

MIRA INFORM REPORT

Report No. :	483470
Report Date :	01.01.2018

IDENTIFICATION DETAILS

Name :	ITEMA (ASIA) LIMITED
Registered Office :	Room 808, 8/F., Tower 1, Enterprise Square, 9 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong.
Country :	Hong Kong
Date of Incorporation :	28.06.1994
Com. Reg. No.:	18344757
Legal Form :	Private Limited Company
Line of Business :	Importer and Exporter All kinds of Textile Machinery and Equipment
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 :	Good
Payment Behaviour :	Regular

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Litigation :	Clear
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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

Country Name	Previous Rating (30.06.2017)	Current Rating (30.09.2017)
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

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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.

Hong Kong's open economy left it exposed to the global economic slowdown that began in 2008. Although increasing integration with China through trade, tourism, and financial links aided a more rapid initial recovery than many observers anticipated, its continued reliance on foreign trade and investment leaves it vulnerable to renewed global financial market volatility or a slowdown in the global economy.

The Hong Kong Government is promoting the Special Administrative Region (SAR) as the site for Chinese 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; and RMB trade settlement is allowed. The territory far exceeded the RMB conversion quota set by Beijing for trade settlements in 2010 due to the growth of earnings from exports to the mainland. RMB deposits grew to roughly 9.4% of total system deposits in Hong Kong by the end of 2015. The government is pursuing efforts to introduce additional use of RMB in Hong Kong financial markets and is seeking to expand the RMB quota.

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 has surged from 4.5 million in 2001 to 47.3 million in 2014, outnumbering visitors from all other countries combined. Mainland visitors to Hong Kong declined 3% in 2015 to approximately 45.7 million, reflecting an overall drop of 2.5% in total visitors to Hong Kong. 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 51% of the firms listed on the Hong Kong Stock Exchange and accounted for about 62.1% 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, adopted in 2003 to forge closer ties between Hong Kong and the mainland. The new measures, effective March 2015, cover a negative list and a most-favored treatment provision, and will improve access to the mainland's service sector for Hong Kong-based companies.

Credit expansion and a tight housing supply have caused Hong Kong property prices to rise rapidly; consumer prices increased 4.4% in 2014, but slowed to 2.9% in 2015. Lower- and middle-income segments of the population are increasingly unable to afford adequate housing.

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 Mutual Recognition of Funds, and The Hong Kong Shanghai Gold Connect are all important steps towards opening up the Mainland's capital markets and has reinforced Hong Kong's leading role as China's offshore RMB market. Additional connect schemes from bonds to commodities and other investment products are also under exploration by Hong Kong authorities

Source : CIA

COMPANY NAME AND ADDRESS

ITEMA (ASIA) LIMITED

ADDRESS: Room 808, 8/F., Tower 1, Enterprise Square, 9 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong.

PHONE: 852-2317 1212, 2317 1420

FAX: 852-2317 1612

E-MAIL: info@itemaasia.com
eva@itemaasia.com

MANAGEMENT: Managing Director: Ms. Lee Wing Yan, Eva

SUMMARY

Incorporated on: 28th June, 1994.

Organization: Private Limited Company.

Issued Share Capital: HK\$10,000.00

Business Category: Importer and Exporter.

Annual Turnover: HK200~300 million.

Employees: 8.

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

Banking Relation: Satisfactory.

ADDRESS

Registered Head Office:-

Room 808, 8/F., Tower 1, Enterprise Square, 9 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong.

Holding Company:-

ITEMA S.p.A., Italy. [Formerly Promatech S.p.A.]

Ultimate Holding Company:-
ITEMA Holding S.p.A., Italy.

Associated/Affiliated Companies:-
ITEMA Group of Companies

ITEMA (Shanghai) Textile Machinery Co. Ltd., China.
ITEMA (Switzerland) Ltd., Switzerland.
ITEMA America Inc., US.
ITEMA International B.V., the Netherlands.
ITEMA Middle East Dubai DMCC, United Arab Emirates.
ITEMA Spinning India Ltd., India.
ITEMA Weaving (India) Private Ltd., India.
ITEMA Weaving (Japan) Ltd., Japan.
ITEMA Weaving Machinery (China) Co. Ltd., China.
Lamiflex S.p.A., Italy.
Noecha S.r.l., Italy.
Shandong Istma Textile Machinery Co. Ltd., China.
etc.

