

**MIRA INFORM REPORT**

<b>Report No. :</b>	534843
<b>Report Date :</b>	15.10.2018

**IDENTIFICATION DETAILS**

<b>Name :</b>	HONG KONG HAILIANG METAL TRADING LIMITED
<b>Registered Office :</b>	C/o Hongkong Manager & Secretaries Ltd. Unit 1607-1608, 16/F., Citicorp Centre, 18 Whitfield Road, Causeway Bay
<b>Country :</b>	Hong Kong
<b>Date of Incorporation :</b>	09.12.2006
<b>Com. Reg. No.:</b>	37455614
<b>Legal Form :</b>	Private Limited Liability Company
<b>Line of Business :</b>	Not Available  [We tried to confirm / obtain the detailed activity but the same is not available from any sources]
<b>No. of Employees :</b>	No Employees in Hong Kong  <b>NOTE:</b>  It is to be noted that the company does not have its own operating office in Hong Kong. The company uses the address of its secretariat as its correspondence address only. Subject operates from some other country and does not have a base in Hong Kong. Such companies are registered in Hong Kong just to tax benefit purpose and due to the strict privacy laws prevailing in the country. In such cases, the companies are not required to have any employees in Hong Kong nor do have an office there.

**RATING & COMMENTS**

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

<b>MIRA's Rating :</b>	<b>C</b>
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Credit Rating	Explanation	Rating Comments
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C	Medium High Risk	Business dealings permissible preferably on secured basis
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<b>Status :</b>	No Operating Office in Hong Kong
<b>Payment Behaviour :</b>	Unknown
<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 (30.06.2018)	Current Rating (30.09.2018)
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, 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

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## **COMPANY NAME**

HONG KONG HAILIANG METAL TRADING LIMITED

## **ADDRESS**

### **Registered Head Office:-**

C/o Hongkong Manager & Secretaries Ltd.  
Unit 1607-1608, 16/F., Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong.

### **Holding Company:-**

Zhejiang Hailiang Co. Ltd., China.

### **Ultimate Holding Company:-**

Hailiang Group Co. Ltd., China.

### **Associated Companies:-**

Bank of Ningxia Co. Ltd., China.  
Guangdong Hailiang Copper Co. Ltd., China.  
Hailiang (Africa) Mining Investment Co. Ltd., British Virgin Islands.  
Hailiang (Anhui) Copper Co. Ltd., China.  
Hailiang (Vietnam) Copper Co. Ltd., Vietnam.  
Hailiang Group (USA) Inc., USA.  
Hailiang Group Finance Co. Ltd., China.  
Honghe Henghao Mining Co. Ltd., China.  
Hongkong Hailiang Metal Materials Co. Ltd., Hong Kong.  
Jinchuan Group Co. Ltd., China.  
Shanghai Hailiang Copper Co. Ltd., China.  
Societe Hailiang Congo Mining SARL., D.R. Congo  
Vietnam Hailiang Metal Products Manufacturing Co. Ltd., Vietnam.  
Zhejiang Hailiang Environment Matters Co. Ltd., China.  
Zhejiang Hailiang International Trade Co. Ltd., China.  
Zhejiang Keyu Metal Material Co. Ltd., China.  
Zhuji City Haibo Microcredit Co. Ltd., China.  
etc.

## **BUSINESS REGISTRATION NUMBER**

37455614

## **COMPANY FILE NUMBER**

1094229

## **DATE OF INCORPORATION**

9th December, 2006.

## **ISSUED SHARE CAPITAL**

HK\$233,220,000.00

## **SHAREHOLDER**

(As per registry dated 09-12-2017)

Name

Zhejiang Hailiang Co. Ltd.

Diankou, Zhuji, Zhejiang Province, China.

No. of shares

233,220,000

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## **DIRECTOR**

(As per registry dated 09-12-2017)

Name

(Nationality)

JIANG Lirong

Address

Shengling 676, Anchang Town, Shaoxing, Zhejiang Province, China.

## **SECRETARY**

(As per registry dated 09-12-2017)

Name

Hongkong Managers &  
Secretaries Ltd.

Address

Unit 1607-1608, 16/F., Citicorp  
18 Whitfield Road, Causeway Bay, Hong Kong.

