

MIRA INFORM REPORT

Report No. :	532353
Report Date :	28.09.2018

IDENTIFICATION DETAILS

Name :	SACMI HONG KONG LIMITED
Registered Office :	Room A & B, 16/F., Neich Tower, 128 Gloucester Road, Wanchai
Country :	Hong Kong
Date of Incorporation :	02.07.1991
Com. Reg. No.:	15242158
Legal Form :	Private Limited Company.
Line of Business :	Importer and Exporter of All Kinds of Machinery and Equipment
No. of Employees :	9

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+	Low Risk	Business dealings permissible with low 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, 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

SACMI HONG KONG LIMITED

ADDRESS: Room A & B, 16/F., Neich Tower, 128 Gloucester Road, Wanchai, Hong Kong.

PHONE: 852-2598 8373, 2598 8801

FAX: 852-2598 5132, 2598 7917, 2598 0950

E-MAIL: sacmihk@sacmihk.com
mauro_masini@sacmihk.com

MANAGEMENT:

General Manager: Mr. Mauro Masini

SUMMARY

Incorporated on: 2nd July, 1991.

Organization: Private Limited Company.

Issued Share Capital: HK\$6,750,000.00

Business Category: Machinery Trader.

Group Turnover: €1,434 million (FY2017)

Employees: 9. (Hong Kong)

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

Banking Relation: Satisfactory.

ADDRESS

Registered Head Office:-

Room A & B, 16/F., Neich Tower, 128 Gloucester Road, Wanchai, Hong Kong.

Foshan Commercial Branch:-

Xingye North Road, North Park of Nanhai Economic Development Zone, Shishan Town, Nanhai District, 528222
Foshan City, Guangdong Province, China.
[Tel: 86-757-8120 6111, 8120 6100
Fax: 86-757-8120 6199
E-mail: info@sacmi.cn]

Holding Company:-

Sacmi Imola S.C.
Via Selice Provinciale 17/A, 40026 Imola, Bologna, Italy.
[Tel: 39 0542 607111; Fax: 39 0542 642354]

Associated Companies:-

Sacmi Group of Companies

Alpha Ceramics GmbH, Germany.
Carle & Montanari U.S.A. Inc., USA.
Carle & Montanari-OPM S.p.A., Italy.
CMC, Italy.
CMFIMA S.r.l., Italy.
Cosmec S.r.l., Italy
Defranceschi S.r.l., Italy.
Eurofilter S.p.A., Italy.
Gaiotto Automation S.p.A., Italy.
Hayes Machine Co. Inc., USA.
IN.TE.SA S.p.A., Italy.
Iprel Progetti S.r.l., Italy.
Italiansped Ltd., Russian Federation.
Italiansped S.p.A., Italy.
Keratech S.p.A., Italy.
Laeis (Dalian) Trading Co. Ltd., China.
Laeis GmbH Beijing Representative Office, China.
Laeis GmbH, Luxembourg.
Mectiles Italia S.r.l., Italy.
Molds & Dies Egypt, Egypt.
Molds & Dies Ltd., USA.
Nuova Sima S.p.A., Italy.
Officina CMC S.r.l., Italy.
OOO Sacmi Mosca Ltd., Russian Federation.
P.T. Molds & Dies Indonesia, Indonesia.
Pet Projecta S.r.l., Italy.
Protesa S.p.A., Italy.
Riedhammer GmbH, Germany.
Riedhammer Japan Co. Ltd., Japan.
Sacmi (Changshu) Machinery Equipment Co. Ltd., China.
Sacmi (Shanghai) Machinery Equipment Co. Ltd., China.
Sacmi Beverage de Mexico S.A. de C.V., Mexico.
Sacmi Beverage Iberica S.L., Spain.
Sacmi Beverage Venezuela C.A., Venezuela.
Sacmi Carpmec S.p.A., Italy.