BUSINESS REGISTRATION NUMBER

18344757

COMPANY FILE NUMBER

0483728

MANAGEMENT

Managing Director: Ms. Lee Wing Yan, Eva

ISSUED SHARE CAPITAL

HK\$10,000.00

SHAREHOLDER

(As per registry dated 28-06-2017)

<u>Name</u>	<u>No. of shares</u>
ITEMA S.p.A. Via Cav. Gianni Radici, 4 24020 Colzate (Bergamo), Italy.	10,000 =====

DIRECTORS

(As per registry dated 28-06-2017)

<u>Name</u>	<u>Address</u>
(Nationality) LEE Wing Yan	1/F., 79 Sheung Keng Hau Village, Taiwai, Shatin, New Territories, Hong Kong.
Giacomo SALA	c/o 2, Stock Hoschgasse 68, 8008 Zurich, Switzerland.
Danilo Enrico ARIZZI	Via M. Merisi 32/A, Albino (BG), Italy.
Forward Business Management Ltd.	Room 15, 9/F., World-Wide Industrial Center, 43-47 Shan Mei Street, Fotan, Shatin, New Territories, Hong Kong.

SECRETARY

(As per registry dated 28-07-2017)

<u>Name</u>	<u>Address</u>	<u>Co. No.</u>
Forward Business Management Ltd.	Room 15, 9/F., World-Wide Industrial Center, 43- 47 Shan Mei Street, Fotan, Shatin, New Territories, Hong Kong.	1894638

HISTORY

The subject was incorporated on 28th June, 1994 as a private limited liability company under the Hong Kong Companies Ordinance.

Originally the subject was registered under the name of Somet (Asia) Ltd., name changed to the present style on 29th January, 2001.

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

OPERATIONS

Activities:	Importer and Exporter.
Lines:	All kinds of textile machinery and equipment.
Brand Names:	"Sultex", "Somet", and "Vamatex".
Employees:	8.
Commodities Imported:	Europe, China and other foreign advanced countries.
Markets:	China, Taiwan, other Asian countries, Europe, etc.
Annual Turnover:	HK200~300 million.
Terms/Sales:	L/C or as per contracted.
Terms/Buying:	As per contracted.

FINANCIAL INFORMATION

Issued Share Capital:	HK\$10,000.00
Mortgage or Charge:	(See attachment)
Profit or Loss:	Making a small profit every year.
Condition:	Business is normal.
Facilities:	Making active use of general banking facilities.
Payment:	Regular.
Commercial Morality:	Satisfactory.

Bankers:-
The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
Intesa Sanpaolo S.p.A., Hong Kong Branch.
Standard Chartered Bank (Hong Kong) Ltd., Hong Kong.

Standing: Very Good.

GENERAL

ITEMA (Asia) Ltd. is a wholly-owned subsidiary of ITEMA S.p.A. (formerly known as Promatech S.p.A.), an Italy-based firm which in turn is a subsidiary of ITEMA Holding S.p.A. [ITEMA]. ITEMA is also an Italy-based company. The subject is a member of the ITEMA Group and has got the ISO9001 certification. In 2011, the Group's Promatech S.p.A. changed name to ITEMA S.p.A. which is currently the parent company of the subject.

ITEMA Group was created by Radici Group in 2001.

ITEMA Group is an international textile machinery and equipment provider. Its predecessor and history have more than 150 years in Europe. It is a leading global textile machinery group that was established in December 2001 following the merger of some important firms working in the various sectors on this market.

The subject is trading in the Group's products. The Group is significant for its Air-Jet, Projectile and Rapier weaving machines.

ITEMA Group is providing the following textile machinery and equipment in 4 different business areas:-

- ITEMA Weaving — Fabric forming solutions including weaving machines, weaving accessories, spare parts and services. Leading brands carried are "Sulzer Textil", "Somet", "Vamatex" and "Fimtextile";
- ITEMA Spinning — Thread forming solutions including spinning, winding and twisting machines, accessories, spare parts and services. Leading brand carried is "Savio";
- ITEMA Electronics — Electronic technology solutions including joint development and manufacturing of components. Leading brands carried are "Eutron", "Loepfe", "BMS Vision" and "Sedo"; &
- ITEMA Knitting — Fabric forming solutions including knitting machines, accessories, spare parts and services. Leading brand carried is "Steiger".

