

**MAN CHEONG LEATHER (HONG KONG) LIMITED - 532701.2 (SUPPLEMENTARY REPORT)**

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**MIRA INFORM REPORT**

<b>Report No. :</b>	532701.2
<b>Report Date :</b>	25.10.2018

**IDENTIFICATION DETAILS**

<b>Name :</b>	MAN CHEONG LEATHER (HONG KONG) LIMITED
<b>Registered Office :</b>	Flat K, 1/F., Yau Loy Building, 9-19 Apliu Street, Sham Shui Po, Kowloon
<b>Country :</b>	Hongkong
<b>Date of Incorporation :</b>	25.09.2008
<b>Com. Reg. No.:</b>	39827675
<b>Legal Form :</b>	Private Limited Company
<b>Line of Business :</b>	Importer, Exporter and Wholesaler of Synthetic PU & PVC Leather.
<b>No. of Employees :</b>	2

**RATING & COMMENTS**

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

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

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

**NOTES:**

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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

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### **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.

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.

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 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

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## **COMPANY NAME & ADDRESS**

### **MAN CHEONG LEATHER (HONG KONG) LIMITED**

ADDRESS: Flat K, 1/F., Yau Loy Building, 9-19 Apliu Street, Sham Shui Po, Kowloon, Hong Kong.

PHONE: Not available

## **MANAGEMENT**

Managing Director: Mr. Zhang Jianqiu

## **SUMMARY**

Incorporated on: 25th September, 2008.

Organization: Private Limited Company.

Issued Share Capital: HK\$10,000.00

Business Category: Importer, Exporter and Wholesaler.

Employees: 2.

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

Banking Relation: Satisfactory.

## **ADDRESS**

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

Flat K, 1/F., Yau Loy Building, 9-19 Apliu Street, Sham Shui Po, Kowloon, Hong Kong.

## **BUSINESS REGISTRATION NUMBER**

39827675

## **COMPANY FILE NUMBER**

1275391

## **MANAGEMENT**

Managing Director: Mr. Zhang Jianqiu  
Contact Person: Mr. Ken Cheung

## **ISSUED SHARE CAPITAL**

HK\$10,000.00

## **SHAREHOLDER**

(As per registry dated 25-09-2017)

Name	No. of shares
ZHANG Jianqiu	10,000 =====

## **DIRECTOR**

(As per registry dated 25-09-2017)

Name	Address
(Nationality) ZHANG Jianqiu	Flat K, 1/F., Yau Loy Building, 9-19 Apliu Street, Shamshuipo, Kowloon, Hong Kong.

## **SECRETARY**

(As per registry dated 25-09-2017)

Name	Address
CHEUNG Kimchi	Flat 17, 27/F., Yiu Hong House, Tim Yiu Estate, Tin Shui Wai,

New Territories, Hong Kong.

## **HISTORY**

The subject was incorporated on 25th September, 2008 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: Synthetic PU & PVC leather.

Employees: 2.

Commodities Imported: Europe, other Asia countries, etc.

Markets: China, other Asia countries, etc.

Terms/Sales: L/C, T/T, etc.

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

## **FINANCIAL INFORMATION**

Issued Share Capital: HK\$10,000.00

Profit or Loss: Made small profits in past years.

Condition: Keeping in a satisfactory manner.

Facilities: Making rather active use of general banking facilities.

Payment: No Complaints.

Commercial Morality: Satisfactory.

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

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Standing: Normal.

## **GENERAL**

Having issued 10,000 ordinary shares of HK\$1.00 each, Man Cheong Leather (Hong Kong) Limited is wholly owned by Mr. Zhang Jianqiu who was a China merchant. Now he is 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 registered address of the subject is located at 'Flat K, 1/F., Yau Loy Building, 9-19 Apliu Street, Shamshuipo, Kowloon, Hong Kong' where is in a residential building. This is also the residence of the shareholder.

The subject is specialized in high-grade synthetic PU & PVC leather which is extensively used for manufacturing shoes, handbags, suitcases, stationery, belts, furniture, etc.

The subject's products are sold in China and exported to foreign countries. Since 2012, the subject has become a main supplier for many international brands.

The subject's manufacturing facilities are located in Foshan City of Guangdong, Wenzhou and Lishui of Zhejiang, and Fuding of Fujian Province. The annual production capacity of the subject is about seven million yards. The products of the subject bear the brand name of 'Man Cheong'.

The main customers of the subject are K-Mart, Guess, A/X, etc. Prime markets are Europe, the United States, etc.

The contact person of the subject is Mr. Ken Cheung. History in Hong Kong is over nine years and eight months.

On the whole, consider the subject good for normal business engagements in moderate credit amounts.

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**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.26
UK Pound	1	INR 95.05
Euro	1	INR 83.99
HKD	1	INR 9.36

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

**INFORMATION DETAILS**

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