

## MIRA INFORM REPORT

<b>Report No. :</b>	539121
<b>Report Date :</b>	13.11.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	SG CORPORATION
<b>Formerly Known As :</b>	<ul style="list-style-type: none"> <li>• WONRIM INDUSTRY INC</li> <li>• SEGYE INC</li> <li>• SGWICUS INC</li> </ul>
<b>Registered Office :</b>	35, Digital-ro 10-gil, Geumcheon-gu, Seoul, Korea, 08514
<b>Country :</b>	South Korea
<b>Financials (as on) :</b>	30.06.2018
<b>Date of Incorporation :</b>	20.11.1964
<b>Com. Reg. No.:</b>	119-81-01073
<b>Legal Form :</b>	Listed company
<b>Line of Business :</b>	<ul style="list-style-type: none"> <li>• Manufacture of Garments, Apparel and Fashion Items</li> <li>• Wholesale of Non-Specialized Goods Woven Garments, Jacket, Pants, Shirts, Skirts</li> </ul>
<b>No. of Employees :</b>	289

**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>Maximum Credit Limit :</b>	USD 27,597,408.879
<b>Status :</b>	Good
<b>Payment Behaviour :</b>	Regular
<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 (30.06.2018)	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**

### **Basic**

Company Name	SG CORPORATION
Registered Address	35, Digital-ro 10-gil, Geumcheon-gu, Seoul, Korea
Building	
Zip Code	08514
Tel	+82-2-850-5191
Fax	+82-2-869-0272
E-mail	jyhwang@sgsegye.com;eblee@sgwicus.com
Website	www.sgsegye.com;www.sgwicus.com
Trading Address	35, Digital-ro 10-gil, Geumcheon-gu, Seoul, Korea (Old Address System : 60-9, Gasan-dong, Geumcheon-gu, Seoul, Korea)
Tel	+82-2-850-5176
Fax	+82-2-869-0272
Other Address-Warehouse	101, Gasan digital 2-ro, Geumcheon-gu, Seoul, Korea (Old Address System : 549-1, Gasan-dong, Geumcheon-gu, Seoul, Korea)
Tel	
Fax	
Type	Export/Import
Industry	Manufacture of Garments, Apparel and Fashion Items Wholesale of Non-Specialized Goods
Main Business	Woven Garments, Jacket, Pants, Shirts, Skirts
Sub Business	
Established (mm/dd/yyyy)	11/20/1964

### **Detailed Products**

Activity	Detailed Products (UNSPSC)
Sell	Mens shirts(53101602)
Sell	Womens coats or jackets(53101804)
Sell	Womens dresses or skirts or saris or kimonos(53102002)
Sell	Tshirts(53103000)
Sell	Dresses and skirts and saris and kimonos(53102000)
Sell	Coats and jackets(53101800)
Sell	Clothing(53100000)

### **CEO's**

Name	Lee Eui-Bum
Date of Birth	01/20/1964
Title	Chairman & CEO
Nationality	Korean

### **Profiles**

Capital (KRW)	101,212,480,000
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Employees	289		
Formation	Listed company (Korea Stock Exchange : 004060) as of 04/19/1976		
	A Company of SG Group		
Bank Details	SC Bank		
	KEB Hana Bank		
	Woori Bank		
Corporate Registered No.	110111-0048002		
Business Registered No.	119-81-01073		
Permit & Licenses	Mail Order License No.: 2006-01513		
Shareholder Position	Name	Shares	%
	SG KORYO CO., LTD.(120111-0009359)	102,451,120	50.61
	KM & I CO., LTD.(120111-0354647)	1,007,710	0.50
	LEE EUI-BUM	510,000	0.25
	OTHERS	98,456,130	48.64
	TOTAL	202,424,960	100.00
Company History	11/20/1964 Incorporated as WONRIM INDUSTRY INC.		
	07/1985 Changed company name to SEGYE INC.		
	03/19/2004 Changed company name to SGWICUS INC.		
	12/27/2005 Increased capital to 101,212,480,000 KRW from 97,803,390,000 KRW		
	03/26/2010 Increased the authorized shares to 400,000,000 shares from 40,000,000 shares		
	03/26/2010 Changed company name to the present name		
	04/30/2010 Split off the par value to 500 KRW from 5,000 KRW		
	12/29/2017 Acquired YUJIN APPAREL CO.,LTD.(110111-0580319) and H&H APPAREL CO., LTD.(110111-4664284)		

