

MIRA INFORM REPORT

Report No. :	534622
Report Date :	16.10.2018

IDENTIFICATION DETAILS

Name :	ASPECO (HK) LIMITED
Registered Office :	Unit 916, 9/F., Peninsula Square, 18 Sung On Street, Hung Hom, Kowloon
Country :	Hong Kong
Date of Incorporation :	23.11.2012
Com. Reg. No.:	60656718
Legal Form :	Private Limited Company.
Line of Business :	Trader of all kinds of diamonds, precious stones
No. of Employees :	5

RATING & COMMENTS

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

MIRA's Rating :	B
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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.

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

ASPECO (HK) LIMITED

ADDRESS: Unit 916, 9/F., Peninsula Square, 18 Sung On Street, Hung Hom, Kowloon, Hong Kong.

PHONE: 852-2311 6551-2

FAX: 852-2311 6553

E-MAIL: acchk@aspeco.hk
ajesh@aspeco.hk

MANAGEMENT:

Managing Director: Mr. Ajesh Dineshchandra Shah

SUMMARY

Incorporated on: 23rd November, 2012.

Organization: Private Limited Company.

Issued Share Capital: US\$1,000,000.00

Business Category: Diamond Trader.

Employees: 5.

Main Dealing Banker: Hang Seng Bank Ltd., Hong Kong.

Banking Relation: Satisfactory

ADDRESS

Registered Head Office:-

Unit 916, 9/F., Peninsula Square, 18 Sung On Street, Hung Hom, Kowloon, Hong Kong.

Associated Companies:-

Aspeco Belgium NV, Belgium.

K. Girdharlal (HK) Ltd., Hong Kong.

K. Girdharlal DMCC, UAE.

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K. Girdharlal International Ltd., India.
Sparkle Diam Pvt. Ltd., India.

BUSINESS REGISTRATION NUMBER

60656718

COMPANY FILE NUMBER

1839757

MANAGEMENT

Managing Director: Mr. Ajesh Dineshchandra Shah

ISSUED SHARE CAPITAL

US\$1,000,000.00

SHAREHOLDERS

(As per registry dated 23-11-2017)

<u>Name</u>	<u>No. of shares</u>
Nitinkumar Natwarlal SHAH	150,000
Ajesh Dineshchandra SHAH	850,000
Total:	1,000,000 =====

DIRECTORS

(As per registry dated 23-11-2017)

<u>Name</u>	<u>Address</u>
(Nationality) Ajesh Dineshchandra SHAH	Flat C, 18/F., Tower 7, Parc Palais, 18 Wylie Road, Homantin, Kowloon, Hong Kong.

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Nitinkumar Natwarlal SHAH Dennenlaan 9, 2020 Antwerpen, Belgie, Belgium.

SECRETARY

(As per registry dated 23-11-2017)

<u>Name</u>	<u>Address</u>	<u>Co. No.</u>
Akins Professional Ltd.	20/F., Champion Building, 287-291 Des Voeux Road Central, Sheung Wan, Hong Kong.	1273165

HISTORY

The subject was incorporated on 23rd November, 2012 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: Diamond Trader.

Lines: All kinds of diamonds, precious stones, etc.

Employees: 5.

Commodities Imported: India, other Asian countries, Belgium, etc.

Markets: Singapore, Thailand, Taiwan, other Southeast Asian countries, US, Belgium, etc.

Terms/Sales: CAD, L/C or as per contracted.

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

FINANCIAL INFORMATION

Issued Share Capital: US\$1,000,000.00

Profit or Loss: Made small profits in past years.

Condition: Business is normal.

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Facilities:	Adequate for current running.
Payment:	Slow but Correct
Commercial Morality:	Satisfactory.
Banker:	Hang Seng Bank Ltd., Hong Kong.
Standing:	Satisfactory.

GENERAL

Having issued 1 million ordinary shares of US\$1.00 each, Aspeco (HK) Limited is jointly owned by Mr. Nitinkumar Natwarlal Shah, holding 15% interests; and Mr. Ajesh Dineshchandra Shah, holding 85%. They are also directors of the subject.

The subject had a third director Mr. Yim Chi Leung, Anthony who was a Hong Kong merchant, but he resigned on 29th March, 2018.

The subject shares the office with another company known as K. Girdharlal (Hong Kong) Ltd. [KGHK]. The directors of the subject are also directors of KGHK.

The subject is a diamond and gemstone trader. It has got an affiliated company in Hong Kong known as Pal Impex Company which is also a diamond trader. The subject is chiefly owned and operated by the Shah family, so does KGHK.

Currently, the subject is trading in the following significant products:-

All Kinds of Loose Diamonds, Carat-Size Diamond, Certificated Diamond, Diamond Studded Bangle, Loose Diamonds & Single Diamond, etc.

According to the subject, its single diamonds are high-end products in different shapes and colours. Products are chiefly marketed in Hong Kong, China and exported to Southeast Asia. It also has had closed business ties with Luxembourg.

The subject is an associate of a major diamond-manufacturing group in Mumbai in India — K. Girdharlal International Pvt. Ltd. [KGIP] — which is a sightholder of the Diamond Trading Company.

In about 2001, KGIP in India took the initiative in diversifying into jewellery manufacturing and exporting its jewellery products. Now, KGIP is engaged in manufacturing all kinds of cut and polished diamonds while its products have been exported to worldwide countries, especially Southeast Asia.

The subject is a member of K. Girdharlal Group [KG Group].

KGIP is also one of the largest Indian exporters of polished diamonds. It is renowned for fancy cut diamonds in particular, but also has a repertoire of polished diamonds to offer, from 0.01¢ to 5.00¢ in round, ideal and hearts and arrows.

The subject is supported by KG Group and ultimately by the Shah family. The CEO of KGIP is Kishorlal Shah. 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 2-K17.

The business of the subject is chiefly handled by the two directors of the subject. History in Hong Kong is about six years.

On the whole, consider it good for normal business engagements in moderate credit amounts.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.97
UK Pound	1	INR 97.08
Euro	1	INR 85.49
HKD	1	INR 9.39

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

INFORMATION DETAILS

Analysis Done by :	DIV
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)