

## MIRA INFORM REPORT

<b>Report No. :</b>	525159
<b>Report Date :</b>	21.08.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	MICROCHEM SPECIALITIES TRADE LIMITED
<b>Registered Office :</b>	c/o Universal Link Corporate Secretary Ltd. Flat A, 14/F., Unionway Commercial Centre, 283 Queen's Road Central
<b>Country :</b>	Hong Kong
<b>Date of Incorporation :</b>	15.04.2011
<b>Com. Reg. No.:</b>	58234403
<b>Legal Form :</b>	Private limited liability company
<b>Line of Business :</b>	The subject is carrying the following products:- <ul style="list-style-type: none"> <li>• Basic agro-chemicals intermediates;</li> <li>• Intermediates and Pharmaceuticals;</li> <li>• Specialty and health products;</li> <li>• Water treatment chemicals; &amp;</li> <li>• Other Technical products, etc.</li> </ul>
<b>No. of Employees :</b>	No employees in Hong Kong.  <b>NOTE:</b> It is to be noted that the company does not have its own operating office in Hong Kong. The company uses the address of its secretariat as its correspondence address only. Subject operates from some other country and does not have a base in Hong Kong. Such companies are registered in Hong Kong just to tax benefit purpose and due to the strict privacy laws prevailing in the country. In such cases, the companies are not required to have any employees in Hong Kong nor do have an office there.

### RATING & COMMENTS

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

**MIRA's Rating :**

C

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Credit Rating	Explanation	Rating Comments
C	Medium High Risk	Business dealings permissible preferably on secured basis

<b>Status :</b>	No operating office in Hong Kong
<b>Payment Behaviour :</b>	Unknown
<b>Litigation :</b>	Clear

**NOTES :**

Any query related to this report can be made on e-mail : [infodept@mirainform.com](mailto:infodept@mirainform.com) while quoting report number, name and date.

**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 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

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## **COMPANY NAME AND ADDRESS**

### **MICROCHEM SPECIALITIES TRADE LIMITED**

#### **ADDRESS:**

##### Registered Office:-

c/o Universal Link Corporate Secretary Ltd.

Flat A, 14/F., Unionway Commercial Centre, 283 Queen's Road Central, Hong Kong.

[Tel: 852-3106 2622; Fax: 852-3106 2629]

##### Headquarters:-

Kunshan Microchem Specialities Co. Ltd.

Room 1519, Building B, Modern Plaza, 8 Weiye Road, Kunshan, Jiangsu Province, China.

[Tel: (86-512) 8616 7005, 8616 7006

Fax: (86-512) 8616 7008

E-mail: info@micro-chem.cn]

##### Associated Companies:-

G.C Int'l

##### Head Office

Kilfire Premises Co-Operative Society, Unit No. 4, G/F., C-17 Dalia Industrial Area, Off Link Road, Andheri (W), Mumbai-400053, India.

[Tel: 0091-22-2673 6487, 4085 0400;

Fax: 0091-22-2673 6486]

##### China Office

Room 3629-3630, Baihua Plaza, 33 Zumiao Road, Foshan City, Guangdong Province, China.

[Tel: 86-757-8320 1955; Fax: 86-757-8320 1965]

Microchem Specialities Corpn Ltd., Hong Kong.

(Same address) [Dissolved by Deregistration]

Microchem Global Ltd., Hong Kong. (Same address)

## **BUSINESS REGISTRATION NUMBER**

58234403

## **COMPANY FILE NUMBER**

1588652

## **DATE OF INCORPORATION**

15th April, 2011.

## **ISSUED SHARE CAPITAL**

HK\$100.00

## **SHAREHOLDER**

(As per registry dated 15-04-2018)

<u>Name</u>	<u>No. of shares</u>
Vishal Ramesh SAHETA	100
	====

## **DIRECTOR**

(As per registry dated 15-04-2018)

<u>Name</u>	<u>Address</u>
Vishal Ramesh SAHETA	Room 3629-3630, 36/F., Baihua Plaza, No. 33 Zumiao Road, Chancheng District, Foshan, Guangdong, China.

