

## MIRA INFORM REPORT

<b>Report No. :</b>	543079
<b>Report Date :</b>	03.12.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	DAEWON GSI CO., LTD
<b>Registered Office :</b>	235, Gongdan-ro, Waegwan-eup, Chilgok-gun, Gyeongsangbuk-do, 39909
<b>Country :</b>	South Korea
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	04.11.1982
<b>Com. Reg. No.:</b>	504-81-04185
<b>Legal Form :</b>	Co., Ltd by shares
<b>Line of Business :</b>	Manufacture of Machinery for Food, Beverage and Tobacco Processing, and Agricultural and Forestry Machinery Rice, Polishing Mill, Dry Storage Extension Equipment, Grain Dryer, Color Sorter
<b>No. of Employees :</b>	150

**RATING & COMMENTS**

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

**MIRA's Rating :**

A+

Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low risk of default

<b>Status :</b>	Good
<b>Payment Behaviour :</b>	Regular
<b>Litigation :</b>	--

**NOTES :**

Any query related to this report can be made on e-mail : [infodept@mirainform.com](mailto:infodept@mirainform.com) while quoting report number, name and date.

**ECGC Country Risk Classification List**

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
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's GDP surpassed one trillion dollars.

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	DAEWON GSI CO., LTD. (English Co. Name : DAEWON GLOBAL SYSTEM INTEGRATION CO., LTD.)
Registered Address	235, Gongdan-ro, Waegwan-eup, Chilgok-gun, Gyeongsangbuk-do, Korea
Building	
Zip Code	39909
Tel	+82-54-973-2221~8
Fax	+82-54-973-2230
E-mail	trade@daewon.com
Website	www.daewon.com
Trading Address	235, Gongdan-ro, Waegwan-eup, Chilgok-gun, Gyeongsangbuk-do, Korea (Old Address System : 990-2, Geumsan-ri, Waegwan-eup, Chilgok-gun, Gyeongsangbuk-do, Korea)
Tel	+82-54-973-2221~8
Fax	+82-54-973-2230
Other Address-Biotech	37, Gongdan-ro 6-gil, Waegwan-eup, Chilgok-gun, Gyeongsangbuk-do, Korea
Business Division	
Tel	
Fax	
Type	Export/Import
Industry	Manufacture of Machinery for Food, Beverage and Tobacco Processing, and Agricultural and Forestry Machinery
Main Business	Rice Polishing Mill, Dry Storage Extension Equipment, Grain Dryer, Color Sorter
Sub Business	
Established (mm/dd/yyyy)	11/04/1982

### **Detailed Products**

Activity	Detailed Products (UNSPSC)
Sell	Grain analyzers(41112701)
Sell	Rice cleaning or hulling equipment(21102004)
Sell	Grading machines for seed or grain or dried leguminous vegetables(21102003)
Sell	Agricultural machinery for cleaning and sorting and grading(21102000)

### **CEO's**

Name	Suh Yong-Kyo
Date of Birth	04/05/1955
Title	Chairman & CEO
Nationality	Korean

**Profiles**

Capital (KRW)	1,248,500,000
Employees	150
Formation	Co., Ltd by shares
Bank Details	Daegu Bank Industrial Bank of Korea KEB Hana Bank NH Nonghyup Bank
Corporate Registered No.	170111-0016924
Business Registered No.	504-81-04185
Permit & Licenses	1999 EM Mark 2001 EM Mark 06/2003 ISO 9001 by BQR 11/2006 CE Mark 11/2006 CE Mark

Shareholder Position	Int'l Trade No.: 13002743		
		Name	Shares %
		SUH YONG-KYO	1,486,915 59.60
		PARK MYUNG-OK	511,885 20.50
		SEO OK-HEE	378,200 15.10
		BAE YEON-CHANG	120,000 4.80
	TOTAL	2,497,000 100.00	

Company History	01/1970 Established as SUNGCHANG MACHINERY CO.(Sole Proprietorship) 07/1973 Changed company name to DAEWON INDUSTRY CO. 11/04/1982 Incorporated as DAEWON INDUSTRY CO., LTD. 02/1995 Moved to the present HQ address 12/07/2001 Changed company name to the present name 11/2002 Awarded US\$5 Million Export Top Prize 01/05/2004 Decreased capital to 1,248,500,000 KRW from 1,300,000,000 KRW 01/08/2004 Spin off to the existing company and DAEWON JEONSUL CO., LTD. 11/2005 Awarded US\$10 Million Export Top Prize
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**DETAILED INFORMATION**

