

## MIRA INFORM REPORT

<b>Report No. :</b>	532970
<b>Report Date :</b>	02.10.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	NGAI WAH COMPANY LIMITED
<b>Registered Office :</b>	Office P, 19/F., Kings Wing Plaza 1, 3 On Kwan Street, Shek Mun, Shatin, New Territories
<b>Country :</b>	Hongkong
<b>Date of Incorporation :</b>	30.06.1988
<b>Com. Reg. No.:</b>	12941496
<b>Legal Form :</b>	Private Limited Company
<b>Line of Business :</b>	Importers, exporters, wholesalers and retailers, all kinds of stainless steel sheets and coils, aluminium materials
<b>No. of Employees :</b>	7

**RATING & COMMENTS**

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

**MIRA's Rating :**

A

Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

<b>Status :</b>	Satisfactory
<b>Payment Behaviour :</b>	No Complaints
<b>Litigation :</b>	Clear

**NOTES:**

Any query related to this report can be made on e-mail : [infodept@mirainform.com](mailto:infodept@mirainform.com) while quoting report number, name and date.

**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

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### 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.

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, which took effect in 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 2.6% in 2016, but slowed to 2.0% in 2017. 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. In 2017, Chief Executive 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

## **NOTE**

(Formerly located at:

G/F., 48-52 Tai Tsun Street, Tai Kok Tsui, Kowloon, Hong Kong.)

## **COMPANY NAME AND DRESS**

### **NGAI WAH COMPANY LIMITED**

**ADDRESS:** Office P, 19/F., Kings Wing Plaza 1, 3 On Kwan Street, Shek Mun, Shatin, New Territories, Hong Kong.

**PHONE:** 852-2392 9418, 2789 2378, 2789 2544

**FAX:** 852-2789 3798

## **MANAGEMENT**

Managing Director: Mr. Cho Kwun Fai

## **SUMMARY**

Incorporated on: 30th June, 1988.

Organization: Private Limited Company.

Issued Share Capital: HK\$2,000,000.00

Business Category: Metal Merchant.

Employees: 7.

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

Banking Relation: Satisfactory.

## **ADDRESS**

### **Registered Head Office & Shop:-**

Office P, 19/F., Kings Wing Plaza 1, 3 On Kwan Street, Shek Mun, Shatin, New Territories, Hong Kong.

### **Associated Companies:-**

Foshan City Nanhai Yihua Stainless Steel & Aluminium Co. Ltd., China.  
Guangdong Yihua Stainless Steel & Aluminium Industry Co. Ltd., China.  
Ngai Wah Stainless Steel & Aluminium Co. Ltd., Hong Kong.  
Yihua Industrial (Group) Co. Ltd., China.

## **BUSINESS REGISTRATION NUMBER**

12941496

## **COMPANY FILE NUMBER**

0256864

## **MANAGEMENT**

Managing Director: Mr. Cho Kwun Fai  
Contact Person: Ms. Joyce Wong

## **ISSUED SHARE CAPITAL**

HK\$2,000,000.00

## **SHAREHOLDERS**

(As per registry dated 30-06-2017)

<u>Name</u>	<u>No. of shares</u>
CHO Kwun Fai	1,400,000
CHO Man Wa	300,000
CHO Sze Wah	300,000
<b>Total:</b>	<b>2,000,000</b>

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## **DIRECTORS**

(As per registry dated 30-06-2017)

Name

(Nationality)

CHO Man Wa

Address

G/F., 48-52 Tai Tsun Street, Tai Kok Tsui, Kowloon, Hong Kong.

CHO Kwun Fai

G/F., 48-52 Tai Tsun Street, Tai Kok Tsui, Kowloon, Hong Kong.

## **SECRETARY**

(As per registry dated 30-06-2017)

Name

Concord Asia Secretaries Ltd.

Address

Room 2901, 29/F., Shui On Centre,  
6-8 Harbour Road, Wanchai, Hong Kong.

Co. No.

0639738

## **HISTORY**

The company was incorporated on 30th June, 1988 as a private limited liability company under the Hong Kong Companies Ordinance.

Formerly the subject was located at 'G/F., 48-52 Tai Tsun Street, Tai Kok Tsui, Kowloon, Hong Kong', moved to the present address in July 2017.

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

## **OPERATIONS**

Activities: Importers, Exporters, Wholesalers and Retailers.

Lines: All kinds of stainless steel sheets and coils, aluminium materials

Employees: 7.

Commodities

Imported: Mainly imported from China, other Asian countries, etc.

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Markets: Asian countries, Europe, North America, etc.  
Terms/Sales: As per contracted.  
Terms/Buying: L/C or on collection.

## **FINANCIAL INFORMATION**

Issued Share Capital: HK\$2,000,000.00

Mortgage or Charge (since 2013): (See attachment)

Profit or Loss: Business is profitable.

Condition: Keeping in a normal condition.

Facilities: Making active use of general banking facilities.

Payment: Met as required.

Commercial Morality: Satisfactory.

Bankers:-

Hang Seng Bank Ltd., Hong Kong.  
The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.  
DBS Bank (Hong Kong) Ltd., Hong Kong.  
Fubon Bank (Hong Kong) Ltd., Hong Kong.

Standing: Moderate.

## **GENERAL**

Ngai Wah Company Limited was formed in mid 1989 by the Cho family. It is jointly owned by Mr. Cho Kwun-Fai, holding 70% interests, Mr. Cho Man-Wa, holding 15%, and Mr. Cho Sze-Wah, also 15%.

The subject is specialized in manufacturing aluminium extrusion (mill finish, anodizing, powder coating, fluoro-carbon 1-3 coat, etc.) and stainless steel pipe (304, 202, and 201). It also provides stainless steel coil splitting and sheet 8K/Headline finishing services.

The subject belongs to Ngai Wah Group.

The Group is a modernized aluminium and stainless steel pipe production company. It has set up two factories in China. The larger one is in Foshan, Guangdong Province, China.

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Founded in 1993, the plant covers an area of thirty-six thousand square meters.

The new production base is located in Zhaoqing City, Mong high-tech zones Beijiang Road Yihua Industrial Park. This factory covers an area of 500 acres and its annual production capacity is up to 80,000 tons.

The Group has invested about HK\$48 million in importing equipment from abroad. Production lines are imported from Switzerland, Japan, Taiwan, etc. These include advanced and comprehensive range of aluminium production equipment and stainless steel production equipment, and with seven 3,000-kilowatt generator sets, with casting rod, mould design, computer-controlled extrusion profiles to the oxidation colouring, electrophoretic coating process, powder coating and stainless steel mechanical control pickling, cold rolling, opening film, pipe, polishing, embossing a one-stop computer, mechanization.

The annual output of the factories are 40,000 tons of stainless steel pipes and 40,000 tons of aluminium.

The business of the subject is chiefly handled by the Cho family. History in Hong Kong is over 28 years and nine years.

On the whole, consider it good for normal credit requirements.

## ***MORTGAGE OR CHARGE***

(Since 2013)

Date	Description of Instrument	Mortgagee
12-12-2013	Charge Over Assets	Fubon Bank (Hong Kong) Ltd., Hong Kong.
22-05-2015	Mortgage	DBS Bank (Hong Kong) Ltd., Hong Kong.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.80
UK Pound	1	INR 94.88
Euro	1	INR 84.38
HKD	1	INR 9.37

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

**INFORMATION DETAILS**

Analysis Done by :	PRA
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)