

MIRA INFORM REPORT

Report No. :	531117
Report Date :	20.09.2018

IDENTIFICATION DETAILS

Name :	JINMYUNG FRICTECH CO., LTD.
Registered Office :	259, Namdongdong-ro, Namdong-gu, Incheon
Country :	South Korea
Financials (as on) :	31.12.2017
Date of Incorporation :	28.04.1997
Com. Reg. No.:	137-81-17817
Legal Form :	Co., Ltd by shares
Line of Business :	<ul style="list-style-type: none"> • Manufacture of Other Parts and Accessories for Motor Vehicles n. e. c. (Wet Brake Ass`y, Wet Clutch Ass`y, Steel Plate, Friction Disc) • Manufacture of Civil Engineering and Similar Machine Equipment
No. of Employees :	299

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 :	Exist

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

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	JINMYUNG FRICTECH CO., LTD. (Trade Name : JMFT)
Registered Address	259, Namdongdong-ro, Namdong-gu, Incheon, Korea (Old Address System : 440-1, Gojan-dong, Namdong-gu, Incheon, Korea)
Building	52B-2L, Namdong Industrial Complex
Zip Code	21642
Tel	+82-32-710-4361
Fax	+82-32-710-4363
E-mail	info@jmft.co.kr
Website	www.jmft.co.kr
Trading Address	52B-2L, Namdong Industrial Complex, 259, Namdongdong-ro, Namdong-gu, Incheon, Korea (Old Address System : 52B-2L, Namdong Industrial Complex, 440-1, Gojan-dong, Namdong-gu, Incheon, Korea)
Tel	+82-32-710-4361
Fax	+82-32-710-4363
Other Address-2 nd Factory	70B-4L, Namdong Industrial Complex, 14, Cheongneung-daero 289beon-gil, Namdong-gu, Incheon, Korea (Old Address System : 70B-4L, Namdong Industrial Complex, 639-4, Gojan-dong, Namdong-gu, Incheon, Korea)
Tel	
Fax	
Type	Export
Industry	Manufacture of Other Parts and Accessories for Motor Vehicles n. e. c.
Main Business	Wet Brake Ass`y, Wet Clutch Ass`y, Steel Plate, Friction Disc
Sub Business	Manufacture of Civil Engineering and Similar Machine Equipment
Established (mm/dd/yyyy)	04/28/1997

DETAILED PRODUCTS

Activity	Detailed Products (UNSPSC)
Sell	Public address systems(45111705)
Sell	Microphones(52161520)
Sell	Audio and visual equipment(52161500)
Buy	Lugs connectors and terminals(39121400)
Buy	Electrical cable and accessories(26121600)

CEO'S

Name	Hong Seong-Deok
Date of Birth	08/30/1963
Title	President & CEO
Nationality	Korean

PROFILES

Capital (KRW)	900,000,000
Employees	299
Formation	Co., Ltd by shares
	Venture Business

Bank Details	Industrial Bank of Korea-Namdong Corporate Finance Branch Shinhan Bank-Namdong Corporate Finance Branch Kookmin Bank-Namdong Corporate Finance Branch Citibank, Korea-Bupyung Branch
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Corporate Registered No.	120111-0151598
Business Registered No.	137-81-17817
Permit & Licenses	11/28/1998 ISO 9002

Shareholder Position	Int'l Trade No.: 14035711		
	Name	Shares	%
	LEE SE-SOOK	18,000	20.00
	HONG SEONG-DEOK	13,680	15.20
	OH JONG-SOON	12,040	13.38
	HONG SEONG-SOO	9,640	10.71
	HONG SEONG-KYUN	9,640	10.71
	HONG SEONG-MAN	9,000	10.00
	HONG SEONG-JIN	9,000	10.00
	HONG SOO-IL	9,000	10.00
TOTAL	90,000	100.00	

Company History	04/28/1997 Incorporated as the present name 12/20/2012 Moved to the present registered HQ address from 70B-4L, Namdong Industrial Complex, 639-4, Gojan-dong, Namdong-gu, Incheon, Korea
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DETAILED INFORMATION

Management

Job Description	Name	Nationality	Date of Birth	Inauguration Date
President & CEO	Hong Seong-	Korean	08/30/1963	10/11/2000

