAGEMENT

Managing Director: Mr. Wong Jor Yang, Stephen

ISSUED SHARE CAPITAL

HK\$1,000.00 & US\$7,959,000.00

SHAREHOLDERS

(As per registry dated 20-09-2017)

Name	No. of shares	
	HK\$	US\$
Costigan Ltd. Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG110, British Virgin Islands.	1,000 ====	7,959,000 =====

DIRECTORS

(As per registry dated 07-11-2017)

Name (Nationality)	Address
Charlie JANGVIJITKUL	199/207 MB. Lakewood, M. 7, S.7, Bangna-Trad Road, Bangchalong Sub-district, Samut Prakaru, Thailand.
Pimol SRIVIKORN	132/4, Charoen Mit Alley, Phra Khanong Nuea Sub-district, Wattana District, Bangkok Metropolis 10110, Thailand.
M.L. Walliwan VARAVARN	1056/3, Nakhonchaisri Road, Thanonnakhonchaisri Dusit Bangkok 10300, Thailand.
Mark Robert JOHNSON	Lake Avenue Condo Floor 21, Room 21P, 16 Sukhumvit Road, Khlong Toei, Bangkok 10110, Thailand.

Name (Nationality) WONG Jor Yang, Stephen	Address 18/F., 114B Broadway Street, Mei Foo Sun Chuen, Lai Chi Kok, Kowloon, Hong Kong.
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SECRETARY

(As per registry dated 07-11-2017)

Name Yes Choice Consulting Ltd.	Address Room 302, 3/F., Malaysia Building, 47-50 Gloucester Road, Hong Kong.	Co. No. 2113477
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HISTORY

The subject was incorporated on 28th June, 2017 as a private limited liability company under the Hong Kong Companies Ordinance.

Originally the subject was registered under the name of Global Carpets (Holdings) Ltd., name changed to the present style on 15th August, 2017.

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

OPERATIONS

Activities:	Importer, Exporter and Wholesaler.
Lines:	All kinds of Carpets.
Employees:	15.
Commodities Imported:	China, Thailand, etc.
Markets:	Worldwide countries.
Group Revenues:	Baht 2,366.0 million (Year ended 31-12-2015) Baht 3,872.1 million (Year ended 31-12-2016)
Terms/Sales:	Various Terms.
Terms/Buying:	As per contracted.

FINANCIAL INFORMATION

Issued Share Capital:	HK\$1,000.00 & US\$7,959,000.00
Group Profit:	Baht 180.6 million (Year ended 31-12-2015) Baht 271.6 million (Year ended 31-12-2016)
Profit or Loss:	Group business is profitable.
Condition:	Business is under development.
Facilities:	Adequate for current running.
Payment:	Met as required.
Commercial Morality:	Satisfactory.
Banker:	The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
Standing:	Normal.

GENERAL

Royal Thai HK (2017) Limited is a wholly-owned subsidiary of Costigan Ltd. which is a BVI-registered company. The ultimate holding company is TCM Corporation [TCMC /Company/ Group, when including associated], a Thailand-based and registered company. The old name of TCMC is Thailand Carpet Manufacturing Public Co. Ltd. [TCMPCL].

In September 2017, shareholders of TCMPCL approved a proposed Bath 3.14 billion takeover of the commercial carpet business of Hong Kong-listed Tai Ping Carpets International Ltd. Also approved at the shareholders meeting was a change in company name to TCM Corporation, to reflect its vision for modernisation and global expansion

The acquisition will allow TCMC to step into the business of one of the world's leading carpet manufacturers and distributors, positioning it for global expansion.

Tai Ping Carpets International's commercial carpet business has a strong distribution network with a presence in markets around the world. It has offices in nine major markets, including Thailand, the United States, Britain, Hong Kong, Singapore, Macau, India, etc.

Tai Ping Carpets International's commercial carpet business consists of Axminster, broadloom tufted and hand-woven rugs for sale to hospitality projects such as hotels, casinos, convention centres, auditoriums and cruise ships, as well as carpet tiles for corporate offices.

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Pimol Srivikorn, chairman of TCMC, said TCMC had been in the carpet manufacturing and distribution business for about 50 years after the two founders, Chalermbhand Srivikorn and Khunying Sasima Srivikorn - who had set up a joint venture with Tai Ping Carpets International - focused on the production of hand-tufted carpets in Thailand at a factory in Don Muang. Tai Ping Carpets International later sold all of its stake in the joint venture to set up its own manufacturing firm, Carpet International Thailand, with an Axminster facility in Pathum Thani. TCMC, however, had the right to use the Tai Ping brand in the Thai market.

After the acquisition, the combined manufacturing capacity for the Axminster will reach about 1.5 million square metres per year, up from between 300,000 and 500,000 square metres per year produced by its existing factory in Don Muang alone.

After combining the two facilities in Thailand under TCMC, the company would focus on two strategic brands – *Royal Thai* and *Carpets Inter* – for, respectively, Axminster and carpet tile products for distribution at home and abroad. The company would stop using the Tai Ping brand.

The company would also restructure its operations into three major divisions: flooring, furniture and automotive. In 2016, the Group revenues were Baht 3.9 billion (2015: Baht 2.4 billion); profit for the year was Baht 271.6 million (2015: Baht 180.6 million).

The subject is fully supported by TCMC. History in Hong Kong is just over nine months.

On the whole, since the history of the subject is short, consider it good for normal business engagements on L/C basis or in very small credit amounts.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.94
UK Pound	1	INR 90.21
Euro	1	INR 79.64
HKD	1	INR 8.75

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

INFORMATION DETAILS

Analysis Done by :	NIS
Report Prepared by :	TPT

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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)