

MIRA INFORM REPORT

Report No. :	517156
Report Date :	05.07.2018

IDENTIFICATION DETAILS

Name :	HAIER INTERNATIONAL BUSINESS CORPORATION LIMITED
Registered Office :	Room 1908, 19/F., Harbour Centre, 25 Harbour Road, Wanchai
Country :	Hongkong
Date of Incorporation :	04.11.2011
Com. Reg. No.:	59128908
Legal Form :	Private Limited Company
Line of Business :	Manufacturer and Exporter of all kinds of Household Electric Appliances.
No. of Employees :	15 (Including Associates)

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)
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 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

HAIER INTERNATIONAL BUSINESS CORPORATION LIMITED

ADDRESS: Room 1908, 19/F., Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong.

PHONE: 852-2186 9856

FAX: 852-2186 9850

MANAGEMENT

Managing Director: Mr. Ng Chi Yin

SUMMARY

Incorporated on: 4th November, 2011.

Organization: Private Limited Company.

Issued Share Capital: HK\$10,000,000.00

Business Category: Household Electric Appliance Trader.

Group Revenue: RMB78.8 billion Yuan (Year ended 31-12-2017)

Employees: 15. (Including associates)

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

Banking Relation: Satisfactory.

ADDRESS

Registered Head Office:-

Room 1908, 19/F., Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong.

Holding Company:-

Haier Electronics Sales (HK) Co. Ltd., Hong Kong.

Intermediate Holding Company:-

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Haier Electronics Group Co. Ltd., Hong Kong. [HEG]

Penultimate Holding Company:-

Qingdao Haier Co. Ltd., Hong Kong.

Ultimate Holding Company:-

Haier Group Corporation, China.

Associated Companies:-

Haier [HEG] Group of Companies

Chongqing Haier Drum Washing Machine Co. Ltd., China.
Chongqing Haier Washing Machine Co. Ltd., China.
Chongqing Haier Water Heater Co. Ltd., China.
Chongqing New Goodaymart Electronics Sales Co. Ltd., China.
Foshan Haier Drum Washing Machine Co. Ltd., China.
Foshan Shunde Haier Electric Co. Ltd., China.
Foshan Shunde Haier Intelligent Electronics Co. Ltd., China.
Guangdong Goodaymart Supply Chain Co. Ltd., China.
Haier (Hong Kong) Co. Ltd., Hong Kong.
Haier Business Development Ltd., Hong Kong. [Dissolved]
Haier Electronics Group Co. Ltd., Bermuda/Hong Kong.
Haier Electronics Sales (Hefei) Co. Ltd., China.
Haier Global Business Corporation Ltd., Hong Kong. (Same address)
Haier Group E-commerce Co. Ltd., China.
Haier Int (HK) Co. Ltd., Hong Kong. [Dissolved]
Haier International (HK) Ltd., Hong Kong. (Same address)
Haier International Co. Ltd., Hong Kong.
Haier Shareholdings (Hong Kong) Ltd., Hong Kong.
Hefei Haier Washing Machine Co. Ltd., China.
Luoyang Goodaymart Logistics Co. Ltd., China.
Qingdao Economy & Technology Development Zone Haier Water Heater Co. Ltd., China.
Qingdao Goodaymart Chuangzhi Investment Management Co. Ltd., China.
Qingdao Goodaymart Electronics Service Co. Ltd., China.
Qingdao Goodaymart Household Service Co. Ltd., China.
Qingdao Goodaymart Lejia Trading Co. Ltd., China.
Qingdao Goodaymart Lexinyun Technology Co. Ltd., China.
Qingdao Goodaymart Logistics Co. Ltd., China.
Qingdao Goodaymart Supply Chain Co. Ltd., China.
Qingdao Goodaymart Wuhan Logistics Co. Ltd., China.
Qingdao Haier Drum Washing Machine Co. Ltd., China.
Qingdao Haier Electronics Sales Service Co. Ltd., China.
Qingdao Haier New Energy Electronics Co. Ltd., China.
Qingdao Haier Washing Electric Appliance Co. Ltd., China.
Qingdao Haier Washing Machine Co. Ltd., China.
Qingdao Jiaonan Haier Washing Machine Co. Ltd., China.
Qingdao Lejia Electric Appliance Co. Ltd., China.
Shanghai Boyol New Brothers Supply Chain Management Co. Ltd., China.
Sheng Feng Logistics Group Co. Ltd., China.
Shenyang Goodaymart Logistics Co. Ltd., China.

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Tianjin Haier Washing Machine Co. Ltd., China.
Tianjin Ririxin Assets Management Co. Ltd., China.
Wuhan Haier Water Heater Co. Ltd., China.
etc.

