

## MIRA INFORM REPORT

<b>Report No. :</b>	530505
<b>Report Date :</b>	17.09.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	DONGYANG TEXTILE MFG. CO., LTD.
<b>Registered Office :</b>	310, Jangnim-ro, Saha-gu, Busan, Korea 49458
<b>Country :</b>	South Korea
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	03.03.1973
<b>Com. Reg. No.:</b>	138-81-03053
<b>Legal Form :</b>	Co., Ltd by Shares
<b>Line of Business :</b>	Wholesale of Spun Fibers and Yarns [Linen Yarn ,Linen Fabrics, Cotton Yarn, Polyester Yarn, Polyester Fabrics]
<b>No. of Employees :</b>	48

**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>Status :</b>	Satisfactory
<b>Payment Behaviour :</b>	No Complaints
<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 (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

**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 joined the trillion-dollar club of world economies.

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	DONGYANG TEXTILE MFG. CO., LTD
Registered Address	310, Jangnim-ro, Saha-gu, Busan, Korea (Old Address System : 91-2, Jangnim 2-dong, Saha-gu, Busan, Korea)
Building	
Zip Code	49458
Tel	+82-51-261-8001
Fax	+82-51-261-1181
E-mail	swdall@dongyang-textile.co.kr
Website	<a href="http://www.dongyang-textile.co.kr">www.dongyang-textile.co.kr</a>
Trading Address	9FL., Dongyang Bldg., 216, Dongjak-daero, Seocho-gu, Seoul, Korea (Old Address System : 9FL., Dongyang Bldg., 764-19, Bangbaebon-dong, Seocho-gu, Seoul, Korea)
Tel	+82-2-3481-6377~80
Fax	+82-2-3481-6868
Other Address-Busan	304, Jangnim-ro, Saha-gu, Busan, Korea
Branch	(Old Address System : 91, Jangnim-dong, Saha-gu, Busan, Korea)
Tel	+82-51-261-8001
Fax	
Type	Export/Import
Industry	Wholesale of Spun Fibers and Yarns
Main Business	Linen Yarn ,Linen Fabrics, Cotton Yarn, Polyester Yarn, Polyester Fabrics
Sub Business	
Established (mm/dd/yyyy)	03/03/1973

## **DETAILED PRODUCTS**

<b>Activity</b>	<b>Detailed Products (UNSPSC)</b>
Sell	Synthetic fabrics(11161800)
Sell	Cotton thread(11151601)

## **CEO'S**

Name	Kim Ji-Whan
Date of Birth	04/25/1954
Title	President & CEO
Nationality	Korean

## ***PROFILES***

Capital (KRW) 1,500,000,000  
Employees 48  
Formation Co., Ltd by Shares  
A Company of DONG IL GROUP

Bank Details Shinhan Bank  
Kookmin Bank  
KEB Hana Bank  
Shinhan Bank  
Woori Bank-Seosomun Branch

Corporate Registered No. 134111-0000319  
Business Registered No. 138-81-03053  
Permit & Licenses Int'l Trade No.: 741675

Shareholder Position	Name	Shares	%
	KIM JI-WHAN	150,851	50.28
	DONG IL CORPORATION(110111-0019219)	68,300	22.77
	KOOKMIN BANK(110111-2365321)	30,000	10.00
	WOOGOK JANGHAK FOUNDATION(110122-0002609)	30,000	10.00
	OTHERS	20,849	6.95
	TOTAL	300,000	100.00

Company History 03/03/1973 Incorporated as the present name  
9/01/28/2008 Moved to the present HQ address from 224-12, Gwanyang-dong, Dongan-gu, Anyang-si, Gyeonggi-do, Korea

## ***DETAILED INFORMATION***

### **Management**

Job Description	Name	Nationality	Date of Birth	Inauguration Date
President & CEO	Kim Ji-Whan	Korean	04/25/1954	03/18/2000
Director	Kim Hyun-Soo	Korean	07/01/1986	04/22/2016
Director	Kim Hye-Jung	Korean	01/15/1958	03/19/2017
Auditor	Jung Kyu-Young	Korean	04/24/1963	03/17/2010

