

MIRA INFORM REPORT

Report No. :	524043
Report Date :	07.08.2018

IDENTIFICATION DETAILS

Name :	TAEWOONG CO., LTD.
Registered Office :	67, Noksansandan 27-ro, Gangseo-gu, Busan, Korea 46751
Country :	South Korea
Financials (as on) :	31.03.2018
Date of Incorporation :	19.06.1987
Com. Reg. No.:	603-81-16009
Legal Form :	Listed Company
Line of Business :	Forging of Metal (Flange, Gear, Channel Cover, Sheet, Shell, Shaft, Coupling, Pitch Bearing, Yaw Bearing, Propeller Shaft, Rudder Stock, Intermediate Shaft, Pintle, Rudder Trunk, Connecting Rad, Main Journal, Cross Head Pin, Clinder Cover, Piston Crown Piston Rod, Channel Cover, Forged Shell, Girth Flange, Reducer, Tube Sheet, Blind Cover, Forged Neck, Forged Pipe, Head Skirt, Diaphragm, Drum Tube Sheet, Trunnion, Tube Sheet, Casting Mold, Crane Wheel, Forged Ring, Kiln Trie, Toller For Kiln, Round Bar, Aluminium Forged Rings, Titanium Forged Rings)
No. of Employees :	473

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 :	Satisfactory
Payment Behaviour :	Slow but Correct
Litigation :	Clear

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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	TAEWOONG CO., LTD.
Registered Address	67, Noksansandan 27-ro, Gangseo-gu, Busan, Korea
Building	
Zip Code	46751
Tel	+82-51-329-5000
Fax	+82-51-329-5001
E-mail	oneisus@hanmail.net
Website	www.taewoong.com
Trading Address	67, Noksansandan 27-ro, Gangseo-gu, Busan, Korea (Old Address System : 1462-1, Songjeong-dong, Gangseo-gu, Busan, Korea)
Tel	+82-51-329-5000
Fax	+82-51-329-5001
Other Address	30, Dasan-ro 176beon-gil, Saha-gu, Busan, Korea (Old Address System : 1505-2, Dadae-dong, Saha-gu, Busan, Korea)
Tel	+82-51-264-5000
Fax	
Other Address	24-11, Noksansandan 335-ro, Gangseo-gu, Busan, Korea (Old Address System : 1629-9, Songjeong-dong, Gangseo-gu, Busan, Korea)
Tel	
Fax	
Other Address	15, Hwajeonsandan 1-ro, Gangseo-gu, Busan, Korea (Old Address System : 601-1, Hwajeon-dong, Gangseo-gu, Busan, Korea)
Tel	
Fax	
Type	Export
Industry	Forging of Metal
Main Business	Flange, Gear, Channel Cover, Sheet, Shell, Shaft, Coupling, Pitch Bearing, Yaw Bearing, Propeller Shaft, Rudder Stock, Intermediate Shaft, Pintle, Rudder Trunk, Connecting Rad, Main Journal, Cross Head Pin, Clinder Cover, Piston Crown Piston Rod, Channel Cover, Forged Shell, Girth Flange, Reducer, Tube Sheet, Blind Cover, Forged Neck, Forged Pipe, Head Skirt, Diaphragm, Drum Tube Sheet, Trunnion, Tube Sheet, Casting Mold, Crane Wheel, Forged Ring, Kiln Trie, Toller For Kiln, Round Bar, Aluminium Forged Rings, Titanium Forged Rings
Sub Business	
Established (mm/dd/yyyy)	06/19/1987

DETAILED PRODUCTS

Activity	Detailed Products (UNSPSC)
Sell	Shafting(30103000)
Sell	Pipe flanges(40142400)
Sell	Heating equipment and parts and accessories(40101800)
Sell	Wheels and wheel trims(25171900)
Sell	Gears(31171700)
Sell	Metal working machinery attachments(23172000)
Buy	Steel(11101704)
Buy	Ferrous alloy(11101712)
Buy	Base Metals(11101700)
Buy	Ferrous alloy(11101712)
Buy	Aluminum(11101705)

CEO'S

Name	Huh Yong-Do
Date of Birth	01/19/1948
Title	Chairman & CEO
Nationality	Korean