BUSINESS REGISTRATION NUMBER

59128908

COMPANY FILE NUMBER

1677642

MANAGEMENT

Managing Director: Mr. Ng Chi Yin

ISSUED SHARE CAPITAL

HK\$10,000,000.00

SHAREHOLDER

(As per registry dated 04-11-2017)

<u>Name</u>	<u>No. of shares</u>
Haier Electronics Sales (HK) Co. Ltd., Hong Kong.	10,000,000 =====

DIRECTORS

(As per registry dated 04-11-2017)

<u>Name</u>	<u>Address</u>
(Nationality) DIAO Yunfeng	Room 101, Unit 3, Building No. 2, 146 Hong Kong East Road, Laoshan District, Qingdao, Shandong Province, China.

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<u>Name</u> <u>(Nationality)</u>	<u>Address</u>
HUANG Xiaowu	Flat H, 5/F., Block 2 (Sung Fung Court), Harbour Heights, 3 Fook Yum Road, North Point, Hong Kong.
NG Chi Yin	Flat B, 28/F., Tower 2, Marbella 23 On Chun Street, Ma On Shan, New Territories, Hong Kong.
SU Changqing	Flat H, 5/F., Block 2 (Sung Fung Court) Harbour Heights, 3 Fook Yum Road, North Point, Hong Kong.
ZHOU Yunjie	Room 402, Unit 3, No. 47 Taiqing Road, Shibe District, Qingdao, Shandong, China.

SECRETARY

(As per registry dated 04-11-2017)

<u>Name</u>	<u>Address</u>
KONG Lai Shan	Room 3505, 35/F., Block E, Kam Kwai House, Kam Fung Court, Ma On Shan, Hong Kong.

HISTORY

The subject was incorporated on 4th November, 2011 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:	Manufacturer and Exporter.
Lines:	All kinds of household electric appliances.
Employees:	15. (Including associates)
Materials/Commodities:	Imports raw materials from European countries, some of the Asian countries and finished products from China.
Markets:	Worldwide countries.

HEG Revenue (Unit: RMB' million, year ended 31 December):-

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2013: 62,236.2
2014: 67,134.0
2015: 62,826.1
2016: 63,854.9
2017: 78,798.3

Terms/Sales: As per contracted.

Terms/Buying: Various terms.

FINANCIAL INFORMATION

Issued Share Capital: HK\$10,000,000.00

HEG Profit Attributable to owners:

(Unit: RMB' million, year ended 31 December):

2013: 2,036.9
2014: 2,445.9
2015: 2,702.2
2016: 2,785.4
2017: 3,358.3

Profit or Loss: Group business is profitable.

Condition: Business is good and active.

Facilities: Making active use of general banking facilities.

Payment: Met trade commitments as contracted.

Commercial Morality: Good.

Bankers:-

The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
Bank of China (Hong Kong) Ltd., Hong Kong.

Standing: Very Good.

GENERAL

Haier International Business Corporation Limited is a wholly-owned subsidiary of Haier Electronics Sales (HK) Co. Ltd., a Hong Kong-registered company. Its intermediate holding company Haier Electronics Group Co. Ltd. [HEG/Company] is a Hong Kong-listed company bearing stock code 01169.

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The ultimate holding company of the subject Haier Group Corporation [Haier] is a China-based firm. Haier is in Qingdao City, Shandong Province, China.

Haier is primarily a producer of household appliances (white goods), including air conditioners, washing machines, refrigerators, etc. Its headquarters are in Qingdao, Shandong, the People's Republic of China. Haier is the fourth-largest white goods manufacturer in the world.

Haier was founded as Qingdao Refrigerator Co. in 1984.

Having diversified its product line beyond refrigerators, the company adopted a new name in 1991. Qingdao Haier Group was further simplified in 1992 to Haier Group, the company's current name.

Its place in the domestic market secure, Haier moved onto the international stage with the goal of building a global brand name. It opened a production facility in Indonesia in 1996, and the Philippines and Malaysia in 1997. In 2017, the HEG recorded a revenue of RMB78.8 billion Yuan (2016: RMB63.9 billion Yuan) representing a year-on-year increase of 23.4%, and a net profit attributable to parent of RMB3.36 billion Yuan (2016: RMB2.79 billion Yuan), representing a year-on-year increase of 20.6%.

Each of its white goods business, channel services business and logistics business recorded rapid growth, which was attributable to attracting devotion on creating value for customers and attracting loyal users through first-class products, user experience and services. For the white goods sector, it enhanced its product mix by launching high-quality products to seize the general trend of consumption upgrade.

The subject is fully supported by the Haier Group. History in Hong Kong is over six years and eight months.

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

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.53
UK Pound	1	INR 90.52
Euro	1	INR 80.02
HKD	1	INR 8.77

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

INFORMATION DETAILS

Analysis Done by :	DIV
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)