## **SECRETARY**

(As per registry dated 15-04-2018)

<u>Name</u>	<u>Address</u>	<u>Co. No.</u>
Universal Link Corporate Secretary Ltd.	Flat A, 14/F., Unionway Commercial Centre, 283 Queen's Road, Central, Hong Kong.	1124701

## **HISTORY**

The subject was incorporated on 15th April, 2011 as a private limited liability company under the Hong Kong Companies Ordinance.

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

## **GENERAL**

Having issued 100 ordinary share of HK\$1.00, Microchem Specialities Trade Limited is wholly owned by Mr. Vishal Ramesh Saheta [V R Saheta] who is an India merchant. He is an India passport holder. Saheta is also the only director of the subject and currently residing in Foshan City, Guangdong Province, China. He does not have the right to reside in Hong Kong permanently. His registered address in Foshan City, Guangdong Province, China is also the China office of the subject.

The subject does not have its own operating office. Its registered office is in a commercial service firm located at Flat A, 14/F., Unionway Commercial Centre, 283 Queen's Road Central, Hong Kong known as Universal Link Corporate Secretary Ltd. [Universal Link] which is handling its correspondences and documents. Universal Link is also the corporate secretary of the subject. The subject has no employees in Hong Kong.

Your given phone and fax number are in India respectively.

The main office of the subject is in Kunshan City, Jiangsu Province, China.

The subject is an associated company of G.C Int'l which is an India-based firm. G.C Int'l has set up a branch office in Foshan, Guangdong Province, China. The business of the Foshan office is handled by V R Saheta.

The subject is trading in the same commodities as G.C Int'l.

Headquartered in India, G.C Int'l is a global company trading in more than 1,200 types of chemicals and a wide range of aromatic and perfumery compounds and solvents, pharmaceuticals and agro intermediates.

G.C Int'l ships more than 75 containers of chemicals every month from different parts of the world to India.

The China Office is responsible for sourcing series of chemical compounds and molecules in the field of chemistry from basic chemicals and intermediates related to gas, paints, aromatic, food additives to various advanced intermediates for pharmaceutical and agro-industries.

G.C Int'l also has had its trading company since the last 40 years, handling fine chemicals and food additives with their own warehousing facilities in the outskirts of Mumbai, India.

The subject's headquarters are in Kunshan City, Jiangsu Province, China known as Kunshan Microchem Specialties Co. Ltd. [Kunshan Microchem]. Kunshan Microchem has got the ISO 9001:2000 and UKAS certifications.

Kunshan Microchem is also managed by Saheta who is residing in Foshan City, Guangdong Province, China.

The subject's main markets are India, South America, the United States and South Asian countries.

The subject is carrying the following products:-

- Basic agro-chemicals intermediates;
- Intermediates and Pharmaceuticals;

- Specialty and health products;
- Water treatment chemicals; &
- Other Technical products, etc.

The business of Kunshan Microchem is rather active. It also offers customers with all kinds of logistics services. Now, Kunshan Microchem has set up offices in Mumbai of India, Dubai of the United Arab Emirates, and Foshan of Guangdong Province, China.

The subject has had an associated company in Hong Kong known as Microchem Global Ltd. [MGL]. The registered address of this firm is also located at the operating address of the secretarial firm Universal Link.

MGL is trading in Agro Chemicals and Intermediates, Advanced Pharma Intermediates and Specialty Chemicals.

The subject has been banking with The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.

The business of the subject is not active in Hong Kong. History is over seven years and four months.

Since the subject does not have its own operating office and has no employees in Hong Kong, consider it good for business engagements on L/C basis or in small credit amounts.

## ***MORTGAGE OR CHARGE***

Date	Description of Instrument	Mortgagee
25-09-2015	Charge Over Securities and Deposits with the Bank (Limited Company) (Unlimited Amount)	The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
12-12-2017	Assignment of Receivables-General	The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
18-07-2018	Assignment of Receivables and Charge over Proceeds General	The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 69.76
UK Pound	1	INR 88.47
Euro	1	INR 79.67
HKD	1	INR 8.90

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	PRA
<b>Report Prepared by :</b>	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)