

MIRA INFORM REPORT

Report No. :	532325
Report Date :	27.09.2018

IDENTIFICATION DETAILS

Name :	PARK SYSTEMS CORP.
Registered Office :	109, Gwanggyo-ro, Yeongtong-gu, Suwon-si, Gyeonggi-do, Korea 4th Fl., Korea Advanced Nano Fab Center 16229
Country :	South Korea
Financials (as on) :	30.06.2018
Date of Incorporation :	02.04.1997
Com. Reg. No.:	214-86-15106
Legal Form :	Listed Company
Line of Business :	Manufacture of Measuring, Testing, Navigation, Control and Other Precision Instruments (Scanning Probe Microscope, Atomic Force Microscope)
No. of Employees :	88

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 :	Clear

NOTES :

Any query related to this report can be made on e-mail : 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	PARK SYSTEMS CORP.
Registered Address	109, Gwanggyo-ro, Yeongtong-gu, Suwon-si, Gyeonggi-do, Korea
Building	4th Fl., Korea Advanced Nano Fab Center
Zip Code	16229
Tel	+82-31-546-6800
Fax	+82-31-546-6805
E-mail	gsm@parkafm.com
Website	www.parkafm.co.kr
Trading Address	4th Fl., Korea Advanced Nano Fab Center, 109, Gwanggyo-ro, Yeongtong-gu, Suwon-si, Gyeonggi-do, Korea (Old Address System : 4th Fl., Korea Advanced Nano Fab Center, 906-10, Iuidong, Yeongtong-gu, Suwon-si, Gyeonggi-do, Korea)
Tel	+82-31-546-6900
Fax	+82-31-546-6805
Other Address	
Tel	
Fax	
Type	Export
Industry	Manufacture of Measuring, Testing, Navigation, Control and Other Precision Instruments
Main Business	Scanning Probe Microscope, Atomic Force Microscope
Sub Business	
Established (mm/dd/yyyy)	04/02/1997

DETAILED PRODUCTS

Activity	Detailed Products (UNSPSC)
Sell	Measuring and observing and testing instruments(41110000)
Sell	Viewing and observing instruments and accessories(41111700)
Sell	Metallurgical microscopes(41111718)

CEO'S

Name	Park Sang-Il
Date of Birth	08/11/1958
Title	President & CEO
Nationality	Korean

PROFILES

Capital (KRW) 3,320,027,500
Employees 88
Formation Listed Company (KOSDAQ : 140860) as of 12/17/2015
Venture Business
Foreign Direct Investment Corporation
Bank Details Citibank, Korea-Sungnam Industrial Complex Branch
Kookmin Bank
Corporate Registered No. 110111-1397648
Business Registered No. 214-86-15106
Permit & Licenses 07/203 NT Mark
10/2003 CE Mark

Int'l Trade No.: 11423665

Shareholder Position	Name	Shares	%
	PARK SANG-IL	2,258,871	34.01
	PAIK JI-YOON	399,294	6.01
	OTHERS	3,982,890	59.97
	TOTAL	6,641,055	100.00

Company History
04/02/1997 Incorporated as PSIA CO., LTD.
07/1998 Designated as a Venture Business
07/15/2006 Moved to the present HQ address from 517-13, Sangdaewon-dong, Jungwon-gu, Seongnam-si, Gyeonggi-do, Korea
11/15/2006 Designated as a Venture Business again
03/08/2007 Changed company name to the present name
10/07/2008 Registered as a Foreign Direct Investment Corporation
11/15/2006 Designated as a Venture Business again
12/05/2013 Designated as a Venture Business again
07/02/2018 Increased capital to 3,320,027,500 KRW from 3,317,527,500 KRW

DETAILED INFORMATION

Management

Job Description	Name	Nationality	Date of Birth	Inauguration Date
President & CEO	Park Sang-Il	Korean	08/11/1958	02/15/2005
Outside Director	Kim Hoo-Sik	Korean	09/14/1964	03/25/2016
Outside Director	Ko Young-Bum	Korean	08/15/1958	03/27/2018
Outside Director	Lee Kwang-Hyung	Korean	11/15/1954	02/15/2005
Outside Director	Lee Hae-Won	Korean	07/07/1954	03/16/2011
Auditor	Kim Hong-Sub	Korean	12/05/1960	02/28/2006

FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
06/2018	18,263,959,936	40,260,303,587	3,370,547,583
2017	28,149,183,612	37,320,286,387	4,682,742,178
2016	20,843,229,631	31,103,774,488	3,553,133,921
2015	17,138,176,581	26,111,211,544	3,434,333,273
2014	13,123,424,701	18,491,174,379	-687,339,236
2013	13,952,888,900	17,704,885,415	-1,953,869,270
2012	18,168,793,762	18,581,378,248	829,100,558
2011	15,566,367,186	16,972,088,135	842,664,657
2010	16,489,168,524	15,244,426,020	1,341,230,148
2009	14,188,709,918	15,813,492,674	364,448,593
2008	11,771,379,962	16,483,112,404	1,200,498,998
2007	9,577,741,478	10,854,743,027	977,204,680
2006	9,392,063,033	10,213,232,689	438,755,418

Financial Description

Authorized Capital(KRW)	25,000,000,000
Paid-Up Capital(KRW)	3,259,177,500
Total Issues Shares	6,518,355

Balance Sheet

Unit : Korean Won	01/01/2018~06/30/2018	As of 12/31/2017	As of 12/31/2016
Total Assets	40,260,303,587	37,320,286,387	31,103,774,488
Current Assets	34,016,080,565	31,456,551,425	25,640,947,600
Cash & Cash Equivalents	4,752,863,736	4,247,095,163	1,905,826,858
Current Financial Instruments	588,803,434	536,491,167	4,586,608,190
Trade Receivables	14,806,774,626	16,842,017,094	13,020,563,620
Inventories	13,132,984,519	9,242,138,403	5,193,611,412
Other Current Assets	734,654,250	588,809,598	934,337,520
Non-Current Assets	6,244,223,022	5,863,734,962	5,462,826,888
Marketable Financial Instruments	13,185,000	11,130,000	9,105,000
Investment_Subsidiaries	3,727,493,224	3,727,493,224	3,112,480,724
Other Receivables	623,279,578	601,035,336	604,252,908
Tangibles	1,618,436,393	1,340,538,587	1,281,031,243
Other Non-Current Assets	30,000,000	0	259,059,045
Deferred Income Tax Assets	231,828,827	183,537,815	196,897,968
Total Liabilities	5,704,704,575	5,793,769,875	4,119,450,015
Current Liabilities	5,703,773,673	5,793,769,875	3,904,979,778
Trade Payables & Other	4,583,334,636	4,877,569,756	3,394,836,837

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Payables			
Derivatives	169,603,251	0	
Provisions	105,220,564	78,015,914	39,737,218
Other Current Liabilities	280,367,533	645,998,977	252,776,107
Deferred Income Tax Credit	565,247,689	192,185,228	217,629,616
Non-Current Liabilities	930,902	0	214,470,237
Other Payables	930,902	0	214,470,237
Capital Stock	3,320,027,500	3,295,527,500	3,263,427,500
Installments	14,498,189,087	14,312,104,441	14,089,628,490
Others	78,131,203	102,896,932	171,680,272
Profit Surplus	16,659,251,222	13,815,987,639	9,459,588,211
Total Equity	34,555,599,012	31,526,516,512	26,984,324,473
Liab. & Shareholder's Equity	40,260,303,587	37,320,286,387	31,103,774,488

