

## MIRA INFORM REPORT

Report No. :	542791
Report Date :	04.12.2018

### IDENTIFICATION DETAILS

Name :	GEM EXPORTS LIMITED
Registered Office :	Unit 27, 11/F., Block B, Focal Industrial Centre, 21 Man Lok Street, Hunghom, Kowloon
Country :	Hong Kong
Date of Incorporation :	26.03.2010
Com. Reg. No.:	52002800
Legal Form :	Private Limited Company
Line of Business :	Importer, Exporter and Wholesaler of all kinds of diamonds and jewellery products
No. of Employees :	4

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	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](mailto:infodept@mirainform.com) while quoting report number, name and date.

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**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.

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**

### **GEM EXPORTS LIMITED**

**ADDRESS:** Unit 27, 11/F., Block B, Focal Industrial Centre, 21 Man Lok Street, Hunghom, Kowloon, Hong Kong.

**PHONE:** 852-2723 2690, 2739 8551, 2366 6863

**FAX:** 852-2723 6246

**E-MAIL:** gemexpo@netvigator.com

**MANAGEMENT:** Managing Director: Mr. Ashok Mundra

## **SUMMARY**

Incorporated on: 26th March, 2010.

Organization: Private Limited Company.

Issued Share Capital: HK\$2,000,000.00

Business Category: Diamond Trader.

Employees: 4. (Including associate)

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

Banking Relation: Satisfactory.

## **ADDRESS**

Registered Head Office:-  
Unit 27, 11/F., Block B, Focal Industrial Centre, 21 Man Lok Street, Hunghom, Kowloon, Hong Kong.

Associated Companies:- (Same address)  
Gem Exports, Hong Kong.  
Tirupati Diamonds, Hong Kong.

## **BUSINESS REGISTRATION NUMBER**

52002800

## **COMPANY FILE NUMBER**

1436043

## **MANAGEMENT**

Managing Director: Mr. Ashok Mundra  
(Mobile Phone No.: 852-9301 5041)

## **ISSUED SHARE CAPITAL**

HK\$2,000,000.00

## **SHAREHOLDERS**

(As per registry dated 26-03-2018)

<u>Name</u>	<u>No. of shares</u>
Ashok MUNDRA	1,600,000
Mukesh MUNDRA	400,000
Total:	2,000,000 =====

## **DIRECTORS**

(As per registry dated 26-03-2018)

<u>Name</u> <u>(Nationality)</u>	<u>Address</u>
Ashok MUNDRA	Unit C & D, 16/F., Tower 25, Laguna Verde Phiva, IVB, 8 Laguna Verde Avenue, Hunghom, Kowloon, Hong Kong.

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Mukesh MUNDRA

Unit C & D, 16/F., Tower 25, Laguna Verde Phiva, IVB, 8 Laguna Verde Avenue, Hunghom, Kowloon, Hong Kong.

## **SECRETARY**

(As per registry dated 26-03-2018)

<u>Name</u>	<u>Address</u>	<u>Co. No.</u>
Buttar Secretarial Ltd.	Unit 13, 16/F., Asia Trade Centre, 79 Lei Muk Road, Kwai Chung, New Territories, Hong Kong.	2086550

## **HISTORY**

The subject was incorporated on 26th March, 2010 as a private limited liability company under the Hong Kong Companies Ordinance.

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 products

Employees: 4. (Including associate)

Commodities Imported: India, Belgium, other European countries, etc.

Markets: Hong Kong, Japan, other Asian countries, Europe, etc.

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

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

MEMBERSHIP: The Indian Chamber of Commerce Hong Kong, Hong Kong.

## **FINANCIAL INFORMATION**

Issued Share Capital: HK\$2,000,000.00

Mortgage or Charge:-

Date of Assignment of Life Insurance: 06-01-2014

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**GEM EXPORTS LIMITED - 542791**

**PAGE NO. : 8**

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Amount: All monies  
Property: (1) All the Assignor's claims under the Insurance:  
Insurance Policy No: 28007393  
Name of Insurance Co.: HSBC Life (International) Ltd.  
Name of the Insured: Priti Mundra  
Assignor / Policy Owner: Gem Exports Ltd.  
(2) All the Assignor's claims against the issuer of the Policy  
Mortgagee: The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.  
  
Profit or Loss: Made small profits in past years.  
  
Condition: Business is normal.  
  
Facilities: Making rather active use of general banking facilities.  
  
Payment: Met trade commitments as contracted.  
  
Commercial  
Morality: Satisfactory.  
  
Banker: The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.  
  
Standing: Normal.

## **GENERAL**

Having issued 2 million ordinary shares of HK\$1.00 each, Gem Exports Limited is jointly owned by Mr. Ashok Mundra, holding 80% interests; and Ms. Mukesh Mundra, holding 20%. The two Mundras are Indian and Hong Kong ID holders. The latter is an Indian businesswoman. They have got the right to reside in Hong Kong. They are also directors of the subject.  
Ashok Mundra can be reached at his Hong Kong mobile phone number 852 9301 5041.

The subject is trading in the following diamonds and jewellery products:-

**Finished Jewellery**

- Diamond Jewellery  
White Diamond Jewellery
- Gem Set Jewellery  
Emerald Jewellery  
Ruby Jewellery  
Sapphire Jewellery
- Gold Jewellery  
18K Gold Jewellery  
21K Gold Jewellery
- Platinum Jewellery  
Pt 750 Platinum Jewellery  
Pt 850 Platinum Jewellery  
Pt 900 Platinum Jewellery  
Pt 950 Platinum Jewellery  
Pt 990 Platinum Jewellery  
Fineness not Specified

**Materials**

- Diamond  
Polished White Diamond  
Polished Colour Diamond
- Precious gemstones  
Polished Emerald  
Polished Ruby  
Polished Sapphire
- Polished Semi precious Gemstone  
Amethyst  
Aquamarine  
Citrine  
Garnet  
Tanzanite  
Tourmaline  
Others

Incorporated on 26th March, 2010, the subject has had a main associated company Tirupati Diamonds [Tirupati] located at the same operating office. Tirupati is also a diamond trader.

Tirupati is a sole proprietorship set up and owned by Ms. Mukesh Mundra who is a shareholder of the subject.

Business commenced in October 1996, Tirupati is trading in loose, cut and polished diamonds, precious stones, gem sets, semi-precious stones, blue or coloured sapphire, etc.

The subject's polished, cut and loose diamonds are imported from India, Belgium, the other European countries, etc. India is its main supplying country.

Finished products and polished diamonds are marketed in Hong Kong, exported to China, Japan, the United States, Thailand, the United Arab Emirates, South Korea, Europe and the other Asian countries.

The business of the subject and Tirupati are chiefly handled by the two Mundras.

Besides Tirupati, the subject has had another associate Gem Exports, this firm is also a diamond trader and also controlled by the Mundras. Gem Exports is also located at the same address. It is a member of The Indian Chamber of Commerce Hong Kong which is a Hong Kong Indian businessmen association.

The history of the subject in Hong Kong is over eight years and eight months.



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**MIRA INFORM PRIVATE LIMITED**  
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<http://www.miraglobalcheck.com>  
<http://www.miraglobalcollections.com>

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**GEM EXPORTS LIMITED - 542791**

**PAGE NO. : 10**

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

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**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.03
UK Pound	1	INR 89.50
Euro	1	INR 79.59
HKD	1	INR 9.03

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

**INFORMATION DETAILS**

Analysis Done by :	DIV
Report Prepared by :	KET

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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)