PROFILES

Capital (KRW)	10,003,690,500
Employees	473
Formation	Listed Company (KOSDAQ : 044490) as of 11/08/2001
Bank Details	KEB Hana Bank-Shinpyung Dong Branch Busan Bank-Noksan Industrial Complex Branch Korea Development Bank
Corporate Registered No.	180111-0073922
Business Registered No.	603-81-16009
Permit & Licenses	04/2010 ASME QSC

Shareholder Position	Int'l Trade No.:	12004795		
	Name		Shares	%
	TAEWOONG HOLDINGS CO., LTD.(180111-1000205)		5,449,611	27.24
	HUH YONG-DO		3,980,027	19.89
	TAEWOONG S&T CO.,LTD.(180111-0840777)		1,124,348	5.62
	SHINYOUNG ASSET MANAGEMENT CO., LTD.(110111-1304148)		912,420	4.56

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OTHERS	8,540,975	42.69
TOTAL	20,007,381	100.00

Company History	05/16/1981 Established as TAEWOONG CO.(Sole Proprietorship) 06/19/1987 Incorporated as the present name 01/01/2002 Moved to the present HQ address from 1505-2, Dadae-dong, Saha-gu, Busan, Korea 10/26/2002 Split off the par value to 500 KRW from 5,000 KRW 11/2007 Awarded US\$ 100 Million Export Top Prize 11/2008 Awarded US\$ 200 Million Export Top Prize 11/2009 Awarded US\$ 300 Million Export Top Prize 12/22/2016 Increased capital to 10,003,690,500 KRW from 9,441,516,500 KRW
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DETAILED INFORMATION

Management

Job Description	Name	Nationality	Date of Birth	Inauguration Date
Chairman	Huh Yong-Do	Korean	01/19/1948	08/10/2011
President & CEO	Choi Seung-Sik	Korean	10/23/1952	10/01/2016
Director	Park Pan-Yeon	Korean	01/29/1951	08/10/2011
Outside Director	Kim Yu-Bum	Korean	08/28/1955	03/25/2016
Auditor	Kim Tae-Soo	Korean	08/15/1942	03/26/2009

FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
03/2018	68,710,830,208	989,751,689,308	-6,947,012,970
2017	304,366,834,330	1,001,617,901,541	-5,959,038,912
2016	321,984,454,072	976,860,975,659	13,969,352,468
2015	365,346,871,034	860,158,579,464	7,794,879,067
2014	411,545,446,079	764,084,670,952	6,989,619,619
2013	410,132,756,633	649,347,397,187	5,923,904,066
2012	421,515,757,708	664,287,279,730	8,304,500,626
2011	480,665,365,152	755,979,760,068	15,410,813,679
2010	333,625,861,278	595,771,983,817	27,181,452,107
2009	73,382,976,385	498,154,616,469	1,413,902,519
2008	535,690,595,220	495,360,687,284	32,035,845,964
2007	615,289,025,834	732,119,883,601	74,328,522,298
2006	357,864,344,320	264,503,403,925	48,974,151,058
2005	275,984,387,599	155,670,561,687	27,324,606,268
2004	216,015,036,019	120,056,717,271	20,729,392,221

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Financial Description

Authorized Capital(KRW)	44,000,000,000
Paid-Up Capital(KRW)	10,003,690,500
Total Issued Shares	20,007,381

