

## MIRA INFORM REPORT

<b>Report No. :</b>	545548
<b>Report Date :</b>	18.12.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	HYOSUNG TNC CORPORATION
<b>Registered Office :</b>	119, Mapo-Daero, Mapo-Gu, Seoul, Hyosung Bldg., Korea 04144
<b>Country :</b>	South Korea
<b>Financials (as on) :</b>	30.09.2018
<b>Date of Incorporation :</b>	04.06.2018
<b>Com. Reg. No.:</b>	880-87-01070
<b>Legal Form :</b>	Listed Company
<b>Line of Business :</b>	Manufacture and Sales of Textiles, Food and R&D Services. Int'l Trading Business
<b>No. of Employees :</b>	1,528

**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>	No Complaints
<b>Litigation :</b>	--

**NOTES:**

Any query related to this report can be made on e-mail: 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

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**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	HYOSUNG TNC CORPORATION
Registered Address	119, Mapo-daero, Mapo-gu, Seoul, Korea
Building	Hyosung Bldg.
Zip Code	04144
Tel	+82-2-707-7000
Fax	+82-2-707-8634
E-mail	choi@hyosung.com
Website	www.hyosungtnc.com
Trading Address-Textile	Hyosung Bldg., 119, Mapo-daero, Mapo-gu, Seoul, Korea (Old Address System : Hyosung Bldg., 450, Gongdeok 2-dong, Mapo-gu, Seoul, Korea)
Tel	+82-2-707-8651
Fax	+82-2-707-8634
Trading Address-Int'l	235, Banpo-daero, Seocho-gu, Seoul, Korea
Trading	(Old Address System : 63-7, Banpo-dong, Seocho-gu, Seoul, Korea)
Tel	+82-2-707-7114
Fax	+82-2-707-8517
Other Address-Sevit Some	683, Olympic-daero, Seocho-gu, Seoul, Korea (Old Address System : 650, Banpo-dong, Seocho-gu, Seoul, Korea)
Tel	+82-1566-3433
Fax	+82-2-3477-5809
Other Address-Frozen	536-7, Sunam-ro, Gwangju-si, Gyeonggi-do, Korea
Warehouse	(Old Address System : 288-1, Sam-dong, Gwangju-si, Gyeonggi-do, Korea)
Tel	+82-31-763-3611
Fax	
Type	Export/Import
Industry	Manufacture and Sales of Textiles, Food and R&D Services Int'l Trading Business
Main Business	Synthetic Fiber
Sub Business	
Established (mm/dd/yyyy)	06/04/2018

## **DETAILED PRODUCTS**

<b>Activity</b>	<b>Detailed Products (UNSPSC)</b>
Sell	Synthetic fabrics(11161800)
Sell	Fabrics and leather materials(11160000)
Sell	Yarns(11151700)
Sell	Nylon thread(11151608)
Sell	International trade services(80151600)

## CEO'S

Name	Kim Yong-Sub
Date of Birth	08/13/1962
Title	Sr. Executive Director & CEO
Nationality	Korean

## PROFILES

Capital (KRW)	21,638,410,000
Employees	1,528
Formation	Listed Company (Korea Stock Exchange : 298020) as of 07/13/2018 A Company of Hyosung Business Group

Bank Details	KEB Hana Bank
Corporate Registered No.	110111-6770138
Business Registered No.	880-87-01070
Permit & Licenses	N/A
Shareholder Position	

	Name	Shares	%
	CHO HYUN-JOON	631,617	14.59
	CHO SEOK-RAE	440,655	10.18
	CHO HYUN-SANG	528,307	12.21
	KB ASSET MANAGEMENT CO., LTD.(110111-0572556)	514,600	11.89
	NATIONAL PENSION SERVICE(110171-0007134)	401,886	9.29
	HYOSUNG CORPORATION(110111-0030497)	227,841	5.26
	OTHERS	1,582,776	36.57
	<b>TOTAL</b>	<b>4,327,682</b>	<b>100.00</b>

