

MIRA INFORM REPORT

| | |
|----------------------|------------|
| Report No. : | 525425 |
| Report Date : | 16.08.2018 |

IDENTIFICATION DETAILS

| | |
|--------------------------------|---|
| Name : | HANSHIN INDUS CO., LTD. |
| Registered Office : | 16, Beombang 2-Ro 9beon-Gil, Gangseo-Gu, Busan, Korea, 46727 |
| Country : | South Korea |
| Financials (as on) : | 31.12.2017 |
| Date of Incorporation : | 23.09.2009 |
| Com. Reg. No.: | 606-86-19091 |
| Legal Form : | Co., Ltd by Shares Venture Business |
| Line of Business : | Manufacture of Metal Fasteners and Screw Products (Flanges, Nozzle, Tube Sheet) |
| No. of Employees : | 34 |

RATING & COMMENTS

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

| | |
|------------------------|----------|
| MIRA's Rating : | A |
|------------------------|----------|

| Credit Rating | Explanation | Rating Comments |
|---------------|-----------------|---|
| A | Acceptable Risk | Business dealings permissible with moderate risk of default |

| | |
|----------------------------|---------------|
| Status : | Satisfactory |
| Payment Behaviour : | No Complaints |
| Litigation : | Clear |

NOTES :

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

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

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 | HANSHIN INDUS CO., LTD. (Korean Company Name : "(주)한신인더스") |
| Registered Address | 16, Beombang 2-ro 9beon-gil, Gangseo-gu, Busan, Korea |
| Building | |
| Zip Code | 46727 |
| Tel | +82-51-832-1051~2 |
| Fax | +82-51-832-1053 |
| E-mail | hsi1051@hanmail.net |
| Website | www.hanshinindus.com |
| Trading Address | 16, Beombang 2-ro 9beon-gil, Gangseo-gu, Busan, Korea (Old Address System : 1910-2, Beombang-dong, Gangseo-gu, Busan, Korea) |
| Tel | +82-51-832-1059 |
| Fax | +82-51-832-1053 |
| Other Address-Mieum | 93, Mieumsandan-ro 8beon-gil, Gangseo-gu, Busan, Korea (Old Address System : 1192-1, Gurang-dong, Gangseo-gu, Busan, Korea) |
| Branch | |
| Tel | |
| Fax | |
| Other Address-2nd Factory | 54, Noksansaneopbuk-ro, Gangseo-gu, Busan, Korea (Old Address System : 1502-4, Songjeong-dong, Gangseo-gu, Busan, Korea) |
| Tel | |
| Fax | |
| Type | Export/Import |
| Industry | Manufacture of Metal Fasteners and Screw Products |
| Main Business | Flanges, Nozzle, Tube Sheet |
| Sub Business | |
| Established (mm/dd/yyyy) | 09/23/2009 |

DETAILED PRODUCTS

| | |
|----------|----------------------------|
| Activity | Detailed Products (UNSPSC) |
| Sell | Pipe flanges(40142400) |
| Sell | Nozzles(40141731) |
| Sell | Tube and tubing(31231300) |

CEO'S

| | |
|---------------|-----------------|
| Name | Park Tae-Jong |
| Date of Birth | 01/02/1971 |
| Title | President & CEO |

Nationality Korean

PROFILES

Capital (KRW) 1,200,000,000
Employees 34
Formation Co., Ltd by Shares
Venture Business
Bank Details N/A
Corporate Registered No. 180111-0688292
Business Registered No. 606-86-19091
Permit & Licenses 08/20/2012 ISO 14001
08/20/2012 ISO 9001

| Shareholder Position | Name | Shares | % |
|----------------------|---------------|---------|--------|
| | PARK TAE-JONG | 90,000 | 75.00 |
| | KIM SOOK-HEE | 30,000 | 25.00 |
| | TOTAL | 120,000 | 100.00 |

