

## MIRA INFORM REPORT

Report No. :	5826728
Report Date :	29.08.2018

### IDENTIFICATION DETAILS

Name :	BLUE DIAM COMPANY LIMITED
Registered Office :	Unit 7, 15/F., Peninsula Square, 18 Sung On Street, Hunghom, Kowloon
Country :	Hongkong
Date of Incorporation :	02.07.1991
Com. Reg. No.:	16085448
Legal Form :	Private Limited Company.
Line of Business :	Importer, exporter and wholesaler of all kinds of diamond and jewellery products.
No. of Employees :	5

### RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23<sup>rd</sup> 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: 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



**MIRA INFORM PRIVATE LIMITED**  
605, Palmspring, Near D'Mart, Link Road,  
Malad (West), Mumbai - 400 064. INDIA  
Tel : 91-22-40448000 (44 lines)  
Fax : 91-22-40448045 / 40448046  
E-mail : mira@mirainform.com  
info@mirainform.com  
Website : <http://www.mirainform.com>  
<http://www.miraglobalcheck.com>  
<http://www.miraglobalcollections.com>

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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**

### **BLUE DIAM COMPANY LIMITED**

**ADDRESS:** Unit 7, 15/F., Peninsula Square, 18 Sung On Street, Hunghom, Kowloon, Hong Kong.

**PHONE:** 852-2369 3197, 2366 0727

**FAX:** 852-2369 3221

**E-MAIL:** bluediam@netvigator.com  
bluediam.hk@gmail.com

## **MANAGEMENT**

Managing Director: Mr. Naitik Mukesh Shah

## **SUMMARY**

Incorporated on: 2nd July, 1991.

Organization: Private Limited Company.

Issued Share Capital: HK\$45,507,954.00

Business Category: Diamond Trader.

Annual Sales Turnover: US\$10-20 million.

Employees: 5.

Main Dealing Banker: Bank of India, Hong Kong Branch.

Banking Relation: Satisfactory.

## **ADDRESS**

### **Registered Head Office:-**

Unit 7, 15/F., Peninsula Square, 18 Sung On Street, Hunghom, Kowloon, Hong Kong.

**Mailing Address:-**

P.O. Box 96526, Tsim Sha Tsui Post Office, Kowloon, Hong Kong.

**Subsidiary:-**

Blue Diam Co., Hong Kong. (Same address)

**BUSINESS REGISTRATION NUMBER**

16085448

**COMPANY FILE NUMBER**

0316294

**MANAGEMENT**

Managing Director: Mr. Naitik Mukesh Shah  
(Hong Kong Mobile Phone Number: 852-6473 2661)  
Contact Person: Ms. Woo

**ISSUED SHARE CAPITAL**

HK\$45,507,954.00

**SHAREHOLDERS**

(As per registry dated 02-07-2018)

<u>Name</u>	<u>No. of shares</u>
Naitik Mukesh SHAH	43,881,198
Rashi Naitik SHAH	1,626,756
Total:	45,507,954 =====

## **DIRECTORS**

(As per registry dated 02-07-2018)

<u>Name</u> <u>(Nationality)</u>	<u>Address</u>
Rashi Naitik SHAH	Flat C, 1/F., Block 5, Royal Peninsula, 8 Hung Lai Road, Hungom, Kowloon, Hong Kong.
Naitik Mukesh SHAH	Flat C, 1/F., Block 5, Royal Peninsula, 8 Hung Lai Road, Hungom, Kowloon, Hong Kong.

## **SECRETARY**

(As per registry dated 02-07-2018)

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

## **HISTORY**

The subject was incorporated on 2nd July, 1991 as a private limited liability company under the Hong Kong Companies Ordinance.

Originally the subject was registered under the name of Worldata Investment Ltd., name changed to the present style on 17th January, 2013.

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

## **OPERATIONS**

Activities: Importer, Exporter and Wholesaler.

Lines: All kinds of diamond and jewellery products.

Employees: 5.

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

Markets: Japan, other Asian countries, the Middle East, Central and South America, etc.

Annual Sales Turnover: US\$10-20 million.

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

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

## **FINANCIAL INFORMATION**

Issued Share Capital: HK\$45,507,954.00

Mortgage or charges: (See attachment)

Profit or Loss: Making a small profit every year.

Condition: Keeping in a normal condition.

Facilities: Adequate for current running.

Payment: Slow but correct .

Commercial Morality: Good.

Bankers:-

Bank of India, Hong Kong Branch.  
The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.  
Antwerpse Diamantbank NV, Belgium.  
Bank of China (Hong Kong) Ltd., Hong Kong.

Standing: Good.

## **GENERAL**

Blue Diam Company Limited is jointly owned by Mr. Naitik Mukesh Shah, holding 96.4% stake, and Mr. Rashi Naitik Shah, holding 3.6%. Both are India merchants.

Being Hong Kong ID holders, they have got the right to reside in Hong Kong. They are also directors of the subject.

Mr. Naitik Mukesh Shah can be reached at his Hong Kong mobile phone number 852-6473 2661.

The subject has had a subsidiary company located at the same address known as Blue Diam Co. [BDC]. The subject and BDC are engaged in the same lines of business.

The subject is a diamond importer, exporter and wholesaler. It is engaged in manufacturing loose diamonds, loose diamond collection, and round diamonds like marquise, pears, tappers, buggets and rose cut diamonds.

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Other products include diamond gold jewellery and diamond platinum jewellery. However, the subject is famous for its loose diamonds.

The subject's diamonds carried bear the following specifications:-

Clarity — VVS2, VS1, SI1;

Colour — F, G, H; &

Size — 1 ct.~0.5 ct, 0.5 ct~0.2 ct.

Rough, cut or polished diamonds are imported from India, other Asian countries, Belgium or other European countries. Products are exported to Japan, other Asian countries, the Middle East, Central and South America, etc. Overall business is satisfactory. Regular suppliers and customers have been maintained.

The subject is owned by the Shah family and has had close business ties with those jewellery traders in the United Arab Emirates.

In order to penetrate the international market further, BDC 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-D15.

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 1st to 5th March, 2018. Its booth No. was 1EB22.

The annual sales turnover of the subject (including parent) and BDC ranges from US\$10 to 20 million. Making a small profit every year.

The contact person is Ms. Woo who is a Hong Kong employee of the subject.

As the history of the subject in Hong Kong is over 27 years and a month, on the whole, consider it good for normal business engagements.

## **MORTGAGE OR CHARGE**

<b>Date</b>	<b>Description of Instrument</b>	<b>Mortgagee</b>
12-04-2017	Mortgage	Bank of China (Hong Kong) Ltd., Hong Kong.
12-04-2017	Debenture	Bank of China (Hong Kong) Ltd., Hong Kong.
12-07-2018	Deed of Assignment of Insurance Policy	Bank of China (Hong Kong) Ltd., Hong Kong.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.17
UK Pound	1	INR 90.33
Euro	1	INR 81.93
HKD	1	INR 8.96

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	NIY
<b>Report Prepared by :</b>	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)