

MIRA INFORM REPORT

Report No. :	546916
Report Date :	26.12.2018

IDENTIFICATION DETAILS

Name :	HAESUNG INTERNATIONAL CO., LTD.
Registered Office :	165, Sunhwan-ro, Jungwon-gu, Seongnam-Si, Gyeonggi-Do, Korea, Rm. 407/408/410, Handok IC Apt. Type Factory 13207
Country :	South Korea
Financials (as on) :	31.12.2017
Date of Incorporation :	01.04.1994
Com. Reg. No.:	132-81-09501
Legal Form :	Co., Ltd by Shares
Line of Business :	Manufacture of Buttons and Snaps, Slides and Similar Fasteners [Plastics Button]
No. of Employees :	107

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	HAESUNG INTERNATIONAL CO., LTD. (Korean Company Name : "(주)해성인터내셔널")
Registered Address	165, Sunhwan-ro, Jungwon-gu, Seongnam-Si, Gyeonggi-Do, Korea (Old Address System : 234-1, Sangdaewon 1-dong, Jungwon-gu, Seongnam-si, Gyeonggi-do, Korea)
Building	Rm. 407/408/410, Handok IC Apt. Type Factory
Zip Code	13207
Tel	+82-31-731-6502
Fax	+82-31-731-6503
E-mail	haesungk@unitel.co.kr
Website	www.hsbutton.com
Trading Address	B147, Seoul Fashion Venture Town, 227, Eulji-ro, Jung-gu, Seoul, Korea (Old Address System : B147, Seoul Fashion Venture Town, 40-3, Euljiro 5-ga, Jung-gu, Seoul, Korea)
Tel	+82-2-575-6252~4 +82-70-4650-3756 +82-70-4650-3775
Fax	+82-2-575-6255
Other Address	
Tel	
Fax	
Type	Export
Industry	Manufacture of Buttons and Snaps, Slides and Similar Fasteners
Main Business	Plastics Button
Sub Business	
Established (mm/dd/yyyy)	04/01/1994

DETAILED PRODUCTS

Activity	Detailed Products (UNSPSC)
Sell	Buttons(53141505)
Sell	Sewing fasteners(53141500)
Buy	Animal horns(11131606)
Buy	Shell articles(11131608)

CEO'S

Name	Cho Hyun-Yun
Date of Birth	05/03/1962
Title	President & CEO
Nationality	Korean

PROFILES

Capital (KRW) 139,050,000
Employees 107
Formation Co., Ltd by Shares
Bank Details KEB Hana Bank-Poi-Dong Branch
Industrial Bank of Korea

Corporate Registered No. 115211-0014163
Business Registered No. 132-81-09501
Permit & Licenses Int'l Trade No.: 11146681

Shareholder Position	Name	Shares	%
	CHO HYUN-YUN	27,000	97.09
	CHO HAE-IN	405	1.46
	CHO HAE-SUNG	405	1.46
	TOTAL	27,810	100.00

Company History 04/01/1994 Incorporated as the present name
11/1998 Awarded US\$ 3 Million Export Top Prize
08/21/2007 Moved to the present HQ address from 216-2, Wolsan-ri,
Hwado-eup, Namyangju-si, Gyeonggi-do, Korea
12/29/2017 Decreased capital to 139,050,000 KRW from 150,000,000
KRW

DETAILED INFORMATION

Management

Job Description	Name	Nationality	Date of Birth	Inauguration Date
President & CEO	Cho Hyun-Yun	Korean	05/03/1962	03/21/2008
Director	Kim Ran-Kyung	Korean	04/01/1967	03/21/2008

FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
2017	19,782,314,785	16,929,469,634	1,471,285,268
2016	19,728,157,227	15,063,331,083	1,154,472,863
2015	19,695,986,571	13,551,134,804	1,842,295,712
2014	18,324,659,000	10,544,393,000	1,887,170,000
2013	15,739,416,000	9,046,533,000	1,495,408,000
2012	14,854,529,000	7,563,265,000	1,209,640,000

FINANCIAL DESCRIPTION

Authorized Capital(KRW)	200,000,000
Paid-Up Capital(KRW)	139,050,000
Total Issued Shares	27,810(Common : 27,000 / Preferable : 810)

