

## MIRA INFORM REPORT

<b>Report No. :</b>	529945
<b>Report Date :</b>	17.09.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	TAEYOUNG INDUSTRY CORPORATION
<b>Formerly Known As :</b>	MABU INDUSTRY CO., LTD.
<b>Registered Office :</b>	329-21, Miyul-ro, Samnangjin-eup, Miryang-si, Gyeongsangnam-do 50465
<b>Country :</b>	South Korea
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	18.08.1994
<b>Com. Reg. No.:</b>	615-81-04530
<b>Legal Form :</b>	Co., Ltd by Shares
<b>Line of Business :</b>	Manufacture of Cigarettes Filter (Cigarettes Filter Rods, Filter Rods, Charcoal Filter, Dual Charcoal, Acetate Filter, Acetate Filter Rod, Food products, Special Purpose Machinery, Food Machinery)
<b>No. of Employees :</b>	246

### RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23<sup>rd</sup> January 2017)

<b>MIRA's Rating :</b>	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

<b>Status :</b>	Satisfactory
<b>Payment Behaviour :</b>	No Complaints
<b>Litigation :</b>	Clear

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**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**

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

### **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 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**

### Basic

Company Name	TAEYOUNG INDUSTRY CORPORATION
Registered Address	329-21, Miyul-ro, Samnangjin-eup, Miryang-si, Gyeongsangnam-do, Korea
Zip Code	50465
Tel	+82-55-356-9211~3
Fax	+82-55-356-9214
E-mail	taeyoung@tytf.co.kr
Website	www.tytf.co.kr
Trading Address	329-21, Miyul-ro, Samnangjin-eup, Miryang-si, Gyeongsangnam-do, Korea (Old Address System : 353, Yongjeon-ri, Samnangjin-eup, Miryang-si, Gyeongsangnam-do, Korea)
Tel	+82-55-352-8888
Fax	+82-55-356-9214
Type	Export/Import
Industry	Manufacture of Cigarettes Filter
Main Business	Cigarettes Filter Rods, Filter Rods, Charcoal Filter, Dual Charcoal, Acetate Filter, Acetate Filter Rod, Food products, Special Purpose Machinery, Food Machinery
Established (mm/dd/yyyy)	08/18/1994

### Detailed Products

Activity	Detailed Products (UNSPSC)
Sell	Cigarette papers or filters(50211607)

### CEO's

Name	Jin Youn-Sook
Date of Birth	10/20/1960
Title	President & CEO
Nationality	Korean

### Profiles

Capital (KRW)	10,050,000,000
Employees	246
Formation	Co., Ltd by Shares
Bank Details	Korea Development Bank KEB Hana Bank Busan Bank
Corporate Registered No.	191311-0002726
Business Registered No.	615-81-04530
Permit & Licenses	11/01/2011 ISO 9001

Int'l Trade No.: 12029626

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Shareholder Position	Name	Shares	%
	YOON JONG-KOOK AND OTHERS(1)	2,010,000	100.00
	TOTAL	2,010,000	100.00
Company History	08/18/1994 Incorporated as MABU INDUSTRY CO., LTD. 06/1995 Changed company name to KKOSHESHE CO., LTD. 11/30/2000 Changed company name to KUMGANG SOLAR POWER CO., LTD. 02/25/2002 Changed company name to LIFES CO., LTD. 01/08/2007 Changed company name to the present name 12/20/2007 Increased the authorized shares to 5,000,000 shares from 400,000 shares 06/30/2014 Acquired TAEGYEONG ENGINEERING CO., LTD.(191311-0018278) 07/01/2014 Moved to the present HQ address from 555-3, Yongjeon-ri, Samnangjin-eup, Miryang-si, Gyeongsangnam-do, Korea 07/01/2014 Increased capital to 10,050,000,000 KRW from 9,800,00,000 KRW		

## **DETAILED INFORMATION**

### Management

Job Description	Name	Nationality	Date of Birth	Inauguration Date
President & CEO	Jin Youn-Sook	Korean	10/20/1960	10/19/2011
Director	Park Sung-Yong	Korean	01/07/1966	11/17/2009
Director	Kim Myung-Kyu	Korean	02/02/1961	11/17/2009
Auditor	Ma Seok-Cheol	Korean	10/16/1960	01/11/2017

### Financials

Year / Unit : KRW	Sales	Assets	Net Income
2017	68,493,543,409	54,883,734,696	6,336,277,815
2016	72,441,553,816	47,082,737,020	8,226,065,481
2015	44,439,631,063	40,219,375,096	6,237,308,928
2014	27,896,091,141	34,993,405,978	1,773,218,868
2013	26,757,544,725	22,525,367,180	2,123,086,216
2012	18,810,314,091	19,621,307,130	1,826,467,150
2011	11,351,046,261	18,802,305,094	-519,046,653
2010	6,308,969,425	16,040,739,504	-1,865,728,412

