



**Credit Report**

Your reference : XXXXX  
Total number of pages : 09

Subscriber No. : XXXX  
Our reference No. : 9XXXXX  
Type of report : Standard

Enquiry on : XXXX Hitec XXXXXXXX CC  
XX XXXXXXXX Ave,  
XXXXXX Business Park,  
Sandton,  
South Africa

Report Date : April 04, 2023

**REPORT ON** : XXXX HITEC XXXXXXXX CC  
XXXX HITEC XXXXXXXX CC  
XXXX CAPS  
P.o Box XXXX Edenvale1610,  
South Africa

**Score: X (out of 10)**


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Score Explanation:

It is a financial rating which assesses the probability of companies defaulting within one year.

The assessments are presented over ten distinct positions, each reflecting an average default rate in the coming year: the lower a company's credit score is, the riskier its situation is; the higher its score is, the less risky its situation is.

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**Different levels and description:**

Default	Very high risk			Medium high risk		Low risk				
0	1	2	3	4	5	6	7	8	9	10

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**0**: Insolvency/preliminary/debt regulation proceedings

**1**: Extremely high risk of insolvency

**2**: Very high risk of insolvency

**3**: High risk

**4**: Significant risk

**5**: Medium high risk

**6**: Acceptable risk

**7**: Moderate risk

**8**: Low risk

**9**: Very low risk

**10**: Excellent risk

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**CREDIT RECOMMENDATION WITHOUT OBLIGATION**

**Recommended maximum credit: USD 50,000**

**SUMMARY**

Founded	: 19XX
Legal form	: Close Corporation
Registration date	: 26/10/19XX
Activity	: Manufacture and distribution of all types of caps, headwear
Staff	: 40 (2019)
Nominal Capital	: ZAR. 100
Annual revenue	: N/A
Total assets	: N/A
Payments	: In the documents at our disposal nothing adverse has been Shown so far.
Litigation record	: No Record

**All figures are shown in ZAR unless otherwise stated.**

**IDENTIFICATION**

Company name : XXXX HITEC XXXXXXXXX CC  
 XXXX HITEC XXXXXXXX CC  
 XXXX CAPS  
 P.o Box XXXX Edenvale1610,  
 South Africa

Tel. : +27-11-6080XXX/ 6080XXX/ 6080XXX/ 6080XXX  
 Fax : +27-11-6080XXX  
 Email : [XXXXhtec@XXXXX.co.za](mailto:XXXXhtec@XXXXX.co.za)  
 Web : www.king-XXXX.net

Registered address : P.o Box XXXX Edenvale1610  
 South Africa

**LEGAL FORM**

Subject is established as Close Corporation on October 26, 19XX.

Registration: 1993/0268XX/XX South Africa  
 National ID: 95413438XX  
 VAT number: 43201398XX  
 Stock Listing: Not Listed

**NATURE OF BUSINESS**

Manufacture and distribution of all types of caps, headwear

**CAPITAL**

Nominal Capital ZAR. 100

**SHAREHOLDER**

<b>Name</b>	<b>Position</b>	<b>Amount</b>	<b>Ratio</b>
XXXXX Yang	MD		80.00%
XXXXX Yang	Director		20.00%
Total			100.00%

**DIRECTORS/MANAGEMENT**

President/ CEO (1)  
 Name XXXXX Yang  
 Remarks Top Decision Maker

Top decision maker is the person who has the ultimate authority or power to make important managerial decisions. He/She may or may not be officially registered as a president or an executive director.

**AUDITORS**

Name XXXXXX & Company

**HISTORY**

The company was established as per the details above there has been no current changes in the registry of company name, legal structure, capital change or mergers and Aquisitions. The company has not undergone major changes during the last six months.

**ACTIVITY**

Manufacture and distribution of all types of caps, headwear	
	Terms of payment
Buying terms	30% in cash, 70% on credit
Selling terms	80% in cash, 20% on credit
Suppliers	Various companies
Customers	Local agencies, stores and outlets
Recent Sales	ZAR. 86,000,000 (Estimated 2019)
Exports	Europe and Africa
Export Ratio	30.0%
Imports	Asia
Import Ratio	30.0%
Domestic Market Share	10.0%

**PREMISES**

Office & Factories	
Head offices	XX XXXXXXXXX Ave, XXXXXX Business Park, Sandton, South Africa
Branches	none

**STAFF**

The number of staff is given to be 40 (2019).

**FINANCE**

N/A

**PAYMENT**

In the documents at our disposal nothing adverse has been shown so far.

**MORTGAGE RECORD**

No Record

**LITIGATION**

No Record

**BANKER**

Main Banks	XXX Bank
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**CREDIT OPINION WITHOUT OBLIGATION**

Subject is considered good for limited credit. Normal business is carried out with necessary resources. Subject is capable of meeting usual daily commitments. But it is sensitive to unfavorable conditions which may cause financial difficulties. Unsecured credit should only be granted in small amount with regular monitoring.

