

## MIRA INFORM REPORT

<b>Report No. :</b>	536054
<b>Report Date :</b>	24.10.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	SEJONG PHARMATECH CO., LTD.
<b>Registered Office :</b>	63, Annam-Ro 402beon-Gil, Bupyeong-Gu, Incheon, Korea 21314
<b>Country :</b>	South Korea
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	08.03.1993
<b>Com. Reg. No.:</b>	130-81-42445
<b>Legal Form :</b>	Co., Ltd by shares
<b>Line of Business :</b>	Manufacture of Containers Cleaning, Packing and Wrapping Machinery and Charger (Automatic Capsule Filling Machine, Rotary Tablet Press, Automatic Coating Machine, High Speed Mixer)
<b>No. of Employees :</b>	106

**RATING & COMMENTS**

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

**MIRA's Rating :**

A

Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

<b>Status :</b>	Satisfactory
<b>Payment Behaviour :</b>	Slow but Correct
<b>Litigation :</b>	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	SEJONG PHARMATECH CO., LTD.
Registered Address	63, Annam-ro 402beon-gil, Bupyeong-gu, Incheon, Korea
Building	--
Zip Code	21314
Tel	+82-32-508-1280~7
Fax	+82-32-508-1288~9
E-mail	master@sejong-trading.com;sj@sjpmt.com
Website	www.sjpmt.com;www.sejong-trading.com
Trading Address	63, Annam-ro 402beon-gil, Bupyeong-gu, Incheon, Korea (Old Address System : 419-4, Cheongcheon 2-dong, Bupyeong-gu, Incheon, Korea)
Tel	+82-32-508-1280~7
Fax	+82-32-508-1288~9
Type	Export
Industry	Manufacture of Containers Cleaning, Packing and Wrapping Machinery and Charger
Main Business	Automatic Capsule Filling Machine, Rotary Tablet Press, Automatic Coating Machine, High Speed Mixer
Sub Business	
Established (mm/dd/yyyy)	03/08/1993

## **DETAILED PRODUCTS**

Activity	Detailed Products (UNSPSC)
Sell	Coating machines(23151502)
Sell	Battery chargers(26111704)
Sell	Batch mixers(23191000)
Sell	Form or fill or seal machinery(23152902)
Sell	Iron plate(30102203)
Sell	Hydraulic presses(27121500)
Buy	Nuts(31161700)
Buy	Aluminum(11101705)
Buy	Iron plate(30102203)
Buy	Stainless steel plate(30102205)
Buy	Bolts(31161600)
Buy	Non ferrous alloy(11101711)

## **CEO'S**

Name	Lee Sang-Ho
Date of Birth	04/18/1976

Title President & CEO  
Nationality Korean

## **PROFILES**

Capital (KRW) 400,000,000  
Employees 106  
Formation Co., Ltd by shares  
Bank Details KEB Hana Bank-Dodang Dong Branch  
Shinhan Bank  
Kookmin Bank  
Woori Bank  
Corporate Registered No. 124311-0038227  
Business Registered No. 130-81-42445  
Permit & Licenses 06/2014 ISO9001  
06/2014 ISO14001  
10/28/2005 CE  
07/07/2005 ISO 14001  
06/28/2005 CE  
04/29/2003 ISO 9001  
07/08/2002 CE  
03/09/1999 CE  
12/15/1998 ISO 9001

Shareholder Position Int'l Trade No.: 11103831

Name	Shares	%
LEE WON-WOO	26,300	65.75
KO HAN-SOON	4,000	10.00
LEE SANG-HO	8,700	21.75
LEE JAE-YOUNG	1,000	2.50
<b>TOTAL</b>	<b>40,000</b>	<b>100.00</b>

Company History 03/08/1993 Incorporated as the present name  
08/30/2005 Increased the authorized shares to 400,000 shares from 40,000 shares  
08/31/2005 Increased capital to 400,000,000 KRW from 200,000,000 KRW  
11/02/2005 Moved to the present HQ address from 409-3, Cheongcheon-dong, Bupyeong-gu, Incheon, Korea  
10/2012 Designated as an MAIN-BIZ Company

## **MANAGEMENT**

Job Description	Name	Nationality	Date of Birth	Inauguration
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				<b>Date</b>
President & CEO	Lee Sang-Ho	Korean	04/18/1976	01/01/2014
Director	Lee Won-Woo	Korean	05/10/1947	03/08/1993
Director	Lee Jae-Young	Korean	02/09/1979	03/31/2016
Auditor	Ko Han-Soon	Korean	08/15/1949	03/27/2007