**Management**

Job Description	Name	Nationality	Date of Birth	Inauguration Date
Chairman & CEO	Suh Yong-Kyo	Korean	04/05/1955	04/11/2005
President & CEO	Suh Bo-Sung	Korean	02/23/1983	03/31/2016
Director	Suh Chan-Kyo	Korean	04/05/1955	03/20/2008
Director	Suh Soo-Jung	Korean	02/19/1982	03/31/2016
Auditor	Suh Myung-Ok	Korean	06/17/1959	03/20/2011

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## **FINANCIALS**

Year / Unit : KRW	Sales	Assets	Net Income
2017	49,828,109,394	124,283,539,458	2,169,272,811
2016	40,227,377,270	96,801,632,944	3,442,465,757
2015	34,291,492,041	91,895,169,955	571,760,449
2014	40,268,662,972	82,047,156,914	7,533,156,015
2013	51,816,874,258	79,250,131,724	2,561,685,751
2012	50,315,598,554	79,580,654,002	2,385,865,219
2011	70,705,053,997	69,599,279,015	4,522,031,461
2010	58,114,132,658	75,116,466,802	9,440,202,321
2009	65,629,650,477	89,524,386,726	8,707,852,318
2008	67,298,340,330	65,905,128,128	4,711,261,050
2007	41,359,703,039	45,870,332,663	1,615,519,941
2006	40,249,761,626	52,300,676,837	2,717,923,074
2005	41,607,575,036	44,912,940,591	4,689,919,071
2004	36,189,538,934	35,784,262,079	2,520,472,655

### **Financial Description**

Authorized Capital(KRW)	50,000,000,000
Paid-Up Capital(KRW)	1,248,500,000
Total Issues Shares	2,497,000

### **Balance Sheet**

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Total Assets	124,283,539,458	96,801,632,944	91,895,169,955
Current Assets	82,230,856,867	55,584,632,300	48,830,708,352
-Quick Assets	78,503,512,705	52,447,463,972	45,678,393,519
-Inventories	3,727,344,162	3,137,168,328	3,152,314,833
Fixed Assets	42,052,682,591	41,217,000,644	43,064,461,603
-Investment	3,729,879,104	3,198,517,456	3,175,438,780
-Tangibles	37,913,412,708	37,825,738,909	39,691,612,628
-Intangibles	18,749,779	41,548,087	64,346,395
-Others	390,641,000	151,196,192	133,063,800
Total Liabilities	53,627,502,698	42,991,053,444	41,353,030,005
Current Liabilities	46,547,527,507	29,508,248,253	21,614,710,140
Fixed Liabilities	7,079,975,191	13,482,805,191	19,738,319,865
Capital Stock	1,248,500,000	1,248,500,000	1,248,500,000
Capital Surplus	365,002,877	365,002,877	365,002,877
Profit Surplus	63,488,999,559	61,319,726,748	57,877,260,991
Capital Adjustment	5,553,534,324	-9,122,650,125	-8,948,623,918
Total Equity	70,656,036,760	53,810,579,500	50,542,139,950
Liab. & Shareholder's Equity	124,283,539,458	96,801,632,944	91,895,169,955
Current Liabilities	46,547,527,507	29,508,248,253	21,614,710,140

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Trade Payables	6,617,710,170	8,457,411,951	5,466,580,294
Short-Term Borrowings	22,570,979,799	8,500,000,000	13,516,812,860
Advance Receipts	983,233,120	589,903,420	1,196,031,220
Withholdings	91,051,640	98,932,566	107,511,134
Guarantee Deposit	968,282	255,515,291	-
Withhold			
VAT Withhold	773,127,727	644,596,327	168,992,736
Accrued Expenses	535,636,769	673,551,461	755,801,896
Accrued Income Tax	-	551,007,237	-
Current Portion of Long-Term Debts	14,974,820,000	9,737,330,000	402,980,000
Fixed Liabilities	7,079,975,191	13,482,805,191	19,738,319,865
Long-Term Borrowings	5,065,250,000	11,340,080,000	17,370,580,000
Leasehold Deposit	455,500,000	473,500,000	505,500,000
Received			
Deferred Income Tax Credit	1,559,225,191	1,669,225,191	1,862,239,865

**Income Statement**

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Sales	49,828,109,394	40,227,377,270	34,291,492,041
Cost of Sold Goods	33,983,136,956	28,024,489,859	27,051,589,716
Gross Profit	15,844,972,438	12,202,887,411	7,239,902,325
Selling & Admin. Expenses	8,699,557,044	9,064,090,558	8,628,010,722
Operating Income	7,145,415,394	3,138,796,853	-1,388,108,397
Non-Operating Income	3,371,531,378	8,424,156,831	12,189,932,580
Non-Operating Expenses	8,140,732,738	5,941,660,651	10,173,130,461
Income Before Taxes	2,376,214,034	5,621,293,033	628,693,722
Income Taxes Expenses	206,941,223	2,178,827,276	56,933,273
Net Income	2,169,272,811	3,442,465,757	571,760,449

