

MIRA INFORM REPORT

Report No. :	538895
Report Date :	10.11.2018

IDENTIFICATION DETAILS

Name :	ILSHIN SPINNING CO., LTD.
Registered Office :	11, Eunhaeng-ro, Yeongdeungpo-gu, Seoul, Korea, Ilshin Bldg. 07237
Country :	South Korea
Financials (as on) :	31.03.2018
Date of Incorporation :	10.08.1961
Com. Reg. No.:	116-81-40780
Legal Form :	Listed Company
Line of Business :	Cotton Spinning [Cotton Spun Yarn, P/C Blended Spun Yarn, P/C Blended Fabric, Combed Cotton Yarns, Melange Yarns, Core Spun Yarns, Blended Yarns, OE Yarns, Dyed Yarns, Dyed Fabrics, Cotton Fabrics, Knitted Fabrics, Modal Yarn]
No. of Employees :	1,014

RATING & COMMENTS

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

MIRA's Rating : A

Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Good
Payment Behaviour :	Regular
Litigation :	Clear

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NOTES :

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

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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	ILSHIN SPINNING CO., LTD.
Registered Address	11, Eunhaeng-ro, Yeongdeungpo-gu, Seoul, Korea
Building	Ilshin Bldg.
Zip Code	07237
Tel	+82-2-3774-0114
Fax	+82-2-786-5891~4
E-mail	grchoi@ilshin.co.kr;cwlee@ilshin.co.kr;donghkim@ilshin.co.kr
Website	www.ilshin.co.kr
Trading Address	11, Eunhaeng-ro, Yeongdeungpo-gu, Seoul, Korea (Old Address System : 15-15, Yeouido-dong, Yeongdeungpo-gu, Seoul, Korea(C.P.O.BOX 91))
Tel	+82-2-3774-0114
Fax	+82-2-786-5891~4
Other Address-Gwangju	100, Im-dong, Buk-gu, Gwangju, Korea
Factory	
Tel	+82-62-510-5111
Fax	+82-62-570-5105
Other Address-Gwangju	879-4, Ok-dong, Gwangsan-gu, Gwangju, Korea
Factory II	
Tel	+82-62-600-5300
Fax	+82-62-600-5305
Other Address-Cheongwon	231-1, Seongsan-ri, Ochang-myeon, Cheongwon-gun, Chungcheongbuk- do, Korea
Factory	
Tel	+82-43-219-3114
Fax	+82-43-219-3119
Other Address-Banwol	644-1, Choji-dong, Danwon-gu, Ansan-si, Gyeonggi-do, Korea
Factory	
Tel	+82-31-489-4604~5
Fax	+82-31-489-4600
Type	Export/Import
Industry	Cotton Spinning
Main Business	Cotton spun yarn, P/C blended spun yarn, P/C blended fabric, Combed Cotton Yarns, Melange Yarns, Core Spun Yarns, Blended Yarns, OE Yarns, Dyed Yarns, Dyed Fabrics, Cotton Fabrics, Knitted Fabrics, Modal Yarn
Sub Business	
Established (mm/dd/yyyy)	08/10/1961

DETAILED PRODUCTS

Activity	Detailed Products (UNSPSC)
Sell	Yarns(11151700) -Garment Use Yarns spun with raw cotton & top dyed fibre.

Sell	Cotton fabrics(11161700)
Sell	Knit synthetic fabrics(11161804)
Sell	Dyeing or printing or finishing services(73141706)
Sell	Threads(11151600)
Sell	Synthetic fabrics(11161800)
Buy	Cotton(11121802)

CEO'S

Name	Kim Young-Ho
Date of Birth	03/09/1944
Title	Chairman & CEO
Nationality	Korean

PROFILES

Capital (KRW)	12,000,000,000
Employees	1,014
Formation	Listed Company (Korea Stock Exchange : 003200) as of 03/1999 A Company of ILSHIN SPINNING CO., LTD.
Bank Details	Citi Bank, Korea-Seo Yoido Branch Shinhan Bank Woori Bank
Corporate Registered No.	110111-0041717
Business Registered No.	116-81-40780
Permit & Licenses	01/2000 ISO 9002

	Int'l Trade No.: 672139		
Shareholder Position	Name	Shares	%
	KIM YOUNG-HO	495,141	20.63
	KIM JUNG-SOO	132,339	5.51
	KIM MIN-SOO	72,402	3.02
	YANG YOO-MI	68,154	2.84
	KIM MYUNG-SOOK	49,037	2.04
	KB ASSET MANAGEMENT CO., LTD.(110111-0572556)	136,031	5.67
	SHINYOUNG ASSET MANAGEMENT CO., LTD.(110111-1304148)	379,989	15.83
	NATIONAL PENSION SERVICE(110171- 0007134)	165,889	6.91
	ILSHIN CULTURE FOUNDATION(111222- 0005624)	120,000	5.00
	TREASURY STOCK	82,092	3.42
	OTHERS	698,926	29.12

