

MIRA INFORM REPORT

Report No. :	540716
Report Date :	22.11.2018

IDENTIFICATION DETAILS

Name :	STARGEMS (HK) LIMITED
Registered Office :	Room 1007, 10/F., Hart Avenue Plaza, 5-9 Hart Avenue, Tsimshatsui, Kowloon
Country :	Hong Kong
Date of Incorporation :	07.04.2008
Com. Reg. No.:	53467140
Legal Form :	Private Limited Company
Line of Business :	Importer, Exporter and Wholesaler of all kinds of diamonds and jewellery products, emerald, precious stones
No. of Employees :	5 (Including associates)

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 (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.

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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

STARGEMS (HK) LIMITED

ADDRESS: Room 1007, 10/F., Hart Avenue Plaza, 5-9 Hart Avenue, Tsimshatsui, Kowloon, Hong Kong.

PHONE: 852-2724 8488, 2561 5161

FAX: 852-2724 3988

E-MAIL: bhaveshjaveri@hotmail.com
hongkong@stargemsgroup.com

MANAGEMENT

Managing Director: Mr. Bhavesh Deepak Javeri

SUMMARY

Incorporated on: 7th April, 2008.

Organization: Private Limited Company.

Issued Share Capital: HK\$40,037,500.00

Business Category: Diamond Trader.

Employees: 5. (Including associates)

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

Banking Relation: Satisfactory.

ADDRESS

Registered Head Office:-

Room 1007, 10/F., Hart Avenue Plaza, 5-9 Hart Avenue, Tsimshatsui, Kowloon, Hong Kong.

Holding Company:-

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Stargems Holding Ltd., Hong Kong.

Associated Companies:-

Alma Diamonds (HK) Ltd., Hong Kong. [Dissolved]
Le Paris Diamonds LLC, United Arab Emirates.
Stargems BVBA, Belgium.
Stargems Diamonds & Jewellery LLC, United Arab Emirates.
Stargems DMCC, United Arab Emirates.
Stargems Exports Pvt. Ltd., India.
Stargems FZCO, United Arab Emirates.
Stargems Inc., US.
Stargems Jewellery LLC, United Arab Emirates.
Stargems LLC, United Arab Emirates.
Stargems Pty. Ltd., South Africa.

BUSINESS REGISTRATION NUMBER

53467140

COMPANY FILE NUMBER

1223841

MANAGEMENT

Managing Director: Mr. Bhavesh Deepak Javeri

ISSUED SHARE CAPITAL

HK\$40,037,500.00

SHAREHOLDER

(As per registry dated 07-04-2018)

Name

Stargems Holding Ltd.
17/F., Hing Yip Commercial Centre, 272-284 Des Voeux Road,
Central, Hong Kong.

No. of shares

40,037,500
=====

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DIRECTORS

(As per registry dated 07-04-2018)

Name

(Nationality)

Karan JAVERI

Address

5502, 392-Marsa Dubai, Dubai 181330, U.A.E.

Bhavesh Deepak JAVERI

Villa-50 (394-1174) (W Sub Meter), 394 Emirates Hill, Dubai
181330, U.A.E.

SECRETARY

(As per registry dated 07-04-2018)

Name

Akin Professionals Ltd.

Address

20/F., Champion Building, 287-291 Des Voeux
Road Central, Sheung Wan, Hong Kong.

Co. No.

1273165

HISTORY

The subject was incorporated on 7th April, 2008 as a private limited liability company under the Hong Kong Companies Ordinance.

Originally the subject was registered under the name of Whiteland Consultants Ltd., name changed to Sterling Star (HK) Ltd. on 23rd December, 2010, and further changed to the present style on 19th August, 2011.

The subject issued 1,550,000 more shares of the same value which were allotted to Stargems Holding Ltd. on 16th May, 2016.

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, emerald, precious stones.

Employees: 5. (Including associates)

Commodities Imported: India, other Asian countries, etc.

Markets: India, other Asian countries, UAE, etc.

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Terms/Sales: COD, L/C or as per contracted.

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

FINANCIAL INFORMATION

Issued Share Capital: HK\$40,037,500.00

Profit or Loss: Made small profits in past years.

Condition: Keeping in a rather active condition.

Facilities: Making active use of general banking facilities.

Payment: Slow but correct.

Commercial Morality: Good.

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

Standing: Very good.

GENERAL

Having issued 10,000 ordinary shares of HK\$1.00 each, Stargems (HK) Limited formerly was jointly owned by Mr. Bhavesh Deepak Javeri, holding 30% interests; and Mr. Karan Javeri, holding 70%. The two shareholders were Indian. They were also directors of the subject.

In May 2012, the subject issued 34,990,000 more ordinary shares which all were allotted to Stargems Holding Ltd. [Stargems Holding]. Stargems Holding is a Hong Kong-registered firm. Since then, Stargems Holding had become the holding company of the subject, holding 99.97% of the subject's interests.

On 27th June, 2012, the two minor shareholders transferred all their shares to Stargems Holding. Now, the subject is a wholly-owned subsidiary of Stargems Holding. In June 2015, the subject's ordinary share was made up to 38,487,500 and its issued share capital was increased to HK\$38,487,500.00.

On 16th May, 2016, the subject increased its shares to 40,037,500 of HK\$1.00 each.

The directors of the subject are Mr. Bhavesh Deepak Javeri and Mr. Karan Javeri.

Now, Stargems Holding is owned by the following Indian:

1. Bhavesh Deepak Javeri
Address: 5 Navyug Niketan Teen Bhatti, 185 Walkeshwar Road, Mumbai, Ms 400006, India.
Equity: 30.0%
2. Karan Javeri

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Address: Tower 4, 37G Royal Peninsula, 8 Hung Lai Road, Hungghom, Kowloon, Hong Kong.

Equity: 69.2%

3. Shailesh Javeri

Address: Fazantenlaan 24, 2610 Antwerpen, Belgium.

Equity: 0.8%

Stargems Holding is located at a different address.

The subject has had a number of associated companies in Hong Kong, the United Arab Emirates, Belgium and South Africa.

The subject is a diamond trader. It has had associated companies in Dubai, the United Arab Emirates known as Stargems LLC and Stargems DMCC. Both companies are located at the same address in the United Arab Emirates. It also has had an associated company in the United States and Belgium. The one in Belgium is known as Stargems BVBA. This company was set up by Mr. Shailesh Javeri in 1981.

The subject is a diamond importer, exporter and wholesaler. It is trading in loose diamonds like marquise, pears, tapers, buggets and rose cut diamonds, etc. It also trades in rough diamonds.

Commodities are sourced from India and the other Asian countries, products are marketed in China, exported to Japan, the other Asian countries and the United Arab Emirates, South Africa, the United States, etc. Business is active.

The subject and its associated companies form the Stargems Group. The Group is engaged in the following business scope:

- Diamond Sourcing
- Diamond Manufacturing
- Polished Diamonds Trading
- Jewellery Wholesaling
- Jewellery Retailing

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

The subject's associate Stargems BVBA 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 12th to 16th September, 2018. Its booth No. was AWE 2-L12.

The Chairman of the Group is Mr. Shailesh Javeri. He is also the founder. Bhavesh Deepak Javeri is the Managing Director and CEO of the Group.

Stargems Group is wholly owned by the Javeri family.

The subject is supported by the Stargems Group and the Javeri family.

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

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.33
UK Pound	1	INR 91.72
Euro	1	INR 81.69
HKD	1	INR 9.06

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)