

MIRA INFORM REPORT

Report No. :	482595
Report Date :	02.01.2018

IDENTIFICATION DETAILS

Name :	KARP IMPEX HK LIMITED
Registered Office :	Unit 01-02, 10/F., Tower 2, Harbour Centre, 8 Hok Cheung Street, Hunghom, Kowloon
Country :	Hong Kong
Date of Incorporation :	19.02.2003
Com. Reg. No.:	33374139
Legal Form :	Private Limited Company.
Line of Business :	Importer, Exporter and Wholesaler of All Kinds of Diamonds and Jewellery.
No. of Employees :	12. (Including associates)

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 :	No Complaints

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.

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

Country Name	Previous Rating (30.06.2017)	Current Rating (30.09.2017)
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.

Hong Kong's open economy left it exposed to the global economic slowdown that began in 2008. Although increasing integration with China through trade, tourism, and financial links aided a more rapid initial recovery than many observers anticipated, its continued reliance on foreign trade and investment leaves it vulnerable to renewed global financial market volatility or a slowdown in the global economy.

The Hong Kong Government is promoting the Special Administrative Region (SAR) as the site for Chinese 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; and RMB trade settlement is allowed. The territory far exceeded the RMB conversion quota set by Beijing for trade settlements in 2010 due to the growth of earnings from exports to the mainland. RMB deposits grew to roughly 9.4% of total system deposits in Hong Kong by the end of 2015. The government is pursuing efforts to introduce additional use of RMB in Hong Kong financial markets and is seeking to expand the RMB quota.

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 has surged from 4.5 million in 2001 to 47.3 million in 2014, outnumbering visitors from all other countries combined. Mainland visitors to Hong Kong declined 3% in 2015 to approximately 45.7 million, reflecting an overall drop of 2.5% in total visitors to Hong Kong. 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 51% of the firms listed on the Hong Kong Stock Exchange and accounted for about 62.1% 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, adopted in 2003 to forge closer ties between Hong Kong and the mainland. The new measures, effective March 2015, cover a negative list and a most-favored treatment provision, and will improve access to the mainland's service sector for Hong Kong-based companies.

Credit expansion and a tight housing supply have caused Hong Kong property prices to rise rapidly; consumer prices increased 4.4% in 2014, but slowed to 2.9% in 2015. Lower- and middle-income segments of the population are increasingly unable to afford adequate housing.

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 Mutual Recognition of Funds, and The Hong Kong Shanghai Gold Connect are all important steps towards opening up the Mainland's capital markets and has reinforced Hong Kong's leading role as China's offshore RMB market. Additional connect schemes from bonds to commodities and other investment products are also under exploration by Hong Kong authorities.

Source : CIA

COMPANY NAME AND ADDRESS

KARP IMPEX HK LIMITED

ADDRESS: Unit 01-02, 10/F., Tower 2, Harbour Centre, 8 Hok Cheung Street, Hunghom, Kowloon, Hong Kong.

PHONE: 852-2369 3000, 2724 4330

FAX: 852-2369 8700, 2721 6516

E-MAIL: hini@karpgroup.com
karpjewhk@karpgroup.com
kishorvirani@karpgroup.com
anilvirani@karpgroup.comw

MANAGEMENT:

Managing Director: Mr. Anilkumar Bhikhabhai Virani

SUMMARY

Incorporated on: 19th February, 2003.

Organization: Private Limited Company.

Issued Share Capital: HK\$5,460,000.00

Business Category: Diamond Trader.

Group Annual Revenue: US\$200-250 million.

Employees: 12. (Including associates)

Main Dealing Banker: Industrial & Commercial Bank of China (Asia) Ltd., Hong Kong.

Banking Relation: Satisfactory.

ADDRESS

Registered Head Office:-

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.

Unit 01-02, 10/F., Tower 2, Harbour Centre, 8 Hok Cheung Street, Hunghom, Kowloon, Hong Kong.

India Factory:-
8/A, Lal Darwaja, Surat-395 008, Gujarat, India.

Holding Company:-
Karp Impex Ltd., India.

