

## MIRA INFORM REPORT

<b>Report No. :</b>	539451
<b>Report Date :</b>	14.11.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	CHINA DIAMOND CORPORATION LIMITED
<b>Registered Office :</b>	Room 6, 6/F., Chevalier House, 45-51 Chatham Road South, Tsimshatsui, Kowloon
<b>Country :</b>	Hong Kong
<b>Date of Incorporation :</b>	17.04.2000
<b>Com. Reg. No.:</b>	30872168-000
<b>Legal Form :</b>	Private Limited Company
<b>Line of Business :</b>	Importer and Processor all kinds of raw materials for diamond, precious stones, sapphire, ruby.
<b>No. of Employees :</b>	15

### RATING & COMMENTS

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

#### MIRA's Rating :

A

Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

<b>Status :</b>	Satisfactory
<b>Payment Behaviour :</b>	Slow but Correct
<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.

**DISCLAIMER :** This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**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.

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

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.



---

**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>

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

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

## **COMPANY NAME**

### **CHINA DIAMOND CORPORATION LIMITED**

[Business name: C D (BELGIUM) COMPANY]

**ADDRESS:** Room 6, 6/F., Chevalier House, 45-51 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong.

**PHONE:** 852-2521 0029, 2521 0026, 2375 8018, 2736 6040

**FAX:** 852-2521 0019

**E-MAIL:** info@chinadia.com

### **MANAGEMENT:**

Managing Director: Mr. Darshan Jivatlal Bhagat

## **SUMMARY**

Incorporated on: 17th April, 2000.

Organization: Private Limited Company.

Issued Share Capital: HK\$12,880,623.00

Business Category: Diamond Importer, Exporter and Processor.

Employees: 15.

Main Dealing Banker: Dah Sing Bank Ltd., Hong Kong.

Banking Relation: Satisfactory.

## **ADDRESS**

Registered Head Office:-

Room 6, 6/F., Chevalier House, 45-51 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong.

Business Name:-

C D (Belgium) Company, Hong Kong. [BR No. 30872168-001]

**Holding Company:-**

C D Jewels International Ltd., British Virgin Islands.

**Shanghai Company:-**

China Diamond (Shanghai) Corporation Ltd.

Room A511, China Diamond Exchange Center, 1701 Century Avenue, Pudong, Shanghai 200122, China.

[Tel: (86-21) 6182 0738; Fax: (86-21) 6182 0731]

**Related/Affiliated Companies:-**

16 Diamonds.com Ltd., Hong Kong. (Same address)

Bei Wah Diamante (Macau) Limitada, Macau.

C.D. Jewels DMCC, UAE.

C.D. Jewels, India.

Jewellery Collection (Holdings) Ltd., Hong Kong. [Dissolved]

Jewellery Collection Co., Hong Kong.

[Owned by Mr. Yau Kung Wan (BR No. 16971156-000)]

Jewellery Collection Group Ltd., Hong Kong. [Dissolved]

[Also trading as Jewellery Collection Co. (BR No. 17517709-001)]

Jewellery Collection International Ltd., Hong Kong.

Jewellery Collection Manufacturer Ltd., Hong Kong.

## ***BUSINESS REGISTRATION NUMBER***

30872168-000

## ***COMPANY FILE NUMBER***

0713048

## ***MANAGEMENT***

Managing Director: Mr. Darshan Jivatlal Bhagat

Contact Person: Ms. Cecludia Yip

## ***ISSUED SHARE CAPITAL***

HK\$12,880,623.00

## **SHAREHOLDERS**

(As per registry dated 17-04-2018)

Name

C D Jewels International Ltd.

P. O. Box 957, Offshore Incorporations Centre, Road Town, Tortola,  
British Virgin Islands.

No. of shares

12,880,623

=====

## **DIRECTORS**

(As per registry dated 17-04-2018)

Name

(Nationality)

Darshan Jivatlal BHAGAT

Address

Flat A, 25/F., Block 6, Parc Palais, 18 Wylie Road, Ho Man Tin,  
Kowloon, Hong Kong.

