

MIRA INFORM REPORT

Report No. :	535459
Report Date :	23.10.2018

IDENTIFICATION DETAILS

Name :	GEMASIA (HONG KONG) LIMITED
Registered Office :	C/O Tricor Strath Ltd., Level 54, Hopewell Centre, 183 Queen's Road East
Country :	Hong Kong
Date of Incorporation :	25.05.1998
Com. Reg. No.:	21867859
Legal Form :	Private Limited Company
Line of Business :	Importer, exporter and wholesaler of all kinds of diamonds, jewellery, gemstones
No. of Employees :	10

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.

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



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government spending on research and development, education, and technological innovation with the aim of spurring continued economic growth through greater sector diversification.

Source : CIA

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COMPANY NAME AND ADDRESS

GEMASIA (HONG KONG) LIMITED

ADDRESS: Room 1103, 11/F., Guardforce Centre, 3 Hok Yuen Street East, Hunghom, Kowloon, Hong Kong.

PHONE: 852-2722 6333, 2367 0497, 2367 0121

FAX: 852-2722 6360, 2721 1173

E-MAIL: sales@gemasiahk.com

MANAGEMENT

Managing Director: Mr. Jatin Pravinchandra Shah

SUMMARY

Incorporated on: 25th May, 1998.

Organization: Private Limited Company.

Issued Share Capital: HK\$2.00

Business Category: Diamond Trader.

Employees: 10.

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

Banking Relation: Very Good.

ADDRESS

Registered Office:-
c/o Tricor Strath Ltd.
Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

Operating Office:-

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Room 1103, 11/F., Guardforce Centre, 3 Hok Yuen Street East, Hunghom, Kowloon, Hong Kong.

Holding Company:-
Star Holdings Ltd., UAE.

Ultimate Holding Company:-
Asian Star Co. Ltd., India.

Associated Companies:-
Asian Star Co. Ltd., USA.
Asian Star Jewels Pvt. Ltd., India.
Asian Star Trading (Hong Kong) Ltd., Hong Kong.
Gemasia (Shanghai), China.
Gemasia B.V.B.A., Belgium.
Gemasia Solitaire Ltd., Hong Kong.
Inter Gems DMCC, UAE.
InterGems Trading (L.L.C.), Middle East.
Jewel Art, India.
Star Asia (Thailand) Ltd., Thailand.

BUSINESS REGISTRATION NUMBER

21867859

COMPANY FILE NUMBER

0645657

MANAGEMENT

Managing Director: Mr. Jatin Pravinchandra Shah

ISSUED SHARE CAPITAL

HK\$2.00

SHAREHOLDERS

(As per registry dated 25-05-2018)

<u>Name</u>	<u>No. of shares</u>
Jatin Pravinchandra SHAH	1
Star Holdings Ltd. Suite 1003, Khalid Al Altar Tower, SH. Zayed Road, P.O. Box 71241, Dubai, UAE.	1
	—
Total:	2
	=

DIRECTORS

(As per registry dated 25-05-2018)

<u>Name</u> <u>(Nationality)</u>	<u>Address</u>
Jatin Pravinchandra SHAH	Flat B, 6/F., Beauty Mansions, 69-71 Kimberley Road, Tsimshatsui, Kowloon, Hong Kong.
Saumil Shailesh SHAH	Flat H, 19/F., Tower 3, Royal Peninsula, 8 Hung Lai Road, Hungghom, Kowloon, Hong Kong.

SECRETARY

(As per registry dated 25-05-2018)

<u>Name</u>	<u>Address</u>	<u>Co. No.</u>
Tricor Strath Ltd.	Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.	0004873

HISTORY

The subject was incorporated on 25th May, 1998 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, jewellery, gemstones, etc.
Employees:	10.
Commodities Imported:	India, Europe, etc.
Markets:	Hong Kong, China, other Asian countries, Europe, Middle East, Australia, North America
Terms/Sales:	CAD, L/C, T/T, D/P, etc.
Terms/Buying:	L/C, T/T, D/P, etc.
<u>MEMBERSHIP:</u>	Hong Kong Jewelry Manufacturers' Association, Hong Kong. The Indian Chamber of Commerce Hong Kong, Hong Kong.

