

MIRA INFORM REPORT

Report No. :	532468
Report Date :	28.09.2018

IDENTIFICATION DETAILS

Name :	BRAIFORM (HK) LIMITED
Registered Office :	13/F., 165 Hoi Bun Road, Kwun Tong, Kowloon
Country :	Hong Kong
Date of Incorporation :	24.11.1999
Com. Reg. No.:	30533962
Legal Form :	Private Limited Company
Line of Business :	Manufacturer and Exporter All Kinds of Plastic Hangers, Haberdashery, and Attached Accessories.
No. of Employees :	50

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 :	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, hydrocarbon 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.

The mainland 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

BRAIFORM (HK) LIMITED

ADDRESS: 13/F., 165 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong.

PHONE: 852-2793 0163, 2178 6726

FAX: 852-2342 7309

E-MAIL: Dorisy@hkstar.com

MANAGEMENT:

Managing Director: Mr. Ben James Hunt

SUMMARY

Incorporated on: 24th November, 1999.

Organization: Private Limited Company.

Issued Share Capital: HK\$48,711,287.00

Business Category: Plastic Hanger Manufacturer.

Employees: 50.

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

Banking Relation: Satisfactory.

ADDRESS

Registered Head Office:-

13/F., 165 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong.

China Factory: Huizhou City, Guangdong Province, China.

Immediate Holding Company:-

Braiform Investments Ltd., Hong Kong. (Same address)

Associated Companies:-

Braiform (NZ) Ltd., New Zealand.
Braiform (UK) Ltd., UK.
Braiform Australia Pty. Ltd., Australia.
Braiform Enterprises Inc., USA.
Braiform Group Pty. Ltd., Australia.
Braiform Trading (Shanghai) Ltd., China.
Braitrim (Deutschland) GmbH, Germany.
Braitrim (Deutschland) Sp.z.o.o., Poland.
Braitrim (Far East) Ltd., Hong Kong. (Dissolved)
Braitrim (Scandinavia) AB, Sweden.
Braitrim Direct Ltd., UK.
Braitrim Group Ltd., UK.
Braitrim Holdings Ltd., UK.
Braitrim India (Pvt) Ltd., India.
Braitrim Lanka (Pvt) Ltd., Sri Lanka.
Braitrim Packaging (UK) Ltd., UK.
Braitrim Plasti-Form (Middle East) FZCO, U.A.E.
Braitrim Plastiform Bangladesh Ltd., Bangladesh.
Braitrim Plastiform Dis Ticaret A.S., Turkey.
Braitrim Plasti-Form South Africa (Pty) Ltd., South Africa.
Plastiform de Honduras S. De R. L., Honduras.
Plastiform Ltd., UK.
etc.

BUSINESS REGISTRATION NUMBER

30533962

COMPANY FILE NUMBER

0695590

MANAGEMENT

Managing Director: Mr. Ben James Hunt
Contact Person: Mr. Collin Lin

ISSUED SHARE CAPITAL

HK\$48,711,287.00

SHAREHOLDER

(As per registry dated 24-11-2017)

Name

Braiform Investments Ltd., Hong Kong.

No. of shares

48,711,287

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DIRECTORS

(As per registry dated 24-11-2017)

Name

(Nationality)

Graeme Andrew Scott
RUTHERFORD

Address

The Old Vicarage, Chesham Road, Ashley Green, Chesham
HP5 3PP, U.K.

Ben James HUNT

Flat A, 12/F., Ridge Court, 21 Repulse Bay Road, Hong Kong.

SECRETARY

(As per registry dated 24-11-2017)

Name

Tricor Secretaries Ltd.

Address

Level 54, Hopewell Centre, 183 Queen's Road East,
Hong Kong.

Co. No.

0014900

HISTORY

The subject was incorporated on 24th November, 1999 as a private limited liability company under the Hong Kong Companies Ordinance.

It was originally registered under the name of Global Scale Investment Ltd., name changed to Spotless Plastics (HK) Ltd. on 4th August, 2000, and further changed to the present style on 30th November, 2012.

Long time ago, the subject was located at Units 3501-3506, Level 35, Tower I, Millennium City, 388 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong. It moved to Room 2301, 23/F., Octa Tower, 8 Lam Chak Street, Kowloon Bay, Kowloon, Hong Kong in August 2012 and further to the present address in May 2016.

Apart from these, neither material change nor amendment has been ever traced and noted.

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OPERATIONS

Activities: Manufacturer and Exporter.

Lines: All kinds of plastic hangers, haberdashery, and attached accessories.

Employees: 50.

Raw Materials: Bought from various sources and local suppliers.

Markets: US, Bangladesh, Malaysia, South Korea, China, other Asian countries, Europe, etc.

