

MIRA INFORM REPORT

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|----------------------|------------|
| Report No. : | 524691 |
| Report Date : | 10.08.2018 |

IDENTIFICATION DETAILS

| | |
|--------------------------------|---|
| Name : | DIRGH DIAMOND (HK) LIMITED |
| Registered Office : | Room 05, 12/F., Chevalier House, 45-51 Chatham Road South, Tsimshatsui, Kowloon |
| Country : | Hong Kong |
| Date of Incorporation : | 23.11.2012 |
| Com. Reg. No.: | 60656297 |
| Legal Form : | Private Limited Company |
| Line of Business : | Importer, Exporter and Wholesaler of All Kinds of Diamonds |
| No. of Employees : | 3 |

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

| | |
|------------------------|---|
| MIRA's Rating : | A |
|------------------------|---|

| Credit Rating | Explanation | Rating Comments |
|---------------|-----------------|---|
| A | Acceptable Risk | Business dealings permissible with moderate risk of default |

| | |
|----------------------------|------------------|
| Status : | Satisfactory |
| Payment Behaviour : | Slow but Correct |
| 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, 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 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

DIRGH DIAMOND (HK) LIMITED

ADDRESS: Room 05, 12/F., Chevalier House, 45-51 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong.

PHONE: 852-2368 4404, 6443 9856

FAX: 852-2368 4405

E-MAIL: hk@dirghdiamond.com
dineshankar88@yahoo.com

MANAGEMENT:

Managing Director: Mr. Dineshkumar Ashokbhai Shanker

SUMMARY

Incorporated on: 23rd November, 2012.

Organization: Private Limited Company.

Issued Share Capital: HK\$9,000,000.00

Business Category: Diamond Trader.

Employees: 3.

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

Banking Relation: Satisfactory.

ADDRESS

Registered Head Office:-

Room 05, 12/F., Chevalier House, 45-51 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong.

Associated Companies:-

Dirgh Diamond Pvt. Ltd., India.

Dirgh Gems Co. Ltd., Thailand.

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Wingtech Trading Co. Ltd., Hong Kong. (Same address)

BUSINESS REGISTRATION NUMBER

60656297

COMPANY FILE NUMBER

1829715

MANAGEMENT

Managing Director: Mr. Dineshkumar Ashokbhai Shanker
Contact Person: Mr. Yeung Kan, Demi

ISSUED SHARE CAPITAL

HK\$9,000,000.00

SHAREHOLDER

(As per registry dated 23-11-2017)

Name

Dineshkumar Ashokbhai SHANKER

No. of shares

9,000,000

=====

DIRECTOR

(As per registry dated 23-11-2017)

Name

(Nationality)

Dineshkumar Ashokbhai
SHANKER

Address

Plot No. C/5 Rajanand Society, Laxmi Kant Ashram Road,
Kataroam Surat 395004, India.

SECRETARY

(As per registry dated 23-11-2017)

| <u>Name</u> | <u>Address</u> | <u>Co. No.</u> |
|-------------------------|--|----------------|
| Champion Corporate Ltd. | Unit 907, 9/F., Silvercord Tower 2, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong. | 0657221 |

HISTORY

The subject was incorporated on 23rd November, 2012 as a private limited liability company under the Hong Kong Companies Ordinance.

Formerly the subject was located at Flat D, 10/F., Union Mansion, 33-35 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong, moved to Room 605, 6/F., Supreme House, Opp Hart Avenue Plaza, 2A Hart Avenue, Tsimshatsui, Kowloon, Hong Kong in early 2014. It further moved to the present address with effect from 25th May, 2017.

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

OPERATIONS

Activities: Importer, Exporter and Wholesaler.

Lines: All kinds of diamonds

Brand Name: Dirgh Diamond.

Employees: 3.

Commodities

Imported: India, other Asian countries, Europe, etc.

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

Terms/Sales: CAD, L/C, T/T, etc.

Terms/Buying: Prepayment, L/C, etc.

MEMBERSHIP

Hong Kong Jewelry Manufacturers' Association, Hong Kong.