## ***FINANCIALS***

Year / Unit : KRW	Sales	Assets	Net Income
2017	36,056,702,619	84,285,063,705	331,815,087
2016	39,891,599,132	84,429,950,156	527,444,589
2015	32,865,674,107	88,248,845,995	1,517,878,738

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2014	32,314,497,855	89,944,319,426	38,233,014
2013	42,463,976,514	88,251,835,200	890,608,387
2012	49,672,603,083	88,716,474,809	-2,150,192,234
2011	66,067,384,651	93,965,604,276	57,030,119
2010	72,897,656,765	108,155,440,388	992,138,381
2009	41,831,452,909	94,231,471,931	1,176,987,830
2008	32,685,775,739	97,595,994,084	17,964,733,833

## ***FINANCIAL DESCRIPTION***

Authorized Capital(KRW)	6,000,000,000
Paid-Up Capital(KRW)	1,500,000,000
Total Issued Shares	300,000

### **Balance Sheet**

<b>Unit : Korean Won</b>	<b>As of 12/31/2017</b>	<b>As of 12/31/2016</b>	<b>As of 12/31/2015</b>
Total Assets	84,285,063,705	84,429,950,156	88,248,845,995
Current Assets	40,511,233,488	41,777,057,100	45,088,331,222
-Quick Assets	33,875,933,879	30,609,279,527	36,002,307,268
-Inventories	6,635,299,609	11,167,777,573	9,086,023,954
Fixed Assets	43,773,830,217	42,652,893,056	43,160,514,773
-Investment	8,330,210,200	9,492,702,353	9,467,164,200
-Tangibles	32,015,764,027	32,712,834,713	33,175,780,778
-Intangibles			
-Others	3,427,855,990	447,355,990	517,569,795
Total Liabilities	8,858,872,711	8,791,926,149	12,778,086,727
Current Liabilities	7,667,258,084	7,609,221,149	11,618,136,730
Fixed Liabilities	1,191,614,627	1,182,705,000	1,159,949,997
Capital Stock	1,500,000,000	1,500,000,000	1,500,000,000
Capital Surplus	30,983,828,152	30,983,828,152	30,983,828,152
Profit Surplus	39,049,430,065	38,942,614,978	38,640,170,389
Capital Adjustment	3,892,932,777	4,211,580,877	4,346,760,727
Total Equity	75,426,190,994	75,638,024,007	75,470,759,268
Liab. & Shareholder's Equity	84,285,063,705	84,429,950,156	88,248,845,995
Current Liabilities	7,667,258,084	7,609,221,149	11,618,136,730
Trade Payables	1,050,907,229	737,906,592	403,246,761
Short-Term Borrowings	5,088,857,289	6,009,111,695	10,086,505,131
Account Payables	142,461,312	167,311,322	146,281,897
Accrued Expenses	167,495,050	195,942,633	215,072,775
Advance Receipts	1,203,045,044	484,733,457	533,310,636
Withholdings	14,492,160	14,215,450	22,745,580
Accrued Income Taxes			210,973,950
Fixed Liabilities	1,191,614,627	1,182,705,000	1,159,949,997
Provision for Severance &	47,309,627	0	59,089,997

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Retirement Leasehold Received	Deposit	1,144,305,000	1,182,705,000	1,100,860,000
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**Income Statement**

