

## MIRA INFORM REPORT

<b>Report No. :</b>	531999
<b>Report Date :</b>	26.09.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	HAN EXPRESS CO., LTD.
<b>Registered Office :</b>	103, Chorok-Ro, Yanggam-Myeon, Hwaseong-Si, Gyeonggi-Do, Korea 18632
<b>Country :</b>	South Korea
<b>Financials (as on) :</b>	30.06.2018
<b>Date of Incorporation :</b>	15.05.1979
<b>Com. Reg. No.:</b>	130-81-16025
<b>Legal Form :</b>	Listed Company
<b>Line of Business :</b>	Air & Ocean Transportation Service, Logistics Services. (Freight Transport Service, Air/Sea/Land Freight Transportation Services)
<b>No. of Employees :</b>	371

### 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

<b>Status :</b>	Good
<b>Payment Behaviour :</b>	Regular
<b>Litigation :</b>	Clear

### NOTES:

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

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**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	HAN EXPRESS CO., LTD.
Registered Address	103, Chorok-ro, Yanggam-myeon, Hwaseong-si, Gyeonggi-do, Korea (Old Address System : 433-2, Sinwang-ri, Yanggam-myeon, Hwaseong-si, Gyeonggi-do, Korea)
Building	--
Zip Code	18632
Tel	+82-2-3400-5474
Fax	+82-2-3401-4131
E-mail	leejay@hanex.co.kr
Website	www.hanex.co.kr
Trading Address	3~4FL., 317, Hyoryeong-ro, Seocho-gu, Seoul, Korea (Old Address System : 3~4FL., 1603-55, Seocho-dong, Seocho-gu, Seoul, Korea)
Tel	+822-3400-5474
Fax	+82-2-3401-4131
Other Address-International Logistics/Project Team	Rm.1001 & 1002, Janggyo Bldg., 363, Samil-daero, Jung-gu, Seoul, Korea (Old Address System : Rm.1001& 1002, Janggyo Bldg., 1, Janggyo-dong, Jung-gu, Seoul, Korea)
Tel	+82-2-756-3232
Type	Export/Import
Industry	Air & Ocean Transportation Service, Logistics Services
Main Business	Freight Transport Service, Air/Sea/Land Freight Transportation Services
Sub Business	--
Established (mm/dd/yyyy)	05/15/1979

## **DETAILED PRODUCTS**

<b>Activity</b>	<b>Detailed Products (UNSPSC)</b>
Sell	Transport arrangements(78141500)
Sell	International trade services(80151600)
Sell	Freight forwarders services(78141501)
Sell	Air cargo transport(78101500)
Sell	Marine cargo transport(78101700)

## **CEO'S**

Name	Lee Jae-Hern
Date of Birth	07/26/1952
Title	President & CEO
Nationality	Korean

## PROFILES

Capital (KRW)	6,000,000,000
Employees	371
Formation	Listed Company(Korea Stock Exchange : 014130) as of 07/25/1989
Bank Details	Shinhan Bank Woori Bank Korea Development Bank
Corporate Registered No.	124311-0015051
Business Registered No.	130-81-16025
Permit & Licenses	N/A

Shareholder Position	Name	Shares	%
	KIM YOUNG-HYE	3,092,610	25.77
	LEE SEOK-HWAN	3,071,590	25.60
	HAUSER FAMILY AG(WILHELM-HAMM-STR.15, 77654 OFFENBURG, GERMANY)	1,007,910	8.40
	OTHERS	4,827,890	40.23
	TOTAL	12,000,000	100.00

Company History	05/15/1979 Incorporated as the present name 08/01/2001 Acquired Kyungil Heavy Industry Co., Ltd. 03/27/2015 Moved to the present HQ address from 21, Nojeoksan-ro, Michuhol-gu, Incheon, Korea (Old Address System : 493-9, Hagik-dong, Michuhol-gu, Incheon, Korea) 04/27/2018 Split off the par value to 500 KRW from 5,000 KRW
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## MANAGEMENT

Job Description	Name	Nationality	Date of Birth	Inauguration Date
Chairman & CEO	Lee Jae-Hern	Korean	07/26/1952	03/26/2010
President & CEO	Lee Seok-Hwan	USA	07/01/1973	12/19/2017
Vice President	Han Young-Kyo	Korean	01/23/1955	03/26/2010
Outside Director	Park Jong-Sung	Korean	03/05/1956	03/25/2016
Auditor	Kang Hyung-Won	Korean	09/15/1957	03/23/2018

## FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
06/2018	265,372,170,404	197,170,029,221	2,208,160,337
2017	509,003,080,845	186,368,540,139	7,383,542,221
2016	451,168,903,253	143,803,396,130	6,342,494,848

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2015	421,853,266,729	128,088,281,162	7,515,189,625
2014	346,462,220,377	92,691,074,589	18,114,651,033
2013	308,693,088,909	83,970,337,752	5,499,087,745
2012	251,733,998,324	76,144,866,929	4,890,078,283

## **FINANCIAL DESCRIPTION**

Authorized Capital(KRW)	30,000,000,000
Paid-Up Capital(KRW)	6,000,000,000
Total Issued Shares	12,000,000

### **Balance Sheet**

<b>Unit : Korean Won</b>	<b>01/01/2018~06/30/2018</b>	<b>As of 12/31/2017</b>	<b>As of 12/31/2016</b>
Total Assets	197,170,029,221	186,368,540,139	143,803,396,130
Current Assets	88,627,353,502	81,787,243,973	67,831,914,727
Cash & Cash Equivalents	1,778,149,950	226,955,385	1,069,712,328
Trade Receivables & Other Receivables	78,219,790,915	77,064,211,485	63,604,597,181
Other Current Assets	6,749,493,804	2,143,718,806	1,386,239,511
Inventories	1,879,918,833	2,352,358,297	1,771,365,707
Non-Current Assets	108,542,675,719	104,581,296,166	75,971,481,403
Tangibles	80,175,988,680	77,671,223,058	53,190,995,904
Intangibles	3,015,455,269	2,725,905,269	2,556,776,269
Investment_Real Estates	5,377,640,343	5,399,986,124	5,452,367,817
Non-Current Financial Instruments	4,000,000	4,000,000	4,000,000
Long-Term Trade Receivables & Other Long- Term Receivables	6,694,158,670	6,810,158,670	5,601,596,670
Marketable Financial Instruments		1,274,438,044	1,274,438,044
Profit or loss-Fair value measurement Financial assets	2,474,438,044		
Investment_Subsidiaries	5,574,990,129	5,574,990,129	3,780,162,260
Investment_Related Companies	3,950,000,000	3,950,000,000	2,700,000,000
Other Non-Current Assets	498,029,950	506,017,682	569,993,146
Deferred Income Tax Assets	777,974,634	664,577,190	841,151,293
Total Liabilities	132,789,096,856	123,157,614,701	87,321,724,839
Current Liabilities	118,395,701,717	94,870,629,764	61,501,369,284
Trade Payables & Other Payables	46,894,108,736	46,332,736,532	40,569,919,287
Short-Term Borrowings	48,259,244,786	28,469,043,836	19,500,000,000
Accrued Income Tax	752,149,040	1,276,771,780	525,776,678

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**HAN EXPRESS CO., LTD. - 531999**

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Other Current Liabilities	1,190,199,155	1,042,077,616	905,673,319
Current Portion of Long-Term Debts	21,300,000,000	17,750,000,000	0
Non-Current Liabilities	14,393,395,139	28,286,984,937	25,820,355,555
Long-Term Trade Payables & Other Payables	266,406,017	218,500,000	156,050,000
Long-Term Borrowings	12,495,000,000	27,083,200,000	24,064,000,000
Provision for Severance & Retirement	1,631,989,122	985,284,937	1,600,305,555
Capital Stock	6,000,000,000	6,000,000,000	6,000,000,000
Capital Surplus	1,731,488,450	1,731,488,450	1,731,488,450
Profit Surplus	56,649,443,915	55,479,436,988	48,750,182,841
Total Equity	64,380,932,365	63,210,925,438	56,481,671,291
Liab. & Shareholder's Equity	197,170,029,221	186,368,540,139	143,803,396,130

