

MIRA INFORM REPORT

Report No. :	522372
Report Date :	27.07.2018

IDENTIFICATION DETAILS

Name :	SMEC CO.,LTD.
Registered Office :	157-10, Golden root-ro, Juchon-myeon, Gimhae-si, Gyeongsangnam-do, Korea, 50969
Country :	South Korea
Financials (as on) :	31.03.2018
Date of Incorporation :	05.03.1996
Com. Reg. No.:	314-81-14800
Legal Form :	Listed Company
Line of Business :	Manufacture of Machinery, ICT, and FA Equipments Wire-Wireless Telecommunication Equipment, Machine Tools & Robots
No. of Employees :	217

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

Basic

Company Name	SMEC CO.,LTD.
Registered Address	157-10, Golden root-ro, Juchon-myeon, Gimhae-si, Gyeongsangnam-do, Korea
Building	
Zip Code	50969
Tel	+82-55-340-4800
Fax	+82-70-4332-1623
E-mail	overseas2@esmec.com
Website	www.esmec.com
Trading Address	157-10, Golden root-ro, Juchon-myeon, Gimhae-si, Gyeongsangnam-do, Korea (Old Address System : 876-3, Mangdeok-ri, Juchon-myeon, Gimhae-si, Gyeongsangnam-do, Korea)
Tel	+82-55-340-4800
Fax	+82-70-4332-1623
Other Address	23-12, Dongtansandan 9-gil, Hwaseong-si, Gyeonggi-do, Korea (Old Address System : 824-8, Banggyo-dong, Hwaseong-si, Gyeonggi-do, Korea)
Tel	+82-31-376-7350
Fax	+82-70-4332-1627
Other Address	43, Techno-daero 6-gil, Yuga-eup, Dalseong-gun, Daegu, Korea (Old Address System : 918-4, Sang-ri, Yuga-eup, Dalseong-gun, Daegu, Korea)
Tel	+82-53-615-9411
Fax	+82-70-4332-1624
Type	Export/Import
Industry	Manufacture of Machinery, ICT, and FA Equipments
Main Business	Wire-Wireless Telecommunication Equipment, Machine Tools & Robots
Sub Business	
Established (mm/dd/yyyy)	03/05/1996

Detailed Products

Activity	Detailed Products (UNSPSC)
Sell	Wire-Wireless Telecommunication Equipment
Sell	Machine Tools & Robots
Sell	Workshop machinery and equipment and supplies(23170000)
Sell	Milling machines(23101513)
Sell	Cutting tools(23153300)
Sell	Metal working machinery attachments(23172000)

CEO's

Name	Choi Young-Sub
------	----------------

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.

Date of Birth 01/09/1969
Title President & CEO
Nationality Korean

Profiles

Capital (KRW) 13,610,242,000
Employees 217
Formation Listed Company (KOSDAQ : 099440) as of 04/04/2017
Bank Details Woori Bank
KEB Hana Bank
Industrial Bank of Korea

Corporate Registered No. 160111-0052665
Business Registered No. 314-81-14800
Permit & Licenses N/A

Shareholder Position	Name	Shares	%
	LEE JI-WOON	1,514,790	5.56
	LEE DA-WON	1,514,790	5.56
	TREASURY STOCK	1,450,051	5.33
	OTHERS	22,740,853	83.54
	TOTAL	27,220,484	100.00

Company History 03/05/1996 Incorporated as Wunsang Information & Telecommunication Inc.
04/03/2000 Changed company name to NewGrid Technology Inc.
07/12/2005 Designated as an INNO-BIZ Company
03/19/2010 Changed company name to NewGrid Inc.
07/27/2011 Changed company name to SMEC CO.,LTD.,
03/28/2014 Changed Korean company name to SMEC CO.,LTD.,
04/17/2018 Increased capital to 13,610,242,000 KRW from 13,568,552,500 KRW

DETAILED INFORMATION

Management

Job Description	Name	Nationality	Date of Birth	Inauguration Date
Chairman	Jeon Eun-Jin	Korean	10/25/1966	03/24/2017
Vice Chairman	Won Jong-Beom	Korean	08/30/1960	03/28/2014
President & CEO	Choi Young-Sub	Korean	01/09/1969	09/02/2015
Outside Director / Auditor	Yoon Jong-Hoon	Korean	02/13/1957	03/24/2017
Outside Director / Auditor	Kim Jong-Woo	Korean	09/21/1968	03/24/2017
Outside Director / Auditor	Jung Zip-Hoon	Korean	07/10/1972	03/24/2017

FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
03/2018	25,504,977,701	196,882,982,833	-1,450,974,307
2017	161,850,279,555	196,252,413,023	382,219,706
2016	122,369,485,985	208,858,569,978	1,842,253,695
2015	122,036,641,415	175,838,510,472	3,365,372,476

Financial Description

Authorized Capital(KRW)	100,000,000,000
Paid-Up Capital(KRW)	13,610,242,000
Total Issued Shares	27,220,484

Balance Sheet

Unit : Korean Won	01/01/2018~03/31/2018	As of 12/31/2017	As of 12/31/2016
Total Assets	196,882,982,833	196,252,413,023	208,858,569,978
Current Assets	123,195,778,894	123,226,086,587	135,425,012,075
Cash & Cash Equivalents	17,462,435,066	10,304,790,730	18,491,676,295
Trade Receivables & Other Receivables	44,604,250,650	55,887,418,887	63,596,120,659
Inventories	56,428,528,514	52,503,500,834	47,138,215,121
Current Financial Instruments	4,695,150,000	4,526,000,000	6,199,000,000
Other Current Assets	5,414,664	4,376,136	
Non-Current Assets	73,687,203,939	73,026,326,436	73,433,557,903
Long-Term Trade Receivables & Other Long- Term Receivables	643,080,000	714,840,000	774,586,000
Tangibles	51,673,208,593	51,695,362,476	54,116,716,997
Operating Rights	8,793,505,798	8,793,505,798	9,941,961,798
Intangibles	3,735,172,138	4,049,053,627	5,571,569,853
Non-Current Financial Instruments	4,530,904,399	3,804,358,412	760,632,238
Other Non-Current Assets	404,757,146	401,967,809	
Investment_Related Companies	1,684,240,000	1,684,240,000	1,457,200,000
Deferred Income Tax Assets	2,222,335,865	1,882,998,314	810,891,017
Total Liabilities	98,511,913,807	100,359,371,015	118,540,745,107
Current Liabilities	59,309,020,276	64,870,997,185	70,286,289,704
Trade Payables & Other Payables	26,135,154,873	29,967,821,080	36,602,398,333
Short-Term Borrowings	14,137,775,500	9,914,356,965	28,300,092,031
Current Portion of Long- Term Debts	8,805,375,000	9,367,872,000	5,227,348,832
Current Portion of	6,717,213,949	11,380,872,295	

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.

Convertible Bonds			
Accrued Dividends	1,192,565,800		
Accrued Income Tax	555,586,216	563,601,616	38,456,163
Derivatives	1,721,033,458	3,562,441,035	
Current Portion of Provisions	44,315,480	114,032,194	117,994,345
Non-Current Liabilities	39,202,893,531	35,488,373,830	48,254,455,403
Long-Term Trade Payables & Other Payables	157,758,010	155,582,006	66,085,919
Long-Term Borrowings	37,693,720,000	34,092,982,000	26,704,325,840
Derivatives	120,029,781	149,580,267	6,183,380,006
Convertible Bonds			14,833,382,532
Confirmed Salaries	1,231,385,740	1,090,229,557	467,281,106
Capital Stock	13,484,478,500	12,650,683,500	11,858,580,000
Capital Surplus	82,339,147,299	76,819,588,799	71,114,089,650
Others	-17,825,188,293	-17,834,216,131	-17,834,216,131
Installments	2,482,314	2,482,314	2,159,300
Profit Surplus	20,370,149,206	24,254,503,526	25,177,212,052
Total Equity	98,371,069,026	95,893,042,008	90,317,824,871
Liab. & Shareholder's Equity	196,882,982,833	196,252,413,023	208,858,569,978

