

## MIRA INFORM REPORT

<b>Report No. :</b>	484317
<b>Report Date :</b>	04.01.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	HONG IL INDUSTRIAL CORPORATION
<b>Registered Office :</b>	425, Jangsaengdong-ro, Unsan-myeon, Seosan-si, Chungcheongnam-do, 31944
<b>Country :</b>	South Korea
<b>Financials (as on) :</b>	31.12.2016
<b>Date of Incorporation :</b>	29.08.2006
<b>Com. Reg. No.:</b>	312-81-85139
<b>Legal Form :</b>	Co., Ltd by shares
<b>Line of Business :</b>	Manufacture and Distribution of Plastic Hose and PVC Hose
<b>No. of Employees :</b>	30

**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>	Satisfactory
<b>Payment Behaviour :</b>	No Complaints
<b>Litigation :</b>	Clear

**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 (30.06.2017)	Current Rating (30.09.2017)
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**

South Korea over the past four decades has demonstrated incredible economic growth and global integration to become a high-tech industrialized economy. In the 1960s, GDP per capita was comparable with levels in the poorer countries of Africa and Asia. In 2004, South Korea joined the trillion-dollar club of world economies.

A system of close government and business ties, including directed credit and import restrictions, initially made this success possible. The government promoted the import of raw materials and technology at the expense of consumer goods and encouraged savings and investment over consumption.

The Asian financial crisis of 1997-98 exposed longstanding weaknesses in South Korea's development model, including high debt/equity ratios and massive short-term foreign borrowing. GDP plunged by 7% in 1998, and then recovered by 9% in 1999-2000. South Korea adopted numerous economic reforms following the crisis, including greater openness to foreign investment and imports. Growth moderated to about 4% annually between 2003 and 2007.

South Korea's export-focused economy was hit hard by the 2008 global economic downturn, but quickly rebounded in subsequent years, reaching over 6% growth in 2010. The US-Korea Free Trade Agreement was ratified by both governments in 2011 and went into effect in March 2012. Between 2012 and 2016, the economy experienced slow growth – 2%-3% per year - due to sluggish domestic consumption, a drop in foreign demand for South Korean exports, increased competition from regional rivals such as China and Japan, and declining investment. The administration in 2016 faced the challenge of balancing heavy reliance on exports with domestic restructuring efforts in the country's shipbuilding and shipping industries.

The South Korean economy's short-term challenges include a potential loss of consumer confidence due to issues with its mobile phone industry, as well as uncertainty stemming from a tumultuous domestic political situation. In the long-term, South Korea must deal with a rapidly aging population, inflexible labor market, dominance of large conglomerates (chaebols), and the heavy reliance on exports, which comprise more than 40% of GDP. South Korea's low overall unemployment rate masks problems with high youth unemployment, low worker productivity, high labor underutilization, and low female participation in the workforce. The government has tried to implement structural reforms, but continues to face significant headwind from vested interests. Finally, the country could eventually face an unprecedented financial burden in the event the unification of the Korean Peninsula were to occur.

Source : CIA

## **BASIC INFORMATION**

Company Name	HONG IL INDUSTRIAL CORPORATION
Registered Address	425, Jangsaengdong-ro, Unsan-myeon, Seosan-si, Chungcheongnam-do, Korea (Old Address System : 214-4, Supyeong-ri, Unsan-myeon, Seosan-si, Chungcheongnam-do, Korea)
Building	
Zip Code	31944
Tel	+82-41-354-0220
Fax	+82-41-354-0330
E-mail	exports@hongilhose.co.kr
Website	www.hongilhose.co.kr
Trading Address	Rm.808, Jungang Bldg., 44-21, Yeouido-dong, Yeongdeungpo-gu, Seoul, Korea (Old Address System : Rm.808, Jungang Bldg., 19, Gukjegeumyung-ro 8-gil, Yeongdeungpo-gu, Seoul, Korea)
Tel	+82-2-6954-0220
Fax	+82-2-6954-0330
Type	Export/Import
Industry	Manufacture and Distribution of Plastic Hose
Main Business	PVC Hose
Sub Business	
Established (mm/dd/yyyy)	08/29/2006

## **DETAILED PRODUCTS**

<b>Activity</b>	<b>Detailed Products (UNSPSC)</b>
Sell	Hoses(40142000)
Sell	Tube and tubing(31231300)

## **CEO'S**

Name	No Seung-Yong
Date of Birth	03/05/1982
Title	President & CEO
Nationality	Korean