## **DETAILED INFORMATION**

### **Management**

Job Description	Name	Nationality	Date of Birth	Inauguration Date
Chairman & CEO	Lee Eui-Bum	Korean	01/20/1964	12/19/2005
Sr. Executive Director	Lee Kyung-Ho	Korean	01/04/1966	03/23/2012
Director	Lee Geon-Haeng	Korean	04/17/1961	03/25/2016
Outside Director	Kim Yong-Kwon	Korean	12/10/1967	03/25/2016
Auditor	Na Jin-Ha	Korean	04/04/1964	12/23/2014

## **FINANCIALS**

Year / Unit : KRW	Sales	Assets	Net Income
06/2018	151,666,955,076	326,491,693,443	540,413,791
2017	257,343,341,499	321,749,844,750	-7,500,006,480

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2016	305,134,793,740	301,415,889,314	-3,906,468,539
2015	315,376,986,199	291,470,302,882	2,641,886,886
2014	340,528,691,358	288,872,179,832	-11,457,354,206
2013	312,689,449,511	290,365,335,006	-4,627,349,953
2012	316,301,188,089	298,365,910,899	4,105,579,496
2011	341,735,550,259	304,816,916,668	4,089,630,587

**Financial Description**

Authorized Capital(KRW)	200,000,000,000
Paid-Up Capital(KRW)	101,212,480,000
Total Issued Shares	202,424,960

**Balance Sheet**

Unit : Korean Won	01/01/2018~06/30/2018	As of 12/31/2017	As of 12/31/2016
Total Assets	311,296,861,728	291,470,302,882	288,872,179,832
Current Assets	130,361,093,640	115,712,005,565	138,312,542,204
Cash & Cash Equivalents	14,017,039,620	7,967,465,222	7,492,557,893
Current Financial Instruments	0	0	12,000,000,000
Trade Receivables & Other Receivables	51,034,913,044	30,666,587,625	42,981,363,141
Inventories	57,139,238,679	65,932,104,185	68,810,044,369
Deferred Income Tax Assets	10,293,580	60,302,020	46,130,480
Other Current Assets	7,303,228,717	10,231,546,513	5,917,446,321
Non-Current Assets to be Sold	854,000,000	854,000,000	1,065,000,000
Non-Current Assets	180,935,768,088	175,758,297,317	150,559,637,628
Non-Current Financial Instruments			
Long-Term Trade Receivables & Other Long-Term Receivables	1,083,260,665	4,867,499,908	5,714,899,365
Marketable Financial Instruments	6,702,886,400	4,505,639,200	2,257,094,400
Other comprehensive income-fair value measurement financial assets			
Investment_Related Companies	22,249,640,274	22,095,109,762	0
Investment_Subsiaries	9,372,133,387	3,649,716,551	1,102,743,595
Tangibles	39,602,326,880	38,321,887,517	38,541,206,609
Investment_Real Estates	101,723,531,404	101,718,057,485	102,215,836,181
Intangibles	152,669,235	163,288,091	173,608,443
Other Non-Current Assets	49,319,843	437,098,803	554,249,035
Total Liabilities	102,579,840,396	85,121,753,098	87,060,912,151
Current Liabilities	84,736,070,224	71,253,859,410	74,049,681,660

