

MIRA INFORM REPORT

Report No. :	534745
Report Date :	19.10.2018

IDENTIFICATION DETAILS

Name :	AJAY DIAM LIMITED
Registered Office :	Room 1401-1402, 14/F., Chevalier House, 45-51 Chatham Road South, Tsimshatsui, Kowloon
Country :	Hong Kong
Date of Incorporation :	27.10.2004
Com. Reg. No.:	35031151
Legal Form :	Private Limited Company
Line of Business :	Importer and exporter of all kinds of diamonds and jewellery
No. of Employees :	17

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 :	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.

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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 exploration by Hong Kong authorities. In 2017, Chief Executive Carrie LAM announced plans to increase



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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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NOTE

The Room Nos. of the subject are 1401 & 1402 only.

COMPANY NAME AND ADDRESS

AJAY DIAM LIMITED

ADDRESS: Room 1401-1402, 14/F., Chevalier House, 45-51 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong.

PHONE: 852-2316 7655, 2316 2255, 2316 7662

FAX: 852-2316 7611

E-MAIL: sales@ajaydiamltd.com
ajaydiamltd@ajaydiamltd.com

MANAGEMENT

Managing Director: Mr. Ajay Premchand Gandhi

SUMMARY

Incorporated on: 27th October, 2004.

Organization: Private Limited Company.

Issued Share Capital: HK\$15,000,000.00

Business Category: Diamond and Watch Trader.

Annual Turnover: HK\$200~300 million.

Employees: 17.

Main Dealing Banker: UCO Bank, Hong Kong Branch.

Banking Relation: Satisfactory.

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ADDRESS

Registered Head Office:-

Room 1401-1402, 14/F., Chevalier House, 45-51 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong.

Associated Companies:-

Ajay Diam SA, Switzerland.

Ajay Diam, Hong Kong.

BUSINESS REGISTRATION NUMBER

35031151

COMPANY FILE NUMBER

0930040

MANAGEMENT

Managing Director: Mr. Ajay Premchand Gandhi

Contact Person: Mr. Lau Kwok Wa

ISSUED SHARE CAPITAL

HK\$15,000,000.00

SHAREHOLDER

(As per registry dated 27-10-2017)

Name
Ajay Premchand GANDHI

No. of shares
15,000,000
=====

DIRECTOR

(As per registry dated 27-10-2017)

Name

(Nationality)

Ajay Premchand GANDHI

Address

Flat A, G/F., Kadoorie Hill Garden, 34B Braga Circuit, Ho Man Tin, Kowloon, Hong Kong.

SECRETARY

(As per registry dated 27-10-2017)

Name

SME Corporate Services Ltd.

Address

Room 305, 3/F., Carpo Commercial Building, 18-20 Lyndhurst Terrace, Central, Hong Kong.

Co. No.

0952029

HISTORY

The subject was incorporated on 27th October, 2004 as a private limited liability company under the Hong Kong Companies Ordinance.

Formerly the subject was located at Flat D & E, 8/F., Cameron Plaza, 23-25A Cameron Road, Tsimshatsui, Kowloon, Hong Kong, moved to 11/F., Hang Shun Commercial Building, 12 Cameron Road, Tsimshatsui, Kowloon, Hong Kong in May 2006, moved to Room 1501-1502, 15/F., Chevalier House, 45-51 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong with effect from 1st August, 2011. The subject moved to the present address in October 2014.

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.

Trade Mark: SMEA.

Employees: 17.

Commodities Imported: India, Thailand, Israel, Belgium, etc.

Markets: Hong Kong, China, Europe, US, South Korea, Japan, etc.

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Annual Turnover: HK\$200~300 million.

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

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

MEMBERSHIP: Hong Kong Watch Manufacturers Association Ltd., Hong Kong.
The Indian Chamber of Commerce Hong Kong, Hong Kong.

FINANCIAL INFORMATION

Issued Share Capital: HK\$15,000,000.00

Mortgage or Charge: (See attachment)

Profit or Loss: Making a small profit every year.

Condition: Keeping in an active state.

Facilities: Making active use of general banking facilities.

Payment: Slow but correct.

Commercial Morality: Satisfactory.

Bankers:-

UCO Bank, Hong Kong Branch.
Indian Overseas Bank, Hong Kong Branch.
The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.

Standing: Very Good.

GENERAL

Having issued 15 million ordinary shares of HK\$1.00 each, Ajay Diam Limited is wholly owned by Mr. Ajay Premchand Gandhi who is an Indian. He is a Hong Kong ID Card holder and has got the right to reside in Hong Kong permanently. He is also managing director of the subject.

Mr. Ajay Premchand Gandhi can be reached at his Hong Kong mobile phone number 852-9077 3570. According to the subject, its predecessor was set up in 1993. It is specialized in round brilliant diamond from the smallest size to melee. It also supplies customers with single-cut diamonds.