The subject is trading in the following main products and brand names:-

<u>Brand Name</u>	<u>Brand Product/Service</u>	<u>Brand Remarks</u>
Somet (Brand Owner)	Machine – Weaving	Rapier and air jet
Vamatex (Brand Owner)	Machine – Weaving	Rapier and air jet

The subject's products are marketed in China, exported to Japan, Taiwan, India, Southeast Asia, other Asian countries, etc. It belongs to the division of "ITEMA Weaving".

The subject has had a wholly-owned subsidiary in China known as ITEMA Weaving Machinery (China) Co. Ltd. [ITEMA Shanghai] which is in Shanghai. This firm is engaged in manufacturing rapier weaving machines. Currently, it has about 100 employees.

The important event for the company was the opening of ITEMA India Ltd. on 24th September, 2005, in Coimbatore, India. ITEMA India, which is located in a 1,600-sq.m. building, provides sales and marketing functions including a showroom, after-sales and spare-parts service and an electronic circuit board repair centre and training centre for end-user technicians for the Somet, and Vamatex companies.

From the ITEMA India headquarters in Coimbatore, offices in Mumbai, Gunthur and Delhi which operate in the relevant areas with support of seven representative agencies are coordinated. ITEMA India employs a total of about 90 people, about 65 of whom are dedicated to customer service.

One of the directors of the subject Mr. Danilo Enrico Arizzi is an Italian. The new CEO of the ITEMA Group Mr. Carlo Rogora was appointed in 2011. Both are members of the Board of Directors of the Group.

Another director of the subject Giacomo SALA is also Managing Director of In recent years, a new company in the United Arab Emirates has been set up. This company is known as 'ITEMA Middle East Dubai DMCC, United Arab Emirates'.

Now, the Group has 835 employees in 50 countries while about 400 are in Colzate, ITEMA. The annual turnover of the Group is about EUR 400 million.

The annual sales turnover of the subject ranges from HK\$200 to 300 million. Business is rather active. Making a small profit every year.

The history of the subject in Hong Kong is over twenty-three years and five months. Business is chiefly handled by Ms. Eva Lee who is a Hong Kong businesswoman. She is also Managing Director of the subject.

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

MORTGAGE OR CHARGE

Date	Particulars	Amount
28-08-2002	<p><i>Instrument:</i> Trade Finance Security Deed <i>Property:</i> By the Deed, all the Company's right, title, interest and benefit to and in all and any moneys now or at any time due or owing to the Company <i>Mortgagee:</i> IntesaBci S.p.A., Hong Kong Branch. [Renamed to Banca Intesa S.p.A. and further to Intesa Sanpaolo S.p.A.]</p>	All the Company's obligations and liabilities
21-04-2010	<p><i>Instrument:</i> Security Over Deposits <i>Property:</i> A deposit with chargee in the amount of HK\$500,000.00 or its equivalent in other foreign currencies under Deposit A/C No. 508-188885, whatever currency it may subsequently be denominated in, any renewal of such deposit and the interest thereon together with any further monies in any deposit account with the chargee at any of its offices <i>Mortgagee:</i> The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.</p>	Amount secured – (i) all monies in any currency owing by the Company to the chargee at any time, actually or contingently, in any capacity, alone or jointly with any other person; (ii) interest on such monies, to the date on which the chargee receives payment, at the rates payable by the Company or which would have been payable but for any circumstance which restricts payment and (iii) all expenses of the chargee in perfecting or enforcing the charge
31-07-2012	<p><i>Instrument:</i> Security Agreement over Bank Account <i>Property:</i> By way of a first fixed charge all of the Chargor's rights in respect of any amount standing to the credit of the Account from time to time & the debt represented by it <i>Mortgagee:</i> Standard Chartered Bank (Hong Kong) Ltd., Hong Kong.</p>	To secure the payment & satisfaction of all present & future obligation & liabilities

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 64.93
UK Pound	1	INR 86.06
Euro	1	INR 76.39
HKD	1	INR 8.17

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

INFORMATION DETAILS

Analysis Done by :	PRA
Report Prepared by :	KET

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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)

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