

MIRA INFORM REPORT

Report No. :	535796
Report Date :	24.10.2018

IDENTIFICATION DETAILS

Name :	ROSY BLUE HONG KONG LIMITED
Registered Office :	Room 403-404, 4/F., Harbour Centre, Tower 2, 8 Hok Cheung Street, Hunghom, Kowloon
Country :	Hong Kong
Date of Incorporation :	15.07.1986
Com. Reg. No.:	10439855
Legal Form :	Private Limited Company
Line of Business :	Importer, Exporter, Wholesaler and Distributor of All kinds of diamond and jewellery
No. of Employees :	16. (Including associates)

RATING & COMMENTS

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

MIRA's Rating :	B
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Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Status :	Moderate
Payment Behaviour :	Slow and Delayed
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 (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 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

ROSY BLUE HONG KONG LIMITED

ADDRESS: Room 403-404, 4/F., Harbour Centre, Tower 2, 8 Hok Cheung Street, Hunghom, Kowloon, Hong Kong.

PHONE: 852-2523 9475

FAX: 852-2845 0940, 2523 9030, 2523 9538

E-MAIL: info@rosyblue.com.hk
hongkong@rosyblue.com

MANAGEMENT:

Managing Director: Mr. Viraj Rusell Mehta

SUMMARY

Incorporated on: 15th July, 1986.
Organization: Private Limited Company.
Issued Share Capital: HK\$3.00 & US\$3,700,000.00
Business Category: Diamond and Jewellery Trader.
Employees: 16. (Including associates)
Main Dealing Banker: Bank of China (Hong Kong) Ltd., Hong Kong.
Banking Relation: Good.

ADDRESS

Registered Head Office:-

Room 403-404, 4/F., Harbour Centre, Tower 2, 8 Hok Cheung Street, Hunghom, Kowloon, Hong Kong.

Holding Company:-

Prime Investments S.A., Luxembourg.

Ultimate Holding Company:-

Rosy Blue Investments S.a.r.l., Luxembourg.

Associated Companies:-

Rosy Blue Group of Companies

Diamotech CJSC, Armenia.
Inter Gold Europe N.V., Belgium.
Inter Gold Gems Pvt. Ltd., India.
Inter Gold India Pvt. Ltd., India.
International Gold Co. Pvt. Ltd., India.
Jewel-Asia Ltd., Hong Kong.
Lanka Diamond Polishing Ltd., Sri Lanka.
Linyi Rosy Blue Huaxing (D & J) Co. Ltd., China.
MZJ Jewelry Co. BVBA, Belgium.
R.B. Diamantslijperij BVBA, Belgium.
R.B. Solitaires Inc., USA.
RB Centro Inc., USA.
Rosy Blue (Eurasia) FZE, UAE.
Rosy Blue (India) Pvt. Ltd., India.
Rosy Blue (Shanghai) Diamond Co. Ltd., China.
Rosy Blue Diamond Co. Ltd., Thailand.
Rosy Blue Diamonds Johannesburg (Pty) Ltd., South Africa.
Rosy Blue DMCC, UAE.
Rosy Blue Enterprises SA, Luxembourg.
Rosy Blue Excellent LLC, Russian Federation.
Rosy Blue Fine Inc., USA.
Rosy Blue Inc., USA.
Rosy Blue Jewellery (HK) Ltd., Hong Kong.
Rosy Blue Jewelry Inc., USA.
Rosy Blue Ltd., Japan.
Rosy Blue N.V., Belgium.
Rosy Blue NV (RBIN-036BE) Tier A, Belgium.
Rosy Blue Overseas Holdings Ltd., Hong Kong.
Rosy Blue Sales Ltd., Israel.
Rosy Blue Services NV, Belgium.
Rosy Blue Trading (Pty) Ltd., South Africa.
Rosy Blue Trading Inc., USA.
Rosy Blue Trading LLC, UAE.
Step Stones Ltd., Thailand.
Tai Shan Gems Ltd., Hong Kong.
etc.

BUSINESS REGISTRATION NUMBER:

10439855

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COMPANY FILE NUMBER

0171832

MANAGEMENT

Managing Director: Mr. Viraj Rusell Mehta

Contact Person: Ms. Kitty Cheung

ISSUED SHARE CAPITAL

HK\$3.00 & US\$3,700,000.00

(3 fully paid ordinary shares and 3,700,000 fully paid redeemable preference shares)

SHAREHOLDERS

(As per registry dated 15-07-2018)

<u>Name</u>	<u>No. of shares</u>	
	<u>Ordinary</u>	<u>Redeemable Preference</u>
Maiank MEHTA	1	--
Prime Investments S.A. 63, Boulevard Prince Felix, L-1513 Luxembourg.	2	3,700,000
	<u>—</u>	<u>—</u>
Total:	3	3,700,000
	=	=====

DIRECTORS

(As per registry dated 15-07-2018)

<u>Name</u> <u>(Nationality)</u>	<u>Address</u>
Rajkumar MEHTA	Ahornenlaan 15, B-2610 Antwerpen, Belgium.

