

MIRA INFORM REPORT

Report No. :	519201
Report Date :	09.07.2018

IDENTIFICATION DETAILS

Name :	HEARTYCHEM CORP
Registered Office :	511, Yeongdong-daero, Gangnam-gu, Seoul, Korea, Rm. 1806, Korea Trade Tower, 06164
Country :	South Korea
Financials (as on) :	31.12.2017
Date of Incorporation :	18.08.1995
Com. Reg. No.:	105-81-73938
Legal Form :	Co., Ltd by shares
Line of Business :	Export/Import Wholesale of Synthetic Rubber and Plastics Materials Synthetic Rubbers, Plastics, Polyurethane
No. of Employees :	34

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 :	Good
Payment Behaviour :	No Complaints
Litigation :	Clear

NOTES :

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

Basic

Company Name	HEARTYCHEM CORP.
Registered Address	511, Yeongdong-daero, Gangnam-gu, Seoul, Korea
Building	Rm. 1806, Korea Trade Tower
Zip Code	06164
Tel	+82-2-6000-0886
Fax	+82-2-6000-0888
E-mail	hearty@hearty.co.kr
Website	www.hearty.co.kr
Trading Address	Rm. 1806, Korea Trade Tower, 511, Yeongdong-daero, Gangnam-gu, Seoul, Korea (Old Address System : Rm. 1806, Korea Trade Tower, 159-1, Samseong 1-dong, Gangnam-gu, Seoul, Korea)
Tel	+82-2-6000-0886
Fax	+82-2-6000-0888
Other Address-Gonjiam	7, Gyeongchung-daero 295beon-gil, Gonjiam-eup, Gwangju-si, Gyeonggi-do, Korea
Branch	
Tel	
Fax	
Type	Export/Import
Industry	Wholesale of Synthetic Rubber and Plastics Materials
Main Business	Synthetic Rubbers, Plastics, Polyurethane
Sub Business	
Established (mm/dd/yyyy)	08/18/1995

Detailed Products

Activity	Detailed Products (UNSPSC)
Sell	Rubber compound(13101607)
Sell	Processed and synthetic rubber(13101600)
Sell	Chemicals including Bio Chemicals and Gas Materials(12000000)

CEO's

Name	Kim Hyung-Kon
Date of Birth	08/10/1966
Title	President & CEO
Nationality	Korean

Profiles

Capital (KRW)	450,000,000
Employees	34
Formation	Co., Ltd by shares
Bank Details	KEB Hana Bank-Int'l Trade Branch

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	SC First Bank of Korea			
	Kookmin Bank			
	Woori Bank			
	Industrial Bank of Korea			
Corporate Registered No.	110111-1187601			
Business Registered No.	105-81-73938			
Permit & Licenses	Int'l Trade No.: 11278485			
Shareholder Position		Name	Shares	%
		CHO HYUN-IL	42,668	94.82
		KIM MI-KYUNG	1,000	2.22
		OTHERS	1,332	2.96
		TOTAL	45,000	100.00
Company History	08/18/1995 Incorporated as HEARTY&C CORP.			
	09/04/1999 Moved to the present HQ address from 538, Dohwa-dong, Mapo-gu, Seoul, Korea			
	09/15/2000 Changed company name to the present name			
	11/2001 Awarded US\$1 Million Export Top Prize			
	11/2008 Awarded US\$20 Million Export Top Prize			
	12/26/2008 Increased the authorized shares to 5,000,000 shares from 20,000 shares			
	12/30/2008 Increased capital to 450,000,000 KRW from 50,000,000 KRW			

DETAILED INFORMATION

Management

Job Description	Name	Nationality	Date of Birth	Inauguration Date
President & CEO	Kim Hyung-Kon	Korean	08/10/1966	03/25/2008
Director	Cho Hyun-Il	Korean	08/15/1963	01/08/2010
Auditor	Cho Hyun-Jung	Korean	07/25/1967	03/21/2012

FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
2017	264,163,318,308	28,978,005,381	657,705,553
2016	245,673,731,355	36,838,441,916	70,834,158
2015	230,817,932,082	25,816,307,756	-403,499,999
2014	202,944,897,072	22,336,625,213	-1,727,779,568
2013	237,507,086,781	28,465,238,356	391,111,029
2012	273,769,314,201	22,828,435,239	1,327,558,613
2011	255,911,205,712	25,939,613,389	2,681,788,104
2010	174,626,810,011	15,613,794,894	2,335,523,519
2009	83,438,751,991	14,194,541,177	2,180,925,964
2008	130,767,902,888	9,858,885,423	4,035,414,244

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2007 51,955,825,996 7,362,859,919 524,212,489

Financial Description

Authorized Capital(KRW) 50,000,000,000
Paid-Up Capital(KRW) 450,000,000
Total Issues Shares 45,000

