

MIRA INFORM REPORT

Report No. :	526454
Report Date :	24.08.2018

IDENTIFICATION DETAILS

Name :	HANMI TOWEL CO., LTD.
Registered Office :	450-2, Eumnae-dong, Daedeok-gu, Daejeon
Country :	South Korea
Financials (as on) :	31.12.2017
Date of Incorporation :	13.03.1984
Com. Reg. No.:	306-81-04878
Legal Form :	Co., Ltd by Shares
Line of Business :	Manufacture and Wholesales of Towel and Fabrics (Towel, Special Textile)
No. of Employees :	85

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 (31.12.2017)	Current Rating (01.04.2018)
South Korea	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

SOUTH KOREA - ECONOMIC OVERVIEW

After emerging from the 1950-53 war with North Korea, South Korea emerged as one of the 20th century's most remarkable economic success stories, becoming a developed, globally connected, high-technology society within decades. In the 1960s, GDP per capita was comparable with levels in the poorest countries in the world. In 2004, South Korea joined the trillion-dollar club of world economies.

Beginning in the 1960s under President PARK Chung-hee, the government promoted the import of raw materials and technology, encouraged saving and investment over consumption, kept wages low, and directed resources to export-oriented industries that remain important to the economy to this day. Growth surged under these policies, and frequently reached double-digits in the 1960s and 1970s. Growth gradually moderated in the 1990s as the economy matured, but remained strong enough to propel South Korea into the ranks of the advanced economies of the OECD by 1997. These policies also led to the emergence of family-owned chaebol conglomerates such as Daewoo, Hyundai, and Samsung, which retained their dominant positions even as the government loosened its grip on the economy amid the political changes of the 1980s and 1990s.

The Asian financial crisis of 1997-98 hit South Korea's companies hard because of their excessive reliance on short-term borrowing, and GDP ultimately plunged by 7% in 1998. South Korea tackled difficult economic reforms following the crisis, including restructuring some chaebols, increasing labor market flexibility, and opening up to more foreign investment and imports. These steps lead to a relatively rapid economic recovery. South Korea also began expanding its network of free trade agreements to help bolster exports, and has since implemented 16 free trade agreements covering 58 countries—including the United State and China—that collectively cover more than three-quarters of global GDP.

In 2017, the election of President MOON Jae-in brought a surge in consumer confidence, in part, because of his successful efforts to increase wages and government spending. These factors combined with an uptick in export growth to drive real GDP growth to more than 3%, despite disruptions in South Korea's trade with China over the deployment of a US missile defense system in South Korea.

In 2018 and beyond, South Korea will contend with gradually slowing economic growth - in the 2-3% range - not uncommon for advanced economies. This could be partially offset by efforts to address challenges arising from its rapidly aging population, inflexible labor market, continued dominance of the chaebols, and heavy reliance on exports rather than domestic consumption. Socioeconomic problems also persist, and include rising inequality, poverty among the elderly, high youth unemployment, long working hours, low worker productivity, and corruption.

Source : CIA

BASIC INFORMATION

Basic

Company Name	HANMI TOWEL CO., LTD.
Registered Address	450-2, Eumnae-dong, Daedeok-gu, Daejeon, Korea (Old Address System : 50, Daejeon-ro 1331beon-gil, Daedeok-gu, Daejeon, Korea)
Building	
Zip Code	34363
Tel	+82-42-625-4141~4
Fax	+82-42-625-4147~8
E-mail	hanmitowel@hanmail.net
Website	www.hanmitowel.co.kr
Trading Address	2FL., 332-18, Jongno 5(o)-ga, Jongno-gu, Seoul, Korea (Old Address System : 2FL., 398, Dongho-ro, Jongno-gu, Seoul, Korea)
Tel	+82-2-2266-7711
Fax	+82-2-2266-4422
Other Address	
Tel	
Fax	
Type	Export/Import
Industry	Manufacture and Wholesales of Towel and Fabrics
Main Business	Towel, Special Textile
Sub Business	
Established (mm/dd/yyyy)	03/13/1984

