

## MIRA INFORM REPORT

<b>Report No. :</b>	521909
<b>Report Date :</b>	24.07.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	SEJIN TECHNICAL INDUSTRIES CO., LTD.
<b>Registered Office :</b>	15, Eogokgongdan 5-gil, Yangsan-si, Gyeongsangnam-do,
<b>Country :</b>	South Korea
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	02.12.1992
<b>Com. Reg. No.:</b>	601-81-21243
<b>Legal Form :</b>	Co., Ltd by Shares
<b>Line of Business :</b>	Manufacture of Furniture for Ships Furniture for Ships, Shipbuilding, Ship Repairing Services, Consulting Services, Components for Ships
<b>No. of Employees :</b>	81

### 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	Acceptable Risk	Business dealings permissible with moderate risk of default

<b>Status :</b>	Satisfactory
<b>Payment Behaviour :</b>	No Complaints
<b>Litigation :</b>	Exist

#### 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.

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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**

### Basic

Company Name	SEJIN TECHNICAL INDUSTRIES CO., LTD.
Registered Address	15, Eogokgongdan 5-gil, Yangsan-si, Gyeongsangnam-do, Korea
Building	
Zip Code	50591
Tel	+82-55-782-1000
Fax	+82-55-782-1001
E-mail	business@sejintec.co.kr
Website	www.sejintec.co.kr
Trading Address	15, Eogokgongdan 5-gil, Yangsan-si, Gyeongsangnam-do, Korea (Old Address System : 858-4, Eogok-dong, Yangsan-si, Gyeongsangnam-do, Korea)
Tel	+82-55-782-1000
Fax	+82-55-782-1001
Other Address-Bieung	139-30, Saemangeumbuk-ro, Gunsan-si, Jeollabuk-do, Korea
Branch	(Old Address System : 36-13, Bieungdo-dong, Gunsan-si, Jeollabuk-do, Korea)
Tel	
Fax	
Type	Export/Import
Industry	Manufacture of Furniture for Ships
Main Business	Furniture for Ships, Shipbuilding, Ship Repairing Services, Consulting Services, Components for Ships
Sub Business	
Established (mm/dd/yyyy)	02/12/1992

### Detailed Products

Activity	Detailed Products (UNSPSC)
Sell	Ship Repairing Services
Sell	Consulting Services
Sell	Components for Ships
Sell	Shipbuilding
Sell	Furniture(56101500)

### CEO's

Name	Kim Kwang-Sik
Date of Birth	10/07/1956
Title	Co-President & CEO
Nationality	Korean

### Profiles

Capital (KRW)	1,000,000,000
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Employees	81		
Formation	Co., Ltd by Shares		
Bank Details	Woori Bank Busan Bank		
Corporate Registered No.	180111-0122919		
Business Registered No.	601-81-21243		
Permit & Licenses	N/A		
Shareholder Position	Name	Shares	%
	CHANG BYUNG-IK	66,257	66.26
	LEE YOO-MI	18,963	18.96
	SEJIN OCEON EUJANG CO., LTD.(180111-0282135)	2,980	2.98
	TREASURY STOCK	11,800	11.80
	TOTAL	100,000	100.00
Company History	02/12/1992 Incorporated as the present name 04/28/2009 Moved to the present HQ address from 6, Daecheong-ro 155beon-gil, Jung-gu, Busan, Korea(Old Address System : 17-7, Junggang-dong 4(sa)-ga, Jung-gu, Busan, Korea)		

## **DETAILED INFORMATION**

### Management

Job Description	Name	Nationality	Date of Birth	Inauguration Date
Co-President & CEO	Kim Kwang-Sik	Korean	10/07/1956	12/23/2015
Co-President & CEO	Ban Byung-Soo	Korean	01/21/1960	12/23/2015
Director	Chang Byung-Ik	Korean	11/04/1950	02/12/2001
Director	Lee Yoo-Mi	Korean	03/30/1952	02/12/2001
Director	Chang Min-Seok	Korean	07/01/1978	11/09/2009
Auditor	Lee Hong-Woo	Korean	12/23/1972	10/24/2016

