

ASIAN STAR TRADING (HONG KONG) LIMITED

(Incorporated in Hong Kong with limited liability)

DIRECTORS' REPORT

AND

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

ASIAN STAR TRADING (HONG KONG) LIMITED DIRECTORS' REPORT

The directors present the report together with the audited financial statements of Asian Star Trading (Hong Kong) Limited (the "Company") for the year ended 31 March 2025.

PRINCIPAL ACTIVITY

The principal activity of the Company is engaged in trading of diamonds.

RESULTS AND APPROPRIATIONS

The results of the Company for the year ended 31 March 2025 and the state of affairs of the Company as at that date are set out in the financial statements on page 6.

DIVIDENDS

The directors do not recommend the payment of a dividend in respect of the year ended 31 March 2025.

DIRECTORS

The directors who held office during the year or during the period from the end of the year to the date of this report were:

SHAH Jatin Pravinchandra
SHAH Saumil Shailesh
SHAH Vipul Prabodhchandra

There being no provision in the Company's Articles of Association for retirement by rotation, all directors shall continue in office.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of any business of the Company were entered into or existed during the year.

BUSINESS REVIEW

The Company falls within reporting exemption for the year. Accordingly, the Company is exempted from preparing a business review.

**ASIAN STAR TRADING (HONG KONG) LIMITED
DIRECTORS' REPORT**

EQUITY-LINKED AGREEMENTS

No equity-linked agreements into which the Company entered subsisted at any time during the year.

PERMITTED INDEMNITY PROVISIONS

At no time during the financial year and up to the date of this Director's Report, there was or is, any permitted indemnity provision being in force for the benefit of any of the director of the Company.

MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

The directors are of the opinion that no transactions, arrangements or contracts of significance to which the Company was a party and in which the directors of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other company.

AUDITOR

Subsequent to the reporting period, Simon Chong & Company, Certified Public Accountants (Practising), retired and will not seek for re-appointment as the auditor of the Company. Nexus CPA Limited, Certified Public Accountant (Practising) was appointed as the auditor of the Company. A resolution will be submitted to the annual general meeting to re-appoint Nexus CPA Limited.

On behalf of the Board



SHAH Jatin Pravinchandra
Director

Hong Kong, 22 May 2025



Nexus CPA Limited

湯晨會計師事務所有限公司

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF
ASIAN STAR TRADING (HONG KONG) LIMITED
(incorporated in Hong Kong with limited liability)**

Opinion

We have audited the financial statements of Asian Star Trading (Hong Kong) Limited (the "Company") set out on pages 6 to 16, which comprise the statement of financial position as at 31 March 2025, and the statement of income and retained earnings, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2025, and of its financial performance and its cash flows for the year then ended in accordance with HKFRS for Private Entities ("HKFRS for PE") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the directors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Nexus CPA Limited

湯晨會計師事務所有限公司

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF
ASIAN STAR TRADING (HONG KONG) LIMITED
(incorporated in Hong Kong with limited liability)**

Responsibilities of directors and those charged with governance for the financial statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS for PE issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



Nexus CPA Limited

湯晨會計師事務所有限公司

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF
ASIAN STAR TRADING (HONG KONG) LIMITED
(incorporated in Hong Kong with limited liability)**

Auditor's responsibilities for the audit of the financial statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nexus CPA Limited.

**Nexus CPA Limited
Certified Public Accountant (Practising)
Hong Kong, 22 May 2025**

The engagement director on the audit resulting in this independent auditor's report is:
Wong Wai Lam
Practising Certificate number: P08188

**ASIAN STAR TRADING (HONG KONG) LIMITED
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2025**

	Notes	2025 US\$	2024 US\$
Revenue	4	468,753	572,466
Cost of sales		(440,787)	(542,923)
Gross Profit		27,966	29,543
Other income	4	71,712	60,525
Administrative and other operating expenses		(74,680)	(28,388)
Profit before tax	5	24,998	61,680
Income tax expense	7	(1,194)	(3,859)
Profit for the year		23,804	57,821
Retained earnings at start of year		910,293	852,472
Retained earnings at start of year		934,097	910,293

The notes on pages 10 to 16 form part of these financial statements.

