

MIRA INFORM REPORT

Report No. :	541316
Report Date :	22.11.2018

IDENTIFICATION DETAILS

Name :	DRTECH CORPORATION
Registered Office :	29, Dunchon-daero 541beon-gil, Jungwon-gu, Seongnam-si, Gyeonggi-do
Country :	South Korea
Financials (as on) :	30.09.2018
Date of Incorporation :	03.02.2015
Com. Reg. No.:	107-88-40539
Legal Form :	Listed Company
Line of Business :	Manufacture of Radiation Apparatuses (Flat Panel Digital X-ray Detectors)
No. of Employees :	182

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

BASIC INFORMATION

Basic

Company Name	DRTECH CORPORATION
Registered Address	29, Dunchon-daero 541beon-gil, Jungwon-gu, Seongnam-si, Gyeonggi-do, Korea
Building	3FL., Dongbang Rental Bldg.
Zip Code	13216
Tel	+82-31-730-6800
Fax	+82-31-730-6899
E-mail	sales@drtech.co.kr
Website	www.drtech.co.kr
Trading Address	29, Dunchon-daero 541beon-gil, Jungwon-gu, Seongnam-si, Gyeonggi-do, Korea (Old Address System : 333-1, Sangdaewon 1-dong, Jungwon-gu, Seongnam-si, Gyeonggi-do, Korea)
Tel	+82-31-779-7400
Fax	+82-31-779-7490
Other Address	13F KINS Tower, 8, Seongnam-daero 331beon-gil, Bundang-gu, Seongnam-si, Gyeonggi-do, Korea (Old Address System : 13F KINS Tower, 25-1, Jeongja-dong, Bundang-gu, Seongnam-si, Gyeonggi-do, Korea)
Tel	+82-31-784-8800
Fax	+82-31-784-8899
Type	Export
Industry	Manufacture of Radiation Apparatuses
Main Business	Flat Panel Digital X-ray Detectors
Sub Business	
Established (mm/dd/yyyy)	02/03/2015

DETAILED PRODUCTS

Activity	Detailed Products (UNSPSC)
Sell	Medical diagnostic x ray products(42201800)
Sell	Liquid crystal display LCD panels or monitors(43211902)
Sell	Bare printed circuit boards(32131010)
Sell	Selenium Se(12141910)

CEO'S

Name	Ahn Sung-Hyun
Date of Birth	01/10/1963

Title President & CEO
Nationality Korean

PROFILES

Capital (KRW) 4,420,900,600
Employees 182
Formation Listed Company (KOSDAQ : 214680) as of 12/06/2016
Bank Details Shinhan Bank
KEB Hana Bank
Industrial Bank of Korea
Corporate Registered No. 110111-5633585
Business Registered No. 107-88-40539
Permit & Licenses 09/2003 CE Mark
07/2003 ISO 9001

Shareholder Position Int'l Trade No.: 23101821

Name	Shares	%
YOON JUNG-KEE	5,563,421	12.58
AHN SUNG-HYUN	374,342	0.85
KIM WOO-YEOL	212,127	0.48
SHIN CHEOL-WOO	1,361,926	3.08
MOON BUM-JIN	1,140,560	2.58
JW HOLDINGS CORPORATION(110111-3710468)	2,973,717	6.73
INTERVEST CO., LTD.(INTERVEST GLOBAL PHARMACEUTICALS FUND : 110111-1772593)	2,516,108	5.69
THE SUBJECT'S EMPLOYEE STOCK OWNERSHIP ASSOCIATION	498,483	1.13
OTHERS	29,568,322	66.88
TOTAL	44,209,006	100.00

Company History 02/03/2015 Incorporated as HANWHA ACE SPECIAL PURPOSE ACQUISITION 1ST CO., LTD.(110111-5633585).
11/22/2016 Changed company name to DRTECH CORPORATION(110111-5633585) after HANWHA ACE SPECIAL PURPOSE ACQUISITION 1ST CO., LTD's acquiring of DRTECH CORPORATION(150111-0045844)
11/22/2016 Moved to the present HQ address from 56, Yeoui-daero, Yeongdeungpo-gu, Seoul, Korea(Old Address System : 23-5, Yeuido-dong, Yeongdeungpo-gu, Seoul, Korea)
06/15/2018 Increased capital to 4,420,900,600 KRW from 4,376,219,100 KRW

