

## MIRA INFORM REPORT

Report No. :	527562
Report Date :	05.09.2018

### IDENTIFICATION DETAILS

Name :	HYOSUNG INTERNATIONAL (HK) LIMITED
Registered Office :	Suite 3510, 35/F., Tower 6, The Gateway, 9 Canton Road, Tsimshatsui, Kowloon
Country :	Hongkong
Date of Incorporation :	24.11.2008
Com. Reg. No.:	50045214
Legal Form :	Private Limited Company
Line of Business :	Importer, Exporter and Wholesaler of Textiles, Yarns, Electrical Parts & Accessories, Industrial Chemicals, Plastic Materials.
No. of Employees :	13

### 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+	Low Risk	Business dealings permissible with low risk of default

Status :	Good
Payment Behaviour :	Regular
Litigation :	Clear

### NOTES:

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Any query related to this report can be made on e-mail: while quoting report number, name and date.

**ECGC Country Risk Classification List**

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Hongkong	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

### HONGKONG - ECONOMIC OVERVIEW

Hong Kong has a free market economy, highly dependent on international trade and finance - the value of goods and services trade, including the sizable share of reexports, is about four times GDP. Hong Kong has no tariffs on imported goods, and it levies excise duties on only four commodities, whether imported or produced locally: hard alcohol, tobacco, hydrocarbon oil, and methyl alcohol. There are no quotas or dumping laws. Hong Kong continues to link its currency closely to the US dollar, maintaining an arrangement established in 1983.

Excess liquidity, low interest rates and a tight housing supply have caused Hong Kong property prices to rise rapidly. The lower and middle-income segments of the population increasingly find housing unaffordable.

Hong Kong's open economy has left it exposed to the global economic situation. Its continued reliance on foreign trade and investment makes it vulnerable to renewed global financial market volatility or a slowdown in the global economy.

The mainland has long been Hong Kong's largest trading partner, accounting for about half of Hong Kong's total trade by value. Hong Kong's natural resources are limited, and food and raw materials must be imported. As a result of China's easing of travel restrictions, the number of mainland tourists to the territory surged from 4.5 million in 2001 to 47.3 million in 2014, outnumbering visitors from all other countries combined. After peaking in 2014, overall tourist arrivals dropped 2.5% in 2015 and 4.5% in 2016. The tourism sector rebounded in 2017, with visitor arrivals rising 3.2% to 58.47 million. Travelers from Mainland China totaled 44.45 million, accounting for 76% of the total.

The Hong Kong Government is promoting the Special Administrative Region (SAR) as the preferred business hub for renminbi (RMB) internationalization. Hong Kong residents are allowed to establish RMB-denominated savings accounts, RMB-denominated corporate and Chinese government bonds have been issued in Hong Kong, RMB trade settlement is allowed, and investment schemes such as the Renminbi Qualified Foreign Institutional Investor (RQFII) Program was first launched in Hong Kong. Offshore RMB activities experienced a setback, however, after the People's Bank of China changed the way it set the central parity rate in August 2015. RMB deposits in Hong Kong fell from 1.0 trillion RMB at the end of 2014 to 559 billion RMB at the end of 2017, while RMB trade settlement handled by banks in Hong Kong also shrank from 6.8 trillion RMB in 2015 to 3.9 trillion RMB in 2017.

Hong Kong has also established itself as the premier stock market for Chinese firms seeking to list abroad. In 2015, mainland Chinese companies constituted about 50% of the firms listed on the Hong Kong Stock Exchange and accounted for about 66% of the exchange's market capitalization.

During the past decade, as Hong Kong's manufacturing industry moved to the mainland, its service industry has grown rapidly. In 2014, Hong Kong and China signed a new agreement on achieving basic liberalization of trade in services in Guangdong Province under the Closer Economic Partnership Agreement (CEPA), adopted in 2003 to forge closer ties between Hong Kong and the mainland. The new measures, which took effect in March 2015, cover a negative list and a most-favored treatment provision. On the basis of the Guangdong Agreement, the Agreement on Trade in Services signed in November 2015 further enhanced liberalization, including extending the implementation of the majority of Guangdong pilot liberalization measures to the whole Mainland, reducing the restrictive measures in the negative list, and adding measures in the positive lists for cross-border services as well as cultural and telecommunications services. In June 2017, the Investment Agreement and the Agreement on Economic and Technical Cooperation (Ecotech Agreement) were signed under the framework of CEPA.

Hong Kong's economic integration with the mainland continues to be most evident in the banking and finance sector. Initiatives like the Hong Kong-Shanghai Stock Connect, the Hong Kong- Shenzhen Stock Connect the Mutual Recognition of Funds, and the Bond Connect scheme are all important steps towards opening up the Mainland's capital markets and have reinforced Hong Kong's role as China's leading offshore RMB market. Additional connect schemes such as ETF Connect (for exchange-traded fund products) are also under exploration by Hong Kong authorities. In 2017, Chief Executive Carrie LAM announced plans to increase



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<http://www.miraglobalcheck.com>  
<http://www.miraglobalcollections.com>

government spending on research and development, education, and technological innovation with the aim of spurring continued economic growth through greater sector diversification.

