

MIRA INFORM REPORT

Report No. :	533038
Report Date :	09.10.2018

IDENTIFICATION DETAILS

Name :	TARGET GLOBAL SOURCING LIMITED
Registered Office :	22/F., One Harbourfront, 18 Tak Fung Street, Hung Hom, Kowloon.
Country :	Hong Kong
Date of Incorporation :	22.11.2006
Com. Reg. No.:	37378381
Legal Form :	Private Limited Company.
Line of Business :	Importer, Exporter and Wholesaler of Garments, electronic products, toys, footwear
No. of Employees :	95

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+	Low Risk	Business dealings permissible with low risk of default

Status :	Good
Payment Behaviour :	Regular
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, 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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TARGET GLOBAL SOURCING LIMITED - 533038

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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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NOTE

(Formerly located at:
4/F. & 5/F., Tsim Sha Tsui Centre,
66 Mody Road, Tsimshatsui East,
Kowloon, Hong Kong.)

COMPANY NAME AND ADDRESS

TARGET GLOBAL SOURCING LIMITED

ADDRESS: 22/F., One Harbourfront, 18 Tak Fung Street, Hung Hom, Kowloon, Hong Kong.

PHONE: 852-2733 7308

FAX: 852-2311 9483

MANAGEMENT:

Regional Director: Ms. Ho Yin Ling

SUMMARY

Incorporated on: 22nd November, 2006.

Organization: Private Limited Company.

Issued Share Capital: US\$52,288,298.98

Business Category: Importer, Exporter and Wholesaler.

Total Group Revenues: US\$71,879 million (Year ended 03-02-2018)

Employees: 95. (Hong Kong)

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

Banking Relation: Satisfactory.

ADDRESS

Registered Head Office:-
22/F., One Harbourfront, 18 Tak Fung Street, Hung Hom, Kowloon, Hong Kong.

Holding Company:
Target Sourcing Services Ltd., Hong Kong. (Same address)

Intermediate Holding Company:-
TG Holdings, Bermuda.

Ultimate Holding Company:-
Target Corporation, U.S.

Associated Companies:-
Target Group of Companies
AMC (S) Pte. Ltd., Singapore.
AMC Dominican Republic S.A., Dominican Republic.
AMC Honduras S.A., Honduras.
AMC Nicaragua S.A., Nicaragua.
Amcrest Corporation, U.S.
Amcrest France Sarl, France.
Associated Merchandising Corporation Pensionsverwaltung GmbH, Germany.
Associated Merchandising Korea Corporation, Korea.
Dayton Credit Company, U.S.
Glendale West LLC, U.S.
Lafayette Nominee Owner LLC, U.S.
PP&E LLC, U.S.
Red Tail LLC, U.S.
Shipt Inc., U.S.
STL of Nebraska Inc., U.S.
SuperTarget Liquor of Massachusetts Inc., U.S.
SuperTarget Liquor of Missouri Inc., U.S.
SuperTarget Liquor of Texas Inc., U.S.
Target Bank, U.S.
Target Brands Inc., U.S.
Target Bridges Inc., U.S.
Target Canada Co., Nova Scotia.
Target Capital Corporation, U.S.
Target Clinic Medical Associates Florida LLC, U.S.
Target Clinic Medical Associates Maryland LLC, U.S.
Target Commercial Interiors Inc., U.S.
Target Connect Inc., U.S.
Target Corporate Services Inc., U.S.
Target Corporation India Private Ltd., India.
Target Customs Brokers Inc., U.S.
Target Enterprise Inc., U.S.
Target Food Inc., U.S.

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Target General Merchandise Inc., U.S.
Target Global Trade Inc., U.S.
Target Jefferson Boulevard LLC, U.S.
Target Medford Urban Renewal LLC, U.S.
Target Millville Urban Renewal LLC, U.S.
Target National Bank, U.S.
Target Receivables Corporation, U.S.
Target Services Inc., U.S.
Target Sourcing Services Co. Ltd., China.
Target Sourcing Services Guatemala Sociedad Anonima, Guatemala.
Target Sourcing Services Hong Kong Ltd., Hong Kong.
Target Sourcing Services India Private Ltd., India.
Target Sourcing Services Italy S.r.l., Italy.
Target Sourcing Services Pacific Ltd., Hong Kong.
Target Stafford Urban Renewal LLC, U.S.
Target Stores Inc., U.S.
Target Wilson Yard QALICB LLC, U.S.
TCC Corporation S.a.r.l., Luxembourg.
TCDC Inc., U.S.
The Associated Merchandising Corporation, U.S.
TSS One Ltd., Hong Kong.
TSS Two Ltd., Hong Kong.
Walsh Bros., U.S.
Westbury Holding Company, U.S.
etc.

BUSINESS REGISTRATION NUMBER

37378381

COMPANY FILE NUMBER

1089496

MANAGEMENT

Regional Director: Ms. Ho Yin Ling
Contact Person: Ms. Kau Chui Fan

ISSUED SHARE CAPITAL

US\$52,288,298.98 (6 fully paid ordinary shares)

SHAREHOLDER

(As per registry dated 22-11-2017)

Name	No. of shares
Target Sourcing Services Ltd., Hong Kong.	6
	=

DIRECTORS

(As per registry dated 22-11-2017)

Name	Address
(Nationality) Carter Jennings LEUTY	5909 Churchill Street, Shoreview, MN55126, U.S.
KAU Chui Fan	Flat A, 25/F., Tower 3, Island Harbourview, Tai Kok Tsui, Kowloon, Hong Kong.
David Lawrence DONLIN [Alternate to: Carter Jennings LEUTY]	26855 Marsh Pointe Circle, Shorewood, MN 55331, U.S.
HO Yin Ling	Flat E, 18/F., Block 5, The Waterfront, Tower V, 1 Austin Road West, Tsimshatsui, Kowloon, Hong Kong.

