

MIRA INFORM REPORT

Report No. :	543240
Report Date :	04.12.2018

IDENTIFICATION DETAILS

Name :	HOONG A CORPORATION
Formerly Known As :	<ul style="list-style-type: none"> • HOONG A MACHINERY CO • HOONG A TRADE CO
Registered Office :	55, Saneop-ro 7beon-gil, Ojeong-gu, Bucheon-si, Gyeonggi-do, 14441
Country :	South Korea
Financials (as on) :	31.12.2017
Date of Incorporation :	17.12.1991
Com. Reg. No.:	130-81-33247
Legal Form :	Co., Ltd by shares
Line of Business :	Manufacture of Packing Machinery and Containers Cleaning Machinery [Blister Packaging Systems, Cartoning Machine, Inspector, Push Through Pack(P.T.P) Machinery]
No. of Employees :	126

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :

A

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.

ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
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's GDP surpassed one trillion dollars.

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

Company Name	HOONG A CORPORATION
Registered Address	55, Saneop-ro 7beon-gil, Ojeong-gu, Bucheon-si, Gyeonggi-do, Korea
Building	
Zip Code	14441
Tel	+82-32-675-1511
Fax	+82-32-675-1512 +82-32-675-9200
E-mail	sales@hoonga.com;tsales@hoonga.com
Website	www.hoonga.com
Trading Address	55, Saneop-ro 7beon-gil, Ojeong-gu, Bucheon-si, Gyeonggi-do, Korea (Old Address System : 758-6/7/8, Ojeong-dong, Ojeong-gu, Bucheon-si, Gyeonggi-do, Korea)
Tel	+82-32-675-1511
Fax	+82-32-675-1512 +82-32-675-9200
Other Address-Branch	72, Pyeongcheon-ro 850beon-gil, Wonmi-gu, Bucheon-si, Gyeonggi-do 14487 Korea (Old Address System : 83-6, Dodang-dong, Wonmi-gu, Bucheon-si, Gyeonggi-do 14487 Korea)
Tel	+82-32-682-4355
Fax	+82-32-675-1525
Type	Export/Import
Industry	Manufacture of Packing Machinery and Containers Cleaning Machinery
Main Business	Blister Packaging Systems, Cartoning Machine, Inspector, Push Through Pack(P.T.P) Machinery
Sub Business	
Established (mm/dd/yyyy)	12/17/1991

DETAILED PRODUCTS

Activity	Detailed Products (UNSPSC)
Sell	Packaging machinery(23152900)
Sell	Cartoning machinery(24102107)
Sell	Sifters(23151608)

CEO'S

Name	Kang Shin-Young
Date of Birth	04/17/1958
Title	President & CEO
Nationality	Korean

PROFILES

Capital (KRW)	600,000,000									
Employees	126									
Formation	Co., Ltd by shares									
Bank Details	KEB Hana Bank-Dodang Dong Branch									
Corporate Registered No.	124311-0033988									
Business Registered No.	130-81-33247									
Permit & Licenses	03/05/1996 EM Mark 02/23/2000 CE Mark 11/29/2001 EM Mark 04/03/2002 ISO 9001 11/12/2002 ISO 14001 11/14/2002 CE Mark 07/02/2004 ISO 9001 07/02/2004 ISO 14001 07/26/2004 CE Mark 11/29/2005 EM Mark									
	Int'l Trade No.: 223461									
Shareholder Position	<table> <thead> <tr> <th>Name</th> <th>Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>KANG SHIN-YOUNG & HIS FAMILY(7)</td> <td>60,000</td> <td>100.00</td> </tr> <tr> <td>TOTAL</td> <td>60,000</td> <td>100.00</td> </tr> </tbody> </table>	Name	Shares	%	KANG SHIN-YOUNG & HIS FAMILY(7)	60,000	100.00	TOTAL	60,000	100.00
Name	Shares	%								
KANG SHIN-YOUNG & HIS FAMILY(7)	60,000	100.00								
TOTAL	60,000	100.00								
Company History	12/01/1970 Established as HOONG A Trade Co.(Sole Proprietorship) 07/01/1981 Changed company name to HOONG A MACHINERY CO. 12/17/1991 Incorporated as the present name 09/01/1998 Designated as a Venture Business 06/11/2002 Increased the authorized shares to 240,000 shares from 40,000 shares 06/12/2002 Increased capital to 600,000,000 KRW from 300,000,000 KRW 11/11/2004 Designated as a Venture Business again 11/30/2006 Awarded US\$ 10 Million Export Top Prize 11/2009 Awarded US\$ 20 Million Export Top Prize 02/14/2011 Moved to the present HQ address from 83-6, Dodang-dong, Wonmi-gu, Bucheon-si, Gyeonggi-do, Korea									