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Director	Deok Hong Seong- Soo	Korean	12/14/1966	05/30/2001
Director	Hong Seong-Jin	Korean	04/01/1971	03/30/2006
Auditor	Hong Sung-Man	Korean	10/03/1972	03/30/2015

FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
2017	74,866,462,961	108,746,861,832	9,230,445,827
2016	68,318,721,602	98,434,218,835	7,891,849,112
2015	67,392,306,393	98,464,640,641	7,995,295,069
2014	66,745,541,111	97,780,789,394	5,929,171,458
2013	69,698,773,538	85,916,957,498	9,909,473,194
2012	61,336,938,212	71,713,394,734	12,063,696,396
2011	62,172,302,458	66,702,716,490	12,418,638,929
2010	49,148,047,091	57,440,046,291	8,543,776,447
2009	30,653,628,385	46,901,528,643	4,214,565,844
2008	33,806,965,086	42,072,848,224	1,631,895,362
2007	25,407,644,643	32,771,186,745	4,326,866,227
2006	21,551,092,842	28,618,643,997	4,492,382,482
2005	18,993,858,827	13,889,283,734	3,420,620,239
2004	15,054,066,959	9,860,097,204	2,611,431,017
2003	10,090,423,959	7,449,752,647	602,036,101

Financial Description

Authorized Capital(KRW)	3,600,000,000
Paid-Up Capital(KRW)	900,000,000
Total Issues Shares	90,000

Balance Sheet

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Total Assets	108,746,861,832	98,434,218,835	98,464,640,641
Current Assets	25,011,350,052	23,183,731,448	24,632,835,157
-Quick Assets	16,865,351,454	15,809,243,329	17,719,538,657
-Inventories	8,145,998,598	7,374,488,119	6,913,296,500
Fixed Assets	83,735,511,780	75,250,487,387	73,831,805,484
-Investment	1,328,442,472	1,299,451,962	1,475,848,376
-Tangibles	81,960,776,308	73,469,166,935	71,961,703,344
-Intangibles	-	-	-
-Others	446,293,000	481,868,490	394,253,764
Total Liabilities	28,792,574,591	25,010,377,421	30,232,648,339
Current Liabilities	22,297,174,591	18,443,577,421	27,594,448,339

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Fixed Liabilities	6,495,400,000	6,566,800,000	2,638,200,000
Capital Stock	900,000,000	900,000,000	900,000,000
Capital Surplus	1,273	1,273	1,273
Profit Surplus	72,407,995,090	65,877,549,263	60,685,700,151
Capital Adjustment	6,646,290,878	6,646,290,878	6,646,290,878
Total Equity	79,954,287,241	73,423,841,414	68,231,992,302
Liab. & Shareholder's Equity	108,746,861,832	98,434,218,835	98,464,640,641

Current Liabilities	22,297,174,591	18,443,577,421	27,594,448,339
Trade Payables	4,698,065,830	3,476,857,459	3,440,123,129
Account Payables	49,150,000	165,069,167	315,215,962
Withholdings	231,900,206	142,859,114	136,453,220
Guarantee Deposit	150,000,000	150,000,000	150,000,000
Withhold			
Advance Receipts	3,415,876,664	53,096,408	-
Short-Term Borrowings	2,847,330,000	3,110,430,000	7,916,030,000
Accrued Income Tax	817,696,927	975,057,080	864,091,213
Accrued Expenses	3,807,178,157	3,528,539,254	3,149,449,580
Provision for Repairing	39,361,807	31,003,939	9,474,729
Current Portion of Long-Term Debt	6,240,615,000	6,810,665,000	11,613,610,506
Fixed Liabilities	6,495,400,000	6,566,800,000	2,638,200,000
Debentures			2,000,000,000
Long-Term Borrowings	6,071,400,000	6,142,800,000	214,200,000
Leasehold Deposit	424,000,000	424,000,000	424,000,000
Received			

Income Statement

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Sales	74,866,462,961	68,318,721,602	67,392,306,393
Cost of Sold Goods	57,468,277,820	53,203,907,487	52,680,343,609
Gross Profit	17,398,185,141	15,114,814,115	14,711,962,784
Selling & Admin. Expenses	7,046,584,968	5,112,757,992	5,182,927,523
Operating Income	10,351,600,173	10,002,056,123	9,529,035,261
Non-Operating Income	2,889,317,095	2,070,188,244	2,421,742,801
Non-Operating Expenses	2,102,079,990	2,568,990,755	2,445,474,030
Income Before Taxes	11,138,837,278	9,503,253,612	9,505,304,032
Income Taxes Expenses	1,908,391,451	1,611,404,500	1,510,008,963
Net Income	9,230,445,827	7,891,849,112	7,995,295,069