SECRETARY

(As per registry dated 22-11-2017)

Name	Address	Co. No.
CFAS Secretarial Services Ltd.	21/F., Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong.	0028739

HISTORY

The subject was incorporated on 22nd November, 2006 as a private limited liability company under the Hong Kong Companies Ordinance.

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Originally the subject was registered under the name of Target China Holdings Ltd., name changed to Target Sourcing Services Asia Ltd. on 13th March, 2007 and further changed to the present style on 3rd August, 2016. Formerly the subject was located at '4/F. & 5/F., Tsim Sha Tsui Centre, 66 Mody Road, Tsimshatsui East, Kowloon, Hong Kong', moved to the present address with effect from 3rd July, 2018. Apart from these, neither material change nor amendment has been ever traced and noted.

OPERATIONS

Activities: Importer, Exporter and Wholesaler.
Lines: Garments, electronic products, toys, footwear
Employees: 95. (Hong Kong)
Commodities
Imported: China, other Asian countries and acquired locally.
Markets: North America, etc.

Total Group Revenues: US\$71,279 million (Year ended 01-02-2014)
US\$72,618 million (Year ended 31-01-2015)
US\$73,785 million (Year ended 30-01-2016)
US\$69,495 million (Year ended 28-01-2017)
US\$71,879 million (Year ended 03-02-2018)
US\$32,405 million (6 months ended 29-07-2017)
US\$34,108 million (6 months ended 04-08-2018)

Terms/Sales: As per contracted.

Terms/Buying: L/C or as per contracted.

FINANCIAL INFORMATION

Issued Share Capital: US\$52,288,298.98 (6 fully paid ordinary shares)

Group Net Earnings: US\$1,971 million (Year ended 01-02-2014)
(US\$1,636 million) (Year ended 31-01-2015)
US\$3,363 million (Year ended 30-01-2016)
US\$2,737 million (Year ended 28-01-2017)
US\$2,934 million (Year ended 03-02-2018)
US\$1,349 million (6 months ended 29-07-2017)
US\$1,517 million (6 months ended 04-08-2018)

Profit or Loss: Group business is profitable in average.

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Condition:	Keeping in an active manner.
Facilities:	Making active use of general banking facilities.
Payment:	Regular.
Commercial Morality:	Satisfactory.
Banker:	The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
Standing:	Good.

GENERAL

Target Global Sourcing Limited is a wholly-owned subsidiary of Target Sourcing Services Ltd. [TSSL] which is located at the same address. TSSL is wholly-owned by TG Holdings, a Bermuda-registered firm. TSSL's ultimate holding company Target Corporation [Target] is a US-based firm. Target is a listed firm in the New York Stock Exchange.

Currently, TSSL is trading in the following commodities:

Clothing Accessories, Electronic Products, Footwear, Garment, Giftware and Premium, Imitation / Costume Jewellery, Textiles, Toys, Household Products, food assortment such as perishables, dry grocery, dairy and frozen items, etc.

Target also markets its products online. Target.com offers a wide assortment of general merchandise including many items found in its stores and a complementary assortment, such as extended sizes and colours, sold only online. A significant portion of its sales is from national brand merchandise. It also sells many products under its owned and exclusive brands. Owned brands include merchandise sold under private-label brands including, but not limited to, "Archer Farms®", "Archer Farms®", "Simply Balanced™", "Boots & Barkley®", "choxie®", "Circo®", "Durabuilt®", "Embark®", "Gilligan & O'Malley®", "itso™", "Market Pantry®", "Merona®", "Play Wonder®" and "Room Essentials®".

In addition, the Target Group sells merchandise under exclusive licensed and designer brands.

Segment includes all of its US retail operations, which are designed to enable guests to purchase products seamlessly in stores, online or through mobile devices.

Target sells a wide assortment of general merchandise and food. Its general merchandise and CityTarget stores offer an edited food assortment, including perishables, dry grocery, dairy and frozen items, while its SuperTarget stores offer a full line of food items comparable to traditional supermarkets. Its digital channels include a wide assortment of general merchandise, including many items found in its stores and a complementary assortment, such as extended sizes and colours, that are only sold online.

In 2015, Target withdrew its business from Canada. Formerly the Target Group was also engaged in the business of pharmacies and clinics, now, it has abandoned these businesses and centres on general merchandise.

In FY 2017, the sales of the Target Group was US\$71,879 million (2016: US\$69,495 million), Group net earnings were US\$2,934 million (2016: US\$2,737 million).

In first half of 2018, the sales of the Target Group was US\$34,108 million (same period of 2017: US\$32,405 million), Group net earnings were US\$1,517 million (same period of 2017: US\$1,349 million).

For the year ended 4th August, 2018, the Target Group had 1,835 stores.



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Website : <http://www.mirainform.com>
<http://www.miraglobalcheck.com>
<http://www.miraglobalcollections.com>

As at 3rd February, 2018, Target employed approximately 345,000 full-time, part-time and seasonal employees, referred to as "team members."

The subject is fully supported by Target. History in Hong Kong is over eleven years and ten months. On the whole, consider the subject good for normal business engagements.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupee
US Dollar	1	INR73.92
UK Pound	1	INR 96.86
Euro	1	INR 85.06
HKD	1	INR 9.46

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)