Detailed Products

Activity	Detailed Products (UNSPSC)
Sell	Towels(52121700)

CEO's

Name	Baik Beom-Gyu
Date of Birth	01/04/1950
Title	President & CEO
Nationality	Korean

Profiles

Capital (KRW)	996,950,000
Employees	85
Formation	Co., Ltd by Shares
Bank Details	Industrial Bank of Korea Kookmin Bank

Corporate Registered No. 160111-0006555
Business Registered No. 306-81-04878
Permit & Licenses N/A
Shareholder Position

Name	Shares	%
BAIK KWANG-JEON	19,360	9.71
BAIK SOON-IN	15,240	7.64
HYUN JIN-HAE	40,640	20.38
YEO KI-SEOK	15,240	7.64
OTHERS	108,910	54.62
TOTAL	199,390	100.00

Company History 03/13/1984 Incorporated as the present name

DETAILED INFORMATION

Management

Job Description	Name	Nationality	Date of Birth	Inauguration Date
President & CEO	Baik Beom-Gyu	Korean	01/04/1950	03/28/2013
Director	Baik Soon-In	Korean	01/03/1958	03/26/2007
Director	Yeo Ki-Seok	Korean	03/10/1954	03/28/2013
Director	Jeong Yeon-Hee	Korean	03/30/1949	03/28/2013
Director	Hyun Jin-Hae	Korean	01/02/1941	03/28/2013
Director	Baik Kwang-Jeon	Korean	05/15/1945	03/28/2016
Director	Lee Geum-Nyeo	Korean	02/21/1946	03/28/2016
Auditor	Hyun Gyu-Jong	Korean	03/19/1920	03/26/2001
Auditor	Park Jae-Gyu	Korean	11/22/1955	03/26/2010
Auditor	Lee Won-Sang	Korean	02/14/1953	03/28/2013

Financials

Year / Unit : KRW	Sales	Assets	Net Income
2017	8,096,576,865	16,279,845,915	-360,831,904
2016	9,385,863,858	16,353,416,850	-263,369,128
2015	9,985,883,838	14,993,370,622	57,872,001
2014	10,808,288,761	14,292,671,049	197,189,259
2013	10,986,640,294	14,518,031,438	90,152,001

FINANCIAL DESCRIPTION

Authorized Capital(KRW) 1,884,000,000
Paid-Up Capital(KRW) 996,950,000
Total Issued Shares 199,390

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Balance Sheet

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Total Assets	16,279,845,915	16,353,416,850	14,993,370,622
Current Assets	8,226,919,405	8,662,645,228	7,961,386,956
-Quick Assets	4,983,808,949	7,406,148,004	6,726,809,823
-Inventories	3,243,110,456	1,256,497,224	1,234,577,133
Fixed Assets	8,052,926,510	7,690,771,622	7,031,983,666
-Investment	870,291,927	620,263,129	712,010,789
-Tangibles	7,139,711,828	7,026,132,658	6,274,143,962
-Intangibles	1,732,955	3,186,035	4,639,115
-Others	41,189,800	41,189,800	41,189,800
Total Liabilities	10,033,648,793	9,708,287,824	7,823,136,468
Current Liabilities	5,471,419,695	5,439,011,944	4,873,086,095
Fixed Liabilities	4,562,229,098	4,269,275,880	2,950,050,373
Capital Stock	996,950,000	996,950,000	996,950,000
Capital Surplus	2,452,825,903	2,452,825,903	2,452,825,903
Profit Surplus	82,301,789	443,133,693	745,218,821
Capital Adjustment	2,714,119,430	2,752,219,430	2,975,239,430
Total Equity	6,246,197,122	6,645,129,026	7,170,234,154
Liab. & Shareholder's Equity	16,279,845,915	16,353,416,850	14,993,370,622
Current Liabilities	5,471,419,695	5,439,011,944	4,873,086,095
Trade Payables	166,735,622	398,355,295	164,719,166
Short-Term Borrowings	4,800,000,000	4,500,000,000	4,200,000,000
Account Payables	352,556,063	426,508,762	442,062,186
Accrued Expenses	12,917,050	11,278,077	8,979,118
Withholdings	5,993,960	2,869,810	2,772,900
Advance Receipts	3,217,000	-	21,832,725
Current Portion of Long-Term Debts	130,000,000	100,000,000	32,720,000
Fixed Liabilities	4,562,229,098	4,269,275,880	2,950,050,373
Long-Term Borrowings	2,305,000,000	1,975,000,000	500,000,000
Leasehold Deposit Received	500,000,000	500,000,000	500,000,000
Provision for Severance & Retirement	1,757,229,098	1,794,275,880	1,950,050,373

