

MIRA INFORM REPORT

Report No. :	524945
Report Date :	20.08.2018

IDENTIFICATION DETAILS

Name :	NOVACYL ASIA PACIFIC LIMITED
Registered Office :	Unit B, 16/F., 169 Electric Road, North Point
Country :	Hongkong
Date of Incorporation :	26.09.2011
Com. Reg. No.:	59025380
Legal Form :	Private Limited Company.
Line of Business :	Importer, exporter and wholesaler of active cosmetic and pharma ingredients.
No. of Employees :	8

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 :	Satisfactory
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 (31.12.2017)	Current Rating (01.04.2018)
Hongkong	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

HONGKONG - 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.

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



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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

NOVACYL ASIA PACIFIC LIMITED

ADDRESS: Unit B, 16/F., 169 Electric Road, North Point, Hong Kong.

PHONE: 852-2807 5300

FAX: 852-2803 4722

MANAGEMENT

Managing Director: Ms. Lau Poh Eng

SUMMARY

Incorporated on: 26th September, 2011.

Organization: Private Limited Company.

Issued Share Capital: HK\$100.00

Business Category: Importer, Exporter and Wholesaler.

Employees: 8.

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

Banking Relation: Satisfactory.

ADDRESS

Registered Head Office:-

Unit B, 16/F., 169 Electric Road, North Point, Hong Kong.

Holding Company:-

Novacap, France.

Associated Companies:-

Chemoxo International Ltd., UK.

CU Chemi Uetikon GmbH, Germany.

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Feracid SAS, France.
H2B SAS, France.
ID Bio SAS, France.
Novabay Pte. Ltd., Singapore.
Novacage SAS, France.
Novacap International S.A.S., France.
Novacap SAS, France.
Novacap SASU, France.
Novacarb S.A.S., France.
Novacarb SPAS, France.
Novacid SAS, France.
Novacyl (Thailand) Ltd., Thailand.
Novacyl Inc., USA.
Novacyl SA, France.
Novacyl Wuxi Pharmaceutical Co. Ltd., China.
Novapex SAS, France.
PCAS SA, France.
PCI Synthesis, Inc., US.
Taixing Yangzi Pharm Chemical Industry Co. Ltd., China.

BUSINESS REGISTRATION NUMBER

59025380

COMPANY FILE NUMBER

1667387

MANAGEMENT

Managing Director: Ms. Lau Poh Eng, Jennifer
Contact Person: Ms. Tammy Lee

ISSUED SHARE CAPITAL

HK\$100.00

SHAREHOLDER

(As per registry dated 26-09-2017)

Name	No. of shares
Novacap 21 chemin de la Sauvegarde, 21 Ecully Parc, CS 33167, 69134 Ecully Cedex, France.	100 ===

DIRECTORS

(As per registry dated 26-09-2017)

Name (Nationality)	Address
Robert Vincent Paul MONTI	52 Quai Vincent 69001 Lyon, France.
Vanessa Anne CHOU	56 rue de la Trolanderie 69250 Curis au Mont d'or, France.
Jean-Pascal MILL	8 rue des alouettes, 69340 Francheville, France.
LAU Poh Eng	Flat F, 21/F., Block 5, The Belcher's, 89 Pok Fu Lam Road, Hong Kong.

SECRETARY

(As per registry dated 26-09-2017)

Name	Address	Co. No.
Hongkong China Consultancy Ltd.	7/F., Bonham Centre, 79-85 Bonham Strand, Sheung Wan, Hong Kong.	0744218

HISTORY

The subject was incorporated on 26th September, 2011 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.

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Lines: Active cosmetic and pharma ingredients.
Employees: 8.
Commodities Imported: Europe, etc.
Markets: Asian countries, Europe, North America, etc.
Terms/Sales: As per contracted.
Terms/Buying: L/C, T/T, etc.

FINANCIAL INFORMATION

Issued Share Capital: HK\$100.00
Profit or Loss: Made small profits in past three years.
Condition: Keeping in a normal manner.
Facilities: Making rather active use of general banking facilities.
Payment: Met trade commitments as required.
Commercial Morality: Satisfactory.
Banker: The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
Standing: Satisfactory.

GENERAL

Novacyl Asia Pacific Limited is a wholly-owned subsidiary of Novacap which is a France-based company. Novacap has an associated company Novacyl SA [Novacyl] which is also a France-based company. The subject is trading in the same commodities of Novacap and Novacyl. Novacyl is the largest manufacturer of bulk Salicylic Acid and Aspirin in the world and also produces Salicylate Esters for pharmaceutical and flavour applications. In addition, Novacyl manufactures bulk Acetaminophen. Novacyl claims to be:-

- World Leader on Acetylsalicylic Acid (Rhodine)
- World Leader on Salicylic Acid with a dual sourcing
- Key Player on Paracetamol / Acetaminophen (Rhodapap)
- Only GMP Salicylates compliant producer (Rhodiaflor, OctiSalate)

The subject is trading in the following commodities:-

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Industrial Chemicals (Salicylic acid, octyl salicylate from France, China, Brazil & Thailand, Salicylic acid, octyl salicylate),

Pharmaceutical Chemicals (Paracetamol, methyl salicylate from France, China, Brazil & Thailand, Paracetamol, methyl salicylate)

Products are exported to North America, Central/South America, Western Europe, Eastern Europe, Australasia, Asia, the Middle East, Africa, etc.

Novacyl is a leading manufacturer of high quality active cosmetic and pharmaceutical ingredients, dedicated to serving the Cosmetic, Pharmaceutical, as well as Flavour and Fragrances industries.

With the launch of YSA®, YMS® and YOS®, three new brands of Salicylic Acid, Methyl Salicylate and Octyl Salicylate, Novacyl strengthens its positioning in a large number of Cosmetic applications.

Novacyl has significantly reduced the carbon footprint. It also has done environmental protection effectively. VOC (Volatile Organic Compound) abatement and reduction of water consumption make the global environmental impact the lowest compared to international standards.

Now, the subject's has a paracetamol plant in Wuxi City, Jiangsu Province, China and it is the leading supplier of different grades of paracetamol.

The subject has got GMP certified, CEP certificate, ISO 9001, ISO 14001 certificate, etc. The business of Novacyl keeps on improving.

The business of the subject in Hong Kong is chiefly handled by Ms. Lau Poh Eng, Jennifer. History in Hong Kong is about seven years.

On the whole, consider the subject good for normal business engagements.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.23
UK Pound	1	INR 89.37
Euro	1	INR 79.97
HKD	1	INR 8.90

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	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)