Co. No.

Centre, 0020984

## **HISTORY**

The subject was incorporated on 9th December, 2006 as a private limited liability company under the Hong Kong Companies Ordinance.

Formerly the subject's registered office was located at Room 1005, 10/F., Railway Plaza, 39 Chatham Road, Tsimshatsui, Kowloon, Hong Kong, while its head office was located at Flat D, 15/F., Celeste Court, 12 Fung Fai Terrace, Happy Valley, Hong Kong, moved to Room 3401-3402, 34/F., AIA Tower, 183 Electric Road, North Point, Hong Kong in June 2010 and further to the present address in September 2013.

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

## **INDEBTEDNESS**

US\$54,463,389.65 (including a bank loan of US\$45,000,000 and a mortgage of US\$9,463,389.65) & EUR 29,950,000 (Total amount outstanding on all mortgages and charges as per last Annual Return dated 09-12-2017)

## **MORTGAGE OR CHARGE**

(See attachment)

## **GENERAL**

Having issued 233,220,000 ordinary shares of HK\$1.00 each, Hong Kong Hailiang Metal Trading Limited is a wholly owned subsidiary of Zhejiang Hailiang Co. Ltd. [Hailiang] which is a China-based firm. The only director of the subject Jiang Lirong is a China ID holder. Currently he is residing in Shaoxing City, Zhejiang Province, China. The subject does not have its own operating office. Its registered office is in a commercial service firm located at Unit 1607-1608, 16/F., Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong known as Hongkong Managers & Secretaries Ltd. which is handling its correspondences and documents. Hongkong Managers & Secretaries Ltd. is also the corporate secretary of the subject. The subject has no employees in Hong Kong.

The subject's parent Hailiang is one of the largest manufacturers for copper and copper alloy products such as copper tube, brass tube, copper fittings, brass fittings, copper alloy tube, copper water tube, insulated copper tubes and plastic-coated copper tubes, brass rods, etc. The annual production capacity of Hailiang is over 180,000 tons. It has got the ISO 9001 certification and also the certifications approved for different products in different markets such as NSF, UPC, WHI and KITEMARK, SAI, SGS, SABS, C-TPAT, etc. Hailiang's products are able to satisfy the requirements of various customers. One of Hailiang's US customers is Abco Metals Inc. Hailiang's products are usually shipped by Shanghai Hailiang Copper Co. Ltd.

Now, Hailiang has become a large international private-owned group which takes non-ferrous metals, real estate construction, agricultural food, environmental protection, basic education and industrial finance as focus boasting 5 listed companies at home and abroad with its assets totalling over RMB65 billion Yuan.

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The following table shows the financial highlights of Hailiang:

Unit: RMB' million Yuan (Year ended 31 December)

Items	2016	2015	2014
Revenue	17,917.1	13,591.0	12,294.6
Profit/(Loss) Attributable to equity holders of parent	551.2	456.7	495.0
Total Equity	4,312.1	3,810.6	3,470.4

Items	9 months ended 30-09-2017	9 months ended 30-09-2016
Revenue	20,987.7	12,725.2
Profit/(Loss) Attributable to equity holders of parent	575.1	396.8

For the year ended 2016, Hailiang Group had about 4,000 employees in China.

For the year ended 31st December, 2016, the turnover of the Group amounted to RMB17,917.1 million Yuan, increased by 31.8% as compared with RMB13,591.0 million Yuan in 2015 and net profit attributable to shareholders was RMB551.2 million Yuan, grew by 20.7% as compared with RMB456.7 million Yuan in previous year.

For the 9 months ended 30th September, 2017, the turnover of the Group amounted to RMB20,987.7 million Yuan, increased by 64.9% as compared with RMB12,725.2 million Yuan in the same period of 2016 and net profit attributable to shareholders was RMB575.1 million Yuan, grew by 44.9% as compared with RMB396.8 million Yuan in the same period of previous year.

It is predicted that the turnover of the Group in the full year of 2017 will be the best in past four years.

In Hong Kong, the subject has been banking with the following banks:

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

China Construction Bank Corporation, Hong Kong Branch.

