

MIRA INFORM REPORT

Report No. :	543031
Report Date :	03.12.2018

IDENTIFICATION DETAILS

Name :	KISWEL LTD.
Registered Office :	70, Saebyeok-Ro 63 Beon-Gil, Sasang-Gu, Busan, Korea, 47018
Country :	South Korea
Financials (as on) :	31.12.2017
Date of Incorporation :	10.09.1964
Com. Reg. No.:	606-81-03615
Legal Form :	Co., Ltd by Shares
Line of Business :	Manufacture of Other Fabricated and Processed Metal Products n.e.c [Welding Electrode, Flux Cored Wire]
No. of Employees :	319

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

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 (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

Company Name	KISWEL LTD. (Korean Company Name : "고려용접봉(주)")
Registered Address	70, Saebyeok-ro 63beon-gil, Sasang-gu, Busan, Korea (Old Address System : 721-3, Hakjang-dong, Sasang-gu, Busan, Korea)
Building	
Zip Code	47018
Tel	+82-51-317-3131~40 +82-51-310-7200
Fax	+82-51-325-3627
E-mail	master@kiswel.com
Website	www.kiswel.com
Trading Address	7FL., Heungkook Bldg., 166, Toegye-ro, Jung-gu, Seoul, Korea (Old Address System : 7FL., Heungkook Bldg., 43-1, Juja-dong, Jung-gu, Seoul, Korea (P.O.BOX 8641))
Tel	+82-2-2270-9400 +82-2-2270-9468
Fax	+82-2-2272-7233~4 +82-2-2275-2826
Other Address-Changwon Factory	704, Gongdan-ro, Seongsan-gu, Changwon-si, Gyeongsangnam-do, Korea (Old Address System : 58-2, Seongju-dong, Changwon-si, Gyeongsangnam-do, Korea)
Tel	+82-55-269-7200
Fax	+82-55-285-1655
Other Address-Busan Office	69, Saessak-ro, Busanjin-gu, Busan, Korea (Old Address System : 667-1, Buam-dong, Busanjin-gu, Busan, Korea)
Tel	+82-51-806-3133
Fax	
Type	Export/Import
Industry	Manufacture of Other Fabricated and Processed Metal Products n.e.c
Main Business	Welding Electrode, Flux Cored Wire
Sub Business	
Established (mm/dd/yyyy)	09/10/1964

DETAILED PRODUCTS

Activity	Detailed Products (UNSPSC)
Sell	Welding rods(23171512)
Sell	Welding wire(23171510)

CEO'S

Name	Hong Min-Chul
Date of Birth	06/11/1951

Title Co-President & CEO
Nationality Korean

PROFILES

Capital (KRW) 990,000,000
Employees 319
Formation Co., Ltd by Shares
Bank Details Woori Bank-Myung-Dong Branch
KEB Hana Bank
Corporate Registered No. 180111-0011261
Business Registered No. 606-81-03615
Permit & Licenses 10/29/1998 KS Mark
09/1999 QS 9000
09/22/1999 ISO 14001 by UKAS
02/2005 ISO/TS 16949

Int'l Trade No.: 741455

Shareholder Position	Name	Shares	%
	HONG MIN-CHUL	134,640	68.00
	OTHERS	63,360	32.00
	TOTAL	198,000	100.00

Company History 09/10/1964 Incorporated as the present name
12/13/1970 Moved to the present HQ address from 21, Sogong-dong,
Jung-gu, Seoul, Korea
11/26/1996 Awarded US\$50 Million Export Top Prize
12/2008 Awarded US\$100 Million Export Top Prize

DETAILED INFORMATION

Management

Job Description	Name	Nationality	Date of Birth	Inauguration Date
Co-President & CEO	Hong Min-Chul	Korean	06/11/1951	03/23/2001
Co-President & CEO	Choi Hee-Am	Korean	12/24/1955	03/30/2016
Director	Lee Young-Rang	Korean	05/15/1960	03/24/2012
Auditor	Hur Young-Woong	Korean	01/25/1963	03/30/2015

FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
2017	209,855,543,620	398,973,235,265	-2,891,881,131
2016	217,693,195,410	415,643,406,648	15,266,726,020
2015	230,213,258,677	406,566,617,191	16,383,423,197
2014	227,789,630,167	401,396,367,498	7,286,371,954
2013	243,815,323,572	405,099,882,572	7,522,742,423
2012	297,116,394,664	402,203,225,827	14,039,279,877
2011	300,194,852,055	376,994,963,747	25,781,894,273
2010	232,608,544,974	325,256,195,932	35,610,480,538
2009	184,429,273,509	269,645,098,846	14,984,567,033
2008	240,267,484,538	260,596,073,245	29,403,304,006
2007	174,914,805,175	223,452,404,785	16,114,847,319
2006	162,174,931,673	199,120,057,270	12,149,157,022
2005	154,726,415,344	192,528,196,778	20,680,651,387
2004	143,137,784,279	169,976,489,352	11,874,881,749

FINANCIAL DESCRIPTION

Authorized Capital(KRW)	1,500,000,000
Paid-Up Capital(KRW)	990,000,000
Total Issued Shares	198,000

Balance Sheet

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Total Assets	398,973,235,265	415,643,406,648	406,566,617,191
Current Assets	182,322,128,335	193,535,214,960	172,575,109,348
-Quick Assets	150,102,470,465	163,183,815,588	137,549,839,957
-Inventories	32,219,657,870	30,351,399,372	35,025,269,391
Fixed Assets	216,651,106,930	222,108,191,688	233,991,507,843
-Investment	144,638,711,646	148,165,113,968	159,579,224,201
-Tangibles	66,601,934,865	68,632,228,694	69,041,802,633
-Intangibles			
-Others	5,410,460,419	5,310,849,026	5,370,481,009
Total Liabilities	30,913,968,316	37,412,696,486	42,341,984,487
Current Liabilities	21,946,942,953	27,910,208,921	28,853,694,764
Fixed Liabilities	8,967,025,363	9,502,487,565	13,488,289,723
Capital Stock	990,000,000	990,000,000	990,000,000
Capital Surplus	44,965,971,981	44,965,971,981	44,965,971,981
Profit Surplus	313,967,685,650	316,859,566,781	301,592,840,761
Capital Adjustment	8,135,609,318	15,415,171,400	16,675,819,962
Total Equity	368,059,266,949	378,230,710,162	364,224,632,704
Liab. & Shareholder's Equity	398,973,235,265	415,643,406,648	406,566,617,191

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Current Liabilities	21,946,942,953	27,910,208,921	28,853,694,764
Trade Payables	15,623,694,294	19,521,594,436	17,031,946,362
Account Payables	5,532,179,077	5,791,917,640	5,368,147,563
Advance Receipts	453,132,820	330,803,809	1,160,000,558
Withholdings	132,338,845	183,125,386	178,822,085
Accrued Income Tax	205,597,917	2,082,767,650	5,114,778,196
Fixed Liabilities	8,967,025,363	9,502,487,565	13,488,289,723
Provision for Severance & Retirement	0	0	166,020,012
Guarantee Deposit	218,500,000	253,500,000	283,500,000
Withhold			
Deferred Income Tax Credit	8,748,525,363	9,248,987,565	13,038,769,711

Income Statement

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Sales	209,855,543,620	217,693,195,410	230,213,258,677
Cost of Sold Goods	180,702,247,925	177,472,095,677	187,699,316,321
Gross Profit	29,153,295,695	40,221,099,733	42,513,942,356
Selling & Admin. Expenses	30,309,027,092	32,069,143,416	31,065,401,757
Operating Income	-1,155,731,397	8,151,956,317	11,448,540,599
Non-Operating Income	10,812,871,160	16,569,280,817	23,469,580,522
Non-Operating Expenses	12,429,483,722	7,897,144,184	13,478,887,517
Income Before Taxes	-2,772,343,959	16,824,092,950	21,439,233,604
Income Taxes Expenses	119,537,172	1,557,366,930	5,055,810,407
Net Income	-2,891,881,131	15,266,726,020	16,383,423,197

