

MIRA INFORM REPORT

Report No. :	543959
Report Date :	08.12.2018

IDENTIFICATION DETAILS

Name :	SUNG-HO CO., LTD
Registered Office :	74-51, Cheonbuksandan-Ro 1-Gil, Cheonbuk-Myeon, Gyeongju-Si, Gyeongsangbuk-Do, 38034
Country :	South Korea
Financials (as on) :	31.12.2017
Date of Incorporation :	27.06.2002
Com. Reg. No.:	505-81-34547
Legal Form :	Co., Ltd by Shares
Line of Business :	Recovery of Metal Waste and Scrap, and Transportation [Steel Scrap, Reinforcing Rod, Engine Components, Industrial Machinery, Waste Gathering]
No. of Employees :	93

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 :	No Complaints
Litigation :	Clear

NOTES :

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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	SUNG-HO CO., LTD.
Registered Address	74-51, Cheonbuksandan-ro 1-gil, Cheonbuk-myeon, Gyeongju-si, Gyeongsangbuk-do, Korea
Zip Code	38034
Tel	+82-54-774-8282
Fax	+82-54-774-0989
E-mail	welson@isungho.com
Website	www.isungho.com
Trading Address	74-51, Cheonbuksandan-ro 1-gil, Cheonbuk-myeon, Gyeongju-si, Gyeongsangbuk-do, Korea (Old Address System : 12-5, Oya-ri, Cheonbuk-myeon, Gyeongju-si, Gyeongsangbuk-do, Korea)
Tel	+82-54-774-8282
Fax	+82-54-774-0989
Other Address-2 Factory	13B-5L., Cheonbuk Industrial Complex, San 1-1, Oya-ri, Cheonbuk-myeon, Gyeongju-si, Gyeongsangbuk-do, Korea
Other Address-Cheonbuk Branch	68, Cheonbuksandan-ro 2-gil, Cheonbuk-myeon, Gyeongju-si, Gyeongsangbuk-do, Korea (Old Address System : 10-1, Oya-ri, Cheonbuk-myeon, Gyeongju-si, Gyeongsangbuk-do, Korea)
Other Address-Jeonju Branch	181, Wanjusandan 3-ro, Bongdong-eup, Wanju_Gun, Jeollabuk-do, Korea (Old Address System : 164-2, Guam-ri, Bongdong-eup, Wanju_Gun, Jeollabuk-do, Korea)
Other Address-Seoul Branch	Rm.1312-1, Hyundai 41 Tower, 293, Mokdongdong-ro, Yangcheon-gu, Seoul, Korea (Old Address System : Rm.1312-1, Hyundai 41 Tower, 917-9, Mok-dong, Yangcheon-gu, Seoul, Korea)
Type	Export/Import
Industry	Recovery of Metal Waste and Scrap, and Transportation
Main Business	Steel Scrap, Reinforcing Rod, Engine Components, Industrial Machinery, Waste Gathering
Established (mm/dd/yyyy)	06/27/2002

DETAILED PRODUCTS

Activity	Detailed Products (UNSPSC)
Sell	Stainless steel plate(30102205)
Sell	Metal scrap(11191600)

CEO'S

Name	Sohn Sung-Ik
Date of Birth	12/22/1979
Title	President & CEO
Nationality	Korean

PROFILES

Capital (KRW)	1,300,000,000
Employees	93
Formation	Co., Ltd by Shares
Bank Details	Korea Development Bank KEB Hana Bank Shinhan Bank Busan Bank

Corporate Registered No.	171211-0030509
Business Registered No.	505-81-34547
Permit & Licenses	Int'l Trade No.: 30640018

Shareholder Position	Name	Shares	%
	SOHN MYEONG-IK	65,000	50.00
	KIM SANG-HOON	32,500	25.00
	CHA SOON-JOO	32,500	25.00
	TOTAL	130,000	100.00

Company History	06/27/2002 Incorporated as the present name
	06/25/2004 Increased the authorized shares to 500,000 shares from 40,000 shares
	06/11/2007 Moved to the present HQ address from 4975-60, Saneop-ro, Cheonbuk-myeon, Gyeongju-si, Gyeongsangbuk-do, Korea(Old Address System : 868, Moa-ri, Cheonbuk-myeon, Gyeongju-si, Gyeongsangbuk-do, Korea)
	12/30/2008 Increased capital to 1,300,000,000 KRW from 1,000,000,000 KRW
	11/2009 Awarded US\$ 1 Million Export Top Prize

