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# Business Credit Report

(Hong Kong Special Administrative Region)

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## **HONG KONG XXXXXX METAL TRADING** **LIMITED**

Date of Completion: xxxx-09-17

Date of Order: xxxx-09-07

Speed: Normal

SkyCode: SKY1922xxx2595xxx

### Disclaimer

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## Table of Contents

INVESTIGATION RECORD.....	4
ORDER DETAILS & INVESTIGATION RESULTS.....	4
ABSTRACT.....	4
<b>BASIC INFORMATION</b> .....	4
<b>CONTACTS</b> .....	5
<b>CREDIT RATING</b> .....	5
<b>CREDIT LIMIT</b> .....	6
<b>GENERAL COMMENTS</b> .....	6
<b>FINANCIAL ABSTRACT</b> .....	7
1. <b>REGISTRATION INFORMATION</b> .....	7
<b>REGISTRATION INFORMATION</b> .....	7
<b>CHANGES</b> .....	8
<b>HISTORY</b> .....	8
<b>SHAREHOLDER INFORMATION</b> .....	8
<b>ENTITY SHAREHOLDER</b> .....	8
<b>ULTIMATE HOLDING</b> .....	9
<b>INVESTMENTS</b> .....	9
<b>SECRETARY COMPANY</b> .....	10
2. <b>MANAGEMENT</b> .....	10
<b>DIRECTORS &amp; SUPERVISORS</b> .....	10
<b>MANAGEMENT</b> .....	10
3. <b>BANKS</b> .....	11
<b>Mortgage Record</b> .....	11
4. <b>OFFICE FACILITIES</b> .....	11
5. <b>OPERATION INFORMATION</b> .....	11
<b>MAIN BUSINESS</b> .....	11
<b>SALES INFORMATION</b> .....	11
<b>PURCHASE INFORMATION</b> .....	12
<b>EMPLOYEE</b> .....	12
<b>IMPORT/EXPORT</b> .....	12
<b>IMPORT AND EXPORT RECORDS</b> .....	12
6. <b>QUALIFICATIONS &amp; TRENDS</b> .....	13
<b>WEBSITES</b> .....	13
7. <b>DEBT COLLECTION RECORD</b> .....	14
8. <b>ADVERSE RECORDS</b> .....	14
<b>OVERVIEW</b> .....	14
9. <b>FINANCIAL INFORMATION</b> .....	14
<b>FINANCIAL INFORMATION</b> .....	14
<b>NOTES &amp; ANALYSIS</b> .....	19
10. <b>INDUSTRY BACKGROUND</b> .....	19

	<b>INDUSTRY CODE .....</b>	<b>19</b>
<b>11.</b>	<b>COUNTRY/ REGION RISK .....</b>	<b>19</b>
<b>12.</b>	<b>COUNTRY / REGION ECONOMIC DATA .....</b>	<b>22</b>

## INVESTIGATION RECORD

<b>Investigation Way</b>	Telephone Interview
<b>Name of Interviewee</b>	Staff of subject's corresponding legal entity in mainland China(ZHE JIANG XXXXXX CO., LTD)
<b>Tel</b>	86-13706857xxx
<b>Note</b>	<p>Subject could not be contacted directly this time and only subject's corresponding legal entity was contacted. The following is the contact process:</p> <ol style="list-style-type: none"> <li>1. The telephone number of subject's shareholder XXX XXXXXX CO., LTD is "86-13706857xxx". The staff answering the call stated that subject is an offshore company and is only responsible for overseas trade and bank account transactions. The company has no business activities and business address in Hong Kong SAR. XXX XXXXXX CO., LTD is subject's corresponding legal entity.</li> <li>2. As subject cannot be contacted directly and it is an offshore company, the business address, telephone number, fax number, employee number in this report are referenced to subject's corresponding legal entity in mainland China.</li> <li>3. The registration information and shareholder information of subject provided in this report were from government source, which are showed for client's reference only.</li> <li>4. The content of this report was obtained from all accessible sources for client's reference only.</li> </ol>

## ORDER DETAILS & INVESTIGATION RESULTS

	Order Information	Verification
<b>Name</b>	HONG KONG XXXXXX METAL TRADING LTD	"LTD" should be "LIMITED".
<b>Address</b>	Units xxx-8, 16Fl Xxx Centre 18 Whitfield Rd Hong Kong Hong Kong	Similar to subject's registered address.

