

MIRA INFORM REPORT

Report No. :	523448
Report Date :	03.08.2018

IDENTIFICATION DETAILS

Name :	FINE STAR HK LIMITED
Registered Office :	Room 1703, 17/F., Hart Avenue Plaza, 5-9 Hart Avenue, Tsimshatsui, Kowloon
Country :	Hong Kong
Date of Incorporation :	04.10.2006
Com. Reg. No.:	37227469
Legal Form :	Private Limited Company
Line of Business :	Importer, exporter and wholesaler of all kinds of Diamonds.
No. of Employees :	3. (Including Associate)

RATING & COMMENTS

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

MIRA's Rating :	A
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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.

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ECGC Country Risk Classification List

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

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 AND ADDRESS

FINE STAR HK LIMITED

ADDRESS: Room 1703, 17/F., Hart Avenue Plaza, 5-9 Hart Avenue, Tsimshatsui, Kowloon, Hong Kong.

PHONE: 852-2366 9577, 6933 4990

FAX: 852-2366 9007

E-MAIL: finestark@rediffmail.com

MANAGEMENT

Managing Director: Mr. Adit Bakul Shah

SUMMARY

Incorporated on: 4th October, 2006.

Organization: Private Limited Company.

Issued Share Capital: HK\$7,500,000.00

Business Category: Diamond Trader.

Employees: 3. (Including associate)

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

Banking Relation: Satisfactory.

ADDRESS

Registered Head Office:-

Room 1703, 17/F., Hart Avenue Plaza, 5-9 Hart Avenue, Tsimshatsui, Kowloon, Hong Kong.

Associated Company:-

Fine Star Ltd., Hong Kong.

BUSINESS REGISTRATION NUMBER

37227469

COMPANY FILE NUMBER

1078533

MANAGEMENT

Managing Director: Mr. Adit Bakul Shah
(Hong Kong Mobile: 852-6933 4990)

ISSUED SHARE CAPITAL

HK\$7,500,000.00

SHAREHOLDER

(As per registry dated 04-10-2017)

<u>Name</u>	<u>No. of shares</u>
Adit Bakul SHAH	7,500,000
	=====

DIRECTOR

(As per registry dated 04-10-2017)

<u>Name</u> <u>(Nationality)</u>	<u>Address</u>
Adit Bakul SHAH	Flat J, 15/F., Tower 2, Royal Peninsula, 8 Hung Lai Road, Hungghom, Kowloon, Hong Kong.

SECRETARY

(As per registry dated 04-10-2017)

<u>Name</u>	<u>Address</u>	<u>Co. No.</u>
Elegant Secretaries Ltd.	Room 804, 8/F., Lap Fai Building, 6-8 Pottinger Street, Central, Hong Kong.	0418716

HISTORY

The subject was incorporated on 4th October, 2006 as a private limited liability company under the Hong Kong Companies Ordinance.

Formerly the subject was located at Flat Rear, 6/F., Ocean View Court, 25A Chatham Road South, Tsimshatsui, Kowloon, Hong Kong, moved to the present address in November 2008.

The subject increased its issued share capital from HK\$5.7 million to HK\$7.5 million on 24th July, 2014.

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.

Employees: 3. (Including associate)

Commodities Imported: India, Thailand, Belgium, other Asian and European countries.

Markets: Hong Kong, China, Japan, Southeast Asia, Europe, Middle East, Scandinavia, etc.

Terms/Sales: CAD, L/C, T/T, etc.

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

FINANCIAL INFORMATION

Issued Share Capital: HK\$7,500,000.00

Mortgage or Charge: (See attachment)

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Profit or Loss:	Making small profits in past years.
Condition:	Business is normal.
Facilities:	Making active use of general banking facilities.
Payment:	Slow but Correct.
Commercial Morality:	Good.
Bankers:-	The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong. Bank of India, Hong Kong Branch. Standard Chartered Bank (Hong Kong) Ltd., Hong Kong Hang Seng Bank Ltd., Hong Kong.
Standing:	Satisfactory.

GENERAL

Having issued 7.5 million ordinary shares of HK\$1.00 each, Fine Star HK Limited is an Indian company wholly owned by Mr. Adit Bakul Shah. Shah is an India passport holder whose native land is Mumbai, India. Now he is a Hong Kong ID holder and has got the right to reside in Hong Kong permanently. He is also the only director of the subject.

The subject has increased its issued share capital from HK\$2.5 million to HK\$5.7 million and further to HK\$7.5 million which is the present amount.

Formerly the subject had two directors. Another old director Mr. Saloni Adit Shah has retired and Mr. Adit Bakul Shah has become the only director of the subject. He can be reached at his Hong Kong mobile phone No. 852-6933 4990.

The subject is a diamond trader. It is trading in loose diamonds, single cut diamonds, tapper cut diamonds, full cut diamonds, black diamonds, etc. However, the subject is significant for its black and loose diamonds.

Commodities and polished white and colour diamonds are imported from Thailand, India, Belgium and the other Asian and European countries. The subject also trades in black and brown stones. Products are marketed in Hong Kong, China and exported or re-exported to Japan, Southeast Asia, Europe, the Middle East, Scandinavia, etc.

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 AWE 7-E23.

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Besides, it also 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 2nd to 6th March, 2018. Its booth No. was 1EF29.

The subject also has got Letters of Hypothecation for Trade Finance from Hang Seng Bank Ltd., Hong Kong.

As the history of the subject in Hong Kong is over eleven years and six months, on the whole, consider it good for normal business engagements.

MORTGAGE OR CHARGE

Date	Description of Instrument	Mortgagee
07-12-2007	Letter of Hypothecation for Trade Finance	Commonwealth Finance Corporation Ltd., Hong Kong.
10-12-2007	Charge Over Deposit	Commonwealth Finance Corporation Ltd., Hong Kong.
06-10-2009	Letter of Hypothecation for Trade Finance	Commonwealth Finance Corporation Ltd., Hong Kong.
25-06-2010	Assignment of Life Insurance	The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
27-08-2010	Letter of Hypothecation for Trade Finance	Commonwealth Finance Corporation Ltd., Hong Kong.
07-07-2011	Letter of Lien	Bank of India, Hong Kong Branch.
13-06-2012	Charge and Hypothecation of Book Debts (CC.531)	Bank of India, Hong Kong Branch.
13-06-2012	Hypothecation of Tangible Moveable Property (L448)	Bank of India, Hong Kong Branch.
13-06-2012	General Letter of Hypothecation	Bank of India, Hong Kong Branch.
21-07-2015	Assignment of Life Insurance	The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
02-12-2015	Charge and Hypothecation of Book Debts (CC.531)	Bank of India, Hong Kong Branch.
02-12-2015	Hypothecation of Tangible Moveable Property (L.448)	Bank of India, Hong Kong Branch.
02-12-2015	General Letter of Hypothecation	Bank of India, Hong Kong Branch.
14-06-2016	Letter of Hypothecation for Trade Finance	Commonwealth Finance Corporation Ltd., Hong Kong.
14-06-2016	Charge Over Deposit	Commonwealth Finance Corporation Ltd., Hong Kong.
17-11-2016	Mortgage	Hang Seng Bank Ltd., Hong Kong.
17-11-2016	Rental Assignment	Hang Seng Bank Ltd., Hong Kong.
24-05-2017	Assignment of Life Insurance	The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.36
UK Pound	1	INR 89.52
Euro	1	INR 79.57
HKD	1	INR 8.76

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

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	SYL

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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)