FINANCIAL INFORMATION

Issued Share Capital: HK\$9,000,000.00

Mortgage or Charge: (See attachment)

Profit or Loss: Made small profits in past three years.

Condition: Business is normal.

Facilities: Adequate for current running.

Payment: Slow but Correct.

Commercial Morality: Satisfactory.

Bankers:-

The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
Industrial & Commercial Bank of China (Asia) Ltd., Hong Kong.

Standing: Normal.

GENERAL

Having issued 9,000,000 ordinary shares of HK\$1.00 each, Dirgh Diamond (HK) Limited is wholly owned by Mr. Dineshkumar Ashokbhai Shanker [D A Shanker] who is an India merchant. He is an India passport holder and a Hong Kong ID holder. He has got the right to reside in Hong Kong. He is also the only director of the subject. He can be reached at his Hong Kong mobile phone number 852-6443 9856.

Another contact person Mr. Shreeji can be reached at his Hong Kong mobile phone number 852-5587 3572.

The subject is a diamond trader. It has had the following two associated companies:-

Dirgh Diamond Pvt. Ltd. [Dirgh India], India.

Dirgh Gems Co. Ltd., Thailand.

Dirgh India has two firms in India, one in Mumbai while the other in Surat. The subject is trading in the following commodities:

Marquise Diamond, Oval Diamond, Emerald Diamond, Princess Diamond, Asscher Diamond, Round Diamond, Cushion Diamond, Heart Diamond, Pear Diamond, etc.

The subject is specialised in 0.30 up GIA, IGI certified diamonds of which clarities range from FL to I1, EX cut. It also has had fancy colour diamonds. Every diamond has its own unique qualities and attributes available in different shapes like Round, Princess, Pears, Marquise, Oval and other fancy shapes.

The subject's India factory adopts the latest technologies in manufacturing in order to maintain the quality of the products. It also uses the technologies like sarin, Magnus and helium preciseness. Advanced machines like S.O.S, Green laser machines in sawing process have been used.

Every diamond is graded with its own grading system which it names as "DGS".

In order to penetrate the international market further, the subject has taken part in fairs and exhibitions held in Hong Kong and other foreign large cities.

For instance, it took part in "HKTDC Hong Kong International Diamond, Gem & Pearl Show 2018" which had been held in Hong Kong AsiaWorld-Expo, Lantau, Hong Kong during the period of 27th February to 3rd March, 2018. Its booth No. was AWE 5-C33.

Besides, it also took part in "HKTDC Hong Kong International Jewellery Show 2018" which had been held in Hong Kong Convention and Exhibition Centre, Wanchai, Hong Kong during the period of 2nd to 6th March, 2018. Its booth No. was 1ED6.

Besides operating the subject, D A Shanker is operating another company Wingtech Trading Co. Ltd. which is also located at the same address. This company was incorporated on 16th December, 2015. It is also a diamond trader.

In Hong Kong, the subject's business is chiefly handled by D A Shanker himself. The Contact Person is Mr. Yeung Kan, Demi who is an employee of the subject. Its history in Hong Kong is over five years and five months. On the whole, consider it good for normal business engagements.

MORTGAGE OR CHARGE

| Date | Description of Instrument | Mortgagee |
|-------------|---|--|
| 09-01-2013 | Security Over Deposit with the Bank (Fixed Deposits) Limited Company - Under Seal | The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong. |
| 27-03-2017 | Mortgage | Industrial & Commercial Bank of China (Asia) Ltd., Hong Kong. |
| 27-03-2017 | Rent Assignment | Industrial & Commercial Bank of China (Asia) Ltd., Hong Kong. |

FOREIGN EXCHANGE RATES

| Currency | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1 | INR 68.62 |
| UK Pound | 1 | INR 88.35 |
| Euro | 1 | INR 79.63 |
| HKD | 1 | INR 8.78 |

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

INFORMATION DETAILS

| | |
|-----------------------------|-----|
| Analysis Done by : | VIV |
| 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)