## ABSTRACT

### BASIC INFORMATION

<b>Name</b>	HONG KONG XXXXXX METAL TRADING LIMITED
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Name in Local Language	香港xx銅貿易有限公司
Country/ Region	Hong Kong Special Administrative Region
Registration No.	1094xxx
Legal Form	Private Limited Company by Shares
Registered Capital	HKD 1,459,955,196
Company Status	Active
Employee Number	9,278
Website	www.xxxxxstock.com (Group)
Listed or Not	No
Main Business	Production and sales of copper pipes and other products
Import/Export Activity	Yes
Litigation Records	No
Exchange Rate	CNY 1 = USD 0.14 USD 1 = CNY 7.28 HKD 1 = CNY 0.93 CNY 1 = HKD 0.93

## CONTACTS

Address	No. 386, Jiefang Road, Diankou Town, Zhuji City, Shaoxing City, Xxx Province (xxx绍兴市诸暨市店口镇解放路 386 号)
Mobile	86-13706857xxx (XXX XXXXXX CO., LTD)
Other Information	<p>The above address is business address of subject's corresponding legal entity, and subject has no business address in Hong Kong, China. According to staff from XXX XXXXXX CO., LTD, subject's corresponding legal entity has many factories, but the staff refused to disclose factory address.</p> <p>Staff of subject's corresponding legal entity confirmed that subject is an offshore company and its business are charged by XXX XXXXXX CO., LTD.</p>

## SKYMINDER RATING

**SR6**

### RATING EXPLANATION/SCORESHEET

SR	Default Frequency	Explanation	Status
SR1	<=0.1%	Extremely strong financial fundamentals with a high incentive and capability to repay obligations.	Premium
SR2	>0.1%-0.2%	Strong financial health with above average capability to meet payments.	Premium
SR3	>0.2%-0.4%	Stable financial health with above normal operational	Strong

		environment.General unfavorable factors are not likely to cause distress.	
SR4	>0.4%-1.0%	Normal overall financial health and operations.Capable of meeting its commitments.May be susceptible to difficulties in the event of drastic changes in economic conditions.	Strong
SR5	>1.0%-3.0%	Adequate financial capabilities to meet normal commitments.However,adverse changes in economic conditions could lead to doubtfulness in its ability to pay.	Moderate
SR6	>3.0%-8.0%	Sufficiently sound financial ability to meet normal obligations.Capabilities in reacting to adverse operating conditions are limited or considered doubtful.	Moderate
SR7	>8.0%-14.0%	Weakness in financial ability is apparent.Vulnerable to unfavorable changes in the economic and operating environments,and is likely to fall into a weakened financial condition.	Monitor
SR8	>14.0%	Apparent weakness in financial health with limited capability to meet its obligations,especially in the event of any adverse changes in operating environments.	Monitor

*\*SR1 to SR4 is comparable to "Investment Grade" rated securities, SR5 to SR6 is comparable to "High Yield" rated securities, and SR7 to SR8 is comparable to "High Rise" rated securities.*

#### Comments

1.The rating is an opinion of the company's capability and ability based on prevailing conditions and information made available to CRIF at the time of rating, and are subject to change due to any unforeseen and/or foreseen circumstances.

2.The rating is not a recommendation to buy or sell any securities or adopt any investment strategies.

3.CRIF does not assume any part of the user's risk in the use or non-use of this rating.

## CREDIT LIMIT

**USD 9xxx00**

Note:

The credit limit calculated based on financial information of subject's corresponding legal entity, subject's background, business operations, etc. can be viewed in the report, but it is recommended to make appropriate adjustments based on your marketing strategy and credit policy.

## GENERAL COMMENTS

Enterprise Risk Analysis

1. Established in 2006, subject is a private company limited by shares with a registered capital

of HKD 1,459,955,196. Subject's corresponding legal entity is mainly engaged in production and marketing of copper pipes and other products. With a relatively long history, subject has accumulated long experience. As subject's shareholder is an legal entity, subject's ability to finance and withstand market risks is strong. And its future development needs to be further observed.