Cash Flows

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Cash Flows from Operating	17,222,302,697	15,401,137,905	13,449,692,150
-Net Income	9,230,445,827	7,891,849,112	7,995,295,069
-Exp. without Cash Outflow	8,202,909,197	8,069,691,514	6,982,071,250

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-Revenue without Cash Inflows	-1,473,642,942	-734,519,325	-458,334,042
-Changes in Asset/ & Liability	1,262,590,615	174,116,604	-1,069,340,127
Cash Flows from Investing	-15,804,022,667	-7,458,222,176	-6,069,720,395
-Cash Inflow from Investing	1,176,091,726	2,570,932,391	6,063,449,198
-Cash Outflows for Investing	-16,980,114,393	-10,029,154,567	-12,133,169,593
Cash Flows from Financing	-2,771,400,000	-8,995,545,506	-7,445,768,568
-Cash Inflows from Financing	7,500,000,000	7,000,000,000	15,000,000,000
-Cash Outflows from Financing	-10,271,400,000	-15,995,545,506	-22,445,768,568
Increase/Decrease in Cash	-1,353,119,970	-1,052,629,777	-65,796,813
Cash at the Beginning of Year	1,375,267,741	2,427,897,518	2,493,694,331
Cash at the End of Year	22,147,771	1,375,267,741	2,427,897,518

PRODUCTS, TECHNOLOGIES, SERVICES DESCRIPTION

Main Products & Services

- Friction Discs
- Steel Plate
- Brake Assembly
- Clutch Systems

TRADE PARTNERS & COMPETITORS

Suppliers HYUNDAI CAPITAL SERVICES, INC.(110111-0995378) provides the vehicle leasing services to the subject company by leasing base.

Customers

Competitors

YUSHIN PRECISION INDUSTRIAL CO., LTD.
117B-12L, NAMDONG INDUSTRIAL COMPLEX, 686-10, GOJAN-DONG,
NAMDONG-GU, INCHEON, KOREA
TEL:+82-32-819-1541 FAX:+82-32-819-1549

SHIN HEUNG PRECISION INDUSTRY CO., LTD.
252, BONGRIM-RI, SAENGNIM-MYEON, GIMHAE-SI,
GYEONGSANGNAM-DO, KOREA
TEL:+82-55-329-0121~8 FAX:+82-55-323-9268

DAEKEUM GEOWELL CO., LTD.
720, DOHWA 3-DONG, NAM-GU, INCHEON, KOREA

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TEL:+82-32-874-0211 FAX:+82-32-874-0250

RELATED PARTIES

(Subsidiaries, Joint-Venture & Affiliates)

Affiliates	JM FRICTEC INDIA PVT LTD.(INDIA) (51.0% held by the subject company)
Cooperative Enterprise	-Insured Company HYUNDAI MARINE & FIRE INSURANCE CO., LTD.(110111-0035893)

SALES BY REGION (ACTIVITY & MARKETS)

Sales/ Unit : KRW	2017	2016	2015
Export	50,631,466,857	47,790,552,598	45,662,599,514
Domestic	23,275,605,704	19,883,466,254	21,071,799,379
Others	959,390,400	644,702,750	657,907,500
Total	74,866,462,961	68,318,721,602	67,392,306,393

The Subject exports to China, Japan and Singapore.

COURT ACTION

Case No.	Court	Plaintiff(s)/ Creditor(s)/ Applicant(s)	Defendant(s)/ Debtor(s)/ Respondent(s)	Cause	Amount (KRW)	Status
2017GADA N228310	Incheon District Court	Park Dae- Kyun	The Subject Company	Compensa- tion from Damages	40,000,000	Proceeding

NEWS CLIPPING

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.68
UK Pound	1	INR 95.59
Euro	1	INR 84.90
KRW	1	INR 0.064

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

INFORMATION DETAILS

Analysis Done by :	NIY
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)