

MIRA INFORM REPORT

Report No. :	534020
Report Date :	09.10.2018

IDENTIFICATION DETAILS

Name :	DAEYANG ELECTRIC CO., LTD.
Registered Office :	245, Jangpyeong-Ro, Saha-Gu, Busan
Country :	South Korea
Financials (as on) :	31.03.2018
Date of Incorporation :	01.07.1988
Com. Reg. No.:	603-81-09788
Legal Form :	Listed Company
Line of Business :	Manufacture of Sections for Ships [Lighting Fixtures, Switch, Starter Panel, Main Switchboard, Marin Engine Control Console, Axial Fan]
No. of Employees :	360

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 :	No Complaints
Litigation :	Exist

NOTES :

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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

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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	DAEYANG ELECTRIC CO., LTD.
Registered Address	245, Jangpyeong-ro, Saha-gu, Busan, Korea
Building	
Zip Code	49438
Tel	+82-51-200-5331
Fax	+82-51-200-5310
E-mail	kangsh@daeyang.co.kr
Website	www.daeyang.co.kr
Trading Address	245, Jangpyeong-ro, Saha-gu, Busan, Korea (Old Address System : 503, Sinpyeong 1-dong, Saha-gu, Busan, Korea)
Tel	+82-51-200-5214
Fax	+82-51-200-5260
Other Address-Gupyeong Branch	233, Dusong-ro, Saha-gu, Busan, Korea (Old Address System : 317-2, Gupyeong-dong, Saha-gu, Busan, Korea)
Tel	+82-51-260-3504
Fax	+82-51-260-3555
Other Address	45-16, Noksansandan 261-ro 14beon-gil, Gangseo-gu, Busan, Korea (Old Address System : 1612-2, Songjeong-dong, Gangseo-gu, Busan, Korea)
Tel	
Fax	
Other Address	16, Venture-ro 100beon-gil, Yeonsu-gu, Incheon, Korea (Old Address System : 11-81, Songdo-dong, Yeonsu-gu, Incheon, Korea)
Tel	
Fax	
Type	Export/Import
Industry	Manufacture of Sections for Ships
Main Business	Lighting Fixtures, Switch, Starter Panel, Main Switchboard, Marin Engine Control Console, Axial Fan
Sub Business	
Established (mm/dd/yyyy)	07/01/1988

DETAILED PRODUCTS

Activity	Detailed Products (UNSPSC)
Sell	Switches and controls and relays and accessories(39121500)
Sell	Integrated circuit sockets or mounts(32131006)
Sell	Circuit protection devices and accessories(39121600)
Sell	Electrical components(25173900)

CEO'S

Name	Seo Young-Woo
Date of Birth	12/19/1972
Title	President & CEO
Nationality	Korean

PROFILES

Capital (KRW)	4,783,666,500
Employees	360
Formation	Listed Company(KOSDAQ : 108380) as of 07/08/2011 Venture Business

Bank Details	Korea Development Bank-Shinpyung Dong Branch Industrial Bank of Korea
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Corporate Registered No.	180111-0081389
Business Registered No.	603-81-09788
Permit & Licenses	06/1986 UL Mark 07/1992 UL Mark 10/2008 ISO 14001 12/2010 OHSAS 18001:2007

Shareholder Position	Int'l Trade No.: 890399																								
	<table> <thead> <tr> <th>Name</th> <th>Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>SEO YOUNG-WOO</td> <td>5,677,527</td> <td>59.34</td> </tr> <tr> <td>KB ASSET MANAGEMENT CO., LTD.(110111-0572556)</td> <td>356,906</td> <td>3.73</td> </tr> <tr> <td>NATIONAL PENSION SERVICE(110171-0007134)</td> <td>583,918</td> <td>6.10</td> </tr> <tr> <td>THE SUBJECT'S EMPLOYEE STOCK OWNERSHIP ASSOCIATION</td> <td>230,845</td> <td>2.41</td> </tr> <tr> <td>TREASURY STOCK</td> <td>135,181</td> <td>1.41</td> </tr> <tr> <td>OTHERS</td> <td>2,582,956</td> <td>27.00</td> </tr> <tr> <td>TOTAL</td> <td>9,567,333</td> <td>100.00</td> </tr> </tbody> </table>	Name	Shares	%	SEO YOUNG-WOO	5,677,527	59.34	KB ASSET MANAGEMENT CO., LTD.(110111-0572556)	356,906	3.73	NATIONAL PENSION SERVICE(110171-0007134)	583,918	6.10	THE SUBJECT'S EMPLOYEE STOCK OWNERSHIP ASSOCIATION	230,845	2.41	TREASURY STOCK	135,181	1.41	OTHERS	2,582,956	27.00	TOTAL	9,567,333	100.00
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Company History	07/01/1988 Incorporated as the present name 07/2000 Designated as an INNO-BIZ Company 11/2001 Awarded US\$ 10 Million Export top Prize 06/2006 Designated as an INNO-BIZ Company again 03/31/2009 Increased the authorized shares to 20,000,000 shares from 1,600,000 shares 05/15/2009 Split off the par value to 500 KRW from 5,000 KRW 11/2010 Awarded US\$ 30 Million Export top Prize 08/12/2011 Designated as an INNO-BIZ Company again 11/27/2014 Increased capital to 4,783,666,500 KRW from 4,747,650,000 KRW
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DETAILED INFORMATION

