

## MIRA INFORM REPORT

Report No. :	540664
Report Date :	21.11.2018

### IDENTIFICATION DETAILS

Name :	DISTRIBUIDORA G&G LIMITADA
Registered Office :	Alvarez De Toledo 706 San Miguel, Santiago
Country :	Chile
Date of Incorporation :	27.12.2000
Com. Reg. No.:	2,803
Legal Form :	Limited Company
Line of Business :	<ul style="list-style-type: none"> <li>Wholesale and Retail; Repair of Motor Vehicles and Motorcycles</li> <li>Trade of footwear and accessories</li> </ul>
No. of Employees :	300

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	A
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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>	No Complaints
<b>Litigation :</b>	--

#### 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 (30.06.2018)	Current Rating (30.09.2018)
Chile	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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## CHILE - ECONOMIC OVERVIEW

Chile has a market-oriented economy characterized by a high level of foreign trade and a reputation for strong financial institutions and sound policy that have given it the strongest sovereign bond rating in South America. Exports of goods and services account for approximately one-third of GDP, with commodities making up some 60% of total exports. Copper is Chile's top export and provides 20% of government revenue.

From 2003 through 2013, real growth averaged almost 5% per year, despite a slight contraction in 2009 that resulted from the global financial crisis. Growth slowed to an estimated 1.4% in 2017. A continued drop in copper prices prompted Chile to experience its third consecutive year of slow growth.

Chile deepened its longstanding commitment to trade liberalization with the signing of a free trade agreement with the US, effective 1 January 2004. Chile has 26 trade agreements covering 60 countries including agreements with the EU, Mercosur, China, India, South Korea, and Mexico. In May 2010, Chile signed the OECD Convention, becoming the first South American country to join the OECD. In October 2015, Chile signed the Trans-Pacific Partnership trade agreement, which was finalized as the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) and signed at a ceremony in Chile in March 2018.

The Chilean Government has generally followed a countercyclical fiscal policy, under which it accumulates surpluses in sovereign wealth funds during periods of high copper prices and economic growth, and generally allows deficit spending only during periods of low copper prices and growth. As of 31 October 2016, those sovereign wealth funds - kept mostly outside the country and separate from Central Bank reserves - amounted to more than \$23.5 billion. Chile used these funds to finance fiscal stimulus packages during the 2009 economic downturn.

In 2014, then-President Michelle BACHELET introduced tax reforms aimed at delivering her campaign promise to fight inequality and to provide access to education and health care. The reforms are expected to generate additional tax revenues equal to 3% of Chile's GDP, mostly by increasing corporate tax rates to OECD averages.

Source : CIA

## **COMPANY NAME AND ADDRESS**

COMPANY NAME	DISTRIBUIDORA G&G LIMITADA
TAX ID. TYPE	RUT
TAX ID. NUMBER	77.565.000-1
CURRENT STATUS	Active
MAIN ADDRESS	Alvarez De Toledo 706 San Miguel
CITY/PROVINCE/STATE	Santiago
PHONE NUMBER(S)	(56-2) 2462-6800
EMAIL	<a href="mailto:aquintanal@quante.cl">aquintanal@quante.cl</a>
WEBSITE	<a href="http://www.quante.cl">www.quante.cl</a>

Another e-mail address:

- [aipinza@quante.cl](mailto:aipinza@quante.cl)
- [patricia.berocal@quante.cl](mailto:patricia.berocal@quante.cl)

**REMARKS IDENTIFICATION** OF This report was requested with company name: DISTRIBUIDORA G AND G LIMITADA. Please notice that the correct data is shown above.

### **CREDIT OPINION**

Commercial company of recognized prestige locally. It seems to operate satisfactorily. No detrimental records were found.

## **LEGAL INFORMATION**

TYPE OF COMPANY	Limited Company
INCORPORATION DATE	27/12/2000
CITY OF REGISTRATION	Santiago
REGISTRY NUMBER	Page No. 3,454, No. 2,803
NOTARY	Antonieta Mendoza Escalas
TERM	3 years renewable.
PAID-UP CAPITAL	Ps\$ 1,659,970,619.00 Chilean Pesos
LAST CAPITAL INCREASE	Without increase
LISTED AT STOCK EXCHANGE	NO

### **BACKGROUND.-**

The subject was initially established as DISTRIBUIDORA GUANTE LTDA with an initial Capital amount to Ps\$1,659,970,619.00 Chilean Pesos.

## **BOARD OF DIRECTORS, SENIOR EXECUTIVES AND SHAREHOLDERS**

NAME	JOB TITLE	STAKE
HALCARTEGARAY BICHENDARITZ,	General Manager	
JUAN ESTEBAN QUINTANAL, IGNACIO	Wholesale Manager	
IPINZA, ALEJANDRA	Institutional Sales Chief	
INVERSIONES CHALBONIA SPA	Shareholder	95%
INVERSIONES LOUHOSSOA SPA	Shareholder	5%

## **DATA OF BOARD OF DIRECTORS, EXECUTIVES AND SHAREHOLDERS**

CHALBONIA SPA  
Chilean company, RUT 76.087.674-7.

INVERSIONES LOUHOSSOA SPA  
Chilean company, RUT: 76.087.683-6.