(*DRTECH CORPORATION(150111-0045844)
03/29/2000 Incorporated as DRTECH CORPORATION(150111-0045844)
02/20/2003 Designated as a Venture Business
10/12/2005 Moved to 333-1, Sangdaewon 1-dong, Jungwon-gu, Seongnam-si,

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Gyeonggi-do, Korea from 464-5, Jung-ri, Gusung-eup, Yoning-si, Korea
08/17/2006 Registered as a Foreign Direct Investment Corporation
11/2007 Awarded US\$ 10 Million Export Top Prize
05/09/2009 Split off the par value to 500 KRW from 5,000 KRW
03/31/2011 Increased capital to 2,986,400,000 KRW from 2,978,900,000 KRW
12/2012 Awarded US\$ 20 Million Export Top Prize
01/23/2014 Designated as a Venture Business again

DETAILED INFORMATION

Management

Job Description	Name	Nationality	Date of Birth	Inauguration Date
President & CEO	Ahn Sung-Hyun	Korean	01/10/1963	11/22/2016
Vice President	Kim Woo-Yeol	Korean	11/19/1956	11/22/2016
Vice President	Shin Cheol-Woo	Korean	03/12/1968	03/31/2017
Sr. Executive Director	Moon Bum-Jin	Korean	10/04/1965	03/31/2017
Outside Director	Yoon Myung-Hwan	Korean	11/28/1963	11/22/2016
Outside Director	Kim Han-Kwon	Korean	10/13/1963	03/31/2017
Auditor	Park Cheol-Soo	Korean	05/17/1962	11/22/2016

FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
09/2018	29,548,234,176	51,890,872,711	1,254,634,604
2017	37,757,615,678	43,378,522,424	-1,993,321,473
2016	37,786,685,607	38,043,113,162	-19,186,727
2015	30,197,273,550	23,711,118,655	2,634,946,430

Financial Description

Authorized Capital(KRW)	20,000,000,000
Paid-Up Capital(KRW)	4,420,900,600
Total Issued Shares	44,209,006

Balance Sheet

Unit : Korean Won	01/01/2018~09/30/2018	As of 12/31/2017	As of 12/31/2016
Total Assets	51,890,872,711	43,378,522,424	38,043,113,162
Current Assets	37,123,334,922	30,295,188,810	27,702,829,962
Cash & Cash Equivalents	467,733,672	513,649,126	924,220,774
Other Short-Term Financial Assets	1,588,889,122	1,314,430,000	812,000,000
Trade Receivables & Other	20,533,101,897	15,630,494,426	15,442,204,144

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Receivables				
Inventories		10,878,522,762	10,250,848,332	8,837,838,524
Current Financial Instruments		1,700,935,572	1,125,255,841	829,483,897
Other Current Assets		1,954,151,897	1,458,634,683	844,666,682
Deferred Income Tax Assets			1,876,402	12,415,941
Non-Current Assets		14,767,537,789	13,083,333,614	10,340,283,200
Other Long-Term Financial Assets		1,174,319,485	1,030,785,893	744,793,032
Non-Current Financial Instruments		888,754,671	881,024,671	788,560,000
Investment_Related Companies		1,349,613,339	965,533,339	249,538,000
Tangibles		5,764,116,560	4,600,191,551	3,431,817,216
Intangibles		1,765,143,742	1,420,979,374	1,155,811,519
Deferred Income Tax Assets		3,825,589,992	4,184,818,786	3,969,763,433
Total Liabilities		20,004,733,779	16,597,048,299	10,317,303,818
Current Liabilities		17,705,072,214	4,838,147,632	8,535,502,388
Trade Payables & Other Payables		15,623,049,752	3,110,633,303	6,302,800,293
Other Current Financial Debts		1,171,064,402	900,218,693	1,318,726,759
Other Current Liabilities		910,958,060	827,295,636	913,975,336
Non-Current Liabilities		2,299,661,565	11,758,900,667	1,781,801,430
Long-Term Trade Payables & Other Payables			9,784,383,562	
Confirmed Salaries		2,178,333,129	1,791,354,670	1,552,043,919
Other Non-Current Provisions		121,328,436	183,162,435	229,757,511
Capital Stock		4,420,900,600	4,132,520,600	4,026,870,700
Capital Surplus		20,630,102,098	15,883,527,191	14,448,824,504
Others		2,547,622,068	3,762,546,772	4,439,812,835
Profit Surplus		4,287,514,166	3,002,879,562	4,810,301,305
Total Equity		31,886,138,932	26,781,474,125	27,725,809,344
Liab. & Shareholder's Equity		51,890,872,711	43,378,522,424	38,043,113,162

