

MIRA INFORM REPORT

Report No. :	523933
Report Date :	07.08.2018

IDENTIFICATION DETAILS

Name :	EXCELLENT DIAMONDS LIMITED
Registered Office :	Room 601-602, 6/F., Guardforce Centre, 3 Hok Yuen Street East, Hunghom, Kowloon
Country :	Hongkong
Date of Incorporation :	06.08.2003
Com. Reg. No.:	34101399
Legal Form :	Private Limited Company.
Line of Business :	Importer, Exporter and Wholesaler of All Kinds of Diamonds and Jewellery Products, Emerald, Precious Stones.
No. of Employees :	7. (Including Associates in Hong Kong)

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 (31.12.2017)	Current Rating (01.04.2018)
Hongkong	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

HONGKONG - 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. In 2017, Chief Executive 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

EXCELLENT DIAMONDS LIMITED

ADDRESS: Room 601-602, 6/F., Guardforce Centre, 3 Hok Yuen Street East, Hunghom, Kowloon, Hong Kong.

PHONE: 852-2721 4200

FAX: 852-2316 7695

E-MAIL: ashish@excellentdiamonds.com.hk
venusjewels@hotmail.com
hameshseth@hotmail.com

MANAGEMENT

Managing Director: Mr. Hamesh Bhagchand Seth

SUMMARY

Incorporated on: 6th August, 2003.

Organization: Private Limited Company.

Issued Share Capital: HK\$117,200,000.00

Business Category: Jewellery Trader.

Annual Turnover: HK\$60~100 million.

Employees: 7. (Including associates in Hong Kong)

Main Dealing Banker: Standard Chartered Bank (Hong Kong) Ltd., Hong Kong.

Banking Relation: Satisfactory.

ADDRESS

Registered Head Office:-

Room 601-602, 6/F., Guardforce Centre, 3 Hok Yuen Street East, Hunghom, Kowloon, Hong Kong.

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Holding Company:

United Trading (HK) Ltd., Hong Kong.

China Factory:-

Panyu Princess Jewellery Co.

6/F., 46 Yin Jian Road, Daluo Tang Shiqiao 511400, Panyu, Guangzhou, Guangdong Province, China.

[Tel: (86-20) 8480 5757, Fax: (86-20) 3480 6760]

Associated Companies:- (Same address)

Golden Dragon Jewellery Co., Hong Kong.

Mercury Impex, Hong Kong.

Princess Jewellery Co., Hong Kong.

Princess Jewellery Ltd., Hong Kong.

Venus Jewels (HK) Ltd., Hong Kong. (Same address)

BUSINESS REGISTRATION NUMBER

34101399

COMPANY FILE NUMBER

0856107

MANAGEMENT

Managing Director: Mr. Hamesh Bhagchand Seth

ISSUED SHARE CAPITAL

HK\$117,200,000.00 (11,720,000 fully paid ordinary shares)

SHAREHOLDERS

(As per registry dated 06-08-2017)

<u>Name</u>	<u>No. of shares</u>
United Trading (HK) Ltd., Hong Kong	8,790,000
Hamesh Bhagchand SETH	2,930,000

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Name

No. of shares

Total:

11,720,000
=====

DIRECTORS

(As per registry dated 06-08-2017)

Name

(Nationality)

Hamesh Bhagchand SETH

Address

Flat A1 & A5, 16/F., Hankow Centre, 47 Peking Road,
Tsimshatsui, Kowloon, Hong Kong.

Seema SETH

Flat A1 & A5, 16/F., Hankow Centre, 47 Peking Road,
Tsimshatsui, Kowloon, Hong Kong.

Gorabh Vinodkumar JAIN

Flat H, 13/F., Star Mansion, 3 Minden Row, Tsimshatsui,
Kowloon, Hong Kong.

SECRETARY

(As per registry dated 06-08-2017)

Name

Lodestar Secretaries Ltd.

Address

13/F., Wah Kit Commercial Centre, 302 Des Voeux
Road Central, Hong Kong.

Co. No.

0113023

HISTORY

The subject was incorporated on 6th August, 2003 as a private limited liability company under the Hong Kong Companies Ordinance.

Originally the subject was registered under the name of Venus Jewels (HK) Ltd., name changed to the present style on 28th March, 2011.

Formerly the subject was located at Room 1101-1102, 11/F., Cammer Commercial Building, 30-32 Cameron Road, Tsimshatsui, Kowloon, Hong Kong, moved to the present address in recent months.

