

## MIRA INFORM REPORT

<b>Report No. :</b>	543319
<b>Report Date :</b>	05.12.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	SKY SOFTGEL CO., LTD.
<b>Registered Office :</b>	34, Eunbong-ro 60beon-gil, Namdong-gu, Incheon, Korea, 25B-5L, Namdong Industrial Complex, 21632
<b>Country :</b>	South Korea
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	11.07.2003
<b>Com. Reg. No.:</b>	131-81-80364
<b>Legal Form :</b>	Co., Ltd by Shares
<b>Line of Business :</b>	Wholesale of Other Industrial Machinery and Equipment [Capsule Forming Machines, Multi Counting Machine, Softgel Encapsulation Machine]
<b>No. of Employees :</b>	70

### RATING & COMMENTS

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

**MIRA's Rating :** A

Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

<b>Status :</b>	Good
<b>Payment Behaviour :</b>	Regular
<b>Litigation :</b>	Clear

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**NOTES :**

Any query related to this report can be made on e-mail : [infodept@mirainform.com](mailto: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	SKY SOFTGEL CO., LTD. (Korean Company Name : "(주)스카이스프트젤")
Registered Address	34, Eunbong-ro 60beon-gil, Namdong-gu, Incheon, Korea
Building	25B-5L, Namdong Industrial Complex
Zip Code	21632
Tel	+82-32-811-5440
Fax	+82-32-811-5442
E-mail	info@skysoftgel.com;manage@skysoftgel.com
Website	www.skysoftgel.com
Trading Address	25B-5L, Namdong Industrial Complex, 34, Eunbong-ro 60beon-gil, Namdong-gu, Incheon, Korea (Old Address System : 25B-5L, Namdong Industrial Complex, 446-5, Nonhyeon-dong, Namdong-gu, Incheon, Korea)
Tel	+82-32-811-5441
Fax	+82-32-811-5518
Other Address	
Tel	
Fax	
Type	Export/Import
Industry	Wholesale of Other Industrial Machinery and Equipment
Main Business	Capsule Forming Machines, Multi Counting Machine, Softgel Encapsulation Machine
Sub Business	
Established (mm/dd/yyyy)	07/11/2003

## **DETAILED PRODUCTS**

Activity	Detailed Products (UNSPSC)
Sell	Packaging machinery(23152900)
Sell	Cartoning machinery(24102107)
Sell	Form or fill or seal machinery(23152902)
Sell	Coating machines(23151502)

## **CEO'S**

Name	Shim Dong-Bin(Warden)
Date of Birth	01/28/1965
Title	Representative Director
Nationality	Korean

## **PROFILES**

Capital (KRW)	50,000,000
Employees	70
Formation	Co., Ltd by Shares
Bank Details	Industrial Bank of Korea-Namdong Industrial complex 2 Danji Branch
Corporate Registered No.	120111-0322793
Business Registered No.	131-81-80364
Permit & Licenses	03/2006 CE Mark 04/2006 ISO 9001 12/2007 ISO 14001

Shareholder Position	Int'l Trade No.: 45257492												
	<table> <thead> <tr> <th>Name</th> <th>Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>KIM HWA-SOOK</td> <td>9,350</td> <td>93.50</td> </tr> <tr> <td>SHIM DONG-BIN</td> <td>650</td> <td>6.50</td> </tr> <tr> <td>TOTAL</td> <td>10,000</td> <td>100.00</td> </tr> </tbody> </table>	Name	Shares	%	KIM HWA-SOOK	9,350	93.50	SHIM DONG-BIN	650	6.50	TOTAL	10,000	100.00
Name	Shares	%											
KIM HWA-SOOK	9,350	93.50											
SHIM DONG-BIN	650	6.50											
TOTAL	10,000	100.00											
Company History	07/11/2003 Incorporated as the present name 02/14/2006 Moved to the present HQ address from 670-5, Gojan-dong, Namdong-gu, Incheon, Korea 12/2006 Awarded US\$5 Million Export Top Prize												