## **OPERATIONS**

<b>SECTOR</b>	G- Wholesale and Retail; Repair of Motor Vehicles and Motorcycles
<b>ACTIVITY</b>	Trade of footwear and accessories
<b>ISIC CATEGORY</b>	47- Retail Trade, Except for Motor Vehicles
<b>ISIC CLASS</b>	4771- Retail Trade of clothing, footwear and leather articles in specialized stores.
<b>MAIN ACTIVITY</b>	Import and trade of footwear and accessories (belts, watches, bags, socks, wallets, among others)

Brands it trades: "GUANTE", "PULSO", among others.

<b>% SALES IN CASH</b>	30%
<b>% SALES ON CREDIT</b>	70% (Terms of 30, 60 days)
<b>% TERRITORY OF SALES</b>	90% Domestic market
<b>% FOREIGN SALES</b>	10%
<b>% DOMESTIC PURCHASES</b>	20%
<b>% FOREIGN PURCHASES</b>	80%
<b>N. OF EMPLOYEES</b>	300 (on average)

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**LOCATION.-**

ADMINISTRATIVE OFFICES: At the heading address, in a commercial zone of easy access.

The subject registers 41 retail stores in nationwide. Some of them are the following:

- SAN FERNANDO  
Avenida Bernardo Ohiggins 701, local 2124.
- TALCA  
Uno Sur 1537 Mall Portal Centro.
- TEMUCO  
Av. Alemania 0671. Local 2007 Portal Temuco.
- VALDIVIA  
Calle Arauco # 565, Local 109 Mall Plaza De Los Rios.
- VIÑA  
Avda Libertad 1348 Local 23 Nivel 1 Marina Arauco.
- RANCAGUA  
Independencia 622.
- PUERTO MONTT  
Calle Illapel N°10 Loc.214 / 215 2° Piso.
- OSORNO  
Plaza Yungay #609, Local 2021.
- OUTLET SAN PEDRO  
Calle Portal San Pedro.
- OUTLET VIÑA DEL MAR  
Camino Internacional.
- IQUIQUE  
Avda Heroes De La Concepcion 2555 LOC 165-167.
- LA SERENA  
Av. Alberto Solari 1400 Local C 105 Nivel 1.
- LOS ANGELES  
Calle Valdivia 440 Local 132.

**COMMENTS AS TO OPERATIONS.-**

Operations are carried out 100% directly.

It holds an active clients mostly of them are the public in general.

Business hours:

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Monday – Thursday: from 09:00 to 13:00 hours and from 15:00 to 18:00 hours.

## **FOREIGN TRADE**

YEAR	IMPORTS
AMOUNT	2018 (January-July)
COUNTRIES	US\$12,845,136.00
NUMBER OF OPERATIONS	Brazil, China, India, Peru.
	311
YEAR	IMPORTS
AMOUNT	2017
COUNTRIES	US\$19,535,573.00
NUMBER OF OPERATIONS	Brazil, India, China, Italy, Peru.
	459
YEAR	IMPORTS
AMOUNT	2016
COUNTRIES	US\$20,210,748.00
NUMBER OF OPERATIONS	Brazil, India, China, Italy, Pakistan.
	516
YEAR	IMPORTS
AMOUNT	2015
COUNTRIES	US\$23,512,435.00
NUMBER OF OPERATIONS	Brazil, India, China, Italy, Argentina, Pakistan, Peru.
	538
YEAR	IMPORTS
AMOUNT	2018 (January-July)
COUNTRIES	US\$1,137,997.00
NUMBER OF OPERATIONS	Peru, Paraguay, Argentina.
	56
YEAR	IMPORTS
AMOUNT	2017
COUNTRIES	US\$1,175,772.00
NUMBER OF OPERATIONS	Peru, Argentina, Paraguay.
	98
YEAR	IMPORTS
AMOUNT	2016
COUNTRIES	US\$1,433,251.00
NUMBER OF OPERATIONS	Peru, Bolivia, Argentina, Paraguay
	177

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YEAR	IMPORTS
AMOUNT	2015
COUNTRIES	US\$1,540,956.00
	Peru, Pakistan, Argentina, Paraguay, Bolivia.
NUMBER OF OPERATIONS	140

## **FINANCIAL INFORMATION**

In recent interview, Mrs. Patricia Berrocal (Manager Assistant) who provided commercial information of the subject except for financial figures on grounds of confidentiality.

Through external sources, we could not obtain financial figures.

### **FIXED ASSETS.-**

The company reports a fleet of vehicles, office furniture and equipment, computers, among other assets.

### **INSURANCE.-**

No insurance policies were reported.

## **PAYMENTS REFERENCES**

### **COMMENTS OF SUPPLIERS.-**

Possible consulted suppliers reported they do not provide information regarding their clients on the grounds of confidentiality.

## **BANKS**

<b>Bank Name</b>	<b>Country</b>
BANCO ESTADO	Chile

## **BANK REFERENCES**

Consulted banks do not provide information of their clients on grounds of confidentiality.

## **LITIGATIONS**

Office of Foreign Assets Control Agency (OFAC) dependent on The Office of Terrorism and Financial Intelligence of the US Ministry of Finance. Internal Revenue Service (IRS) that administers and applies economic sanctions imposed by The United States against different countries or individuals. These sanctions are based on The Country's Foreign Policy and National Security Objectives; and they are used to prevent countries, entities and individuals from using the US Financial System for purposes against us policy and its national security Objectives.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.33
UK Pound	1	INR 91.72
Euro	1	INR 81.69
CLP	1	INR 0.11

**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)