

MIRA INFORM REPORT

Report No. :	522110
Report Date :	26.07.2018

IDENTIFICATION DETAILS

Name :	KBNTEX COMPANY LTD.
Registered Office :	56, Seongsuil-Ro, Seongdong-Gu, Seoul, Rm.301, Seongsu-Dong BY Center Korea 04782
Country :	South Korea
Financials (as on) :	31.12.2017
Date of Incorporation :	21.03.1992
Com. Reg. No.:	214-81-59792
Legal Form :	Co., Ltd by Shares
Line of Business :	Manufacture and Wholesales of Textile and Fabrics. (Textile, Fabrics, House Construction Services)
No. of Employees :	80

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	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	No Complaints
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

Company Name	KBNTEX COMPANY LTD.
Registered Address	56, Seongsuil-ro, Seongdong-gu, Seoul, Korea
Building	Rm.301, Seongsu-Dong BY Center
Zip Code	04782
Tel	+82-2-597-4581
Fax	+82-2-597-4586
E-mail	--
Website	www.kbtextile.com
Trading Address	Rm.301, Seongsu-Dong BY Center, 56, Seongsuil-ro, Seongdong-gu, Seoul, Korea (Old Address System : Rm.301, Seongsu-Dong BY Center, 301-51, Seongsu-dong 2(i)-ga, Seongdong-gu, Seoul, Korea)
Tel	+82-2-597-4586
Fax	+82-2-597-4586
Other Address-Daegu	24, Gukchaebosang-ro 7-gil, Seo-gu, Daegu, Korea
Ihyeon Branch	(Old Address System : 45-9, Ihyeon-dong, Seo-gu, Daegu, Korea)
Tel	+82-53-591-2608
Fax	--
Other Address	9-10, Sinjae-ro 842beon-gil, Punggi-eup, Yeongju-si, Gyeongsangbuk-do, Korea (Old Address System : 89-2, Dongbu-ri, Punggi-eup, Yeongju-si, Gyeongsangbuk-do, Korea)
Type	Export/Import
Industry	Manufacture and Wholesales of Textile and Fabrics
Main Business	Textile, Fabrics, House Construction Services
Sub Business	--
Established (mm/dd/yyyy)	03/21/1992

DETAILED PRODUCTS

Activity	Detailed Products (UNSPSC)
Sell	Polyester fibers(11151503)
Sell	Synthetic fabrics(11161800)
Sell	Silk fabrics(11161500)
Sell	Cotton fabrics(11161700)
Sell	Knit synthetic fabrics(11161804)

CEO'S

Name	Lee Young-Sub
Date of Birth	05/21/1964

Title Co-President & CEO
Nationality Korean

PROFILES

Capital (KRW) 600,000,000
Employees 80
Formation Co., Ltd by Shares
Bank Details Industrial Bank of Korea
Korea Development Bank
Woori Bank
Corporate Registered No. 110111-0844682
Business Registered No. 214-81-59792
Permit & Licenses N/A
Shareholder Position

Name	Shares	%
LEE DONG-SUB	30,525	25.44
LEE YOUNG-SUB	30,525	25.44
LEE SOON-JA & OTHERS(4)	58,950	49.12
TOTAL	120,000	100.00

Company History
03/21/1992 Incorporated as KYUNGBONG TEXTILE CO., LTD.
10/13/1997 Increased the authorized shares to 1,000,000 shares from 30,000 shares
01/10/2002 Increased capital to 600,000,000 KRW from 400,000,000 KRW
01/03/2013 Changed company name to the present name
12/19/2015 Moved to the present HQ address from 272, Seocho-daero, Seocho-gu, Seoul, Korea(Old Address System : 1572-18, Seocho-dong, Seocho-gu, Seoul, Korea)

MANAGEMENT

Job Description	Name	Nationality	Date of Birth	Inauguration Date
Co-President & CEO	Lee Young-Sub	Korean	05/21/1964	04/21/1999
Co-President & CEO	Lee Dong-Sub	Korean	07/26/1965	03/31/2013

FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
2017	12,188,566,140	32,704,417,216	224,312,214
2016	12,890,731,612	30,939,876,663	294,840,203
2015	18,014,633,420	27,542,951,478	521,711,035
2014	21,329,635,482	27,702,876,852	738,534,325

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2013 24,646,196,963 26,390,981,232 821,934,064

