

MIRA INFORM REPORT

Report No. :	531593
Report Date :	27.09.2018

IDENTIFICATION DETAILS

Name :	LUMENIS (HK) LIMITED
Registered Office :	16/F., The Cameron, 33 Cameron Road, Tsimshatsui, Kowloon
Country :	Hong Kong
Date of Incorporation :	02.03.2001
Com. Reg. No.:	31727196
Legal Form :	Private Limited Company
Line of Business :	Importer and Exporter of All Kinds of Medical Laser Equipment.
No. of Employees :	15

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.

ECGC Country Risk Classification List

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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, 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

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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

COMPANY NAME AND ADDRESS

LUMENIS (HK) LIMITED

ADDRESS: 16/F., The Cameron, 33 Cameron Road, Tsimshatsui, Kowloon, Hong Kong.

PHONE: 852-2174 2800, 2722 5211

FAX: 852-2722 5151

E-MAIL: hc.lee@lumenis.com

MANAGEMENT:

Managing Director: Mr. Zhai Qiying

SUMMARY

Incorporated on: 2nd March, 2001.

Organization: Private Limited Company.

Issued Share Capital: HK\$3.00

Business Category: Medical Laser Equipment Trader.

Group Annual Revenues: US\$250 - 350 million.

Employees: 15.

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

Banking Relation: Satisfactory.

ADDRESS

Registered Head Office:-
16/F., The Cameron, 33 Cameron Road, Tsimshatsui, Kowloon, Hong Kong.

Holding Company:-
Lumenis Ltd., Israel.

Taiwan Branch:-
Lumenis (HK) Ltd. Taiwan Branch, Taiwan.

Associated Companies:-

Lumenis Group of Companies

Ke Yi Ren Medical Laser Equipment Trading (Beijing) Co. Ltd., China.
[Also known as Lumenis Medical Laser Equipment Trading (Beijing) Co. Ltd.]
Lumenis (Asia Pacific) Ltd., Hong Kong.
Lumenis (Australia) Pty. Ltd., Australia.
Lumenis (France) SARL, France.
Lumenis (Germany) GmbH, Germany.
Lumenis (Italy) SRL, Italy.
Lumenis (Mexico) SA de CV, Mexico.
Lumenis (UK) Ltd., UK.
Lumenis do Brasil Produtos Medicos Ltda., Brazil.
Lumenis Holdings (Holland) BV, Netherlands.
Lumenis Holdings Inc., USA.
Lumenis Inc., USA.
Lumenis India Private Ltd., India.
Lumenis Japan Co. Ltd., Japan.
Lumenis Korea Ltd., Korea.
Lumenis Ltd., China.
Lumenis Singapore Pte. Ltd., Singapore.
Mizrahi Tefahot Trust Co. Ltd., Israel.
Pollogen Ltd., Israel.
Wuhan Sharplan Chutian Medical Laser Manufacturing Ltd., China.
XIO (UK) LLP, UK.
etc.

BUSINESS REGISTRATION NUMBER

31727196

COMPANY FILE NUMBER

0748894

MANAGEMENT

Managing Director: Mr. Zhai Qiying
Contact Person: Mr. Derek Leung

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ISSUED SHARE CAPITAL

HK\$3.00

SHAREHOLDER

(As per registry dated 02-03-2018)

<u>Name</u>	<u>No. of shares</u>
Lumenis Ltd. P.O.Box 240, Yokneam 20692, Israel.	3 =

DIRECTORS

(As per registry dated 02-03-2018)

<u>Name</u>	<u>Address</u>
ZHAI Qiying (Nationality)	Room 1004, Wuke Garden, Heping District, Tianjin, China.
Shalom Haim (Shalom) COHEN	22 Haprahim Street, Kfar Yedidia, 4294000, Israel.
Casey MCDONALD	60 The Avenue, George Town, Grand Cayman, Cayman Islands.
Nazeeh SAAB	10 Kiryaat Hechinuch, Abu Snaan, 2490500, Israel.

SECRETARY

(As per registry dated 02-03-2018)

<u>Name</u>	<u>Address</u>	<u>Co. No.</u>
Sophie Ltd.	4/F., VC House, 4-6 On Lan Street, Central, Hong Kong.	1230352

HISTORY

The subject was incorporated on 2nd March, 2001 as a private limited liability company under the Hong Kong Companies Ordinance.

Originally the subject was registered under the name of Highground Ltd., name changed to the present style on 18th April, 2001.

