

MIRA INFORM REPORT

Report No. :	516990
Report Date :	04.07.2018

IDENTIFICATION DETAILS

Name :	NINE UNITED CHINA LIMITED
Registered Office :	Unit 2512, 25/F., Miramar Tower, 132 Nathan Road, Tsimshatsui, Kowloon
Country :	Hong Kong
Date of Incorporation :	27.10.2008
Com. Reg. No.:	35220504
Legal Form :	Private Limited Company
Line of Business :	Importer, Exporter and Wholesaler of Garments, Furniture, Furnishings, Home Accessories.
No. of Employees :	20. (Including Associated Companies)

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
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)
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, 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

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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 government spending on research and development, education, and technological innovation with the aim of spurring continued economic growth through greater sector diversification.

Source : CIA

NOTE

(Formerly Located At:
16/F., Chevalier House,
45-51 Chatham Road, Tsimshatsui,
Kowloon, Hong Kong.)

COMPANY NAME & ADDRESS

NINE UNITED CHINA LIMITED

ADDRESS: Unit 2512, 25/F., Miramar Tower, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong.

PHONE: 852-3112 0299

FAX: Not available

E-MAIL: general@bestseller.com.hk

MANAGEMENT

Managing Director: Mr. Ho Kin Chung

SUMMARY

Incorporated on: 27th October, 2008.

Organization: Private Limited Company.

Issued Share Capital: HK\$10,000,000.00

Business Category: Importer, Exporter and Wholesaler.

Employees: 20. (Including Associated Companies)

Group Net Turnover: EUR 3.15 billion (FY 16/17)

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

Banking Relation: Satisfactory.

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NAME

NINE UNITED CHINA LIMITED

ADDRESS

Registered Head Office:-

Unit 2512, 25/F., Miramar Tower, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong.

Holding Company:-

Holch Povlsen Switzerland AG, Switzerland.

Associated Companies:-

Best Seller United India Pvt. Ltd., India.
Bestseller (Schweiz) AG, Switzerland.
Bestseller A/S, Denmark.
Bestseller AS, Norway.
Bestseller Birllesik Tekstil Top. Ve Per. Tic. Ltd. Sti., Turkey.
Bestseller Detail A/S, Denmark.
Bestseller Fashion Group (Tianjin) Co. Ltd., China.
Bestseller Fashion Group China Ltd., Hong Kong.
Bestseller Handels GmbH, Austria.
Bestseller Italy SpA., Italy.
Bestseller Kredit A/S, Denmark.
Bestseller Latam Zf Sa, Uruguay.
Bestseller Retail Denmark A/S, Denmark.
Bestseller Sverige AB, Sweden.
Bestseller Textilhandels GmbH, Germany.
Bestseller United China Ltd., Hong Kong. (Same address)
Bestseller United India Pte. Ltd., India.
Bestseller United Italy S.p.A., Italy.
Bestseller United Ltd., Hong Kong.
Bestseller United M.E.S.A.L., Lebanon.
Bestseller Wholesale (Ireland) Ltd., Ireland.
Bestseller Wholesale Belgium BVBA, Belgium.
Bestseller Wholesale Benelux B.V., Netherlands.
Bestseller Wholesale Canada Inc., Canada.
Bestseller Wholesale Finland Oy, Finland.
Bestseller Wholesale France SAS, France.
Bestseller Wholesale Spain S.L.U., Spain.
Bestseller Wholesale UK Ltd., U.K.
Bestseller Wholesale US LLC, U.S.
BS Studio A/S, Denmark.
BS Studio Ltd., Hong Kong.
BS Studio Shanghai Ltd., China.

Cordoba Co. Ltd., Hong Kong. (Same address)
J. Lindegerg B.V., Netherlands.
M & M Direct Ltd., UK.
MTHP A/S, Denmark.
Vila A/S, Denmark.
Vila Belgium BVBA, Belgium.
Vila Benelux B.V., Netherlands.
Vila Clothes AG, Switzerland.
Vila Clothes Ltd., Ireland.
Vila Clothes Ltd., U.K.
Vila Finland Oy, Finland.
Vila France SAS, France.
Vila GmbH, Germany.
Vila Italy SpA, Italy.
Vila Norge A.S., Norway.
Vila Spain S.L.U., Spain.

BUSINESS REGISTRATION NUMBER

35220504

COMPANY FILE NUMBER

0930858

MANAGEMENT

Managing Director: Mr. Ho Kin Chung
Contact Person: Ms. Leung Mei Ling

ISSUED SHARE CAPITAL

HK\$10,000,000.00

SHAREHOLDERS

(As per registry dated 01-11-2017)

Name

No. of shares

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Holch Povlsen Switzerland AG. c/o Klauser & Partner AG, Pestalozzistr. 2, 8200 Schaffhausen, Switzerland.	5,000,000
Dantzer Ltd. 19/F., Seaview Commercial Building, 21-24 Connaught Road West, Hong Kong.	3,000,000
HO Kin Chung	2,000,000
Total:	10,000,000 =====

DIRECTORS

(As per registry dated 01-03-2018)

<u>Name</u> (Nationality)	<u>Address</u>
Adam Christian DANTZER	No. 8 Lane 535 Shanxi North Road, (close to Xinzha Road), Shanghai, China.
Troels Holch POVLSEN	Freskovvej, DK-7330 Brande, Denmark.
HO Kin Chung	House C, Silverstrand, 11 Silver Crest Road, Sai Kung, New Territories, Hong Kong.

