

MIRA INFORM REPORT

Report No. :	533532
Report Date :	10.10.2018

IDENTIFICATION DETAILS

Name :	PERFECT MARBLE COMPANY LIMITED
Registered Office :	Unit 8 – 10, 12/F., No. 1 Hung To Road, Kwun Tong, Kowloon
Country :	Hong Kong
Date of Incorporation :	09.10.1981
Com. Reg. No.:	07541411
Legal Form :	Private Limited Company
Line of Business :	The subject is engaged in the processing and marketing marble and granite products. It is also a specialist in marble and granite installation works in Hong Kong and China.
No. of Employees :	17 (Including associated company)

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
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)
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

NOTE

(Formerly located at: Unit 3606, 36/F., Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong.)

COMPANY NAME AND ADDRESS

PERFECT MARBLE COMPANY LIMITED

ADDRESS: Unit 8 – 10, 12/F., No. 1 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

PHONE: 852-2677 0233

FAX: 852-2191 1768, 2919 1717

E-MAIL: marketing@perfectmarble.com.hk

MANAGEMENT:

Managing Director: Mr. Ko Chung Lun

SUMMARY

Incorporated on: 9th October, 1981.

Organization: Private Limited Company.

Issued Shares Capital: HK\$50,000,000.00

Business Category: Trading in marble & granite slabs.

Employees: 17. (Including associated company)

Main Dealing Banker: Standard Chartered Bank (Hong Kong) Ltd., Hong Kong.

Banking Relation: Satisfactory.

ADDRESS

Registered Head Office:-

Unit 8 – 10, 12/F., No. 1 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

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Holding Company:-

Wide Ocean Investments Ltd.

Sea Meadow House, Black Burne Highway, P.O. Box 116, Road Town, Tortola, British Virgin Islands.

Associated Companies:

Best Cheer (Quanzhou) Logistics Co. Ltd., China.

Best Cheer (Xiamen) Stone Works Co. Ltd., China.

Best Cheer Africa Stone Co. Ltd., Namibia.

Best Cheer America Investment Ltd., Hong Kong.

Best Cheer Development Ltd., Hong Kong. (Same address)

Best Cheer Environmental Technology Co. Ltd., China.

Best Cheer Logistics Group Ltd., Hong Kong.

Best Cheer New Styled Construction Co. Ltd., China.

Best Cheer Prefabricated System Ltd., Hong Kong. (Same address)

Best Cheer Resources International Ltd., Hong Kong.

Best Cheer Stone (Shanghai) Co. Ltd., China.

Best Cheer Stone (Tianjin) Co. Ltd., China.

Best Cheer Stone Group Ltd., Hong Kong.

Best Cheer Stone Inc., USA.

Best Cheer Stone International Ltd., Hong Kong.

Best Cheer Stone Ltd., Hong Kong.

Best Cheer Technology (Hong Kong) Ltd., Hong Kong.

Best Cheer Trading Holdings Ltd., Hong Kong.

China Marble (H.K.) Ltd., Hong Kong.

Dongguan You Lian Construction & Materials Co. Ltd., China.

Full Treasure Industrial Ltd., Hong Kong.

Miyi County Yutian Mining Co. Ltd., China.

Shenzhen Lianyi Decoration Engineering Co. Ltd., China.

Yass Pacific Corporation, British Virgin Islands.

Yu Do Estates Ltd., Hong Kong.

Yu Do Investment Holdings Ltd., Hong Kong.

Yu Do Marble Co. Ltd., Hong Kong.

Yu Tian Stone (Shenzhen) Co. Ltd., China.

Yutian Real Estate (Shenzhen) Co. Ltd., China.

Zhong Lei Stone (Chengde) Co. Ltd., China.

Zhong Lei Stone (Rongcheng) Co. Ltd., China.

etc.

BUSINESS REGISTRATION NUMBER:

07541411

COMPANY FILE NUMBER

0103903

MANAGEMENT

Managing Director: Mr. Ko Chung Lun
Deputy General Manager: Ms. Li Sau Lin

ISSUED SHARES CAPITAL

HK\$50,000,000.00 (5,000,000 fully paid ordinary shares)

SHAREHOLDERS

(As per registry dated 09-10-2017)

<u>Name</u>	<u>No. of shares</u>
Wide Ocean Investments Ltd. Sea Meadow House, Black Burne Highway, P.O. Box 116, Road Town, Tortola, British Virgin Islands.	4,999,975
KO Yu Man	25

Total:	5,000,000
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DIRECTORS

(As per registry dated 09-10-2017)

<u>Name</u>	<u>Address</u>
LI Sau Lin	Flat F, 16/F., Block 8, Jubilee Garden, Fotan, Shatin, New Territories, Hong Kong.
KWONG Choi Kuen	Unit 3606, 36/F., Wu Chung Hose, 213 Queen's Road East, Wanchai, Hong Kong.
CHEUNG Wai Man	Unit 3606, 36/F., Wu Chung Hose, 213 Queen's Road East, Wanchai, Hong Kong.
KO Yu Man	Suite 1905, 19/F., Convention Plaza Apartment, 1 Harbour Road, Wanchai, Hong Kong.

KO Chung Lun

Suite 1904, 19/F., Convention Plaza Apartment, 1 Harbour Road, Wanchai, Hong Kong.

