

MIRA INFORM REPORT

Report No. :	534884
Report Date :	16.10.2018

IDENTIFICATION DETAILS

Name :	SONGWOL CO., LTD.
Formerly Known As :	SONGWOL TOWEL CO., LTD.
Registered Office :	45, Yusangongdan 7-Gil, Yangsan-Si, Gyeongsangnam-Do, Korea 50592
Country :	South Korea
Financials (as on) :	31.12.2017
Date of Incorporation :	26.12.1974
Com. Reg. No.:	607-81-17714
Legal Form :	Co., Ltd by Shares
Line of Business :	<ul style="list-style-type: none"> • Manufacture, Wholesale and Retails Towel • Weaving of Man-Made Fiber Fabrics (Towel, Living Goods, Bath Goods, Umbrella, Textile Machine)
No. of Employees :	165

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd 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
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.

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

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.

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 led 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	SONGWOL CO., LTD. (Ex. Company Name : SONGWOL TOWEL CO., LTD.)
Registered Address	45, Yusangongdan 7-gil, Yangsan-si, Gyeongsangnam-do, Korea (Old Address System : 250-1, Yusan-dong, Yangsan-si, Gyeongsangnam-do, Korea)
Building	--
Zip Code	50592
Tel	+82-55-911-1000
Fax	+82-55-911-0990
E-mail	gogo@songwol.kr;padak@songwol.com
Website	www.songwol.com
Trading Address	1, Daebangcheon-ro 12-gil, Yeongdeungpo-gu, Seoul, Korea (Old Address System : 4579, Singil-dong, Yeongdeungpo-gu, Seoul, Korea)
Tel	+82-2-515-2300
Fax	+82-2-515-2360
Other Address-Sinpyeong	12, Sinsan-ro 13beon-gil, Saha-gu, Busan, Korea (Old Address System : 653-5, Sinpyeong-dong, Saha-gu, Busan, Korea)
Factory	
Tel	+82-51-207-6702
Fax	+82-51-207-8628
Other Address-Songwol	56, Seogyang-gil, Sacheon-si, Gyeongsangnam-do, Korea (Old Address System : 571-4, Noryong-dong, Sacheon-si, Gyeongsangnam-do, Korea)
Technology	
Tel	+82-55-388-2920
Fax	+82-55-388-2921
Type	Export/Import
Industry	Manufacture, Wholesale and Retails Towel Weaving of Man-Made Fiber Fabrics
Main Business	Towel, Living Goods, Bath Goods, Umbrella, Textile Machine
Sub Business	
Established (mm/dd/yyyy)	12/26/1974

DETAILED PRODUCTS

Activity	Detailed Products (UNSPSC)
Sell	Towels(52121700)
Sell	Rugs and mats(52101500)
Sell	Mattress covers(52121504)
Sell	Bath robes(53102606)
Sell	Bedclothes(52121500)

CEO'S

Name	Pak Byung-Dae
Date of Birth	07/09/1955
Title	President & CEO
Nationality	Korean

PROFILES

Capital (KRW)	1,984,870,000
Employees	165
Formation	Co., Ltd by Shares
Bank Details	Busan Bank-Yesonsan Branch Kookmin Bank KEB Hana Bank

Corporate Registered No.	180111-0021799
Business Registered No.	607-81-17714
Permit & Licenses	Int'l Trade No.: 158835

Shareholder Position	Name	Shares	%
	SONGWOL INTERNATIONAL CO., LTD.(180111-0507054)	106,724	26.88
	TREASURY STOCK	8,000	2.02
	OTHERS(20)	282,250	71.10
	TOTAL	396,974	100.00

Company History	12/26/1974 Incorporated as SONGWOL TOWEL CO., LTD. 06/29/2002 Acquired SONGWOL INDUSTRY CO., LTD. 11/16/2005 Moved to the present HQ address from 3-1, Sajik-dong, Dongnae-gu, Busan, Korea 01/03/2018 Acquired SONGWOL TECHNOLOGY CO., LTD.(195411- 0020508) 02/01/2018 Changed company name to the present name
-----------------	---