DETAILED INFORMATION

Management

Job Description	Name	Nationality	Date of Birth	Inauguration Date
President & CEO	Kang Shin-Young	Korean	04/17/1958	03/31/2003

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Chairman & CEO	Kang Dae-Hee	Korean	12/01/1933	03/27/2000
Outside Director	Kang Shin-Won	Korean	05/18/1960	03/27/2000
Director	Yeon Jung-Eun	Korean	08/28/1962	03/31/2009
Auditor	Jung Tae-Yong	Korean	04/09/1934	03/27/2000

FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
2017	40,264,019,727	70,054,687,501	6,916,876,186
2016	36,126,805,066	63,850,276,397	6,943,894,281
2015	40,659,243,495	52,820,995,236	7,051,378,261
2014	37,559,398,969	47,035,461,137	4,844,520,822
2013	30,546,148,846	42,076,195,215	4,620,025,879
2012	30,720,316,195	38,802,726,775	2,537,043,401
2011	28,707,733,090	38,526,780,239	3,390,223,710
2010	25,664,346,979	33,772,483,686	3,920,950,343
2009	27,432,676,555	26,430,774,869	5,979,746,921
2008	20,967,337,219	19,046,066,105	2,794,751,175
2007	16,244,639,542	14,065,569,692	1,215,061,957
2006	14,570,958,765	13,747,289,321	1,316,527,163
2005	11,336,570,931	10,695,174,582	947,730,212
2004	12,420,404,604	9,527,586,853	1,286,075,610

Financial Description

Authorized Capital(KRW)	2,400,000,000
Paid-Up Capital(KRW)	600,000,000
Total Issues Shares	60,000

Balance Sheet

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Total Assets	70,054,687,501	63,850,276,397	52,820,995,236
Current Assets	39,244,553,313	33,237,917,631	34,168,629,853
-Quick Assets	27,217,380,725	22,100,494,039	27,592,818,817
-Inventories	12,027,172,588	11,137,423,592	6,575,811,036
Fixed Assets	30,810,134,188	30,612,358,766	18,652,365,383
-Investment	277,360,523	290,452,689	413,124,464
-Tangibles	29,278,804,560	29,138,725,002	17,135,658,495
-Intangibles	243,770,407	188,196,377	179,220,726
-Others	1,010,198,698	994,984,698	924,361,698
Total Liabilities	15,303,110,426	15,415,575,508	10,730,188,628
Current Liabilities	13,923,110,426	12,060,575,508	10,120,188,628
Fixed Liabilities	1,380,000,000	3,355,000,000	610,000,000
Capital Stock	600,000,000	600,000,000	600,000,000
Capital Surplus			
Profit Surplus	54,151,577,075	47,834,700,889	41,490,806,608

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Capital Adjustment			
Total Equity	54,751,577,075	48,434,700,889	42,090,806,608
Liab. & Shareholder's Equity	70,054,687,501	63,850,276,397	52,820,995,236
Current Liabilities	13,923,110,426	12,060,575,508	10,120,188,628
Trade Payables	1,110,240,505	1,145,696,070	1,048,604,879
Account Payables	1,326,357,218	1,220,304,722	1,354,679,073
Short-Term Borrowings	197,305,814	2,033,739,612	-
Advance Receipts	7,297,115,135	4,771,364,239	4,180,025,437
Withholdings	48,957,876	56,186,905	45,785,214
Accrued Expenses	1,617,002,367	2,161,986,264	2,355,040,785
Accrued Income Tax	826,131,511	671,297,696	1,136,053,240
Current Portion of Long-Term Debts	1,500,000,000	-	-
Fixed Liabilities	1,380,000,000	3,355,000,000	610,000,000
Long-Term Borrowings	1,125,000,000	3,000,000,000	-
Leasehold Deposit Received	255,000,000	355,000,000	610,000,000

