

## MIRA INFORM REPORT

<b>Report No. :</b>	532955
<b>Report Date :</b>	02.10.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	KARTYRAY DIAMONDS (SHANGHAI) CO., LTD.
<b>Registered Office :</b>	Room 907A, Tower A, China Diamond Exchange Centre, No. 1701, Century Avenue, Pudong New District, Shanghai City, 200122 Pr
<b>Country :</b>	China
<b>Financials (as on) :</b>	31.12.2015
<b>Date of Incorporation :</b>	11.09.2013
<b>Com. Reg. No.:</b>	913101150781358292
<b>Legal Form :</b>	One-Person Limited Liability Company
<b>Line of Business :</b>	Subject includes selling of diamonds, jewelry, importing and exporting goods and technologies.
<b>No. of Employees :</b>	5

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	B
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Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

<b>Status :</b>	Moderate
<b>Payment Behaviour :</b>	Slow but Correct
<b>Litigation :</b>	Clear

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**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.

**ECGC Country Risk Classification List**

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
China	A2	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

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**CHINA - ECONOMIC OVERVIEW**

Since the late 1970s, China has moved from a closed, centrally planned system to a more market-oriented one that plays a major global role. China has implemented reforms in a gradualist fashion, resulting in efficiency gains that have contributed to a more than tenfold increase in GDP since 1978. Reforms began with the phaseout of collectivized agriculture, and expanded to include the gradual liberalization of prices, fiscal decentralization, increased autonomy for state enterprises, growth of the private sector, development of stock markets and a modern banking system, and opening to foreign trade and investment. China continues to pursue an industrial policy, state support of key sectors, and a restrictive investment regime. Measured on a purchasing power parity (PPP) basis that adjusts for price differences, China in 2016 stood as the largest economy in the world, surpassing the US in 2014 for the first time in modern history. China became the world's largest exporter in 2010, and the largest trading nation in 2013. Still, China's per capita income is below the world average.

After keeping its currency tightly linked to the US dollar for years, China in July 2005 moved to an exchange rate system that references a basket of currencies. From mid-2005 to late 2008, the renminbi appreciated more than 20% against the US dollar, but the exchange rate remained virtually pegged to the dollar from the onset of the global financial crisis until June 2010, when Beijing announced it would allow a resumption of gradual liberalization. From 2013 until early 2015, the renminbi (RMB) appreciated roughly 2% against the dollar, but the exchange rate fell 13% from mid-2015 until end-2016 amid strong capital outflows in part stemming from the August 2015 official devaluation; in 2017 the RMB resumed appreciating against the dollar – roughly 7% from end-of-2016 to end-of-2017. From 2013 to 2017, China had one of the fastest growing economies in the world, averaging slightly more than 7% real growth per year. In 2015, the People's Bank of China announced it would continue to carefully push for full convertibility of the renminbi, after the currency was accepted as part of the IMF's special drawing rights basket. However, since late 2015 the Chinese Government has strengthened capital controls and oversight of overseas investments to better manage the exchange rate and maintain financial stability.

The Chinese Government faces numerous economic challenges including: (a) reducing its high domestic savings rate and correspondingly low domestic household consumption; (b) managing its high corporate debt burden to maintain financial stability; (c) controlling off-balance sheet local government debt used to finance infrastructure stimulus; (d) facilitating higher-wage job opportunities for the aspiring middle class, including rural migrants and college graduates, while maintaining competitiveness; (e) dampening speculative investment in the real estate sector without sharply slowing the economy; (f) reducing industrial overcapacity; and (g) raising productivity growth rates through the more efficient allocation of capital and state-support for innovation. Economic development has progressed further in coastal provinces than in the interior, and by 2016 more than 169.3 million migrant workers and their dependents had relocated to urban areas to find work. One consequence of China's population control policy known as the "one-child policy" - which was relaxed in 2016 to permit all families to have two children - is that China is now one of the most rapidly aging countries in the world. Deterioration in the environment - notably air pollution, soil erosion, and the steady fall of the water table, especially in the North - is another long-term problem. China continues to lose arable land because of erosion and urbanization. The Chinese Government is seeking to add energy production capacity from sources other than coal and oil, focusing on natural gas, nuclear, and clean energy development. In 2016, China ratified the Paris Agreement, a multilateral agreement to combat climate change, and committed to peak its carbon dioxide emissions between 2025 and 2030.

