

MIRA INFORM REPORT

Report No. :	519532
Report Date :	11.07.2018

IDENTIFICATION DETAILS

Name :	KUMKANG KIND CO., LTD.
Registered Office :	110, Dasan-ro, Saha-gu, Busan
Country :	South Korea
Financials (as on) :	31.03.2018
Date of Incorporation :	08.08.1979
Com. Reg. No.:	603-81-15882
Legal Form :	Listed Company
Line of Business :	<ul style="list-style-type: none"> • Manufacture of Pipes and Tubes, of Non-cast Iron or Steel (Steel Pipe, Cramp, Panel Form, Aluminum Foam, Gang Forms, Construction Ashes, Clamp, Scaffolding Pipe, Supporting Frame) • Manufacture of Structural Metal Sheet Products and Ornamental Metal Works Used on Building
No. of Employees :	398

RATING & COMMENTS

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

MIRA's Rating :	A+
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Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low risk of default

Status :	Good
Payment Behaviour :	Regular
Litigation :	Clear

NOTES :

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Any query related to this report can be made on e-mail : 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

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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 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	KUMKANG KIND CO., LTD.
Registered Address	110, Dasan-ro, Saha-gu, Busan, Korea (Old Address System : 1512-3, Dadae 1-dong, Saha-gu, Busan, Korea)
Building	
Zip Code	49489
Tel	+82-51-264-8881
Fax	+82-51-264-2964
E-mail	webmaster@kumkang.com
Website	www.kumkangkind.com;www.kum-kang.com
Trading Address	Kumkang Kind Bldg., 16, Hyoryeong-ro 60-gil, Seocho-gu, Seoul, Korea (Old Address System : Kumkang Kind Bldg., 1445-2, Seocho-dong, Seocho-gu, Seoul, Korea)
Tel	+82-2-3415-4104
Fax	+82-2-3415-4165
Other Address-Eonyang	359, Bangudae-ro, Samnam-myeon, Ulju-gun, Ulsan, Korea
Factory	(Old Address System : 140-25, Gacheon-ri, Samnam-myeon, Ulju-gun, Ulsan, Korea)
Tel	+82-52-255-5300
Fax	+82-52-255-5319
Other Address-Eumseong	505, Yonggwang-ro, Eumseong-eup, Eumseong-gun, Chungcheongbuk-do, Korea
Factory	(Old Address System : 1661, Yongsan-ri, Eumseong-eup, Eumseong-gun, Chungcheongbuk-do, Korea)
Tel	
Fax	
Type	Export/Import
Industry	Manufacture of Pipes and Tubes, of Non-cast Iron or Steel
Main Business	Steel Pipe, Cramp, Panel Form, Aluminum Foam, Gang Forms, Construction Ashes, Clamp, Scaffolding Pipe, Supporting Frame
Sub Business	Manufacture of Structural Metal Sheet Products and Ornamental Metal Works Used on Building
Established (mm/dd/yyyy)	08/08/1979

DETAILED PRODUCTS

Activity	Detailed Products (UNSPSC)
Sell	Ladders and scaffolding accessories(30191600)
Sell	Foams(13111300)
Sell	Fencing(30152000)
Sell	Step stool(30191505)
Sell	Clamps(31162900)

Sell	Beams(30101700)
Sell	Pipe(40142100)
Sell	Scaffolding(30191502)
Sell	Connecting or coupling pins(31162416)
Sell	Kick plates(30171513)
Sell	Steel plate(30102204)
Sell	Foundry molds(23161606)

CEO'S

Name	Jeon Jang-Yeol
Date of Birth	08/18/1952
Title	Chairman & CEO
Nationality	Korean