SECRETARY

(As per registry dated 09-10-2017)

<u>Name</u>	<u>Address</u>	<u>Co. No.</u>
Wisdom Faith Consultancy Ltd.	Unit B, 17/F., JCG Building, 16 Mongkok Road, Kowloon, Hong Kong.	0640008

HISTORY

The company was incorporated on 9th October, 1981 as a private limited liability company under the Hong Kong Companies Ordinance.

It was originally registered under the name of Kwok Wai Co. Ltd. and changed to the present style on 1st December, 1981.

The subject moved to Suite 2901, 29/F., Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong from 9/F., Centre Point, 181-185 Gloucester Road, Wanchai, Hong Kong in April 1999.

The subject moved to 'Unit 3606, 36/F., Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong' in September 2001 and further to the present address with effect from 8th June, 2018.

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

OPERATIONS

Activities: Importers and Suppliers; Marble Fitting Construction Work.

Lines: All kinds of marble & granite slabs.

Employees: 17. (Including associated company)

Commodities Imported: Mainly imported from Italy, Portugal, Brazil, Africa, India, etc.

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

Terms/Sales: COD or as per contracted.

Terms/Buying: Various terms.

MEMBERSHIP

Hong Kong Marble & Granite Merchants Association

FINANCIAL INFORMATION

Issued Share Capital: HK\$50,000,000.00 (5,000,000 fully paid ordinary shares)

Mortgage or Charge: (See attachment)

Profit or Loss: Business is profitable.

Condition: Keeping in a normal manner.

Facilities: Making active use of general banking facilities.

Payment: Regular

Commercial Morality: Satisfactory.

Bankers:-

Standard Chartered Bank, Hong Kong Branch.

Taipei Fubon Commercial Banking Corporation Ltd., Hong Kong Branch.

Chiyu Banking Corporation Ltd., Hong Kong.

The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.

Bank of China (Hong Kong) Ltd., Hong Kong.

Standing: Very Good.

GENERAL

Perfect Marble Company Limited is a subsidiary company of Wide Ocean Investments Ltd. which is a BVI-registered company.

Now, the subject is chiefly owned by the Ko family. The Ko family set up Best Cheer Stone Group [Best Cheer] in 1994 while the subject is one of the core members.

The subject is engaged in the processing and marketing marble and granite products. It is also a specialist in marble and granite installation works in Hong Kong and China.

Best Cheer has grown into the world's largest vertically integrated stone company with 5,300 employees worldwide.

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Best Cheer started its expansion into the US market in 2003, with the purchase of the famous Solar White quarry in North Carolina.

Since 1994, Best Cheer Group has become a service provider of global united stone resolving system and the best provider of professional top stones. It is the world's No. 1 stone complex corporation.

Best Cheer Group leads its contemporary R&D team, the standard fabricating system to develop its business.

Best Cheer Group once and later has introduced the global advanced fabricating equipment as many as 1,000 sets, and built the world's most advanced and the most completed complex stone assembling line.

The footprints of Best Cheer Group has spread over 70 countries and places worldwide—the Las Vegas Wynn Hotel in USA, the Hamburg airport in Germany, Australian ASX Financial Center, The Atlantis Hotel in Dubai, The Presidential Mansion in Uzbekistan, The Poly Building in Beijing, The Time Square in Hong Kong, etc.

Best Cheer Stone, Inc. (BCS), a wholly-owned subsidiary of Best Cheer, was established in 2004 to be the factory-direct distributors at both West Coast and East Coast in the United States.

BCS supplies a wide range of products including slabs (2 cm & 3 cm), pre-fabricated countertops, cut-to-size products for various commercial projects, façade panels and tiles.

The Group is supported by its 10 factories (or production bases) in China and 22 quarries worldwide. These include one in the United States and one in Norway. The China production bases are in Hebei, Tianjin, Shandong, Shanghai, Sichuan, Fujian, Guangdong, etc.

BCS is a member of the Marble Institute of America and the Building Stone Institute.

The Group's largest warehouse and logistics base is in Quanzhou, Fujian Province, China. Best Cheer (Quanzhou) Logistic Ltd. is operating a bonded warehouse for stone materials.

The Group is importing more 600 types of stone material from worldwide suppliers.

Ms. Li Sau Lin, aged 55, joined the subject in February 1992 and was appointed as Executive Director of the subject in December 1993. Ms. Li graduated from the University of Ottawa, Canada, in 1986 and holds a Bachelor of Social Science degree in Economics. She oversees the Group's marble business and has over 30 years' experience in the field. She is also one of the Directors of the subject.

The history of the subject in Hong Kong is over 37 years.

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

MORTGAGE OR CHARGE

Date	Description of Instrument	Mortgagee
03-01-2011	Master Agreement	Taipei Fubon Commercial

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18-08-2017 Deed of Indemnity, Charge Over Deposit and Set-Off

Banking Corporation Ltd.,
Hong Kong Branch.
Bank of China (Hong Kong)
Ltd., Hong Kong.

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 74.10
UK Pound	1	INR 96.99
Euro	1	INR 85.11
HKD	1	INR 9.47

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

INFORMATION DETAILS

Analysis Done by :	NIY
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)