DETAILED INFORMATION

Management

Job Description	Name	Nationality	Date of Birth	Inauguration Date
President & CEO	Sohn Sung-Ik	Korean	12/22/1979	01/01/2016
Director	Sohn Myeong-Ik	Korean	10/09/1970	06/25/2004

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Director	Cha Soon-Joo	Korean	10/28/1966	06/25/2004
Auditor	Na Ji-Eun	Korean	10/13/1969	08/23/2006

FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
2017	321,136,285,701	90,841,009,989	1,148,062,791
2016	269,528,070,739	92,989,506,857	1,350,977,405
2015	232,036,468,566	85,312,699,928	1,629,493,702
2014	343,330,241,288	86,735,023,338	1,093,657,078
2013	429,779,528,588	82,925,143,711	857,714,695

Financial Description

Authorized Capital(KRW)	5,000,000,000
Paid-Up Capital(KRW)	1,300,000,000
Total Issued Shares	130,000

Balance Sheet

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Total Assets	90,841,009,989	92,989,506,857	85,312,699,928
Current Assets	47,860,618,249	48,161,073,256	44,640,430,147
-Quick Assets	36,815,015,961	34,175,372,075	35,208,785,648
-Inventories	11,045,602,288	13,985,701,181	9,431,644,499
Fixed Assets	42,980,391,740	44,828,433,601	40,672,269,781
-Investment	14,807,332,876	13,736,128,903	13,277,927,393
-Tangibles	25,889,844,512	28,574,895,621	24,615,204,351
-Intangibles	1,324,296,138	1,522,676,977	1,735,983,234
-Others	958,918,214	994,732,100	1,043,154,803
Total Liabilities	58,682,094,634	61,979,132,135	54,374,803,668
Current Liabilities	52,938,934,571	58,961,120,227	50,946,469,815
Fixed Liabilities	5,743,160,063	3,018,011,908	3,428,333,853
Capital Stock	1,300,000,000	1,300,000,000	1,300,000,000
Capital Surplus			
Profit Surplus	25,872,971,448	24,724,908,657	23,689,033,046
Capital Adjustment	4,985,943,907	4,985,466,065	5,948,863,214
Total Equity	32,158,915,355	31,010,374,722	30,937,896,260
Liab. & Shareholder's Equity	90,841,009,989	92,989,506,857	85,312,699,928
Current Liabilities	52,938,934,571	58,961,120,227	50,946,469,815
Trade Payables	19,306,155,651	18,966,914,646	13,870,902,441
Account Payables	2,701,428,468	4,373,968,670	2,755,709,946
Withholdings	68,345,980	335,319,100	69,470,520
VAT Withhold	432,328,735	-	161,099,396

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Short-Term Borrowings	27,586,443,239	25,199,873,525	30,466,531,909
Advance Receipts	177,737,618	6,238,513,308	154,463,883
Deferred Income Tax Credit	70,204,168	353,653,276	131,443,459
Accrued Expenses	617,382,052	547,864,314	608,143,234
Current Portion of Long-Term Debts	1,415,659,660	2,944,989,896	2,725,975,027
Derivatives	563,249,000	23,492	2,730,000
Fixed Liabilities	5,743,160,063	3,018,011,908	3,428,333,853
Debentures	2,170,000,000	-	1,680,000,000
Long-Term Borrowings	3,058,538,999	2,551,558,374	1,748,333,853
Deferred Income Tax Credit	514,621,064	466,453,534	

Income Statement

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Sales	321,136,285,701	269,528,070,739	232,036,468,566
Cost of Sold Goods	314,119,993,170	261,285,300,546	224,243,943,521
Gross Profit	7,016,292,531	8,242,770,193	7,792,525,045
Selling & Admin. Expenses	4,476,829,879	5,681,033,677	5,331,996,271
Operating Income	2,539,462,652	2,561,736,516	2,460,528,774
Non-Operating Income	4,793,826,975	8,170,050,595	3,673,699,896
Non-Operating Expenses	5,820,018,965	8,631,212,832	3,943,693,768
Income Before Taxes	1,513,270,662	2,100,574,279	2,190,534,902
Income Taxes Expenses	365,207,871	749,596,874	561,041,200
Net Income	1,148,062,791	1,350,977,405	1,629,493,702