Source : CIA

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## ***COMPANY NAME AND ADDRESS***

### **HYOSUNG INTERNATIONAL (HK) LIMITED**

**ADDRESS:** Suite 3510, 35/F., Tower 6, The Gateway, 9 Canton Road, Tsimshatsui, Kowloon, Hong Kong.

**PHONE:** 852-2825 9816

**FAX:** 852-2860 2510

**E-MAIL:** [sam@hyosung.com.hk](mailto:sam@hyosung.com.hk)

## ***MANAGEMENT***

Managing Director: Mr. Whang Yun Eun

## ***SUMMARY***

Incorporated on: 24th November, 2008.

Organization: Private Limited Company.

Issued Share Capital: HK\$7,800,000.00

Business Category: Importer, Exporter and Wholesaler.

Group Revenue: KRW 8,509,950 million (Year ended 31-12-2017)

Employees: 13.

Main Dealing Banker: Korea Exchange Bank, Hong Kong Branch.

Banking Relation: Satisfactory.

## ***ADDRESS***

### **Registered Head Office:-**

Suite 3510, 35/F., Tower 6, The Gateway, 9 Canton Road, Tsimshatsui, Kowloon, Hong Kong.

### **Holding Company:-**

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Hyosung Spandex (Guangdong) Co. Ltd., China.

Ultimate Holding Company:-  
Hyosung Corporation, South Korea.

Associated Companies:-

**Hyosung Group of Companies**

*Asia Region*

Baoding Hyosung Tianwei Transformer Co. Ltd., China.  
Chinhung International Inc., South Korea.  
Forza Motors Korea Corporation, South Korea.  
Galaxia Communications Co. Ltd., South Korea.  
Galaxia Corporation Co. Ltd., South Korea.  
Galaxia Devices Co. Ltd., South Korea.  
Galaxia Electronics Co. Ltd., South Korea.  
GST Automotive Safety (Changshu) Co. Ltd., China.  
GST China Investment Limited, Hong Kong.  
Hyosung (H.K.) Limited, Hong Kong.  
Hyosung (Taiwan) Corporation, Taiwan.  
Hyosung Capital Co. Ltd., South Korea.  
Hyosung Chemical Fiber (Jiaying) Co. Ltd., China.  
Hyosung Chemicals (Jiaying) Co. Ltd., China.  
Hyosung Corporation India Pvt. Ltd., India.  
Hyosung Dong Nai Co. Ltd., Vietnam.  
Hyosung Financial System (Huizhou) Co. Ltd., China.  
Hyosung Financial System Co. Ltd., China.  
Hyosung Goodsprings Inc., South Korea.  
Hyosung Information Systems Co. Ltd., South Korea.  
Hyosung International Trade (Jiaying) Co. Ltd., China.  
Hyosung ITX Co. Ltd., South Korea.  
Hyosung Japan Co. Ltd., Japan.  
Hyosung New Material & High Technology (Quzhou) Co. Ltd., China.  
Hyosung Singapore Pte. Ltd., Singapore.  
Hyosung Spandex (Jiaying) Co. Ltd., China.  
Hyosung Spandex (Quzhou) Co. Ltd., China.  
Hyosung Spandex (Zhuhai) Co. Ltd., China.  
Hyosung Steelcord (Qingdao) Co. Ltd., China.  
Hyosung Sumiden Steel Cord (Nanjing) Co. Ltd., China.  
Hyosung T&D India Pvt. Ltd., India.  
Hyosung TNS Inc., South Korea.  
[Formerly known as Nautilus Hyosung Inc.]  
Hyosung Toyota Corporation, South Korea.  
Hyosung Trans-World Co. Ltd., South Korea.  
Hyosung Vietnam Co. Ltd., Vietnam.  
Myanmar Hyosung Co. Ltd., Myanmar.  
Nantong Hyosung Transformer Co. Ltd., China.  
P.T. Hyosung Jakarta, Indonesia.  
Sajodongaone Co. Ltd., South Korea.  
Shinwha Intertek Corporation, South Korea.

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The Class Hyosung Co. Ltd., South Korea.  
The Premium Hyosung Co. Ltd., South Korea.  
Zhangjiagang Xiaosha Coil Service Co. Ltd., China.  
etc.

