

MIRA INFORM REPORT

Report No. :	524426
Report Date :	14.08.2018

IDENTIFICATION DETAILS

Name :	RAINBOW GEMS (HK) LIMITED
Registered Office :	Room 806, 8/F., Chevalier House, 45-51 Chatham Road South, Tsimshatsui, Kowloon
Country :	Hongkong
Date of Incorporation :	26.10.2005
Com. Reg. No.:	36135548
Legal Form :	Private Limited Company.
Line of Business :	Importer, Exporter and Wholesaler of all kinds of Diamonds.
No. of Employees :	3. (Including Associate)

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 :	No Complaints
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.

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.

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 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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COMPANY NAME AND ADDRESS

RAINBOW GEMS (HK) LIMITED

ADDRESS: Room 806, 8/F., Chevalier House, 45-51 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong.

PHONE: 852-2366 2312, 2367 6499

FAX: 852-2367 8767

E-MAIL: rainbowgems@gmail.com
donda@hotmail.com

MANAGEMENT

Managing Director: Mr. Pravinkumar Narsinhbhai Donda

SUMMARY

Incorporated on: 26th October, 2005.

Organization: Private Limited Company.

Issued Share Capital: HK\$100,000.00

Business Category: Diamond Trader.

Annual Turnover: HK\$100~150 million.

Employees: 3. (Including associate)

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

Banking Relation: Satisfactory.

ADDRESS

Registered Head Office:-
Room 806, 8/F., Chevalier House, 45-51 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong.

Parent Company:-

Donda Exports

2/218, Regal Diamond Centre Building, 11/15 Tata Road, 1 Prasad Chambers Comp., Opera House, Mumbai, Maharashtra, India.

Associated Companies:-

Fancy Rainbow Co. Ltd., Thailand.

Rainbow Gems, Hong Kong. (Same address)

S N Creation, Hong Kong.

BUSINESS REGISTRATION NUMBER

36135548

COMPANY FILE NUMBER

1003573

MANAGEMENT

Managing Director: Mr. Pravinkumar Narsinhbhai Donda

Contact Person: Mr. Mr. Jigneshkumar Pravinbhai Donda

(Hong Kong Mobile: 852-9092 7615)

ISSUED SHARE CAPITAL

HK\$100,000.00

SHAREHOLDERS

(As per registry dated 26-10-2017)

<u>Name</u>	<u>No. of shares</u>
Pravinkumar Narsinhbhai DONDA	55,000
Rashmikant Pravinbhai DONDA	10,000
Jigneshkumar Pravinbhai DONDA	35,000
	<hr/>
Total:	100,000
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DIRECTORS

(As per registry dated 26-10-2017)

<u>Name</u> <u>(Nationality)</u>	<u>Address</u>
Jigneshkumar Pravinbhai DONDA	Flat A & B, 32/F., Tower 18, Laguna Verde, Hunghom, Kowloon, Hong Kong.
Pravinkumar Narsinhbhai DONDA	Flat A & B, 32/F., Tower 18, Laguna Verde, Hunghom, Kowloon, Hong Kong.

SECRETARY

(As per registry dated 26-10-2017)

<u>Name</u>	<u>Address</u>	<u>Co. No.</u>
Fiscal Consultants Ltd.	Unit 13, 16/F., Asia Trade Centre, 79 Lei Muk Road, Kwai Chung, New Territories, Hong Kong.	2005661

HISTORY

The subject was incorporated on 26th October, 2005 as a private limited liability company under the Hong Kong Companies Ordinance.

Formerly the subject was located at 8/F., Tung Wui Commercial Building, 27 Prat Avenue, Tsimshatsui, Kowloon, Hong Kong, moved to the present address in late 2016.

The company secretary of the subject Fiscal Consultants Ltd. was appointed on 23rd July, 2015.

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.
Employees:	3. (Including associate)
Commodities Imported:	Belgium India, Israel, etc.
Markets:	US, Europe, Thailand, other Asian countries, etc.

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Annual Turnover: HK\$100~150 million.
Terms/Sales: CAD, L/C, T/T, etc.
Terms/Buying: L/C, T/T, D/P, etc.