Standard Chartered Bank (Hong Kong) Ltd., Hong Kong.

Australia & New Zealand Banking Group Ltd., Hong Kong Branch.

HSBC Bank (China) Co. Ltd., Hangzhou Branch, China.

The subject's business in Hong Kong is not active. History in Hong Kong is over eleven years and two months.

The subject is fully supported by the Group.

Since the subject does not have its own operating office and has no employees in Hong Kong, consider it good for business engagements in small credit amount or on L/C basis.

## **MORTGAGE OR CHARGE**

Date	Description of Instrument	Mortgagee
01-12-2008	Charge Over Account	China Construction Bank Corporation, Hong Kong Branch.
31-05-2011	Agreement for Pledge of Receivables	HSBC Bank (China) Co. Ltd., Hangzhou Branch. 15A/F. Guangli Building, No. 136 Qinchun Road, Hangzhou, Zhejiang, China.
21-02-2012	Agreement for Pledge of Receivables	HSBC Bank (China) Co. Ltd., Hangzhou Branch. 15A/F. Guangli Building, No. 136 Qinchun Road,

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25-07-2012	Agreement for Pledge of Receivables	Hangzhou, Zhejiang, China. HSBC Bank (China) Co. Ltd., Hangzhou Branch. 15A/F. Guangli Building, No. 136 Qinchun Road, Hangzhou, Zhejiang, China.
07-01-2013	Agreement for Pledge of Receivables	HSBC Bank (China) Co. Ltd., Hangzhou Branch. 15A/F. Guangli Building, No. 136 Qinchun Road, Hangzhou, Zhejiang, China.
16-02-2013	Agreement for Pledge of Receivables	HSBC Bank (China) Co. Ltd., Hangzhou Branch. 15A/F. Guangli Building, No. 136 Qinchun Road, Hangzhou, Zhejiang, China.
12-07-2013	Agreement for Pledge of Receivables	HSBC Bank (China) Co. Ltd., Hangzhou Branch. 15A/F. Guangli Building, No. 136 Qinchun Road, Hangzhou, Zhejiang, China.
15-07-2013	Agreement for Pledge of Receivables	HSBC Bank (China) Co. Ltd., Hangzhou Branch. 15A/F. Guangli Building, No. 136 Qinchun Road, Hangzhou, Zhejiang, China.
25-10-2013	Agreement for Pledge of Receivables	HSBC Bank (China) Co. Ltd., Hangzhou Branch. 15A/F. Guangli Building, No. 136 Qinchun Road, Hangzhou, Zhejiang, China.
25-12-2013	Agreement for Pledge of Receivables	HSBC Bank (China) Co. Ltd., Hangzhou Branch. 15A/F. Guangli Building, No. 136 Qinchun Road, Hangzhou, Zhejiang, China.
14-04-2015	Agreement for Pledge of Receivables	HSBC Bank (China) Co. Ltd., Hangzhou Branch. 15A/F. Guangli Building, No. 136 Qinchun Road, Hangzhou, Zhejiang, China.
24-04-2015	Agreement for Pledge of Receivables	HSBC Bank (China) Co. Ltd., Hangzhou Branch. 15A/F. Guangli Building, No. 136 Qinchun Road, Hangzhou, Zhejiang, China.
29-12-2015	Trade Finance Security Agreement	The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
11-07-2016	Agreement for Pledge of Receivables	HSBC Bank (China) Co. Ltd., Hangzhou Branch. 15A/F. Guangli Building, No. 136 Qinchun Road, Hangzhou, Zhejiang, China.
22-03-2017	Agreement for Pledge of Receivables	HSBC Bank (China) Co. Ltd., Hangzhou Branch. 15A/F. Guangli Building, No. 136 Qinchun Road, Hangzhou, Zhejiang, China.
11-08-2017	Agreement for Pledge of Receivables	HSBC Bank (China) Co. Ltd., Hangzhou Branch.

15A/F. Guangli Building, No. 136 Qinchun Road,  
Hangzhou, Zhejiang, China.

**NOTE:**

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**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.80
UK Pound	1	INR 97.65
Euro	1	INR 85.55
HKD	1	INR 9.44

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	DIV
<b>Report Prepared by :</b>	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)