	TOTAL	2,400,000	100.00
Company History	08/10/1961 Incorporated as the present name		
	03/1995 Awarded The Presidential Prize on the Tax Day		
	02/09/1996 Increased the authorized shares to 6,000,000 shares from 2,000,000 shares		
	02/12/1999 Increased capital to 12,000,000,000 KRW from 8,000,000,000 KRW		
	04/2004 Awarded The Commissioner Prize of National Tax Office on the Tax Day		

DETAILED INFORMATION

Management

Job Description	Name	Nationality	Date of Birth	Inauguration Date
Chairman & CEO	Kim Young-Ho	Korean	03/09/1944	02/27/2001
President & CEO	Kim Jung-Soo	Korean	06/15/1963	02/25/2010
Sr. Executive Director	Kim Jung-Kil	Korean	09/13/1959	03/08/2013
Director	Ko Jeong-Seock	Korean	05/22/1957	02/27/2004
Outside Director	Shin Young-Moo	Korean	03/02/1944	02/27/2004
Outside Director	Song Ja	Korean	12/02/1936	02/28/2003
Auditor	Jeong Young-Sik	Korean	09/16/1959	02/20/1998
Supervisor	Seo Young-Chae	Korean	06/05/1965	05/18/2007

FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
03/2018	88,308,118,666	559,007,813,521	6,108,230,017
2017	336,571,835,957	557,176,176,764	2,162,480,087
2016	323,201,683,108	567,660,571,468	12,416,723,198
2015	319,529,090,917	562,013,974,292	12,357,381,352
2014	310,813,495,944	562,635,014,940	5,966,073,468
2013	311,084,146,123	554,797,863,642	16,321,684,923
2012	326,933,867,026	533,630,133,141	-12,191,133,858
2011	380,131,312,496	570,909,115,439	1,101,455,649
2010	374,483,214,849	601,433,022,867	46,626,986,390

FINANCIAL DESCRIPTION

Authorized Capital(KRW)	30,000,000,000
Paid-Up Capital(KRW)	12,000,000,000
Total Issued Shares	2,400,000

Balance Sheet

Unit : Korean Won	01/01/2018~03/31/2018	As of 12/31/2017	As of 12/31/2016
Total Assets	559,007,813,521	557,176,176,764	567,660,571,468
Current Assets	176,398,329,661	168,607,460,731	179,600,562,830
Cash & Cash Equivalents	6,171,319,280	16,100,250,775	3,423,724,752
Current Financial Instruments	43,943,598,348	46,580,171,923	62,407,483,570
Trade Receivables & Other Receivables	52,468,267,283	44,891,308,229	45,102,742,787
Other Current Assets	1,085,021,031	720,323,078	575,349,804
Inventories	72,730,123,719	60,315,406,726	68,091,261,917
Non-Current Assets	382,609,483,860	388,568,716,033	388,060,008,638
Marketable Financial Instruments	5,964,758,610	14,135,087,223	12,064,558,522
Non-Current Financial Instruments	3,000,000	3,000,000	3,000,000
Long-Term Trade Receivables & Other Receivables	530,838,077	530,838,077	485,136,727
Investment_Subsidiaries	130,861,439,670	127,590,539,670	127,590,539,670
Investment_Related Companies	8,400,461,359	8,400,461,359	9,899,640,080
Tangibles	154,258,967,490	155,434,866,688	157,511,834,171
Investment_Real Estates	81,604,909,801	81,486,112,212	79,517,699,115
Intangibles	985,108,853	987,810,804	987,600,353
Total Liabilities	64,001,201,248	64,716,616,682	69,608,201,822
Current Liabilities	43,358,693,029	44,684,272,425	48,543,603,018
Short-Term Borrowings	18,578,762,163	18,388,138,786	21,580,766,975
Other Current Financial Debts	3,649,765	0	
Trade Payables & Other Payables	23,377,489,422	25,904,842,553	25,186,025,759
Deferred Income Tax Credit	1,398,791,679	391,291,086	1,776,810,284
Non-Current Liabilities	20,642,508,219	20,032,344,257	21,064,598,804
Long-Term Borrowings	1,157,066,636	177,500,000	525,000,000
Long-Term Trade Payables & Other Payables	7,210,401,093	7,573,964,815	8,501,080,453
Deferred Income Tax Credit	12,275,040,490	12,280,879,442	12,038,518,351
Capital Stock	12,000,000,000	12,000,000,000	12,000,000,000
Capital Surplus	7,111,108,288	7,194,376,948	9,368,675,408
Others	1,284,927,920	5,094,974,461	4,129,039,252