## **DETAILED INFORMATION**

### **Management**

Job Description	Name	Nationality	Date of Birth	Inauguration Date
Representative Director	Shim Dong-Bin	Korean	01/28/1965	02/12/2009
Auditor	Kim Hwa-Sook	Korean	12/30/1966	02/12/2009

## **FINANCIALS**

Year / Unit : KRW	Sales	Assets	Net Income
2017	20,614,152,503	21,930,768,610	2,042,128,599
2016	14,531,811,857	15,618,426,499	1,139,085,783
2015	15,150,431,000	8,797,728,000	887,959,000
2014	12,658,967,000	7,803,365,000	767,583,000
2013	13,502,444,000	6,988,490,000	835,541,000
2012	9,590,856,000	6,715,467,000	320,273,000
2011	8,872,124,000	5,984,562,000	270,736,000
2010	6,247,609,000	7,264,754,000	197,602,000
2009	3,477,306,000	5,289,167,000	100,000,000

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2008	6,816,702,000	5,479,831,000	696,567,000
2007	4,631,910,000	5,214,000,000	224,490,000
2006	3,312,000,000	4,637,000,000	295,660,000
2005	5,381,160,000	3,930,000,000	432,020,000

## **FINANCIAL DESCRIPTION**

Authorized Capital(KRW)	200,000,000
Paid-Up Capital(KRW)	50,000,000
Total Issues Shares	10,000

### **Balance Sheet**

<b>Unit : Korean Won</b>	<b>As of 12/31/2017</b>	<b>As of 12/31/2016</b>	<b>As of 12/31/2015</b>
Total Assets	21,930,768,610	15,618,426,499	8,797,728,000
Current Assets	8,016,938,401	3,754,728,787	3,868,301,000
-Quick Assets	5,599,484,369	2,363,691,647	
-Inventories	2,417,454,032	1,391,037,140	
Fixed Assets	13,913,830,209	11,863,697,712	4,929,427,000
-Investment	387,581,607	-	
-Tangibles	13,419,583,383	11,750,997,637	
-Intangibles	1,650,084	1,962,084	
-Others	105,015,135	110,737,991	
Total Liabilities	13,581,101,367	9,310,887,855	2,955,828,000
Current Liabilities	4,454,171,865	3,299,300,092	2,538,773,000
Fixed Liabilities	9,126,929,502	6,011,587,763	417,055,000
Capital Stock	50,000,000	50,000,000	50,000,000
Capital Surplus			
Profit Surplus	8,299,667,243	6,257,538,644	5,143,453,000
Capital Adjustment			648,447,000
Total Equity	8,349,667,243	6,307,538,644	5,841,900,000
Liab. & Shareholder's Equity	21,930,768,610	15,618,426,499	8,797,728,000
Current Liabilities	4,454,171,865	3,299,300,092	
Trade Payables	736,551,977	458,912,517	
Short-Term Borrowings	-	500,000,000	
Advance Receipts	3,044,348,892	823,950,407	
Withholdings	56,843,530	50,040,430	
Accrued Expenses	233,710,046	343,931,190	
Accrued Income Tax	382,717,420	154,420,690	
Short-Term Borrowings to Shareholders/ Executives/ Employees	-	968,044,858	
Fixed Liabilities	9,126,929,502	6,011,587,763	
Long-Term Borrowings	9,000,000,000	6,000,000,000	
Leasehold Deposit	-	11,550,000	

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Received		
Provision for Severance & Retirement	126,929,502	37,763