Company History	06/04/2018 Incorporated as the present name
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(\*) HYOSUNG CORPORATION(110111-0030497)has been split off into 5 companies  
The existing company, HYOSUNG CORPORATION(110111-0030497)  
Newly established companies,  
HYOSUNG TNC CORPORATION for textiles and Int'l Trading Business  
HYOSUNG HEAVY INDUSTRIES CORPORATION(110111-6770154) for  
Heavy Industries and Construction Business  
HYOSUNG ADVANCED MATERIALS CORPORATION(110111-6770170)  
for Industrial materials Business  
HYOSUNG CHEMICAL CORPORATION(110111-6770188) for Chemical  
Business

## **MANAGEMENT**

Job Description	Name	Nationality	Date of Birth	Inauguration Date
Sr. Executive Director & CEO	Kim Yong-Sub	Korean	08/13/1962	06/04/2018
Sr. Executive Director	Lee Cheon-Kyu	Korean	11/12/1962	06/04/2018
Outside Director / Auditor	Choi Byung-Deok	Korean	10/25/1955	06/04/2018
Outside Director / Auditor	Chang Seung-Cheol	Korean	10/09/1954	06/04/2018
Outside Director / Auditor	Yoon Eui-Joon	Korean	05/04/1960	06/04/2018
Outside Director	Oh Byung-Hee	Korean	02/10/1953	06/04/2018
Supervisor	Lee Sub	Korean	11/02/1962	08/03/2018
Supervisor	Park Chan-Hyuck	Korean	12/10/1981	08/03/2018

## **FINANCIALS**

Year / Unit : KRW	Sales	Assets	Net Income
09/2018	1,200,645,276,783	1,505,523,208,786	19,306,565,987

## **FINANCIAL DESCRIPTION**

Authorized Capital(KRW)	1,000,000,000,000
Paid-Up Capital(KRW)	21,638,410,000
Total Issued Shares	4,327,682

### **Balance Sheet**

Unit : Korean Won	01/01/2018~09/30/2018	As of 12/31/2017	As of 12/31/2016
Total Assets	1,505,523,208,786		
Current Assets	621,233,614,252		
Cash & Cash Equivalents	6,735,933,911		
Trade Receivables & Other Receivables	429,938,039,737		
Other Financial Assets	886,595,991		
Other Current Assets	16,273,918,508		
Inventories	167,399,126,105		
Non-Current Assets	884,289,594,534		
Long-Term Trade Receivables & Other Long-	29,148,292,086		

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Term Receivables	
Tangibles	342,260,660,839
Investment_Real Estates	125,768,916,647
Intangibles	13,383,110,986
Investment_Related Companies	342,942,434,566
Non-Current Financial Instruments	30,438,246,160
Other Non-Current Assets	347,933,250
Total Liabilities	1,052,312,523,810
Current Liabilities	959,667,635,492
Trade Payables & Other Payables	402,553,323,806
Short-Term Borrowings	530,330,678,184
Other Current Financial Debts	809,425,942
Deferred Income Tax Credit	3,588,267,463
Other Current Liabilities	22,385,940,097
Non-Current Liabilities	92,644,888,318
Long-Term Trade Payables & Other Payables	15,968,154,675
Long-Term Borrowings	25,035,750,000
Other Non-Current Financial Debts	169,428,037
Confirmed Salaries	10,938,828,782
Deferred Income Tax Credit	38,958,119,653
Other Non-Current Liabilities	1,574,607,171
Capital Stock	21,638,410,000
Capital Surplus	402,774,060,410
Profit Surplus	19,034,601,618
Others	9,763,612,948
Total Equity	453,210,684,976
Liab. & Shareholder's Equity	1,505,523,208,786

