

Nilörngruppen sets up a Joint-venture with Hembly in China

Nilörngruppen AB (publ) and its subsidiary announced today that they signed a joint-venture agreement with Hembly International Holdings Limited for an establishment in China. This company will offer a complete, creative and tailor-made solution to existing and potential clients. The offer includes design, product development, sales, purchase, stockholding and supply of labels, packaging and other accessories to clients within the fashion and textile industry.

Nilörn and Hembly have identified a number of synergies in the light of the rapid development within the textile and fashion industry as more production goes to China. Nilorn Shenzhen, which will be owned by a joint-venture, will be based in Shenzhen and offer both Hembly's and Nilörn's clients new values as a cost efficient service with focus on quality and shorter lead times.

"We are very pleased that we will now be able to present a local solution within China, from which we can offer customer service and a logistic centre with invoicing in local currency to customers in China. This will have a big impact on our possibilities to grow and also our leadtimes. Hembly, as an innovative and fast growing company with a presence in China for many years, is a perfect partner for Nilorn and through this partnership Nilorn will become a more complete supplier to the fashion and textile industry. The company in China together with our existing structure with sales companies in Europe and service and logistic centres in the most important textile countries, such as Turkey, India, Hong Kong and Northern Africa, will make Nilorn even more attractive as a partner to existing and potential customers. Meanwhile, in the view of Hembly as Sergio Tacchini's sole sourcing partner in Asia, we also look forward to taking part in the revamp of this long-established Italian sports brand through our labelling and packaging design services. We will take the opportunity to expand our existing offer with new product areas such as packaging and other accessories, utilizing Hembly's network" says, Stefan Tingstrom CEO The Nilorn Group.

"We are excited to partner with a renowned branding and design company like Nilorn. With the complementary nature of their business activities, the agreement allows both Hembly and Nilorn to expand their market and clients portfolio with joint offers as a one stop shop from design and production of garments, packaging and other accessories. It also benefits both companies by shortening lead time and ultimately expand their offer to their respective markets said Billy Ngok, Chairman of Hembly."

About Hembly International Holdings Limited

Established in year 2000 and listed on Hong Kong Stock Exchange in 2006, Hembly International Holdings Limited ("Hembly") is a leader in the provision of apparel supply chain services. Our capability of supply chain solutions is highly recognized by multinational renowned brands.

To capture the business opportunity brought by the booming consumer market in China, Hembly has extended its capabilities to encompass the broader spectrum of services, including distribution and retailing of apparel and footwear in China. The Group has established joint-ventures with Stonefly, Lotto and Sisley to offer affordable luxury and sportswear in China. With headquarter based in Hong Kong, Hembly has strong European sales and marketing arms in Italy, France, Sweden and Germany and operation arms in China, including Nanjing, Shenzhen, Shanghai and Beijing, and Macao. For more information on Hembly, please visit www.hembly.com

**About Nilörngruppen AB**

Nilörn is a global company, established in the 1970s, with expertise in how to add value to brands through branding and design in the form of labels, packaging and accessories, principally for customers in the fashion and ready-to-wear industry. Nilörngruppen offers complete, creative and tailored concepts in branding, design, product development and logistic solutions. Satisfied customers are our principal asset, and it is therefore important to establish, maintain and enhance customer relations through first-class service. Nilörngruppen is one of the leading European players, with turnover of SEK 301m. The Group operates through its own companies in Sweden, Denmark, the United Kingdom, Germany, Belgium, Portugal, Hong Kong and Turkey. There are partner companies in Switzerland, China, India and Tunisia. For more information on Nilörn, please visit www.nilorn.com

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