

MIRA INFORM REPORT

Report No. :	535334
Report Date :	22.10.2018

IDENTIFICATION DETAILS

Name :	FAR EAST NETWORK (H.K.) LIMITED
Registered Office :	19/F., Overseas Trust Bank Building, 160 Gloucester Road, Wanchai
Country :	Hong Kong
Date of Incorporation :	18.05.1984
Com. Reg. No.:	09003683
Legal Form :	Private Limited Company
Line of Business :	Importer, Exporter and Wholesaler all kinds of fabrics, piecegoods
No. of Employees :	8

RATING & COMMENTS

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

MIRA's Rating :	B
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Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Status :	Moderate
Payment Behaviour :	No Complaints
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 (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, 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.

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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 government spending on research and development, education, and technological innovation with the aim of spurring continued economic growth through greater sector diversification.

Source : CIA

COMPANY NAME AND ADDRESS

FAR EAST NETWORK (H.K.) LIMITED

ADDRESS: 19/F., Overseas Trust Bank Building, 160 Gloucester Road, Wanchai, Hong Kong.

PHONE: 852-2763 3000

FAX: 852-2341 9542

MANAGEMENT

Managing Director: Mr. Han Sai Wai, Andrew

SUMMARY

Incorporated on: 18th May, 1984.

Organization: Private Limited Company.

Issued Share Capital: HK\$5,000,000.00

Business Category: Importer, Exporter and Wholesaler.

Annual Turnover: US\$10 – 50 million.

Employees: 8.

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

Banking Relation: Satisfactory.

ADDRESS

Registered Head Office:-

19/F., Overseas Trust Bank Building, 160 Gloucester Road, Wanchai, Hong Kong.

BUSINESS REGISTRATION NUMBER

09003683

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COMPANY FILE NUMBER

0136818

MANAGEMENT

Managing Director: Mr. Han Sai Wai, Andrew

ISSUED SHARE CAPITAL

HK\$5,000,000.00

SHAREHOLDERS

(As per registry dated 18-05-2018)

Name	No. of shares
HAN Mei Mei, Vivian	4,500,000
Cheng & Partners Incorporated P.O. Box 3340, Road Town, Tortola, British Virgin Islands.	300,000
CHENG Ho Tai, Mark	200,000
Total:	<u>5,000,000</u> =====

DIRECTORS

(As per registry dated 18-05-2018)

Name (Nationality)	Address
HAN Sai Wai, Andrew	Flat D, 13/F., Tower VII, The Waterfront, 1 Austin Road West, Kowloon, Hong Kong.
IU Kim Ming	Flat D, 6/F., Block 21, Baguio Villa, 555 Victoria Road, Hong Kong.
CHENG Hok Yee, Paul	Flat 5A, 5/F., Villa Veneto, 3 Kotewall Road, Hong Kong.

SECRETARY

(As per registry dated 18-05-2018)

Name	Address	Co. No.
Seactax Ltd.	Room 1705-1706, 17/F., Kai Tak Commercial Building, 317-319 Des Voeux Road Central, Sheung Wan, Hong Kong.	0071908

HISTORY

The subject was incorporated on 18th May, 1984 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: Importer, Exporter and Wholesaler.

Lines: All kinds of fabrics, piecegoods.

Employees: 8.

Commodities Imported: China, Taiwan, South Korea, India, Pakistan, etc.

Markets: Asian countries, Europe, North America, Middle East, Central & South America, etc.

Annual Turnover: US\$10 – 50 million.

Terms/Sales: L/C or as per contracted.

Terms/Buying: L/C, T/T, D/P, O/A, etc.

FINANCIAL INFORMATION

Issued Share Capital: HK\$5,000,000.00

Mortgage or Charge: (See attachment)

Profit or Loss: Made small profits in past years.

Condition: Keeping in a satisfactory manner.

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Facilities: Making rather active use of general banking facilities.

Payment: No Complaints.

Commercial Morality: Satisfactory.

Bankers

The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
Wing Hang Bank Ltd., Hong Kong.

Standing: Normal.

GENERAL

Far East Network (H.K.) Limited is jointly owned by three parties, namely, Ms. Han Mei Mei, Vivian, holding 90% interests, Cheng & Partners Incorporated, a BVI-registered company holding 6%, and Mr. Cheng Ho Tai, Mark a Hong Kong merchant holding 4%.

The subject is trading in the following products:

Piecegoods --- Vegetable Fibre (From Taiwan, Korea & China),

Grey Cloth --- Cotton, Woven (From Pakistan),

Piecegoods --- Blended (From Taiwan, Korea & China),

Grey Cloth --- Cotton Blended, Woven (From Pakistan).

The subject's prime markets are as follow:

Australasia, Central & South America, Japan, South Korea, the Middle East, North America, Southeast Asia, Taiwan, the other Asian Countries, etc.

The business of the subject is chiefly handled by its three directors. The contact person is Mr. Han Sai Wai, Andrew.

The annual sales turnover of the subject ranges from US\$10 to 50 million, making a small profit every year. The history of the subject in Hong Kong is over 34 years and five months.

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

MORTGAGE OR CHARGE

Date	Particulars	Amount
22-04-2010	<p><i>Instrument:</i> Assignment of Export DC Proceeds</p> <p><i>Property:</i> The Customer as beneficial owner and by way of security for the payment of the Secured Monies has assigned or agreed to assign to the Bank (a) all monies any currency representing proceeds payable or to paid to the Customer under the Export Documentary Credits, (b) all the Customer's right, title, benefit and interest in the Export Documentary Credits and (c) the benefit of all powers and remedies for enforcing the Export Documentary Credits.</p> <p><i>Mortgagee:</i> The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.</p>	All monies and liabilities in any currency
17-05-2010	<p><i>Instrument:</i> Mortgage</p> <p><i>Property:</i> 1,365/25,901,816th parts or shares of and in Kowloon Inland Lot No. 11080 (Flat D on 13/F. of Tower VII and Car Parking Space No. 127 on Basement 1, The Waterfront, 1 Austin Road West, Kowloon, Hong Kong.)</p> <p><i>Mortgagee:</i> The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.</p>	To secure all monies in respect of general banking facilities

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.44
UK Pound	1	INR 95.65
Euro	1	INR 84.17
HKD	1	INR 9.35

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

INFORMATION DETAILS

Analysis Done by :	VIVR
Report Prepared by :	DNS

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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)