

## MIRA INFORM REPORT

<b>Report No. :</b>	518893
<b>Report Date :</b>	07.07.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	HKT BEARIANGS LTD.
<b>Registered Office :</b>	66, Hogupo-ro, Namdong-Gu, Incheon, Korea, 162B-3L, Namdong Industrial Complex, 21688
<b>Country :</b>	South Korea
<b>Financials (as on) :</b>	31.12.2016
<b>Date of Incorporation :</b>	02.05.1988
<b>Com. Reg. No.:</b>	131-81-26297
<b>Legal Form :</b>	Co., Ltd by Shares
<b>Line of Business :</b>	Manufacture of Ball Bearings and Roller Bearings
<b>No. of Employees :</b>	33

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	<b>A</b>
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

<b>Status :</b>	Satisfactory
<b>Payment Behaviour :</b>	Slow but correct
<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.

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**ECGC Country Risk Classification List**

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
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 joined the trillion-dollar club of world economies.

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	HKT BEARIANGS LTD. (Korean Company Name : "에이치케이티베어링(주)")
Registered Address	66, Hogupo-ro, Namdong-gu, Incheon, Korea
Building	162B-3L, Namdong Industrial Complex
Zip Code	21688
Tel	+82-32-822-7607
Fax	+82-32-865-9164
E-mail	sales@hktbearings.com
Website	www.hktbearings.com
Trading Address	66, Hogupo-ro, Namdong-gu, Incheon, Korea (Old Address System : 736-6, Gojan-dong, Namdong-gu, Incheon, Korea)
Tel	+82-32-865-9161
Fax	+82-32-865-9164
Other Address	
Tel	
Fax	
Type	Export/Import
Industry	Manufacture of Ball Bearings and Roller Bearings
Main Business	Split Cylindrical Roller Bearing, Cylindrical Roller Bearing, Spherical Roller Bearing, Ball Bearing, Thrust Roller Bearing, Linear Bearing
Sub Business	
Established (mm/dd/yyyy)	05/02/1988

## **DETAILED PRODUCTS**

Activity	Detailed Products (UNSPSC)
Sell	Bearings(31171500)
Sell	Roller bearings(31171505)
Sell	Ball bearings(31171504)

## **CEO'S**

Name	Yoon Seok-Tae
Date of Birth	02/02/1943
Title	President & CEO
Nationality	Korean

## **PROFILES**

Capital (KRW)	600,000,000
Employees	33
Formation	Co., Ltd by Shares
Bank Details	Industrial Bank of Korea-Juan Industrial Complex Branch Shinhan Bank
Corporate Registered No.	110111-0573215
Business Registered No.	131-81-26297
Permit & Licenses	08/2008 ISO 9001

Int'l Trade No.: 551126

Shareholder Position	Name	Shares	%
	YOON SEOK-TAE	85,000	70.83
	YOON JAE-KWON	9,000	7.50
	OTHERS	26,000	21.67
	TOTAL	120,000	100.00

Company History	05/02/1988 Incorporated as Hangang Technology Ltd. 08/17/2004 Changed company name to the present name 04/10/2006 Moved to the present HQ address from 763-7, Dohwa-dong, Nam-gu, Incheon, Korea 01/16/2007 Designated as an INNO-BIZ Company
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## **DETAILED INFORMATION**

### **Management**

Job Description	Name	Nationality	Date of Birth	Inauguration Date
President & CEO	Yoon Seok-Tae	Korean	02/02/1943	05/02/2000
Director	Yoon Jae-Kwon	Korean	09/18/1979	01/11/2012
Auditor	Yoon Seok-Ki	Korean	04/10/1948	03/30/1998

## **FINANCIALS**

Year / Unit : KRW	Sales	Assets	Net Income
2017			
2016	5,110,131,000	10,526,438,000	442,832,000
2015	5,376,005,000	10,598,516,000	228,603,000
2014	5,453,934,625	10,562,573,082	231,156,547
2013	5,438,722,229	10,410,843,427	364,143,343
2012	5,201,155,722	10,728,859,188	342,026,442

The latest financials are not available, and the Subject Company does not have any obligations to release its financials to the public.