<b>Unit : Korean Won</b>	<b>As of 12/31/2017</b>	<b>As of 12/31/2016</b>	<b>As of 12/31/2015</b>
Sales	36,056,702,619	39,891,599,132	32,865,674,107
Cost of Sold Goods	34,165,849,195	37,792,795,996	30,758,335,447
Gross Profit	1,890,853,424	2,098,803,136	2,107,338,660
Selling & Admin. Expenses	2,480,273,819	2,372,062,828	2,731,597,421
Operating Income	589,420,395	273,259,692	624,258,761
Non-Operating Income	1,999,795,080	1,860,511,135	3,635,683,530
Non-Operating Expenses	866,529,348	1,017,476,184	1,230,644,381
Income Before Taxes	543,845,337	569,775,259	1,780,780,388
Income Taxes Expenses	212,030,250	42,330,670	262,901,650
Net Income	331,815,087	527,444,589	1,517,878,738

**Cash Flows**

<b>Unit : Korean Won</b>	<b>As of 12/31/2017</b>	<b>As of 12/31/2016</b>	<b>As of 12/31/2015</b>
Cash Flows from Operating	3,686,245,898	-2,192,771,024	-341,474,972
-Net Income	331,815,087	527,444,589	1,517,878,738
-Exp. without Cash Outflow	1,326,224,001	1,472,854,220	1,859,264,495
-Revenue without Cash Inflows	-550,040,931	-150,352,035	-2,705,073,402
-Changes in Asset/ & Liability	2,578,247,741	-4,042,717,798	-1,013,544,803
Cash Flows from Investing	21,787,824,429	-10,338,462,843	12,205,081,556
-Cash Inflow from Investing	21,942,709,827	14,539,723,304	31,571,174,236
-Cash Outflows for Investing	-154,885,398	-24,878,186,147	-19,366,092,680
Cash Flows from Financing	-643,350,071	-4,591,780,453	-751,137,781
-Cash Inflows from Financing	-	5,719,724,678	17,363,495,731
-Cash Outflows from Financing	-643,350,071	-10,311,505,131	-18,114,633,512
Increase/Decrease in Cash	24,830,720,256	-17,123,014,320	11,112,468,803
Cash at the Beginning of Year	4,262,857,167	21,385,871,487	10,273,402,684
Cash at the End of Year	29,093,577,423	4,262,857,167	21,385,871,487

## ***PRODUCTS, TECHNOLOGIES, SERVICES DESCRIPTION***

Main Products & Services      Linen Yarn ,Linen Fabrics, Cotton Yarn, Polyester Yarn, Polyester Fabrics  
Detailed Products Spec.

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Technologies Acquired

## ***TRADE PARTNERS & COMPETITORS***

Suppliers

Customers

Competitors

TAE KWANG INDUSTRIAL CO., LTD.(110111-0185276)  
ILSHIN SPINNING CO.,LTD.(110111-0041717)  
CHONBANG CO.,LTD.(110111-0005664)

## ***RELATED PARTIES (SUBSIDIARIES, JOINT-VENTURE & AFFILIATES)***

Affiliates-Domestic

DONG IL CORPORATION(110111-0019219)  
DONG-IL INDUSTRIAL CO., LTD.(130111-0006973)  
DONG IL RENOWN INC.(120111-0002444)  
DONG-IL ALUMNIUM CO., LTD.(161511-0005350)  
DONG-IL Y&K INC.(110111-0090384)  
DONG-IL DEVANLAY INC.(110111-1973604)  
DI BIZ CO., LTD.(110111-0584858)  
IL JUNG CORPORATION(110111-0134091)

Affiliates-Overseas

PT DONG-IL INDONESIA  
DIB-EGYPT  
QINGDAO DONG-IL CO., LTD.-CHINA  
DIA ALUMINUM INDIA PVT. LTD

Corporate Ownership

Major Shareholders

Cooperative Enterprise

-Insured Company  
DONGBU INSURANCE CO., LTD.(110111-0095285)

## ***SALES BY REGION (ACTIVITY & MARKETS)***

The Subject exports to Hong Kong, Japan, Belgium, France and USA.

## ***COURT ACTION***

No Records.

## ***NEWS CLIPPING***

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**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.81
UK Pound	1	INR 94.16
Euro	1	INR 83.98
KRW	1	INR 0.064

**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>	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)