PROFILES

Capital (KRW)	24,869,695,000																								
Employees	398																								
Formation	Listed Company (Korea Stock Exchange : 014280) as of 09/10/1988 A Company of KUMKANG INDUSTRIAL GROUP																								
Bank Details	SC First Bank of Korea Korea Development Bank Busan Bank Shinhan Bank Kookmin Bank																								
Corporate Registered No.	180111-0034320																								
Business Registered No.	603-81-15882																								
Permit & Licenses	Int'l Trade No.: 900643																								
Shareholder Position	<table> <thead> <tr> <th>Name</th> <th>Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>AHN YOUNG-SOON</td> <td>635,534</td> <td>12.78</td> </tr> <tr> <td>JEON JAE-BUM</td> <td>341,698</td> <td>6.87</td> </tr> <tr> <td>JUNGWON ENGINEERING CO., LTD.(154511-0026066)</td> <td>706,840</td> <td>14.21</td> </tr> <tr> <td>KB ASSET MANAGEMENT CO., LTD.(110111-0572556)</td> <td>727,268</td> <td>14.62</td> </tr> <tr> <td>TREASURY STOCK</td> <td>500,904</td> <td>10.07</td> </tr> <tr> <td>OTHERS</td> <td>2,061,695</td> <td>41.45</td> </tr> <tr> <td>TOTAL</td> <td>4,973,939</td> <td>100.00</td> </tr> </tbody> </table>	Name	Shares	%	AHN YOUNG-SOON	635,534	12.78	JEON JAE-BUM	341,698	6.87	JUNGWON ENGINEERING CO., LTD.(154511-0026066)	706,840	14.21	KB ASSET MANAGEMENT CO., LTD.(110111-0572556)	727,268	14.62	TREASURY STOCK	500,904	10.07	OTHERS	2,061,695	41.45	TOTAL	4,973,939	100.00
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TOTAL	4,973,939	100.00																							
Company History	08/08/1979 Incorporated as KUMKANG STEEL PIPE CO., LTD. 12/31/1980 Changed company name to the present name 12/13/2001 Increased capital to 24,869,695,000 KRW from 14,800,000,000 KRW 01/03/2013 Acquired KUMKANG POSTEM CO., LTD.																								

As of 07/11/2018, the Subject is under applying for changing the details(No.: 23548) in section and it will take about 3~5 working days to reflect the changes.

DETAILED INFORMATION

Management

Job Description	Name	Nationality	Date of Birth	Inauguration Date
Chairman & CEO	Jeon Jang-Yeol	Korean	08/18/1952	03/16/2007
President & CEO	Lee Bum-Ho	Korean	10/20/1960	03/27/2015
President	Jeon Jae-Bum	Korean	12/07/1979	03/18/2011
Auditor	Lee Won-Mo	Korean	07/02/1951	03/16/2007
Outside Director	Lee Sung-Oh	Korean	06/05/1953	03/14/2008

FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
03/2018	112,570,720,661	596,174,509,818	4,289,356,381
2017	436,404,458,382	579,579,384,266	21,584,688,373
2016	414,980,534,410	551,875,790,052	28,164,622,523
2015	353,371,950,046	525,737,329,148	11,286,978,228
2014	452,489,663,521	521,016,169,481	13,123,788,986
2013	424,978,192,982	489,779,880,244	12,835,143,035
2012	376,902,951,799	462,007,030,135	9,763,683,531
2011	289,006,169,082	390,653,177,821	2,001,120,856
2010	271,484,803,289	350,458,001,895	3,385,777,922
2009	237,751,394,481	295,387,320,762	7,396,386,179
2008	279,441,526,700	294,710,895,095	5,094,596,297
2007	230,959,498,239	267,304,989,572	1,566,912,661
2006	221,817,562,720	223,935,489,588	5,762,207,731
2005	214,392,622,843	197,540,640,293	6,472,807,609

Financial Description

Authorized Capital(KRW)	70,000,000,000
Paid-Up Capital(KRW)	24,869,695,000
Total Issues Shares	4,973,939(Common : 4,855,964 / Preferable :117,975)

Balance Sheet

Unit : Korean Won	01/01/2018~03/31/2018	As of 12/31/2017	As of 12/31/2016
Total Assets	596,174,509,818	579,579,384,266	551,875,790,052
Current Assets	229,352,721,789	206,556,290,944	177,636,403,017

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KUMKANG KIND CO., LTD. - 519532

