

MIRA INFORM REPORT

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|---------------|------------|
| Report No. : | 528870 |
| Report Date : | 10.09.2018 |

IDENTIFICATION DETAILS

| | |
|-------------------------|--|
| Name : | H.K. IMPEX PVT. LIMITED |
| Registered Office : | Room 508, 5/F., Hilder Centre, 2 Sung Ping Street, Hung Hom, Kowloon |
| Country : | Hong Kong |
| Date of Incorporation : | 19.03.2013 |
| Com. Reg. No.: | 61135505 |
| Legal Form : | Private Limited Company |
| Line of Business : | Importer and Exporter 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 : | 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

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| 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

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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

H.K. IMPEX PVT. LIMITED

ADDRESS: Room 508, 5/F., Hilder Centre, 2 Sung Ping Street, Hung Hom, Kowloon, Hong Kong.

PHONE: 852-3919 4242

FAX: 852-3919 4201

E-MAIL: hk@hk.co

MANAGEMENT

Managing Director: Mr. Bhagwanji Virji Lunagaria

SUMMARY

Incorporated on: 19th March, 2013.

Organization: Private Limited Company.

Issued Share Capital: HK\$10,000.00

Business Category: Diamond Trader.

Annual Sales Turnover: US\$20-40 million. (Including associates)

Employees: 12. (Including Associates)

Main Dealing Banker: DBS Bank (Hong Kong) Ltd., Hong Kong.

Banking Relation: Satisfactory.

NAME

H.K. IMPEX PVT. LIMITED

ADDRESS

Registered Head Office:-

Room 508, 5/F., Hilder Centre, 2 Sung Ping Street, Hung Hom, Kowloon, Hong Kong.

Associated/Affiliated Companies:-

Hari Krishna Group of Companies
H.K. Designs (India), India.
H.K. Designs Inc., USA.
H.K. Diam BVBA, Belgium.
H.K. DMCC, UAE.
H.K. Exports (Shanghai) Ltd., China.
H.K. Impex, Hong Kong. (Same address)
H.K. International, USA.
H.K. Jewels Pvt. Ltd., India.
Hari Krishna Exports Pvt. Ltd., India.
HK Hub, India.
Imperial Jewels, India.
Unity Diam, Hong Kong. (Same address)
Unity Jewels, India.
etc.

BUSINESS REGISTRATION NUMBER

61135505

COMPANY FILE NUMBER

1877419

MANAGEMENT

Managing Director: Mr. Bhagwanji Virji Lunagaria
Contact Person: Mr. Mukeshkumar Gopalbhai Dholakiya

ISSUED SHARE CAPITAL

HK\$10,000.00

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SHAREHOLDERS

(As per registry dated 19-03-2018)

| Name | No. of shares |
|---------------------------------|---------------|
| Bhagwanji Virji LUNAGARIA | 5,100 |
| Mukeshkumar Gopalbhai DHOLAKIYA | 4,900 |
| | <hr/> |
| Total: | 10,000 |
| | <hr/> <hr/> |

DIRECTORS

(As per registry dated 19-03-2018)

| Name | (Nationality) | Address |
|---------------------------|---------------|---|
| Mukeshkumar DHOLAKIYA | Gopalbhai | Flat A, 13/F., Kam Kok Mansion, 82-84 Kimberley Road, Tsimshatsui, Kowloon, Hong Kong. |
| Bhagwanji Virji LUNAGARIA | | Room G, 2/F., Block 4, Site 5, Oak Mansion, Whampoa Garden, 7 Tak Fung Street, Kowloon, Hong Kong. |

SECRETARY

(As per registry dated 19-03-2018)

| Name | Address | Co. No. |
|-----------------------------------|--|---------|
| Arrow Accounting Services Ltd. | Flat C, 61/F., Block A, La Rossa, Coastal Skyline, 12 Tung Chung Water Front Road, Tung Chung, Lantau Island, Hong Kong. | 2006864 |

HISTORY

The subject was incorporated on 19th March, 2013 as a private limited liability company under the Hong Kong Companies Ordinance.

Formerly the subject was located at Room 704, 7/F., Chevalier House, 45-51 Chatham Road, Tsimshatsui, Kowloon, Hong Kong, moved to the present address in September 2014.