Company History 09/23/2009 Incorporated as JUWON INDUS CO., LTD.
03/29/2012 Changed company name to the present name
10/09/2012 Increased the authorized shares to 300,000 shares from 80,000 shares
10/23/2012 Increased capital to 1,200,000,000 KRW from 1,000,000,000 KRW
07/24/2013 Designated as a Venture Business
12/2016 Awarded US\$ 3 Million Export Top Prize
06/20/2018 Moved to the present HQ address from Rm.2201, QBE Centum Bldg., 90, Centum jungang-ro, Haeundae-gu, Busan, Korea (Old Address System : Rm.2201, QBE Centum Bldg., 1212, Jaesong-dong, Haeundae-gu, Busan, Korea)

DETAILED INFORMATION

Management

| Job Description | Name | Nationality | Date of Birth | Inauguration Date |
|-----------------|---------------|-------------|---------------|-------------------|
| President & CEO | Park Tae-Jong | Korean | 01/02/1971 | 09/23/2012 |
| Director | Park Jin-Woo | Korean | 09/15/1970 | 09/23/2015 |
| Director | Lee Sun-Kyung | Korean | 01/23/1983 | 01/08/2015 |
| Auditor | Han Jung-Hoon | Korean | 03/07/1975 | 05/02/2014 |

FINANCIALS

| Year / Unit : KRW | Sales | Assets | Net Income |
|-------------------|---------------|---------------|--------------|
| 2017 | 7,767,211,901 | 8,575,711,647 | 171,607,193 |
| 2016 | 8,006,718,018 | 8,620,138,084 | 388,242,648 |
| 2015 | 5,134,426,000 | 5,230,064,000 | 230,141,000 |
| 2014 | 4,639,009,000 | 6,789,303,000 | 211,509,000 |
| 2013 | 4,240,089,000 | 6,907,577,000 | 279,139,000 |
| 2012 | 912,950,000 | 4,503,031,000 | 8,752,000 |
| 2011 | 104,495,000 | 3,434,082,000 | -404,135,000 |
| 2010 | 93,789,000 | 3,743,179,000 | -260,016,000 |
| 2009 | 0 | 3,037,000,000 | -64,000,000 |

FINANCIAL DESCRIPTION

| | |
|-------------------------|---------------|
| Authorized Capital(KRW) | 3,000,000,000 |
| Paid-Up Capital(KRW) | 1,200,000,000 |
| Total Issued Shares | 120,000 |

Balance Sheet

| Unit : Korean Won | As of 12/31/2017 | As of 12/31/2016 | As of 12/31/2015 |
|------------------------------|------------------|------------------|------------------|
| Total Assets | 8,575,711,647 | 8,620,138,084 | 5,230,064,000 |
| Current Assets | 2,621,747,406 | 2,604,717,815 | 2,467,297,000 |
| -Quick Assets | 1,515,118,803 | 1,459,988,552 | |
| -Inventories | 1,106,628,603 | 1,144,729,263 | |
| Fixed Assets | 5,953,964,241 | 6,015,420,269 | 2,762,767,000 |
| -Investment | 85,580,995 | 51,534,959 | |
| -Tangibles | 5,837,843,246 | 5,933,345,310 | |
| -Intangibles | | | |
| -Others | 30,540,000 | 30,540,000 | |
| Total Liabilities | 6,815,091,933 | 7,031,125,563 | 4,029,294,000 |
| Current Liabilities | 1,053,015,444 | 1,636,250,771 | 2,150,511,000 |
| Fixed Liabilities | 5,762,076,489 | 5,394,874,792 | 1,878,783,000 |
| Capital Stock | 1,200,000,000 | 1,200,000,000 | 1,200,000,000 |
| Capital Surplus | | | 0 |
| Profit Surplus | 560,619,714 | 389,012,521 | 770,000 |
| Capital Adjustment | | | 0 |
| Total Equity | 1,760,619,714 | 1,589,012,521 | 1,200,770,000 |
| Liab. & Shareholder's Equity | 8,575,711,647 | 8,620,138,084 | 5,230,064,000 |
| Current Liabilities | 1,053,015,444 | 1,636,250,771 | |
| Trade Payables | 359,062,175 | 684,047,021 | |
| Account Payables | 107,372,644 | 289,168,936 | |
| Withholdings | 11,076,503 | 10,689,733 | |