2. As subject's financial data was not obtained, financial data of subject's corresponding legal entity are provided for client's reference.

3. In the second quarter of xxxx, GDP of Hong Kong SAR rose by 1.5% year-on-year. Total exports of goods plunged further by 15.2% year-on-year in real terms in the second quarter amid weak external demand for goods. Exports to the Mainland, the US and the EU fell sharply. However, exports of services continued to grow markedly by xxx%. Led by inbound tourism and private consumption, the Hong Kong economy continued to recover in the second quarter of xxxx. While domestic business cost might face some upward pressures alongside the economic recovery, it should remain largely moderate in the near term.

#### KEY EVENTS

1. Subject is an offshore company with no business address in Hong Kong SAR and its business are charged by XXX XXXXXX CO., LTD.

2. Subject's corresponding legal entity, XXX XXXXXX CO., LTD, went public at Shenzhen Stock Exchange with acronym “xx股份” and stock code 002203.

3. Subject's corresponding legal entity/shareholder, XXX XXXXXX CO., LTD, ranked 185th in the Fortune China Top 500 list in xxxx.

### FINANCIAL ABSTRACT

Currency:CNY

1,xxx	xxxx.06.30	2022.12.31
Total Assets	38,506,256	33,485,800
Total Liabilities	24,244,356	20,108,917
Operating Income	43,699,018	73,865,329
Net Profit	739,600	1,224,920

..... Above is the Report Abstract. Below is Report Content .....

## 1. REGISTRATION INFORMATION

### REGISTRATION INFORMATION

Name	HONG KONG XXXXXX METAL TRADING LIMITED
Name in Local Language	香港xx銅貿易有限公司

Registration Date	2006-12-09
Registered Address	Units xxx-8, 16th Floor, Xxx Centre, 18 Whitfield Road, Causeway Bay, Hong Kong
Registry	Companies Registry of the Government of the Hong Kong Special Administrative Region
Registration No.	1094xxx
Legal Form	Private Limited Company by Shares
Registered Capital	HKD 1,459,955,196
Share Number of Registered Capital	1,459,955,196 Ordinary Shares
Share Value of Registered Capital	HKD 1
Paid-in Capital	HKD 1,459,955,196
Share Number of Paid-in Capital	1,459,955,196 Ordinary Shares
Share Value of Paid-in Capital	HKD 1

Other License	
License Type	Business Registration No.
License No.	37455614-xxx

## CHANGES

	Date	Item Changed	From	To
1	xxxx-03-10	Registered Capital	HKD 687,96xxx0	HKD 1,459,955,196

## HISTORY

2006-12-09	Subject was established.
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## SHAREHOLDER INFORMATION

-	Name	Country/ Region	Shareholding	Currency	Share No.	%
1	XXX H LIANG CO., LTD	AI China	1,459,955,196	HKD	1,459,955,196	100%
Total			1,459,955,196			100

## ENTITY SHAREHOLDER

Name	XXX XXXXXX CO., LTD
Country/Region	China

Local No.	9133xxx0724510604K
Date of Establishment	2001-10-29
Registered Capital	CNY 1,986,461,619
Address	Diankou Town industrial zone, Zhuji City, Xxx Province
Main Business	Production and marketing of copper pipe and other products
Fax	86-575-87069031
E-mail	gfoffice@xxxxxx.com
Website	www.xxxxxxstock.com

## ULTIMATE HOLDING

-	Ultimate Shareholder	English Name	Investment Way	Percentage
1	xx海良	Feng Xxxxxx (xx海良)	Equity, Other, Capital	41.24

Ultimate Shareholder	Feng Xxxxxx (xx海良)
Country	China
Type	Natural person
Investment Way	Equity, Other, Capital
Percentage	41.24
Note	Feng Xxxxxx (xx海良) (41.24%) --Xxxxxx Group Company Limited (29.36%) --XXX XXXXXX CO., LTD(stock code: 002203)-subject

