

MIRA INFORM REPORT

Report No. :	532576
Report Date :	04.10.2018

IDENTIFICATION DETAILS

Name :	FONG MEI LEATHER COMPANY LIMITED
Registered Office :	13/F., Tshun Ngen Building, 41 Hillwood Road, Tsimshatsui, Kowloon
Country :	Hong Kong
Date of Incorporation :	25.07.1989
Com. Reg. No.:	13696022
Legal Form :	Private Limited Company
Line of Business :	Importer, Wholesaler and Re-exporter of All Kinds of Leather.
No. of Employees :	6

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 :	---

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

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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

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

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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

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COMPANY NAME AND ADDRESS

FONG MEI LEATHER COMPANY LIMITED

ADDRESS: 13/F., Tshun Ngen Building, 41 Hillwood Road, Tsimshatsui, Kowloon, Hong Kong.

PHONE: 852-2687 1108, 2367 5113

FAX: 852-2687 3119

MANAGEMENT:

Managing Director: Mr. Yeh Ming Fu

SUMMARY

Incorporated on: 25th July, 1989.

Organization: Private Limited Company.

Issued Share Capital: HK\$2,700,000.00

Business Category: Leather Trader.

Employees: 6.

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

Banking Relation: Satisfactory.

ADDRESS

Registered Head Office:-

13/F., Tshun Ngen Building, 41 Hillwood Road, Tsimshatsui, Kowloon, Hong Kong.

Taiwan Office:-

Fong Mei Leather Co. Ltd.

26 Lane, 118 Szu Wei Road, Wu Ku Hsiang, Taipei Hsien, Taiwan.

Affiliated Companies:-

Fong Mei Leather (Thailand) Co. Ltd., Thailand.

Sun Rise Leather Co., Taiwan.

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Y. M. Joy Trading Co. Ltd., Taiwan.

BUSINESS REGISTRATION NUMBER

13696022

COMPANY FILE NUMBER

0259429

MANAGEMENT

Managing Director: Mr. Yeh Ming Fu

ISSUED SHARE CAPITAL

HK\$2,700,000.00

SHAREHOLDER

(As per registry dated 25-07-2018)

Name

YEH Ming Fu

No. of shares

2,700,000

=====

DIRECTOR

(As per registry dated 25-07-2018)

Name

(Nationality)

YEH Ming Fu

Address

292 Cheng I North Road, Sanchung, Taipei Hsieng, Taiwan.

[Previous Names: YEH Ming

Fuh]

SECRETARY

(As per registry dated 25-07-2018)

<u>Name</u>	<u>Address</u>	<u>Co. No.</u>
Concord Asia Secretaries Ltd.	Room 2901, 29/F., Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong.	0639738

HISTORY

The subject was incorporated on 25th July, 1989 as a private limited liability company under the Hong Kong Companies Ordinance.

Originally the subject was registered under the name of Full Strong Investments Ltd., name changed to the present style on 10th August, 1990.

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

OPERATIONS

Activities: Importer, Wholesaler and Re-exporter.

Lines: All kinds of leather.

Employees: 6.

Commodities Imported: Mainly imported from Italy, Spain, India, US, etc.

Markets: Taiwan, Hong Kong, China, other Asian countries, etc.

Terms/Sales: CAD or as per contracted.

Terms/Buying: L/C, D/P and T/T.

FINANCIAL INFORMATION

Issued Share Capital: HK\$2,700,000.00

Mortgage or Charge:-

Date of Legal Charge: 28-03-2001

Amount: To secure "all moneys" in respect of general banking facilities

Property: 5/190th parts or shares of and in Kowloon Inland Lots Nos. 9864 & 8655 (13/F. of Tshun Ngen Building, 41 Hillwood Road, Tsimshatsui, Kowloon, Hong Kong.)

Mortgagee: Wing Hang Bank Ltd., Hong Kong.

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Profit & Loss: Traded at a profitable angle.
Condition: Keeping in a satisfactory manner.
Facilities: Making active use of general banking facilities.
Payment: No Complaints.
Commercial Morality: Satisfactory.
Bankers:-
Wing Hang Bank Ltd., Hong Kong.
The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
Standing: Normal.

GENERAL

Fong Mei Leather Company Limited is a private limited company wholly owned by Mr. Yeh Ming Fu who is a Taiwan merchant.

Now, he is also a Hong Kong ID holder and has got the right to reside in Hong Kong. He is also the only director of the subject.

The subject is a leather trader. It imports raw materials from abroad and re-exports to China where its factory is located. The subject in fact is responsible for the management of the China factory.

The subject imports leather from South Korea, Taiwan, Singapore, India, Australia, France, etc.

The subject's Taiwan office is bearing the same name [Taiwan Fong Mei]. Formerly the Taiwan factory was engaged in processing leather. It was due to high labour cost, environmental pollution of leather industry and acute competitions from Southeast Asia and China, then the production in Taiwan had been terminated and the production base was moved to Guangdong Province, China. The China Company was known as 'Sihui Fengmei Leather Co., Ltd.' [Sihui Fengmei].

Now, the production in Guangdong Province has been terminated and Sihui Fengmei has been deregistered.

The subject has moved its production facilities to Thailand. The Thailand factory is known as Fong Mei Leather (Thailand) Co., Ltd.

Now, most of the members of the Yeh family are stationing at their Thailand factory. Finished products are sold in Thailand, exported to Hong Kong, Taiwan, etc. Business has been actively operated.

The Chairwoman of Taiwan Fong Mei is Mrs. Yeh Chang Ye Ho and the General Manager is Mr. Yeh Song Wen. All of them belong to the Yeh family.

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The business of the subject is chiefly handled by Mr. Yeh Ming Fu himself. History in Hong Kong is over 29 years and two months.

On the whole, in view of the background and history of the subject, consider it good for normal business engagements.

REMARKS

Court case record:-

<u>Date</u>	<u>Plaintiff</u>	<u>Defendant</u>	<u>Cause</u>	<u>Amount</u>
May 2000	Cheon Gung Co. Ltd.	Fong Mei Leather Co. Ltd., Winnie Chan and Yeh Min Chin	Amount due – Goods sold & delivered	US\$12,000

Property information of the company:-

Property Location: 13/F., Tshun Ngen Building, 41 Hillwood Road, Tsimshatsui, Kowloon, Hong Kong.

Owner: Fong Mei Leather Co. Ltd.

Date of Purchase: 24-09-1990

Purchased Price: n.a.

Incumbrances:-

<u>Date of Mortgage</u>	<u>Amount Consideration</u>	<u>Mortgagee</u>	<u>Nature</u>
28-03-2001	-	Wing Hang Bank Ltd., Hong Kong.	Legal charge to secure general banking facilities

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.03
UK Pound	1	INR 94.99
Euro	1	INR 84.58
HKD	1	INR 9.41

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

INFORMATION DETAILS

Analysis Done by :	DIV
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)