Management

Job Description	Name	Nationality	Date of Birth	Inauguration Date
President & CEO	Seo Young-Woo	Korean	12/19/1972	03/29/2010
Vice President	Kim Jae-Yool	Korean	09/16/1955	03/29/2010
Outside Director	Kim You-Il	Korean	07/04/1946	03/29/2010
Auditor	Baik Sung-Kwon	Korean	01/06/1939	03/31/2009

FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
03/2018	18,012,536,977	212,707,755,650	1,706,143,914
2017	120,118,832,831	209,307,608,954	8,666,931,722
2016	152,735,016,861	190,226,455,547	12,815,903,179
2015	132,599,030,436	176,418,090,757	13,273,155,271

FINANCIAL DESCRIPTION

Authorized Capital(KRW)	10,000,000,000
Paid-Up Capital(KRW)	4,783,666,500
Total Issued Shares	9,567,333

Balance Sheet

Unit : Korean Won	01/01/2018~03/31/2018	As of 12/31/2017	As of 12/31/2016
Total Assets	212,707,755,650	209,307,608,954	190,226,455,547
Current Assets	121,025,156,472	118,946,835,597	103,462,611,150
Cash & Cash Equivalents	54,008,747,008	58,951,158,292	32,751,672,654
Trade Receivables & Other Receivables	9,642,450,114	11,677,097,968	21,092,188,732
Other Financial Assets	34,211,161,770	33,965,426,104	33,054,089,252
Other Current Assets	5,967,850,050	7,246,456,368	5,337,162,001
Inventories	17,194,947,530	7,106,696,865	11,227,498,511
Non-Current Assets	91,682,599,178	90,360,773,357	86,763,844,397
Marketable Financial Instruments	1,666,777,270	1,664,127,270	2,070,269,770
Investment_Subsidiaries	8,000,000,000	8,000,000,000	8,000,000,000
Other Financial Assets	449,286,536	425,025,719	336,382,451
Other Non-Current Assets	3,330,310,229	3,336,556,229	3,519,959,229
Tangibles	69,836,012,376	69,560,842,839	65,684,224,618
Investment_Real Estates	2,073,584,208	607,031,919	28,993,186
Intangibles	4,993,451,347	5,203,585,791	6,407,133,102

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DAEYANG ELECTRIC CO., LTD. - 534020

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Deferred Income Tax Assets	1,333,177,212	1,563,603,590	716,882,041
Total Liabilities	44,784,434,548	43,099,244,211	32,922,758,226
Current Liabilities	42,210,422,319	40,525,231,982	30,355,745,997
Trade Payables & Other Payables	9,535,484,669	8,034,617,687	9,388,824,661
Other Current Liabilities	32,420,367,455	32,183,599,400	18,469,776,943
Deferred Income Tax Credit	254,570,195	307,014,895	2,497,144,393
Non-Current Liabilities	2,574,012,229	2,574,012,229	2,567,012,229
Other Non-Current Liabilities	160,000,000	160,000,000	153,000,000
Provisions	2,414,012,229	2,414,012,229	2,414,012,229
Capital Stock	4,783,666,500	4,783,666,500	4,783,666,500
Capital Surplus	24,642,327,210	24,642,327,210	24,541,150,146
Capital Adjustment	-1,296,703,628	-1,306,119,213	-1,430,540,849
Others	9,341,800,412	9,342,403,552	9,330,266,552
Profit Surplus	130,452,230,608	128,746,086,694	120,079,154,972
Total Equity	167,923,321,102	166,208,364,743	157,303,697,321
Liab. & Shareholder's Equity	212,707,755,650	209,307,608,954	190,226,455,547