FINANCIAL INFORMATION

Issued Share Capital: HK\$100,000.00
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: Met trade commitments as contracted.
Commercial Morality: Very Good.
Bankers:-
The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
DBS Bank (Hong Kong) Ltd., Hong Kong.
Hang Seng Bank Ltd., Hong Kong.
Standing: Good.

GENERAL

Having issued 100,000 ordinary shares of HK\$1.00 each, Rainbow Gems (HK) Limited is wholly-owned by the Donda family. The directors are also the members of the Donda family. The managing director of the subject Mr. Pravinkumar Narsinhbhai Donda is a Hong Kong-ID holder.

Mr. Jigneshkumar Pravinbhai Donda is also a director of the subject. He can be reached at his Hong Kong mobile phone number 852-9092 7615.

The Donda family is also the owner of Donda Exports, an Indian firm located in Mumbai, Maharashtra, India and engaged in diamonds trading.

The subject is a fancy diamond, rose-cut diamond, natural fancy colour diamonds, GIA diamonds, fine jewellery trader. Its products bear the brand name "Argyle Pink".

The subject has got an associated company Rainbow Gems located at the same address. The subject and Rainbow Gems are engaged in the same lines of business. Rainbow Gems was set up in 1997 by the Donda family in Hong Kong. This firm is a subsidiary of Donda Exports, India.

The subject is a diamond broker, importer, exporter and wholesaler. Its main products are as follow:-

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Fancy diamonds, fancy diamond pack, natural fancy colour diamonds, fancy colour diamonds, carat size diamonds, loose diamonds, diamond jewellery, Rose-Cut Diamond, GIA certified diamonds, etc.

The subject's diamond sizes range from 0.01 cts to 5.00 cts, in D to Cape Colour of IF to 13 clarity in different shapes like round, princess, pears, marquise oval and other fancy shapes.

The subject has had a factory in Surat, India which is employing about 350 workers. The subject also has offices in Mumbai of India and Bangkok of Thailand. The firm in Thailand is known as Fancy Rainbow Co. Ltd.

The subject's products are exported to the United States, Belgium, the other European countries, and other Asian countries. Business has been so far active.

Annual sales turnover of the subject and its affiliate ranges from HK\$100 to 150 million. It is able to make a small profit every year.

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. 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-H34.

Besides, it also took part in "HKTDC Hong Kong International Jewellery Show 2018" which had been held in Hong Kong Convention and Exhibition Centre, Wanchai, Hong Kong during the period of 2nd to 6th March, 2018. Its booth No. was 1EA30.

The subject will take part in the same shows in 2019.

The subject operates from its owned premises located at the present address. This is able to help the subject keep its operating costs low.

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

REMARKS

Property information of the company:-

Property Location: Unit 6 on 8/F., Chevalier House, 45-51 Chatham Road South, Kowloon, Hong Kong.

Owner: Rainbow Gems (HK) Ltd.

Date of Purchase: n.a.

Purchased Price: n.a.

Incumbrances:-

Date of Mortgage	Amount Consideration	Mortgagee	Nature
26-03-2010	-	DBS Bank (Hong Kong) Ltd., Hong Kong.	Mortgage to secure general banking facilities

MORTGAGE OR CHARGE

Date	Description of Instrument	Mortgagee
05-10-2007	Assignment of Receivables – General with Notice of	The Hongkong & Shanghai

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RAINBOW GEMS (HK) LIMITED - 524426

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26-03-2010	Assignment Mortgage	Banking Corp. Ltd., Hong Kong. Hang Seng Bank Ltd., Hong Kong.
14-01-2011	Assignment of Insurance Policy (Two-Party)	Hang Seng Bank Ltd., Hong Kong.
27-03-2014	Mortgage	DBS Bank (Hong Kong) Ltd., Hong Kong.

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 69.47
UK Pound	1	INR 88.63
Euro	1	INR 79.19
HKD	1	INR 8.90

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

INFORMATION DETAILS

Analysis Done by :	PRI
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)