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

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

FINANCIAL INFORMATION

Issued Share Capital: HK\$48,711,287.00

Indebtedness: HK\$67,000,000.00 (Total amount outstanding on all mortgages and charges as per last Annual Return dated 24-11-2017)

Mortgage or Charge: (See attachment)

Profit or Loss: Business is profitable.

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: Very Good.

GENERAL

Formerly Braiform (HK) Limited was a wholly-owned subsidiary of Braiform Group Pty. Ltd. [Braiform] which was an Australia-based company. Now, the new shareholder of the subject is Braiform Investments Ltd. (formerly known as Phoenix Two Investments Ltd.), a Hong Kong-registered company located at the same address.

The subject still belongs to Braiform Group.

The subject moved to the present address in May 2016.

The predecessor of the subject was known as Spotless Plastics (HK) Ltd. which was a member of the Spotless Plastics Group.

On 25th October 2013, Pacific Equity Partners (PEP) reached an agreement with Ben Hunt and Graeme Rutherford for a Management Buy Out (MBO) of Braiform. Now, they are the Co- CEOs of Braiform.

Now, Braiform is a leading international supplier of garment hangers and GNFR solutions to the retail industry. All the products bear the brand name of *Braiform*.

The business formerly was a division of Spotless Group, however, with a significantly different customer profile and operating model, PEP worked in consultation with Braiform and Spotless management to separate the business. Braiform has been run independently by Mr. Hunt, Mr. Rutherford and the Braiform management team for the past year following PEP's acquisition of Spotless in August 2012.

Mr. Rutherford and Mr. Hunt, both longstanding Braiform employees, now has formed a Board with two additional non-executive directors. Braiform has formalised its headquarters in Hong Kong, with a key commercial office in the United Kingdom, in proximity to major customers.

Now Mr. Hunt and Mr. Rutherford own 100% of the shares in Braiform.

Each year it supplies in conjunction with its licensees, close to three billion hanger units, re-use more than one billion and recycle more than 200 million garment hangers. Complementary to this, Braiform provides print and packaging solutions including artwork design, packaging design and digital pre-press services. It is a one-stop-shop for retailers, doing everything it can to get its customers' products ready for the shop floor.

Today Braiform supplies in excess of 2.5 billion hangers, re-uses 1 billion and recycles 250 million each year. It has customers in 30 countries of the world. Prime markets are the United States and Europe. The following companies are some of its customers:

Academy Sports + Outdoors, adidas, Alfred dunner, Arcadia, Barkers', Bealls, Belk, Bon Ton, Boscor's, Burlington, Calvin Klein, carter's, Champion, Columbia, Converse, Dollar General, dotti, Ellen Tracy, Family Dollar, Fruit of the Loom, Gildan, GS1, H&M, Haggar Clothing, Hanes, Hurley, JCPenny, Jockey, Kayser-Roth Corporation, Kmart, KOHL'S, Komar, Laks Fifth Avenue, LANDS' END, Li & Fung, LPP, M&S, macys, Maggy London, Michael Kors, mothercare, Nautica, Nike, Palais Royal, PEACOCKS, Peebles, PRIMARK, Puma, PVH,

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ralph Lauren, RIVER ISLAND, Sears, South Pole, Stage Stores, Superdry., The North Face, Timberland, vf, VON MAUR, Wacoal, Walmart, WEATHERPROFF, Williamson-Dickie Mfg. Co., Wrangler, etc.

Alongside the garment hanger division Braiform has a complimentary packaging division creating value add products, services and solutions. Now, the Group has offices and points of contact all around the world besides the subject.

The subject's total amount of the indebtedness registered with the Companies Registry as at end of November 2017 amounted to HK\$65 million (as at end of November 2016 amounted to HK\$75 million).

The business of the subject is active in Hong Kong. History is over 18 years and eight months.

The Contact Person Mr. Collin Lin is the Sales Manager of the subject.

On the whole, in view of the parentage of the subject, consider it good for normal business engagements.

MORTGAGE OR CHARGE

Date	Description of Instrument	Mortgagee
11-12-2013	Charge Over Securities and Deposits with the Bank (Limited Company – Under Seal)	The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
11-12-2013	Assignment of Receivables and Charge Over Proceeds – General	The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
10-12-2013	Assignment of DC proceeds	The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
01-12-2014	Floating Charge	The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
18-05-2018	Charge Over Securities and Deposits with the Bank (Limited Company) (Limited Amount)	The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.65
UK Pound	1	INR 95.43
Euro	1	INR 85.04
HKD	1	INR 9.28

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

INFORMATION DETAILS

Analysis Done by :	NIS
Report Prepared by :	TPT

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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)