Viraj Rusell MEHTA Flat C, 11/F., Block 2, Estoril Court, 55 Garden Road, Hong Kong.
Vishal MEHTA Silk Leaf 5, Villa No. 2 AKA 12.10 Al Barari, 600-Nad Al Shiba, Dubai, U.A.E.

SECRETARY

(As per registry dated 15-07-2018)

<u>Name</u>	<u>Address</u>	<u>Co. No.</u>
TMF Secretaries (HK) Ltd.	31/F., Tower Two, Tines Square, 1 Matheson Street, Causeway Bay, Hong Kong.	0099444

HISTORY

The subject was incorporated on 15th July, 1986 as a private limited liability company under the Hong Kong Companies Ordinance.

Originally the subject was registered under the name of Jade Made Enterprises Ltd., name changed to R.B. Diamond Sales Ltd. on 7th October, 1986; and further to the present style on 17th January, 1997.

Formerly the subject's registered office was located at 18/F., Lincoln House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong, moved to 31/F., The Center, 99 Queen's Road Central, Hong Kong in August 2005, and further to the present address with effect from 16th May, 2011.

Last time the head office of the subject was located at Room 3601, 36/F., New World Tower, 18 Queen's Road Central, Hong Kong. Now, the subject's registered office is the same as its operating office.

In July 2016, a new director have been appointed.

The subject changed its shareholders in November 2017.

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

OPERATIONS

Activities: Importer, Exporter, Wholesaler and Distributor.

Lines: All kinds of diamond and jewellery.

Brand Name: *Rosy Blue.*

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Employees:	16. (Including associates)
Commodities Imported:	Imported from Belgium, India, Israel, US, Thailand, etc.
Markets:	Japan, US, Europe, Asian countries, etc.
Terms/Sales:	Various terms.
Terms/Buying:	L/C, T/T, etc.
<u>MEMBERSHIP:</u>	Japan Jewellery Association, Japan. The Hong Kong General Chamber of Commerce, Hong Kong. [Membership No. HKR0306] The Indian Chamber of Commerce Hong Kong, Hong Kong.

FINANCIAL INFORMATION

Issued Share Capital:	HK\$3.00 & US\$3,700,000.00 (3 fully paid ordinary shares and 3,700,000 fully paid redeemable preference shares)
Indebtedness:	US\$8,198,967.82 (Total amount outstanding on all mortgages and charges as per last Annual Return dated 15-07-2018)
Mortgage or Charge:	(See attachment)
Profit or Loss:	Making a small profit every year.
Condition:	Keeping in an active manner.
Facilities:	Making active use of general banking facilities.
Payment:	Slow and Delayed .
Commercial Morality:	Good.
Bankers:-	Bank of China (Hong Kong) Ltd., Hong Kong. ABN AMRO Bank N.V., Hong Kong Branch. The Royal Bank of Scotland N.V., Hong Kong Branch. Antwerpse DiamantBank NV (also known as Antwerp Diamond Bank NV), Hong Kong Branch.
Standing:	Very Good.

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GENERAL

Incorporated in 1986, Rosy Blue Hong Kong Limited is one third owned by Mr. Maiank Mehta and two thirds held by Prime Investments S.A., a Luxembourg-registered firm. The subject in fact is a member of the Rosy Blue Group with headquarters in Luxembourg known as Rosy Blue Investments S.a.r.l. [Rosy Blue].

The managing director of the subject Viraj Rusell Mehta is a Hong Kong ID card holder and has got the right to reside in Hong Kong.

The subject is trading in fine diamonds and jewellery. It is able to provide customers with a wide range of polished diamonds with different sizes, colour cuttings and quantities. Moreover, it provides finished jewellery products to worldwide customers.

Main products of the subject are the followings:

Diamond pendants, white gold diamond pendants, white gold diamond rings, 18K gold rings, 18K gold earrings, white gold rings, white gold pendants, gold rings, loose diamonds, carat size diamonds, diamond necklaces, earrings, etc.