### Financials

Year / Unit : KRW	Sales	Assets	Net Income
2017	26,382,999,182	25,531,071,212	692,907,369
2016	39,903,982,490	29,369,394,198	758,549,595
2015	46,427,238,632	34,897,684,209	2,730,873,757
2014	38,011,986,697	42,588,121,663	3,618,182,074
2013	31,108,872,886	35,640,599,111	634,677,366

### Financial Description

Authorized Capital(KRW)	1,000,000,000
Paid-Up Capital(KRW)	1,000,000,000
Total Issued Shares	100,000

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## **FINANCIALS**

### Balance Sheet

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Total Assets	25,531,071,212	29,369,394,198	34,897,684,209
Current Assets	8,558,649,113	13,690,431,525	18,053,818,570
-Quick Assets	6,121,561,390	10,558,747,938	11,870,983,395
-Inventories	2,437,087,723	3,131,683,587	6,182,835,175
Fixed Assets	16,972,422,099	15,678,962,673	16,843,865,639
-Investment	3,288,141,519	1,500,009,803	2,132,000,173
-Tangibles	13,642,515,580	14,095,187,870	14,490,100,466
-Intangibles			
-Others	41,765,000	83,765,000	221,765,000
Total Liabilities	10,718,796,983	12,477,027,338	18,763,866,944
Current Liabilities	6,660,154,965	6,847,412,660	12,878,826,957
Fixed Liabilities	4,058,642,018	5,629,614,678	5,885,039,987
Capital Stock	1,000,000,000	1,000,000,000	1,000,000,000
Capital Surplus			
Profit Surplus	15,265,707,723	14,572,800,354	13,814,250,759
Capital Adjustment	-1,453,433,494	1,319,566,506	1,319,566,506
Total Equity	14,812,274,229	16,892,366,860	16,133,817,265
Liab. & Shareholder's Equity	25,531,071,212	29,369,394,198	34,897,684,209

Current Liabilities	6,660,154,965	6,847,412,660	12,878,826,957
Trade Payables	700,137,503	1,160,054,430	3,469,210,947
Account Payables	907,268,853	1,580,727,503	1,386,859,050
Withholdings	22,165,350	26,403,140	25,407,130
VAT Withhold	22,558,380	365,090,180	-
Advance Receipts	732,103,084	606,258,748	1,619,519,536
Accrued Expenses	542,196,359	368,711,773	357,576,324
Accrued Income Tax	59,836,190	36,652,690	252,853,970
Short-Term Borrowings	2,094,739,246	1,436,114,196	2,900,000,000
Current Portion of Long-Term Debts	1,579,150,000	1,267,400,000	2,867,400,000
Fixed Liabilities	4,058,642,018	5,629,614,678	5,885,039,987
Long-Term Borrowings	2,715,950,000	4,295,100,000	4,568,500,000
Provision for Severance & Retirement	1,199,995,614	1,116,370,167	1,125,462,695
Provision for Repairing	142,696,404	218,144,511	191,077,292

### Income Statement

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Sales	26,382,999,182	39,903,982,490	46,427,238,632
Cost of Sold Goods	21,568,209,152	34,770,509,841	36,581,805,360
Gross Profit	4,814,790,030	5,133,472,649	9,845,433,272
Selling & Admin. Expenses	3,571,381,760	3,716,149,235	4,237,802,346

