

## MIRA INFORM REPORT

Report No. :	530641
Report Date :	19.09.2018

### IDENTIFICATION DETAILS

Name :	DOKLIPMUN CO., LTD.
Formerly Known As :	PAL&C CO., LTD.
Registered Office :	6, Mangu-ro 12-gil, Dongdaemun-gu, Seoul, Korea 02496
Country :	South Korea
Financials (as on) :	30.06.2018
Date of Incorporation :	05.06.1961
Com. Reg. No.:	205-81-01466
Legal Form :	Co., Ltd by Shares
Line of Business :	Manufacture of Knitted and Crocheted Apparel (T-Shirts, Sweaters, Pants, Jacket, Jumper)
No. of Employees :	146

### RATING & COMMENTS

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

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Maximum Credit Limit :	USD 11299975.52
Status :	Satisfactory
Payment Behaviour :	No Complaints
Litigation :	Clear

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**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**

### **Basic**

Company Name	DOKLIPMUN CO., LTD. (Ex. Company Name : PAL&C CO., LTD.,)
Registered Address	6, Mangu-ro 12-gil, Dongdaemun-gu, Seoul, Korea
Building	
Zip Code	02496
Tel	+82-2-3407-0296
Fax	+82-2-3407-0809
E-mail	crm@pat.co.kr;sanga5571@pat.co.kr
Website	www.pat.co.kr;www.doklipmun.co.kr
Trading Address	6, Mangu-ro 12-gil, Dongdaemun-gu, Seoul, Korea (Old Address System : 281, Hwigyeong-dong, Dongdaemun-gu, Seoul, Korea)
Tel	+82-2-3407-0897
Fax	+82-2-3407-0809
Other Address	
Tel	
Fax	
Type	Export
Industry	Manufacture of Knitted and Crocheted Apparel
Main Business	T-Shirts, Sweaters, Pants, Jacket, Jumper
Sub Business	
Established (mm/dd/yyyy)	06/05/1961

## **DETAILED PRODUCTS**

Activity	Detailed Products (UNSPSC)
Sell	Mens shirts(53101602)
Sell	Sweaters(53101700)
Sell	Mens coats or jackets(53101802)

## **CEO'S**

Name	Kim Hyung-Seob
Date of Birth	09/05/1961
Title	President & CEO
Nationality	Korean

## **PROFILES**

Capital (KRW)	1,338,725,500		
Employees	146		
Formation	Co., Ltd by Shares		
Bank Details	KEB Hana Bank Korea Development Bank Kookmin Bank		
Corporate Registered No.	110111-0005705		
Business Registered No.	205-81-01466		
Permit & Licenses	Mail Order License No.:2016-Seoul Dongdaemun-0890		
Shareholder Position	Name	Shares	%
	CORV. INVESTMENTS INC.(CANADA)	1,262,199	47.14
	PAL PTE.LTD	672,399	25.11
	OH SE-JOONG	138,539	5.17
	KIM HYUNG-SOOK	81,782	3.05
	KIM JOHN MIN-SEOK	70,073	2.62
	OTHERS	452,459	16.90
	TOTAL	2,677,451	100.00
Company History	06/05/1961 Incorporated as Pyungan Textile Industries Co., Ltd.		
	03/21/2008 Increased the authorized shares to 100,000,000 shares from 4,000,000 shares		
	04/29/2008 Split off the par value to 500 KRW from 5,000 KRW		
	03/26/2010 Changed company name to PAL&C CO., LTD.		
	06/05/2012 Decreased capital to 1,338,725,500 KRW from 2,925,603,500 KRW		
	06/05/2012 Split off Outdoor Business, and established NEPA CO., LTD.		
	07/02/2012 Split off ELLE Outdoor Sports Business, and established PAL&L CO., LTD.		
	07/31/2016 Acquired PAL & L CO., LTD.		
	12/12/2017 Decided to purchase the Logistics Center at 264, Ilsaeng-ro, Iljuk-myeon, Anseong-si, Gyeonggi-do, Korea (Old Address System : 246-9, Geumsan-ri, Iljuk-myeon, Anseong-si, Gyeonggi-do, Korea) at 28,400,000,000 KRW as of 01/31/2018		
	03/30/2018 Changed company name to the present name		