**Income Statement**

<b>Unit : Korean Won</b>	<b>01/01/2018~09/30/2018</b>	<b>As of 12/31/2017</b>	<b>As of 12/31/2016</b>
Sales	1,200,645,276,783		
Cost of Sold Goods	1,120,443,745,367		
Gross Profit	80,201,531,416		
Selling & Admin. Expenses	39,802,886,136		
R&D	4,360,426,903		
Operating Income	36,038,218,377		
Other Income	5,709,325,664		
Other Expenses	4,690,312,218		
Finance Income	25,541,273,729		
Finance Expenses	40,626,540,986		
Income Before Taxes	21,971,964,566		

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Income Taxes Expenses	2,665,398,579
Net Income	19,306,565,987

**Cash Flows**

Unit : Korean Won	01/01/2018~09/30/2018	As of 12/31/2017	As of 12/31/2016
Operating Activities Cash Flows	-26,016,361,013		
Cash Flows from Operating Net Income	-34,345,929,862		
Interests Paid	-4,796,889,586		
Interests Received	-6,484,937,153		
Dividends Received	92,766,139		
Cash Flows from Investing	19,518,629,449		
Cash Flows from Financing	-14,281,582,993		
Increase/Decrease in Cash	-128,190,674,083		
Cash at the Beginning of Year	-168,488,618,089		
Cash at the End of Year	175,224,552,000		
		6,735,933,911	

**PRODUCTS, TECHNOLOGIES, SERVICES  
DESCRIPTION**

Main Products & Services	Spandex, Nylon yarn, Polyester yarn, Fabrics and Textile, International Trading Services(Steel Products, Chemicals, LED)
	Brand Name :
	Creora
	Aerocool
	TOPLON
	MIPAN fine & soft
	MIPAN XF
	MIPAN corona
	MIPAN glurex
	MIPAN robic
	MIPAN robic-air, Aqua-X, Rexy, MIPAN Aeroheat, MIPAN fit NP
	Melange(Mipan duo)
	MIPAN regen

**TRADE PARTNERS & COMPETITORS**

Suppliers	BASF
	KPTG
	UBE(JAPAN)

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CAPRO CORPORATION(110111-0111825)  
HANWHA GENERAL CHEMICAL CO., LTD.(161411-0001243)  
LOTTE CHEMICAL CORPORATION(110111-0193196)

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

### Affiliates-Domestics

HYOSUNG CORPORATION(110111-0030497)  
HYOSUNG HEAVY INDUSTRIES CORPORATION(110111-6770154)  
HYOSUNG ADVANCED MATERIALS CORPORATION(110111-6770170)  
HYOSUNG CHEMICAL CORPORATION(110111-6770188)  
HYOSUNG ITX CO., LTD.(110111-1412256)  
CHINHUNG INTERNATIONAL INC.(110111-0006349)  
HYOSUNG INFORMATION SYSTEMS CO., LTD.(110111-0405806)  
VARO VISION CO., LTD.(110111-1081928)  
NAUTILUS HYOSUNG INC.(110111-0511546)  
HYOSUNG CAPITAL CO., LTD.(110111-1419286)  
HYOSUNG-EBARA CO., LTD.(110111-0653653)  
HYOSUNG INVESTMENT & DEVELOPMENT CORPORATION(110111-0216451)  
HYOSUNG CONSTRUCTION CO., LTD.(110111-0225204)  
HYOSUNG EBARA ENGINEERING CO., LTD.(110111-1375818)  
HYOSUNG TRANS WORLD CO., LTD.(110111-1396848)  
DOOMI CONSTRUCTION CO., LTD.(134411-0010833)  
HONGJIN DATA SERVECE CO., LTD.(110111-2108086)  
AEGIS HYOSUNG CO., LTD.(110111-2109034)  
THE CLASS HYOSUNG CO., LTD.(110111-2875479)  
GUMOK NONGSAN CO., LTD.(141111-0028198)  
HYOSUNG WIND POWER HOLDINDS CO., LTD.(141111-0028461)  
INFO BADA CO., LTD.(110111-1849847)  
EPIPLUS CO., LTD.(110111-1973662)  
GALAXIA ELECTRONICS CO., LTD.(110111-3537672)  
GANGNUNG WIND POWER CO., LTD.(141111-0029360)  
KIS-BANK INC(110111-1920506)  
HYOSUNG FMS INC.(110111-3694349 )  
STAR LEASE CO., LTD.(110111-0383383)  
HANIL RENTAL CO., LTD.(110111-0847826)  
TAEUK CONSTRUCTION CO., LTD.(180111-0388777)  
GALAXIA COMMUNICATIONS CO., LTD.(110111-2558174)  
TAEAN SOLAPHARM CO., LTD.(165111-0007293)  
LUXMAX NETWORK CO., LTD.(131111-0172583)  
LUXMAX CO., LTD.(134211-0077473)  
JASON GOLF CO., LTD.(110111-3548653)  
INFO HUB CO., LTD.(110111-1819171)  
NAMU ACTORS CO., LTD.(110111-2936792)