FINANCIAL INFORMATION

Issued Share Capital:	HK\$2.00
Mortgage or Charge:-	Date of Charge Over Accounts (Limited Company – Under Seal): 26-10-2004 Amount: To secure all monies in respect of banking facilities Property: In consideration of the Bank agreeing to grant or continuing to grant the Banking Facilities, the Chargor, as beneficial owner and by way of fixed charge, assigns, charges and pledges the "Charged Property" to Bank as a continuing security for the due payment and satisfaction of the Secured Moneys by the Chargor to the Bank on demand.
Mortgagee:	The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
Profit or Loss:	Making a small profit every year.
Condition:	Keeping in an active condition.
Facilities:	Making rather active use of general banking facilities.
Payment:	Slow but correct.
Commercial Morality:	Good.
Bankers:-	The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.

Antwerpse DiamantBank NV (also known as Antwerp Diamond Bank NV), Hong Kong Branch.

Standing: Very Good.

GENERAL

Gemasia (Hong Kong) Limited is a subsidiary of Star Holdings Ltd. which is a UAE-registered firm. The ultimate holding company Asian Star Co. Ltd. [Asian Star] is an India-based company.

Being a diamond trader, the subject is a Hong Kong based marketing arm of Asian Star. Established in 1998, the subject has emerged as a prominent market player in the Asia Pacific region. The subject is able to lure buyers from all over the world.

On 21st January, 2011, Asian Star set up a subsidiary company known as Asian Star Trading (Hong Kong) Ltd. which is also located at the same address.

The subject is specialized in round and loose diamonds, WHITE, TTLB and TTLC shades, sizes ranges from 0.003 points to 2 carats, clarity ranges from IF, VVS to heavy PK and colour ranges from D to N-O. Commodities are imported from India, Belgium, Israel, and other Asian countries, etc.

It also provides certified diamonds from the world's reputed gem laboratories like GIA, HRD and IGI. The subject regularly participates in jewellery shows in Asian countries especially in Hong Kong in order to penetrate the international market further.

In recent years, the subject has set up an office in Shenzhen Special Economic Zone, China in order to service the customers in Southern China.

Asian Star was established in 1971 as a partnership and became a public limited company in 1995. Now, Asian Star is one of the world's leading Diamond Trading Company Sightholder. Its business comprises of diamond manufacturing, jewellery manufacturing and retailing. Having set up marketing arms across three continents — Asia, Europe and North America — Asian Star is positioned to serve its customers throughout the world.

The Group is trading in the following commodities, so does the subject:-

- Polished Diamonds - All polished 2 ct. and smaller in fine makes;
- Jewellery - Gold and platinum, diamond studded jewellery spanning all categories like Rings, Earrings, Pendants, Bracelets, Bangles, Necklaces etc. for the domestic and international market;
- Jewellery Retailing - 'Shagun Jewels', the flagship retail store at Hyderabad catering to urban Indian women; &
- Power - Windmills in Maharashtra, Kerala and Tamil Nadu.

Asian Star's factory is in Surat, India, covering an area of 65,000 sq.ft. and employing about 980 skilled workers. Asian Star achieved a new milestone on 6th December, 2010 at the grand opening of its new factory, A'Star Jewellery — Hosur.

The 5,000 sq.ft. state-of-the-art factory employs about 120 skilled employees who are well trained in the manufacture of hand-crafted diamond jewellery.

Over the past years, the subject participated the following fairs held in Hong Kong, Macau and Japan:

Hong Kong

- HK Int'l Jewellery Show (Mar.)
- HK Jewellery & Watch Fair (Jun.)
- HK Jewellery & Watch Fair (Sep.)
- JMA Hong Kong (Dec.)

Macau

- Macau Jewellery & Watch Fair (Jan.)

Japan

- Int'l Jewellery Tokyo (Jan.)

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 5-G20.

The subject's business is chiefly handled by Mr. Jatin Pravinchandra Shah who is an Indian merchant. He is a Hong Kong ID holder and has got the right to reside in Hong Kong. He is also the contact person of the subject. The subject is fully supported by Asian Star. History in Hong Kong is over twenty years and four months. On the whole, consider the subject good for normal business engagements.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.30
UK Pound	1	INR 95.93
Euro	1	INR 84.57
HKD	1	INR 9.39

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

INFORMATION DETAILS

Analysis Done by :	PRI
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)