SECRETARY

(As per registry dated 01-11-2017)

<u>Name</u>	<u>Address</u>	<u>Co. No.</u>
Mayee Management Ltd.	19/F., Seaview Commercial Building, 21-24 Connaught Road West, Hong Kong.	0039244

HISTORY

The subject was incorporated on 1st November, 2004 as a private limited liability company under the Hong Kong Companies Ordinance.

Originally the subject was registered under the name of BS Studio China Ltd., name changed to the present style on 15th November, 2013.

Formerly the subject was located at '16/F., Chevalier House, 45-51 Chatham Road, Tsimshatsui, Kowloon, Hong Kong', moved to the present address in January 2017.

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

OPERATIONS

Activities:	Importer, Exporter and Wholesaler.
Lines:	Garments, Furniture, Furnishings, Home Accessories.
Employees:	20. (Including associated companies)
Commodities Imported:	China, other Asian countries, etc.
Markets:	Asian countries, Denmark, other European countries, etc.
Group (Bestseller A/S & Vila A/S) Net Turnover:-	EUR 2.93 billion (FY 14/15) EUR 3.07 billion (FY 15/16) EUR 3.15 billion (FY 16/17)
Terms/Sales:	L/C or as per contracted.
Terms/Buying:	L/C, T/T, D/P, etc.

FINANCIAL INFORMATION

Issued Share Capital:	HK\$10,000,000.00
Group (Bestseller A/S & Vila A/S) result before tax:-	EUR 134 million (FY 14/15) EUR 273 million (FY 15/16) EUR 337 million (FY 16/17)
Profit or Loss:	Making a small profit every year.
Condition:	Keeping in a satisfactory manner.
Facilities:	Making rather active use of general banking facilities.
Payment:	Regular.
Commercial Morality:	Satisfactory.
Banker:	The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
Standing:	Good.

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GENERAL

Formerly known as BS China Studio Ltd., Nine United China Limited has increased its ordinary shares to 10 million shares of HK\$1.00 each.

The subject now is jointly owned by Holch Povlsen Switzerland AG., a Switzerland-based firm holding 50% interests; Dantzer Ltd. of Hong Kong, holding 30%; Mr. Ho Kin Chung, a Hong Kong merchant, 20%.

The subject has had a number of associated companies in Denmark while the significant one is Bestseller A/S [Bestseller], Denmark. The other main associated company is Vila A/S [Vila].

Bestseller and Vila form the Group. The subject is one of the members of the Group.

The subject has had a number of firms located at the same operating address.

The subject and the Group are engaged in the same lines of business, more or less. It is trading in cardigans, sweaters, pullovers, casual wear, denim garments, jeans, etc.

In Hong Kong, the subject is a buying office. It offers a full range of hanger collection, garments, furniture and other accessories product.

Bestseller is an international, family-owned fashion company with a strong foundation. With a range of more than 20 individual fashion brands, Bestseller provides fashion clothing and accessories for both women, men, teenagers and children.

Products are marketed and sold under a variety of brands such as JACK & JONES, JUNAROSE, JACQUELINE DE YONG, MAMALICIOUS, NAME IT, NOISY MAY, OBJECT COLLECTORS ITEM, ONLY, ONLY & SONS, PIECES, SELECTED, VERO MODA, VILA CLOTHES and Y.A.S.

Bestseller brands and products are available online, in about 2,700 branded chain stores, 15,000 multi-brand and in department stores across Europe, The Middle East, North America, Latin America, Australia and India. Bestseller Fashion Group China is an independent company designing its own collections for more than 8,000 stores in China.

Bestseller is 100% owned by the Holch Povlsen family with Anders Holch Povlsen as CEO. Bestseller Fashion Group China is an independent company partly owned by the Holch Povlsen family.

Bestseller has more than 15,000 dedicated Bestseller colleagues around the world.

Bestseller has sales offices all over Europe, and buying offices in China, Beijing Shanghai, India, Turkey and Denmark. The main one in China is in Shanghai. The Shanghai firm is administered by Mr. Adam Christian Dantzer.

In FY 2016/17, the net turnover of the Group was EUR 3.15 billion (FY 2015/16: EUR 3.07 billion); result before tax was EUR 337 million (FY 2015/16: EUR 273 million).

The subject is fully supported by the Group. History in Hong Kong is over thirteen years and eight months.

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

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.69
UK Pound	1	INR 90.35
Euro	1	INR 80.02
HKD	1	INR 8.75

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

INFORMATION DETAILS

Analysis Done by :	PRA
Report Prepared by :	TPT

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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)