Balance Sheet

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Total Assets	16,929,469,634	15,063,331,083	13,551,134,804
Current Assets	12,470,845,755	10,606,146,980	10,900,245,459
-Quick Assets	8,976,626,077	7,204,258,145	7,196,188,497
-Inventories	3,494,219,678	3,401,888,835	3,704,056,962
Fixed Assets	4,458,623,879	4,457,184,103	2,650,889,345
-Investment	3,267,761,596	2,891,761,596	962,629,171
-Tangibles	799,088,996	855,419,523	1,049,563,523
-Intangibles	58,814,667	76,564,667	17,258,334
-Others	332,958,620	633,438,317	621,438,317
Total Liabilities	6,173,791,441	4,179,873,518	3,322,150,102
Current Liabilities	5,033,151,776	3,308,051,298	2,447,705,520
Fixed Liabilities	1,140,639,665	871,822,220	874,444,582
Capital Stock	139,050,000	150,000,000	150,000,000
Capital Surplus			
Profit Surplus	11,704,742,833	10,733,457,565	10,078,984,702
Capital Adjustment	-1,088,114,640	-	-
Total Equity	10,755,678,193	10,883,457,565	10,228,984,702
Liab. & Shareholder's Equity	16,929,469,634	15,063,331,083	13,551,134,804
Current Liabilities	5,033,151,776	3,308,051,298	2,447,705,520
Trade Payables	1,032,251,852	1,305,660,922	1,242,237,494
Account Payables	293,577,337	323,878,146	298,214,255
Short-Term Borrowings	2,000,000,000	1,300,000,000	500,000,000
Withholdings	61,861,800	52,458,770	28,905,950
Advance Receipts	61,807,754	61,927,772	23,143,991
Accrued Income Tax	207,733,269	118,014,018	218,696,410
Accrued Expenses	125,919,764	146,111,670	136,507,420
Current Portion of Long-Term Debts	1,250,000,000	-	-
Fixed Liabilities	1,140,639,665	871,822,220	874,444,582
Long-Term Borrowings	1,050,000,000	800,000,000	800,000,000
Provision for Severance & Retirement	60,639,665	41,822,220	44,444,582
Leasehold Deposit Received	30,000,000	30,000,000	30,000,000

Income Statement

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
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Sales	19,782,314,785	19,728,157,227	19,695,986,571
Cost of Sold Goods	12,411,849,336	12,758,504,612	12,036,275,737
Gross Profit	7,370,465,449	6,969,652,615	7,659,710,834
Selling & Admin. Expenses	5,638,307,977	5,601,798,457	5,545,042,097
Operating Income	1,732,157,472	1,367,854,158	2,114,668,737
Non-Operating Income	237,793,434	298,708,682	244,724,537
Non-Operating Expenses	147,250,319	192,686,029	66,448,732
Income Before Taxes	1,822,700,587	1,473,876,811	2,292,944,542
Income Taxes Expenses	351,415,319	319,403,948	450,648,830
Net Income	1,471,285,268	1,154,472,863	1,842,295,712

Cash Flows

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Cash Flows from Operating	586,321,696	1,976,798,284	798,120,022
-Net Income	1,471,285,268	1,154,472,863	1,842,295,712
-Exp. without Cash Outflow	172,451,533	283,662,515	561,207,734
-Revenue without Cash Inflows	-12,690,058	-42,368,322	-76,250,570
-Changes in Asset/ & Liability	-1,044,725,047	581,031,228	-1,529,132,854
Cash Flows from Investing	-648,716,834	-2,420,479,852	-2,590,735,821
-Cash Inflow from Investing	2,769,693,099	2,498,874,983	2,819,884,857
-Cash Outflows for Investing	-3,418,409,933	-4,919,354,835	-5,410,620,678
Cash Flows from Financing	600,935,360	300,000,000	1,030,000,000
-Cash Inflows from Financing	3,200,000,000	800,000,000	1,330,000,000
-Cash Outflows from Financing	-2,599,064,640	-500,000,000	-300,000,000
Increase/Decrease in Cash	538,540,222	-143,681,568	-762,615,799
Cash at the Beginning of Year	436,841,561	580,523,129	1,343,138,928
Cash at the End of Year	975,381,783	436,841,561	580,523,129

PRODUCTS, TECHNOLOGIES, SERVICES
DESCRIPTION

Main Products & Services Plastics Button
Detailed Products Spec.
Technologies Acquired

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TRADE PARTNERS & COMPETITORS

Competitors	SPIN GLOBAL CORPORATION RM. 320, POONGLIM VIPTEL, 404, GONGDEOK-DONG, MAPO-GU, SEOUL, KOREA TEL:+82-2-3273-0464 FAX:+82-2-3273-0472
	EIN TEXTILE CO., LTD. 384, YONGBONG-RI, CHOJEON-MYEON, SEONGJU-GUN, GYEONGSANGBUK-DO, KOREA TEL:+82-54-933-4341 FAX:+82-54-933-4340
	SAMHEUNG CO., LTD. 557-12, DONGGYO-DONG, POCHON-SI, GYEONGGI-DO, KOREA TEL:+82-31-541-1601 FAX:+82-31-541-8260

RELATED PARTIES (SUBSIDIARIES, JOINT-VENTURE & AFFILIATES)

Affiliates	HAESUNG BUTTON CO.(104-09-45433)
Subsidiary	HAESUNG VINA CO., LTD.

SALES BY REGION (ACTIVITY & MARKETS)

The Subject exports to USA, Germany and Italy.

COURT ACTION

No.

NEWS CLIPPING

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.17
UK Pound	1	INR 88.87
Euro	1	INR 79.88
KRW	1	INR 0.062

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

INFORMATION DETAILS

Analysis Done by :	NIS
Report Prepared by :	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)