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**SG CORPORATION - 539121**

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Trade Payables & Other Payables	31,686,983,308	33,892,532,561	37,148,556,051
Short-Term Borrowings	52,501,532,074	36,407,533,617	35,357,448,034
Finance Assets from this year's Losses	111,210,000	46,110,000	1,371,110,000
Profit or loss-Fair value measurement Financial liabilities			
Deferred Income Tax Credit			
Other Current Liabilities	436,344,842	907,683,232	172,567,575
Non-Current Liabilities	17,843,770,172	13,867,893,688	13,011,230,491
Long-Term Trade Payables & Other Long-Term Payables	618,151,280	762,856,000	734,374,745
Long-Term Borrowings	2,500,000,000	0	0
Confirmed Salaries	1,852,189,691	994,828,024	1,407,503,257
Deferred Income Tax Credit	12,855,054,481	12,078,349,664	10,837,501,234
Other Non-Current Liabilities	18,374,720	31,860,000	31,851,255
Capital Stock	101,212,480,000	101,212,480,000	101,212,480,000
Capital Surplus	36,858,762,315	36,858,762,315	36,858,762,315
Others	3,184,794,990	1,470,942,174	-282,922,770
Profit Surplus	67,460,984,027	66,806,365,295	64,022,948,136
Total Equity	208,717,021,332	206,348,549,784	201,811,267,681
Liab. & Shareholder's Equity	311,296,861,728	291,470,302,882	288,872,179,832

**Income Statement**

Unit : Korean Won	01/01/2018~06/30/2018	As of 12/31/2017	As of 12/31/2016
Sales	151,666,955,076	257,343,341,499	305,134,793,740
Cost of Sold Goods	108,221,856,911	173,995,556,550	219,377,009,043
Gross Profit	43,445,098,165	83,347,784,949	85,757,784,697
Selling & Admin. Expenses	43,566,604,957	85,135,231,145	84,751,900,592
Operating Income	-121,506,792	-1,787,446,196	1,005,884,105
Other Income	4,244,979,341	4,458,426,414	7,052,857,620
Other Expenses	2,698,019,918	10,119,722,428	12,321,057,518
Profits from Investment on Related Companies	268,750,737	286,062,754	339,840,114
Finance Income	69,560,752	146,350,558	133,875,284
Finance Expenses	1,111,645,751	1,071,385,317	647,466,286
Income Before Taxes	652,118,369	-8,087,714,215	-4,436,066,681
Income Taxes Expenses	111,704,578	-587,707,735	-529,598,142
Net Income	540,413,791	-7,500,006,480	-3,906,468,539

**Cash Flows**

Unit : Korean Won	01/01/2018~06/30/2018	As of 12/31/2017	As of 12/31/2016
Operating Activities Cash Flows	-14,598,636,761	9,708,444,413	-4,194,655,405

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Net Income	540,413,791	-7,500,006,480	-3,906,468,539
Adjustment	2,334,892,490	7,227,463,653	7,812,021,152
Changes in Asset/ & Liability	-16,231,354,334	10,860,258,680	-7,592,591,058
Interests Received	64,810,242	114,876,846	85,094,727
Interests Paid	-1,131,955,510	-984,433,576	-640,498,587
Income Taxes	-175,443,440	-9,714,710	47,786,900
Cash Flows from Investing	1,580,503,299	-38,682,543,790	-5,439,079,512
Cash Flows from Financing	11,126,615,531	25,611,920,388	10,708,451,464
Increase/Decrease in Cash	-1,889,979,658	-3,442,947,298	1,227,369,047
Cash at the Beginning of Year	5,751,886,971	9,194,834,269	7,967,465,222
Cash at the End of Year	3,861,907,313	5,751,886,971	9,194,834,269

**Products, Technologies, Services Description**

Main Products & Services Woven Garments, Jacket, Pants, Shirts, Skirts  
OEM(GAP, OLD NAVY, BANANA REPUBLIC, JCPENNEY, TARGET, THE LIMITED, AAK LIMITED)  
Brand Name : BASSO, BASSO homme, ab.f.z, ab.plus

Detailed Products Spec.  
Technologies Acquired

**Trade Partners & Competitors**

Suppliers SUNG WOO KOREA OFFSHORE LTD.( 110111-0957873)  
T&T KOREA CO., LTD.(110111-4732817)  
THE SHINYANG CO., LTD.(110111-2730467)  
GRATEFUL TEXTILE  
ZAO EN

