

MIRA INFORM REPORT

Report No. :	546646
Report Date :	22.12.2018

IDENTIFICATION DETAILS

Name :	NINGWON METAL IND. CO., LTD.
Registered Office :	366, Geurugogae-Ro, Eunhyeon-Myeon, Yangju-Si, Gyeonggi-Do, Korea 11431
Country :	South Korea
Financials (as on) :	31.12.2017
Date of Incorporation :	30.04.1996
Com. Reg. No.:	127-81-65699
Legal Form :	Co., Ltd by Shares
Line of Business :	Manufacture of Rolled, Drawn and Folded Products of Copper. (Copper Tube, Level Wound Coil, Refrigeration And ACR Tubes, Inner Grooved Tube, Variant Tube, Copper Billet, Plumbing Tube, Level Wound Coil, Pancake Coil, Doughnut Coil, ACR)
No. of Employees :	360

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 :	Good
Payment Behaviour :	Regular
Litigation :	Clear

NOTES:

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 (30.06.2018)	Current Rating (30.09.2018)
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

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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's GDP surpassed one trillion dollars.

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	NINGWON METAL IND. CO., LTD.
Registered Address	366, Geurugogae-ro, Eunhyeon-myeon, Yangju-si, Gyeonggi-do, Korea (Old Address System : 307, 314-1, Doha-ri, Eunhyeon-myeon, Yangju-si, Gyeonggi-do, Korea)
Building	--
Zip Code	11431
Tel	+82-31-863-8791~3 +82-31-860-0700
Fax	+82-31-863-8794 +82-31-863-8794
E-mail	Info@jnmetal.co.kr
Website	www.nwmetal.co.kr;www.nwmmetal.com
Trading Address	431, Cheonggyecheon-ro, Dongdaemun-gu, Seoul, Korea (Old Address System : 100-23, Sinseol-dong, Dongdaemun-gu, Seoul, Korea)
Tel	+82-2-2254-2584 +82-2-3290-9051~3
Fax	+82-2-2231-9055 +82-2-2234-8316
Other Address-Namyangju Branch	790, Gyeongchun-ro, Namyangju-si, Gyeonggi-do, Korea (Old Address System : 92, Ilpae-dong, Namyangju-si, Gyeonggi-do, Korea)
Other Address-Ansan Branch	72, Beonnyeong 2-ro, Danwon-gu, Ansan-si, Gyeonggi-do, Korea (Old Address System : 668-1, Seonggok-dong, Danwon-gu, Ansan-si, Gyeonggi-do, Korea)
Type	Export/Import
Industry	Manufacture of Rolled, Drawn and Folded Products of Copper
Main Business	Copper Tube, Level Wound Coil, Refrigeration And ACR Tubes, Inner Grooved Tube, Variant Tube, Copper Billet, Plumbing Tube, Level Wound Coil, Pancake Coil, Doughnut Coil, ACR
Sub Business	
Established (mm/dd/yyyy)	04/30/1996

DETAILED PRODUCTS

Activity	Detailed Products (UNSPSC)
Sell	Copper tubing(31231302)

CEO'S

Name	Lee Kwang-Won
Date of Birth	05/09/1949
Title	Chairman & CEO
Nationality	Korean

PROFILES

Capital (KRW)	33,800,000,000
Employees	360
Formation	Co., Ltd by Shares
Bank Details	Korea Development Bank Industrial Bank of Korea-Walkerhill Branch KEB Hana Bank
Corporate Registered No.	111511-0021877
Business Registered No.	127-81-65699
Permit & Licenses	05/1997 ISO 9002 11/1998 QAS 06/1999 JIS 06/2001 NSF(USA) 12/2001 WARNOCK HERSEY(Canada) 07/2003 ISO 9001

Shareholder Position	Int'l Trade No.: 11182263		
		Name	Shares %
		LEE KWANG-WON	169,000 5.00
		LEE JOO-HYUN	646,090 19.12
		LEE KWANG-WON'S FAMILY	1,507,543 44.60
		TREASURY STOCK	1,057,367 31.28
		TOTAL	3,380,000 100.00

Company History	03/1986 Established as DONGKWANG METAL CO.(sole Proprietorship) 01/1989 Changed company name to SHINHAN METAL INDUSTRY CO. 04/30/1996 Incorporated as the present name 11/1998 Awarded US\$ 1 Million Export Top Prize 04/12/2000 Acquired GEOSAN METAL CO., LTD. 11/2000 Awarded US\$ 10 Million Export Top Prize 11/2004 Awarded US\$ 30 Million Export Top Prize 11/2006 Awarded US\$ 70 Million Export Top Prize 11/2010 Awarded US\$ 100 Million Export Top Prize 06/28/2016 Increased the authorized shares to 10,000,000 shares from 2,200,000 shares 06/29/2016 Increased capital 33,800,000,000 KRW from 11,800,000,000 KRW 06/30/2016 Acquired JKW CO., LTD.(KOREA)
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MANAGEMENT