Affiliates-Overseas	FLOWER ENTERTAINMENT CO., LTD.(110111-3390864) TERA DISPLAY CO., LTD.(131111-0154325) TIANJIN GALAXIA DEVICE ELECTRONICS., CO., LTD. HUIZHOU GALAXIA DEVICE ELECTRONICS., CO., LTD. QINGDAO GALAXIA DEVICE ELECTRONICS., CO., LTD. GALAXIA JAPAN
Subsidiary	HYOSUNG DONGNAI CO., LTD.(VIETNAM) HYOSUNG SPANDEX (JIAXING) CO., LTD(CHINA) HYOSUNG SPANDEX (GUANGDONG) CO., LTD.(CHINA) HYOSUNG SPANDEX (QUZHOU) CO., LTD.(CHINA) HYOSUNG ISTANBUL TEKSTIL LTD.STI.(TURKEY) HYOSUNG CHEMICALS(JIAXING) CO.LTD.(CHINA) HYOSUNG JAPAN CO., LTD.(JAPAN) HYOSUNG INTERNATIONAL TRADE(JIAXING) CO., LTD.(CHINA) HYOSUNG NEW MATERIAL & HIGH TECHNOLOGY(QUZHOU) CO. LTD.(CHINA) HYOSUNG (TAIWAN) CORPORATION, HYOSUNG DONGNAI CO,LTD. HYOSUNG CORPORATION INDIA PRIVATE LIMITED. HYOSUNG INDIA PVT LTD., HYOSUNG INTERNATIONAL (HK) LTD. HYOSUNG JAPAN CO., LTD., HYOSUNG SINGAPORE PTE LTD. ZHANGJIAGANG XIAOSHA COIL SERVICE CO., LTD. HYOSUNG BRASIL INDUSTRIA E COMERICO DE FIBRAS LTDA. HYOSUNG MEXICO CITY S.A. DE C.V. HYOSUNG ISTANBUL TEKSTIL LTD.STI HYOSUNG EUROPE SRL SOMESEVIT CORPARATION(110111-3966178)

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

Sales/ Unit :Mil KRW	09/2018	2017	2016
Export	1,053,212		
Domestic	147,433		
Total	1,200,645		

## **COURT ACTION**

Case No.	Court	Plaintiff(s)/ Creditor(s)/ Applicant(s)	Defendant(s)/ Debtor(s)/ Respondent(s)	Cause	Amount (Million KRW)	Status
			The Subject Company (2 Cases)	Claim for Compensation from Damages	205	Proceeding

## **NEWS CLIPPING**

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**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.67
UK Pound	1	INR 90.20
Euro	1	INR 81.07
KRW	1	INR 0.063

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	VIVR
<b>Report Prepared by :</b>	NIT

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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)