

MIRA INFORM REPORT

Report No. :	534085
Report Date :	09.10.2018

IDENTIFICATION DETAILS

Name :	PACO CORPORATION
Registered Office :	94, Yeojunam-Ro, Yeosu-si, Gyeonggi-Do, Korea, 12645
Country :	South Korea
Financials (as on) :	31.12.2017
Date of Incorporation :	05.07.2000
Com. Reg. No.:	126-81-46705
Legal Form :	Co., Ltd by Shares
Line of Business :	Manufacture of Abrasive Articles [Wood Abrasive Papers, Metal Abrasive Papers, Non-Ferrous Metal Abrasive Papers, Wheel Abrasive Papers, Heavy Metal Abrasive Papers]
No. of Employees :	54

RATING & COMMENTS

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

MIRA's Rating : **B**

Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Status :	Moderate
Payment Behaviour :	Slow but correct
Litigation :	Clear

NOTES :

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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 (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

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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	PACO CORPORATION (Korean Company Name : “(주)파코”)
Registered Address	94, Yeojunam-ro, Yeosu-si, Gyeonggi-do, Korea
Building	
Zip Code	12645
Tel	+82-31-885-6573
Fax	+82-31-885-6574
E-mail	sales@paco.co.kr
Website	www.paco.co.kr
Trading Address	94, Yeojunam-ro, Yeosu-si, Gyeonggi-do, Korea (Old Address System 345-1, Wolsong-dong, Yeosu-si, Gyeonggi-do, Korea)
Tel	+82-31-885-6573
Fax	+82-31-885-6574
Other Address	
Tel	
Fax	
Type	Export
Industry	Manufacture of Abrasive Articles
Main Business	Wood Abrasive Papers, Metal Abrasive Papers, Non-Ferrous Metal Abrasive Papers, Wheel Abrasive Papers, Heavy Metal Abrasive Papers
Sub Business	
Established (mm/dd/yyyy)	07/05/2000

DETAILED PRODUCTS

Activity	Detailed Products (UNSPSC)
Sell	Abrasive papers(31191501)
Buy	Specialty fabrics or cloth(11162100)
Buy	Grinding and sanding and polishing equipment and supplies(23131500)

CEO'S

Name	Choi Jin
Date of Birth	11/17/1972
Title	President & CEO
Nationality	Korean

PROFILES

Capital (KRW)	1,000,000,000																		
Employees	54																		
Formation	Co., Ltd by Shares																		
Bank Details	KEB Hana Bank-Icheon Branch 157-1, Changjeon-dong, Icheon-si, Gyeonggi-do, Korea Tel:+82-31-638-0265~8																		
Corporate Registered No.	1312110-011721																		
Business Registered No.	126-81-46705																		
Permit & Licenses	03/04/2014 ISO 9001																		
Shareholder Position	Int'l Trade No.: 12040661																		
	<table> <thead> <tr> <th>Name</th> <th>Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>CHOI CHUL-KYUN</td> <td>68,039</td> <td>68.03</td> </tr> <tr> <td>HA YOUNG-SOOK</td> <td>19,216</td> <td>19.22</td> </tr> <tr> <td>CHOI JIN</td> <td>10,196</td> <td>10.20</td> </tr> <tr> <td>CHOI JONG</td> <td>2,549</td> <td>2.55</td> </tr> <tr> <td>TOTAL</td> <td>100,000</td> <td>100.00</td> </tr> </tbody> </table>	Name	Shares	%	CHOI CHUL-KYUN	68,039	68.03	HA YOUNG-SOOK	19,216	19.22	CHOI JIN	10,196	10.20	CHOI JONG	2,549	2.55	TOTAL	100,000	100.00
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CHOI JONG	2,549	2.55																	
TOTAL	100,000	100.00																	
Company History	07/05/2000 Incorporated as the present name 11/27/2002 Increased capital to 1,000,000,000 KRW from 255,000,000 KRW																		

DETAILED INFORMATION

Management

Job Description	Name	Nationality	Date of Birth	Inauguration Date
President & CEO	Choi Jin	Korean	11/17/1972	03/31/2006
Director	Choi Chul-Kyun	Korean	11/04/1943	03/31/2006
Director	Choi Kyu-Pal	Korean	01/04/1944	03/31/2009
Auditor	Choi Jong	Korean	08/16/1978	03/31/2012

FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
2017	13,581,791,244	15,411,530,479	-1,116,234,022
2016	13,787,973,155	16,467,863,686	68,669,975
2015	14,085,520,887	15,540,350,741	-644,859,422
2014	15,946,172,785	15,984,729,398	120,683,976
2013	14,639,473,246	14,405,971,421	111,203,748
2012	14,051,386,952	13,587,143,304	239,373,688
2011	11,841,346,550	7,758,189,344	55,383,070

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FINANCIAL DESCRIPTION

Authorized Capital(KRW)	1,000,000,000
Paid-Up Capital(KRW)	1,000,000,000
Total Issued Shares	100,000