## INVESTMENTS

Name	Xxx Xxxxxx Precision Technology Co., Ltd. (xxxxx精密科技有限公司)
Country/Region	China
Type	Majority Shareholding Company
Local No.	91330681MAC6BNAXx
Date of Establishment	xxxx-01-06
Shareholding (%)	66.67%
Registered Capital	USD 3xxxxxx0
Main Business	Non-ferrous metal rolling processing
Address	No. 378 Xueyuan Road, Yaojiang Town, Zhuji City, Xxx Province

Name	Xxxx Xxxxxx Copper Co.,Ltd. (上海xx铜业有限公司)
Country/Region	China

Type	Minority Shareholding Company
Local No.	9131xxx0778061015H
Date of Establishment	2005-07-19
Shareholding (%)	14.55%
Registered Capital	USD 79,729,116
Main Business	Production of nonferrous metal composites
Address	No. 2688, Xinsiping Highway, Situan Town, Fengxian District, Xxxx City

## SECRETARY COMPANY

Name	Hongkong xxxrs and Secretaries Limited (香港xx秘书有限公司)
Address	Units xxx-8, 16th Floor, Xxx Centre, 18 Whitfield Road, Causeway Bay, Hong Kong
Registration No.	20984xxx
Tel	852-35280xxx
Fax	852-28872xxx
Other Information	The secretary company information provided in this module comes from subject's annual return.

## 2. MANAGEMENT

### DIRECTORS & SUPERVISORS

Name	Xxxx Jiang (xx利荣)
Country/Region	China
Position	Director
Address	Units xxx-8 16Floor, Xxx Centre, 18 Whitfield Road, Causeway Bay, Hong Kong

### MANAGEMENT

-	Name	Position
1	Xxxx Jiang (xx利荣)	Director

Name	Xxxx Jiang (xx利荣)
Country/Region	China
Position	Director
Address	Units xxx-8 16Floor, Xxx Centre, 18 Whitfield Road,

	Causeway Bay, Hong Kong
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### 3. BANKS

#### Mortgage Record

Note  
As of December 9, 2022, the outstanding loan of subject is CNY 142,xxx,xxx.00; USD 17,992,276.30.

### 4. OFFICE FACILITIES

Address	No. 386, Jiefang Road, Diankou Town, Zhuji City, Shaoxing City, Xxx Province
Mobile	86-13706857xxx (XXX XXXXXX CO., LTD)
Type of Usage	Office
Ownership	Unknown
Description	There are lines such as the Dongfu Line and Shidian Line near the site, with convenient transportation.

### 5. OPERATION INFORMATION

#### MAIN BUSINESS

Main Business	Production and sales of copper pipes and other products
Products & Service	XXX XXXXXX CO., LTD is mainly engaged in production and sales of copper pipes and other products. It is learned that subject's corresponding legal entity is mainly engaged in R & D, manufacturing and sales of copper pipes, copper rods, copper foils, copper pipe fittings, conductor materials, aluminum profiles and other products. Its products can be used in air conditioning and refrigerator, traditional and new energy vehicles, building water pipes, hardware machinery and other industries
Other Information	Subject is an offshore company and does not have business in Hong Kong SAR. So the business information of subject's corresponding legal entity is provided in this report for client's reference.

#### SALES INFORMATION

Region	Sales of goods	Export to	Payment Terms	Customer Type
Domestic:60% International:40%	Copper pipes, copper rods,	America, Asia, etc	Prepayments , T/T, etc.	Air conditioning and refrigerator

	copper foils, copper pipe fittings, conductor materials, aluminum profiles and other products	manufacturing enterprises, automobile manufacturing enterprises, hardware machinery manufacturing enterprises, etc.
<b>Other Information</b>	Subject is an offshore company and does not have business in Hong Kong SAR. So the sales information of subject's corresponding legal entity is provided in this report for client's reference.	

## PURCHASE INFORMATION

Region	Import from	Payment Terms	Purchased products
Domestic:60% International:40%	America, Asia, etc	Prepayments, T/T, etc.	Metal materials, production equipment, office supplies and business services, etc.
<b>Payment Overview</b>	N/A		
<b>Other Information</b>	Subject is an offshore company and does not have business in Hong Kong SAR. So the purchase information of subject's corresponding legal entity is provided in this report for client's reference.		