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The subject is marketing the following commodities:-

- Finished Jewellery
Diamond Jewellery -- White Diamond Jewellery
Gold Jewellery
Silver Jewellery -- Sterling 92.5%
Platinum Jewellery
- Materials
Diamond -- Polished White Diamond
Polished Semi precious Gemstone

The subject is also specialized in diamonds and ladies' jewellery watches, gold watches, round brilliant diamonds from the smallest size to melee. According to the subject, it is one of the important suppliers of the single cut diamonds in the world.

Diamonds are imported from India, Thailand, Israel, Belgium, etc. Prime markets are Europe, the United States, South Korea, Japan, etc.

The diamonds sold by the subject are single-cut/full-cut diamonds, range from 0.5 mm to 2.5 mm, in white colour (D to I) and clarity from Internally Flawless to Pique.

The subject's other significant products are the following items:-

1. Ladies' 18K Gold Watch;
2. Ladies' Diamond Watch;
3. Ladies' Jewellery Watch (including digital, analogue watch);
4. Men's Diamond Automatic Watch;
5. Men's Gold Watch;
6. Men's Jewellery Watch;
7. Other Kinds of Diamond Automatic Watch; &
8. Unisex Jewellery Watch.

Most of its products bear the brand name "SMEA" and have been claimed to be 'elegant, luxury and sophisticated'.

According to the subject, the subject's jewellery watch features a Swiss mechanical movement for guaranteed precision. Besides, it has got a genuine leather strap and the case is made of 18K gold.

The subject also receives OEM orders.

The subject has got an associated company Ajay Diam SA which is in Switzerland. The CEO of this company is Mr. Roy Kesel.

Now, the subject has offices in China (Shanghai and Shenzhen Special Economic Zone), India (Mumbai), Belgium (Antwerp), Switzerland (Biel/Bienne) and the United States (Los Angeles). Its two factories are in India and China respectively.

The subject has had an associated company Ajay Diam located at its operating address. The subject and Ajay Diam are engaged in the same lines of business. Also operated by Mr. Ajay Premchand Gandhi, Ajay Diam is a member of The Indian Chamber of Commerce Hong Kong, Hong Kong. It is a sole proprietorship.

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-J24.

Besides, it also took part in "Hong Kong Watch & Clock Fair 2018" which had been held in Hong Kong Convention and Exhibition Centre, Wanchai, Hong Kong during the period of 4th to 8th September, 2018. Its booth No. was 1C-C27.

The annual sales turnover of the subject ranges from HK\$200 to 300 million. Making a small profit every year. Business is chiefly handled by Mr. Lau Kwok Wa who is a Hong Kong employee of the subject. Currently, the subject has 17 employees of whom include sales & marketing, operations, finance and administration personnel.

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

MORTGAGE OR CHARGE

Date	Particulars	Amount
15-12-2008	<i>Instrument:</i> Undertaking Relating to Deposits <i>Property:</i> Distinctive Date of Amount Rate of Maturity Date <u>No. of Receipt Receipt of Deposit Interest Shown on Receipt</u> 2008 FD 262 2 24-11-2008 AU\$ 558,102.78 3.875% 24-12-2008 2008 FD 263 2 24-11-2008 € 146,612.04 3.3125% 24-12-2008	All and any liabilities
21-06-2010	<i>Mortgagee:</i> Indian Overseas Bank, Hong Kong Branch. <i>Instrument:</i> Undertaking Relating to Deposits <i>Property:</i> Distinctive Date of Amount Rate of Maturity Date <u>No. of Receipt Receipt of Deposit Interest Shown on Receipt</u> 2009 FD 244 2 10-03-2010 US\$ 234,903.18 0.640% 10-09-2010 2009 FD 288 4 11-01-2010 US\$ 242,613.42 2.000% 12-07-2010 2009 FD 307 8 26-05-2010 US\$ 139,511.13 0.600% 28-06-2010 2009 FD 308 8 26-05-2010 US\$ 111,141.95 0.600% 28-06-2010 2009 FD 335 3 11-01-2010 US\$ 24,446.86 2.000% 12-07-2010	All and any liabilities
21-03-2011	<i>Mortgagee:</i> Indian Overseas Bank, Hong Kong Branch. <i>Instrument:</i> Security Over Deposits with the Bank (Limited Company – Under Seal) <i>Property:</i> Initially HK\$5,000,000.00 or equivalent and all monies whether now or hereafter standing to the credit of the Company's deposit with the Bank under deposit No. 636-595324-838 and whatever currency it may subsequently be denominated in, any renewal of such deposit and the interest thereon together with any further moneys in any deposit account with the Bank at any of its offices	To secure all monies in respect of banking facilities



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Mortgagee: The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.48
UK Pound	1	INR 96.87
Euro	1	INR 84.98
HKD	1	INR 9.36

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

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	SYL

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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)