Cash Flows

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Cash Flows from Operating	-2,646,972,844	18,049,790,952	23,514,718,975
-Net Income	-2,891,881,131	15,266,726,020	16,383,423,197
-Exp. without Cash Outflow	14,715,948,355	15,320,004,053	20,053,629,717
-Revenue without Cash Inflows	-4,451,383,399	-9,681,148,597	-15,072,692,967
-Changes in Asset/ & Liability	-10,019,656,669	-2,855,790,524	2,150,359,028
Cash Flows from Investing	3,596,096,580	-5,820,763,361	-28,348,302,594
-Cash Inflow from Investing	94,183,175,294	102,340,094,133	96,796,206,365
-Cash Outflows for Investing	-90,587,078,714	-108,160,857,494	-125,144,508,959
Cash Flows from Financing	-	-	-
-Cash Inflows from Financing	-	-	-
-Cash Outflows from Financing	-	-	-
Increase/Decrease in Cash	949,123,736	12,229,027,591	-4,833,583,619
Cash at the Beginning of Year	38,421,397,501	26,192,369,910	31,025,953,529

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Cash at the End of Year	39,370,521,237	38,421,397,501	26,192,369,910
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PRODUCTS, TECHNOLOGIES, SERVICES
DESCRIPTION

Main Products & Services Welding Electrode, Flux Cored Wire
Detailed Products Spec.
Technologies Acquired

TRADE PARTNERS & COMPETITORS

Suppliers
Customers SAMHWA STEEL CO., LTD.(180111-0085373)
Competitors HYUNDAI WELDING CO., LTD.
 16TH FL., ILSONG BLDG., 157-37, SAMSEONG 1-DONG, GANGNAM-
 GU, SEOUL, KOREA
 TEL:+82-2-6230-6010 FAX:+82-2-598-6928

 CHOSUN WELDING CO., LTD.
 865, JANGHEUNG-DONG, NAM-GU, POHANG-SI, GYEONGSANGBUK-
 DO, KOREA
 TEL:+82-54-285-8221 FAX:+82-54-285-8543

 PYUNGSAN METALS CO., LTD.
 5-4, MULLAE-DONG 5-GA, YEONGDEUNGPO-GU, SEOUL, KOREA
 TEL:+82-2-2635-5454 FAX:+82-2-2635-5453

**RELATED PARTIES (SUBSIDIARIES, JOINT-
VENTURE & AFFILIATES)**

Affiliates KOREA HEAT TREATMENT CO., LTD.(180111-0025014)
 (46.56% held by the subject company)

 KOREA OMEGA INVESTMENT ADVISORY CO., LTD.(110111-1551955)
 (38.23% held by the subject company)

 POS WELDING CO., LTD.(171711-0101079)
 (50.0% held by the subject company)

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	KISWEL SINGAPORE PTE. LTD. (80.0% held by the subject company)
	KISWEL DALIAN TRADING (100.0% held by the subject company)
	KISWEL INC HEUNG KOOK LEISURE.CO., LTD.(110111-0101058) SYS HOLDINGS CO., LTD.(110111-2275679) SYS RETAIL CO., LTD.(110111-0012669)
Joint Venture Subsidiary	KISWEL SDN BHD (100.0% held by the subject company)
	KISWEL JAPAN (100.0% held by the subject company)
	KISWEL USA (100.0% held by the subject company)
Corporate Ownership Major Shareholders Cooperative Enterprise	KISWEL DALIAN (100.0% held by the subject company) HONG MIN-CHUL HONG MIN-CHUL -Insured Company KB INSURANCE CO., LTD.(110111-0017859)

SALES BY REGION (ACTIVITY & MARKETS)

The Subject deals with the companies in Japan, USA, Middle East and Europe.

COURT ACTION

No.

NEWS CLIPPING

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 69.65
UK Pound	1	INR 89.08
Euro	1	INR 79.35
KRW	1	INR 0.063

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

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	TPT

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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)