Income Statement

Unit : Korean Won	01/01/2018~06/30/2018	As of 12/31/2017	As of 12/31/2016
Sales	18,263,959,936	28,149,183,612	20,843,229,631
Cost of Sold Goods	6,906,366,532	10,399,625,588	8,579,831,587
Gross Profit	11,357,593,404	17,749,558,024	12,263,398,044
Selling & Admin. Expenses	8,010,148,137	11,686,150,426	8,996,989,343
Operating Income	3,347,445,267	6,063,407,598	3,266,408,701
Finance Income	2,656,250	38,328,639	163,046,226
Finance Expenses	400,895	148,319	420,688
Other Income	951,845,381	295,527,650	738,050,643
Other Expenses	362,257,556	1,428,311,376	412,191,549
Income Before Taxes	3,939,288,447	4,968,804,192	3,754,893,333
Income Taxes Expenses	568,740,864	286,062,014	201,759,412
Net Income	3,370,547,583	4,682,742,178	3,553,133,921

Cash Flows

Unit : Korean Won	01/01/2018~06/30/2018	As of 12/31/2017	As of 12/31/2016
Operating Activities Cash Flows	1,335,317,768	-527,772,121	-817,257,928
Cash Flows from Operating Interests Received	1,577,031,828	-305,936,490	-769,893,145
Interests Received	2,656,250	76,458,937	45,990,927
Interests Paid	-400,895	-148,319	-420,688
Income Taxes	-243,969,415	-298,146,249	-92,935,022
Cash Flows from Investing	-506,807,130	3,075,686,232	-371,516,835
Cash Flows from Financing	-376,177,696	-144,500,450	-68,565,920
Increase/Decrease in Cash	505,768,573	2,341,268,305	-1,250,052,827
Cash at the Beginning of Year	4,247,095,163	1,905,826,858	3,155,879,685
Cash at the End of Year	4,752,863,736	4,247,095,163	1,905,826,858

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PRODUCTS, TECHNOLOGIES, SERVICES DESCRIPTION

Main Products & Services Scanning Probe Microscope, Atomic Force Microscope

TRADE PARTNERS & COMPETITORS

Competitors

DONG IL SHIMADZU CORPORATION
3RD FL., DI BLDG., 58-6, NONHYEON 1-DONG, GANGNAM-GU,
SEOUL, KOREA
TEL:+82-2-540-5541 FAX:+82-2-541-2163

SEC CO., LTD.
RM. 415, FACTORY WORLD, 332-2, WONCHEON-DONG,
YEONGTONG-GU, SUWON-SI, GYEONGGI-DO, KOREA
TEL:+82-31-215-7341~2 FAX:+82-31-215-7343

JEOL KOREA LTD.
7TH FL., DONG-U BLDG., 458-5, GIL-DONG, GANGDONG-GU, SEOUL,
KOREA
TEL:+82-2-511-5501 FAX:+82-2-511-2635

RELATED PARTIES

(Subsidiaries, Joint-Venture & Affiliates)

Subsidiary

PARK SYSTEMS INC.(USA)
(100.0% held by the subject company)
3040 OLCOTT ST. SANTA CLARA, CA 95054 USA
TEL: +1-408-986-1110 FAX: +1-408-986-1199

PARK SYSTEMS JAPAN INC.(JAPAN)
(100.0% held by the subject company)
1-17-1 KANDA-NISHIKICHO, CHIYODA-KU, TOKYO, JAPAN
TEL: +81-3-3219-1001 FAX: +81-3-3219-1002

PARK SYSTEMS PTE LTD.(SINGAPORE)
(100.0% held by the subject company)

Cooperative Enterprise -Insured company
HYUNDAIMARINE&FIREINSURANCECO.,LTD.(110111-0035893)

SALES BY REGION (ACTIVITY & MARKETS)

Sales/ Unit	:Thousand	06/2018	2017	2016
KRW				
Export		17,203,773	23,465,483	18,120,635
Domestic		1,060,187	4,683,701	2,646,272
Total		18,263,960	28,149,184	20,766,907

The Subject exports to China, Taiwan, France, Germany, Italy, Japan, Philippines, UK and USA.

COURT ACTION

No Records.

NEWS CLIPPING

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.72
UK Pound	1	INR 95.77
Euro	1	INR 85.54
KRW	1	INR 0.065

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

INFORMATION DETAILS

Analysis Done by :	NIS
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)