## **FINANCIAL DESCRIPTION**

Authorized Capital(KRW)	25,000,000,000
Paid-Up Capital(KRW)	10,050,000,000

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Total Issued Shares	2,010,000		
<b>Balance Sheet</b>			
Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Total Assets	54,883,734,696	47,082,737,020	40,219,375,096
Current Assets	24,396,426,002	19,138,862,403	12,365,771,222
-Quick Assets	15,611,845,392	14,247,133,690	6,526,465,101
-Inventories	8,784,580,610	4,891,728,713	5,839,306,121
Fixed Assets	30,487,308,694	27,943,874,617	27,853,603,874
-Investment			
-Tangibles	29,475,574,368	26,803,310,085	27,126,179,427
-Intangibles	395,649,780	601,059,986	684,605,731
Total Liabilities	616,084,546	539,504,546	42,818,716
Current Liabilities	24,231,865,716	22,767,145,855	24,129,849,412
Fixed Liabilities	10,553,879,271	8,893,608,132	8,469,913,447
Capital Stock	13,677,986,445	13,873,537,723	15,659,935,965
Capital Surplus	10,050,000,000	10,050,000,000	10,050,000,000
Profit Surplus	306,682,340	306,682,340	306,682,340
Capital Adjustment	15,727,128,319	9,390,850,504	1,164,785,023
Total Equity	4,568,058,321	4,568,058,321	4,568,058,321
Liab. & Shareholder's Equity	30,651,868,980	24,315,591,165	16,089,525,684
Current Liabilities	10,553,879,271	8,893,608,132	8,469,913,447
Trade Payables	5,086,919,196	2,626,799,801	1,814,692,806
Account Payables	956,173,479	387,315,514	2,116,037,774
Withholdings	85,643,640	61,775,200	38,956,749
VAT Withhold	-	3,591,060	109,802,406
Advance Receipts	174,542,563	97,533,754	102,161,888
Short-Term Borrowings	500,000,000	3,500,000,000	3,500,000,000
Deferred Income Tax Credit	958,333,740	1,299,617,090	120,791,880
Accrued Expenses	892,266,653	916,975,713	667,469,944
Current Portion of Long-Term Debts	1,900,000,000	-	
Fixed Liabilities	13,677,986,445	13,873,537,723	15,659,935,965
Long-Term Borrowings	12,812,238,960	13,175,238,960	14,713,440,000
Provision for Severance & Retirement	865,747,485	698,298,763	946,495,965
<b>Income Statement</b>			
Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Sales	68,493,543,409	72,441,553,816	44,439,631,063
Cost of Sold Goods	53,342,631,053	59,143,521,482	36,674,020,645
Gross Profit	15,150,912,356	13,298,032,334	7,765,610,418
Selling & Admin. Expenses	6,225,199,224	4,196,949,154	3,717,062,132
Operating Income	8,925,713,132	9,101,083,180	4,048,548,286
Non-Operating Income	1,207,723,237	2,038,200,560	3,478,585,488
Non-Operating Expenses	2,419,193,894	1,613,007,869	1,168,994,246

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**TAEYOUNG INDUSTRY CORPORATION - 529945**

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Income Before Taxes	7,714,242,475	9,526,275,871	6,358,139,528
Income Taxes Expenses	1,377,964,660	1,300,210,390	120,830,600
Net Income	6,336,277,815	8,226,065,481	6,237,308,928
<b>Cash Flows</b>			
Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Cash Flows from Operating	7,224,045,698	4,059,173,538	10,918,233,078
-Net Income	6,336,277,815	8,226,065,481	6,237,308,928
-Exp. without Cash Outflow	3,945,200,745	2,754,745,800	2,102,344,337
-Revenue without Cash Inflows	-55,795,231	-	-
-Changes in Asset/ & Liability	-3,001,637,631	-6,921,637,743	2,578,579,813
Cash Flows from Investing	-4,465,093,899	-4,165,691,060	-3,810,270,021
-Cash Inflow from Investing	3,038,436,557	1,959,098,290	835,701,654
-Cash Outflows for Investing	-7,503,530,456	-6,124,789,350	-4,645,971,675
Cash Flows from Financing	-1,463,000,000	-1,538,201,040	-4,124,837,092
-Cash Inflows from Financing	40,053,565,205	38,336,761,684	62,155,522,674
-Cash Outflows from Financing	-41,516,565,205	-39,874,962,724	-66,280,359,766
Increase/Decrease in Cash	1,295,951,799	-1,644,718,562	2,983,125,965
Cash at the Beginning of Year	1,830,646,997	3,475,365,559	492,239,594
Cash at the End of Year	3,126,598,796	1,830,646,997	3,475,365,559

**Products, Technologies, Services Description**

**Main Products & Services** Cigarettes Filter Rods, Filter Rods, Charcoal Filter, Dual Charcoal, Acetate Filter, Acetate Filter Rod, Food products, Special Purpose Machinery, Food Machinery

**Trade Partners & Competitors**

**Competitors**

HANSANG INTERNATIONAL CORP.  
RM.1402, SUSEO HYUNDAE VENTURE VILL, 10, BAMGOGAE-RO 1-GIL, GANGNAM-GU, SEOUL, KOREA  
TEL:+82-2-2040-6506 FAX:+82-2-2040-6507

HYUNDAI FILTER IND. CO., LTD.  
587, YONGJE-DONG, IKSAN-SI, JEOLLABUK-DO, KOREA  
TEL:+82-63-833-0191 FAX:+82-63-833-2637

CERAMIC-TECH CO., LTD.  
RM. 306, NEW GREEN BLDG., 958, BUGOK 1-DONG, GEUMJEONG-GU, BUSAN, KOREA  
TEL:+82-51-583-4900 FAX:+82-51-583-4906

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Related Parties (Subsidiaries, Joint-Venture & Affiliates)

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

Sales by Region (Activity & Markets)

The Subject deals with the companies in Asia(50.00%), Eastern Asia(25.00%) and Middle East(25.00%).

Court Action

No Records.

News Clipping

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**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.81
UK Pound	1	INR 94.15
Euro	1	INR 83.97
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 :	DNS

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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)