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Cash & Cash Equivalents	41,505,511,098	37,838,804,667	32,268,704,061
Trade Receivables & Other Receivables	126,428,848,658	111,199,281,808	104,034,455,800
Current Financial Instruments	99,538,169	90,205,000	476,931,245
Inventories	58,821,767,710	53,928,316,157	38,969,265,011
Other Current Assets	2,497,056,154	3,499,683,312	1,887,046,900
Non-Current Assets	366,821,788,029	373,023,093,322	374,239,387,035
Tangibles	288,750,161,392	295,936,015,020	296,478,056,799
Intangibles	7,094,436,886	7,101,552,393	7,418,942,420
Investment Real Estates	36,919,951,686	36,914,986,611	37,041,149,001
Investment Subsidiaries	23,237,099,499	23,237,099,499	22,143,722,663
Non-Current Financial Instruments	10,189,987,430	8,972,807,317	9,248,282,925
Long-Term Trade Receivables & Other Receivables	630,151,136	633,037,236	908,201,096
Confirmed Salaries		227,595,246	1,001,032,131
Total Liabilities	335,950,454,002	322,871,455,498	313,697,228,666
Current Liabilities	299,361,665,834	294,024,600,257	255,912,595,614
Trade Payables & Other Payables	48,569,752,856	44,105,395,824	48,244,737,611
Other Current Finance Debts	343,931	75,501,911	
Short-Term Borrowings	230,029,253,158	225,506,115,194	186,082,759,074
Other Current Liabilities	16,523,769,690	18,176,730,198	13,733,029,715
Accrued Income Tax	4,238,546,199	6,160,857,130	7,852,069,214
Non-Current Liabilities	36,588,788,168	28,846,855,241	57,784,633,052
Other Non-Current Borrowings	26,249,960,000	20,633,280,000	47,841,560,000
Other Non-Current Debts	2,962,404,582	2,962,404,582	2,942,532,082
Provision for Severance & Retirement	1,121,104,285		
Deferred Income Tax Credit	5,720,571,737	4,735,898,819	6,393,189,963
Non-Current Provisions	534,747,564	515,271,840	607,351,007
Capital Stock	37,931,944,320	37,931,944,320	37,931,944,320
Capital Surplus	15,601,458,210	15,601,458,210	15,601,458,210
Others	2,784,031,154	1,853,619,765	2,100,240,021
Profit Surplus	203,906,622,132	201,320,906,473	182,544,918,835
Total Equity	260,224,055,816	256,707,928,768	238,178,561,386
Liab. & Shareholder's Equity	596,174,509,818	579,579,384,266	551,875,790,052

Income Statement

Unit : Korean Won	01/01/2018~03/31/2018	As of 12/31/2017	As of 12/31/2016
Sales	112,570,720,661	436,404,458,382	414,980,534,410
Cost of Sold Goods	92,839,393,641	347,716,336,813	324,552,978,584
Gross Profit	19,731,327,020	88,688,121,569	90,427,555,826

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Selling & Admin. Expenses	10,735,068,693	39,875,916,632	36,829,445,304
Logistics	2,312,326,733	9,248,699,319	9,114,075,486
Operating Income	6,683,931,594	39,563,505,618	44,484,035,036
Finance Income	93,237,964	289,324,076	286,214,923
Finance Expenses	1,840,832,728	7,310,969,720	7,241,214,472
Profits from Investment on Related Companies		2,359,833,853	
Other Income	1,224,730,389	3,095,688,642	5,144,714,916
Other Expenses	594,335,520	7,689,927,774	4,447,218,539
Income Before Taxes	5,566,731,699	30,307,454,695	38,226,531,864
Income Taxes Expenses	1,277,375,318	8,722,766,322	10,061,909,341
Net Income	4,289,356,381	21,584,688,373	28,164,622,523

Cash Flows

Unit : Korean Won	01/01/2018~03/31/2018	As of 12/31/2017	As of 12/31/2016
Operating Activities Cash Flows	-5,045,551,265	7,069,683,258	22,940,517,667
Net Income	4,289,356,381	21,584,688,373	28,164,622,523
Adjustment	17,685,552,458	83,106,381,313	74,556,116,979
Changes in Asset/ & Liability	-22,719,069,472	-79,241,565,776	-68,994,235,350
Dividends Received		502,291,720	493,253,650
Interests Received	198,241,074	249,601,764	172,921,008
Interests Paid	-1,870,234,296	-7,289,727,384	-7,273,993,170
Income Taxes	-2,629,397,410	-11,841,986,752	-4,178,167,973
Cash Flows from Investing	-1,431,464,282	-11,266,698,849	-7,462,291,641
Cash Flows from Financing	10,139,817,964	9,972,696,820	-13,675,162,807
Increase/Decrease in Cash	3,662,802,417	5,775,681,229	1,803,063,219
Cash at the Beginning of Year	37,838,804,667	32,268,704,061	30,465,636,661
Cash at the End of Year	41,505,511,098	37,838,804,667	32,268,704,061