Formerly the subject was located at 'Unit 2602, 26/F., Miramar Tower, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong', moved to the present address with effect from 22nd May, 2017.

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

OPERATIONS

Activities:	Importer and Exporter.
Lines:	All kinds of medical laser equipment, etc.
Employees:	15.
Commodities Imported:	China, Europe, etc.
Markets:	China, other Asian countries, Europe, North America, etc.
Group Annual Revenues:	US\$250 - 350 million.
Terms/Sales:	L/C or as per contracted.
Terms/Buying:	L/C, D/P, T/T, etc.

FINANCIAL INFORMATION

Issued Share Capital: HK\$3.00

Mortgage or Charge:-

Date: 10-02-2017

Description of Instrument: Pledge of equity interests, dated 10-02-2017, entered into by Lumenis (HK) Ltd. as the pledgor, Lumenis Medical Laser Equipment Tradeing (Beijing) Co. Ltd. as the company and GLAS Trust Corporation Ltd. as the security agent.

Mortgagee: GLAS Trust Corporation Ltd.,
45 Ludgate Hill, London, EC4M 7JU, U.K.

Group Net Income:	US\$15 – 20 million.
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.

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Banker: The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
Standing: Good.

GENERAL

Having issued 3 ordinary shares of HK\$1.00 each, Lumenis (HK) Limited is a wholly owned subsidiary of Lumenis Ltd. [Lumenis together with its subsidiaries (the "Company")] which is an Israel-based firm. The subject is the sales and marketing office of Lumenis.

Lumenis is a global leader in the field of minimally-invasive clinical solutions for the Surgical, Ophthalmology and Aesthetic markets, and is a world-renowned expert in developing and commercializing innovative energy-based technologies, including Laser, Intense Pulsed Light (IPL) and Radio-Frequency (RF), etc. All the products bear the trademark *Lumenis*®.

For years, Lumenis' products have redefined medical treatments and have set numerous technological and clinical gold-standards. Lumenis has created solutions for previously untreatable conditions.

The principal target markets for its products are hospitals, outpatient clinics, ambulatory surgery centres, physicians' offices and private clinics. It markets, sells and services its products primarily through its direct sales force and customer service employees in the following five countries: the United States, Germany, Japan, China (including Hong Kong) and India, with sales of certain product lines in Italy.

Now, its products are sold in more than 90 countries around the world. Specifically, it is well-positioned in China and India.

The Group sells its products directly through its wholly owned subsidiaries primarily in six countries: the United States, China, Japan, India, Germany and Australia. It also sells to the remainder of its geographies through its global distributor network, consisting of over 170 independent distributors in over 70 countries worldwide.

The Group manufactures its products in two principal locations: Yokneam, Israel, where surgical and aesthetic products are manufactured, and Salt Lake City, Utah, where ophthalmic products are manufactured. It has also established a small refurbishing centre in China for key components for its ophthalmic products. In addition, it has outsourced the manufacture of some of its products to third parties.

Lumenis' ordinary B shares had been listed for trading on the NASDAQ Global Select Market under the symbol "LMNS" since 27th February, 2014.

On 12th October 2005 Lumenis was acquired by XIO Group and the trading of Lumenis ordinary B shares on NASDAQ Global select market have ceased since then.

XIO Group is a global multi-billion dollar alternative investments and research firm headquartered in London, with investment offices in Hong Kong and China, and additional operations in Germany, Israel, Switzerland and the United States of America. The Group has over 75 employees representing over a dozen different nationalities and languages.

XIO Group is led by its four founders: Athene Li, Joseph Pacini, Murphy Qiao and Carsten Geyer.

The subject is fully supported by Lumenis. History in Hong Kong is over 17 years and six months.

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

REMARKS

Brief personal profile of the director:-

Mr. ZHAI Qi Ying (Senior Vice President and President of Lumenis China and Asia Pacific), aged 52, was appointed a Senior Vice President in November 2011, he has served as President of Lumenis China and Asia Pacific since joining Lumenis in April 2001 as part of the acquisition of CMG. In 1992, Mr. Zhai started the Coherent operations in China and managed them until the acquisition of CMG. He holds a Bachelor's degree in Physics from University of Tianjin, China.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.72
UK Pound	1	INR 95.77
Euro	1	INR 85.54
HKD	1	INR 9.29

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

INFORMATION DETAILS

Analysis Done by :	PRA
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)