

MIRA INFORM REPORT

Report No. :	517957
Report Date :	30.06.2018

IDENTIFICATION DETAILS

Name :	DIASQUA INTERNATIONAL LIMITED
Registered Office :	Room 401-402, 4/F., Guardforce Centre, 3 Hok Yuen Street East, Hunghom, Kowloon
Country :	Hongkong
Date of Incorporation :	20.03.2000
Com. Reg. No.:	30791742-000
Legal Form :	Private Limited Company
Line of Business :	Importer and exporter of all kinds of diamonds and jewellery products, gold and silver products, precious stones.
No. of Employees :	16. (Including subsidiaries and associates)

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	Acceptable Risk	Business dealings permissible with moderate 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, 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.

Hong Kong's open economy left it exposed to the global economic slowdown that began in 2008. Although increasing integration with China through trade, tourism, and financial links aided a more rapid initial recovery than many observers anticipated, its continued reliance on foreign trade and investment leaves it vulnerable to renewed global financial market volatility or a slowdown in the global economy.

The Hong Kong Government is promoting the Special Administrative Region (SAR) as the site for Chinese 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; and RMB trade settlement is allowed. The territory far exceeded the RMB conversion quota set by Beijing for trade settlements in 2010 due to the growth of earnings from exports to the mainland. RMB deposits grew to roughly 9.4% of total system deposits in Hong Kong by the end of 2015. The government is pursuing efforts to introduce additional use of RMB in Hong Kong financial markets and is seeking to expand the RMB quota.

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 has surged from 4.5 million in 2001 to 47.3 million in 2014, outnumbering visitors from all other countries combined. Mainland visitors to Hong Kong declined 3% in 2015 to approximately 45.7 million, reflecting an overall drop of 2.5% in total visitors to Hong Kong. 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 51% of the firms listed on the Hong Kong Stock Exchange and accounted for about 62.1% 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, 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, and will improve access to the mainland's service sector for Hong Kong-based companies.

Credit expansion and a tight housing supply have caused Hong Kong property prices to rise rapidly; consumer prices increased 2.6% in 2016, but slowed to 2.0% in 2017. Lower- and middle-income segments of the population are increasingly unable to afford adequate housing.

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 Mutual Recognition of Funds, and The Hong Kong Shanghai Gold Connect are all important steps towards opening up the Mainland's capital markets and has reinforced Hong Kong's leading role as China's offshore RMB market. Additional connect schemes from bonds to commodities and other investment products are also under exploration by Hong Kong authorities.

Source : CIA

COMPANY NAME AND ADDRESS

DIASQUA INTERNATIONAL LIMITED

ADDRESS: Room 401-402, 4/F., Guardforce Centre, 3 Hok Yuen Street East, Hungghom, Kowloon, Hong Kong.

PHONE: 852-2209 6600, 2723 0237, 2209 6633, 2209 6690

FAX: 852-2209 6620, 2739 3132

E-MAIL: facets@diasqua.com
ashit@diasqua.net

MANAGEMENT

Managing Director: Mr. Nimesh Piyush Mehta, Tony

SUMMARY

Incorporated on: 20th March, 2000.

Organization: Private Limited Company.

Issued Share Capital: HK\$90,000,000.00

Business Category: Diamond Trader.

Employees: 16. (Including subsidiaries and associates)

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

Banking Relation: Satisfactory.

ADDRESS

Registered Head Office:-

Room 401-402, 4/F., Guardforce Centre, 3 Hok Yuen Street East, Hungghom, Kowloon, Hong Kong.