Cash Flows

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Cash Flows from Operating	-3,588,600,519	15,225,524,637	3,461,263,603
-Net Income	1,148,062,791	1,350,977,405	1,629,493,702
-Exp. without Cash Outflow	4,587,048,761	6,022,625,046	4,106,217,909
-Revenue without Cash Inflows	-654,490,525	-909,298,519	-654,733,245
-Changes in Asset/ & Liability	-8,669,221,546	8,761,220,705	-1,619,714,763
Cash Flows from Investing	-275,704,051	-7,935,821,976	-478,026,393
-Cash Inflow from Investing	68,447,581,830	39,681,522,629	42,768,903,306
-Cash Outflows for Investing	-68,723,285,881	-47,617,344,605	-43,246,929,699
Cash Flows from Financing	3,534,220,103	-5,924,418,994	-3,049,511,047
-Cash Inflows from Financing	88,244,048,353	95,746,750,638	70,640,142,733
-Cash Outflows from Financing	-84,709,828,250	-101,671,169,632	-73,689,653,780
Increase/Decrease in Cash	-330,084,467	1,365,283,667	-66,273,837
Cash at the Beginning of Year	1,858,658,546	493,374,879	559,648,716
Cash at the End of Year	1,528,574,079	1,858,658,546	493,374,879

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PRODUCTS, TECHNOLOGIES, SERVICES DESCRIPTION

Main Products & Services Steel Scrap, Reinforcing Rod, Engine Components, Industrial Machinery,
Waste Gathering

TRADE PARTNERS & COMPETITORS

Competitors

SHINWOO SPECIAL STEEL CO., LTD.
1646-3, SONGJEONG-DONG, GANGSEO-GU, BUSAN, KOREA
TEL:+82-51-831-0601 FAX:+82-51-831-0605

SINJIN-SM CO., LTD.
5B, JANGGYE NONG GONG DANJI, 845, GEUMDEOK-RI, JANGGYE-
MYEON, JANGSU-GUN, JEOLLABUK-DO, KOREA
TEL:+82-63-352-5301~2 FAX:+82-63-352-5300

MORE STEEL CO., LTD.
1345-6, MUNDEOK-RI, OCHEON-EUP, NAM-GU, POHANG-SI,
GYEONGSANGBUK-DO, KOREA
TEL:+82-54-278-5401 FAX:+82-54-278-5404

GIJEON CO., LTD.
155B-8L, NAMDONG INDUSTRIAL COMPLEX, 726-7, GOJAN-DONG,
NAMDONG-GU, INCHEON, KOREA
TEL:+82-32-811-4000 FAX:+82-32-811-4487

RELATED PARTIES (SUBSIDIARIES, JOINT- VENTURE & AFFILIATES)

Affiliates

SUNGHO CONSTRUCTION CO., LTD.(171211-0057389)
SUNGHO PRECISION CO., LTD.(171211-0027126)
SUNGHO RESORT CO., LTD.(171211-0063352)
SUNGHO STEEL CO., LTD.(171211-0046382)
SM METAL CO., LTD.(KOREA)
WAWOO KOREA CO., LTD.(KOREA)
FCC CO., LTD.(KOREA)
YJ STEEL CO., LTD.(KOREA)

Overseas Office

SH JAPAN CO., LTD.

Subsidiary	(71.0% held by the subject company) SUNGHO METAL CO., LTD.(170111-0014019) (51.1% held by the subject company)
Cooperative Enterprise	SUNGHO METAL GYEONGJU 2 FACTORY CO., LTD.(171211-0055846) (40.3% held by the subject company) -Insured Company HYUNDAI MARINE & FIRE INSURANCE CO., LTD.(110111-0035893)

SALES BY REGION (ACTIVITY & MARKETS)

Not Available.

COURT ACTION

No.

NEWS CLIPPING

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.57
UK Pound	1	INR 90.12
Euro	1	INR 80.22
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 :	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)