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Profit Surplus	474,610,576,065	468,170,208,673	472,554,654,986
Total Equity	495,006,612,273	492,459,560,082	498,052,369,646
Liab. & Shareholder's Equity	559,007,813,521	557,176,176,764	567,660,571,468

Income Statement

Unit : Korean Won	01/01/2018~03/31/2018	As of 12/31/2017	As of 12/31/2016
Sales	88,308,118,666	336,571,835,957	323,201,683,108
Cost of Sold Goods	82,096,115,082	321,459,530,554	299,243,620,127
Gross Profit	6,212,003,584	15,112,305,403	23,958,062,981
Selling & Admin. Expenses	2,702,987,206	11,173,735,771	11,277,100,035
Bad debt expenses	166,935,235		
Operating Income	3,342,081,143	3,938,569,632	12,680,962,946
Finance Income	4,336,735,753	6,372,665,219	5,916,833,175
Profits from Investment on Related Companies		509,965,079	0
Finance Expenses	731,882,412	798,561,592	4,890,670,668
Other Income	475,086,065	1,872,136,121	3,985,840,304
Other Expenses	290,163,487	2,960,616,630	2,311,077,929
Income Before Taxes	7,131,857,062	8,934,157,829	15,381,887,828
Income Taxes Expenses	1,023,627,045	6,771,677,742	2,965,164,630
Net Income	6,108,230,017	2,162,480,087	12,416,723,198

Cash Flows

Unit : Korean Won	01/01/2018~03/31/2018	As of 12/31/2017	As of 12/31/2016
Operating Activities Cash Flows	-13,622,472,063	15,861,831,481	19,189,052,778
Net Income	6,108,230,017	2,162,480,087	12,416,723,198
Adjustment	233,896,132	12,405,589,135	10,471,362,380
Changes in Asset/ & Liability	-23,926,308,900	6,186,366,983	-3,679,135,772
Interests Received	720,773,065	1,023,692,048	1,738,368,811
Interests Paid	-59,545,727	-314,745,559	-230,317,742
Dividends Received	3,322,477,900	2,585,727,900	2,518,727,900
Income Taxes	-21,994,550	-8,187,279,113	-4,046,675,997
Cash Flows from Investing	5,966,902,202	8,515,532,406	-6,441,035,242
Cash Flows from Financing	-2,258,575,336	-11,534,354,211	-13,228,679,147
Increase/Decrease in Cash	-9,928,931,495	12,676,526,023	-480,338,621
Cash at the Beginning of Year	16,100,250,775	3,423,724,752	3,904,063,373
Cash at the End of Year	6,171,319,280	16,100,250,775	3,423,724,752

PRODUCTS, TECHNOLOGIES, SERVICES DESCRIPTION

Main Products & Services Combed yarns are The Subject Company's main products. The Subject Company is biggest combed cotton yarn spinning mill in Korea which has production capacity of 2,500 tons per month.

Brand Name : THREE STAR

TRADE PARTNERS & COMPETITORS

Competitors TAE KWANG INDUSTRIAL CO., LTD.(110111-0185276)
DAENONG CORPORATION(110111-0138572)
CHONBANG CO.,LTD.(110111-0005664)

RELATED PARTIES (SUBSIDIARIES, JOINT- VENTURE & AFFILIATES)

Affiliates HIGEN MOTOR CO., LTD.(194211-0088197)
(34.54% held by the subject company)

Subsidiary ILSHIN VIETNAM CO.,LTD.(VIETNAM)
(100.00% held by the subject company)

ILSHIN INVESTMENT CO., LTD. (200111-0020308)
(85.5% held by the subject company)

ILSHIN INDUSTRY DEVELOPMENT CO., LTD.(110111-0790877)
(100.00% held by the subject company)

SHIN DONG COROPERATION(110111-0006159)
(100.00% held by the subject company)

SHIN DONG WINE CO., LTD.(110111-0744072)
(100.00% held by SHIN DONG COROPERATION(110111-0006159))

BSK CORPORATION(110111-1358616)
(10.11% held by the subject company)

SALES BY REGION (ACTIVITY & MARKETS)

Sales/ Unit :Thousand KRW	06/2017	2016	2015
Export	27,075,070	50,792,826	59,282,269
Domestic	143,375,459	272,408,857	260,246,822
Total	170,450,529	323,201,683	319,529,091

The Subject exports to USA, Asia and Europe.

COURT ACTION

No.

NEWS CLIPPING

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.73
UK Pound	1	INR 94.87
Euro	1	INR 82.52
KRW	1	INR 0.064

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

INFORMATION DETAILS

Analysis Done by :	DIV
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)