Income Statement

Unit : Korean Won	01/01/2018-03/31/2018	As of 12/31/2017	As of 12/31/2016
Sales	18,012,536,977	120,118,832,831	152,735,016,861
Cost of Sold Goods	14,777,603,779	98,176,206,257	127,208,028,756
Gross Profit	3,234,933,198	21,942,626,574	25,526,988,105
Selling & Admin. Expenses	1,735,060,735	11,616,946,147	11,881,358,939
Operating Income	1,499,872,463	10,325,680,427	13,645,629,166
Other Income	318,610,793	1,463,262,498	2,803,444,605
Other Expenses	17,346,733	179,411,457	2,560,017,718
Finance Income	411,630,625	1,118,979,600	1,714,579,326
Finance Expenses	268,087,346	1,109,405,022	457,054,989
Income Before Taxes	1,944,679,802	11,619,106,046	15,146,580,390
Income Taxes Expenses	238,535,888	2,952,174,324	2,330,677,211
Net Income	1,706,143,914	8,666,931,722	12,815,903,179

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	-2,425,609,400	32,659,275,289	15,836,865,005
Net Income	1,706,143,914	8,666,931,722	12,815,903,179
Adjustment	174,661,256	7,820,530,224	7,467,566,435
Changes in Asset/ & Liability	-4,657,073,610	21,387,410,553	-2,365,398,100
Interests Received	414,466,390	776,867,861	535,193,004
Income Taxes	-63,807,350	-5,992,465,071	-2,616,399,513
Cash Flows from Investing	-2,553,181,504	-6,415,110,796	-6,574,082,452
Cash Flows from Financing		212,403,700	-570,727,642
Increase/Decrease in Cash	-4,942,411,284	26,199,485,638	8,764,763,137
Cash at the Beginning of Year	58,951,158,292	32,751,672,654	23,986,909,517
Cash at the End of Year	56,008,747,008	58,951,158,292	32,751,672,654

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PRODUCTS, TECHNOLOGIES, SERVICES
DESCRIPTION

Main Products & Services Lighting Fixtures, Switch, Starter Panel, Main Switchboard, Marin Engine Control Console, Axial Fan
Detailed Products Spec.
Technologies Acquired

TRADE PARTNERS & COMPETITORS

Suppliers
Customers DEFENSE ACQUISITION PROGRAM ADMINISTRATION(DAPA)
HYUNDAI-ROTEM COMPANY(194211-0036336)
HYUNDAI HEAVY INDUSTRIES CO., LTD.(181211-0000386)
SAMSUNG HEAVY INDUSTRIES CO., LTD.(110111-0168595)
STX OFFSHORE & SHIPBUILDING CO., LTD.(180111-0002814)
Competitors MICRO CONTACT SOLUTION CO., LTD.
91, OSAEKDANG-RI, SEONGGEO-EUP, SEOBUK-GU, CHEONAN-SI,
CHUNGCHEONGNAM-DO, KOREA
TEL:+82-41-621-4331~3 FAX:+82-41-621-4330
UG COM CO., LTD.
428, GALSAN 1-DONG, BUPYEONG-GU, INCHEON, KOREA
TEL:+82-32-529-5201 FAX:+82-32-529-5204
DUCKIL INDUSTRY CO., LTD.
PYEONGTAEK INDUSTRIAL COMPLEX, 537-5, SEGYO-DONG,
PYEONGTAEK-SI, GYEONGGI-DO, KOREA
TEL:+82-31-650-9700 FAX:+82-31-666-4713

RELATED PARTIES (SUBSIDIARIES, JOINT-VENTURE & AFFILIATES)

Affiliates DAEYANG INSTRUMENT CO., LTD.(180111-0078732)
DAEYANG JEONJANG CO., LTD.(KOREA)
DECO CO., LTD.(KOREA)
Joint Venture
Subsidiary KOREA SPECIAL BATTERY CO., LTD.(110111-1392060)
Corporate Ownership
Major Shareholders

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Cooperative Enterprise -Insured Company
MERITZ FIRE & MARINE INSURANCE CO., LTD.(110111-0013328)

SALES BY REGION (ACTIVITY & MARKETS)

Sales/ Unit :Mil KRW	03/2018	2017	2016
Export	10,805	57,984	60,191
Domestic	7,208	62,135	92,544
Total	18,013	120,119	152,735

The Subject deals with the companies in Germany, Japan, Singapore and USA.

COURT ACTION

Case No.	Court	Plaintiff(s)/ Creditor(s)/ Applicant(s)	Defendant(s)/ Debtor(s)/ Respondent(s)	Cause	Amount (KRW)	Status
	Supreme Court	HYUNDA IMARINE & FIRE INSURANCE CO., LTD.(110111- 0035893)	The Subject Company	Collection	4,499,134,000	3rd round is proceeding

NEWS CLIPPING

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.92
UK Pound	1	INR 96.85
Euro	1	INR 85.06
KRW	1	INR 0.065

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

INFORMATION DETAILS

Analysis Done by :	NIS
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)