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Operating Income	1,243,408,270	1,417,323,414	5,607,630,926
Non-Operating Income	55,368,711	444,323,332	673,343,905
Non-Operating Expenses	320,904,652	746,095,823	2,786,622,924
Income Before Taxes	977,872,329	1,115,550,923	3,494,351,907
Income Taxes Expenses	284,964,960	357,001,328	763,478,150
Net Income	692,907,369	758,549,595	2,730,873,757
<b>Cash Flows</b>			
Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Cash Flows from Operating	2,414,682,696	-1,015,533,682	3,151,149,941
-Net Income	692,907,369	758,549,595	2,730,873,757
-Exp. without Cash Outflow	1,150,895,925	1,219,396,553	3,460,915,331
-Revenue without Cash Inflows	-75,448,107	-9,999,000	-49,281,736
-Changes in Asset/ & Liability	646,327,509	-2,983,480,830	-2,991,357,411
Cash Flows from Investing	818,228,301	-1,486,753,991	3,152,702,048
-Cash Inflow from Investing	11,576,735,617	12,251,889,892	22,666,241,887
-Cash Outflows for Investing	-10,758,507,316	-13,738,643,883	-19,513,539,839
Cash Flows from Financing	-3,381,774,950	-3,337,285,804	-4,361,714,488
-Cash Inflows from Financing	894,739,246	1,370,114,196	8,565,000,000
-Cash Outflows from Financing	-4,276,514,196	-4,707,400,000	-12,926,714,488
Increase/Decrease in Cash	-148,863,953	-5,839,573,477	1,942,137,501
Cash at the Beginning of Year	219,136,749	6,058,710,226	4,116,572,725
Cash at the End of Year	70,272,796	219,136,749	6,058,710,226

**Products, Technologies, Services Description**

**Main Products & Services** Furniture for Ships, Shipbuilding, Ship Repairing Services, Consulting Services, Components for Ships

**Detailed Products Spec. Technologies Acquired**

**Trade Partners & Competitors**

**Suppliers**

**Customers**

**Competitors**

HYUNDAI HEAVY INDUSTRIES CO., LTD.(181211-0000386)  
ORIENT SHIPYARD CO., LTD.  
495-31, GUPYEONG-DONG, SAHA-GU, BUSAN, KOREA  
TEL:+82-51-264-5155 FAX:+82-51-261-5158

STX SHIPBUILDING CO., LTD.  
100, WONPO-DONG, JINHAЕ-SI, GYEONGSANGNAM-DO, KOREA  
TEL:+82-55-548-1122 FAX:+82-55-546-4321

SAMJIN SHIPBUILDING INDUSTRY CO., LTD.  
120-7, HANNAE-RI, YEONCHO-MYEON, GEOJE-SI,  
GYEONGSANGNAM-DO, KOREA  
TEL:+82-55-681-6974 FAX:+82-55-681-6972

**Related Parties (Subsidiaries, Joint-Venture & Affiliates)**

**Affiliates** JAEGANG CO., LTD.(180111-0378786)  
TNF INEXA KOREA CO., LTD.(180111-0765298)  
SEJIN INDUSTRIES CO., LTD.(KOREA)  
ACTOSYS CO., LTD.(194911-0010691)

**Cooperative Enterprise** -Insured Company  
DB INSURANCE CO.,LTD.(110111-0095285)  
SAMSUNG FIRE & MARINE INSURANCE CO., LTD.(110111-0005078)  
HYUNDAI MARINE & FIRE INSURANCE CO., LTD.(110111-0035893)

**Sales by Region (Activity & Markets)**

Not Available.

**Court Action**

Case No.	Court	Plaintiff(s)/ Creditor(s)/ Applicant(s)	Defendant(s)/ Debtor(s)/ Respondent(s)	Cause	Amount (Million KRW)	Status
		TNF INEXA KOREA CO., LTD.(180111- 0765298) & Others(1)	The Subject Company & Others(1)	Receivable s	USD 983,842.66	Proceeding

**News Clipping**

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**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.70
UK Pound	1	INR 90.27
Euro	1	INR 80.56
KRW	1	INR 0.061

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

**INFORMATION DETAILS**

Analysis Done by :	NIS
Report Prepared by :	DNS

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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)