Associated Companies:-
Karp Group of Companies
Hini Star (Bangkok) Ltd., Thailand.
Hini Star (Shanghai) Ltd., China.
Hini Star (Taiwan) Ltd., Taiwan.
Hini Star Diamonds LLC, UAE.
Hini Star Ltd., Hong Kong. (Same address)
Hini Star, Hong Kong. (Same address)
Karp Diamonds Pvt. Ltd., India.
Karp Impex N.V., Belgium.
Karp Infotech, India.
Karp Jewellery Mfg. China Ltd., Hong Kong. (Same address)
Karp Jewellery Mfg. HK Ltd., Hong Kong. (Same address)
Karp Jewellery Pvt. Ltd., India.
Karp Jewellery Taiwan Ltd., Hong Kong. (Dissolved)
Karp Jewellery Taiwan Ltd., Taiwan.
Karp Manufacturing Co., India.
Karp Suisse (Geneva), Switzerland.
Park Infotech, India.
Vivi Jewellery, Hong Kong.
etc.

BUSINESS REGISTRATION NUMBER

33374139

COMPANY FILE NUMBER

0833706

MANAGEMENT

Managing Director: Mr. Anilkumar Bhikhabhai Virani

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.

ISSUED SHARE CAPITAL

HK\$5,460,000.00

SHAREHOLDERS

(As per registry dated 19-02-2017)

<u>Name</u>	<u>No. of shares</u>
Karp Impex Ltd. Shanta Bhuvan, 66 Kumudwadi, Bhavnagar-364002 (Gujarat), India. Anilkumar Bhikhabhai VIRANI	5,459,999
	1
Total:	5,460,000 =====

DIRECTORS

(As per registry dated 19-02-2017)

<u>Name</u> (Nationality)	<u>Address</u>
Anilkumar Bhikhabhai VIRANI	Jal-Mayur Chs., 5/F., 51 Laxmi Vilas, 87 Nepean Sea Road, Mumbai-400006, India.
Kishorkumar Bhikhalal VIRANI	Jal-Mayur Chs., 5/F., 51 Laxmi Vilas, 87 Nepean Sea Road, Mumbai-400006, India.
Smit Ramesh VIRANI [Alternate to Kishorkumar Bhikhalal VIRANI]	House 32, King's Park Hill, 32 King's Park Hill Road, Homantin, Kowloon, Hong Kong.

SECRETARY

(As per registry dated 19-02-2017)

<u>Name</u>	<u>Address</u>	<u>Co. No.</u>
RC Corporate Services Ltd.	Unit 1715, 17/F., Concordia Plaza, 1 Science Meseum Road, Tsimshatsui, Kowloon, Hong Kong.	0467057

HISTORY

The subject was incorporated on 19th February, 2003 as a private limited liability company under the Hong Kong Companies Ordinance.

Formerly the subject was located at Room 1505, 15/F., Tung Shun Hing Commercial Centre, 20-22 Granville Road, Tsimshatsui, Kowloon, Hong Kong, moved to the present address in December 2005.

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 jewellery.
Employees: 12. (Including associates)
Commodities Imported: Belgium, India, Israel, US, etc.
Markets: Europe, Japan, Israel, Thailand, US, etc.
Group Annual Revenue: US\$200-250 million.
Terms/Sales: As per contracted.
Terms/Buying: Various terms.

FINANCIAL INFORMATION

Issued Share Capital: HK\$5,460,000.00
Profit or Loss: Business is profitable.
Condition: Business is active.
Facilities: Making active use of general banking facilities.
Payment: No Complaints.
Commercial Morality: Satisfactory.

Bankers:-
Industrial & Commercial Bank of China (Asia) Ltd., Hong Kong.
The Royal Bank of Scotland N.V., Hong Kong Branch.

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.

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

Standing: Very Good.

GENERAL

Having issued 5,460,000 ordinary shares of HK\$1.00 each, Karp Impex HK Limited is a wholly-owned subsidiary of Karp Impex Ltd. [Karp Impex] which is an India-based firm. The subject is controlled by Mr. Anilkumar Bhikhabhai Virani who is holding a very minor stake of the subject. A B Virani is an India passport holder and does not have the right to reside in Hong Kong permanently.

The subject is a member of the Karp Group which is an Indian Group in India trading in jewellery and diamonds. It is an importer, exporter and wholesaler of fancy cut diamonds and round diamonds. It also trades in ladies' necklace, diamond jewellery and ladies' ring.

The subject has had an associated company Karp Jewellery Mfg. HK Ltd. [Karp JM] located at the same address. This company is also a member of the Karp Group and managed by the same family.