Business Names:- (Same address)

Diasqua (HK), Hong Kong. [BR No. 30791742-001]

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Diaglobe (HK), Hong Kong. [BR No. 30791742-002]
Diajewel (HK), Hong Kong. [BR No. 30791742-003]
Diasqua Solitaire, Hong Kong. [BR No. 30791742-004]

Associated Companies:-

Diasqua Group of Companies

Billion City (H.K.) Ltd., Hong Kong. [Trading as "Diafuego"]
Diafuego, Belgium.
Diaglobe BVBA, Belgium.
Diaglobe Inc., USA.
Diamond Dealers HK Ltd., Hong Kong.
Diasqua (Pacific) Pty. Ltd., Australia.
Diasqua (Thailand) Co. Ltd., Thailand.
Diasqua Impex Pte. Ltd., Singapore.
Diasqua Inc., USA.
Diasqua India Pvt. Ltd., India.
Diasqua International Ltd., Taiwan Branch.
Diasqua Middle East LLC, UAE.
Diasqua Nippon Co. Ltd., Japan.
Diasqua Singapore Pte. Ltd., Singapore.
Pretty Jewellery International Ltd., Hong Kong.

Related Companies:-

Prism Group of Companies

Anand Enternational, India.
Colo Jewellery Company, Hong Kong.
Prism (USA) Inc, USA.
Prism Diamond Co. Ltd., Thailand.
Prism International, India.
Prism Jewellery Company, Hong Kong.
Prismdia Ltd., Hong Kong.

BUSINESS REGISTRATION NUMBER

30791742-000

COMPANY FILE NUMBER

0709126

MANAGEMENT

Managing Director: Mr. Nimesh Piyush Mehta, Tony
Contact Persons: Mr. Ashit Shah
Mr. Lensy Leung

ISSUED SHARE CAPITAL

HK\$90,000,000.00

SHAREHOLDERS

(As per registry dated 20-03-2017)

<u>Name</u>	<u>No. of shares</u>
Nimesh Piyush MEHTA	70,000,000
Romy Piyush MEHTA	20,000,000
Total:	90,000,000 =====

DIRECTORS

(As per registry dated 20-03-2017)

<u>Name</u> <u>(Nationality)</u>	<u>Address</u>
Nimesh Piyush MEHTA	Flat B & C, 16/F., Block 3, Parc Palais, 18 Wylie Road, Homantin, Kowloon, Hong Kong.
Romy Piyush MEHTA	Flat B & C, 16/F., Block 3, Parc Palais, 18 Wylie Road, Homantin, Kowloon, Hong Kong.

SECRETARY

(As per registry dated 20-03-2017)

<u>Name</u>	<u>Address</u>	<u>Co. No.</u>
Elegant Secretaries Ltd.	Room 804, 8/F., Lap Fai Building, 6-8 Pottinger Street, Central, Hong Kong.	0418716

HISTORY

The subject was incorporated on 20th March, 2000 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.

OPERATIONS

Activities: Importer and Exporter.

Lines: All kinds of diamonds and jewellery products, gold and silver products, precious stones.

Employees: 16. (Including subsidiaries and associates)

Materials/Commodities: Imported from India, Belgium, Israel, other European countries, etc.

Markets: Hong Kong, China, Japan, India, other Asian countries, Middle East, etc.

Terms/Sales: COD, CAD, L/C, T/T, D/P, etc.

Terms/Buying: L/C, T/T, D/P, O/A, etc.

MEMBERSHIP

Hong Kong Jewelry Manufacturers' Association, Hong Kong.
The Indian Chamber of Commerce Hong Kong, Hong Kong.

FINANCIAL INFORMATION

Issued Share Capital: HK\$90,000,000.00

Mortgage or Charge
(since October 2011): (See attachment)

Profit or Loss: Business is profitable.

Condition: Maintaining in an active condition.

Facilities: Making active use of general banking facilities.

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Payment: Regular.

Commercial Morality: Very Good.

Bankers:-

Bank of India, Hong Kong Branch.
The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
Standard Chartered Bank (Hong Kong) Ltd., Hong Kong.
Industrial & Commercial Bank of China (Asia) Ltd., Hong Kong.
DBS Bank (Hong Kong) Ltd., Hong Kong.

Standing: Very Good.

GENERAL

Having issued 90 million ordinary shares of HK\$1.00 each, Diasqua International Limited is jointly owned by Mr. Nimesh Piyush Mehta, holding 77.8% interests; and Mr. Romy Piyush Mehta, holding 22.2%. Being Hong Kong ID holders, both are also directors of the subject.