The government's 13th Five-Year Plan, unveiled in March 2016, emphasizes the need to increase innovation and boost domestic consumption to make the economy less dependent on government investment, exports, and heavy industry. However, China has made more progress on subsidizing innovation than rebalancing the economy. Beijing has committed to giving the market a more decisive role in allocating resources, but the Chinese Government's policies continue to favor state-owned enterprises and emphasize stability. Chinese leaders in 2010 pledged to double China's GDP by 2020, and the 13th Five Year Plan includes annual economic

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growth targets of at least 6.5% through 2020 to achieve that goal. In recent years, China has renewed its support for state-owned enterprises in sectors considered important to "economic security," explicitly looking to foster globally competitive industries. Chinese leaders also have undermined some market-oriented reforms by reaffirming the "dominant" role of the state in the economy, a stance that threatens to discourage private initiative and make the economy less efficient over time. The slight acceleration in economic growth in 2017—the first such uptick since 2010—gives Beijing more latitude to pursue its economic reforms, focusing on financial sector deleveraging and its Supply-Side Structural Reform agenda, first announced in late 2015.

Source : CIA

## ***COMPANY NAME AND ADDRESS***

### **KARTYRAY DIAMONDS (SHANGHAI) CO., LTD.**

ROOM 907A, TOWER A, CHINA DIAMOND EXCHANGE CENTRE, NO. 1701, CENTURY AVENUE,  
PUDONG NEW DISTRICT, SHANGHAI CITY, 200122 PR CHINA  
TEL: 86 (0) 21-61009012                      FAX: 86 (0) 21-61009013

## ***EXECUTIVE SUMMARY***

INCORPORATION DATE	: SEP. 11, 2013
CREDIBILITY CODE	: 913101150781358292
REGISTERED LEGAL FORM	: ONE-PERSON LIMITED LIABILITY COMPANY
CHIEF EXECUTIVE	: MR. HAN LIZHI (LEGAL REPRESENTATIVE)
STAFF STRENGTH	: 5
REGISTERED CAPITAL	: CNY 500,000
BUSINESS LINE	: TRADING
TURNOVER	: CNY 95,660,000 (AS OF DEC. 31, 2015)
EQUITIES	: CNY 720,000 (AS OF DEC. 31, 2015)
PAYMENT	: SLOW BUT CORRECT
MARKET CONDITION	: AVERAGE
FINANCIAL CONDITION	: FAIRLY STABLE (AS OF YEAR 2015)
OPERATIONAL TREND	: FAIRLY STEADY (AS OF YEAR 2015)
GENERAL REPUTATION	: AVERAGE

### **Adopted abbreviations:**

ANS - amount not stated  
NS - not stated  
SC - subject company (the company inquired by you)  
NA - not available  
CNY - China Yuan Renminbi

**HISTORY**

SC was registered as a Limited liabilities co. at local Administration for Industry & Commerce (AIC - The official body of issuing and renewing business license) on Sep. 11, 2013. Then, it changed into a One-person Limited Liability Company on June 29, 2016.

**Company Status: One-person Limited Liability Company**

Single person LLC refers to a limited liability company set up by only one natural person or legal person as the single shareholder of it.

The minimum registered capital of Single person LLC is CNY100,000. The shareholder's capital contributes, as set out by the articles of associations should be a lump-sum payment in full.

One natural person can only invest in and set up one limited liability company, which is not permitted to invest in and set up a new Single person LLC.

As to any one-person limited liability company, the sole-investor nature of the natural person or legal person shall be indicated in the registration documents of the company and shall be indicated in the business license thereof as well.

The regulation of Single person LLC should be set up by the shareholder

The regulation of Single person LLC has no shareholder meeting.

SC's registered business scope includes selling diamonds, jewelry, importing and exporting goods and technologies. [with permit if needed]

SC is mainly engaged in selling imported diamonds and jewelry.

Mr. Han Lizhi has been legal representative, executive director and general manager of SC since September of 2013.

SC is known to have approx. 5 employees at present.

SC is currently operating at the above stated address, and this address houses its operating office in the commercial zone of Shanghai. Our checks reveal that SC rents the total premise, but the gross area of the premise is unspecific.

**WEB SITE**

SC is not known to host website of its own at present.

E-mail: [417022590@qq.com](mailto:417022590@qq.com)

**KEY EVENTS/RECENT DEVELOPMENT**

***Changes of its registered information:***

Date of change	Item	Before the change	After the change
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***KARTYRAY DIAMONDS (SHANGHAI) CO., LTD. - 532955***

***PAGE NO. : 7***

Unknown	Registration no.	310115002174444	(Credibility code)
			913101150781358292
2016-06-29	Company type	Limited Liabilities Co	One-person Limited Liability Company
	Shareholders and shareholdings	Han Lizhi 95% Yin Kai 5%	Beijing Rainring Jewelry Co., Ltd. 100%

HS Code: 31222609V5  
Import/ Export License No: 3100078135829

**LITIGATION**

There is no record of litigation till now.