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Sacmi de Mexico S.A. de C.V., Mexico.
Sacmi Deutschland GmbH, Germany.
Sacmi do Brasil Industria e Comercio Ltda., Brazil.
Sacmi Engineering (India) Pvt. Ltd., India.
Sacmi Filling S.p.A., Italy.
Sacmi Forni S.p.A., Italy.
Sacmi Iberica S.A., Spain.
Sacmi Imola Moscow Representative Office, Russia.
Sacmi Impianti Regional Representative Office, Indonesia.
Sacmi Impianti S.A. Argentina, Argentina.
Sacmi Impianti S.p.A., Italy.
Sacmi Iran Sazeh Ceramic & Material Iranian Co., Iran.
Sacmi Istanbul Sanayi Ve Tic. Ltd. Sti., Turkey.
Sacmi Machinery (Foshan Nanhai) Co. Ltd., China.
Sacmi Machinery Korea Co. Ltd., Korea.
Sacmi Middle East, UAE.
Sacmi Moldes & Dies Mexico S.A. de CV, Mexico.
Sacmi Molds & Dies Pars Co., Iran.
Sacmi Molds & Dies S.p.A., Italy.
Sacmi North West Central Africa SA, Morocco.
Sacmi Packaging S.p.A., Italy.
Sacmi Polska Sp. z o.o., Poland.
Sacmi Portugal, Portugal.
Sacmi Service S.p.A., Italy.
Sacmi Singapore Pte. Ltd., Singapore.
Sacmi South Africa (Pty) Ltd., South Africa.
Sacmi Thailand Co. Ltd., Thailand.
Sacmi USA Ltd., USA.
Sacmi Verona S.p.A., Italy.
Sacmi Vietnam, Vietnam.
Sacmi West Europe Beverage Technology, France.
Sama Maschinenbau GmbH, Germany.
Sami De Mexico Divisione Logistica, Mexico.
Surface Inspection, UK.
Tecnos S.r.l., Italy.
TLR Italia S.r.l., Italy.
TLR Tech Lease & Rent SA, Switzerland.
X-Tech S.r.l., Italy.
etc.

BUSINESS REGISTRATION NUMBER

15242158

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COMPANY FILE NUMBER

0316057

MANAGEMENT

General Manager: Mr. Mauro Masini
Executive Secretary: Ms. Pennie Ko
Financial Manager: Mr. Roger Lee
GM Assistant: Ms. Jennifer Yeo
Sales Manager: Mr. Li Qiang Hui

ISSUED SHARE CAPITAL

HK\$6,750,000.00

SHAREHOLDER

(As per registry dated 02-07-2018)

Name

Sacmi Imola S.C.

Via Selice Provinciale 17/A, 40026 Imola, Bologna, Italy.

No. of shares

6,750,000

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DIRECTORS

(As per registry dated 02-07-2018)

Name

(Nationality)

Stefano FOSCHINI

Address

Via Basiaghe 1/G, Imola (BO), cap.40026, Italy.

Valerio GUERRINI

Corso Emaldi n.59 interno 2, Fusignano (RA), cap.48010, Italy.

Luca TAMBURINI

Via G. Pulicari 41, Lugo (RA), 48022, Italy.

SECRETARY

(As per registry dated 02-07-2018)

<u>Name</u>	<u>Address</u>	<u>Co. No.</u>
Tricor Strath Ltd.	Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.	0004873

HISTORY

The subject was incorporated on 2nd July, 1991 as a private limited liability company under the Hong Kong Companies Ordinance.

Originally the subject was registered under the name of Tarsel Ltd., name changed to the present style on 9th January, 1992.

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

OPERATIONS

Activities: Importer and Exporter.

Lines: All kinds of machinery and equipment.

Employees: 9. (Hong Kong)
170. (China)

Commodities Imported: Imported from Italy, Europe, US, etc.

Markets: Hong Kong, China, other Asian countries, Europe, North America, etc.

Group Turnover: €1,243 million (FY2012)
€1,227 million (FY2013)
€1,196 million (FY2014)
€1,354 million (FY2015)
€1,394 million (FY2016)
€1,434 million (FY2017)

Terms/Sales: L/C or as per contracted.

Terms/Buying: As per contracted.

