

MIRA INFORM REPORT

Report No. :	529557
Report Date :	15.09.2018

IDENTIFICATION DETAILS

Name :	ARCONIC INTERNATIONAL (ASIA) LIMITED
Registered Office :	27/F., 88 Hing Fat Street, Causeway Bay
Country :	Hong Kong
Date of Incorporation :	12.09.1963
Com. Reg. No.:	01561754
Legal Form :	Private Limited Company
Line of Business :	Importer, Exporter and Wholesaler all kinds of precision-engineered products
No. of Employees :	18

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 :	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.

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, 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 AND ADDRESS

ARCONIC INTERNATIONAL (ASIA) LIMITED

ADDRESS: 27/F., 88 Hing Fat Street, Causeway Bay, Hong Kong.

PHONE: 852-2529 2333

FAX: 852-2529 2322

MANAGEMENT

Managing Director: Ms. Ngai Choi Fung, Phoebe

SUMMARY

Incorporated on: 12th September, 1963.
Organization: Private Limited Company.
Issued Share Capital: HK\$12,500,000.00
Business Category: Importer, Exporter and Wholesaler.
Group Sales: US\$12,960 million (Year ended 31-12-2017)
Employees: 18.
Group Employees: 41,500. (As at 31-12-2017)
Main Dealing Banker: The Hongkong and Shanghai Banking Corp. Ltd., Hong Kong.
Banking Relation: Good.

ADDRESS

Registered Head Office:-
27/F., 88 Hing Fat Street, Causeway Bay, Hong Kong.

Business Name:-

Arconic Fastening Systems & Rings Hong Kong, Hong Kong.
(Same address)

Holding Company:-
Arconic International Holding Company LLC, U.S.

Ultimate Holding Company:-
Arconic Inc.
Arconic Corporate Centre, 201 Isabella Street, Pittsburgh, PA 15212, U.S. [Tel: 1-412-553-4545; Fax: 1-412-553-4498]

Associated Companies:-
Arconic Group of Companies
Alumax LLC, U.S.
Alumax Mill Products Inc., U.S.
AOS Beteiligungs GmbH, Germany.
Arconic (China) Investment Co. Ltd., China.
Arconic (Kunshan) Aluminium Products Co. Ltd., China.
Arconic (Qinhuangdao) Aluminium Industries Co. Ltd., China.
Arconic Asia Pacific Investment Co. Ltd., China.
Arconic Domestic LLC, U.S.
Arconic Global Fasteners & Rings Inc., U.S.
Arconic Global Treasury Services S.a.r.l., Luxembourg.
Arconic Holding France SAS, France.
Arconic Holding GmbH, Germany.
Arconic Inversiones Espana S.L., Spain.
Arconic Inversiones Internacionales S.L., Spain.
Arconic Luxembourg S.a.r.l., Luxembourg.
Arconic Manufacturing (G.B.) Ltd., U.K.
Arconic Securities LLC, U.S.
Arconic UK Holdings Ltd., U.K.
Arconic Wheel Products (Suzhou) Co. Ltd., China.
Arconic-Kofem Kft, Hungary.
Cordant Technologies Holding Company, U.S.
FR Acquisition Corporation (US) Inc., U.S.
Howmet Castings & Services Inc., U.S.
Howmet Corporation, U.S.
Howmet Holdings Corporation, U.S.
Howmet International Inc., U.S.
Howmet SAS, France.
Huck International Inc., U.S.
JFB Firth Rixson Inc., U.S.
Kawneer Building Construction System (Shanghai) Co. Ltd., China.
Kawneer Company Inc., U.S.
OOO Arconic Rus Investment Holdings, Russia.
ZAO Arconic SMZ, Russia.
etc.

BUSINESS REGISTRATION NUMBER

01561754

COMPANY FILE NUMBER

0009238

MANAGEMENT

Managing Director: Ms. Ngai Choi Fung, Phoebe

ISSUED SHARE CAPITAL: HK\$12,500,000.00

SHAREHOLDERS

(As per registry dated 12-09-2017)

Name	No. of shares
Arconic International Holding Company LLC Corporation Trust Centre, 1209 Orange Street, New Castle County, Wilmington, Delaware 19801, U.S.	1,249,999
Arconic Inc. Arconic Corporate Centre, 201 Isabella Street, Pittsburgh, PA 15212, U.S.	1
Total:	<u>1,250,000</u> =====

DIRECTORS

(As per registry dated 02-02-2018)

Name	Address
(Nationality) NGAI Choi Fung, Phoebe	Flat F, 10/F., Block 5, Sausalito, Ma On Shan, Hong Kong.
SUN Yisi	No. 48, Lane 333, Jing Zhong Road, Chang Nign District, Shanghai, China.

