

MIRA INFORM REPORT

Report No. :	543638
Report Date :	06.12.2018

IDENTIFICATION DETAILS

Name :	NILORN EAST ASIA LIMITED
Registered Office :	Unit 1701, 17/F., Westley Square, 48 Hoi Yuen Road, Kwun Tong, Kowloon
Country :	Hong Kong
Date of Incorporation :	02.08.2000
Com. Reg. No.:	31220990
Legal Form :	Private Limited Company.
Line of Business :	Importer, Exporter and Wholesaler of All Kinds of Labels, Packaging, and Accessories
No. of Employees :	100. (Including associates in Asia)

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.

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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

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, 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.

Mainland China 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

NILORN EAST ASIA LIMITED

ADDRESS: Unit 1701, 17/F., Westley Square, 48 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong.

PHONE: 852-2371 2218

FAX: 852-2371 2629

MANAGEMENT:

Managing Director: Mr. Andrew Peter Lyall Hoppe

SUMMARY

Incorporated on: 2nd August, 2000.

Organization: Private Limited Company.

Issued Share Capital: HK\$2.00

Business Category: Importer, Exporter and Wholesaler.

Group Net Revenue: SEK 680.4 million (2017)

Employees: 100. (Including associates in Asia)

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

Banking Relation: Satisfactory.

ADDRESS:

Registered Head Office:-

Unit 1701, 17/F., Westley Square, 48 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong.

Holding Company:-

Nilorngruppen AB, Sweden.

Associated Companies:-

Nilorngruppen Group of Companies.

BUSINESS REGISTRATION NUMBER

31220990

COMPANY FILE NUMBER

0726251

MANAGEMENT

Managing Director: Mr. Andrew Peter Lyall Hoppe

ISSUED SHARE CAPITAL

HK\$2.00

SHAREHOLDER

(As per registry dated 02-08-2018)

<u>Name</u>	<u>No. of shares</u>
Nilorngruppen AB	2
Wieslanders vag 3, 504 31 Boras, Sweden.	=

DIRECTORS

(As per registry dated 02-08-2018)

<u>Name</u> (Nationality)	<u>Address</u>
Andrew Peter Lyall HOPPE	Flat C, 37/F., Block 1, The Victoria Towers, 188 Canton Road, Tsimshatsui, Kowloon, Hong Kong.
Krister Carl Magnus MAGNUSSON	Bondovagen 4, 435 39 Molnlycke, Sweden.
Claes Anders Gustaf AF WETTERSTEDT	Hallstad 121, S523 95 Almestad, Sweden.

SECRETARY

(As per registry dated 02-08-2018)

<u>Name</u>	<u>Address</u>	<u>Co. No.</u>
Fidelity Financial Consulting Ltd.	Suite D, 6/F., Ho Lee Commercial Building, 38-44 D'Aguliar Street, Central, Hong Kong.	0736663

HISTORY

The subject was incorporated on 2nd August, 2000 as a private limited liability company under the Hong Kong Companies Ordinance.

Originally the subject was registered under the name of Lucky Cyber Ltd., name changed to Nilorn-Calmon Far East Ltd. on 8th September, 2000, and changed further to the present style on 22nd December, 2006.

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

OPERATIONS

Activities: Importer, Exporter and Wholesaler.

Lines: All kinds of labels, packaging, and accessories

Employees: 100. (Including associates in Asia)

Commodities

Imported: Europe, Asia, etc.

Markets: Worldwide countries, etc.

Group Net Revenue (Unit: SEK' million):-

2013: 382.8

2014: 457.5

2015: 527.2

2016: 610.5

2017: 680.4

2017: 500.9 (Jan – Sept)

2018: 541.2 (Jan – Sept)

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

Terms/Buying: L/C, D/P, O/A, etc.

MEMBERSHIP

The Hong Kong General Chamber of Commerce, Hong Kong.
[Membership No. HKN0342]

FINANCIAL INFORMATION

Issued Share Capital: HK\$2.00

Group Net Income (Unit: SEK' million):-

2013: 34.6

2014: 41.7

2015: 39.0

2016: 56.2

2017: 65.0

2017: 43.0 (Jan – Sept)

2018: 44.4 (Jan – Sept)

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.

Standing: Satisfactory.

GENERAL

Nilorn East Asia Limited is a wholly-owned subsidiary of Nilorngruppen AB [Nilorn], a Sweden-bases and listed company.

It is also a key member of the Nilorn Group, a company established in Sweden. The Group produces and supplies garment trims and accessories for customers throughout Europe. It has also involved in the design aspects of branding, in order to increase the brand awareness for its customers.

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The Nilorn Group operates sales and production offices throughout Europe and also has offices/partnerships in India, Bangladesh and Turkey, in addition to the Hong Kong office.

The subject and its associated companies in Asia employ approximately 100 staff in total who are handling Products Development, Orders handling and Delivery for all the Asia Pacific region based customers.

The subject has been substantially grown as more garment production was moved to China and the other Asian countries.

Nilorn is a unique global company with heritage from 1970 with expertise in adding value to brands in the world of labels, packaging, and accessories. It offers complete, creative and tailor-made concepts in the areas of branding, design, product development and logistic solutions. Its offices and manufacturing bases are located in: Sweden, Denmark, Belgium, Switzerland, Germany, Italy, the United Kingdom, Portugal, Turkey, China, India, Bangladesh and Pakistan, besides Hong Kong.

Its main product lines are as follow:-

Labels

Packaging

Accessories (buttons, silicone, leather, etc.)

For the year ended 2017, the net revenue of Nilorn amounted to SEK 680.4 million, grew by 11.4% as compared with SEK 610.5 million in FY 2016, net income for the year was SEK 65.0 million, grew by 15.7% as compared with SEK 56.2 million in FY 2016.

For the nine-months ended 30th September, 2018, the net revenue of Nilorn amounted to SEK 541.2 million, grew by 8.0% as compared with SEK 500.9 million in the same period of FY 2017, net income for the period was SEK 44.4 million, grew by 3.3% as compared with SEK 43.0 million in the same period of FY 2017.

Currently, Nilorn has more than 1,000 customers worldwide. According to Nilorn, it has a broad customer base in Europe which are leading fashion and branding companies.

The following companies are some the significant ones:

Polarn O. Pyet, GANT, CLINTON, DRESS MANN, TIGER, HENRI LLOYD, joules, Fred Perry, Lyle & Scott, Jacques Vert, ginatricto, Superdry, Tom Tailor, etc.

For the year ended 2017, Nilorn had 446 employees throughout the world.

The subject is fully supported by Nilorn. Business is active in Hong Kong. History in Hong Kong is over 18 years and two months.

On the whole, consider it good for normal credit requirements.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.52
UK Pound	1	INR 89.45
Euro	1	INR 79.84
HKD	1	INR 9.08

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

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	TRU

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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)