MEMBERSHIP

The Italian Chamber of Commerce in Hong Kong and Macao, Hong Kong.

FINANCIAL INFORMATION

Issued Share Capital: HK\$6,750,000.00

Group EBIT: €109 million (FY2012)
€120 million (FY2013)
€111 million (FY2014)
€120 million (FY2015)
€136 million (FY2016)
€131 million (FY2017)

Group Net Worth: €585 million (FY2012)
€593 million (FY2013)
€601 million (FY2014)
€621 million (FY2015)
€639 million (FY2016)
€660 million (FY2017)

Profit or Loss: Making a small profit every year.

Condition: Business is active.

Facilities: Making active use of general banking facilities.

Payment: Regular.

Commercial Morality: Good.

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

Standing: Very Good.

GENERAL

Sacmi Hong Kong Limited formerly was a wholly-owned subsidiary of H.P.S. S.p.A. [HPS] which was an Italy-based firm. Now, the subject's holding company has been changed to Sacmi Imola S.C. [Sacmi Imola] which is also an Italy-based firm. The subject is a member of the Sacmi Group.

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The subject, through its representative offices in China and Vietnam (Hanoi and Hochiminh), is promoting sales, marketing and offering after-sales services for and on behalf of the parent company — Sacmi Imola which is a leading manufacturer of machinery and complete plants for ceramic tiles, sanitary ware, tableware and refractory industries, as well as closure, filling, labelling and packing industries.

The subject's services, including also the technical and technological assistance to assembly and start-up and original Sacmi spare parts warehouse, are mainly carried out in China, Vietnam, Japan, South Korea and Taiwan. Maintenance, technological assistance and after-sales are provided through the workshop and the laboratory of the subject's Foshan office, Guangdong Province, China which now has about 160 employees working in a facility of 2,500 sq.m.

The Foshan office is formally known as Sacmi Hong Kong Ltd. Foshan Commercial Branch. Another firm known as Sacmi Machinery (Foshan Nanhai) Co. Ltd. which is also a member of the Sacmi Group is also located at the Foshan office.

The subject is engaged in providing customers with after-sales services in China. It has set up representative offices in Hanoi and Hochiminh of Vietnam, besides the Foshan office.

The Group also has set up a company in Shanghai known as Sacmi (Shanghai) Machinery Equipment Co. Ltd.

The Group's Foshan Company has then become the headquarters for the Ceramic field while Shanghai is the headquarters for the Packaging field.

The subject is the regional office of Sacmi Group and the parent company is Sacmi Imola. Sacmi Imola was founded in 1919 and its activities include complete turn-key plants for ceramic tiles, sanitary ware, tableware, refractory and packaging fields, including machinery manufacturing, complete plants supply, spare parts production and supply, technical/technological assistance and know-how.

While the Group's core business has traditionally been – and remains – the design and construction of machines and complete plants for the ceramic industry, Sacmi has steadily branched out into other areas and now has four operating divisions, consisting of companies specialised in cutting-edge technologies of the followings:-

- Packaging;
- Ceramics;
- Food; &
- Automation & Service.

The Sacmi Group has over 80 companies in 28 countries, production plants, distribution firms and service ones controlled by the parent company in Imola.

In 2017 the Group's total sales amounted to €1,434 million, increased by 2.9% as compared with €1,394 million in 2016. Its EBIT was €134 million, decreased by 3.7% as compared with €136 million in FY 2016.

In recent years, the Group's export quotas have accounted for about 85% of all volumes (84% in 2017), with about two thirds of SACMI products and services being sold outside Europe. In parallel, 2017 again saw Italy generated sales in the order of €200 million, some 16% of all SACMI Group revenues.

For the year ended 2017, Sacmi Group had 4,305 (2016: 4,239) employees.

The subject is fully supported by the Sacmi Group. History in Hong Kong is over 27 years and two months.

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

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.65
UK Pound	1	INR 95.43
Euro	1	INR 85.04
HKD	1	INR 9.27

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

INFORMATION DETAILS

Analysis Done by :	DIV
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)