SECRETARY

(As per registry dated 12-09-2017)

Name	Address	Co. No.
Wilgrist Nominees Ltd.	Room 601, 6/F., Prince's Building, Chater Road, Central, Hong Kong.	0017249

HISTORY

The subject was incorporated on 12th September, 1963 as a private limited liability company under the Hong Kong Companies Ordinance.

Originally the subject was registered under the name of Alcoa International (Asia) Ltd., name changed to the present style on 22nd August, 2016.

Formerly the subject was located at 10/F., 88 Gloucester Road, Wanchai, Hong Kong, moved to the present address with effect from 3rd January, 2015.

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

OPERATIONS

Activities: Importer, Exporter and Wholesaler.

Lines: All kinds of precision-engineered products.

Employees: 18.

Group Employees: 41,500. (As at 31-12-2017)

Materials/Commodities: Imports raw materials from European countries, some Asian countries and finished products from China.

Markets: Southeast Asia, Japan, South Korea, North, Central and South America, Europe, etc.

Group Sales: US\$11,997 million (Year ended 31-12-2013)
US\$12,542 million (Year ended 31-12-2014)
US\$12,413 million (Year ended 31-12-2015)
US\$12,394 million (Year ended 31-12-2016)
US\$12,960 million (Year ended 31-12-2017)
US\$ 6,453 million (6 months ended 30-06-2017)
US\$ 7,018 million (6 months ended 30-06-2018)

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

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

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FINANCIAL INFORMATION

Issued Share Capital: HK\$12,500,000.00

Group Net Income/(Loss):

(US\$2,285 million) (Year ended 31-12-2013)

US\$ 268 million (Year ended 31-12-2014)

(US\$ 322 million) (Year ended 31-12-2015)

(US\$ 941 million) (Year ended 31-12-2016)

(US\$ 74 million) (Year ended 31-12-2017)

US\$ 534 million (6 months ended 30-06-2017)

US\$ 263 million (6 months ended 30-06-2018)

Profit or Loss: Group business was profitable in 2014.

Condition: Business is normal.

Facilities: Making active use of general banking facilities.

Payment: No Complaints

Commercial Morality: Satisfactory.

Bankers:-

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

Citibank N.A., Hong Kong Branch.

Standing: Normal.

GENERAL

Formerly known as Alcoa International (Asia) Ltd., Arconic International (Asia) Limited is a wholly-owned subsidiary of Arconic International Holding Company LLC which is a US-based firm. The subject's ultimate holding company is Arconic Inc. [Arconic], which is a listed firm in the United States, is the holding company of the Arconic Group. Its shares are traded in New York Stock Exchange.

On November 1, 2016, Alcoa Inc. completed the separation of its business into two independent, publicly traded companies – Alcoa Corporation and Arconic Inc. (the new name for Alcoa Inc.).

The business name of the subject is Arconic Fastening Systems & Rings Hong Kong. This company is located at the same address.

Arconic Inc. is a Delaware corporation with its principal office in New York, New York and the successor to Arconic Pennsylvania which was formed in 1888 and formerly known as Alcoa Inc.

Arconic is a global leader in lightweight metals engineering and manufacturing. Arconic's innovative, multi-material products, which include aluminium, titanium, and nickel, are used worldwide in aerospace, automotive, commercial transportation, packaging, building and construction, oil and gas, defence, consumer electronics, and industrial applications.

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Arconic is a global company operating in 18 countries. Based upon the country where the point of sale occurred, the United States and Europe generated 63% and 26%, respectively, of Arconic's sales in 2017. In addition, Arconic has operating activities in Brazil, Canada, China, Japan, and Russia, among others.

Arconic's operations consist of three worldwide reportable segments: Engineered Products and Solutions, Global Rolled Products and Transportation and Construction Solutions.

For the year ended 31st December, 2017, the sales of the Group amounted to US\$12,960 million, increased by 4.6% as compared with US\$12,394 million in FY 2016; net loss was US\$74 million as compared with a net loss of US\$941 million in FY 2016.

For the 6 months ended 30th June, 2018, the sales of the Group amounted to US\$7,018 million, increased by 8.8% as compared with US\$6,453 million in the same period of FY 2017; net income was US\$263 million, decreased by 50.7% as compared with a net income of US\$534 million in the same period of FY 2017.

Total worldwide employment at the end of 2017 of the Group was approximately 41,500 employees in 25 countries. About 20,900 of these employees are represented by labour unions.

The subject is fully supported by the Group. History in Hong Kong is about 55 years.

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

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.81
UK Pound	1	INR 94.15
Euro	1	INR 83.97
HKD	1	INR 9.19

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

INFORMATION DETAILS

Analysis Done by :	PRA
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)