ASIAN STAR TRADING (HONG KONG) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Notes	2025 US\$	2024 US\$
Non-current assets			
Property, plant and equipment	8	—	—
Current assets			
Inventories	9	17,782	16,760
Prepayment		103	—
Trade receivables	10	368,313	281,963
Derivative financial instruments	13	213,849	—
Prepaid tax		3,088	—
Bank balances and cash		2,253,711	1,516,593
		2,856,846	1,815,316
Current liabilities			
Accrued expenses		1,282	1,026
Trade payables		201,034	—
Other payables	11	1,378,379	773,585
Derivative financial instruments	13	213,849	—
Provision for taxation		—	2,207
		1,794,544	776,818
Net current assets		1,062,302	1,038,498
Net assets		1,062,302	1,038,498
Equity			
Share capital	12	128,205	128,205
Retained earnings		934,097	910,293
Total equity		1,062,302	1,038,498

The financial statements were approved and authorised for issue by the Board of Directors on 22 May 2025 and signed on its behalf by:



SHAH Jatin Pravinchandra
Director



SHAH Saumil Shailesh
Director

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

**ASIAN STAR TRADING (HONG KONG) LIMITED
STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2025**

	Share capital US\$	Retained earnings US\$	Total US\$
At 1 April 2023	128,205	852,472	980,677
Profit for the year	-	57,821	57,821
At 31 March 2024	128,205	910,293	1,038,498
Profit for the year	-	23,804	23,804
At 31 March 2025	128,205	934,097	1,062,302

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

**ASIAN STAR TRADING (HONG KONG) LIMITED
STATEMENT OF CASH FLOW
AS AT 31 MARCH 2025**

	2025 US\$	2024 US\$
OPERATING ACTIVITIES		
Profit for the year	24,998	61,681
Adjustments for:		
Bank interest income	(7,891)	(9,503)
	17,107	52,178
Increase in inventories	(1,022)	(8,666)
(Increase)/decrease in prepayment	(103)	269
Increase in trade receivables	(86,350)	(281,963)
Increase/(decrease) in trade payables	201,034	(295,602)
Increase in accrued expenses	256	-
Increase in other payables	604,794	67,629
Cash generated from/(used in) operations	735,716	(466,155)
Tax (paid)/refund	(6,489)	298
Net cash flows from/(used in) operating activities	729,227	(465,857)
INVESTING ACTIVITIES		
Bank interest received	7,891	9,503
Net cash flows from investing activities	7,891	9,503
Net increase/(decrease) in cash and cash equivalents	737,118	(456,354)
Cash and cash equivalents at beginning of year	1,516,593	1,972,947
Cash and cash equivalents at end of year	2,253,711	1,516,593
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	2,253,711	1,516,593

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements

ASIAN STAR TRADING (HONG KONG) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1. GENERAL INFORMATION

Asian Star Trading (Hong Kong) Limited (the "Company") is a limited liability company incorporated in Hong Kong. The address of its registered office and principal place of business is at Room 1918, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

The principal activity of the Company is engaged in trading of diamonds.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the HKFRS for Private Entities Accounting Standard ("HKFRS for PE") as issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention.

These financial statements comply with HKFRS for PE and have been prepared under the accrual basis of accounting and on the basis that the Company is a going concern.

3. SIGNIFICANT ACCOUNTING POLICIES

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

(a) Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue can be measured reliably, on the following bases:

- (i) Sale of goods is recognised when the goods are delivered and the risks and rewards of ownership have passed to the customer; and
- (ii) Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

(b) Foreign currency translation

- (i) Functional and presentation currency

Items included in the financial statement of the entity are measured using the currency of the primary economic environment in which the entity operates (the functional currency). These financial statements are presented in United States Dollars, which is the Company's functional and presentation currency.

ASIAN STAR TRADING (HONG KONG) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currency translation (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within "finance costs". All other foreign exchange gains and losses are presented in profit or loss within "other income" or "other expenses".

(c) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdraft is shown within borrowings in current liabilities on the statement of financial position.

(d) Trade receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

(e) Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is calculated using the specific identification method. At each reporting date, inventories are assessed for impairment and the carrying amount is reduced to its selling price less costs to complete and sell with the impairment loss recognised immediately in profit or loss.

(f) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method. The principal annual rates used for depreciation are as follows:

Office equipment	20%
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ASIAN STAR TRADING (HONG KONG) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Impairment of non-financial assets, other than inventories

At each reporting date, property, plant and equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If an estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(h) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of income and retained earnings because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases using in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

ASIAN STAR TRADING (HONG KONG) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Taxation (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. However, the measurement of deferred tax liabilities associated with an investment property measured at fair value does not exceed the amount of tax that would be payable on its sale to an unrelated market participant at fair value at the reporting date. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Deferred tax is not provided.