MANAGEMENT

Job Description	Name	Nationality	Date of Birth	Inauguration Date
President & CEO	Pak Byung-Dae	Korean	07/09/1955	12/23/1999
Director	Pak Byung-Do	Korean	07/09/1955	12/23/1999
Director	Pak Chang- Hwan	Korean	10/19/1986	02/12/2018
Auditor	Pak Byung-Jin	Korean	12/05/1951	03/28/2001

FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
2017	63,937,919,513	134,633,271,556	12,449,219,038
2016	65,085,015,352	131,555,623,596	17,469,176,994
2015	59,628,114,602	121,860,090,330	15,393,808,163
2014	54,511,934,280	106,971,013,303	6,623,603,417
2013	51,785,240,309	103,944,594,280	5,848,241,778
2012	51,055,613,257	92,552,155,846	7,770,432,316
2011	49,592,701,724	90,432,912,540	905,136,645

FINANCIAL DESCRIPTION

Authorized Capital(KRW)	2,500,000,000
Paid-Up Capital(KRW)	1,984,870,000
Total Issued Shares	396,974

Balance Sheet

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Total Assets	134,633,271,556	131,555,623,596	121,860,090,330
Current Assets	50,789,250,794	56,443,940,646	55,341,275,905
-Quick Assets	34,808,172,571	43,177,663,589	41,000,810,233
-Inventories	15,981,078,223	13,266,277,057	14,340,465,672
Fixed Assets	83,844,020,762	75,111,682,950	66,518,814,425
-Investment	50,346,547,761	46,835,215,964	40,099,955,311
-Tangibles	31,811,967,071	26,684,989,056	25,495,525,584
-Intangibles			
-Others	1,685,505,930	1,591,477,930	923,333,530
Total Liabilities	21,970,422,048	23,772,226,704	28,277,771,506
Current Liabilities	20,764,471,434	22,207,724,316	26,350,133,601
Fixed Liabilities	1,205,950,614	1,564,502,388	1,927,637,905
Capital Stock	1,984,870,000	1,984,870,000	1,984,870,000
Capital Surplus	3,421,229,625	3,421,229,625	3,421,229,625
Profit Surplus	107,916,962,636	101,302,353,598	87,258,606,604
Capital Adjustment	-660,212,753	1,074,943,669	917,612,595
Total Equity	112,662,849,508	107,783,396,892	93,582,318,824
Liab. & Shareholder's Equity	134,633,271,556	131,555,623,596	121,860,090,330
Current Liabilities	20,764,471,434	22,207,724,316	26,350,133,601
Trade Payables	2,264,161,391	2,070,541,065	1,688,853,450
Account Payables	646,158,122	663,173,073	657,272,619
Short-Term Borrowings	15,000,000,000	15,000,000,000	17,000,000,000
Advance Receipts	448,874,451	187,780,689	62,922,373
Unearned Income	5,054,771	4,136,986	4,153,005

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.

Withholdings	106,509,773	101,174,236	96,110,146
Accrued Expenses	870,523,245	905,102,038	841,945,386
Deferred Income Tax Credit	444,906,083	1,898,826,572	2,855,089,633
VAT Withhold	871,143,598	632,449,657	1,106,946,989
Current Portion of Long-Term Debts	107,140,000	744,540,000	2,036,840,000
Fixed Liabilities	1,205,950,614	1,564,502,388	1,927,637,905
Long-Term Borrowings	101,000,000	208,140,000	952,680,000
Leasehold Deposit	232,000,000	482,000,000	482,000,000
Received			
Provision for Severance & Retirement	872,950,614	874,362,388	492,957,905