## **DETAILED INFORMATION**

### **Management**

Job Description	Name	Nationality	Date of Birth	Inauguration Date
Chairman & CEO	Cho Jae-Hoon	USA	09/05/1961	03/30/2016
President & CEO	Kim Hyung-Sook	Korean	05/07/1965	06/16/2016
Director	Seok Myung-	Korean	08/19/1969	06/16/2016

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Auditor	Hee Koo Hong-Seo	Korean	05/06/1963	06/16/2016
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## **FINANCIALS**

Year / Unit : KRW	Sales	Assets	Net Income
06/2018	76,718,140,146	174,824,433,433	1,349,165,888
2017	160,708,087,036	160,006,701,116	-8,984,867,370
2016	138,223,289,060	151,156,212,773	3,680,559,501
2015	118,541,167,624	146,231,032,602	-3,722,567,597
2014	121,563,660,831	150,851,039,485	-15,218,158,139
2013	116,811,972,522	169,514,512,785	6,104,571,734
2012	152,466,841,229	144,064,034,725	18,270,125,104

### **Financial Description**

Authorized Capital(KRW)	50,000,000,000
Paid-Up Capital(KRW)	1,338,725,500
Total Issued Shares	2,677,451

### **Balance Sheet**

Unit : Korean Won	01/01/2018~06/30/2018	As of 12/31/2017	As of 12/31/2016
Total Assets	174,824,433,433	160,006,701,116	151,156,212,773
Current Assets	97,336,097,277	111,197,656,026	102,414,918,863
-Quick Assets	26,320,581,859	33,469,414,446	24,694,878,825
-Inventories	71,015,515,418	77,728,241,580	77,720,040,038
Fixed Assets	77,488,336,156	48,809,045,090	48,741,293,910
-Investment	2,657,489,823	2,551,446,943	2,399,017,976
-Tangibles	68,916,336,154	40,191,569,274	40,199,937,994
-Intangibles	709,021,732	690,658,403	954,064,932
-Others	5,205,488,447	5,375,370,470	5,188,273,008
Total Liabilities	90,375,503,695	76,906,937,266	59,072,107,795
Current Liabilities	50,042,640,065	48,200,206,276	32,769,064,055
Fixed Liabilities	40,332,863,630	28,706,730,990	26,303,043,740
Capital Stock	1,338,725,500	1,338,725,500	1,338,725,500
Capital Surplus	5,405,558,898	5,405,558,898	5,405,558,898
Profit Surplus	77,724,114,047	76,374,948,159	85,359,815,529
Capital Adjustment	-19,468,707	-19,468,707	-19,994,949
Total Equity	84,448,929,738	83,099,763,850	92,084,104,978
Liab. & Shareholder's Equity	174,824,433,433	160,006,701,116	151,156,212,773

<b>Current Liabilities</b>	<b>50,042,640,065</b>	<b>48,200,206,276</b>	<b>32,769,064,055</b>
Trade Payables	8,762,344,221	10,839,265,006	7,078,677,787

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Short-Term Borrowings	32,600,000,000	19,600,000,000	11,000,000,000
Current Portion of Long-Term Debts	428,560,000	428,560,000	8,321,500,000
Account Payables	4,618,705,108	5,421,592,887	3,711,488,105
Accrued Expenses	2,531,744,206	1,960,242,462	1,622,122,061
Advance Receipts	474,440,734	545,295,779	559,204,613
Withholdings	78,822,733	76,328,583	84,398,253
Accrued Income Tax	309,933,843	9,045,990,961	-
Provisions for Mileage	238,089,220	282,930,598	391,673,236
Fixed Liabilities	40,332,863,630	28,706,730,990	26,303,043,740
Long-Term Borrowings	27,735,660,000	17,949,940,000	15,803,500,000
Provision for Severance & Retirement	3,079,203,630	2,159,190,990	1,700,543,740
Guarantee Deposit from Operation	8,598,000,000	8,577,600,000	8,799,000,000
Leasehold Deposit Received	920,000,000	20,000,000	-