## EMPLOYEE

<b>Employee Number</b>	9,278
<b>Other Information</b>	The above number of employees (compound) is obtained from the information published in the 2022 annual report of subject's corresponding legal entity.

## IMPORT/EXPORT

Note

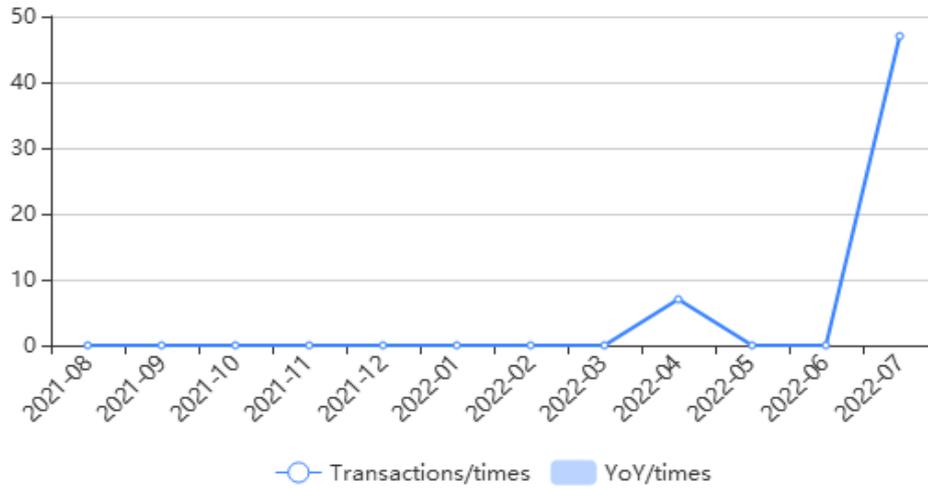
No subject's export data can be obtained from the public channel.

## IMPORT AND EXPORT RECORDS

Below data is obtained from third party customs declaration service platform. Incompleteness or inaccuracy of data can't be excluded and hence is only provided for reference.

### Import Record

### Year-On-Year Chart of Trading Trends



#### Import Partners

	Company	Latest Trading Time	Number of Trades	Proportion
1	Cty TNHH Gia Công Đồng Hải Lượng Việt NamLost	2022-07-20	54	100%

#### Import Areas

	Trade Area	Number of Trades	Proportion
1	VietnamLost	54	100%

#### Imported Products

	HS Code	Number of Trades	Proportion
1	74111xxx	54	100%

## 6. QUALIFICATIONS & TRENDS

### WEBSITES

	Website	Country/Region	Name	Type	Status	Registration	Source
1	www.xxxilia ngstock.com	China	xxx JIANG HAI LIANG CO.,	Company	Operational	-	Public Source

## 7. DEBT COLLECTION RECORD

No debt collection record against subject in the latest 5 years is found after searching through the SkyMinder third party debt collection platform.

(SkyMinder Debt Collection is the professional debt collection service platform. Cooperating with global debt collection companies, it provides business-to-business debt collection consulting and legal service covering 216 countries and regions all over the world.)

## 8. ADVERSE RECORDS

### OVERVIEW

Bankruptcy Record	No bankruptcy record about subject was found.
Litigation Record	No litigation record about subject was found.
Tax Lien	No tax lien record about subject was found.
OFAC Sanctions List	Subject is not listed in the OFAC list.
Other Adverse Record	No other adverse record about subject was found.

Note:

**Tax Lien:** A tax lien is a lien imposed by law upon a property to secure the payment of taxes. A tax lien may be imposed for delinquent taxes owed on real property or personal property, or as a result of failure to pay income taxes or other taxes.

**Sanctions List:** international sanctions lists, such as the OFAC (Office of Foreign Assets Control), the BIS (Bureau of Industry and Security), the European Union Restrictive measures (sanctions) list, the Export Control Organization (ECO) of the UK, the Australian Department of Foreign Affairs and Trade.

## 9. FINANCIAL INFORMATION

### FINANCIAL INFORMATION

Financial Note: Due to the lack of a clear government policy in various countries regarding the transparency of enterprise financial information, some financial items might be missing in the financial statements, causing possible inequality between the sum of the provided items and the provided total numbers.