**Cash Flows**

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Cash Flows from Operating	130,549,414	6,846,079,069	-54,187,158
-Net Income	2,169,272,811	3,442,465,757	571,760,449
-Exp. without Cash Outflow	5,188,777,671	5,335,429,958	9,506,583,892
-Revenue without Cash Inflows	-2,329,925,878	-5,002,042,598	-9,330,966,095
-Changes in Asset/ & Liability	-4,897,575,190	3,070,225,952	-801,565,404
Cash Flows from Investing	-30,059,122,130	-946,034,059	262,630,990
-Cash Inflow from Investing	115,376,278,862	148,093,052,692	243,644,586,095
-Cash Outflows for Investing	-145,435,400,992	-149,039,086,751	-243,381,955,105
Cash Flows from Financing	27,691,824,248	-1,744,962,860	9,167,172,860
-Cash Inflows from Financing	55,319,784,449	37,906,500,000	46,595,505,200
-Cash Outflows from Financing	-27,627,960,201	-39,651,462,860	-37,428,332,340

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**DAEWON GSI CO., LTD - 543079**

**PAGE NO. : 8**

Increase/Decrease in Cash	-2,236,748,468	4,155,082,150	9,375,616,692
Cash at the Beginning of Year	18,099,722,578	13,944,640,428	4,569,023,736
Cash at the End of Year	15,862,974,110	18,099,722,578	13,944,640,428

**Products, Technologies, Services Description**

Main Products & Services      Color Sorter Manufacturer  
Color Sorter  
Rice Color Sorter  
Cereals Sorter  
Camera Sorter  
Grain Sorter  
Grain Sorting Machine  
Grain Color Sorter  
Seed Color Sorter  
Tea Sorter  
Color Sorting Machine  
Rice Processing Machinery  
Tea Color Sorter

Detailed Products Spec.  
Technologies Acquired

**Trade Partners & Competitors**

Suppliers

Customers      NATIONAL AGRICULTURAL COOPERATIVE FEDERATION(NACF,  
NONGHYUP : 110136-0027690)

Competitors

ATS INTERNATIONAL CO., LTD.  
RM. 707, PHOENIX BLDG., 702-23, YEOKSAM 1-DONG, GANGNAM-GU, SEOUL, KOREA  
TEL:+82-2-2051-2650~4 FAX:+82-2-2051-2655

HANSUNG ENGINEERING CO., LTD.  
586, PUNGSEO-RI, PUNGSE-MYEON, DONGNAM-GU, CHEONAN-SI, CHUNGCHONGNAM-DO, KOREA  
TEL:+82-41-553-4561 FAX:+82-41-553-6053

HAN JAM MACHINERY CO., LTD.  
123-6, HA-RI, YEOJU-EUP, YEOJU-GUN, GYEONGGI-DO, KOREA  
TEL:+82-31-883-9559 FAX:+82-31-884-0598

**Related Parties (Subsidiaries, Joint-Venture & Affiliates)**

Affiliates

DAEWON ELECTRIC CONSTRUCTION CO.,LTD.(175211-0017537)  
WAPS CO., LTD.(170111-0051730)  
ILSUNG TECH CO., LTD.(KOREA)  
ILSUNG INVESTMENT CO., LTD.(175211-0034664)

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Overseas Office	DAEWON GSI(THAILAND)CO., LTD.
Liaison Office	
Overseas Branch	
Joint Venture	
Subsidiary	PT. DAEWON INDONESIA TIANJIN DAEWON BUSINESS CO., LTD.(CHINA : 천지대원길새상무(유))
Corporate Ownership	
Major Shareholders	
Cooperative Enterprise	-Insured Company HYUNDAI MARINE & FIREINSURANCE CO., LTD.(110111-0035893)

**Sales by Region (Activity & Markets)**

The Subject deals with the companies in Sri Lanka, China, Taiwan, Colombia, India, Indonesia, Japan, Pakistan, Philippines, Russia and Vietnam.

**Court Action**

There are 1 case filed as Defendant(s)/ Debtor(s)/ Respondent(s) amounting 345,830,000 KRW, and 1 case filed as Plaintiff(s)/ Creditor(s)/ Applicant(s) as of 12/31/2017.

**News Clipping**

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**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 69.66
UK Pound	1	INR 89.08
Euro	1	INR 79.36
KRW	1	INR 0.063

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

**INFORMATION DETAILS**

Analysis Done by :	VIVR
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)