

MIRA INFORM REPORT

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| Report No. : | 528249 |
| Report Date : | 03.09.2018 |

IDENTIFICATION DETAILS

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|--------------------------------|--|
| Name : | NJ DIAMONDS |
| Registered Office : | Room 10, 7/F., Beverley Commercial Centre, 87-105 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong. |
| Country : | Hong Kong |
| Date of Incorporation : | 02.02.2009 |
| Com. Reg. No.: | 50233441-000-02 |
| Legal Form : | Sole Proprietorship |
| Line of Business : | Importer, Exporter and Wholesaler all kinds of Diamonds. |
| No. of Employees : | 3. |

RATING & COMMENTS

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

| | |
|------------------------|---|
| MIRA's Rating : | B |
|------------------------|---|

| Credit Rating | Explanation | Rating Comments |
|---------------|-------------|---|
| B | Medium Risk | Business dealings permissible on a regular monitoring basis |

| | |
|----------------------------|------------------|
| Status : | Moderate |
| Payment Behaviour : | Slow but Correct |
| 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) |
|---------------------|---|--|
| 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.

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

NJ DIAMONDS

ADDRESS: Room 10, 7/F., Beverley Commercial Centre, 87-105 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong.

PHONE: 852-2366 6366

FAX: 852-2366 6366

MANAGEMENT

Manager: Mr. Nirmal Jaluka

SUMMARY

Establishment: 2nd February, 2009.

Organization: Sole Proprietorship.

Capital: Not disclosed.

Business Category: Diamond Trader.

Employees: 3.

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

Banking Relation: Satisfactory.

ADDRESS

Head Office:-

Room 10, 7/F., Beverley Commercial Centre, 87-105 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong.

Associated Companies:-

Star Trading Co., Hong Kong. (Same address)

Unity Tradex (HK), Hong Kong.

BUSINESS REGISTRATION NUMBER

50233441-000-02

MANAGEMENT

Manager: Mr. Nirmal Jaluka
(Hong Kong Mobile: 852-9674 0011)

SOLE PROPRIETOR

Name: Mr. Nirmal JALUKA
Residential Address: Flat 23, 14/F., 17-24 Man Wai Building, Jordan, Kowloon, Hong Kong.

HISTORY

The subject was established on 2nd February, 2009 as a sole proprietorship concern owned by Mr. Nirmal Jaluka under the Hong Kong Business Registration Regulations.

At the very beginning, the subject was located at Flat 23, 14/F., 17-24 Man Wai Building, Jordan, Kowloon, Hong Kong, moved to Flat 1, 14/F., of the same building in December 2010, to 'Room 21, 4/F., Beverley Commercial Centre, 87-105 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong' in November 2011, and further moved to 'Room 10, 7/F.' of the same building in December 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.

Commodities Imported: India, other Asian countries, etc.

Markets: Hong Kong, India, other Asian countries, Europe, etc.

Terms/Sales: CAD, L/C, T/T, etc.

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

FINANCIAL INFORMATION

Capital: Not disclosed.
Profit or Loss: Made small profits in past years.
Condition: Keeping in a normal condition.
Facilities: Adequate for current running.
Payment: Slow but Correct.
Commercial Morality: Satisfactory.
Banker: The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
Standing: Small.

GENERAL

NJ Diamonds is a sole proprietorship set up and owned by Mr. Nirmal Jaluka who is an India merchant. He is a Hong Kong ID Card holder and has got the right to reside in Hong Kong. He has been residing in Hong Kong for a very long time since the establishment of the subject.

He can be reached at his Hong Kong mobile phone number 852-9674 0011.

The subject is a diamond trader. It is a diamond importer, exporter and wholesaler. It is trading in loose, polished and cut diamonds.

It is trading in loose diamonds like marquise, pears, tappers, buggets and rose cut diamonds range from 0.05 cts to 0.60 cts.

Some of the commodities are imported from India. It also acquired commodities from local suppliers. Prime markets are Hong Kong, China, Japan, India, the other Asian countries, Europe, etc. Regular suppliers and customers have been maintained. Business is normal.

The subject has had an associated company known as Star Trading Co. located at the same address. Established in 2000, Star Trading is also operated by Nirmal Jaluka. This firm is trading in CD-R disk and other electronics which are chiefly exported to India. It also sells CD-R scrap in Hong Kong. However, the business of this company seems not so significant.

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Another associated company Unity Tradex (HK) Co. [Unity Tradex] is also located at the same address. Unity Tradex is trading in dental equipment, industrial equipment and spare parts, machine tools, home furnishing and building materials. This company was founded in 2007 by Nirmal Jaluka. It is a sole proprietorship. Its associated company is in Jaipur, Rajasthan, India.

According to Unity Tradex, it is engaged in the following projects:

- Residential and Hotel Projects
- Industrial Projects
- Dental Projects

The business of the subject is chiefly handled by Jaluka himself. History in Hong Kong is over nine years and six months.

On the whole, consider the subject good for normal business engagements in moderate credit amounts.

FOREIGN EXCHANGE RATES

| Currency | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1 | INR 70.93 |
| UK Pound | 1 | INR 92.35 |
| Euro | 1 | INR 82.84 |
| HKD | 1 | INR 9.01 |

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

INFORMATION DETAILS

| | |
|----------------------|-----|
| Analysis Done by : | NIS |
| 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)