Currency: CNY 1,xxx

#### Balance Sheet

Year	xxxx.06.30	2022.12.31
Report Type	Semi-annual Report	Annual Report
Financial Year Ending	xxxx.06.30	2022.12.31

Source	Public source	Public source
Statement Type	Consolidated	Consolidated
Audited or Not	Un-audited	Audited
Auditing Institution	-	PAN-CHINA CERTIFIED PUBLIC ACCOUNTS LLP
Cash and equivalence	5,574,479	5,095,965
Trading financial assets	65,437	18,400
Notes receivable	55,020	62,578
Accounts receivable	5,961,045	4,696,070
Financing of receivables	1,xxx,151	926,739
Prepayment	2,020,916	1,063,540
Other receivables	438,981	202,xxx
Among: interest receivable	1,619	1,075
Dividends receivable	6,442	-
Stock	7,514,508	6,858,231
Other current assets	488,729	395,782
Total current assets	23,254,266	19,319,441
Non-current assets:		
Loans and advances	1,069,961	979,502
Long-term equity investment	2,042,969	1,945,959
Investments in other equity instruments	916,xxx	916,xxx
Investment in real estate	253,504	259,773
Fixed assets	3,776,826	3,723,194
Construction in progress	4,715,460	3,961,217
Right of use assets	70,699	77,800
Intangible assets	885,387	894,517

Development expenditure	14,834	12,672
Goodwill	345,157	345,157
Long-term deferred expenses	1,211	1,148
Deferred tax assets	350,198	332,434
Other non-current assets	809,783	716,985
Total non-current assets	15,251,990	14,166,358
Total Assets	38,506,256	33,485,800
Current liabilities:		
Short-term loan	9,934,942	5,401,204
Transactional financial liabilities	333,147	82,996
Derivative financial liability		
Notes payable	608,xxx	1,733,860
Accounts payable	2,063,901	2,486,852
Advances received	186	1,294
Contractual liability	585,426	422,600
Payroll payable to employees	292,455	355,122
Taxes payable	232,886	306,503
Other payables	438,110	361,449
Dividend payable	182,972	-
Non-current liabilities due within one year	2,120,556	2,xxx,718
Other current liabilities	125,xxx	126,552
Total current liabilities	16,735,036	13,414,151
Non-current liabilities:		
Long-term loan	4,379,939	3,595,022
Bonds payable	2,556,271	2,546,630

Lease liability	52,696	64,971
Long-term employee compensation payable	112,967	102,641
Deferred income	163,163	161,365
Deferred income tax liabilities	24xxx4	224,136
Total non-current liabilities	7,509,320	6,694,766
Total Liabilities	24,244,356	20,108,917
Capital	1,989,547	1,983,196
Other equity instruments	596,336	609,412
Capital reserve	2,815,317	2,748,180
Other comprehensive income	263,516	-2,359
Special reserve	20,519	18,729
Surplus reserve	345,885	345,885
Undistributed profit	7,574,650	7,016,668
Total owner's equity attributable to parent company	13,605,769	12,719,712
Minority interest	656,131	657,171
Total owners' equity	14,261,900	13,376,883
Total liabilities and owners' equity	38,506,256	33,485,800

#### Income Statement

Year	xxxx.06.30	2022.12.31
Total operating income	43,772,511	74,xxx,440
Operating Income	43,699,018	73,865,329
Interest income	73,493	xxx,111
Total operating cost	42,788,981	72,553,850
Among: operating costs	42,037,933	70,897,462

Interest expense	2,216	1,408
Taxes and surcharges	55,560	107,644
Selling expense	63,584	196,696
Administrative expenses	445,159	867,367
Research and development expense	98,470	188,442
Financial expense	86,058	294,831
Among: interest expense	273,423	365,542
Interest income	70,449	79,752
Plus: Other earnings	78,092	154,386
Investment income	xxx7	86,637
Among: income from investment in associated enterprises and joint ventures	101,097	118,042
Gain on changes in fair value	-187,899	-157,275
Credit impairment loss	-37,734	-8,697
Asset impairment loss	3,942	-20,526
Gain on disposal of assets	2,723	2,637
Operating profit	846,940	1,503,752
Plus: non-operating income	5,992	9,052
Less: non-operating expenses	3,588	8,276
Gross profit	849,344	1,504,528
Less: Income tax expense	109,744	279,607
Net Profit	739,600	1,224,920