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

OPERATIONS

Activities: Importer and Exporter.
Lines: All kinds of diamonds and jewellery.
Brand Name: My Diamond Story, Kisna.
Employees: Employees: 12. (Including associates)
Commodities Imported: India, other Asian countries, Europe, etc.
Markets: Asia Pacific region, Middle East, Australia, New Zealand, US, Europe, etc.
Annual Sales Turnover: US\$20-40 million. (Including associates)
Terms/Sales: CAD or as per contracted.
Terms/Buying: L/C, T/T, D/P, etc.

MEMBERSHIP

Hong Kong Jewelry Manufacturers' Association, Hong Kong.

FINANCIAL INFORMATION

Issued Share Capital: HK\$10,000.00
Mortgage or Charge:-
Date: 12-12-2016
Description of Instrument: Mortgage
Mortgagee: Bank of China (Hong Kong) Ltd., Hong Kong.
Profit or Loss: Made small profits in past three years.
Condition: Business is normal.
Facilities: Adequate for current running.
Payment: Slow but correct.
Commercial Morality: Satisfactory.

Bankers:- DBS Bank (Hong Kong) Ltd., Hong Kong.
Bank of China (Hong Kong) Ltd., Hong Kong.

Standing: Good.

GENERAL

Having issued 10,000 ordinary shares of HK\$1.00 each, H.K. Impex Pvt. Limited is jointly owned by Mr. Bhagwanji Virji Lunagaria, holding 51% interests; and Mr. Mukeshkumar Gopalbhai Dholakiya, holding 49%. Being India merchants, both are Hong Kong ID Card holders and have got the right to reside in Hong Kong. They are also directors of the subject.

The subject is a marketing affiliate of m/s. Hari Krishna Exports Pvt. Ltd. which is in Mumbai, India. The subject belongs to the Hari Krishna Group.

The subject commenced business in March 2013. Its headquarters are in India while its branch offices are in New York, Antwerp, Dubai, Shenzhen Special Economic Zone, Shanghai, etc.

The subject is a diamond trader. It is trading in the following products:-

VVS1 Diamond, IF Diamond, SI3 Diamond, SI2 Loose Diamond, SI1 Loose Diamond, Faceted Loose Diamond, GIA Diamond, Polished Diamond, SI Diamond, etc.

Its products bear the brand names of *My Diamond Story*, and *Kisna*.

It is able to offer its worldwide customers with international standard diamonds. Its prime markets are the Asia Pacific region, the Middle East, Australia, New Zealand, the United States, Europe, etc.

According to the subject, Hari Krishna Exports has been engaged in diamond business since 1983. The Group is a sightholder.

The Group has numerous workers spread over seven factories located in the diamond city of Surat, India and with its marketing office in Mumbai, India. It is specialized in "white colour and round cut" for all sizes.

The Hari Krishna Group is a diamond cutter and polisher. Its flagship company Hari Krishna Exports was set up in 1992 at Surat in India with a simultaneous opening of sales and marketing office in Mumbai, India.

Hari Krishna Group procures rough diamonds from various producers of Russia, South Africa, Canada, and other agencies of Antwerp.

The Group also gets direct rough supply from the De Beers, Rio Tinto, DDC and Alrosa and also the official suppliers of CanadaMark and ForeverMark. It is the only recipient of GJEPC'S 14 awards for 12 consecutive years from 2003–2014.

Rough diamonds are brought to its Surat and Ahmedabad manufacturing plants where they are cut and polished into different shapes, sizes and weight.

Hari Krishna Group has got the ISO9001:2000 certificate from ABS Quality Evaluations Inc.

The Group's products are exported to the United States, Japan, Israel, the United Kingdom, Belgium, Australia, New Zealand, the United Arab Emirates, and some of the European countries.

Now, the Group employs more than 3,000 people throughout the world.

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. The subject participates in four tradeshows in Hong Kong.

For instance, it took part in "HKTDC Hong Kong International Jewellery Show 2018" which had been held in Hong Kong Convention and Exhibition Centre, Wanchai, Hong Kong during the period of 1st to 5th March, 2018. Its booth No. was 1EB12.

The business of the subject is chiefly handled by the two shareholders. History in Hong Kong is just over five years and five months.

The subject operates from its own office in Hong Kong.

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

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FOREIGN EXCHANGE RATES

| Currency | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1 | INR 71.90 |
| UK Pound | 1 | INR 93.04 |
| Euro | 1 | INR 83.67 |
| HKD | 1 | INR 9.23 |

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

INFORMATION DETAILS

| | |
|-----------------------------|-----|
| Analysis Done by : | DIV |
| Report Prepared by : | 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)