**Income Statement**

Unit : Korean Won	01/01/2018~06/30/2018	As of 12/31/2017	As of 12/31/2016
Sales	76,718,140,146	160,708,087,036	138,223,289,060
Cost of Sold Goods	33,332,519,521	70,496,205,577	59,686,257,508
Gross Profit	43,385,620,625	90,211,881,459	78,537,031,552
Selling & Admin. Expenses	41,008,892,052	83,730,309,802	71,012,451,117
Operating Income	2,376,728,573	6,481,571,657	7,524,580,435
Non-Operating Income	203,940,461	2,134,602,891	1,360,495,997
Non-Operating Expenses	1,068,681,982	7,182,938,185	4,944,322,439
Income Before Taxes	1,511,987,052	1,433,236,363	3,940,753,993
Income Taxes Expenses	162,821,164	10,418,103,733	260,194,492
Net Income	1,349,165,888	-8,984,867,370	3,680,559,501

**Cash Flows**

Unit : Korean Won	01/01/2018~06/30/2018	As of 12/31/2017	As of 12/31/2016
Cash Flows from Operating	-1,346,156,810	12,258,483,919	9,639,544,434
-Net Income	1,349,165,888	-8,984,867,370	3,680,559,501
-Exp. without Cash Outflow	2,722,680,924	20,045,429,008	7,971,907,880
-Revenue without Cash Inflows	-321,108,331	-3,271,387,804	-3,729,163,294
-Changes in Asset/ & Liability	-5,096,895,291	4,469,310,085	1,716,240,347
Cash Flows from Investing	-34,140,530,340	2,106,096,004	401,322,903
-Cash Inflow from Investing	12,371,367,405	7,242,047,686	36,247,248,250
-Cash Outflows for Investing	-46,511,897,745	-5,135,951,682	-35,845,925,347
Cash Flows from Financing	23,685,720,000	2,853,500,000	-5,261,438,880
-Cash Inflows from	23,900,000,000	24,300,000,000	-361,438,880

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Financing			
-Cash Outflows from	-214,280,000	-21,446,500,000	-4,900,000,000
Financing			
Increase/Decrease in Cash	-11,800,967,150	17,218,079,923	4,779,428,457
Cash at the Beginning of Year	24,430,457,488	7,212,377,565	2,432,949,108
Cash at the End of Year	12,629,490,338	24,430,457,488	7,212,377,565

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

Main Products & Services Casual Wear, Sports Wear

Brand Name : PAT

## **TRADE PARTNERS & COMPETITORS**

Suppliers TAESUNG INTERTEX CO., LTD.(110111-3199216)  
KYUNGBANG LTD.(110111-0013287)  
INNOMK CO., LTD.(110111-4485119)

Competitors YAKJIN TRADING CORPORATION  
5TH FL., YEONG BLDG., 166-9, GARAK-DONG, SONGPA-GU, SEOUL,  
KOREA  
TEL:+82-2-430-1101 FAX:+82-2-449-4500

PAN-PACIFIC CO., LTD.  
726, WONSI-DONG, DANWON-GU, ANSAN-SI, GYEONGGI-DO, KOREA  
TEL:+82-2-850-9000 FAX:+82-2-830-1011

SAMIL KNIT CO., LTD.  
190-99, SANGJISEOK-RI, GYOHA-MYEON, PAJU-SI, GYEONGGI-DO,  
KOREA  
TEL:+82-2-3451-6724 FAX:+82-2-598-7422

## **RELATED PARTIES**

### **(Subsidiaries, Joint-Venture & Affiliates)**

Affiliates DEMIAN CO., LTD.(110111-0291487)  
PYUNGAN PTS CO., LTD.(110111-4411007)

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Major Shareholders

PAL RETAIL CO., LTD.(110111-5085695)  
PAL CO., LTD.( 110111-3051284)  
PAL PTE.LTD.  
CORV. INVESTMENTS INC.(CANADA)  
CORV. INVESTMENTS INC.(CANADA)

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

Sales/ Unit :Mil KRW	06/2018	2017	2016
Export	6	16	23
Domestic	76,712	160,692	138,200
Total	76,718	160,708	138,223

## ***COURT ACTION***

No Records.

## ***NEWS CLIPPING***

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**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.38
UK Pound	1	INR 95.29
Euro	1	INR 84.77
KRW	1	INR 0.065

**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>	TRU

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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)