Balance Sheet

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Total Assets	28,978,005,381	36,838,441,916	25,816,307,756
Current Assets	25,514,616,589	33,279,693,512	22,059,185,197
-Quick Assets	21,186,281,609	27,226,512,323	20,002,777,446
-Inventories	4,328,334,980	6,053,181,189	2,056,407,751
Fixed Assets	3,463,388,792	3,558,748,404	3,757,122,559
-Investment	153,353,200	65,450,300	94,560,800
-Tangibles	1,493,749,808	1,572,624,993	1,683,519,782
-Intangibles			
-Others	1,816,285,784	1,920,673,111	1,979,041,977
Total Liabilities	19,642,991,977	28,141,690,927	17,213,281,151
Current Liabilities	18,810,983,663	27,275,414,456	16,136,300,120
Fixed Liabilities	832,008,314	866,276,471	1,076,981,031
Capital Stock	450,000,000	450,000,000	450,000,000
Capital Surplus			
Profit Surplus	8,927,697,734	8,269,992,181	8,199,158,023
Capital Adjustment	-42,684,330	-23,241,192	-46,131,418
Total Equity	9,335,013,404	8,696,750,989	8,603,026,605
Liab. & Shareholder's Equity	28,978,005,381	36,838,441,916	25,816,307,756
Current Liabilities	18,810,983,663	27,275,414,456	16,136,300,120
Trade Payables	10,254,202,090	19,131,615,749	7,439,246,633
Short-Term Borrowings	5,038,319,136	5,158,925,576	6,794,865,631
Account Payables	2,341,189,997	2,044,174,753	1,356,427,948
Advance Receipts	698,019,536	897,422,368	496,352,228
Withholdings	43,668,260	43,276,010	49,407,680
Deferred Income Taxes	435,584,644	-	-
Fixed Liabilities	832,008,314	866,276,471	1,076,981,031
Leasehold Deposit Received	3,600,000	3,600,000	3,600,000
Provision for Severance & Retirement	828,408,314	862,676,471	1,073,381,031

Income Statement

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Sales	264,163,318,308	245,673,731,355	230,817,932,082
Cost of Sold Goods	243,027,344,359	229,479,876,955	216,322,039,510
Gross Profit	21,135,973,949	16,193,854,400	14,495,892,572

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Selling & Admin. Expenses	20,411,814,709	15,590,967,047	14,674,369,273
Operating Income	724,159,240	602,887,353	-178,476,701
Non-Operating Income	4,910,687,964	5,128,278,410	3,901,564,569
Non-Operating Expenses	4,815,640,859	5,625,219,654	4,214,991,293
Income Before Taxes	819,206,345	105,946,109	-491,903,425
Income Taxes Expenses	161,500,792	35,111,951	-88,403,426
Net Income	657,705,553	70,834,158	-403,499,999

Cash Flows

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Cash Flows from Operating	-379,979,549	1,118,780,769	-1,758,180,814
-Net Income	657,705,553	70,834,158	-403,499,999
-Exp. without Cash Outflow	2,426,421,764	1,266,443,541	1,825,327,503
-Revenue without Cash Inflows	-351,246,264	-419,678,833	-278,257,457
-Changes in Asset/ & Liability	-3,112,860,602	201,181,903	-2,901,750,861
Cash Flows from Investing	-571,957,241	223,941,526	-34,179,956
-Cash Inflow from Investing	2,957,782,425	2,655,911,182	2,179,488,955
-Cash Outflows for Investing	-3,529,739,666	-2,431,969,656	-2,213,668,911
Cash Flows from Financing	5,040,197	-1,796,035,094	1,162,946,405
-Cash Inflows from Financing	5,399,626,183	4,650,758,142	4,678,692,613
-Cash Outflows from Financing	-5,394,585,986	-6,446,793,236	-3,515,746,208
Increase/Decrease in Cash	946,896,593	453,312,799	629,414,365
Cash at the Beginning of Year	1,313,909,738	1,767,222,537	2,396,636,902
Cash at the End of Year	367,013,145	1,313,909,738	1,767,222,537

Products, Technologies, Services Description

Main Products & Services	Synthetic Rubber Reprocess Rubbers Detergent Chemicals Feed Additives Non-Ferrous Metal Products Other Chemicals Nitrogen Fertilizers Phosphate Fertilizers Potash Fertilizers NP/NK/NPK Fertilizers
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Detailed Products Spec.
Technologies Acquired

Trade Partners & Competitors

Suppliers

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Customers
Competitors

DYM CO., LTD.
624-2, EOPSEONG-DONG, SEOBUK-GU, CHEONAN-SI,
CHUNGCHEONGNAM-DO, KOREA
TEL:+82-41-621-6250 FAX:+82-41-621-8420

JUNGWOO TRADING CO., LTD.
869-11, EOGOK-DONG, YANGSAN-SI, GYEONGSANGNAM-DO,
KOREA
TEL:+82-55-386-5003 FAX:+82-55-364-1778

HUMADE CORPORATION
RM. 2310, MASTERS TOWER BLDG., 553, DOHWA 1-DONG, MAPO-
GU, SEOUL, KOREA
TEL:+82-2-3275-5155~8 FAX:+82-2-3275-5157

Related Parties (Subsidiaries, Joint-Venture & Affiliates)

Affiliates

HEARTYCHEM ASIA LTD.(HONG KONG)
RM.4206, FAREAST FINANCIAL CENTER, 16, HARCOURT ROAD,
ADMIRALTY, HONG KONG
TEL:+852-2861-1761 FAX:+852-2861-1760

THE EIGHT H CORPORATION(110111-4384246)
(49.3.% held by the subject company)

FLOGIS INTERNATIONAL CORP.(110111-3954230)

Overseas Office
Liaison Office
Overseas Branch
Joint Venture
Subsidiary

H-VINA POLYMER CO., LTD.
(100.0% held by the subject company)

Corporate Ownership
Major Shareholders
Cooperative Enterprise

-Insured Company
MERITZ FIRE & MARINE INSURANCE CO., LTD.(110111-0013328)

Sales by Region (Activity & Markets)

The Subject exports to China, Taiwan, Indonesia, Italy and Japan, and it imports from Russia.

Court Action

No Records.

News Clipping

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.88
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

Analysis Done by :	NIY
Report Prepared by :	KET

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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)