**Income Statement**

<b>Unit : Korean Won</b>	<b>As of 12/31/2017</b>	<b>As of 12/31/2016</b>	<b>As of 12/31/2015</b>
Sales	20,614,152,503	14,531,811,857	15,150,431,000
Cost of Sold Goods	13,758,620,348	9,738,622,404	9,942,807,000
Gross Profit	6,855,532,155	4,793,189,453	5,207,624,000
Selling & Admin. Expenses	4,677,778,366	3,295,846,985	4,181,997,000
Operating Income	2,177,753,789	1,497,342,468	1,025,627,000
Non-Operating Income	743,048,465	93,054,760	57,376,000
Non-Operating expenses	410,514,961	257,913,415	99,391,000
Income Before Taxes	2,510,287,293	1,332,483,813	983,612,000
Income Taxes Expenses	468,158,694	193,398,030	95,653,000
Net Income	2,042,128,599	1,139,085,783	887,959,000

**Cash Flows**

<b>Unit : Korean Won</b>	<b>As of 12/31/2017</b>	<b>As of 12/31/2016</b>
Cash Flows from Operating	3,717,714,020	-589,167,373
-Net Income	2,042,128,599	1,139,085,783
-Exp. without Cash Outflow	510,096,612	281,699,396
-Revenue without Cash Inflows	-113,787,530	-15,929,119
-Changes in Asset/ & Liability	1,279,276,339	-1,994,023,433
Cash Flows from Investing	-3,050,570,791	-7,721,439,312
-Cash Inflow from Investing	11,722,856	102,200,000
-Cash Outflows for Investing	-3,062,293,647	-7,823,639,312
Cash Flows from Financing	1,520,405,142	7,054,594,858
-Cash Inflows from Financing	3,000,000,000	7,079,594,858
-Cash Outflows from Financing	-1,479,594,858	-25,000,000
Increase/Decrease in Cash	2,187,548,371	-1,256,011,827
Cash at the Beginning of Year	876,776,405	2,132,788,232
Cash at the End of Year	3,064,324,776	876,776,405

**PRODUCTS, TECHNOLOGIES, SERVICES**  
**DESCRIPTION**

Main Products & Services      Softgel Encapsulation Machine  
Multi Counter

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Blister Packaging Machine

## **TRADE PARTNERS & COMPETITORS**

Customers

Competitors

INNOTECH SYSTEMS LTD.

RM. 726, KOPOMO TECHNO CENTER 2-CHA, 1298-6, JEONGWANG 1-DONG, SIHEUNG-SI, GYEONGGI-DO, KOREA  
TEL:+82-31-434-7007 FAX:+82-31-434-7447

HOONG A CORPORATION

83-4, DODANG-DONG, WONMI-GU, BUCHEON-SI, GYEONGGI-DO, KOREA  
TEL:+82-32-682-4355 FAX:+82-32-675-1525

HL PHARM TECH CO., LTD.

3BA-815, SIHWA INDUSTRIAL COMPLEX, 2180-8, JEONGWANG 1-DONG, SIHEUNG-SI, GYEONGGI-DO, KOREA  
TEL:+82-31-434-0126~7 FAX:+82-31-433-3157

SHINWHA PHARMA TECH

3RA-202, SIHWA INDUSTRIAL COMPLEX, 1273-1, JEONGWANG 1-DONG, SIHEUNG-SI, GYEONGGI-DO, KOREA  
TEL:+82-31-434-3240 FAX:+82-31-434-3239

## **RELATED PARTIES (SUBSIDIARIES, JOINT-VENTURE & AFFILIATES)**

Subsidiary

SKY SOFTGEL & PACK AUSTRALIA PTY LTD.  
(100.0% held by the subject company)

Cooperative Enterprise

-Insured Company  
SAMSUNG FIRE & MARINE INSURANCE CO., LTD.(110111-0005078)  
HANWHA GENERAL INSURANCE CO., LTD.(110111-0006456)

## **SALES BY REGION (ACTIVITY & MARKETS)**

The Subject exports to Europe, Middle East, Asia, Oceania, North America, and South America.

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## **COURT ACTION**

No.

## **NEWS CLIPPING**

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**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.35
UK Pound	1	INR 89.65
Euro	1	INR 80.07
KRW	1	INR 0.063

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	VIV
<b>Report Prepared by :</b>	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)