

MIRA INFORM REPORT

Report No. :	531892
Report Date :	27.09.2018

IDENTIFICATION DETAILS

Name :	YOUNG CHANG TECH CO., LTD.
Registered Office :	167-45, Jangyu-Ro, Gimhae-Si, Gyeongsangnam-Do, Korea 50971
Country :	South Korea
Financials (as on) :	31.12.2017
Date of Incorporation :	09.07.1999
Com. Reg. No.:	622-81-25528
Legal Form :	Co., Ltd by Shares
Line of Business :	Manufacture and Sales of Machinery Components and Pipe. (Flange, Nozzle, Tube Sheet, Canning, Steel Products, Baffle, Girth Flanges, Forging, Forged Fitting, Butt Welding)
No. of Employees :	10

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 :	Good
Payment Behaviour :	Regular
Litigation :	Clear

NOTES:

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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 (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

Company Name	YOUNG CHANG TECH CO., LTD.
Registered Address	167-45, Jangyu-ro, Gimhae-si, Gyeongsangnam-do, Korea
Building	--
Zip Code	50971
Tel	+82-55-342-4382
Fax	+82-55-342-4387
E-mail	jhgam@yckorea.net;yctgam@hotmail.com;jhgam@yckorea.net
Website	www.yckorea.net
Trading Address	167-45, Jangyu-ro, Gimhae-si, Gyeongsangnam-do, Korea (Old Address System : 776, Bugok-dong, Gimhae-si, Gyeongsangnam-do, Korea)
Tel	+82-55-343-4384
Fax	+82-55-342-4380
Other Address-2nd Factory	43, Anha-ro 116beon-gil, Hallim-myeon, Gimhae-si, Gyeongsangnam-do, Korea (Old Address System : 252-5, Anha-ri, Hallim-myeon, Gimhae-si, Gyeongsangnam-do, Korea)
Tel	+82-55-346-4386
Fax	+82-55-346-4387
Other Address-3rd Factory	124-12, Myeongdong-ro, Hallim-myeon, Gimhae-si, Gyeongsangnam-do, Korea (Old Address System : 306-1, Yongdeok-ri, Hallim-myeon, Gimhae-si, Gyeongsangnam-do, Korea)
Tel	+82-55-313-4386
Fax	
Type	Export/Import
Industry	Manufacture and Sales of Machinery Components and Pipe
Main Business	Flange, Nozzle, Tube Sheet, Canning, Steel Products, Baffle, Girth Flanges, Forging, Forged Fitting, Butt Welding
Sub Business	--
Established (mm/dd/yyyy)	07/09/1999

DETAILED PRODUCTS

Activity	Detailed Products (UNSPSC)
Sell	Hardware and fittings(40141700)
Sell	Pipe fittings(40142300)
Sell	Pipe flanges(40142400)
Sell	Forgings(31130000)

CEO'S

Name	Han Myung-Seob
Date of Birth	06/09/1961
Title	Representative Director
Nationality	Korean

PROFILES

Capital (KRW)	300,000,000									
Employees	10									
Formation	Co., Ltd by Shares									
Bank Details	Busan Bank-Jangyu Branch KEB Hana Bank Industrial Bank of Korea									
Corporate Registered No.	184611-0033972									
Business Registered No.	622-81-25528									
Permit & Licenses	ISO 9001:2008, ISO 14001: 2004, ASME ("PP", "S", "U", "NA", "NPT"), API, KEPIC, CRN									
Shareholder Position	<table> <thead> <tr> <th>Name</th> <th>Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>HAN MYUNG-SEOB & HIS FAMILY(1)</td> <td>30,000</td> <td>100.00</td> </tr> <tr> <td>TOTAL</td> <td>30,000</td> <td>100.00</td> </tr> </tbody> </table>	Name	Shares	%	HAN MYUNG-SEOB & HIS FAMILY(1)	30,000	100.00	TOTAL	30,000	100.00
Name	Shares	%								
HAN MYUNG-SEOB & HIS FAMILY(1)	30,000	100.00								
TOTAL	30,000	100.00								
Company History	<p>07/09/1999 Incorporated as YOUNG CHANG MACHINE CO., LTD.</p> <p>11/26/2004 Changed company name to the present name</p> <p>02/09/2010 Moved to the present HQ address from 124-12, Myeongdong-ro, Hallim-myeon, Gimhae-si, Gyeongsangnam-do, Korea (Old Address System : 306-1, Yongdeok-ri, Hallim-myeon, Gimhae-si, Gyeongsangnam-do, Korea)</p> <p>04/15/2010 Increased the authorized shares to 120,000 shares from 20,000 shares</p> <p>04/16/2010 Increased capital to 300,000,000 KRW from 50,000,000 KRW</p>									

MANAGEMENT

Job Description	Name	Nationality	Date of Birth	Inauguration Date
Representative Director	Han Myung-Seob	Korean	06/09/1961	03/27/2008

FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
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2017	15,113,029,219	18,640,954,909	400,222,699
2016	9,344,428,439	18,012,323,851	349,713,745
2015	14,299,865,696	20,288,648,508	346,333,309
2014	18,849,367,131	20,662,929,764	536,182,971
2013	13,816,415,030	19,823,376,946	511,442,088
2012	19,533,794,822	20,274,518,370	767,542,190

FINANCIAL DESCRIPTION

Authorized Capital(KRW)	1,200,000,000
Paid-Up Capital(KRW)	300,000,000
Total Issued Shares	30,000