Income Statement

Unit : Korean Won	01/01/2018~03/31/2018	As of 12/31/2017	As of 12/31/2016
Sales	25,504,977,701	161,850,279,555	122,369,485,985
Cost of Sold Goods	21,689,574,506	134,045,229,800	98,234,530,991
Gross Profit	3,815,403,195	27,805,049,755	24,134,954,994
Selling & Admin. Expenses	5,551,644,403	23,197,802,482	20,224,455,871
Operating Income	-1,736,241,208	4,607,247,273	3,910,499,123
Other Income	455,924,046	2,609,373,741	2,362,361,706
Other Expenses	230,768,231	5,328,858,584	1,117,847,684
Finance Income	521,688,752	1,451,933,997	206,402,063
Finance Expenses	675,475,573	3,090,629,162	3,608,413,166
Income Before Taxes	-1,664,872,214	249,067,265	1,753,002,042
Income Taxes Expenses	-213,897,907	-133,152,441	-89,251,653
Net Income	-1,450,974,307	382,219,706	1,842,253,695

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	1,914,636,968	3,643,753,049	12,522,782,662
Net Income	-1,450,974,307	382,219,706	1,842,253,695
Adjustment	1,406,988,642	11,419,944,720	7,959,936,642
Changes in Asset/ & Liability	2,102,113,353	-7,798,544,217	3,034,956,465
Income Taxes	-143,490,720	-359,867,160	-314,364,140
Cash Flows from Investing	-1,624,536,457	-1,845,484,049	-9,865,390,381
Cash Flows from Financing	6,889,162,915	-9,905,597,423	11,093,802,642

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.

Increase/Decrease in Cash	7,157,644,336	-8,186,885,565	13,751,194,923
Cash at the Beginning of Year	10,304,790,730	18,491,676,295	4,740,481,372
Cash at the End of Year	17,462,435,066	10,304,790,730	18,491,676,295

Products, Technologies, Services Description

Main Products & Services	-MACHINERY DIVISION Machine Tools(CNC Lathes, Machining Center)
	-ICT DIVISION NGN Solution LTE Gateway Solution WiFi Solution Digital Radio Communication System Solution Next-Gen Military Satellite Communication System Internet of Thing
	-FA DIVISION Inspection automation equipment Standard tray loader Cell Packing System for Monitor Cell Packing System for TV Glass Buffer & Loader Mask cleaner loader for OLED Gantry Automation System Robot Automation System
Detailed Products Spec. Technologies Acquired	

Trade Partners & Competitors

Suppliers	
Customers	
Competitors	DONGYANG INDUSTRIAL MACHINERY CO., LTD. 166B-10L, NAMDONG INDUSTRIAL COMPLEX, 735-9, GOJAN-DONG, NAMDONG-GU, INCHEON, KOREA TEL:+82-32-812-6096~8 FAX:+82-32-813-6096
	ILWOO INDUSTRIAL MACHINERY CO., LTD. 389-1, SINPYEONG-RI, SINBUK-MYEON, POCHEON-SI, GYEONGGI- DO, KOREA TEL:+82-31-533-6392 FAX:+82-31-531-1763
	KNF HEAVY INDUSTRIES CO., LTD. 103-37, NAMSAN-DONG, GEUMJEONG-GU, BUSAN, KOREA TEL:+82-51-515-7823 FAX:+82-51-518-3637

Related Parties (Subsidiaries, Joint-Venture & Affiliates)

Affiliates	TECHSEN CO., LTD.(170111-0075920) (100.00% held by the subject company)
Overseas Office	
Liaison Office	
Overseas Branch	
Joint Venture	
Subsidiary	SMEC VINA CO., LTD. (100.00% held by the subject company) WORKSHOP 2, LAND LOT NO.. 01 AND 06, MAP NO. 18, THUAN THANH 3 INDUSTRIAL ZONE, THANH KHUONG COMMUNE, THUAN THANH DISTRICT, BAC NINH PROVINCE
Corporate Ownership	
Major Shareholders	
Cooperative Enterprise	

Sales by Region (Activity & Markets)

Sales/ Unit : KRW	03/2018	2017	2016
Export	8,741,935,024	71,037,177,963	55,633,912,582
Domestic	16,763,042,677	90,813,101,592	66,735,573,403
Total	25,504,977,701	161,850,279,555	122,369,485,985

Court Action

No Records.

News Clipping

--

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 :	PRI
Report Prepared by :	KET

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)