Income Statement

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Sales	40,264,019,727	36,126,805,066	40,659,243,495
Cost of Sold Goods	23,473,681,350	22,477,845,952	25,547,378,894
Gross Profit	16,790,338,377	13,648,959,114	15,111,864,601
Selling & Admin. Expenses	7,258,755,432	6,084,766,590	6,762,606,990
Operating Income	9,531,582,945	7,564,192,524	8,349,257,611
Non-Operating Income	803,522,055	1,279,687,454	1,106,004,122
Non-Operating Expenses	1,984,505,555	500,662,671	747,369,602
Income Before Taxes	8,350,599,445	8,343,217,307	8,707,892,131
Income Taxes Expenses	1,433,723,259	1,399,323,026	1,656,513,870
Net Income	6,916,876,186	6,943,894,281	7,051,378,261

Cash Flows

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Cash Flows from Operating	10,388,482,505	3,073,297,249	6,042,386,661
-Net Income	6,916,876,186	6,943,894,281	7,051,378,261
-Exp. without Cash Outflow	583,561,255	399,110,335	874,193,107
-Revenue without Cash Inflows	-58,948,458	-125,214,526	-1,651,766
-Changes in Asset/ & Liability	2,946,993,522	-4,144,492,841	-1,881,532,941
Cash Flows from Investing	-9,094,539,466	-4,327,447,146	-8,852,345,244
-Cash Inflow from Investing	9,297,317,677	8,467,587,788	842,588,913
-Cash Outflows for Investing	-18,391,857,143	-12,795,034,934	-9,694,934,157
Cash Flows from Financing	-2,911,433,798	4,178,739,612	-1,211,540,640
-Cash Inflows from	227,305,814	5,033,739,612	430,000,000

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Financing			
-Cash Outflows from	-3,138,739,612	-855,000,000	-1,641,540,640
Financing			
Increase/Decrease in Cash	-1,617,490,759	2,924,589,715	-4,021,499,223
Cash at the Beginning of	11,472,287,371	8,547,697,656	12,569,196,879
Year			
Cash at the End of Year	9,854,796,612	11,472,287,371	8,547,697,656

PRODUCTS, TECHNOLOGIES, SERVICES DESCRIPTION

Main Products & Services	Blister Packaging Machine Cartoning Machine End Packaging Machine Tablet Capsule Inspector Tablet Capsule Lifter Petrochemical raw materials Food industry machinery
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TRADE PARTNERS & COMPETITORS

Suppliers	BOUCHERIE CHAIST PERRY INDUSTRIES
Customers	AVENTIS PFIZER COLGATE-PALMOLIVE ORAL-B ENERGIZER SCHIFFER
Competitors	DAE SUNG MACHINERY CO., LTD. 407-5, CHEONGCHEON 2-DONG, BUPYEONG-GU, INCHEON, KOREA TEL:+82-32-513-8004 FAX:+82-32-511-9693 WOOK IL MACHINERY CO., LTD. 1447-5, SEONGSAN-RI, SEONGJU-EUP, SEONGJU-GUN, GYEONGSANGBUK-DO, KOREA TEL:+82-54-931-6162~6 FAX:+82-54-931-6106~9 KYONGJIN SYSTEM 9B-50L, BANWOL INDUSTRIAL COMPLEX, 653, CHOJI-DONG, DANWON-GU, ANSAN-SI, GYEONGGI-DO, KOREA TEL:+82-31-494-9822 FAX:+82-31-494-9885

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RELATED PARTIES (SUBSIDIARIES, JOINT-VENTURE & AFFILIATES)

Affiliates	H&K CORPORATION
Subsidiary	HOONG A AMERICA CO. (100.0% held by the subject company) TEL: +1-56-407-9317 FAX: +1-562-407-9327
Cooperative Enterprise	-Insured Company LIG INSURANCE CO., LTD.(110111-0017859) LOTTE NON-LIFE INSURANCE CO., LTD.(110111-0014459)

SALES BY REGION (ACTIVITY & MARKETS)

Sales/ Unit : KRW	2011	2010	2009
Export	20,637,371,690	17,735,910,129	21,907,102,103
Domestic	8,070,361,400	7,928,436,850	5,414,113,592
Others			111,460,860
Total	28,707,733,090	25,664,346,979	27,432,676,555

The subject deals with the companies in China, India, Iran, Sweden and USA.

COURT ACTION

No.

NEWS CLIPPING

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.03
UK Pound	1	INR 89.50
Euro	1	INR 79.59
KRW	1	INR 0.064

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

INFORMATION DETAILS

Analysis Done by :	NIY
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)