

MIRA INFORM REPORT

Report No. :	520226
Report Date :	16.07.2018

IDENTIFICATION DETAILS

Name :	DOOSAN MACHINE TOOLS CO., LTD.
Registered Office :	40, Jeongdong-ro 162beon-gil, Seongsan-gu, Changwon-si, Gyeongsangnam-do, Korea, 51537
Country :	South Korea
Financials (as on) :	31.12.2016
Date of Incorporation :	11.03.2016
Com. Reg. No.:	827-81-00291
Legal Form :	Co., Ltd by Shares
Line of Business :	Manufacture of Machine Tools
No. of Employees :	956

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 :	Good
Payment Behaviour :	Regular
Litigation :	Clear

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

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	DOOSAN MACHINE TOOLS CO., LTD.
Registered Address	40, Jeongdong-ro 162beon-gil, Seongsan-gu, Changwon-si, Gyeongsangnam-do, Korea
Building	
Zip Code	51537
Tel	+82-55-280-4114
Fax	+82-55-287-1140
E-mail	compliance_mt@doosan.com
Website	www.doosanmachinetools.com
Trading Address	40, Jeongdong-ro 162beon-gil, Seongsan-gu, Changwon-si, Gyeongsangnam-do, Korea (Old Address System : 601-3, Namsan-dong, Seongsan-gu, Changwon-si, Gyeongsangnam-do, Korea)
Tel	+82-55-280-4114
Fax	+82-55-287-1140
Other Address	
Tel	
Fax	
Type	Export/Import
Industry	Manufacture of Machine Tools
Main Business	Turning Center, Machining Center, Horizontal Boring Mills, Swiss Turn, Double Column Machining Centers
Sub Business	
Established (mm/dd/yyyy)	03/11/2016

DETAILED PRODUCTS

Activity	Detailed Products (UNSPSC)
Sell	Lathes(23171606)
Sell	Machine tools(23171600)
Sell	Metal working machinery attachments(23172000)

CEO'S

Name	Kim Jae-Seob
Date of Birth	02/18/1961
Title	President & CEO
Nationality	Korean

PROFILES

Capital (KRW)	26,884,105,000		
Employees	956		
Formation	Co., Ltd by Shares		
	A Company of MBK PARTNERS INC.(110113-0011849)		
Bank Details	Korea Development Bank		
	16-3, Youido-Dong, Youngdungpo-Gu, Seoul 150-010 Korea		
	Tel: 82-2-787-5000		
	KEB Hana Bank-HQ Branch		
	Citibank, Korea		
Corporate Registered No.	194211-0254136		
Business Registered No.	827-81-00291		
Permit & Licenses	05/11/2016 ISO 14001		
	Int'l Trade No.: 30840722		
Shareholder Position	Name	Shares	%
	DMT HOLDINGS CO., LTD.(110111-5294452),	1	100.00
	KNOWN AS SPC ESTABLISHED BY		
	MBK PARTNERS INC.(110113-0011849)		
	TOTAL	1	100.00
	(*)The list is based as of 04/30/2016.		
Company History	03/11/2016 Incorporated as the present name		
	04/29/2016 Increased capital to 26,884,105,000 KRW from 5,000 KRW		
	(*)DOOSAN INFRACORE CO., LTD.-Machine Tools Business(DIMT)		
	06/1937 Established as Chosun Machine Works Co.		
	05/1963 Incorporated and Changed company name to Korea Machine Industry Co., Ltd.		
	10/1976 Changed company name to Daewoo Heavy Industries Co., Ltd.		
	04/2005 Changed company name to DOOSAN INFRACORE CO., LTD.(120111-0234469)		
	03/02/2016 DOOSAN INFRACORE CO., LTD.(120111-0234469) agreed to sell Machine Tools Business(DOOSAN INFRACORE CO., LTD.-Machine Tools Business : DIMT) to DMT HOLDINGS CO., LTD.(110111-5294452, CEO : Yoon Jong-Ha) at 1,130,819,000,000 KRW		

DETAILED INFORMATION

Management

Job Description	Name	Nationality	Date of Birth	Inauguration Date
President & CEO	Kim Jae-Seob	Korean	02/18/1961	04/29/2016

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Director	Yoon Jong-Ha	Korean	10/09/1962	04/29/2016
Director	Boo Jae-Hoon	USA	12/29/1970	04/29/2016
Director	Lee Jin-Ha	Korean	10/08/1977	04/29/2016
Auditor	Lee In-Kyung	Korean	07/26/1968	04/29/2016

FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
2016	628,720,904,000	1,282,223,049,000	22,900,951,000

Financial Description

Authorized Capital(KRW)	50,000,000,000
Paid-Up Capital(KRW)	26,884,105,000
Total Issued Shares	5,376,821