Customers GAPGROUP(GAP, OLD NAVY, BANANA REPUBLIC), JCPENNEY, TARGET, THE LIMITED, AAK LIMITED

Competitors BABA FASHION CO., LTD.  
6TH FL., CHEONG-GU BLDG., 517-5, SINSA-DONG, GANGNAM-GU, SEOUL, KOREA  
TEL:+82-2-512-6341 FAX:+82-2-512-3033

WOOJIN FASHION BIZ, INC.  
216-1, SANGHA-DONG, GIHEUNG-GU, YONGIN-SI, GYEONGGI-DO, KOREA  
TEL:+82-31-281-2260 FAX:+82-31-281-2261

BILTMORE CO., LTD.  
8TH FL., HYUNDAI TOPICS, 44-3, BANGI 2-DONG, SONGPA-GU, SEOUL, KOREA  
TEL:+82-2-420-7136 FAX:+82-2-422-7500

**Related Parties (Subsidiaries, Joint-Venture & Affiliates)**

Affiliates-Domestic	SG CHOONGBANG CO., LTD.(161511-0000037) SG&G CORPORATION(110111-0984199) KM & I CO., LTD.(120111-0354647) SG KORYO CO., LTD.(120111-0009359) JUNG BO TV CO.,LTD.(110111-1276024) GAROSU INFORMATION CO., LTD.(110111-1939234) GNS CO., LTD.(110111-1587190) EUNPYUNG GAROSU CO., LTD.(110111-1778963) SANGSEO GAROSU CO., LTD.(110111-1566912) SG PLANNING CO., LTD.( 160111-0040579) SG DATA CO., LTD.(110111-3763615) PRIME I&T HOLDINGS CO., LTD.(110111-1779698) TOP WEALTH CO., LTD.(110111-3560756) MICROOFFICE CO., LTD.(110111-2254409) FINE CS CO., LTD.(211111-0021551) SG GOLF CO., LTD.(110111-1778989) SG SHINSUNG CONSTRUCTION CO., LTD.(110111-0030463) SG ARUMDAUN GOLF & RESORT CO., LTD.(164811-0029351)
Affiliates-Overseas	SG DUKPYUNG CC CO., LTD.(134411-0001452) (37.88% held by the subject company) CHOONGNAM VIETNAM TEXTILE CO.,LTD UZ-TONG HEUNG CO. KMI MECHANISMS(SUZHOU) CO.,LTD KM&I AMERICA INC DAEEUI MOTOR PARTS (YONTAI) CO., LTD.(CHINA) SHINSUNG MIDDLE EAST CO., LTD. SAUDI SHINSUNG CO.LTD.
Overseas Office Liaison Office Overseas Branch Joint Venture Subsidiary	SGWICUS BANGLADESH LTD(SBL) (100.00% held by the subject company) PLOT NO 73, 77-80. DHAKA EPZ GANAK BARISAVAR. DHAKA-1349. BANGLADESH  SG CORPORATION USA(SG USA INC : SUI) (100.00% held by the subject company) 141 WEST 36TH STREET, 20TH FLOOR NEW YORK, NY10018, USA  SSV EXPORT GARMENT COMPANY(SSV) (100.00% held by the subject company) HOANG DIEU INDUSTRIAL ZONE, GIA LOC, HAIDUONG PROVINCE, VIETNAM  YES VINA GARMENT CO.,LTD(YES VINA)

(100.00% held by the subject company)  
KIEN BAI VILLAGE, THUY NGUYEN DISTRICT HAI PHONG CITY,  
VIETNAM

COSMO TEXTILE CO., LTD.(CAMBODIA)  
(100.00% held by the subject company)

H&H TEXTILES S.A(HAITI)  
(100.00% held by the subject company)

SG HCMC CO., LTD.(VIETNAM)  
(100.00% held by the subject company)  
SG&G CORPORATION(110111-0984199)  
SG KORYO CO., LTD.(120111-0009359)

Corporate Ownership  
Major Shareholders  
Cooperative Enterprise

**Sales by Region (Activity & Markets)**

The Subject imports from Bangladesh and Vietnam, and exports to USA.

**Court Action**

No.

**News Clipping**

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**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.91
UK Pound	1	INR 93.99
Euro	1	INR 82.43
KRW	1	INR 0.064

**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>	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)