## **PROFILES**

Capital (KRW)	300,000,000
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Employees	30
Formation	Co., Ltd by shares
Bank Details	KEB Hana Bank
Corporate Registered No.	161511-0082647
Business Registered No.	312-81-85139
Permit & Licenses	N/A
Shareholder Position	N/A
Company History	08/29/2006 Incorporated as the present name 10/23/2017 Moved to the present HQ address from 90, Daechi-ro, Myeoncheon-myeon, Dangjin-si, Chungcheongnam-do, Korea (Old Address System : 295-3, Seongha-ri, Myeoncheon-myeon, Dangjin-si, Chungcheongnam-do, Korea)

## **DETAILED INFORMATION**

### **Management**

<b>Job Description</b>	<b>Name</b>	<b>Nationality</b>	<b>Date of Birth</b>	<b>Inauguration Date</b>
President & CEO	No Seung-Yong	Korean	03/05/1982	04/08/2016
Director	Kim Myung-Ae	Korean	11/20/1961	04/08/2016
Auditor	Ahn Hyun-Jin	Korean	11/05/1982	10/23/2017

## **FINANCIALS**

<b>Year / Unit : KRW</b>	<b>Sales</b>	<b>Assets</b>	<b>Net Income</b>
2016	7,781,769,000	7,525,975,000	419,886,000
2015	7,353,301,000	6,693,260,000	226,985,000
2014	6,173,121,000	3,526,460,000	245,180,000

### **Financial Description**

Authorized Capital(KRW)	1,000,000,000
Paid-Up Capital(KRW)	300,000,000
Total Issued Shares	30,000

### **Balance Sheet**

<b>Unit : Korean Won</b>	<b>As of 12/31/2016</b>	<b>As of 12/31/2015</b>	<b>As of 12/31/2014</b>
Total Assets	7,525,975,000	6,693,260,000	3,526,460,000
Current Assets	3,418,602,000	2,734,858,000	2,284,855,000
-Quick Assets			
-Inventories			
Fixed Assets	4,107,373,000	3,958,402,000	1,241,605,000
-Investment			

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-Tangibles			
-Intangibles			
Total Liabilities	5,769,782,000	5,556,953,000	2,617,138,000
Current Liabilities	1,033,045,000	1,585,115,000	829,278,000
Fixed Liabilities	4,736,737,000	3,971,838,000	1,787,860,000
Capital Stock	300,000,000	100,000,000	100,000,000
Capital Surplus	-	-	-
Profit Surplus	1,456,193,000	1,036,307,000	809,322,000
Capital Adjustment	-	-	-
Total Equity	1,756,193,000	1,136,307,000	909,322,000
Liab. & Shareholder's Equity	7,525,975,000	6,693,260,000	3,526,460,000

**Income Statement**

Unit : Korean Won	As of 12/31/2016	As of 12/31/2015	As of 12/31/2014
Sales	7,781,769,000	7,353,301,000	6,173,121,000
Cost of Sold Goods	6,573,043,000	6,476,060,000	5,401,156,000
Gross Profit	1,208,726,000	877,241,000	771,965,000
Selling & Admin. Expenses	648,670,000	507,209,000	343,089,000
Operating Income	560,056,000	370,032,000	428,876,000
Non-Operating Income	18,805,000	57,527,000	9,095,000
Non-Operating Expenses	419,886,000	145,544,000	187,423,000
Income Before Taxes	419,886,000	282,015,000	250,548,000
Income Taxes Expenses	0	55,030,000	5,368,000
Net Income	419,886,000	226,985,000	245,180,000

**PRODUCTS, TECHNOLOGIES, SERVICES  
DESCRIPTION**

Main Products & Services	Braided Hose High Pressure Braided Hose Clear Braided Hose Air Hose Twin / Singlewelding Hose High Pressure Spray Hose High Pressure Air Hose Flame Resistant Air Hose Black Water Hose Smart Multi Hose Home Garden Hose Sprinkler Layflat Hose Clear Tubing Hose Spring Hose Urethane Duct Hose Suction Hose
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Standard Duty Suction Hose  
Heavy Duty Suction Hose  
Clear Suction Hose  
Duct Hose  
Sink Hose

## **TRADE PARTNERS & COMPETITORS**

Suppliers  
Customers

HYUNDAI STEEL COMPANY(120111-0001743)  
MANDO CORPORATION(131311-0140776)  
DENSO POONGSUNG CO., LTD.  
SENTEC IND.

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

Not Available.

## **COURT ACTION**

Not Available.

## **NEWS CLIPPING**

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**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 63.48
UK Pound	1	INR 86.41
Euro	1	INR 76.54
KRW	1	INR 0.060

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

**INFORMATION DETAILS**

Analysis Done by :	VIV
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)

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