

MIRA INFORM REPORT

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| Report No. : | 544955 |
| Report Date : | 21.12.2018 |

IDENTIFICATION DETAILS

| | |
|-------------------------|---|
| Name : | LUCAS AND KINGSLY U.S.A. (H.K.) |
| Registered Office : | Room 6, Unit F2, 5/F., Hang Fung Industrial Building, Phase 2, 2G Hok Yuen Street, Hunghom, Kowloon |
| Country : | Hong Kong |
| Date of Incorporation : | 29.03.2005 |
| Com. Reg. No.: | 35451480-000-03 |
| Legal Form : | Sole Proprietorship |
| Line of Business : | Importer, Exporter and Wholesaler of All Kinds of Jewellery and Diamonds. |
| No. of Employees : | 3 |

RATING & COMMENTS

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

| | |
|-----------------|----------|
| MIRA's Rating : | B |
|-----------------|----------|

| Credit Rating | Explanation | Rating Comments |
|---------------|-------------|---|
| B | Medium Risk | Business dealings permissible on a regular monitoring basis |

| | |
|---------------------|------------------|
| Status : | Moderate |
| 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.

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ECGC Country Risk Classification List

| Country Name | Previous Rating (30.06.2018) | Current Rating (30.09.2018) |
|--------------|---------------------------------|--------------------------------|
| 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.

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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 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 & ADDRESS

LUCAS AND KINGSLEY U.S.A. (H.K.)

ADDRESS: Room 6, Unit F2, 5/F., Hang Fung Industrial Building, Phase 2, 2G Hok Yuen Street, Hunghom, Kowloon, Hong Kong.

PHONE: 852-2311 2720

FAX: 852-2311 2719

MANAGEMENT

Manager: Mr. Amit Kumar Maheshwari

SUMMARY

Establishment: 29th March, 2005.

Organization: Sole Proprietorship.

Capital: Not Disclosed.

Business Category: Jewellery Wholesaler.

Annual Turnover: HK\$50-80 million.

Employees: 3.

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

Banking Relation: Satisfactory.

NAME

LUCAS AND KINGSLEY U.S.A. (H.K.)

ADDRESS

Registered Head Office:-

Room 6, Unit F2, 5/F., Hang Fung Industrial Building, Phase 2, 2G Hok Yuen Street, Hunghom, Kowloon, Hong Kong.

Associated Company:-

Lucas And Kingsly U.S.A., USA.

BUSINESS REGISTRATION NUMBER

35451480-000-03

MANAGEMENT

Manager: Mr. Amit Kumar Maheshwari

SOLE PROPRIETOR

Name: Mr. Amit Kumar MAHESHWARI

Residential Address: Room 1, 4/F., Rear Flat, Ocean View Court, 25 Chatham Road, Tsimshatsui, Kowloon, Hong Kong.

HISTORY

The subject was established on 29th March, 2005 as a sole proprietorship concern owned by Mr. Amit Kumar Maheshwari under the Hong Kong Business Registration Regulations.

Formerly the subject was located at Room 1, 4/F., Rear Flat, Ocean View Court, 25 Chatham Road, Tsimshatsui, Kowloon, Hong Kong where was the residential address of the sole proprietor, moved to the present address in August 2008.

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

OPERATIONS

Activities: Importer, Exporter and Wholesaler.

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Lines: All Kinds of Jewellery and Diamonds.
Employees: 3.
Commodities Imported: India, Thailand, Europe, etc.
Markets: Japan, Southeast Asia, US, etc.
Annual Turnover: HK\$50-80 million.
Terms/Sales: As per contracted.
Terms/Buying: L/C, T/T, D/P, etc.

FINANCIAL INFORMATION

Capital: Not Disclosed.
Profit or Loss: Making a small profit every year.
Condition: Business is steady.
Facilities: Making rather active use of general banking facilities.
Payment: Slow but correct.
Commercial Morality: Satisfactory.
Banker: The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
Standing: Small.

GENERAL

Lucas And Kingsly U.S.A. (H.K.) is a sole proprietorship set up on 29th March, 2005 and owned by Mr. Amit Kumar Maheshwari.

His mobile phone number in Hong Kong is 852-9831 6253.

Mr. Maheshwari is an India merchant. He is a Hong Kong ID holder and has got the right to reside in Hong Kong permanently.

The subject is a professional gemstone trader. It is manufacturing and trading in diamonds and gemstones. It mainly process all kinds of natural and synthetic gemstones, like amethyst, citrine, garnet, peridot, etc.

According to the subject, its gemstones are high quality and the price is competitive. Most of the products are imported from India. Finished products are marketed in Hong Kong, China and exported to Japan, Taiwan, Southeast Asia and the United States.

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.

The subject's business is chiefly handled by Mr. Amit Kumar Maheshwari himself. Annual sales ranges from HK\$50 to 80 million. Business is profitable.

The subject's associate Lucas and Kingsly U.S.A. is in New York of the United States. This is company is one of the leading exporter and importer of 925 Sterling Silver Jewelry and Silver Watch to the United States.

The history of the subject in Hong Kong is over 13 years and eight months.

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

FOREIGN EXCHANGE RATES

| Currency | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1 | INR 70.28 |
| UK Pound | 1 | INR 88.85 |
| Euro | 1 | INR 80.05 |
| HKD | 1 | INR 8.95 |

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

INFORMATION DETAILS

| | |
|-----------------------------|------|
| Analysis Done by : | VIVR |
| Report Prepared by : | TPT |

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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)