Most of the products bear the brand name *Rosy Blue*.

Originally Rosy Blue was established in 1960 in Mumbai, India as a diamond manufacturer. It is an Indian firm with corporate headquarters in India. Currently, Rosy Blue is a family-owned company chiefly owned by the members of Mehta and Bhansali families.

As a sightholder and a client of the Diamond Trading Company, Rio Tinto Diamonds and Alrosa, Rosy Blue is a key provider to both small and large businesses.

In 1973, Rosy Blue opened its new international headquarters in Antwerp, Belgium. Now Rosy Blue has its headquarters in India and Belgium with offices, factories and stores in 13 countries, having about 5,000 direct employees. The significant sales office of Rosy Blue are in Belgium, Israel, the United Arab Emirates, Japan, the United States, South Africa, China, etc.

The main category products of the Rosy Blue Group are:-

1. Rough Diamonds;
2. Core Polished Diamonds;
3. Specialist Polished Diamonds;
4. Diamond Jewellery; &
5. Polished Outcome.

Besides, Rosy Blue also has a 25% stake in the jewellery company Tse Sui Luen Jewellery (International) Ltd. [TSL]. It usually purchases raw materials and finished goods from the subject.

Besides, Rosy Blue Group is holding preference shares of TSL which is a listed company in Hong Kong. TSL was founded by Mr. Tse Sui Luen in 1971, and was listed on the Hong Kong Stock Exchange in 1987. TSL is currently one of the largest jewellers in Asia, principally engaged in jewellery design, retailing, export and manufacturing. The Group operates over 200 jewellery boutiques spanning major cities in Asia, including Beijing, Shanghai, Guangzhou, Hong Kong, Macau, Kuala Lumpur and Japan.

Rosy Blue is now a global leader in the design, manufacture and distribution of fine diamonds and jewellery.

Rosy Blue also trades in rough diamonds. The rough diamonds range from the smallest to the largest which are in all forms and colours. Rosy Blue procures diamonds from miners in Canada, Russia, South Africa and South America.

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-D10.

The subject's total amount outstanding registered with the Companies Registry as at mid-July 2018 amounted to US\$8.2 million (2017: US\$21.9 million).

The subject owns premises in Hong Kong and operates from its own office.

The business of the subject is chiefly handled by Ms. Kitty Cheung.

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

REMARKS

Property information of the company:-

1. Property Location: Workshop Unit 2 on 4/F., Harbour Centre, Tower 2, 8 Hok Cheung Street, Kowloon, Hong Kong.

Owner: Rosy Blue Hong Kong Ltd.

Date of Purchase: n.a.

Purchased Price: n.a.

Incumbrances:-

Date of Mortgage	Amount Consideration	Mortgagee	Nature
28-09-2007	-	ABN AMRO Bank N.V., Hong Kong Branch. [Now known as The Royal Bank of Scotland N.V.]	Mortgage to secure general banking facilities

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2. Property Location: Workshop Unit 3 on 4/F., Harbour Centre, Tower 2,
8 Hok Cheung Street, Kowloon, Hong Kong.

Owner: Rosy Blue Hong Kong Ltd.

Date of Purchase: n.a.

Purchased Price: n.a.

Incumbrances:-

Date of Mortgage	Amount Consideration	Mortgagee	Nature
28-09-2007	-	ABN AMRO Bank N.V., Hong Kong Branch. [Now known as The Royal Bank of Scotland N.V.]	Mortgage to secure general banking facilities

3. Property Location: Workshop Unit 4 on 4/F., Harbour Centre, Tower 2,
8 Hok Cheung Street, Kowloon, Hong Kong.

Owner: Rosy Blue Hong Kong Ltd.

Date of Purchase: n.a.

Purchased Price: n.a.

Incumbrances:-

Date of Mortgage	Amount Consideration	Mortgagee	Nature
30-11-2007	-	ABN AMRO Bank N.V., Hong Kong Branch. [Now known as The Royal Bank of Scotland N.V.]	Mortgage to secure general banking facilities

MORTGAGE OR CHARGE

(since 2016)

Date	Description of Instrument	Mortgagee
15-03-2016	Mortgage	Bank of China (Hong Kong) Ltd., Hong Kong.
01-11-2016	Mortgage	DBS Bank (Hong Kong) Ltd., Hong Kong.
01-11-2016	Assignment of Rentals	DBS Bank (Hong Kong) Ltd., Hong Kong.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.78
UK Pound	1	INR 95.56
Euro	1	INR 84.47
HKD	1	INR 9.32

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	KET

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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)