(i) Trade and other payables

Trade and other payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

(j) Related parties

For the purposes of these financial statements, related party includes a person and entity as defined below:

(a) A person or a close member of that person's family is related to the Company if that person:

- (i) is a member of the key management personnel of the Company or of a parent of the Company;
- (ii) has control over the Company; or
- (iii) has joint control or significant influence over the reporting entity or has significant voting power in it.

(b) An entity is related to the Company if any of the following conditions applies:

- (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others.)
- (ii) either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member).
- (iii) both entities are joint ventures of a third party.
- (iv) either entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of the employees of the Company or an entity related to the Company. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a)(i) has significant voting power in the entity.

ASIAN STAR TRADING (HONG KONG) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

4. REVENUE AND OTHER INCOME

An analysis of the Company's revenue and other income is as follows:

	2025 US\$	2024 US\$
Revenue		
Sale of goods	<u>468,753</u>	<u>572,466</u>
Other income		
Bank interest income	7,891	9,503
Foreign exchange gain	-	22
Service income	51,000	51,000
Sundry income	<u>12,821</u>	<u>-</u>
	<u>71,712</u>	<u>60,525</u>

5. PROFIT BEFORE TAX

Profit before tax is arrived at after charging:

	2025 US\$	2024 US\$
Auditor's remuneration	1,282	1,026
Foreign exchange loss	<u>231</u>	<u>-</u>

6. DIRECTORS' REMUNERATION

No fees or other emoluments was paid or payable to any directors for services rendered during the year. (2024: Nil)

7. INCOME TAX EXPENSE

Hong Kong Profits Tax has been provided at the rate of 8.25% (2024: 8.25%) on the Company's estimated assessable profits arising from Hong Kong during the year. Taxation in the statement of income and retained earnings represents:

	2025 US\$	2024 US\$
Current tax – Hong Kong Profits Tax		
Provision for the year	1,171	3,859
Under-provision in respect of prior years	<u>23</u>	<u>-</u>
	<u>1,194</u>	<u>3,859</u>

ASIAN STAR TRADING (HONG KONG) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2025

8. PROPERTY, PLANT AND EQUIPMENT

	Office equipment US\$
Cost	
At 1 April 2024 and 31 March 2025	<u>35,000</u>
Accumulated depreciation	
At 1 April 2024 and 31 March 2025	<u>35,000</u>
Carrying amount	
At 31 March 2025	<u>-</u>
At 31 March 2024	<u>-</u>

9. INVENTORIES

	2025 US\$	2024 US\$
Finished goods	<u>17,782</u>	<u>16,760</u>

10. TRADE RECEIVABLES

	2025 US\$	2024 US\$
Trade Receivables		
From a related company	<u>368,313</u>	<u>281,963</u>

11. OTHER PAYABLES

	Note	2025 US\$	2024 US\$
Other payables			
Due to a related company	11(a)	<u>1,378,379</u>	<u>773,585</u>

11(a) Amount due to a related company is unsecured, interest-free and repayable on demand.

ASIAN STAR TRADING (HONG KONG) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

12. SHARE CAPITAL

	2025 US\$	2024 US\$
Issued and fully paid: 10,000 ordinary shares	<u>128,205</u>	<u>128,205</u>

13. DERIVATIVE FINANCIAL INSTRUMENTS

<u>Derivative assets/liabilities</u>	2025 US\$	2024 US\$
Foreign currency options	<u>213,849</u>	-

The derivative assets and liabilities held by the Company represent foreign currency options. The fair value of derivative financial instruments is measured by comparing the quoted price and the strike foreign currency rates at the end of the reporting period, by the same bank, which are observable at the end of the reporting period. The investment is classified as Level 2 of the fair value hierarchy.

14. RELATED PARTY TRANSACTIONS

In addition to the transactions / information disclosed elsewhere in these financial statements, during the year, the Company had the following transactions with related parties:

Related party relationship	Nature of transaction	2025 US\$	2024 US\$
Related companies	Sale of goods	<u>368,313</u>	<u>281,963</u>
	Service income	<u>51,000</u>	<u>51,000</u>

Mr. Jatin Pravinchandra Shah / Mr. Saumil Shailesh Shah is the common director of the Company and the related companies.

15. IMMEDIATE PARENT AND ULTIMATE CONTROLLING PARTY

The directors of the Company consider the immediate parent and ultimate holding company of the Company to be Asian Star Company Limited, which is incorporated in India.

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 22 May 2025.