## NOTES & ANALYSIS

Financial Note	<p>According to local law, private companies are not required to file financials to the authority. The Subject's financial statements were not available in the course of our investigation.</p>
	<p>The detailed financial annual report in 2022 and semi-annual report in xxxx of subject's corresponding legal entity, XXX XXXXXX CO., LTD are provided for client's reference.</p>
	<p>According to financial annual report in 2022 of subject's corresponding legal entity, subject's financial data in 2022 are shown below:</p> <p>Total assets: CNY 5,342,267,176.09 Net assets: CNY 1,107,225,178.52 Operating Income: CNY 22,780,630,722.49 Operating profit: CNY 188,496,517.51 Total Liabilities: CNY 189,266,251.22</p>

## 10. INDUSTRY BACKGROUND

### INDUSTRY CODE

Category	Industry Code	Name
SIC	3251	Copper calendering
NACE	25.5	Copper calendering
HSIC	2430	Casting of metals

## 11. COUNTRY/ REGION RISK

**Country/ Region:** Hong Kong Special Administrative Region

**Country/ Region Risk:** A3

**Country/ Region Overview:**

### GDP

According to the revised figures released by the Census and Statistics Department, real Gross Domestic Product (GDP) grew by 1.5% year-on-year in the second quarter of xxxx (same as the advance estimate), having increased by 2.9% in the preceding quarter. On a seasonally adjusted quarter-to-quarter comparison, real GDP decreased by 1.3% in the second quarter (same as the advance estimate) after a 5.4% increase in the preceding quarter.

### External trade

Total exports of goods plunged by 15.2% in real terms in the second quarter of xxxx from a year earlier, after falling by 18.9% in the preceding quarter. The weak external demand for goods continued to put intense pressure on export performance. Analysed by major market and by reference to external merchandise trade statistics, exports to the Mainland fell sharply in the second quarter. Exports to the US and the EU plunged further. Exports to other major

Asian markets continued to record notable declines. On a seasonally adjusted quarter-to-quarter basis, total exports of goods decreased by 0.6% in the second quarter, after an increase of 0.7% in the preceding quarter.

### **Domestic sector**

Consumption activities increased notably further in the second quarter of xxxx alongside the continued economic recovery. Improved labour market conditions and the Government's various initiatives, such as the disbursement of consumption vouchers and the launch of the "Happy Hong Kong" Campaign, also provided support. Private consumption expenditure rose by 8.2% year-on-year in real terms in the second quarter, further to the 13.0% surge in the preceding quarter. On a seasonally adjusted quarter to quarter basis, private consumption expenditure increased by 3.9%, following an increase of 1.4% in the preceding quarter. Meanwhile, government consumption expenditure turned to a fall of 9.6% year-on-year in the second quarter, after a 1.3% increase in the preceding quarter.

Overall investment spending in terms of gross domestic fixed capital formation saw a mild decline of 0.9% in real terms in the second quarter from a year earlier, after a 7.9% increase in the preceding quarter, as business sentiment generally eased amid tightened financial conditions and the uncertain global growth outlook. Expenditure on acquisitions of machinery, equipment and intellectual property products fell by 10.5%. Meanwhile, expenditure on building and construction increased by 5.6%, with increases seen in both public and private sector spending. Separately, the costs of ownership transfer fell as property transactions shrank.

### **The labour sector**

The labour market continued to improve in the second quarter of xxxx along with the local economic recovery. The seasonally adjusted unemployment rate declined further from 3.1% in the first quarter to 2.9% in the second quarter, and the underemployment rate edged down from 1.2% to 1.1%. The unemployment rates of many major sectors declined, and those of the remaining sectors stayed low in general.

### **The asset markets**

The local stock market was under pressure in the second quarter of xxxx. Dampened by concerns over the recovery momentum of the Mainland economy and expectations of further rate hikes by the US Fed, the HSI fell visibly in the latter part of May and hit a low of 18 217 on June 1. It then recouped some of the loss and closed the quarter at 18 916, down by 7.3% from end-March. On August 10, the HSI closed at 19 248.

