

MIRA INFORM REPORT

Report No. :	535280
Report Date :	19.10.2018

IDENTIFICATION DETAILS

Name :	CHEONG KUM STEEL CO., LTD.
Registered Office :	520, Teheran-ro, Gangnam-gu, Seoul, Korea, 12FL., Saman Bldg, 06181
Country :	South Korea
Financials (as on) :	31.12.2017
Date of Incorporation :	15.12.1998
Com. Reg. No.:	120-81-85660
Legal Form :	Co., Ltd by Shares
Line of Business :	Manufacture of Steel Plate, Pipe and Non-Ferrous Metals, Steel Plate, Pipe, Electronics Components
No. of Employees :	11

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

COMPANY NAME AND ADDRESS

Basic

Company Name	CHEONG KUM STEEL CO., LTD.
Registered Address	520, Teheran-ro, Gangnam-gu, Seoul, Korea
Building	12FL., Saman Bldg.
Zip Code	06181
Tel	+82-2-569-8448
Fax	+82-2-567-2724
E-mail	kk10005@cheongkumsteel.com
Website	www.cheongkumsteel.com
Trading Address	12FL., Saman Bldg., 520, Teheran-ro, Gangnam-gu, Seoul, Korea (Old Address System : 12FL., Saman Bldg., 945, Daechi-dong, Gangnam-gu, Seoul, Korea)
Tel	+82-2-569-8448
Fax	+82-2-567-2724
Other Address	
Tel	
Fax	
Type	Export/Import
Industry	Manufacture of Steel Plate, Pipe and Non-Ferrous Metals
Main Business	Steel Plate, Pipe, Electronics Components
Sub Business	
Established (mm/dd/yyyy)	12/15/1998

Detailed Products

Activity	Detailed Products (UNSPSC)
Sell	Steel plate(30102204)
Sell	Steel(11101704)

CEO's

Name	Jung Hyung-Wook
Date of Birth	12/25/1957
Title	President & CEO
Nationality	Korean

Profiles

Capital (KRW)	500,000,000
Employees	11
Formation	Co., Ltd by Shares
Bank Details	Industrial Bank of Korea Kookmin Bank Woori Bank
Corporate Registered No.	110111-1619852
Business Registered No.	120-81-85660
Permit & Licenses	N/A

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Shareholder Position	Name	Shares	%
	JUNG HYUNG-WOOK	42,500	85.00
	YANG JONG-SEUNG	2,500	5.00
	LEE DONG-HERN	2,500	5.00
	OH YI-SOON	2,500	5.00
	TOTAL	50,000	100.00
Company History	12/15/1998 Incorporated as the present name		
	07/22/2001 Increased capital to 500,000,000 KRW from 350,000,000 KRW		
	04/01/2013 Moved to the present HQ address from 14, Teheran-ro 81-gil, Gangnam-gu, Seoul, Korea(Old Address System : 157-22, Samseong-dong, Gangnam-gu, Seoul, Korea)		

DETAILED INFORMATION

Management

Job Description	Name	Nationality	Date of Birth	Inauguration Date
President & CEO	Jung Hyung-Wook	Korean	12/25/1957	05/13/2000
Director	Lee Dong-Hern	Korean	12/04/1972	03/29/2012
Director	Jung Do-Woong	Korean	05/16/1984	03/31/2017
Auditor	Jung Chang-Yeob	Korean	09/02/1960	04/18/2013

FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
2017	50,251,771,023	16,546,495,201	273,013,551
2016	47,071,829,638	18,909,918,535	717,911,224
2015	42,308,761,441	16,947,804,671	594,382,468
2014	41,438,191,533	18,654,211,289	682,999,703
2013	37,964,830,760	17,599,504,444	951,369,374

Financial Description

Authorized Capital(KRW)	1,400,000,000
Paid-Up Capital(KRW)	500,000,000
Total Issued Shares	50,000

Balance Sheet

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Total Assets	16,546,495,201	18,909,918,535	16,947,804,671
Current Assets	14,386,791,603	16,303,343,203	14,371,197,592
-Quick Assets	11,879,682,095	14,512,751,302	13,284,150,067
-Inventories	2,507,109,508	1,790,591,901	1,087,047,525