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

| | | |
|-----------------------|---------------|---------------|
| Suspense Receipt | 8,577,016 | - |
| Short-Term Borrowings | 530,000,000 | 565,000,000 |
| Accrued Expenses | 36,927,106 | 87,345,081 |
| Fixed Liabilities | 5,762,076,489 | 5,394,874,792 |
| Long-Term Borrowings | 5,762,076,489 | 5,394,874,792 |

Income Statement

| Unit : Korean Won | As of 12/31/2017 | As of 12/31/2016 | As of 12/31/2015 |
|---------------------------|------------------|------------------|------------------|
| Sales | 7,767,211,901 | 8,006,718,018 | 5,134,426,000 |
| Cost of Sold Goods | 6,218,990,237 | 6,345,656,701 | 4,098,586,000 |
| Gross Profit | 1,548,221,664 | 1,661,061,317 | 1,035,840,000 |
| Selling & Admin. Expenses | 1,185,651,388 | 1,203,379,987 | 785,189,000 |
| Operating Income | 362,570,276 | 457,681,330 | 250,651,000 |
| Non-Operating Income | 66,969,407 | 59,670,313 | 104,908,000 |
| Non-Operating Expenses | 211,413,320 | 126,215,417 | 125,415,000 |
| Income Before Taxes | 218,126,363 | 391,136,226 | 230,144,000 |
| Income Taxes Expenses | 46,519,170 | 2,893,578 | 3,000 |
| Net Income | 171,607,193 | 388,242,648 | 230,141,000 |

PRODUCTS, TECHNOLOGIES, SERVICES
DESCRIPTION

Main Products & Services Flanges, Nozzle, Tube Sheet

TRADE PARTNERS & COMPETITORS

Competitors PYUNG HWA ANTI-VIBRATION SYSTEM CO., LTD.
29-17, BONRI-RI, NONGONG-EUP, DALSEONG-GUN, DAEGU, KOREA
TEL:+82-53-610-7000 FAX:+82-53-615-0566

SKF KOREA CO., LTD.
1171, JISA-DONG, GANGSEO-GU, BUSAN, KOREA
TEL:+82-51-970-2401 FAX:+82-51-970-2498

KOREA SINTERED METAL CO., LTD.
DALSEONG INDUSTRIAL COMPLEX, 29-10, BONRI-RI, NONGONG-
EUP, DALSEONG-GUN, DAEGU, KOREA
TEL:+82-53-610-0700 FAX:+82-53-610-0701

SCHAEFFLER KOREA CORPORATION
452-9, NAE-DONG, CHANGWON-SI, GYEONGSANGNAM-DO, KOREA
TEL:+82-55-280-8700 FAX:+82-55-280-7890

RELATED PARTIES (SUBSIDIARIES, JOINT-VENTURE & AFFILIATES)

Not Available

SALES BY REGION (ACTIVITY & MARKETS)

| Sales/ Unit : KRW | 2017 | 2016 | 2015 |
|-------------------|---------------|---------------|------|
| Export | 3,827,070,536 | 4,348,319,396 | |
| Domestic | 3,902,989,365 | 3,606,002,622 | |
| Others | 37,152,000 | 52,396,000 | |
| Total | 7,767,211,901 | 8,006,718,018 | |
| Not Available. | | | |

COURT ACTION

Not Available.

NEWS CLIPPING

FOREIGN EXCHANGE RATES

| Currency | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1 | INR 69.47 |
| UK Pound | 1 | INR 88.63 |
| Euro | 1 | INR 79.19 |
| KRW | 1 | INR 0.062 |

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

INFORMATION DETAILS

| | |
|-----------------------------|-----|
| Analysis Done by : | NIS |
| Report Prepared by : | TRU |

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

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)