Balance Sheet

Unit : Korean Won	01/01/2018~03/31/2018	As of 12/31/2017	As of 12/31/2016
Total Assets	989,751,689,308	1,001,617,901,541	976,860,975,659
Current Assets	368,321,220,393	373,811,620,496	331,155,795,342
Cash & Cash Equivalents	19,668,248,295	38,358,150,710	63,524,654,471
Current Financial Instruments	126,614,021,950	144,729,972,073	104,897,395,362
Trade Receivables & Other Receivables	90,986,894,709	89,055,102,539	72,178,441,278
Inventories	125,085,166,404	98,717,180,324	85,946,539,959
Deferred Income Tax Assets	1,072,309,550	897,751,470	219,897,547
Other Current Assets	4,894,579,485	2,053,463,380	4,388,866,725
Non-Current Assets	621,430,468,915	627,806,281,045	645,705,180,317
Non-Current Financial Instruments	4,000,000	4,000,000	5,000,000
Long-Term Trade Receivables & Other Receivables	2,987,925,309	3,074,791,587	2,493,003,168
Marketable Financial Instruments	0	6,969,484,500	6,076,145,000
Other comprehensive income-fair value measurement financial assets	6,969,484,500	0	
Investment_Related Companies	13,091,727,632	13,198,952,397	12,682,555,555
Tangibles	587,153,795,378	593,288,424,448	612,763,727,992
Investment_Real Estates	10,821,964,076	10,868,477,927	11,054,533,376
Intangibles	401,572,020	402,150,186	630,215,226
Total Liabilities	368,011,600,193	372,871,405,572	342,597,497,074
Current Liabilities	96,011,518,736	74,019,724,925	92,445,326,229
Trade Payables & Other Payables	63,262,989,143	66,658,207,245	87,434,312,528
Short-Term Borrowings	30,183,175,165	5,204,174,525	2,877,126,682
Deferred Income Tax Credit	0	0	175,140,921
Other Current Liabilities	2,565,354,428	2,157,343,155	1,958,746,098
Non-Current Liabilities	272,000,081,457	298,851,680,647	250,152,170,845
Long-Term Trade Payables & Other Long-Term Payables	1,937,551,659	2,018,773,908	100,000,000
Long-Term Borrowings	230,614,821,277	256,196,503,325	206,733,539,706
Provision for Severance & Retirement	1,676,247,608	902,916,093	2,027,904,226
Deferred Income Tax Credit	37,771,460,913	39,733,487,321	41,290,726,913
Capital Stock	10,003,690,500	10,003,690,500	10,003,690,500
Capital Surplus	150,818,481,625	150,818,481,625	150,818,481,625

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Others	65,854,458,657	65,854,458,657	65,854,458,657
Profit Surplus	395,063,458,333	402,069,865,187	407,586,847,803
Total Equity	621,740,089,115	628,746,495,969	634,263,478,585
Liab. & Shareholder's Equity	989,751,689,308	1,001,617,901,541	976,860,975,659

Income Statement

Unit : Korean Won	01/01/2018~03/31/2018	As of 12/31/2017	As of 12/31/2016
Sales	68,710,830,208	304,366,834,330	321,984,454,072
Cost of Sold Goods	68,670,301,335	270,703,264,322	269,518,616,882
Gross Profit	40,528,873	33,663,570,008	52,465,837,190
Admin & Selling Expenses	9,753,044,989	38,021,905,717	39,530,651,490
Selling Expenses	462,124,343	1,531,120,822	1,619,408,081
Admin Expenses	4,518,081,623	14,284,333,303	14,915,136,640
Logistics	4,376,704,748	19,825,689,135	21,148,160,560
R&D	396,134,275	2,380,762,457	1,847,946,209
Operating Income	-9,712,516,116	-4,358,335,709	12,935,185,700
Finance Income	1,503,803,523	3,990,965,395	3,058,782,305
Finance Expenses	1,695,858,087	6,576,525,560	1,282,670,148
Profits from Investment on Related Companies	-107,224,765	516,396,842	862,786,319
Other Income	1,686,411,293	8,863,229,990	9,923,083,501
Other Expenses	566,903,104	9,043,450,628	8,584,379,903
Income Before Taxes	-8,892,287,256	-6,607,719,670	16,912,787,774
Income Taxes Expenses	-1,945,274,286	648,680,758	-2,943,435,306
Net Income	-6,947,012,970	-5,959,038,912	13,969,352,468

Cash Flows

Unit : Korean Won	01/01/2018~03/31/2018	As of 12/31/2017	As of 12/31/2016
Operating Activities Cash Flows	-25,091,845,261	1,098,048,823	52,201,780,855
Net Income	-6,947,012,970	-5,959,038,912	13,969,352,468
Adjustment	7,755,086,707	36,140,740,662	18,844,178,944
Changes in Asset/ & Liability	-25,467,965,523	-23,934,676,546	26,064,950,268
Interests Received	1,227,999,860	3,180,156,647	2,894,695,753
Dividends Received	200,000,000	200,000,000	200,000,000
Interests Paid	-1,685,395,255	-6,642,896,805	-4,600,269,605
Income Taxes	-174,558,080	-1,886,236,223	-5,171,126,973
Cash Flows from Investing	6,944,369,507	-79,510,383,520	-171,431,334,217
Cash Flows from Financing	-452,884,931	54,583,893,137	136,758,965,997
Increase/Decrease in Cash	-18,600,360,685	-23,828,441,560	17,529,412,635
Cash at the Beginning of Year	38,358,150,710	63,524,654,471	45,671,960,425
Cash at the End of Year	19,668,248,295	38,358,150,710	63,524,654,471