Income Statement

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Sales	63,937,919,513	65,085,015,352	59,628,114,602
Cost of Sold Goods	45,049,784,787	44,005,230,158	40,119,396,862
Gross Profit	18,888,134,726	21,079,785,194	19,508,717,740
Selling & Admin. Expenses	11,645,499,982	10,842,642,293	11,605,753,213
Operating Income	7,242,634,744	10,237,142,901	7,902,964,527
Non-Operating Income	9,310,914,178	11,468,983,910	17,264,945,250
Non-Operating Expenses	1,795,247,404	700,575,980	6,311,057,434
Income Before Taxes	14,758,301,518	21,005,550,831	18,856,852,343
Income Taxes Expenses	2,309,082,480	3,536,373,837	3,463,044,180
Net Income	12,449,219,038	17,469,176,994	15,393,808,163

Cash Flows

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Cash Flows from Operating	7,723,841,107	11,471,916,741	10,866,765,491
-Net Income	12,449,219,038	17,469,176,994	15,393,808,163
-Exp. without Cash Outflow	2,736,688,917	1,917,484,731	7,034,700,908
-Revenue without Cash Inflows	-3,603,448,147	-6,412,021,157	-12,222,761,741
-Changes in Asset/ & Liability	-3,858,618,701	-1,502,723,827	661,018,161
Cash Flows from Investing	-3,192,038,000	-2,659,355,488	1,468,579,849
-Cash Inflow from Investing	12,220,517,893	18,375,743,838	36,969,916,553
-Cash Outflows for Investing	-15,412,555,893	-21,035,099,326	-35,501,336,704
Cash Flows from Financing	-6,829,150,000	-7,702,270,000	-2,662,403,877
-Cash Inflows from Financing	3,001,100,000	3,150,100,000	9,179,500,000
-Cash Outflows from Financing	-9,830,250,000	-10,852,370,000	-11,841,903,877
Increase/Decrease in Cash	-2,297,346,893	1,110,291,253	9,672,941,463
Cash at the Beginning of Year	17,567,517,649	16,457,226,396	6,784,284,933
Cash at the End of Year	15,270,170,756	17,567,517,649	16,457,226,396

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.

PRODUCTS, TECHNOLOGIES, SERVICES DESCRIPTION

Main Products & Services Towel, Living Goods, Bath Goods, Umbrella, Textile Machine

TRADE PARTNERS & COMPETITORS

Suppliers --
Customers --
Competitors HANMI TOWEL CO., LTD.
450-2, EUPNAE-DONG, DAEDEOK-GU, DAEJEON, KOREA
TEL:+82-42-625-4141 FAX:+82-42-625-4148

CRONTIER CO., LTD.
RM. 201, SAEMTAP BLDG., 448-16, SINGIL 5-DONG,
YEONGDEUNGPO-GU, SEOUL, KOREA
TEL:+82-2-572-1766 FAX:+82-2-572-1769

MOOHAN TOWEL CO., LTD.
1ST FL., MUHAN BLDG., 36, GANGNAM-DAERO 156-GIL, GANGNAM-
GU, SEOUL, KOREA
TEL:+82-2-548-7412 FAX:+82-2-514-3510

RELATED PARTIES (SUBSIDIARIES, JOINT- VENTURE & AFFILIATES)

Affiliates SONGWOL INTERNATIONAL CO., LTD.(180111-0507054)
(21.81% held by the subject company)
Subsidiary SONGWOL VINA CO., LTD.
(98.98% held by the subject company)
LOT 36-38-40, ROAD NO.7, TAN DUC INDUSTRIAL PARK, DUC HOA
DISTRICT, LONG AN PROVINCE, VIETNAM
TEL:+84-723-777-444 FAX:+84-723-777-333

SONGWOL CO., LTD.(180111-0507054)
(21.81% held by the subject company)

SALES BY REGION (ACTIVITY & MARKETS)

Sales/ Unit : KRW	2017	2016	2015
Export	206,658,818	424,163,728	335,747,984
Domestic	64,225,450,239	65,112,039,294	59,723,905,389
Others	-494,189,544	-451,187,670	-431,538,771
Total	63,937,919,513	65,085,015,352	59,628,114,602

COURT ACTION

No.

NEWS CLIPPING

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.97
UK Pound	1	INR 97.08
Euro	1	INR 85.49
KRW	1	INR 0.065

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

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	TRU

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)