

## MIRA INFORM REPORT

Report No. :	522520
Report Date :	27.07.2018

### IDENTIFICATION DETAILS

Name :	DAEWON GLOBAL SYSTEM INTEGRATION CO., LTD.
Formerly Known As :	<ul style="list-style-type: none"> <li>• DAEWON INDUSTRY CO., LTD</li> <li>• DAEWON INDUSTRY CO</li> <li>• SUNGCHANG MACHINERY CO</li> </ul>
Registered Office :	235, Gongdan-ro, Waegwan-eup, Chilgok-gun, Gyeongsangbuk-do, Korea, 39909
Country :	South Korea
Financials (as on) :	31.12.2016
Date of Incorporation :	04.11.1982
Com. Reg. No.:	504-81-04185
Legal Form :	Co., Ltd by Shares
Line of Business :	Export/Import and Manufacture of Machinery for Food, Beverage and Tobacco Processing, Rice Polishing Mill, Dry Storage Extension Equipment, Grain Dryer, Color Sorter
No. of Employees :	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	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	No Complaints

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

<b>Litigation :</b>	Exist
---------------------	-------

**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**

<b>Country Name</b>	<b>Previous Rating (31.12.2017)</b>	<b>Current Rating (01.04.2018)</b>
South Korea	A1	A1

<b>Risk Category</b>	<b>ECGC Classification</b>
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	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
Main Business	Rice Polishing Mill, Dry Storage Extension Equipment, Grain Dryer, Color Sorter
Sub Business	
Established (mm/dd/yyyy)	11/04/1982

## **DETAILED PRODUCTS**

<b>Activity</b>	<b>Detailed Products (UNSPSC)</b>
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	486,915	19.50
		PARK MYUNG-OK	511,885	20.50
		SEO OK-HEE	378,200	15.10
		BAE YEON-CHANG	120,000	4.80
		TREASURY STOCK	1,000,000	40.10
	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
-----------------	---

## **DETAILED INFORMATION**

### **Management**

<b>Job Description</b>	<b>Name</b>	<b>Nationality</b>	<b>Date of Birth</b>	<b>Inauguration Date</b>
Chairman & CEO	Suh Yong-Kyo	Korean	04/05/1955	04/11/2005

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

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

## FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
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 12/31/2016	As of 12/31/2015	As of 12/31/2014
Total Assets	96,801,632,944	91,895,169,955	82,047,156,914
Current Assets	55,584,632,300	48,830,708,352	41,066,315,803
-Quick Assets	52,447,463,972	45,678,393,519	38,131,495,001
-Inventories	3,137,168,328	3,152,314,833	2,934,820,802
Fixed Assets	41,217,000,644	43,064,461,603	40,980,841,111
-Investment	3,198,517,456	3,175,438,780	3,087,692,802
-Tangibles	37,825,738,909	39,691,612,628	37,495,248,527
-Intangibles	41,548,087	64,346,395	78,804,703
-Others	151,196,192	133,063,800	319,095,079
Total Liabilities	42,991,053,444	41,353,030,005	32,170,155,768
Current Liabilities	29,508,248,253	21,614,710,140	12,448,813,351
Fixed Liabilities	13,482,805,191	19,738,319,865	19,721,342,417
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

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**DAEWON GLOBAL SYSTEM INTEGRATION CO., LTD. - 522520**

**PAGE NO. : 7**

Profit Surplus	61,319,726,748	57,877,260,991	57,305,500,542
Capital Adjustment	-9,122,650,125	-8,948,623,918	-9,042,002,273
Total Equity	53,810,579,500	50,542,139,950	49,877,001,146
Liab. & Shareholder's Equity	96,801,632,944	91,895,169,955	82,047,156,914
Current Liabilities	29,508,248,253	21,614,710,140	12,448,813,351
Trade Payables	8,457,411,951	5,466,580,294	3,855,186,697
Short-Term Borrowings	8,500,000,000	13,516,812,860	5,000,000,000
Advance Receipts	589,903,420	1,196,031,220	963,677,850
Withholdings	98,932,566	107,511,134	199,393,932
Guarantee Deposit	255,515,291	-	-
Withhold			
VAT Withhold	644,596,327	168,992,736	356,024,009
Accrued Expenses	673,551,461	755,801,896	507,170,493
Accrued Income Tax	551,007,237	-	1,351,961,683
Current Portion of Long-Term Debts	9,737,330,000	402,980,000	157,140,000
Current Portion of Deferred Income Tax Credit			58,258,687
Fixed Liabilities	13,482,805,191	19,738,319,865	19,721,342,417
Long-Term Borrowings	11,340,080,000	17,370,580,000	16,998,560,000
Leasehold Deposit Received	473,500,000	505,500,000	473,000,000
Deferred Income Tax Credit	1,669,225,191	1,862,239,865	2,249,782,417