**OWNERSHIP/MANAGEMENT**

**MAIN SHAREHOLDERS:**

Name	% of Shareholding
Beijing Rainring Jewelry Co., Ltd.	100

Credibility Code: 911101056699007480  
Legal rep.: Xue Le  
Incorporation date: 2007-11-30  
Legal form: Limited Liabilities Company  
Web-site: <http://www.rainring.com.cn/>

**MANAGEMENT**

● **Legal Representative, Executive director and General Manager:**

Mr. Han Lizhi is currently responsible for the overall management of SC.

Working Experience(s):

From September of 2013 to present Working in SC as legal representative, executive director and general manager.

● **Supervisor:**

Yin Kai

## **BUSINESS OPERATIONS**

SC is mainly engaged in selling imported diamonds and jewelry.

SC's products mainly include: imported diamonds and jewelry.

### **Trademarks & patents**

Registration No.	14817049
Registration Date	2015-07-14
Trademark Design	<i>KartyRay Diamonds</i> 凯蒂瑞

SC was taken into operation in February of 2014.

SC sources its materials 100% from overseas market, mainly Israel, India, etc. SC sells 100% of its products in domestic markets.

The buying terms of SC include Check, L/C and Credit of 30-60 days. The payment terms of SC include Check, T/T and Credit of 30-60 days.

**Note:** SC's management declined to release its main clients and suppliers.

## **RELATED COMPANIES**

De Rui En Diamond (Tianjin) Co., Ltd. (Literal translation)

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Credibility Code: 91120222091563772P  
Legal rep.: Xue Lei  
Incorporation date: 2014-01-26  
Legal form: One-person Limited Liability Company

Shanghai De Rui En Diamond Co., Ltd. (Literal translation)

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Credibility Code: 9131011067786015X6  
Legal rep.: Xue Lei  
Incorporation date: 2008-07-29  
Legal form: One-person Limited Liability Company

Shanghai Rainring Diamond Co., Ltd.

=====

Credibility Code: 913101157340724179  
Legal rep.: Xue Lei

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Incorporation date: 2001-12-10  
Legal form: One-person Limited Liability Company

## **PAYMENT**

### **Overall payment appraisal:**

( ) Excellent ( ) Good (X) Average ( ) Fair ( ) Poor ( ) Not yet determined

The appraisal serves as a reference to reveal SC's payments habits and ability to pay. It is based on the 3 weighed factors: Trade payment experience (through current enquiry with SC's suppliers), our delinquent payment and our debt collection record concerning SC.

**Trade payment experience:** SC did not provide any name of trade/service suppliers and we have no other sources to conduct the enquiry at present.

**Delinquent payment record:** None in our database.

**Debt collection record:** No overdue amount owed by SC was placed to us for collection within the last 6 years.

## **BANKING**

Industrial and Commercial Bank of China  
AC# : N/A  
Relationship: Normal.

## **FINANCIAL HIGHLIGHTS**

### **Balance Sheet**

Unit: CNY'000

	<b>as of Dec. 31, 2014</b>	<b>as of Dec. 31, 2015</b>
Total liabilities	35,437	38,700
Shareholders equities	693	720
	-----	-----
Total liabilities & equities	36,130	39,420
	=====	=====

### **Income Statement**

Unit: CNY'000

	<b>as of Dec. 31, 2014</b>	<b>as of Dec. 31, 2015</b>
Turnover	59,397	95,660
Cost of goods sold	/	103,180
Taxes and additional of main operation	/	0

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Sales expense	/	290
Management expense	/	1,960
Finance expense	/	2,030
Subsidy income	/	11,840
Non-operating income	/	0
Non-operating expense	/	0
Profit before tax	322	40
Less: profit tax	64	10
Net profit	258	30

**Note: SC's accountant refused to release the detailed and latest financial reports.**

**Important Ratios**

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	as of Dec. 31, 2014	as of Dec. 31, 2015
*Liabilities to assets	0.98	0.98
*Net profit margin (%)	0.43	0.03
*Return on total assets (%)	0.71	0.08
*Turnover/Total assets	1.64	2.43
* Cost of goods sold/Turnover	/	1.08

**FINANCIAL COMMENTS**

**PROFITABILITY: AVERAGE**

- The turnover of SC appears average in its line in both years, and it increased in 2015.
- SC's net profit margin is average in both years.
- SC's return on total assets is average in both years.
- SC's cost of goods sold is too high in 2015, comparing with its turnover.
- SC's turnover is in an average level in both years, comparing with the size of its total assets.

**LEVERAGE: FAIR**

- The debt ratio of SC is high.
- The risk for SC to go bankrupt is above average.

**Overall financial condition of the SC: Fairly stable. (AS OF YEAR 2015)**

**REMARKS**

SC is considered small-sized in its line with a development history of 5 years.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.80
UK Pound	1	INR 94.88
Euro	1	INR 84.38
CNY	1	INR 10.67

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	DIV
<b>Report Prepared by :</b>	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)