

MIRA INFORM REPORT

Report No. :	535557
Report Date :	22.10.2018

IDENTIFICATION DETAILS

Name :	TAEHWA CORPORATION
Registered Office :	161-31, Jangangongdan-Ro, Jangan-Myeon, Hwaseong-Si, Gyeonggi-Do, Korea 18580
Country :	South Korea
Financials (as on) :	31.12.2017
Date of Incorporation :	26.04.2011
Com. Reg. No.:	124-87-12986
Legal Form :	Co., Ltd by Shares
Line of Business :	Manufacture, Wholesales and Retails of Filters. (Special Purpose Filter, Industrial Automation Equipment and Components, Electronics Components, Raw Materials and Supplies for Tobacco Filter)
No. of Employees :	5

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: 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

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	TAEHWA CORPORATION
Registered Address	161-31, Jangangongdan-ro, Jangan-myeon, Hwaseong-si, Gyeonggi-do, Korea
Building	--
Zip Code	18580
Tel	+82-31-354-4657
Fax	+82-31-354-4659
E-mail	thankyou@thfilter.com
Website	--
Trading Address	161-31, Jangangongdan-ro, Jangan-myeon, Hwaseong-si, Gyeonggi-do, Korea (Old Address System : 51-7, Geumui-ri, Jangan-myeon, Hwaseong-si, Gyeonggi-do, Korea)
Tel	+82-31-354-4657
Fax	+82-31-354-4659
Type	Export/Import
Industry	Manufacture, Wholesales and Retails of Filters
Main Business	Special Purpose Filter, Industrial Automation Equipment and Components, Electronics Components, Raw Materials and Supplies for Tobacco Filter
Sub Business	--
Established (mm/dd/yyyy)	04/26/2011

DETAILED PRODUCTS

Activity	Detailed Products (UNSPSC)
Sell	Special Purpose Filter
Sell	Industrial Automation Equipment and Components
Sell	Raw Materials and Supplies for Tobacco Filter

CEO'S

Name	Lee Jung-Soo
Date of Birth	10/03/1979
Title	Representative Director
Nationality	Korean

PROFILES

Capital (KRW)	101,875,000
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Employees	5
Formation	Co., Ltd by Shares
Bank Details	Shinhan Bank
Corporate Registered No.	134811-0215948
Business Registered No.	124-87-12986
Permit & Licenses	N/A
Shareholder Position	

Name	Shares	%
JUNGKWANG CO., LTD.(134811-0301789)	10,375	50.92
LEE JUNG-SOO	10,000	49.08
TOTAL	20,375	100.00

Company History	04/26/2011 Incorporated as the present name 12/25/2015 Increased capital to 101,875,000 KRW from 50,000,000 KRW 06/10/2016 Designated as a Venture Business 05/22/2017 Moved to the present HQ address from 10, Barangondan-ro 3-gil, Hyangnam-eup, Hwaseong-si, Gyeonggi-do, Korea(Old Address System : 928-11, Gumuncheon-ri, Hyangnam-eup, Hwaseong-si, Gyeonggi-do, Korea) 06/28/2017 Increased the authorized shares to 1,000,000 shares from 40,000 shares
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MANAGEMENT

Job Description	Name	Nationality	Date of Birth	Inauguration Date
Representative Director	Lee Jung-Soo	Korean	10/03/1979	03/25/2014

FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
2017	18,087,584,629	15,515,980,555	767,860,675
2016	10,392,450,063	14,923,306,911	1,182,983,931
2015	5,062,255,000	2,870,689,000	-1,796,933,000
2014	1,504,912,000	5,470,738,000	237,532,000

FINANCIAL DESCRIPTION

Authorized Capital(KRW)	5,000,000,000
Paid-Up Capital(KRW)	101,875,000
Total Issued Shares	20,375