FINANCIAL DESCRIPTION

Authorized Capital(KRW) 5,000,000,000
Paid-Up Capital(KRW) 600,000,000
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	32,704,417,216	30,939,876,663	27,542,951,478
Current Assets	20,988,425,288	19,237,600,793	18,878,496,009
-Quick Assets	8,143,434,801	7,612,589,201	9,044,676,420
-Inventories	12,844,990,487	11,625,011,592	9,833,819,589
Fixed Assets	11,715,991,928	11,702,275,870	8,664,455,469
-Investment	268,179,468	222,579,468	163,000,000
-Tangibles	10,990,996,460	11,042,880,402	7,864,639,469
-Intangibles			
-Others	456,816,000	436,816,000	636,816,000
Total Liabilities	15,963,757,776	14,423,529,437	11,321,444,455
Current Liabilities	11,674,637,354	9,509,021,124	5,787,282,139
Fixed Liabilities	4,289,120,422	4,914,508,313	5,534,162,316
Capital Stock	600,000,000	600,000,000	600,000,000
Capital Surplus			
Profit Surplus	16,140,659,440	15,916,347,226	15,621,507,023
Capital Adjustment			
Total Equity	16,740,659,440	16,516,347,226	16,221,507,023
Liab. & Shareholder's Equity	32,704,417,216	30,939,876,663	27,542,951,478
Current Liabilities	11,674,637,354	9,509,021,124	5,787,282,139
Trade Payables	1,211,770,113	985,700,144	1,256,167,845
Short-Term Borrowings	9,027,507,118	7,103,234,365	2,533,422,609
Account Payables	250,977,503	223,262,912	364,398,607
Withholdings	5,280,500	14,731,400	14,132,720
Advance Receipts	15,587,467	56,477,745	129,307,395
Short-Term Borrowings to Shareholders/ Executives/ Employees	573,538,580	617,351,390	667,351,390
Accrued Expenses	14,738,903	9,758,256	11,590,585
Deferred Income Tax	27,163,420	16,645,932	47,074,629
Current Portion of Long-Term Debts	504,560,000	404,640,000	712,640,000
VAT Withhold	43,513,750	77,218,980	51,196,359
Fixed Liabilities	4,289,120,422	4,914,508,313	5,534,162,316
Long-Term Borrowings	2,590,200,000	3,220,000,000	3,946,640,000

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Provision for Severance & Retirement	1,393,920,422	1,414,508,313	1,382,522,316
Leasehold Deposit Received	305,000,000	280,000,000	205,000,000

Income Statement

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Sales	12,188,566,140	12,890,731,612	18,014,633,420
Cost of Sold Goods	10,545,065,708	11,243,360,701	15,760,666,088
Gross Profit	1,643,500,432	1,647,370,911	2,253,967,332
Selling & Admin. Expenses	1,422,256,450	1,345,878,032	1,584,257,796
Operating Income	221,243,982	301,492,879	669,709,536
Non-Operating Income	485,251,979	443,356,376	474,246,807
Non-Operating Expenses	417,205,067	325,642,385	483,381,929
Income Before Taxes	289,290,894	419,206,870	660,574,414
Income Taxes Expenses	64,978,680	124,366,667	138,863,379
Net Income	224,312,214	294,840,203	521,711,035

Cash Flows

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Cash Flows from Operating	-1,305,098,037	-874,322,679	256,933,976
-Net Income	224,312,214	294,840,203	521,711,035
-Exp. without Cash Outflow	657,134,494	441,806,427	892,806,470
-Revenue without Cash Inflows	-80,491,036	-	-79,401,500
-Changes in Asset/ & Liability	-2,106,053,709	-1,610,969,309	-1,078,182,029
Cash Flows from Investing	-134,084,890	-3,237,204,508	-97,188,353
-Cash Inflow from Investing	195,280,000	511,805,000	380,957,976
-Cash Outflows for Investing	-329,364,890	-3,749,009,508	-478,146,329
Cash Flows from Financing	1,375,579,943	3,485,171,756	-349,845,445
-Cash Inflows from Financing	3,802,507,118	7,853,234,365	6,683,822,609
-Cash Outflows from Financing	-2,426,927,175	-4,368,062,609	-7,033,668,054
Increase/Decrease in Cash	-63,602,984	-626,355,431	-190,099,822
Cash at the Beginning of Year	784,573,501	1,410,928,932	1,601,028,754
Cash at the End of Year	720,970,517	784,573,501	1,410,928,932

PRODUCTS, TECHNOLOGIES, SERVICES DESCRIPTION

Main Products & Services Textile, Fabrics, House Construction Services

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TRADE PARTNERS & COMPETITORS

Suppliers	--
Customers	--
Competitors	DAE HO TEXTILE CO., LTD. 355-14, GALSAN-DONG, DALSEO-GU, DAEGU, KOREA TEL:+82-53-527-0954 FAX:+82-53-527-0955 SAN CHAN TEXTILE CO., LTD. 358-116, GALSAN-DONG, DALSEO-GU, DAEGU, KOREA TEL:+82-53-582-3505 FAX:+82-53-582-3509 JANGAN TEXTILE CO., LTD. 114-7, IBAM-RI, NAM-MYEON, YANGJU-SI, GYEONGGI-DO, KOREA TEL:+82-31-867-6949 FAX:+82-31-867-6950

RELATED PARTIES (SUBSIDIARIES, JOINT-VENTURE & AFFILIATES)

Affiliates	SHINHUNG TEXTILE CO.(512-01-54893)
Cooperative Enterprise	-Insured Company HYUNDAI MARINE & FIRE INSURANCE CO., LTD.(110111-0035893)

SALES BY REGION (ACTIVITY & MARKETS)

Not Available.

COURT ACTION

No Records.

NEWS CLIPPING

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.80
UK Pound	1	INR 90.58
Euro	1	INR 80.45
KRW	1	INR 0.061

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)