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Fixed Assets	2,159,703,598	2,606,575,332	2,576,607,079
-Investment	618,460,631	1,042,112,348	990,649,681
-Tangibles	1,307,443,907	1,330,663,924	1,352,158,338
-Intangibles			
-Others	233,799,060	233,799,060	233,799,060
Total Liabilities	8,710,273,290	11,346,710,175	10,102,507,535
Current Liabilities	7,760,163,728	11,057,489,327	8,837,208,760
Fixed Liabilities	950,109,562	289,220,848	1,265,298,775
Capital Stock	500,000,000	500,000,000	500,000,000
Capital Surplus			
Profit Surplus	7,336,221,911	7,063,208,360	6,345,297,136
Capital Adjustment			
Total Equity	7,836,221,911	7,563,208,360	6,845,297,136
Liab. & Shareholder's Equity	16,546,495,201	18,909,918,535	16,947,804,671
Current Liabilities	7,760,163,728	11,057,489,327	8,837,208,760
Trade Payables	5,048,688,725	5,541,924,350	5,484,616,942
Short-Term Borrowings	2,430,000,000	4,028,000,000	3,098,451,890
Current Portion of Long-Term Debts	-	3,605,721	20,979,220
Current Portion of Debentures	-	1,000,000,000	-
Account Payables	44,377,069	85,731,051	50,092,919
Withholdings	61,698,767	95,186,427	15,166,562
Advance Receipts	39,095,607	57,779,618	24,924,075
Accrued Expenses	11,475,478	5,761,541	13,763,649
VAT Withhold	6,663,823	116,406,598	43,124,760
Deferred Income Tax Credit	118,164,259	123,094,021	86,088,743
Fixed Liabilities	950,109,562	289,220,848	1,265,298,775
Long-Term Borrowings			3,605,721
Debentures	700,000,000	-	1,000,000,000
Provision for Severance & Retirement	250,109,562	289,220,848	261,693,054

Income Statement

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Sales	50,251,771,023	47,071,829,638	42,308,761,441
Cost of Sold Goods	46,186,543,552	42,414,612,228	39,268,363,402
Gross Profit	4,065,227,471	4,657,217,410	3,040,398,039
Selling & Admin. Expenses	2,882,108,109	3,639,842,275	2,152,113,794
Operating Income	1,183,119,362	1,017,375,135	888,284,245
Non-Operating Income	206,144,425	175,467,416	202,470,300
Non-Operating Expenses	814,403,608	283,321,936	307,104,194
Income Before Taxes	574,860,179	909,520,615	783,650,351
Income Taxes Expenses	301,846,628	191,609,391	189,267,883
Net Income	273,013,551	717,911,224	594,382,468

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	Cash Flows		
Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Cash Flows from Operating	527,124,501	-76,423,960	1,262,558,935
-Net Income	273,013,551	717,911,224	594,382,468
-Exp. without Cash Outflow	881,075,692	1,137,926,813	225,771,784
-Revenue without Cash Inflows	-22,918,544	-	-5,357,644
-Changes in Asset/ & Liability	-604,046,198	-1,932,261,997	447,762,327
Cash Flows from Investing	1,201,105,982	-505,683,502	-608,447,000
-Cash Inflow from Investing	31,586,692,524	22,947,825,266	22,234,633,910
-Cash Outflows for Investing	-30,385,586,542	-23,453,508,768	-22,843,080,910
Cash Flows from Financing	-1,901,605,721	908,568,890	-762,266,158
-Cash Inflows from Financing	8,836,000,000	6,698,000,000	5,782,239,666
-Cash Outflows from Financing	-10,737,605,721	-5,789,431,110	-6,544,505,824
Increase/Decrease in Cash	-173,375,238	326,461,428	-108,154,223
Cash at the Beginning of Year	359,660,832	33,199,404	141,353,627
Cash at the End of Year	186,285,594	359,660,832	33,199,404

Products, Technologies, Services Description

Main Products & Services Steel Plate, Pipe, Electronics Components
Detailed Products Spec.
Technologies Acquired

Trade Partners & Competitors

Suppliers
Customers
Competitors

BUSAN STEEL CO., LTD.
720-4, HAKJANG-DONG, SASANG-GU, BUSAN, KOREA
TEL:+82-51-325-1131~4 FAX:+82-51-324-6440

DEOGWON STEEL CO., LTD.
507-5, BANJEONG-DONG, HWASEONG-SI, GYEONGGI-DO, KOREA
TEL:+82-31-223-7708 FAX:+82-31-223-0977

WELLSTEEL CO., LTD.
1752-1, SONGJEONG-DONG, GANGSEO-GU, BUSAN, KOREA
TEL:+82-51-831-7330 FAX:+82-51-831-7329

Related Parties (Subsidiaries, Joint-Venture & Affiliates)

Affiliates
Overseas Office

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Corporate Ownership
Major Shareholders
Cooperative Enterprise

-Insured Company
DB INSURANCE CO., LTD.(110111-0095285)

Sales by Region (Activity & Markets)

Not Available.

Court Action

No.

News Clipping

-

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.48
UK Pound	1	INR 96.87
Euro	1	INR 85.98
KRW	1	INR 0.065

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

INFORMATION DETAILS

Analysis Done by :	PRI
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)