PRODUCTS, TECHNOLOGIES, SERVICES
DESCRIPTION

Main Products & Services	Steel Pipe, Cramp, Panel Form, Aluminum Foam, Gang Forms, Construction Ashes, Clamp, Scaffolding Pipe, Supporting Frame
Detailed Products Spec. Technologies Acquired	

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TRADE PARTNERS & COMPETITORS

Suppliers	POSCO(174611-0000741) KOREA ZINC INC(110111-0168404) GOGANG ALUMINIUM CO., LTD.(230111-0113719)
Customers	
Competitors	SAMMOK PRECISION & IND CO., LTD.(110111-0400377) HYUNDAI ALUMINUM CORPORATION(110111-2426264)

RELATED PARTIES

(Subsidiaries, Joint-Venture & Affiliates)

Affiliates-Domestic	KUMKANG FOSTEM CO., LTD.(110111-1243700) BUSAN FRUTT & VEG CO., LTD.(180111-0148080) D&A CO., LTD.(KOREA) INSAN DIGICHEM CO., LTD.(110111-1700213) EVERCOS CO., LTD.(184511-0013736) KORYO CO., LTD.(KOREA) HANKOOK KOTECH CO., LTD.(204611-0020651) KOSLINE CO., LTD.(KOREA) JUNGWON ENGINEERING CO., LTD.(154511-0026066) DONGSEO ECO SOIL CO., LTD.(180111-0621143) CASTEC CO., LTD.(160111-0075005) GIMHAE LOGISTICS TERMINAL CO., LTD.(195511-0131395) D&A CO., LTD.(170111-0187121) BUSAN FRUIT CO., LTD.(180111-0148080)
Affiliates-overseas	DONGSUH INDONESIA.PT(INDONESIA) HAPPY FARM DALAT CO.,LTD.(VIETNAM)
Subsidiary	KUMKANG ENGINEERING CO., LTD.(110111-2793291) (66.67% held by the subject company) KOREA INDUSTRIAL CO., LTD.(180111-0001494) (41.45% held by the subject company) DONG-SUH CHEMICAL IND CO., LTD.(174611-0000949) (49.73% held by the subject company) KUMKANG INFORMATION SYSTEM CO., LTD.(110111-2793291) (66.67% held by the subject company) KUMKANG KIND(M) SDN,BHD(MALAYSIA) (100.0% held by the subject company)

KUMKANG KIND U.S.A., INC (USA)
(100.0% held by the subject company)

KUMKANG KIND VIETNAM CO.,LTD.(VIETNAM)
(100.0% held by the subject company)

KUMKANG KIND INDIA PRIVATE LIMITED.(INDIA)
(100.0% held by the subject company)

KUMKANG KIND EAST AFRICA LIMITED
(100.0% held by the subject company)

PT. KUMKANG KIND ENGINEERING INDONESIA
(90.0% held by the subject company)

Corporate Ownership
Major Shareholders
Cooperative Enterprise

-Insured Company
SAMSUNG FIRE & MARINE INSURANCE CO., LTD.(110111-0005078)

SALES BY REGION (ACTIVITY & MARKETS)

Sales/ Unit	:Thousand	03/2018	2017	2016
KRW				
Export		41,274,398	107,089,106	117,888,306
Domestic		71,296,323	329,315,352	297,092,228
Total		112,570,721	436,404,458	414,980,534

The Subject deals with the companies in Japan, Malaysia, Singapore and USA.

COURT ACTION

No Records.

NEWS CLIPPING

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.79
UK Pound	1	INR 91.11
Euro	1	INR 80.78
KRW	1	INR 0.061

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	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)