**Income Statement**

<b>Unit : Korean Won</b>	<b>As of 12/31/2016</b>	<b>As of 12/31/2015</b>	<b>As of 12/31/2014</b>
Sales	40,227,377,270	34,291,492,041	40,268,662,972
Cost of Sold Goods	28,024,489,859	27,051,589,716	27,485,657,877
Gross Profit	12,202,887,411	7,239,902,325	12,783,005,095
Selling & Admin. Expenses	9,064,090,558	8,628,010,722	10,198,892,771
Operating Income	3,138,796,853	-1,388,108,397	2,584,112,324
Non-Operating Income	8,424,156,831	12,189,932,580	9,553,340,289
Non-Operating Expenses	5,941,660,651	10,173,130,461	2,911,650,509
Income Before Taxes	5,621,293,033	628,693,722	9,225,802,104
Income Taxes Expenses	2,178,827,276	56,933,273	1,692,646,089
Net Income	3,442,465,757	571,760,449	7,533,156,015

**Cash Flows**

<b>Unit : Korean Won</b>	<b>As of 12/31/2016</b>	<b>As of 12/31/2015</b>	<b>As of 12/31/2014</b>
Cash Flows from Operating	6,846,079,069	-54,187,158	3,473,765,913
-Net Income	3,442,465,757	571,760,449	7,533,156,015
-Exp. without Cash Outflow	5,335,429,958	9,506,583,892	2,927,061,632
-Revenue without Cash Inflows	-5,002,042,598	-9,330,966,095	-6,861,536,676
-Changes in Asset/ & Liability	3,070,225,952	-801,565,404	-124,915,058

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

Cash Flows from Investing	-946,034,059	262,630,990	1,320,432,234
-Cash Inflow from Investing	148,093,052,692	243,644,586,095	121,060,288,900
-Cash Outflows for Investing	-149,039,086,751	-243,381,955,105	-119,739,856,666
Cash Flows from Financing	-1,744,962,860	9,167,172,860	-3,072,150,000
-Cash Inflows from Financing	37,906,500,000	46,595,505,200	60,938,000,000
-Cash Outflows from Financing	-39,651,462,860	-37,428,332,340	-64,010,150,000
Increase/Decrease in Cash	4,155,082,150	9,375,616,692	1,722,048,147
Cash at the Beginning of Year	13,944,640,428	4,569,023,736	2,846,975,589
Cash at the End of Year	18,099,722,578	13,944,640,428	4,569,023,736

## **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
--------------------------	---

## **TRADE PARTNERS & COMPETITORS**

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, CHUNGHEONGNAM-DO, KOREA

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

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) DAEWON GSI(THAILAND)CO., LTD.
Subsidiary	PT. DAEWON INDONESIA TIANJIN DAEWON BUSINESS CO., LTD.
Cooperative Enterprise	-Insured Company HYUNDAI MARINE & FIREINSURANCE CO., LTD.(110111-0035893) KB INSURANCE CO., LTD.(110111-0017859)

## **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 280,964,000 KRW, and 1 case filed as Plaintiff(s)/ Creditor(s)/ Applicant(s) as of 12/31/2016.

## **NEWS CLIPPING**

-----

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.80
UK Pound	1	INR 90.58
Euro	1	INR 80.45
KRW	1	INR 0.061

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

**INFORMATION DETAILS**

Analysis Done by :	NIS
Report Prepared by :	TPT

**DISCLAIMER :** This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**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)