Karp JM is a division of Karp Group.

The manufacturing unit of the Karp Group is located in Panyu, Guangzhou City, Guangdong Province, China which comprises of expertise including designers, gemmologists, plating chemists, metallurgists and craftsmen. The Panyu factory has been equipped with ultra-modern production facilities including rapid prototyping technology. It also has been equipped with computerized moulding machines, advanced automatic assembling and laser machines, model workshop, computer aided design software, rapid prototyping equipment, etc. The factory is able to develop its own new products.

With well-established offices in worldwide, the subject offers customers with the full spectrum of fancy cut diamonds including taper, baguette, marquise, pear, oval, princess, heart, trillion, round pointer, and brilliant cut diamonds from 0.01 to 10 carat, also "Hearts & Arrows" ideal cut with GIA / HRD / IGI certificate.

The subject is trading in the following commodities:

- Rose Gold Diamond Earrings;
- Gold Diamond Bangle;
- Ladies' Diamond Bangle;
- Diamond Bangle;
- Diamond Bangle Series;
- Diamond Bangle;
- Grandeur Collection;

- Feng Huang Collection;
- Feng Huang Collection;
- Grandeur Collection;
- Diamond Necklace; &
- Dangle Diamond Necklace.

Karp Group has a designing team which had been bestowed with prominent awards every year from 2004 to 2012. In 2012. KARP introduced the two haute couture collections - "Feng Huang" and "Grandeur" featuring stunning pieces set with natural white and fancy coloured diamonds.

The subject has got an associated company Hini Star Ltd. [Hini Star] located at the subject's operating address. Hini Star has been named the No. 1 diamond importer in Southeast Asia by the Gem and Jewellery Export Promotion Council of India since 1996.

The Karp Group is owned by the Maldar family and was formed in the early 60's in India. Now, the Group is controlled by the third generation of the family.

Hini Star is administered by Mr. Rameshkumar Bhikhabhai Virani who is one of the key members of the Karp Group.

Karp Impex is recognized by the Government of India as a "Star Trading House".

The presence of Karp Impex in international luxury market as an exclusive supplier of patented cut and polished diamonds to "Mont Blanc" for their writing instruments and women accessories. Karp Impex derives about 80% of its revenues from manufacturing and processing of cut and polished diamonds, while balance sales arise out of trading of cut and polished diamonds and rough diamonds. The company's sales are predominantly export oriented. It exports about 80% of its products. Its markets are the United Kingdom, the United States, India, China, the United Arab Emirates, other European countries, Russia, etc.

In India, the Karp Group has about 8,000 workers while some of its workers are the third generation employees.

In order to penetrate the international market further, the Group has taken part in fairs and exhibitions held in Hong Kong and other foreign large cities.

Karp Impex was established on 30th November, 1983 as a partnership.

The subject is fully supported by the Karp Group. History is over fourteen years and ten months.

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

REMARK

Property information of affiliate:-

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.

Property Location: Workshop Unit No. 01 & 02 on 10/F., Harbour Centre Tower 2,
8 Hok Cheung Street, Kowloon, Hong Kong.

Owner: Hini Star Ltd.

Date of Purchase: n.a.

Purchased Price: n.a.

Incumbrances:-

Date of Mortgage	Amount Consideration	Mortgagee	Nature
01-09-2005	-	The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.	Mortgage to secure general banking facilities
07-09-2007	-	- ditto -	Deed of variation and further charge to secure general banking facilities

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 63.67
UK Pound	1	INR 85.90
Euro	1	INR 75.47
HKD	1	INR 8.13

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

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	TRU

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)

PRIVATE & CONFIDENTIAL : This information is provided to you at your request, you having employed MIPL for such purpose. You will use the information as aid only in determining the propriety of giving credit and generally as an aid to your business and for no other purpose. You will hold the information in strict confidence, and shall not reveal it or make it known to the subject persons, firms or corporations or to any other. MIPL does not warrant the correctness of the information as you hold it free of any liability whatsoever. You will be liable to and indemnify MIPL for any loss, damage or expense, occasioned by your breach or non observance of any one, or more of these conditions

This report is issued at your request without any risk and responsibility on the part of MIRA INFORM PRIVATE LIMITED (MIPL) or its officials.

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.