Balance Sheet

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Total Assets	15,411,530,479	16,467,863,686	15,540,350,741
Current Assets	5,676,115,852	6,608,622,522	5,632,457,410
-Quick Assets	1,629,490,024	2,202,112,233	2,033,688,998
-Inventories	4,046,625,828	4,406,510,289	3,598,768,412
Fixed Assets	9,735,414,627	9,859,241,164	9,907,893,331
-Investment	3,000,000	3,000,000	3,000,000
-Tangibles	9,260,809,500	9,355,990,216	9,473,436,958
-Intangibles	471,265,177	499,910,998	397,816,423
-Others	339,950	339,950	33,639,950
Total Liabilities	10,505,597,741	10,445,696,926	9,586,853,956
Current Liabilities	9,611,188,743	9,531,238,065	7,838,454,670
Fixed Liabilities	894,408,998	914,458,861	1,748,399,286
Capital Stock	1,000,000,000	1,000,000,000	1,000,000,000
Capital Surplus			
Profit Surplus	-1,505,065,485	-388,831,463	-457,501,438
Capital Adjustment	5,410,998,223	5,410,998,223	5,410,998,223
Total Equity	4,905,932,738	6,022,166,760	5,953,496,785
Liab. & Shareholder's Equity	15,411,530,479	16,467,863,686	15,540,350,741
Current Liabilities	9,611,188,743	9,531,238,065	7,838,454,670
Trade Payables	1,871,477,908	2,235,573,365	1,773,394,380
Short-Term Borrowings	5,746,468,667	5,486,025,213	5,150,913,678
Short-Term Borrowings to Shareholders/ Executives/ Employees	425,674,720	195,141,697	217,988,415
Account Payables	348,564,009	340,266,051	253,932,535
Advance Receipts	20,084,975	70,154,086	136,077,170
Withholdings	729,078	1,249,299	1,639,980
Accrued Expenses	218,189,386	222,828,354	204,508,512
Current Portion of Long-Term Debts	850,000,000	850,000,000	-
Leasehold Deposit Received	130,000,000	130,000,000	100,000,000
Fixed Liabilities	894,408,998	914,458,861	1,748,399,286
Long-Term Borrowings	14,321,740	16,090,290	868,108,840
Provision for Severance & Retirement	880,087,258	898,368,571	880,290,446

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Income Statement

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Sales	13,581,791,244	13,787,973,155	14,085,520,887
Cost of Sold Goods	12,122,048,036	11,468,347,531	12,320,673,213
Gross Profit	1,459,743,208	2,319,625,624	1,764,847,674
Selling & Admin. Expenses	2,418,040,384	2,104,966,483	2,281,837,015
Operating Income	-958,297,176	214,659,141	-516,989,341
Non-Operating Income	197,797,231	204,364,452	183,562,480
Non-Operating Expenses	355,734,077	350,353,618	311,432,561
Income Before Taxes	-1,116,234,022	68,669,975	-644,859,422
Income Taxes Expenses	-	-	-
Net Income	-1,116,234,022	68,669,975	-644,859,422

Cash Flows

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Cash Flows from Operating	-395,887,933	19,930,412	-75,940,772
-Net Income	-1,116,234,022	68,669,975	-644,859,422
-Exp. without Cash Outflow	678,195,481	648,060,220	606,513,962
-Revenue without Cash Inflows	-7,768,500	-	-14,637,378
-Changes in Asset/ & Liability	49,919,108	-696,799,783	-22,957,934
Cash Flows from Investing	-237,159,647	-278,715,422	-154,492,598
-Cash Inflow from Investing	9,500,000	33,300,000	12,921,469
-Cash Outflows for Investing	-246,659,647	-312,015,422	-167,414,067
Cash Flows from Financing	489,207,927	346,246,267	381,983,136
-Cash Inflows from Financing	2,202,188,212	2,505,436,798	2,148,060,133
-Cash Outflows from Financing	-1,712,980,285	-2,159,190,531	-1,766,076,997
Increase/Decrease in Cash	-143,839,653	87,461,257	151,549,766
Cash at the Beginning of Year	275,572,488	188,111,231	36,561,465
Cash at the End of Year	131,732,835	275,572,488	188,111,231

PRODUCTS, TECHNOLOGIES, SERVICES
DESCRIPTION

Main Products & Services Wood Abrasive Papers, Metal Abrasive Papers, Non-Ferrous Metal Abrasive Papers, Wheel Abrasive Papers, Heavy Metal Abrasive Papers
Detailed Products Spec.
Technologies Acquired

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TRADE PARTNERS & COMPETITORS

Suppliers
Customers
Competitors

SUN ABRASIVES CO., LTD.
609B-3L, BANWOL INDUSTRIAL COMPLEX, 628-4, SEONGGOK-
DONG, DANWON-GU, ANSAN-SI, GYEONGGI-DO, KOREA
TEL:+82-31-495-6076 FAX:+82-31-494-6848

PYUNG RIM P & P CO., LTD.
498-1, DOCHEONG-RI, GEUMWANG-EUP, EUMSEONG-GUN,
CHUNGCHEONGBUK-DO, KOREA
TEL:+82-43-881-4144 FAX:+82-43-881-4147

DAE SUNG ABRASIVE CO., LTD.
184-1, BEONAM-RI, JOCHIWON-EUP, YEONGI-GUN,
CHUNGCHEONGNAM-DO, KOREA
TEL:+82-41-862-3368 FAX:+82-41-865-2532

RELATED PARTIES (SUBSIDIARIES, JOINT- VENTURE & AFFILIATES)

Major Shareholders
Cooperative Enterprise -Insured Company
MG NON-LIFE INSURANCE CO., LTD.(110111-5065077)

SALES BY REGION (ACTIVITY & MARKETS)

Not Available.

COURT ACTION

No.

NEWS CLIPPING

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.92
UK Pound	1	INR 96.85
Euro	1	INR 85.06
KRW	1	INR 0.065

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

INFORMATION DETAILS

Analysis Done by :	VIVR
Report Prepared by :	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)