

MIRA INFORM REPORT

| | |
|----------------------|------------|
| Report No. : | 545209 |
| Report Date : | 19.12.2018 |

IDENTIFICATION DETAILS

| | |
|--------------------------------|--|
| Name : | SIMRAN GEMS LIMITED |
| Registered Office : | 13/F., Soho Tower, 25 Hart Avenue, Tsimshatsui, Kowloon |
| Country : | Hong Kong |
| Date of Incorporation : | 04.11.2013 |
| Com. Reg. No.: | 62275089 |
| Legal Form : | Private Limited Company |
| Line of Business : | Importer, Exporter and Wholesaler of all kinds of diamonds, gemstones. |
| 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.

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.

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>

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

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

SIMRAN GEMS LIMITED

ADDRESS: 13/F., Soho Tower, 25 Hart Avenue, Tsimshatsui, Kowloon, Hong Kong.
PHONE: 852-2301 4211, 852-2301 4311
FAX: 852-2366 4500
E-MAIL: simrangemshk@gmail.com

MANAGEMENT

Managing Director: Mr. Rahil Kishor Zaveri

SUMMARY

Incorporated on: 4th November, 2013.
Organization: Private Limited Company.
Issued Share Capital: HK\$7,800,000.00
Business Category: Diamond & Gemstone Trader.
Annual Revenue: US\$30 - 50 million
Employees: 4.
Main Dealing Banker: Hang Seng Bank Ltd., Hong Kong.
Banking Relation: Satisfactory.

SIMRAN GEMS LIMITED

ADDRESS:

Registered Head Office:-
13/F., Soho Tower, 25 Hart Avenue, Tsimshatsui, Kowloon, Hong Kong.

BUSINESS REGISTRATION NUMBER

62275089

COMPANY FILE NUMBER

1990421

MANAGEMENT

Managing Director: Mr. Rahil Kishor Zaveri
(Hong Kong Mobile Phone No.: 852-6925 6635)

ISSUED SHARE CAPITAL

HK\$7,800,000.00

SHAREHOLDER

(As per registry dated 04-11-2018)

Name

Rahil Kishor ZAVERI

No. of share

7,800,000

=====

DIRECTOR

(As per registry dated 04-11-2018)

Name

(Nationality)

Rahil Kishor ZAVERI

Address

Flat G, 25/F., Block 4, Royal Peninsula, 8 Hung Lai Road,
Hungghom, Kowloon, Hong Kong.

SECRETARY

(As per registry dated 04-11-2018)

| Name | Address | Co. No. |
|------------------|---|---------|
| Ponce & Co. Ltd. | Unit 324, 3/F., Hankow Centre, 5-15 Hankow Road, Tsimshatsui, Kowloon, Hong Kong. | 1121248 |

HISTORY

The subject was incorporated on 4th November, 2013 as a private limited liability company under the Hong Kong Companies Ordinance.

Formerly the subject was located at Unit 324, 3/F., Hankow Centre, 5-15 Hankow Road, Tsimshatsui, Kowloon, Hong Kong, moved to the present address with effect from 17th December, 2013.

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, gemstones

Employees: 4.

Commodities Imported: India, other Asian countries, etc.

Markets: Hong Kong, China, other Asian countries, Europe, US, etc.

Annual Revenue: US\$30 – 50 million.

Terms/Sales: CAD or as per contracted.

Terms/Buying: Prepayment, L/C, T/T, etc.

FINANCIAL INFORMATION

Issued Share Capital: HK\$7,800,000.00

Profit or Loss: Made small profits in past years.

Annual Net Profit: US\$0.3 – 0.4 million.

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.

| | |
|----------------------|---------------------------------|
| Condition: | Business is normal. |
| Facilities: | Adequate for current running. |
| Payment: | Slow but Correct. |
| Commercial Morality: | Satisfactory. |
| Banker: | Hang Seng Bank Ltd., Hong Kong. |
| Standing: | Normal. |

GENERAL

Having issued 7.8 million ordinary shares of HK\$1.00 each, Simran Gems Limited is wholly owned by Mr. Rahil Kishor Zaveri [R K Zaveri] who is an India merchant.

He is a Hong Kong ID Card holder and has got the right to reside in Hong Kong permanently. He is also the only director of the subject. He can be reached at his Hong Kong mobile phone number 852-6925 6635.

Incorporated in November 2013, the subject is a diamond and gemstone trader.

The subject is trading in loose, polished and cut diamonds. It is significant for its Carat Size, Fancy Shape, Loose Stones, Melee, Fancy Coloured Diamonds, Polished Diamonds, etc.

According to the subject, it also trades in a wide range of non-certified diamonds, sizing from 0.005 carats to 5.00 carats in white as well as lower colour from IF to I3 Clarity in Round & Princess cuts. The Diamonds are manufactured in its own manufacturing units in India.

Most of the commodities are imported from India. Prime markets are Hong Kong, Japan, the other Asian countries, Europe, the United States, etc. Business is normal.

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 DD-20.

It will take part in the same Show in 2019.

R K Zaveri has been a diamond trader in Hong Kong for a long time before setting up the subject. The subject's business is chiefly handled by him. History in Hong Kong is over five years and a month.

For the year ended 31st December, 2015, the revenue of the subject amounted to US\$30.6 million, profit for the year was US\$0.28 million. Now, its annual revenue ranges from US\$30 to 50 million. Business is profitable.

On the whole, consider it good for normal business engagements.

FOREIGN EXCHANGE RATES

| Currency | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1 | INR 71.19 |
| UK Pound | 1 | INR 89.88 |
| Euro | 1 | INR 80.76 |
| HKD | 1 | INR 8.96 |

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

INFORMATION DETAILS

| | |
|----------------------|------|
| Analysis Done by : | VIVR |
| Report Prepared by : | DNS |

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)