

MIRA INFORM REPORT

Report No. :	523234
Report Date :	03.08.2018

IDENTIFICATION DETAILS

Name :	CHUNGWON METAL CO., LTD
Registered Office :	53, Mapo-daero, Mapo-gu, Seoul, Korea, Rm.B-2202, Mapo Trapalace, 04158
Country :	South Korea
Financials (as on) :	31.12.2014
Date of Incorporation :	26.03.2008
Com. Reg. No.:	105-87-18790
Legal Form :	Co., Ltd by Shares
Line of Business :	Wholesale and Retails of Other Machinery and Equipment n.e.c. Machinery, Industrial Equipment for Manufacturing Steel and Pipe, Rolling Mill
No. of Employees :	15

RATING & COMMENTS

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

MIRA's Rating :

B

Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Maximum Credit Limit :	USD 478484
Status :	Moderate
Payment Behaviour :	Unknown
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.

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	CHUNGWON METAL CO., LTD. (Trade Name : CMC)
Registered Address	53, Mapo-daero, Mapo-gu, Seoul, Korea
Building	Rm.B-2202, Mapo Trapalace
Zip Code	04158
Tel	+82-2-3275-1811
Fax	+82-2-3275-1810
E-mail	hylee@chungwon.net;cmc@chungwon.net
Website	www.chungwon.net
Trading Address	Rm.B-2202, Mapo Trapalace, 53, Mapo-daero, Mapo-gu, Seoul, Korea (Old Address System : Rm.B-2202, Mapo Trapalace, 559, Dohwa-dong, Mapo-gu, Seoul, Korea)
Tel	+82-2-3275-1811
Fax	+82-2-3275-1810
Other Address-Pohang Office	154, Jungang-ro, Nam-gu, Pohang-si, Gyeongsangbuk-do, Korea (Old Address System : 33-12, Haedo-dong, Nam-gu, Pohang-si, Gyeongsangbuk-do, Korea)
Tel	+82-54-276-1811
Fax	+82-54-276-1141
Other Address-Gwangyang Office	30, Gilho 1-gil, Gwangyang-si, Jeollanam-do, Korea (Old Address System : 1837-9, Jung-dong, Gwangyang-si, Jeollanam-do, Korea)
Tel	+82-61-795-1811
Fax	+82-61-795-1810
Other Address-Dangjin Office	1629-2, Bogun-ri, Songak-eup, Dangjin-si, Chungcheongnam-do, Korea (Old Address System : 28, Sinbogun-ro 3-gil, Songak-eup, Dangjin-si, Chungcheongnam-do, Korea)
Tel	+82-41-352-1811
Fax	
Type	Export/Import
Industry	Wholesale and Retails of Other Machinery and Equipment n.e.c.
Main Business	Machinery, Industrial Equipment for Manufacturing Steel and Pipe, Rolling Mill
Sub Business	
Established (mm/dd/yyyy)	03/26/2008

Detailed Products

Activity	Detailed Products (UNSPSC)
Sell	Machinery,
Sell	Industrial Equipment

CEO's

Name	Lee Ho-Yeong
Date of Birth	09/25/1957
Title	President & CEO
Nationality	Korean

Profiles

Capital (KRW)	300,000,000
Employees	15
Formation	Co., Ltd by Shares
Bank Details	Kookmin Bank-Mapo Branch
Corporate Registered No.	110111-3867441
Business Registered No.	105-87-18790
Permit & Licenses	Int'l Trade No.: 11498702
Shareholder Position	N/A
Company History	03/26/2008 Incorporated as the present name 07/16/2010 Increased capital to 300,000,000 KRW from 100,000,000 KRW 08/05/2014 Moved to the present HQ address from Rm.3107, 102-Dong, Hanwha Obelisk, 555, Dohwa-dong, Mapo-gu, Seoul, Korea

DETAILED INFORMATION

Management

Job Description	Name	Nationality	Date of Birth	Inauguration Date
President & CEO	Lee Ho-Yeong	Korean	09/25/1957	03/26/2008
Director	Lee Yoo-Rim	Korean	06/13/1989	12/24/2014
Auditor	Kim Young-Soon	Korean	06/25/1961	12/24/2014

FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
2017			
2016			
2015			
2014	2,626,789,000	3,777,455,000	414,626,000
2013	2,193,512,000	3,796,555,000	393,158,000
2012	2,630,197,000	3,429,216,000	0

The latest financials are not available, and the Subject Company does not have any obligations to release its financials to the public.

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Financial Description

Authorized Capital(KRW)	400,000,000
Paid-Up Capital(KRW)	300,000,000
Total Issues Shares	30,000

Balance Sheet

Unit : Korean Won	As of 12/31/2014	As of 12/31/2013	As of 12/31/2012
Total Assets	3,777,455,000	3,796,555,000	3,429,216,000
Current Assets	3,612,757,000	3,674,607,000	3,090,381,000
-Quick Assets			
-Inventories			
Fixed Assets	164,698,000	121,948,000	338,835,000
-Investment			
-Tangibles			
-Intangibles			
Total Liabilities	181,660,000	415,386,000	241,205,000
Current Liabilities	161,220,000	394,163,000	220,190,000
Fixed Liabilities	20,440,000	21,223,000	21,015,000
Capital Stock	300,000,000	300,000,000	300,000,000
Capital Surplus			
Profit Surplus	3,295,795,000	3,081,169,000	2,888,011,000
Capital Adjustment			
Total Equity	3,595,795,000	3,381,169,000	3,188,011,000
Liab. & Shareholder's Equity	3,777,455,000	3,796,555,000	3,429,216,000

Income Statement

Unit : Korean Won	As of 12/31/2014	As of 12/31/2013	As of 12/31/2012
Sales	2,626,789,000	2,193,512,000	2,630,197,000
Cost of Sold Goods	1,360,935,000	989,339,000	710,959,000
Gross Profit	1,265,854,000	1,204,173,000	1,919,238,000
Selling & Admin. Expenses	874,573,000	856,488,000	884,071,000
Operating Income	391,281,000	347,685,000	1,035,167,000
Non-Operating Income	113,610,000	173,130,000	99,864,000
Non-Operating Expenses	20,299,000	55,104,000	65,205,000
Income Before Taxes	484,592,000	465,711,000	1,069,826,000
Income Taxes Expenses	69,966,000	72,553,000	202,837,000
Net Income	414,626,000	393,158,000	866,989,000

Products, Technologies, Services Description

Main Products & Services	Machinery, Industrial Equipment for Manufacturing Steel and Pipe
Detailed Products Spec.	
Technologies Acquired	

Trade Partners & Competitors

Suppliers	LECHLER GMBH ULMER STRAÙE 128 72555 METZINGEN, GERMANY TEL:+49-71-23-962-0 FAX: +49-71-23-962-444
Customers	POSCO(174611-0000741) HYUNDAI STEEL COMPANY(120111-0001743) DONGBU STEEL CO., LTD.(110111-0393308)
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	CHUNGWON METAL CO.(105-02-72443)
Overseas Office	
Liaison Office	
Overseas Branch	
Joint Venture	
Subsidiary	
Corporate Ownership	
Major Shareholders	
Cooperative Enterprise	

Sales by Region (Activity & Markets)

The Subject imports from Germany, Italy and Sweden.

Court Action

Not Available.

News Clipping

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 38.36
UK Pound	1	INR 89.52
Euro	1	INR 79.57
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

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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)