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## **FINANCIAL DESCRIPTION**

Authorized Capital(KRW)	800,000,000
Paid-Up Capital(KRW)	600,000,000
Total Issued Shares	120,000

### **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	10,526,438,000	10,598,516,000	10,562,573,082
Current Assets	3,156,664,000	3,211,018,000	2,868,949,979
-Quick Assets			1,941,464,396
-Inventories			927,485,583
Fixed Assets	7,369,774,000	7,387,498,000	7,693,623,103
-Investment			2,000,000
-Tangibles			7,496,871,719
-Intangibles			22,613,543
-Others			172,137,841
Total Liabilities	5,352,628,000	5,807,538,000	5,730,265,436
Current Liabilities	2,706,817,000	2,683,460,000	3,223,057,328
Fixed Liabilities	2,645,811,000	3,124,078,000	2,507,208,108
Capital Stock	600,000,000	600,000,000	600,000,000
Capital Surplus			
Profit Surplus	4,783,743,000	4,400,911,000	4,232,307,646
Capital Adjustment	-209,933,000	-209,933,000	
Total Equity	5,173,810,000	4,790,978,000	4,832,307,646
Liab. & Shareholder's Equity	10,526,438,000	10,598,516,000	10,562,573,082

### **Income Statement**

<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>
Sales	5,110,131,000	5,376,005,000	5,453,934,625
Cost of Sold Goods	3,421,621,000	3,864,171,000	3,885,892,595
Gross Profit	1,688,510,000	1,511,834,000	1,568,042,030
Selling & Admin. Expenses	1,158,979,000	1,191,948,000	1,230,254,716
Operating Income	529,531,000	319,886,000	337,787,314
Non-Operating Income	141,494,000	109,201,000	125,646,234
Non-Operating Expenses	218,048,000	198,301,000	232,123,310
Income Before Taxes	452,977,000	230,786,000	231,310,238
Income Taxes Expenses	10,145,000	2,183,000	153,691
Net Income	442,832,000	228,603,000	231,156,547

### **Cash Flows**

<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>
Cash Flows from Operating			670,000,859
-Net Income			231,156,547
-Exp. without Cash Outflow			544,198,833
-Revenue without Cash			-18,453,383

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Inflows	
-Changes in Asset/ & Liability	-86,901,138
Cash Flows from Investing	-4,780,431
-Cash Inflow from Investing	7,235,949
-Cash Outflows for Investing	-12,016,380
Cash Flows from Financing	-76,690,334
-Cash Inflows from Financing	1,337,350,000
-Cash Outflows from Financing	-1,414,040,334
Increase/Decrease in Cash	588,530,094
Cash at the Beginning of Year	418,068,202
Cash at the End of Year	1,006,598,296

## **PRODUCTS, TECHNOLOGIES, SERVICES**

### **DESCRIPTION**

Main Products & Services Split Cylindrical Roller Bearing, Cylindrical Roller Bearing, Spherical Roller Bearing, Ball Bearing, Thrust Roller Bearing, Linear Bearing

Detailed Products Spec.  
Technologies Acquired

## **TRADE PARTNERS & COMPETITORS**

Customers  
Competitors

**DONG MYUNG BEARING CO., LTD.**  
123, SAEBYEOK-RO 215BEON-GIL, SASANG-GU, BUSAN, KOREA  
TEL:+82-51-317-6300 FAX:+82-51-317-6100

**DAEHWHA PRECISION CO., LTD.**  
250-5, GUNSEO-RI, JIKSAN-EUP, SEOBUK-GU, CHEONAN-SI,  
CHUNGCHEONGNAM-DO, KOREA  
TEL:+82-41-588-5600 FAX:+82-41-588-5603

**DONG HWA TECH CO., LTD.**  
3RA-117, SIHWA INDUSTRIAL COMPLEX, 1271-7, JEONGWANG 1-DONG, SIHEUNG-SI, GYEONGGI-DO, KOREA  
TEL:+82-31-488-9601~4 FAX:+82-31-488-9605

**SHILLA CORPORATION**

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TEL:+82-41-552-9800 FAX:+82-41-552-5468

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

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

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

Sales/ Unit : KRW	2016	2015	2014
Export			3,583,928,182
Domestic			1,784,331,743
Others			85,674,700
Total			5,453,934,625

The Subject exports to India, China, Brazil, France, South Africa, Taiwan, Thailand and USA.

## ***COURT ACTION***

Not Available.

## ***NEWS CLIPPING***

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**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.87
UK Pound	1	INR 91.14
Euro	1	INR 80.63
KRW	1	INR 0.062

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	PRI
<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)