Job Description	Name	Nationality	Date of Birth	Inauguration
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				Date
Chairman & CEO	Lee Kwang-Won	Korean	05/09/1949	04/30/1999
President & CEO	Lee Joo-Hyun	Korean	10/01/1975	01/25/2017
Director	Lee Jang-Wook	USA	12/30/1978	12/15/2012
Auditor	Yoon Hee-Jung	Korean	09/19/1949	04/30/1996

FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
2017	369,122,501,047	162,424,794,321	11,738,175,527
2016	290,943,912,100	157,682,745,977	17,242,367,651
2015	321,302,800,200	126,274,540,035	-28,269,947,162
2014	340,333,282,413	148,793,190,304	-2,676,306,916
2013	399,343,524,923	146,794,557,917	1,010,054,475
2012	468,375,944,575	153,830,583,914	-8,090,066,078
2011	510,224,917,467	167,302,501,462	2,025,997,220
2010	420,386,888,238	182,141,585,208	10,399,362,055
2009	304,515,551,973	156,391,412,538	13,924,767,658
2008	323,454,189,907	158,998,481,140	-37,409,606,652
2007	299,239,613,902	123,253,952,812	2,327,492,093
2006	236,870,357,172	109,275,993,523	6,967,887,513

FINANCIAL DESCRIPTION

Authorized Capital(KRW)	100,000,000,000
Paid-Up Capital(KRW)	33,800,000,000
Total Issues Shares	3,380,000

Balance Sheet

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Total Assets	162,424,794,321	157,682,745,977	126,274,540,035
Current Assets	83,826,105,174	79,018,084,997	72,538,771,862
-Quick Assets	46,539,132,691	45,487,288,090	43,423,371,016
-Inventories	37,286,972,483	33,530,796,907	29,115,400,846
Fixed Assets	78,598,689,147	78,664,660,980	53,735,768,173
-Investment	27,112,511,095	25,834,120,000	1,953,751,300
-Tangibles	49,639,560,474	50,818,208,598	50,774,595,105
-Intangibles	787,493,865	1,019,608,669	32,687,138
-Others	1,059,123,713	992,723,713	974,734,630
Total Liabilities	81,342,525,506	88,338,652,689	114,199,045,785
Current Liabilities	78,676,196,252	85,212,283,277	109,845,321,639
Fixed Liabilities	2,666,329,254	3,126,369,412	4,353,724,146
Capital Stock	33,800,000,000	33,800,000,000	11,800,000,000

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NUNGWON METAL IND. CO., LTD. - 546646

PAGE NO. : 7

Capital Surplus	18,301,725,637	18,301,725,637	186,856,317
Profit Surplus	28,980,543,178	17,242,367,651	-20,277,330,904
Capital Adjustment	-	-	20,365,968,837
Total Equity	81,082,268,815	69,344,093,288	12,075,494,250
Liab. & Shareholder's Equity	162,424,794,321	157,682,745,977	126,274,540,035
Current Liabilities	78,676,196,252	85,212,283,277	109,845,321,639
Trade Payables	11,725,282,883	9,527,513,241	4,556,922,046
Short-Term Borrowings	57,487,802,542	51,600,225,000	76,283,775,397
Short-Term Borrowings- Foreign Currency	-	10,787,011,722	22,360,580,265
Account Payables	2,653,528,707	4,160,046,718	1,363,893,448
Deferred Income Tax Credit	1,929,387,681	4,731,122,025	-
Withholdings	322,749,345	308,894,550	268,478,301
Advance Receipts	105,498,825	82,431,358	304,949,926
Accrued Expenses	2,382,852,386	2,431,687,454	2,469,399,981
Derivatives	1,839,453,883	1,583,351,209	2,237,322,275
Current Portion of Long- Term Debts	229,640,000	-	-
Fixed Liabilities	2,666,329,254	3,126,369,412	4,353,724,146
Leasehold Deposit Received	106,600,000	127,650,000	-
Provision for Severance & Retirement	1,901,004,461	1,925,125,835	1,744,284,588
Deferred Income Tax Credit	658,724,793	1,073,593,577	2,609,439,558

