

MIRA INFORM REPORT

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| Report No. : | 536055 |
| Report Date : | 26.10.2018 |

IDENTIFICATION DETAILS

| | |
|--------------------------------|--|
| Name : | COMPASS TEX LIMITED |
| Registered Office : | C/o ACA Secretarial Ltd. Room 610, 6/F., Grand City Plaza, 1 Sai Lau Kok Road, Tsuen Wan, New Territories |
| Country : | Hong Kong |
| Date of Incorporation : | 13.05.2013 |
| Com. Reg. No.: | 61427089 |
| Legal Form : | Private Limited Liability |
| Line of Business : | Subject remains to be engaged in garments sourcing and exporting. Currently the subject is trading in the following commodities: <ul style="list-style-type: none"> • Flat Knits • Circular Knits • Denim & Pants • Outdoor & Jackets • Shirts & Blouses • Accessories • Leather & Shoes • Workwear • Home Textiles |
| No. of Employees : | No employees in Hong Kong. Not Available [We tried to confirm the number of employees but no one is ready to part any information from the company management.] |

RATING & COMMENTS

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

MIRA's Rating : C

| Credit Rating | Explanation | Rating Comments |
|---------------|-------------|-----------------|
|---------------|-------------|-----------------|

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| | | |
|---|------------------|---|
| C | Medium High Risk | Business dealings permissible preferably on secured basis |
|---|------------------|---|

| | |
|----------------------------|----------------------------------|
| Status : | No operating office in Hong Kong |
| Payment Behaviour : | Unknown |
| 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.

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

COMPASS TEX LIMITED

ADDRESS

Registered Office:-
c/o ACA Secretarial Ltd.
Room 610, 6/F., Grand City Plaza, 1 Sai Lau Kok Road, Tsuen Wan, New Territories, Hong Kong.

BUSINESS REGISTRATION NUMBER

61427089

COMPANY FILE NUMBER

1906504

DATE OF INCORPORATION

13th May, 2013.

ISSUED SHARE CAPITAL

HK\$1,000,000.00

SHAREHOLDER

(As per registry dated 13-05-2018)

Name

Sunil SUDHAKAR

No. of shares

1,000,000

=====

DIRECTOR

(As per registry dated 13-05-2018)

Name

(Nationality)

Sunil SUDHAKAR

Address

No. 72, Bazullah Road, T Nagar, Chennai-600017, Tamil Nadu,
India.

SECRETARY

(As per registry dated 13-05-2018)

Name

ACA Secretarial Ltd.

Address

Room 610, 6/F., Grand City Plaza, 1 Sai Lau Kok
Road, Tsuen Wan, New Territories, Hong Kong.

Co. No.

0624387

HISTORY

The company was incorporated on 13th May, 2013 as a private limited liability company under the Hong Kong Companies Ordinance.

Formerly the subject's registered address was located at DD 130, Lot 756 RP, South-West Portion, Castle Peak Road, Lam Tei, Tuen Mun, New Territories, Hong Kong where was the operating address of a commercial service provider known as DMS Worldwide Logistics (HK) Ltd. The subject's registered office moved to 'Unit 1202A, 12/F., Fortress Tower, 250 King's Road, North Point, Hong Kong in November 2015' as it has changed its commercial service provider. Its registered address further moved to the present one in April 2015 as it has changed its secretarial company again.

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

GENERAL

Compass Tex Limited was incorporated on 13th May, 2013 as a private limited liability company.

The subject does not have its own operating office. Its registered office is in a secretarial firm located at Room 610, 6/F., Grand City Plaza, 1 Sai Lau Kok Road, Tsuen Wan, New Territories, Hong Kong known as ACA Secretarial Ltd. [ACA] which is handling its correspondences and documents. ACA is the company secretary of the subject.

It has no employees in Hong Kong.

According to the Companies Registry of Hong Kong, formerly the subject had issued just two ordinary shares of HK\$1.00 each which were wholly-owned by Mr. Julius Wurtenberger. Now, Mr. Julius Wurtenberger transferred his two shares to Sunil Sudhakar on 23rd February, 2018. On 9th May, 2018 the subject increased its ordinary shares to 1 million of HK\$1.00 each. The newly created shares were all allotted to Sunil Sudhakar. He is also the only director of the subject. He is an India passport holder.

The old shareholder of the subject Mr. Julius Wurtenberger was a garment trader.

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The subject remains to be engaged in garments sourcing and exporting.

The subject has had close business ties with Hermes-Otto International Ltd. which is in Vietnam. Hermes-Otto is a large garment manufacturing company.

Currently the subject is trading in the following commodities:

Flat Knits
Circular Knits
Denim & Pants
Outdoor & Jackets
Shirts & Blouses
Accessories
Leather & Shoes
Workwear
Home Textiles

According to the subject, it has set up offices in India, Vietnam, Cambodia, and Germany.

The following companies are some of the customers of the subject:

Camp David, Soccx, Cinque, TONI, Marc O'Polo, O u I, Conleys, handstich, Marc O'Polo DENIM, monari, DIGEL, bloom, SET, TONI GARD, CLASSICO, COMMANDER, PADDOCK'S, Street One, etc.

The subject also sells its products online. *compassstex.com* is an online information service provided by the subject.

The subject's business in Hong Kong is not active. History in Hong Kong is over five years and five 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.

FOREIGN EXCHANGE RATES

| Currency | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1 | INR 73.27 |
| UK Pound | 1 | INR 94.62 |
| Euro | 1 | INR 83.65 |
| HKD | 1 | INR 9.36 |

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

INFORMATION DETAILS

| | |
|----------------------|-----|
| Analysis Done by : | DIV |
| Report Prepared by : | DNS |

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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)