Income Statement

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Sales	8,096,576,865	9,385,863,858	9,985,883,838
Cost of Sold Goods	7,003,602,290	8,047,443,915	8,113,329,309
Gross Profit	1,092,974,575	1,338,419,943	1,872,554,529
Selling & Admin. Expenses	1,467,794,346	1,459,935,739	1,583,954,341
Operating Income	-374,819,771	-121,515,796	288,600,188
Non-Operating Income	221,854,540	54,697,820	48,021,798
Non-Operating Expenses	207,866,673	196,551,152	278,749,985

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Income Before Taxes	-360,831,904	-263,369,128	57,872,001
Income Taxes Expenses	-	-	-
Net Income	-360,831,904	-263,369,128	57,872,001

Cash Flows

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Cash Flows from Operating	-833,449,944	48,977,600	309,874,972
-Net Income	-360,831,904	-263,369,128	57,872,001
-Exp. without Cash Outflow	650,943,527	530,167,660	489,646,681
-Revenue without Cash Inflows	-180,175,719	-10,164,000	-9,997,050
-Changes in Asset/ & Liability	-943,385,848	-207,656,932	-227,646,660
Cash Flows from Investing	-351,838,288	-1,164,642,613	-464,908,371
-Cash Inflow from Investing	190,000,000	289,180,000	324,700,000
-Cash Outflows for Investing	-541,838,288	-1,453,822,613	-789,608,371
Cash Flows from Financing	621,900,000	1,580,544,000	356,328,000
-Cash Inflows from Financing	760,000,000	3,300,000,000	500,000,000
-Cash Outflows from Financing	-138,100,000	-1,719,456,000	-143,672,000
Increase/Decrease in Cash	-563,388,232	464,878,987	201,294,601
Cash at the Beginning of Year	761,673,160	296,794,173	95,499,572
Cash at the End of Year	198,284,928	761,673,160	296,794,173

PRODUCTS, TECHNOLOGIES, SERVICES
DESCRIPTION

Main Products & Services Towel, Special Textile

Brand Name : renoma, LICENTIA, MOYA, HUGLOVE

Detailed Products Spec.
Technologies Acquired

TRADE PARTNERS & COMPETITORS

Competitors SONGWOL TOWEL CO., LTD.
250-1, YUSAN-DONG, YANGSAN-SI, GYEONGSANGNAM-DO, KOREA
TEL:+82-55-911-1000 FAX:+82-55-911-0990

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1ST FL., MUHAN BLDG., 36, GANGNAM-DAERO 156-GIL, GANGNAM-
GU, SEOUL, KOREA
TEL:+82-2-548-7412 FAX:+82-2-514-3510

CRONTIER CO., LTD.
RM. 201, SAEMTAP BLDG., 448-16, SINGIL 5-DONG,
YEONGDEUNGPO-GU, SEOUL, KOREA
TEL:+82-2-572-1766 FAX:+82-2-572-1769

RELATED PARTIES

(Subsidiaries, Joint-Venture & Affiliates)

Subsidiary	HANMI TONGSANG CO., LTD.(160111-0337083) (100.0% held by the subject company)
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SALES BY REGION (ACTIVITY & MARKETS)

Not Available.

COURT ACTION

No Records.

NEWS CLIPPING

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.07
UK Pound	1	INR 90.26
Euro	1	INR 81.05
KRW	1	INR 0.063

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

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	TRU

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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)