Income Statement

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Sales	369,122,501,047	290,943,912,100	321,302,800,200
Cost of Sold Goods	344,356,803,988	269,208,601,597	309,599,514,280
Gross Profit	24,765,697,059	21,735,310,503	11,703,285,920
Selling & Admin. Expenses	9,433,837,094	9,063,205,927	10,299,796,514
Operating Income	15,331,859,965	12,672,104,576	1,403,489,406
Non-Operating Income	8,229,741,044	13,658,938,987	6,151,129,199
Non-Operating Expenses	8,426,453,145	10,349,887,971	34,993,030,686
Income Before Taxes	15,135,147,864	15,981,155,592	-27,438,412,081
Income Taxes Expenses	3,396,972,337	-1,261,212,059	831,535,081
Net Income	11,738,175,527	17,242,367,651	-28,269,947,162

Cash Flows

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Cash Flows from Operating	7,136,553,494	10,919,584,982	-13,404,996,784
-Net Income	11,738,175,527	17,242,367,651	-28,269,947,162
-Exp. without Cash Outflow	7,488,223,280	8,175,700,106	9,126,570,292
-Revenue without Cash Inflows	-3,402,216,967	-7,574,895,271	-428,879,446
-Changes in Asset/ &	-8,687,628,346	-6,923,587,504	6,167,259,532

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Liability			
Cash Flows from Investing	-2,129,074,849	6,374,370,403	402,149,318
-Cash Inflow from Investing	2,593,388,603	11,372,724,560	6,776,399,000
-Cash Outflows for Investing	-4,722,463,452	-4,998,354,157	-6,374,249,682
Cash Flows from Financing	-4,899,434,180	-14,881,979,347	12,591,279,969
-Cash Inflows from Financing	5,887,577,542	21,888,164,000	18,883,775,397
-Cash Outflows from Financing	-10,787,011,722	-36,770,143,347	-6,292,495,428
Increase/Decrease in Cash	108,044,465	2,411,976,038	-411,567,497
Cash at the Beginning of Year	4,744,450,745	2,324,180,860	2,728,300,947
Cash at the End of Year	4,823,796,691	4,744,450,745	2,324,180,860

PRODUCTS, TECHNOLOGIES, SERVICES DESCRIPTION

Main Products & Services Copper Tube, Level Wound Coil, Refrigeration And ACR Tubes, Inner Grooved Tube, Variant Tube, Copper Billet, Plumbing Tube, Level Wound Coil, Pancake Coil, Doughnut Coil, ACR

Brand Name : MM Kembla

TRADE PARTNERS & COMPETITORS

Suppliers	JUNGWOO METAL INDUSTRY CO., LTD.(111511-0009310) LS-NIKKO COPPER INC.(230111-0058436) DAERYUN E&S CO., LTD.(110111-1720633)
Customers	JUNGWOO METAL INDUSTRY CO., LTD.(111511-0009310) SMI CO., LTD.(KOREA) METAL MANUFACTURES LIMITED(AUSTRALIA)
Competitors	TAEWOO METAL CO., LTD. 5DA-201-11, SIHWA INDUSTRIAL COMPLEX, 664-10, SEONGGOK-DONG, DANWON-GU, ANSAN-SI, GYEONGGI-DO, KOREA TEL:+82-31-498-8145~8 FAX:+82-31-498-8149 SAMPO INDUSTRIAL CO., LTD. 2ND FL., SAMPO BLDG., 40-2, OGEUM-DONG, SONGPA-GU, SEOUL, KOREA TEL:+82-2-573-5151 FAX:+82-2-571-5156 KUM WHAN INC.

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GURO-GU, SEOUL, KOREA
TEL:+82-2-2617-3073 FAX:+82-2-2684-3071

RELATED PARTIES (SUBSIDIARIES, JOINT- VENTURE & AFFILIATES)

Affiliates	JUNGWOO METAL INDUSTRY CO., LTD.(111511-0009310)
Subsidiary	SMI CO., LTD.(164911-0004864) (100.0% held by the subject company)
Cooperative Enterprise	-Brand Usage Agreement with CRANE ENFILED METALS PTY LIMITED(AUSTRALIA)

SALES BY REGION (ACTIVITY & MARKETS)

Sales/ Unit : KRW	2014	2013	2012
Export	-	217,782,656,920	226,376,228,994
Domestic	-	179,877,781,037	240,150,390,706
Others	-	1,683,086,966	1,849,324,875
Total	340,333,282,413	399,343,524,923	468,375,944,575

The Subject deals with the companies in Australia, Taiwan, Thailand and USA.

COURT ACTION

Case No.	Court	Plaintiff(s)/ Creditor(s)/ Applicant(s)	Defendant(s)/ Debtor(s)/ Respondent(s)	Cause	Amount (KRW)	Status
			The Subject Company	-	714,000,000	proceeding
		The Subject Company		-	185,000,000	proceeding

NEWS CLIPPING

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.04
UK Pound	1	INR 88.70
Euro	1	INR 80.21
KRW	1	INR 0.062

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

INFORMATION DETAILS

Analysis Done by :	VIVR
Report Prepared by :	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)