Balance Sheet

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Total Assets	18,640,954,909	18,012,323,851	20,288,648,508
Current Assets	11,817,793,419	10,935,203,822	11,919,625,489
-Quick Assets	6,144,436,453	6,475,495,533	8,075,606,924
-Inventories	5,673,356,966	4,459,708,289	3,844,018,565
Fixed Assets	6,823,161,490	7,077,120,029	8,369,023,019
-Investment	32,419,870	152,073,308	1,329,617,786
-Tangibles	6,742,897,586	6,873,879,087	6,984,915,999
-Intangibles	16,341,034	19,664,634	22,988,234
-Others	31,503,000	31,503,000	31,501,000
Total Liabilities	9,292,962,257	9,064,553,898	11,690,592,300
Current Liabilities	2,991,688,664	3,081,332,120	4,752,599,017
Fixed Liabilities	6,301,273,593	5,983,221,778	6,937,993,283
Capital Stock	300,000,000	300,000,000	300,000,000
Capital Surplus			
Profit Surplus	9,047,992,652	8,647,769,953	8,298,056,208
Capital Adjustment			
Total Equity	9,347,992,652	8,947,769,953	8,598,056,208
Liab. & Shareholder's Equity	18,640,954,909	18,012,323,851	20,288,648,508
Current Liabilities	2,991,688,664	3,081,332,120	4,752,599,017
Trade Payables	713,347,396	260,377,355	1,031,814,114
Account Payables	7,166,655	15,739,819	18,596,367
Withholdings	5,963,190	9,697,659	9,532,880
Advance Receipts	-	31,932,243	-
Short-Term Borrowings	2,103,629,924	2,205,834,051	3,594,897,258
Accrued Income Tax	55,818,290	12,541,160	24,647,100
Accrued Expenses	29,463,209	33,369,833	73,111,298
Current Portion of Long-Term Debts	76,300,000	511,840,000	-
Fixed Liabilities	6,301,273,593	5,983,221,778	6,937,993,283

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Long-Term Borrowings	6,066,920,000	5,643,220,000	6,601,440,000
Leasehold Deposit Received	8,748,670	60,000,000	
Provision for Severance & Retirement	225,604,923	280,001,778	336,553,283

Income Statement

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Sales	15,113,029,219	9,344,428,439	14,299,865,696
Cost of Sold Goods	13,760,034,353	7,809,363,075	12,149,613,769
Gross Profit	1,352,994,866	1,535,065,364	2,150,251,927
Selling & Admin. Expenses	550,695,590	703,898,374	1,462,644,430
Operating Income	802,299,276	831,166,990	687,607,497
Non-Operating Income	102,053,152	164,390,249	180,378,054
Non-Operating Expenses	429,957,586	597,793,754	453,116,832
Income Before Taxes	474,394,842	397,763,485	414,868,719
Income Taxes Expenses	74,172,143	48,049,740	68,535,410
Net Income	400,222,699	349,713,745	346,333,309

Cash Flows

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Cash Flows from Operating	-245,326,512	119,682,177	-1,023,266,960
-Net Income	400,222,699	349,713,745	346,333,309
-Exp. without Cash Outflow	189,657,435	212,425,080	346,316,658
-Revenue without Cash Inflows	-52,188,886	-197,606,578	-208,113,110
-Changes in Asset/ & Liability	-783,017,760	-244,850,070	-1,507,803,817
Cash Flows from Investing	149,803,836	379,362,658	-343,710,629
-Cash Inflow from Investing	700,952,083	651,237,848	101,994,714
-Cash Outflows for Investing	-551,148,247	-271,875,190	-445,705,343
Cash Flows from Financing	-165,295,457	-1,775,443,207	1,064,379,020
-Cash Inflows from Financing	1,410,000,000	3,235,000,000	3,986,756,039
-Cash Outflows from Financing	-1,575,295,457	-5,010,443,207	-2,922,377,019
Increase/Decrease in Cash	260,818,133	1,276,398,372	302,598,569
Cash at the Beginning of Year	673,284,970	1,949,683,342	2,252,281,911
Cash at the End of Year	412,466,837	673,284,970	1,949,683,342

PRODUCTS, TECHNOLOGIES, SERVICES DESCRIPTION

Main Products & Services Flange, Canning, Steel Products

TRADE PARTNERS & COMPETITORS

Suppliers --
Customers SAMSUNG HEAVY INDUSTRIES CO., LTD.(110111-0168595)
DONGHWA ENTEC CO., LTD.(180111-0039099)
POSCO PLANTEC CO., LTD.(181211-0010898)
DOOSAN HEAVY INDUSTRIES & CONSTRUCTION CO., LTD.(194211-0000943)
Competitors METAL KOREA CO., LTD.
801, JINYEONG-RI, JINYEONG-EUP, GIMHAE-SI, GYEONGSANGNAM-DO, KOREA
TEL:+82-51-919-6954 FAX:+82-51-919-6957

HAN SHIN METAL CO.
651-58, EOMGUNG-DONG, SASANG-GU, BUSAN, KOREA
TEL:+82-51-305-2240 FAX:+82-51-305-2243

HANDOK METAL CO.
416-1, SINPYEONG 2-DONG, SAHA-GU, BUSAN, KOREA
TEL:+82-51-206-1968 FAX:+82-51-202-0030

RELATED PARTIES (SUBSIDIARIES, JOINT- VENTURE & AFFILIATES)

Affiliates Y.C.F CO., LTD.(195511-0164289)
(35.3% held by the subject company)
Cooperative Enterprise -Insured Company
DONGBU INSURANCE CO., LTD.(110111-0095285)

SALES BY REGION (ACTIVITY & MARKETS)

The Subject exports to Japan, Singapore, India and Middle East..

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 :	NIY
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)