

## MIRA INFORM REPORT

<b>Report No. :</b>	530855
<b>Report Date :</b>	21.09.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	PURITY (H.K.) COMPANY LIMITED
<b>Registered Office :</b>	Flat B, 8/F., Valiant Commercial Building, 22-24 Prat Avenue, Tsimshatsui, Kowloon
<b>Country :</b>	Hong Kong
<b>Date of Incorporation :</b>	21.05.2008
<b>Com. Reg. No.:</b>	39327976
<b>Legal Form :</b>	Private Limited Company
<b>Line of Business :</b>	Importer, Exporter and Wholesaler of All Kinds of Diamonds and Precious Stones.
<b>No. of Employees :</b>	5. (Including Associate)

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	<b>A</b>
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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>	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.

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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, 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,

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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 & ADDRESS***

PURITY (H.K.) COMPANY LIMITED

ADDRESS: Flat B, 8/F., Valiant Commercial Building, 22-24 Prat Avenue, Tsimshatsui, Kowloon, Hong Kong.

PHONE: 852-2739 1233, 2723 4929, 2723 6969

FAX: 852-2739 1033, 2311 2977

E-MAIL: purityhk@biznetvigator.com

## ***MANAGEMENT***

Managing Director: Mr. Rajesh Golchha

## ***SUMMARY***

Incorporated on: 21st May, 2008.

Organization: Private Limited Company.

Issued Share Capital: HK\$20,000,000.00

Business Category: Diamond Trader.

Employees: 5. (Including Associate)

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

Banking Relation: Satisfactory.

## ***NAME***

PURITY (H.K.) COMPANY LIMITED

## ***ADDRESS***

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

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Flat B, 8/F., Valiant Commercial Building, 22-24 Prat Avenue, Tsimshatsui, Kowloon, Hong Kong.

**Associated Company:-**

Pyramid (HK) Co. Ltd., Hong Kong. (Same address)

**BUSINESS REGISTRATION NUMBER**

39327976

**COMPANY FILE NUMBER**

1239724

**MANAGEMENT**

Managing Director: Mr. Rajesh Golchha

**ISSUED SHARE CAPITAL**

HK\$20,000,00.00

**SHAREHOLDERS**

(As per registry dated 21-05-2018)

Name	No. of shares
Anil Kumar KOTHARI	15,000,000
Rajesh GOLCHHA	2,500,000
Shrishrimal Naineesh	2,500,000
Total:	20,000,000 =====

**DIRECTORS**

(As per registry dated 21-05-2018)

Name

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(Nationality)	Address
Anil Kumar KOTHARI	Flat C, 32/F., Block 2, Royal Peninsula, 8 Hung Lai Road, Tsimshatsui, Kowloon, Hong Kong.
Rajesh GOLCHHA	Flat C, 32/F., Block 2, Royal Peninsula, 8 Hung Lai Road, Tsimshatsui, Kowloon, Hong Kong.

## **SECRETARY**

(As per registry dated 21-05-2018)

Name	Address	Co. No.
Cbest Solutions Ltd.	Unit 7, 23/F., Enterprise Square Three, 39 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong.	1295959

## **HISTORY**

The subject was incorporated on 21st May, 2008 as a private limited liability company under the Hong Kong Companies Ordinance.

Formerly the subject was located at Room 807, 8/F., Multifield Plaza, 3-7A Prat Avenue, Tsimshatsui, Kowloon, Hong Kong, moved to Flat B, 8/F., Valiant Commercial Building, 22-24 Prat Avenue, Tsimshatsui, Kowloon, Hong Kong in July 2012, moved to Unit 807, 8/F., Multifield Plaza, 3-7A Prat Avenue, Tsimshatsui, Kowloon, Hong Kong in July 2012. It moved back to its old address in late 2013.

The subject's new company secretary was appointed on 21st May, 2017.

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 and precious stones.
Employees:	5. (Including associate)
Commodities Imported:	India, other Asian countries, Belgium, etc.
Markets:	Hong Kong, Japan, other Asian countries, US, Europe, etc.
Terms/Sales:	CAD, L/C, T/T, etc.
Terms/Buying:	L/C, T/T, D/P, etc.

## **FINANCIAL INFORMATION**

Issued Share Capital:	HK\$20,000,000.00
Profit or Loss:	Made small profits in past years.
Condition:	Keeping in normal condition.
Facilities:	Making rather active use of general banking facilities.
Payment:	Slow but correct.
Commercial Morality:	Satisfactory.
Banker:	The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
Standing:	Satisfactory.

## **GENERAL**

Formerly had issued 10 million ordinary shares of HK\$1.00 each, Purity (H.K.) Company Limited was jointly owned by three Indian, namely, Mr. Anil Kumar Kothari, holding 75.0% interests; Mr. Rajesh Golchha, holding 12.5%; and Mr. Shrishrimal Naineesh, also 12.5%. Now, the subject's ordinary shares have been increased to 20 million of the same value each, and the equities of the shareholders remain unchanged.

Currently, all the shareholders are residing in Hong Kong. The directors of the subject are Mr. Rajesh Golchha and Mr. Anil Kumar Kothari, both are Hong Kong ID holders and have got the right to reside in Hong Kong. The two directors are residing at the same address in Hong Kong.

The managing director of the subject is Mr. Rajesh Golchha.

The subject moved to the present address in late 2013. It has had an associated company Pyramid (HK) Co. Ltd. [Pyramid], a Hong Kong-registered company located at another address. This company is also owned and operated by Mr. Rajesh Golchha.

The subject is a polished and cut diamond importer, exporter and wholesaler. So does Pyramid.

The subject also trades in precious stones. Its main products are fancy shape diamonds and loose diamonds, range from 0.05 cts to 5.00 cts. Most of the diamonds are GIA certified. The subject is significant for its Heart Shape Diamond, Oval Shape Diamond, and Pear Shape Diamond.

Besides, the subject also trades in the following precious stones:

Tsavorite Stones, Natural Tsevo Stones, Tansanite Stones, Faceted Tanzanite, Blue Tanzanite, Pink Tourmaline, Red Tourmaline, etc.

Polished and cut diamonds are imported from India, Belgium, other European countries, etc. Finished products and polished diamonds are marketed in Hong Kong, exported to Japan and the other Asian countries. Business keeps on improving.

The subject is able to manufacture all kinds of jewellery products according to the requirements of its customer.

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-K38.

The subject will take part in the same show in 2019.

Mr. Rajesh Golchha is the contact person of the subject.

On the whole, since the history of the subject is over ten years and four months, consider it good for normal business engagements.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.67
UK Pound	1	INR 95.59
Euro	1	INR 84.90
HKD	1	INR 9.25

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	PRI
<b>Report Prepared by :</b>	TPT

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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)