

MIRA INFORM REPORT

Report No. :	522901
Report Date :	06.08.2018

IDENTIFICATION DETAILS

Name :	KOWLOON TRADING CO.
Registered Office :	Flat F, 14/F., Far East Mansion, 5-6 Middle Road, Tsimshatsui, Kowloon
Country :	Hong Kong
Date of Incorporation :	01.05.1987
Com. Reg. No.:	10973982-000-05
Legal Form :	Partnership
Line of Business :	Trader of Diamond, gemstone, sapphire, rube, emerald, coloured gemstone
No. of Employees :	4

RATING & COMMENTS

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

MIRA's Rating :	A
-----------------	---

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

Status :	Satisfactory
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.

ECGC Country Risk Classification List

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.

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



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>

KOWLOON TRADING CO. - 522901

PAGE NO. : 4

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 AND ADDRESS

KOWLOON TRADING CO.

ADDRESS: Flat F, 14/F., Far East Mansion, 5-6 Middle Road, Tsimshatsui, Kowloon, Hong Kong.
PHONE: 852-2722 5540, 2721 7443
FAX: 852-2311 4456
E-MAIL: ktco@netvigator.com

MANAGEMENT

Manager: Mr. Agrawal Anil

SUMMARY

Establishment: 1st May, 1987.
Organization: Partnership.
Capital: Not disclosed.
Business Category: Diamond and Gemstone Trader.
Employees: 4.
Main Dealing Banker: The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
Banking Relation: Satisfactory.

ADDRESS

Head Office:-

Flat F, 14/F., Far East Mansion, 5-6 Middle Road, Tsimshatsui, Kowloon, Hong Kong.

Associated/Affiliated Companies:-

GRK Gems Inc., US.
Gupta Jewel Corporation, India.

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.

BUSINESS REGISTRATION NUMBER

10973982-000-05

MANAGEMENT

Manager: Mr. Agrawal Anil

PARTNERS

Name: Mr. Agrawal ANIL
Residential Address: Flat A, 16/F., Far East Mansion, 5-6 Middle Road, Tsimshatsui, Kowloon, Hong Kong.

Name: Mr. Agrawal Ritu
Residential Address: Flat A, 16/F., Far East Mansion, 5-6 Middle Road, Tsimshatsui, Kowloon, Hong Kong.

HISTORY

The subject was established on 1st May, 1987 as a partnership concern jointly owned by Mr. Agrawal Anil and Mr. Kumar Gupta Suresh under the Hong Kong Business Registration Regulations. On 1st January, 2001, Mr. Kumar Gupta Suresh outwent and a new partner Mr. Kumar Gupta Ashok joined in. On 15th July, 2014, Mr. Kumar Gupta Ashok outwent.

On 24th May, 2016, Mr. Agrawal Ritu joined in as a partner. Now, the subject is still a partnership concern. Initially the subject was located at Flat 3, 10/F., Block C, Hankow Centre, 1C Middle Road, Tsimshatsui, Kowloon, Hong Kong where is the residential address of Mr. Anil Agrawal, moved to Flat 4, 10/F., Block C of the same building in January 1992; to 10/F., Rear Portion, Ocean View Court, 41 Mody Road, Tsimshatsui, Kowloon, Hong Kong in December 1995; to Flat D, 16/F., Far East Mansion, 5-6 Middle Road, Tsimshatsui, Kowloon, Hong Kong in March 2001; and further moved to Flat F, 14/F. of the same building in July 2005.

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

OPERATIONS

Activities: Diamond and Gemstone Trader.

Lines: Diamond, gemstone, sapphire, rube, emerald, coloured gemstone.

Brand Name: *K.T.C., Monarque.*

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.

Employees: 4.

Commodities Imported: India, Thailand, Europe, other Asian countries, etc.

Markets: Japan, South Korea, Taiwan, Thailand, other Asian countries, etc.

Terms/Sales: As per contracted.

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

MEMBERSHIP: Hong Kong Jewellery & Jade Manufacturers Association, Hong Kong.

FINANCIAL INFORMATION

Capital: Not disclosed.

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.

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

Standing: Very Good.

GENERAL

Kowloon Trading Co. is a partnership concern jointly owned by Mr. Agrawal Anil and Mr. Agrawal Ritu, both of whom are India merchants. They are Hong Kong ID holders and have got the right to reside in Hong Kong. The subject is trading in diamond, gemstone, sapphire, ruby, emerald, coloured gemstone, etc. However, loose diamonds, black diamond collections, yellow diamond collections, multi-coloured sapphire are the main commodities carried.

Most of its products bear the brand name K.T.C. Products are imported from India, Thailand, Europe, etc. Commodities are marketed in Hong Kong, exported to Japan, South Korea, Taiwan, Thailand, Malaysia, China, other Asian countries, Spain, the United States, etc. According to the subject, it has got affiliated companies or offices in Malaysia, Spain, Taiwan, Thailand, China, Taiwan, India and the United States. The main one in Thailand is administered by Mr. Kumar Gupta Ashok.

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.

In Hong Kong, the subject set up a retailing outlet in Hong Kong on 1st May, 2007. However, this firm ceased business on 1st July, 2008.

The subject has had associated retail outlets in the United States, Thailand, Taiwan and India. Business is rather active.

The subject's business is chiefly handled by the two partners.

To our knowledge, the subject is also an associated company of Gupta Jewel Corporation [Gupta]. Gupta was founded in 1970. It is a leading manufacturer, importer and exporter of a wide range of precious stones and semi-precious stones comprising of amethyst, citrine, lemon topaz, emerald, sapphire, garnet, diamond, aquamarine, etc. Gupta also deals in gold and silver jewellery. Today, Gupta is also a regular member of International Colored Association [ICA].

Gupta is engaged in manufacturing, importing and exporting of the following products:-

- Diamonds;
- Gemstones; &
- Jewellery.

The subject is significant for its white diamonds, fancy colour diamond and black diamond.

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 is going to take part in "Hong Kong Jewellery & Gem Fair which will be held in Hong Kong during the period of 13th to 17th September, 2018. Its booth No. is 7S12.

The history of the subject in Hong Kong is over 31 years and three months.

On the whole, in view of the subject's history and background, consider it good for normal business engagements.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.79
UK Pound	1	INR 89.52
Euro	1	INR 79.67
HKD	1	INR 8.77

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

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	SYL

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)