PRODUCTS, TECHNOLOGIES, SERVICES DESCRIPTION

Main Products & Services Flange, Gear, Channel Cover, Sheet, Shell, Shaft, Coupling, Pitch Bearing, Yaw Bearing, Propeller Shaft, Rudder Stock, Intermediate Shaft, Pintle, Rudder Trunk, Connecting Rad, Main Journal, Cross Head Pin, Clinder Cover, Piston Crown Piston Rod, Channel Cover, Forged Shell, Girth Flange, Reducer, Tube Sheet, Blind Cover, Forged Neck, Forged Pipe, Head Skirt, Diaphragm, Drum Tube Sheet, Trunnion, Tube Sheet, Casting Mold, Crane Wheel, Forged Ring, Kiln Trie, Toller For Kiln, Round Bar, Aluminium Forged Rings, Titanium Forged Rings

TRADE PARTNERS & COMPETITORS

Suppliers HYUNDAI STEEL COMPANY(120111-0001743)
POSCO SPECIALTY STEEL CO., LTD.(194211-0025248)
SEAH BESTEEL CORPORATION(110111-0035794)

Customers HYUNDAI HEAVY INDUSTRIES CO., LTD.(181211-0000386)
DOOSAN ENGINEERING & CONSTRUCTION CO., LTD.(110111-0194277)

SIEPUH GEARS SYSTEM GMBH(GERMANY)
SIEMENS WIND POWER A/S(USA)
B.Y.W WIND TECHNOLOGY(CHINA)
GE
VESTAS
SIEMENS(GERMANY)
NIEBUHR
V.S.T(CANADA)
MNS(JAPAN)

Competitors PYUNG HWA ANTI-VIBRATION SYSTEM CO., LTD.
29-17, BONRI-RI, NONGONG-EUP, DALSEONG-GUN, DAEGU, KOREA
TEL:+82-53-610-7000 FAX:+82-53-615-0566

SKF KOREA CO., LTD.
1171, JISA-DONG, GANGSEO-GU, BUSAN, KOREA
TEL:+82-51-970-2401 FAX:+82-51-970-2498

KOREA SINTERED METAL CO., LTD.
DALSEONG INDUSTRIAL COMPLEX, 29-10, BONRI-RI, NONGONG-EUP, DALSEONG-GUN, DAEGU, KOREA
TEL:+82-53-610-0700 FAX:+82-53-610-0701

SCHAEFFLER KOREA CORPORATION
452-9, NAE-DONG, CHANGWON-SI, GYEONGSANGNAM-DO, KOREA
TEL:+82-55-280-8700 FAX:+82-55-280-7890

RELATED PARTIES

(Subsidiaries, Joint-Venture & Affiliates)

Affiliates	TAEWOONG HOLDINGS Co., Ltd.(180111-1000205) TAESANG CO., LTD.(180111-0188945) TAEWOONG S&T CO., LTD.(180111-0840777) TAEWOON P&C CO., LTD.(180111-0721125) DONGYU LOGICS CO., LTD.(Ex. TAEWOONG EX CO., LTD. : 180111-0862648)
	KAYA COUNTRY CLUB(184611-0000913) (13.46% held by the subject company)
Major Shareholders Cooperative Enterprise	TAEWOONG HOLDINGS CO., LTD.(180111-1000205) -Insured Company HANWHA GENERAL INSURANCE CO., LTD.(110111-0006456) HEUNGKUK FIRE & MARINE INSURANCE CO., LTD.(110111-0016728)

SALES BY REGION (ACTIVITY & MARKETS)

Sales/ Unit :Thousand KRW	03/2018	2017	2016
Export	43,286,820	200,190,316	228,056,550
Domestic	21,094,904	73,582,813	70,053,756
Others	4,329,106	30,593,705	23,874,148
Total	68,710,830	304,366,834	321,984,454

The Subject imports from Brazil and Russia. It exports to Denmark, USA, Japan, Germany, Canada, Spain, Taiwan, China and India.

COURT ACTION

No Records.

NEWS CLIPPING

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.68
UK Pound	1	INR 89.26
Euro	1	INR 79.38
KRW	1	INR 0.061

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

INFORMATION DETAILS

Analysis Done by :	PRA
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)