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**MAJOR MACRO ECONOMIC INDICATORS OF South Africa\*****COUNTRY RISK ASSESSMENT\***

Country Risk Assessment:

**C****MAJOR MACRO ECONOMIC INDICATORS**

	2017	2018	2019 (e)	2020 (f)
GDP growth (%)	1.4	0.8	0.5	-6.1
Inflation (yearly average, %)	5.3	4.7	4.1	4.6
Budget balance * (% GDP)	-4.0	-4.2	-6.0	-6.7
Current account balance (% GDP)	-2.5	-3.5	-3.6	-3.7
Public debt * (% GDP)	53.0	56.7	60.8	64.8

(e): Estimate. (f): Forecast. \*Fiscal year from 1st April - 31st March. 2020 data: FY20/21.

**STRENGTHS**

- Regional economic and political powerhouse
- Rich in natural resources (gold, platinum, coal, chromium)
- Advanced services sector (particularly financial)
- Legislative environment protects investors

**WEAKNESSES**

- Poverty and inequalities are sources of social risk (crime, strikes and demonstrations)
- High unemployment (over 29%) and shortage of skilled labour
- Ageing infrastructure (transport, energy)
- Dependent on volatile flows of foreign capital

**RISK ASSESSMENT****Listless growth, despite a rebound**

Curbed by drought conditions, power cuts, high unemployment and fiscal pressures, activity is expected to pick up modestly in 2020. Despite monetary policy easing, which may support consumer credit, the record level of unemployment (almost 30% of the workforce) will continue to weigh on household confidence, limiting the contribution of private consumption. Weak domestic demand is expected to continue to inhibit the manufacturing and mining sectors. The risk of additional power cuts, which would further harm the contribution of these sectors, cannot be ruled out in 2020. Manufacturing and mining will

also be exposed to softer external demand, particularly in China. In addition, the review of the country's eligibility for the United States' Generalised Preference System, which exempts exports to the US market from certain customs duties, threatens exports, particularly in the automotive sector. Limited domestic demand, which will constrain imports, should nevertheless allow foreign trade to make a positive contribution to growth. Difficulties at the fiscal level and at state-owned companies, which are the drivers of infrastructure investment, will remain obstacles to public investment, hindering construction. Private investment will remain hesitant in the face of recurrent social movements, high operating costs and the polarising issue of land reform, which could allow expropriations without compensation. Inflation is expected to go up in the wake of rising electricity, food and fuel prices, but weak domestic demand should prevent a sharp increase.

### **Deteriorating public accounts, fragile external accounts**

The budget deficit is expected to widen in FY2020/2021. Listless activity will impact revenue growth, which will remain modest as a result. On the expenditure side, the agreement on wage indexation above inflation will probably prevent the size of the wage bill from being lowered. Additional spending pressures will arise from support to state-owned enterprises, including Eskom, the state utility company, which is in serious financial difficulty. Interest payments will also continue to be felt, absorbing almost 15% of revenues. This is a consequence of the increase in public debt, of which the ratio to GDP has already doubled over the past decade, with this trend expected to continue. The risk of debt distress is mitigated by the composition of debt. It consists mainly of long-term rand-denominated securities from domestic sources, but it is held at almost 40% by foreigners. The debt developments also expose South Africa's credit rating to a further downgrade by the credit rating agency Moody's, which would mean loss of investment grade status, leading to capital outflows.

However, portfolio investment and, to a lesser extent, FDI are essential to finance the current account deficit. In 2020, the deficit is expected to remain virtually unchanged, mainly due to the income deficit, which is maintained by profit repatriations by foreign companies, while also being affected by the increase in interest payments. The balance of transfers will continue to show a deficit, due to payments made to SACU partner countries. The small trade surplus should be safeguarded thanks to the small increase in imports. However, exports will also rise modestly: while they could benefit from a depreciation of the rand, they will be depressed by weak external demand and low mineral export prices. Freight services are expected to continue to generate a small deficit in services. Possible difficulties in financing the current account deficit could put pressure on the rand and foreign exchange reserves, which cover about 5 months of imports.

### **Increasingly pressing socio-economic challenges**

Cyril Ramaphosa became President in 2018 following Jacob Zuma's resignation and was elected at the ballot box in May 2019, after the African National Congress (ANC) took 57% of the vote. Although this result allowed the party, which has ruled since the end of apartheid (1994), to hold onto its majority, it was the lowest score in 25 years. Voter turnout, at 66%, was likewise at a 25-year low. Priorities include stimulating investment to support growth and create jobs, restructuring Eskom and resolving land reform issues. However, the social climate remains extremely tense, and could hinder the development of public policies. For instance, in 2019, the mining sector and state-owned companies were hit by a wave of strikes. Resistance from trade unions and some ANC factions could slow implementation of some reforms. In a tense social environment, where access to employment remains difficult, the security situation is strained, as illustrated by acts of violence against immigrant communities from other parts of Africa at the end of summer 2019. These attacks have created diplomatic tensions with other countries on the continent, particularly Nigeria. The business environment is relatively favourable but appears to be becoming less competitive, as evidenced by the 50-place drop in the Doing Business ranking over the last decade, mainly due to persisting regulatory constraints.



For further information of country rating and payment experience such as Assets – weaknesses – risk outlook; Industries overview; Insolvency trend; Means of payment and collection methods; and Nonpayment index, please visit our group's official homepage at [www.coface.com](http://www.coface.com) or go directly to your interest at [http://www.coface.com/CofacePortal/COM\\_en\\_EN/pages/home/risks\\_home](http://www.coface.com/CofacePortal/COM_en_EN/pages/home/risks_home)

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