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

OPERATIONS

Activities:	Importer, Exporter and Wholesaler.
Lines:	All kinds of diamonds and jewellery products, emerald, precious stones.
Employees:	7. (Including associates in Hong Kong)
Commodities Imported:	India, Belgium, other European countries, etc.
Markets:	Hong Kong, Japan, other Asian countries, Europe, etc.
Annual Turnover:	HK\$60~100 million.
Terms/Sales:	CAD, L/C, T/T, etc.
Terms/Buying:	L/C, T/T, D/P, etc.

FINANCIAL INFORMATION

Issued Share Capital:	HK\$ HK\$117,200,000.00 (11,720,000 fully paid ordinary shares)
Indebtedness:	HK\$118,764,322.00 (Total amount outstanding on all mortgages and charges as per last Annual Return dated 06-08-2017)
Mortgage or Charge (Since 2010):	(See attachment)
Profit or Loss:	Making a small profit every year.
Condition:	Keeping in a satisfactory condition.
Facilities:	Making active use of general banking facilities.
Payment:	Met as required.
Commercial Morality:	Good.
Bankers:-	Standard Chartered Bank (Hong Kong) Ltd., Hong Kong. DBS Bank (Hong Kong) Ltd., Hong Kong. Industrial & Commercial Bank of China (Asia) Ltd., Hong Kong. The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong. Dah Sing Bank, Ltd., Hong Kong.
Standing:	Good.

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GENERAL

Having issued 11,720,000 ordinary shares of HK\$10.00 each, Excellent Diamonds Limited is jointly owned by United Trading (HK) Ltd., a Hong Kong-registered company holding 75% interests, and Mr. Hamesh Bhagchand Seth, holding 25%.

The directors of the subject are Mr. Hamesh Bhagchand Seth, Mr. Gorahb Vinodkumar Jain and Mr. Seema Seth. All the directors are India merchants but they are Hong Kong ID holders and have got the right to reside in Hong Kong. Currently all of them are residing in Hong Kong.

The subject has had a main associated company known as Venus Jewels (HK) Ltd. [Venus] which is also located at the same address. The subject and Venus are engaged in the same lines of business.

Venus has been claimed to be a subsidiary company of the subject.

Venus is a member of The Indian Chamber of Commerce Hong Kong, a Hong Kong-based association.

The subject is a diamond importer, exporter and wholesaler. Products include single cuts, full cuts and fancy shapes — such as princess, baguettes, marquise, pearl, oval, emerald and heart. The subject is significant for its carat diamonds, GIA diamonds and other loose diamonds.

Commodities are imported from India, Belgium and the other European countries. Finished products are marketed in Hong Kong, China, and exported to Thailand, Taiwan, the other Asian countries, Europe, etc. Its customers include wholesalers, jewellery manufacturers and diamond retailers.

The subject shares the office with Princess Jewellery Co. [PJC]. PJC is a jewellery manufacturer which was originally founded in March 2002 by Mr. Vimay Shrimal.

The subject and PJC has got an associated factory known as Panyu Princess Jewellery Co. in Panyu, Guangzhou, Guangdong Province, China. This factory supplies the subject and Venus with all kinds of jewellery products.

The annual sales turnover of the subject ranges from HK\$60 to 100 million. Making a small profit every year. Overall business is satisfactory.

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-G24.

The subject's total amount of the indebtedness registered with the Companies Registry as at early August, 2017 amounted to HK\$118.8 million.

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

MORTGAGE OR CHARGE

(Since 2010)

Date	Description of Instrument	Mortgagee
25-03-2010	Letter of Lien	Bank of India, Hong Kong Branch.
06-10-2010	Security Over Deposits	The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
01-11-2010	Mortgage	The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
01-12-2011	Security Over Deposits in respect of	Industrial & Commercial Bank of China (Asia) Ltd.,

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	Obligations of the Depositor	Hong Kong.
16-07-2012	Letter of Lien	Bank of India, Hong Kong Branch.
07-04-2014	General Letter of Hypothecation	Bank of India, Hong Kong Branch.
05-12-2014	Deed of Charge Over Receivables incorporating a Supplemental Deed	DBS Bank (Hong Kong) Ltd., Hong Kong.
05-12-2014	Assignment on Insurance Policy	DBS Bank (Hong Kong) Ltd., Hong Kong.
14-05-2015	Mortgage	Industrial & Commercial Bank of China (Asia) Ltd., Hong Kong.
22-03-2017	Mortgage	Dah Sing Bank Ltd., Hong Kong.
22-03-2017	Mortgage	Dah Sing Bank Ltd., Hong Kong.
22-03-2017	Mortgage	Dah Sing Bank Ltd., Hong Kong.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.68
UK Pound	1	INR 89.25
Euro	1	INR 79.38
HKD	1	INR 8.76

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

INFORMATION DETAILS

Analysis Done by :	DIV
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)