Balance Sheet

Unit : Korean Won	As of 12/31/2016
Total Assets	1,282,223,049,000
Current Assets	402,439,321,000
-Quick Assets	-
-Inventories	-
Fixed Assets	879,783,728,000
-Investment	-
-Tangibles	-
-Intangibles	-
Total Liabilities	719,401,376,000
Current Liabilities	215,895,945,000
Fixed Liabilities	503,505,431,000
Capital Stock	26,884,105,000
Capital Surplus	510,668,951,000
Profit Surplus	22,900,951,000
Capital Adjustment	2,367,666,000
Total Equity	562,821,673,000
Liab. & Shareholder's Equity	1,282,223,049,000

Income Statement

Unit : Korean Won	As of 12/31/2016
Sales	628,720,904,000
Cost of Sold Goods	508,498,363,000
Gross Profit	120,222,541,000
Selling & Admin. Expenses	122,718,283,000
Operating Income	-2,495,742,000
Non-Operating Income	47,509,263,000

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Non-Operating Expenses	26,595,545,000
Income Before Taxes	18,417,976,000
Income Taxes Expenses	-4,482,975,000
Net Income	22,900,951,000

PRODUCTS, TECHNOLOGIES, SERVICES DESCRIPTION

Main Products & Services Turning Center, Machining Center, Horizontal Boring Mills, Swiss Turn,
Double Column Machining Centers

Detailed Products Spec.
Technologies Acquired

Trade Partners & Competitors

Suppliers	
Customers	KOREA AEROSPACE INDUSTRIES, LTD.(110111-1827570) HANWHA TECHWIN CO.,LTD (194211-0000480)
	ROLLS ROLYCE(UK) AIRBUS(FRANCE) SAFRAN(FRANCE) UTC SYSTEMS(FRANCE) ROLLS ROYCE GERMANY(GERMANY) UMBRA, ELLENA(ITALY) HMS MAKINA(TURKEY) TEI AVIATION(TURKEY) GE CHINA(CHINA) PRATT&WHITNEY(SINGAPORE) PUDAK(INDONESIA) POLYMECH INDUSTRIES(INDIA) BOEING(USA), GE(USA) HONEYWELL M.S AEROSPACE(USA) KAYDON(USA) INFINISYS(USA) IDD(USA) MOOG(USA) KAMATICS(USA) ES3(USA) HONEYWELL MEXICO(MIXICO)
Competitors	SHENYANG MACH-A(CHINA) AMADA HOLDINGS C(JAPAN) KOMATSU LTD(JAPAN) DMG MORI AG(GERMANY) DMG MORI CO LTD(JAPAN)

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SCHULER AG(GERMANY)
JTEKT CORP(JAPAN)
OKUMA CORP(JAPAN)
HYUNDAI WIA CORP(SOUTH KOREA)
MAKINO MILL MACH(JAPAN)
DOOSAN INFRACORE(SOUTH KOREA)
AIDA ENGINEERING(JAPAN)
MITSUBISHI HEAVY(JAPAN)
ROFIN-SINAR TECH(UNITED STATES)
NACHI-FUJIKOSHI(JAPAN)
BROTHER INDS LTD(JAPAN)
SODICK CO LTD(JAPAN)
PRIMA INDUSTRIE(ITALY)
STARRAG GROUP HO(SWITZERLAND)
CITIZEN HOLDINGS(JAPAN)
HARDINGE INC(UNITED STATES)
TSUGAMI CORP(JAPAN)
STAR MICRONICS(JAPAN)
TONG-TAI MACHINE(TAIWAN)
OKK CORP(JAPAN)
TAKISAWA MACH TO(JAPAN)
HERMLE BERTH-PFD(GERMANY)
INDS ROMI(BRAZIL)

RELATED PARTIES (SUBSIDIARIES, JOINT-VENTURE & AFFILIATES)

Joint Venture
Subsidiary

DOOSAN INFRACORE AMERICA CORP.(USA : DIA)
(100.0% held by the subject company)

DOOSAN INFRACORE GERMANY GMBH.(GERMANY : DIG)
(100.0% held by the subject company)

DOOSAN INFRACORE MACHINE TOOLS YANTAI CO., LTD.(CHINA :
DIY)
(100.0% held by the subject company)

DOOSAN INFRACORE CONSTRUCTION EQUIPMENT INDIA PRIVATE
LTD.(INDIA : DICEI)
(100.0% held by the subject company)

Corporate Ownership
Major Shareholders
Cooperative Enterprise

MBK PARTNERS INC.(110113-0011849)

SALES BY REGION (ACTIVITY & MARKETS)

The Subject exports to USA, UK, France, Germany, India and Brazil.

COURT ACTION

Not Available.

NEWS CLIPPING

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.41
UK Pound	1	INR 90.07
Euro	1	INR 79.76
KRW	1	INR 0.061

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

INFORMATION DETAILS

Analysis Done by :	NIS
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)