

## MIRA INFORM REPORT

<b>Report No. :</b>	526397
<b>Report Date :</b>	29.08.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	FINE DIAMOND (HK) LIMITED
<b>Registered Office :</b>	Unit 1405, 14/F., Peninsula Square, 18 Sung On Street, Hunghom, Kowloon
<b>Country :</b>	Hong Kong
<b>Date of Incorporation :</b>	19.02.1991
<b>Com. Reg. No.:</b>	14285783
<b>Legal Form :</b>	Private Limited Company
<b>Line of Business :</b>	Importer, wholesaler and re-exporter of all kinds of diamonds, jewellery and precious stones
<b>No. of Employees :</b>	4

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

<b>Status :</b>	Satisfactory
<b>Payment Behaviour :</b>	No Complaints
<b>Litigation :</b>	Clear

#### NOTES :

Any query related to this report can be made on e-mail : [infodept@mirainform.com](mailto: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)
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, 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.

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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 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***

### **FINE DIAMOND (HK) LIMITED**

**ADDRESS:** Unit 1405, 14/F., Peninsula Square, 18 Sung On Street, Hunghom, Kowloon, Hong Kong.  
**PHONE:** 852-2739 1022, 2739 1060, 9279 6225  
**FAX:** 852-2311 3810  
**E-MAIL:** fineaj@netvigator.com  
info@finediamondhk.com

## ***MANAGEMENT***

Managing Director: Mr. Alpesh Shantichand Jhaveri

## ***SUMMARY***

Incorporated on: 19th February, 1991.  
Organization: Private Limited Company.  
Issued Share Capital: HK\$10,000,000.00  
Business Category: Diamond Trader.  
Employees: 4.  
Main Dealing Banker: Standard Chartered Bank (Hong Kong) Ltd., Hong Kong.  
Banking Relation: Satisfactory.

## ***ADDRESS***

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

Unit 1405, 14/F., Peninsula Square, 18 Sung On Street, Hunghom, Kowloon, Hong Kong.

### **Associated Company:-**

Fine Diamond (Shanghai) Ltd.

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No. 1701, Century Avenue, Pudong New Area, 200122 Shanghai, China. [Contact Person: Mr. Joshi Hemant]

## **BUSINESS REGISTRATION NUMBER**

14285783

## **COMPANY FILE NUMBER**

0299955

## **MANAGEMENT**

Managing Director: Mr. Alpesh Shantichand Jhaveri  
[Hong Kong Mobile Phone No.: 852-9279 6225]  
Contact Person: Mr. Soni Chirag Jaswant

## **ISSUED SHARE CAPITAL**

HK\$10,000,000.00 (1,000,000 fully paid ordinary shares)

## **SHAREHOLDERS**

(As per registry dated 19-02-2018)

<u>Name</u>	<u>No. of shares</u>
Alpesh Shantichand JHAVERI	880,000
Poorvi Alpesh JHAVERI	120,000
Total:	1,000,000 =====

## **DIRECTORS**

(As per registry dated 19-02-2018)

<u>Name</u> <u>(Nationality)</u>	<u>Address</u>
Alpesh Shantichand JHAVERI	Flat C, 28/F., Block 9, Parc Palais, King's Park, 18 Wylie

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Road, Kowloon, Hong Kong.

Poorvi Alpesh JHAVERI

Flat C, 28/F., Block 9, Parc Palais, King's Park, 18 Wylie  
Road, Kowloon, Hong Kong.

## ***SECRETARY***

(As per registry dated 19-02-2018)

<u>Name</u>	<u>Address</u>	<u>Co. No.</u>
Buttar Secretarial Ltd.	Unit 13, 16/F., Asia Trade Centre, 79 Lei Muk Road, Kwai Chung, New Territories, Hong Kong.	2086550

## ***HISTORY***

The subject was incorporated on 19th February, 1991 as a private limited liability company under the Hong Kong Companies Ordinance.

Formerly the subject was located at Flat D, 12/F., Cameron Plaza, 23-25 Cameron Road, Tsimshatsui, Kowloon, Hong Kong, moved to the present address in March 2014.

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

## ***OPERATIONS***

Activities: Importer, Wholesaler and Re-exporter.

Lines: All kinds of diamonds, jewellery and precious stones.

Employees: 4.

Commodities Imported: Imported from Belgium, India, etc.

Markets: Hong Kong, Southeast Asia, Europe, US, Middle East, etc.

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

Terms/Buying: L/C, T/T, D/P, or as per contracted.

## ***MEMBERSHIP***

The Indian Chamber of Commerce Hong Kong, Hong Kong.

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## ***FINANCIAL INFORMATION***

Issued Share Capital: HK\$10,000,000.00 (1,000,000 fully paid ordinary shares)

Mortgage or Charge:-

Date: 26-04-2016

Description of Instrument: Deed of Indemnity, Charge Over Deposit and Set-Off

Mortgagee: Bank of China (Hong Kong) Ltd., Hong Kong.

Profit or Loss: Business is profitable.

Condition: Keeping in an active and satisfactory condition.

Facilities: Making rather active use of general banking facilities.

Payment: No complaints

Commercial Morality: Satisfactory.

Bankers:-

Standard Chartered Bank (Hong Kong) Ltd., Hong Kong.

The Royal Bank of Scotland N.V., Hong Kong Branch.

Bank of China (Hong Kong) Ltd., Hong Kong.

Standing: Very good.

## ***GENERAL***

Having issued 1 million ordinary shares of HK\$10.00 each, Fine Diamond (HK) Limited is jointly owned by two India merchants, Mr. Alpesh Shantichand Jhaveri [A S Jhaveri], holding 88% interests; and Mr. Poorvi Alpesh Jhaveri, holding 12%.

The subject has increased its issued share capital from HK\$3 million to 8 million in recent years and further increased to HK\$10 million in 2016.

Mr. Alpesh Shantichand Jhaveri has been engaged in this line of business for about 30 years.

Believed to be the members of the same family, the two Jhaveris have been in Hong Kong for a very long time and each of them has got a Hong Kong ID. They have got the right to reside in Hong Kong. They are also directors of the subject.

A S Jhaveri can be reached at his Hong Kong mobile phone number 852-9279 6225.

The subject moved to the present address in March 2014.

It is trading in loose, polished and cut diamonds, gemstones, etc. These include carat size diamonds, fancy diamonds, etc.

Commodities, mostly fancy cut diamonds, are mainly imported from Belgium, Israel and India. However, India is the principal supplying country. The subject has had a number of regular suppliers in India.

The subject also trades in the following pearls: Akoya Pearl, South Sea Pearl, Tahitian Pearl, Black Pearl, etc. It is specialized in round, princess, tapper, marques, emerald, pear, heart and single cut loose diamonds. Size of diamonds supplied range from 0.005 carat to 5.000 carats. It focuses on I to L, M, N colours including brown as well as treated colour diamonds. It offers both certified and non-certified diamonds.

According to the subject, it is significant for its loose diamonds and gemstones.

The subject's imported products are marketed in Hong Kong, China and re-exported to the United States, Japan, Southeast Asia, other Asian countries, the Middle East, Europe, etc. Main customers are diamond brokers, diamond wholesalers and jewellery manufacturers. Business has been active and 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-J39.

It will take part in the same exhibition in 2019.

The subject has set up an associated company Fine Diamond (Shanghai) Ltd., in Shanghai, China. The contact person of the China Company is Mr. Joshi Hemant.

The subject is able to maintain regular customers and suppliers.

On the whole, having a history of over twenty-seven years and six months, the subject is considered good for normal business engagements.

**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 8.98

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

**INFORMATION DETAILS**

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