YAU Kung Wan

House 22, Valais I, Interlaken Avenue, 28 Kwu Tung Road,  
Sheung Shui, New Territories, Hong Kong.

## **SECRETARY**

(As per registry dated 17-04-2018)

Name

Professional Company  
Secretary Ltd.

Address

Room 1502, 15/F., Tung Hip Commercial Building,  
248 Des Voeux Road Central, Hong Kong.

Co. No.

1886121

## **HISTORY**

The subject was incorporated on 17th April, 2000 as a private limited liability company under the Hong Kong Companies Ordinance.

Formerly the subject was located at Room 803, 8/F., Dragon Seed Building, 39 Queen's Road Central, Hong Kong, moved to Room 502, 5/F., Wing On House, 71 Des Voeux Road Central, Hong Kong in February 2007, to Room 407-409, 4/F., Tower B, Hunghom Commercial Centre, 37-39 Ma Tau Wai Road, Hunghom, Kowloon, Hong Kong in February 2009, moved to Room 911-912, 9/F., Heng Ngai Jewelry Centre, 4 Hok Yuen Street, Hunghom, Kowloon, Hong Kong in April, 2011, and further moved to the present address with effect from 19th June, 2015.

The subject registered its Chinese name on 9th June, 2000.

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

## **OPERATIONS**

Activities:	Importer and Processor.
Lines:	All kinds of raw materials for diamond, precious stones, sapphire, ruby.
Brand Name:	J.C.
Employees:	15.
Materials/ Commodities:	Imported from Europe, South Africa, India, etc.
Markets:	Southeast Asia, Japan, Europe, Middle East, etc.
Terms/Sales:	CAD, L/C, T/T, D/A, etc.
Terms/Buying:	L/C, T/T, D/P, D/A, etc.
<u>MEMBERSHIP:</u>	The Hong Kong General Chamber of Commerce, Hong Kong. [Membership No. HKC1162]

## **FINANCIAL INFORMATION**

Issued Share Capital:	HK\$12,880,623.00
Indebtedness:	HK\$5,891,654.00 (Total amount outstanding on all mortgages and charges as per last Annual Return dated 17-04-2018)
Mortgage or Charge (since 2010):	(See attachment)
Profit or Loss:	Making a small profit every year.
Condition:	Business is active.
Facilities:	Making active use of general banking facilities.
Payment:	Slow But Correct.
Commercial Morality:	Satisfactory.
Bankers:-	Dah Sing Bank Ltd., Hong Kong. Bank of India, Hong Kong Branch. China Construction Bank (Asia) Corporation Ltd., Hong Kong.

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

China CITIC Bank International Ltd., Hong Kong.  
DBS Bank (Hong Kong) Ltd., Hong Kong.  
Standard Chartered Bank (Hong Kong) Ltd., Hong Kong.  
The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.  
Citibank, N.A., Hong Kong.

Standing: Good.

## **GENERAL**

China Diamond Corporation Limited is a private limited company incorporated in April 2000. Formerly the subject had just issued 2 ordinary shares of HK\$1.00 each while the shareholders Mr. Darshan Jivatlal Bhagat and Mr. Tso Wing Ching each held one share respectively. On 20th March, 2001, the subject created 859,034 ordinary shares more and on the same date, 558,321 shares were allotted to Bhagat while 300,662 shares were allotted to Tso.

The subject was reshuffled and increased its issued share capital again. It had been jointly owned by Bhagat, holding 65%, and Mr. Yau Kung Wan, a Hong Kong businessman holding 35%. On 23rd April, 2013, Yau and Bhagat transferred all their shares to C D Jewels International Ltd. [CDJI] which is a BVI-registered company. Now, the subject is wholly-owned by CDJI.

Now, Yau and Bhagat are also directors of the subject. Bhagat is a Hong Kong ID card holder.

The subject moved to the present address in April 2015 which is the latest.

The subject is a diamond trader. Its business name is C D (Belgium) Company. Its main products are loose diamonds, polished diamonds, 0.08 to 2.00 carats diamonds, etc.

It imports all kinds of raw materials for diamond, precious stones, sapphire, ruby, etc. from Europe, South Africa, Cambodia, India, other Asian countries, etc.