**Income Statement**

<b>Unit : Korean Won</b>	<b>01/01/2018~06/30/2018</b>	<b>As of 12/31/2017</b>	<b>As of 12/31/2016</b>
Sales	265,372,170,404	509,003,080,845	451,168,903,253
Cost of Sold Goods	258,708,392,540	492,790,858,927	437,194,932,575
Gross Profit	6,663,777,864	16,212,221,918	13,973,970,678
Selling & Admin. Expenses	3,159,822,113	5,880,485,813	5,227,340,435
Operating Income	3,503,955,751	10,331,736,105	8,746,630,243
Other Income	629,913,393	1,300,146,724	2,068,188,951
Other Expenses	397,712,028	665,868,969	2,064,402,132
Finance Income	208,430,952	127,586,835	339,970,341
Finance Expenses	1,078,723,132	1,534,905,892	1,118,310,309
Income Before Taxes	2,865,864,936	9,558,694,803	7,972,077,094
Income Taxes Expenses	657,704,599	2,175,152,582	1,629,582,246
Net Income	2,208,160,337	7,383,542,221	6,342,494,848

**Cash Flows**

<b>Unit : Korean Won</b>	<b>01/01/2018~06/30/2018</b>	<b>As of 12/31/2017</b>	<b>As of 12/31/2016</b>
Operating Activities Cash Flows	-1,232,119,904	1,647,527,459	4,953,468,418
Cash Flows from Operating Net Income	603,525,247	3,463,450,776	7,840,553,056
Adjustment	2,208,160,337	7,383,542,221	6,342,494,848
Changes in Asset/ & Liability	3,512,716,021	7,159,915,466	7,463,041,078
Interests Received	-5,117,351,111	-11,080,006,911	-5,964,982,870
Interests Paid	2,421,309	3,036,265	6,823,405
Income Taxes	-909,274,947	-1,076,944,919	-805,854,673
Dividends Received	-1,273,681,513	-1,299,963,663	-2,681,416,370
Cash Flows from Investing	344,890,000	557,949,000	593,363,000
Cash Inflow from Investing	-5,071,592,610	-31,380,459,962	-18,160,828,866
Cash Outflows for Investing	565,923,340	1,376,361,321	766,877,831
Cash Flows from Financing	-5,637,515,950	-32,756,821,283	-18,927,706,697
	7,792,000,950	28,898,243,836	12,420,000,000

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Cash Inflows from Financing	12,452,000,950	29,738,243,836	13,260,000,000
Cash Outflows from Financing	-4,660,000,000	-840,000,000	-840,000,000
Increase/Decrease in Cash	1,488,288,436	-834,688,667	-787,360,448
Cash at the Beginning of Year	226,955,385	1,069,712,328	1,832,711,607
Cash at the End of Year	1,778,149,950	226,955,385	1,069,712,328

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

Main Products & Services	TRANSPORTATION SERVICE General Cargo, Explosives and Defense Industry Material CPG (Consumer Packaged Goods) Parcel Delivery Service Handling Pharmaceuticals and Hazardous Materials Corporate Moving Stevedoring Services Logistics Related Business (Gas Station/Diesel Exhaust Fluid) Warehousing
	Brand Name : HEXCO, EverWays, Wellos

## **TRADE PARTNERS & COMPETITORS**

Suppliers	--
Customers	--
Competitors	HYUNDAI GLOVIS CO., LTD.(110111-2177388) CJ LOGISTICS CORPORATION(110111-0006167) HANJIN TRANSPORTATION CO.,LTD.(110111-0003668)

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

Subsidiary	HAN EXPRESS LOGISTICS (NINGBO) CO., LTD. (100.0% held by the subject company) NO.55 HUANDAO NORTH ROAD, DEVELOPMENT ZONE, NINGBO, ZHEJJANG, PRC CHINA TEL:+86-574-8675-1301
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HAN EXPRESS ENERGY SDN. BHD.  
(94.49% held by the subject company)  
LOT 196 & 126, BLOCK 11, ENGILO LAND DISTRICT, OFF SIBU  
SUNGAI MAAW ROAD, SG. SADIT, 96000 SIBU, SARAWAK,  
MALAYSIA.  
TEL:+60-84-227-058

HAN EXPRESS VIETNAM CO., LTD.(VIETNAM)  
(100.0% held by the subject company)  
ROOM 1714-8, 17TH FLOOR, CJ BUILDING, 2BIS-4-6, LE THANH TON  
STREET, BEN NGHE WARD, DISTRICT 1, HO CHI MINH CITY,  
VIETNAM

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

Not Available.

## ***COURT ACTION***

There are 2 cases filed as of 06/30/2018.

## ***NEWS CLIPPING***

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**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.81
UK Pound	1	INR 95.50
Euro	1	INR 85.62
KRW	1	INR 0.065

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	VIVR
<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)