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Balance Sheet

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Total Assets	15,515,980,555	14,923,306,911	2,870,689,000
Current Assets	4,539,421,745	4,325,217,971	2,758,449,000
-Quick Assets	2,261,922,392	2,790,791,129	-
-Inventories	2,277,499,353	1,534,426,842	-
Fixed Assets	10,976,558,810	10,598,088,940	112,240,000
-Investment	30,000,000	-	-
-Tangibles	10,946,468,810	10,412,848,940	-
-Intangibles			-
-Others	90,000	185,240,000	
Total Liabilities	11,652,155,277	11,827,342,308	909,862,000
Current Liabilities	4,620,155,882	4,813,746,640	835,952,000
Fixed Liabilities	7,031,999,395	7,013,595,668	73,910,000
Capital Stock	101,875,000	101,875,000	101,875,000
Capital Surplus	2,427,542,500	2,427,542,500	2,427,542,000
Profit Surplus	1,334,407,778	566,796,103	-568,341,000
Capital Adjustment	-	-249,000	-249,000
Total Equity	3,863,825,278	3,095,964,603	1,960,827,000
Liab. & Shareholder's Equity	15,515,980,555	14,923,306,911	2,870,689,000
Current Liabilities	4,620,155,882	4,813,746,640	
Trade Payables	1,225,346,232	2,134,124,598	
Account Payables	276,530,738	270,703,491	
Withholdings	9,155,353	8,724,259	
Short-Term Borrowings	1,462,074,705	2,138,543,625	
Short-Term Debentures	1,000,000,000	-	
Accrued Expenses	42,930,104	117,969,835	
Advance Receipts	570,179,500	143,680,832	
Deferred Income Tax Credit	33,939,250	-	
Fixed Liabilities	7,031,999,395	7,013,595,668	
Long-Term Borrowings	7,000,000,000	7,000,000,000	
Leasehold Deposit Received	10,000,000	-	
Provision for Severance & Retirement	21,999,395	13,595,668	

Income Statement

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Sales	18,087,584,629	10,392,450,063	5,062,255,000
Cost of Sold Goods	16,408,747,075	9,029,746,692	4,446,716,000
Gross Profit	1,678,837,554	1,362,703,371	615,539,000
Selling & Admin. Expenses	443,824,333	236,174,489	150,750,000
Operating Income	1,235,013,221	1,126,528,882	464,789,000
Non-Operating Income	121,695,682	179,177,947	136,662,000
Non-Operating Expenses	554,886,188	122,722,898	2,398,384,000

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Income Before Taxes	801,822,715	1,182,983,931	-1,796,933,000
Income Taxes Expenses	33,962,040	-	-
Net Income	767,860,675	1,182,983,931	-1,796,933,000

Cash Flows

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Cash Flows from Operating	199,056,489	2,184,042,606	
-Net Income	767,860,675	1,182,983,931	
-Exp. without Cash Outflow	272,739,265	48,887,488	
-Revenue without Cash Inflows	-	-	
-Changes in Asset/ & Liability	-841,543,451	952,171,187	
Cash Flows from Investing	-530,752,994	-10,446,149,748	
-Cash Inflow from Investing	234,728,460	113,563,505	
-Cash Outflows for Investing	-765,481,454	-10,559,713,253	
Cash Flows from Financing	323,531,080	9,064,633,495	
-Cash Inflows from Financing	2,925,743,000	10,958,197,000	
-Cash Outflows from Financing	-2,602,211,920	-1,893,563,505	
Increase/Decrease in Cash	-8,165,425	802,526,353	
Cash at the Beginning of Year	1,062,643,871	260,117,518	
Cash at the End of Year	1,054,478,446	1,062,643,871	

**PRODUCTS, TECHNOLOGIES, SERVICES
DESCRIPTION**

Main Products & Services Special Purpose Filter, Industrial Automation Equipment and Components, Electronics Components, Raw Materials and Supplies for Tobacco Filter

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

Affiliates JUNGKWANG CO., LTD.(134811-0301789)
JK MACHINE CO., LTD.(134811-0123183)
Cooperative Enterprise -Insured Company
SAMSUNG FIRE & MARINE INSURANCE CO., LTD.(110111-0005078)

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SALES BY REGION (ACTIVITY & MARKETS)

Not Available.

COURT ACTION

No.

NEWS CLIPPING

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.44
UK Pound	1	INR 95.65
Euro	1	INR 84.17
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 :	NIT

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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)