The subject in fact is wholly-owned by the Mehta family who have been in Hong Kong for a very long time. The subject is a member of the Diasqua Group. Its business names Diasqua (HK), Diaglobe (HK), Diasqua Solitaire and Diajewel (HK) are also located at the same operating address.

Established in March 2000, the subject is trading in loose diamonds, carat-size diamonds, fancy diamonds, certificated (GIA & HRD) diamonds, treated colour diamond, diamond studded gold jewellery, etc. It is a wholesaler of diamonds ranging from 0.30 to 10 carats certified by GIA and HRD, collection. It also sells polished diamonds of all sizes, shapes, colours and clarities.

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. Over the past years, the subject has taken part in the following Shows, Exhibitions and Fairs:-

- JCK Las Vegas Show, the United States.
- Basel, Switzerland.
- HK Int'l Jewellery Show, Hong Kong.
- Hong Kong Jewellery & Watch Fair, Hong Kong.
- Hong Kong Jewellery & Watch Fair, Hong Kong.
- January Macau Jewellery & Watch Fair, Macau.
- Macau Jewellery & Watch Fair, Macau.

For instance, it took part in "HKTDC Hong Kong International Diamond, Gem & Pearl Show 2017" which had been held in Hong Kong AsiaWorld-Expo, Lantau, Hong Kong during the period of 28th February to 4th March, 2017. Its booth No. was AWE 2-K40.

Currently, the subject has a wide network of international offices situated in India, Singapore, Thailand, Taiwan, Japan, Australia, Belgium, the United States, Israel, the United Arab Emirates and China. The business of China keeps on expanding.

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Diasqua group is one of the largest and reputable suppliers of diamonds in the global diamond industry. It began its business in Madras (now Chennai) dating back to the year 1933. Now, Diasqua Group is a dedicated member of the diamond, gems and jewellery industry with strong roots in India. Today its core business involves in sourcing, distributing and marketing of an extensive range of polished diamonds.

For more than seventy years, the Group's skills and reputation have passed from generation to generation each driven by a passion for diamonds and zeal for enterprise. Over the years, the Group has developed a strong liaison with its customers, suppliers and business associates. It offers customers with the following products and services:

- Polished diamonds
- Diamond Polishing Services
- Rough Diamonds, etc.

Now, the global networks of the Diasqua Group are set up in New York, London, Antwerp, Dubai, Mumbai, Hong Kong, Bangkok, Taipei, Tokyo, Singapore, Sydney, etc.

The business of the Group keeps on improving as it has had customers coming from more than fifty countries of the world.

Now, the Group also sells its products online. Its revenues come from e-commerce has been increasing.

The contact person of the subject is Mr. Lensy Leung who is a Hong Kong employee.

The subject is fully supported by the Diasqua Group which has a very significant annual sales turnover.

As the history of the subject in Hong Kong is about eighteen years, on the whole, consider it good for normal business engagements.

MORTGAGE OR CHARGE

(Since October 2011)

Date	Description of Instrument	Mortgagee
28-11-2011	Charge and Hypothecation of Book Debts	Bank of India, Hong Kong Branch.
28-11-2011	Hypothecation of Tangible Moveable Property	Bank of India, Hong Kong Branch.
28-11-2011	General Letter of Hypothecation	Bank of India, Hong Kong Branch.
01-12-2011	Letter of Lien	Bank of India, Hong Kong Branch.
26-11-2015	Charge Over Deposit	Commonwealth Finance Corporation Ltd., Hong Kong.
26-11-2015	Letter of Hypothecation for Trade Finance	Commonwealth Finance Corporation Ltd., Hong Kong.
12-01-2016	Mortgage	Dah Sing Bank Ltd., Hong Kong.
12-01-2016	Rental Assignment	Dah Sing Bank Ltd., Hong Kong.
18-05-2016	Mortgage	Industrial & Commercial Bank of China (Asia) Ltd., Hong Kong.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.58
UK Pound	1	INR 89.93
Euro	1	INR 79.85
HKD	1	INR 8.72

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

INFORMATION DETAILS

Analysis Done by :	PRA
Report Prepared by :	NIT

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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)