## **BUSINESS REGISTRATION NUMBER**

50045214

## **COMPANY FILE NUMBER**

1289392

## **MANAGEMENT**

Managing Director: Mr. Whang Yun Eun  
Contact Person: Mr. Kim Yong-Tae

## **ISSUED SHARE CAPITAL**

HK\$7,800,000.00 (7,800 fully paid ordinary shares)

## **SHAREHOLDER**

(As per registry dated 24-11-2017)

<u>Name</u>	<u>No. of shares</u>
Hyosung Spandex (Guangdong) Co. Ltd. Pingsha Industrial Park, Pingsha, Zhuhai, Guangdong, China.	7,800 =====

## **DIRECTOR**

(As per registry dated 31-05-2018)

<u>Name</u>	<u>Address</u>
( <u>Nationality</u> ) WHANG Yun Eun	C1-1106, Balidushi Meiquangong, Nanhuqu. Jiaxingshi Zhejiangsheng China.

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## **SECRETARY**

(As per registry dated 24-11-2017)

<u>Name</u>	<u>Address</u>
KIM Yong Tae	Suite 3510, 25/F., Tower 6, The Gateway, 9 Canton Road, Tsimshatsui, Kowloon, Hong Kong.

## **HISTORY**

The subject was incorporated on 24th November, 2008 as a private limited liability company under the Hong Kong Companies Ordinance.

Apart from these, neither material change nor amendment has been ever traced and noted.

## **OPERATIONS**

Activities: Importer, Exporter and Wholesaler.

Lines: Textiles, Yarns, Electrical Parts & Accessories, Industrial Chemicals, Plastic Materials.

Employees: 13.

Commodities Imported: China, South Korea, etc.

Markets: Hong Kong, China, other Asian countries, etc.

Group Revenue: KRW 8,033,110 million (Year ended 31-12-2015)  
KRW 7,974,341 million (Year ended 31-12-2016)  
KRW 8,509,950 million (Year ended 31-12-2017)

Terms/Sales: As per contracted.

Terms/Buying: Various terms

## **MEMBERSHIP**

Hong Kong Intimate Apparel Industries' Association Ltd., Hong Kong.

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## **FINANCIAL INFORMATION**

Issued Share Capital: HK\$7,800,000.00 (7,800 fully paid ordinary shares)

Group Net Income: KRW 317,726 million (Year ended 31-12-2015)  
KRW 538,372 million (Year ended 31-12-2016)  
KRW 316,067 million (Year ended 31-12-2017)

Profit or Loss: Group business is profitable

Condition: Keeping in a satisfactory manner.

Facilities: Making rather active use of general banking facilities.

Payment: Met trade commitments as required.

Commercial Morality: Satisfactory.

Banker: Korea Exchange Bank, Hong Kong Branch.

Standing: Normal.

## **GENERAL**

Hyosung International (HK) Limited is a wholly-owned subsidiary of Hyosung Spandex (Guangdong) Co. Ltd. Its ultimate holding company is Hyosung Corporation [HC] which is a South Korea-based company.

The subject is trading in the following commodities:

Fabric - Cotton, Knitted, Yarns, Electrical Parts & Accessories, Industrial Chemicals, Plastic Materials (including Resins & Sheet), etc.

Its products are marketed in Hong Kong, China and exported to Africa, Australasia, Central & South America, Eastern Europe, Japan, South Korea, the Middle East, North America, the other Asian Countries, Scandinavia, Southeast Asia, Taiwan, Western Europe, etc.

The contact person of the subject is Mr. Kim Yong-Tae.

As an ultimate parent company of the Hyosung Business Group, HC consists of 112 domestic affiliated companies. It has been a leading manufacturer of textile and synthetic fiber in Korean market.

As of the end of 2017, HC's total assets amounted to KRW 7,844,283 million with a registered capital of KRW 175,587 million.

For the year ended 31st December, 2017, the revenue of the Group was KRW 8,510.0 billion (2016: KRW 7,974.3 billion); net profit for the year was KRW 316.1 billion (2016: KRW 538.4 billion).

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HC's business divisions and sales ratio as of the first quarters of 2018 are as follows:

<u>Business Division</u>	<u>Ratio (%)</u>
<b>Heavy Industries</b> (e.g. transformer, circuit breaker, electromotor, etc.)	15.00
<b>Industrial Materials</b> (e.g. tire cord, steel cord, industrial yarn, carpet, etc.)	19.80
<b>Chemicals</b> (e.g. PP, PET bottle, nylon film, polyester film, etc.)	13.00
<b>Textiles</b> (e.g. nylon yarn, polyester yarn, spandex, dyeing, etc.)	17.80
<b>Construction</b> (e.g. apartment, multipurpose building, etc.)	10.50
<b>Trading</b> (e.g. steel, chemicals, automobile, etc.)	17.60
<b>Finance</b>	1.70
<b>Lease, Info-Communications</b>	4.60
<b>Total:</b>	<b>100.00</b>
	=====

The history of the subject in Hong Kong is over nine years and nine months.

Consider the subject good for normal credit requirements.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.19
UK Pound	1	INR 91.46
Euro	1	INR 82.49
HKD	1	INR 9.13

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	NIS
<b>Report Prepared by :</b>	NIT

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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)