## **FINANCIALS**

Year / Unit : KRW	Sales	Assets	Net Income
2017	34,010,595,181	26,877,604,821	1,709,818,195
2016	31,494,774,179	22,648,879,721	1,184,354,144
2015	25,421,348,104	18,149,286,699	1,722,892,053
2014	28,762,689,682	18,207,536,758	1,847,674,728
2013	26,521,236,507	19,933,724,258	3,437,908,202
2012	29,160,584,886	37,078,586,026	2,017,937,587
2011	28,897,473,765	34,488,616,548	1,229,214,298
2010	30,882,701,088	38,814,382,731	2,086,686,636
2009	26,954,518,416	38,515,820,278	1,197,215,639
2008	26,585,757,187	37,814,671,402	2,745,461,807
2007	24,804,265,938	16,634,091,234	1,937,070,433
2006	20,589,042,619	16,121,439,924	420,901,489
2005	18,955,210,622	14,734,763,201	2,219,673,878
2004	15,331,000,000	6,703,000,000	197,000,000
2003	9,378,000,000	6,988,000,000	216,000,000

## **FINANCIAL DESCRIPTION**

Authorized Capital(KRW)	4,000,000,000
Paid-Up Capital(KRW)	400,000,000
Total Issues Shares	40,000

### **Balance Sheet**

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Total Assets	26,877,604,821	22,648,879,721	18,149,286,699
Current Assets	11,128,461,602	9,821,718,046	9,130,465,796
-Quick Assets	5,771,953,375	6,056,675,483	7,433,275,539
-Inventories	5,356,508,227	3,765,042,563	1,697,190,257
Fixed Assets	15,749,143,219	12,827,161,675	9,018,820,903
-Investment	59,239,168	58,550,268	57,934,768
-Tangibles	15,268,238,499	12,336,994,383	8,520,937,004
-Intangibles	98,604,372	108,555,844	116,887,951
-Others	323,061,180	323,061,180	323,061,180
Total Liabilities	11,499,160,040	8,980,942,035	5,666,318,657
Current Liabilities	6,387,470,573	5,936,310,015	3,720,197,532

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**SEJONG PHARMATECH CO., LTD. - 536054**

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Fixed Liabilities	5,111,689,467	3,044,632,020	1,946,121,125
Capital Stock	400,000,000	400,000,000	400,000,000
Capital Surplus			
Profit Surplus	14,970,756,781	13,260,938,586	12,076,584,442
Capital Adjustment	7,688,000	6,999,100	6,383,600
Total Equity	15,378,444,781	13,667,937,686	12,482,968,042
Liab. & Shareholder's Equity	26,877,604,821	22,648,879,721	18,149,286,699

Current Liabilities	6,387,470,573	5,936,310,015	3,720,197,532
Trade Payables	3,077,364,276	2,908,694,371	1,743,226,192
Short-Term Borrowings	-	700,000,000	200,000,000
Current Portion of Long-Term Borrowings	-	-	166,666,666
Account Payables	774,534,345	798,640,019	698,131,341
Withholdings	33,861,996	41,696,630	23,678,710
Advance Receipts	2,320,845,264	1,487,184,562	853,378,964
Accrued Expenses	2,513,972	94,433	354,348
Provision for Annual Allowance	113,820,730	-	-
Accrued Income Tax	64,529,990	-	34,761,311
Fixed Liabilities	5,111,689,467	3,044,632,020	1,946,121,125
Long-Term Borrowings	2,000,000,000	-	-
Leasehold Deposit Received	21,616,267	-	35,237,955
Provision for Severance & Retirement	1,677,934,136	1,503,293,205	1,099,185,504
Other Provisions	1,412,139,064	1,541,338,815	811,697,666

**Income Statement**

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Sales	34,010,595,181	31,494,774,179	25,421,348,104
Cost of Sold Goods	21,801,059,747	20,106,841,308	15,169,090,232
Gross Profit	12,209,535,434	11,387,932,871	10,252,257,872
Selling & Admin. Expenses	10,267,650,878	10,251,449,511	8,486,899,291
Operating Income	1,941,884,556	1,136,483,360	1,765,358,581
Non-Operating Income	523,940,631	449,080,027	699,003,035
Non-Operating Expenses	684,474,063	344,779,604	637,827,753
Income Before Taxes	1,781,351,124	1,240,783,783	1,826,533,863
Income Taxes Expenses	71,532,929	56,429,639	103,641,810
Net Income	1,709,818,195	1,184,354,144	1,722,892,053

**Cash Flows**

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Cash Flows from Operating	1,614,393,277	2,018,034,828	2,306,024,734
-Net Income	1,709,818,195	1,184,354,144	1,722,892,053
-Exp. without Cash Outflow	819,889,385	878,208,102	1,009,144,025
-Revenue without Cash	-108,965,013	-103,012,361	-

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## ***RELATED PARTIES (SUBSIDIARIES, JOINT- VENTURE & AFFILIATES)***

Affiliates	SEJONG ENGINEERING CO., LTD.(121111-0130616) SEJONG INDUSTRIAL MACHINERY CO., LTD.(121111-0130616)
Cooperative Enterprise	-Insured Company LOTTE NON-LIFE INSURANCE CO., LTD.(110111-0014459)

## ***SALES BY REGION (ACTIVITY & MARKETS)***

The subject exports to Asia including India, Europe, Africa and North America.

## ***COURT ACTION***

No.

## ***NEWS CLIPPING***

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**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.78
UK Pound	1	INR 95.56
Euro	1	INR 84.47
KRW	1	INR 0.065

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	PRI
<b>Report Prepared by :</b>	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)