The finished products include the following:

Necklaces, bangles, diamond pendants, diamond engagement rings, etc.

Products are marketed in Hong Kong, exported to China, India, Japan, Southeast Asia, the Middle East, Europe, etc. However, Belgium seems to be the prime market of the subject. Some of its raw materials are also imported from Belgium.

Long time ago, the subject just exported its products to India only. Now, its products are exported to over ten countries. Overall business is steady.

The subject's products have got the following certifications: GIA, the IGI, and HRD.

In Hong Kong, the subject has had about 15 employees.

The subject has set up a company in Shanghai, China known as China Diamond (Shanghai) Corporation Ltd. in order to penetrate the China market further. The Shanghai Company is located at Room A511, China Diamond Exchange Center, 1701 Century Avenue, Pudong, Shanghai.

The subject has set up a factory in Shenzhen Special Economic Zone, China. This factory is manufacturing J.C. branded jewellery for the subject.

The subject is marketing its own products throughout the world.

Besides the subject, Mr. Yau Kung Wan is also operating another firm known as Jewellery Collection Co. which is also a jewellery and diamond trader. This company is located at a different address.

The principal shareholder of the subject Bhagat is an Indian who has got close business ties with some of the diamond manufacturers in India.

Besides, the subject has expanded its business by setting up a new firm known as 16 Diamonds.com Ltd. which is a Hong Kong-registered firm engaged in online jewellery retailing.

The subject has had two showrooms, one is in its registered address while the other is located at 16/F., Luk Fook Jewellery Centre, 239 Temple Street, Jordan, Kowloon, Hong Kong.

A Macau subsidiary known as Bei Wah Diamante (Macau) Limitada has been set up in recent years in Macau. This company is responsible for the Macau market.

The subject also has had associated companies in Mumbai of India and Dubai of the United Arab Emirates. 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-H18.

According to the subject, its annual sales turnover is over HK\$500 to 700 million. Business is active.

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

On the whole, having a history of over eighteen years and three months in Hong Kong, the subject is considered good for normal business engagements.

## **REMARKS**

Property information of the company:-

Property Location: Workshop Unit 11 & 12 on 9/F., Heng Ngai Jewelry Centre, 4 Hok Yuen Street East, Kowloon, Hong Kong.

Owner: China Diamond Corporation Ltd.

Date of Purchase: n.a.

Purchased Price: n.a.

Incumbrances:-

Date of Mortgage	Amount Consideration	Mortgagee	Nature
28-10-2010	-	Standard Chartered Bank (Hong Kong) Ltd., Hong Kong.	Legal charge to secure general banking facilities

## **MORTGAGE OR CHARGE**

(Since 2010)

Date	Description of Instrument	Mortgagee
04-04-2011	Charge on Cash Deposit to secure Liabilities of the Depositor	DBS Bank (Hong Kong) Ltd., Hong Kong.
04-05-2011	Letter of Set-off and Appropriation	Bank of India, Hong Kong Branch.
14-06-2012	Deposit Deed	Citibank N.A., Hong Kong Branch.
25-09-2013	Charge Over Account	China Construction Bank (Asia) Corporation Ltd., Hong Kong.
23-01-2015	Mortgage	China Construction Bank (Asia) Corporation Ltd.,

23-01-2015	Assignment of Rentals	Hong Kong. China Construction Bank (Asia) Corporation Ltd., Hong Kong.
28-09-2017	Legal Charge/Mortgage	Citibank N.A., Hong Kong Branch.
28-09-2017	Rental Assignment	Citibank N.A., Hong Kong Branch.
11-07-2018	Fixed Charge	Dah Sing Bank Ltd., Hong Kong.
13-07-2018	Mortgage	Dah Sing Bank Ltd., Hong Kong.
13-07-2018	Rental Assignment	Dah Sing Bank Ltd., Hong Kong.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.59
UK Pound	1	INR 93.49
Euro	1	INR 81.61
HKD	1	INR 9.21

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

**INFORMATION DETAILS**

Analysis Done by :	NIY
Report Prepared by :	TRU

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**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)