The residential property market showed some consolidation in the second quarter, after the rebound in the first quarter. Market sentiment turned cautious amid an uncertain global economic outlook, rising local interest rates and expectations of further rate hikes by the US Fed. The number of transactions, in terms of the total number of sale and purchase agreements for residential property received by the Land Registry, declined by 13% from the preceding quarter or 18% from a year earlier to 12 199. Overall flat prices recorded a 1% decline during the second quarter. The index of home purchase affordability rose further to 75% in the second quarter along with the increase in mortgage rates, significantly above the

long-term average of 51% over 2003-2022. Meanwhile, overall flat rentals increased by 3% during the second quarter. The non-residential property market largely held steady. While trading activities remained subdued, prices and rentals of different segments showed mixed performance.

### Prices

Consumer price inflation stayed moderate in overall terms in the second quarter of xxxx. Netting out the effects of the Government's one-off relief measures, underlying Composite CPI inflation stayed moderate at 1.7% in the second quarter, compared with 1.9% in the preceding quarter. Prices of energy-related items as a whole continued to soar over a year earlier, but at a moderated pace. Prices of meals out and takeaway food, and clothing and footwear rose further visibly, but the former showed a decelerated increase. Price pressures on other major components were broadly in check. Private housing rentals continued to decline. Domestic business cost pressures stayed largely mild, as wage growth remained moderate while commercial rentals continued to be soft. As inflation in many major economies stayed high, external price pressures remained generally notable. The headline Composite CPI inflation rate was 2.0%, compared with 1.9% in the preceding quarter.

### Latest GDP and price forecasts for xxxx

Looking ahead, inbound tourism and private consumption will remain the major drivers of economic growth for the rest of the year. As transportation and handling capacity continue to recover, visitor arrivals should increase further. The improving economic situation and prospects should bode well for domestic demand, though tight financial conditions may impose constraints. Improved labour market conditions and the Government's various measures that boost the momentum of the recovery will provide additional support to private consumption. Yet, the difficult global economic environment will continue to weigh on Hong Kong's exports of goods.

On the inflation outlook, overall inflation should stay moderate in the near term. External price pressures should recede further. While domestic business cost might face some upward pressures alongside the economic recovery, it should remain largely moderate in the near term. Taking into account the inflation situation in the first half of xxxx and factors mentioned above, the forecast rates of underlying and headline consumer price inflation for xxxx are revised down to 2.0% and 2.4% respectively, from 2.5% and 2.9% in the May round of review.

### Note:

Country/ Region risk assessment measures the average level of payment defaults by companies in a given country/region within the framework of their commercial transactions. It does not pertain to sovereign debt. To determine the country/region risk, it combines the economic, financial and political outlook of the country/region, the payment experience and business climate assessment.

Assessments have a seven-level scale: A1, A2, A3, A4, B, C, D and E.

Country/ Region Risk	Risk Level
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A1	Very low
A2	Low
A3	Acceptable
A4	Quite Acceptable
B	Significant
C	High
D	Very High
E	Extremely High

## 12. COUNTRY / REGION ECONOMIC DATA

COUNTRY / REGION	Hong Kong Special Administrative Region
GDP (USD)	359.84 billion (2022)
GDP per capita (USD)	48983.00 (2022)
GNP (USD)	403.72 billion (2021)
GNP per capita (USD)	5446xxx (2021)
Inflation rate(%)	1.88 (2022)
Domestic credit growth rate(%)	-0.4 (xxxx/05)
Total reserves (including gold) (USD)	424.03 billion (2022)
Total reserves (excluding gold) (USD)	423.91 billion (2022)
Government debt/GDP(%)	47.60 (2022)
unemployment rate(%)	2.80 (xxxx/07)
Total exports (USD)	44.16 billion (xxxx/07)
Total imports (USD)	48.00 billion (xxxx/07)

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**For any further explanations or information regarding this report, please write to [orders@skyminder.com](mailto:orders@skyminder.com) or contact your local sales representative.**