Income Statement

Unit : Korean Won	01/01/2018~09/30/2018	As of 12/31/2017	As of 12/31/2016
Sales	29,548,234,176	37,757,615,678	37,786,685,607
Cost of Sold Goods	16,701,907,839	22,357,173,318	20,168,196,559
Gross Profit	12,846,326,337	15,400,442,360	17,618,489,048
Selling & Admin. Expenses	11,437,579,208	16,241,021,903	14,871,421,818
Operating Income	1,408,747,129	-840,579,543	2,747,067,230
Other Income	469,682,288	161,640,379	74,701,796
Other Expenses	162,944,674	1,294,973,322	3,105,757,904

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Finance Income	107,107,124	96,610,645	875,059,994
Finance Expenses	208,704,269	329,844,693	1,139,903,419
Income Before Taxes	1,613,887,598	-2,207,146,534	-548,832,303
Income Taxes Expenses	359,252,994	-213,825,061	-529,645,576
Net Income	1,254,634,604	-1,993,321,473	-19,186,727

Cash Flows

Unit : Korean Won	01/01/2018~09/30/2018	As of 12/31/2017	As of 12/31/2016
Operating Activities Cash Flows	-2,591,954,097	-2,534,014,137	-6,938,893,795
Net Income	-2,506,925,056	-2,473,002,522	-6,564,745,627
Interests Received	15,727,520	29,543,568	81,903,009
Interests Paid	-102,608,763	-47,431,173	-446,230,446
Income Taxes	1,852,202	-43,124,010	-9,820,731
Cash Flows from Investing	-3,443,235,033	-5,046,550,529	6,128,225,079
Cash Flows from Financing	5,982,955,975	7,185,714,802	657,719,604
Increase/Decrease in Cash	-45,915,454	-410,571,648	-183,699,003
Cash at the Beginning of Year	513,649,126	924,220,774	1,107,919,777
Cash at the End of Year	467,733,672	513,649,126	924,220,774

PRODUCTS, TECHNOLOGIES, SERVICES
DESCRIPTION

Main Products & Services Flat Panel Digital X-ray Detectors

TRADE PARTNERS & COMPETITORS

Competitors

KOREA I.T.S CO., LTD.
4TH FL., SEOIL BLDG., 222, JAMSILBON-DONG, SONGPA-GU, SEOUL,
KOREA
TEL:+82-2-540-4360 FAX:+82-2-544-4456

PACSUN CO., LTD.
52B-11L, 2-2-DANJI, 587-8, DAECHEON-DONG, DALSEO-GU, DAEGU,
KOREA
TEL:+82-53-581-5421 FAX:+82-53-581-5427

YOUNGHAN X-RAY CO., LTD.
396-12, CHEONGCHEON 2-DONG, BUPYEONG-GU, INCHEON, KOREA
TEL:+82-32-554-0871~5 FAX:+82-32-544-5832

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RELATED PARTIES

(Subsidiaries, Joint-Venture & Affiliates)

Affiliates	BIOTHLON, INC.(USA)
Subsidiary	DRTECH SHANGHAI CO. LTD.(CHINA) (100.0% held by the subject company) NO. 3998, HONGXIN ROAD,MINHANG DISTRICT, SHANGHAI, CHINA
	DRTECH NORTH AMERICA, INC.(USA) (100.0% held by the subject company) 640 W CALIFORNIA AVE STE 210 SUNNYVALE, CA 94086-3624
	DRTECH EUROPE GMBH(GERMANY) (100.0% held by the subject company) AM KRONBERGER HANG 2, 65824, SCHWALBACH AM TAUNUS, FRANKFURT, GERMANY
	DRTECH IN CHINA (100.0% held by the subject company) NO. 18, XINYA ROAD, WUJIN HI-TECH INDUSTRIAL ZONE, CHANGZHOU, JIANGSU PROVINCE, CHINA
Cooperative Enterprise	-Technology Using Agreement with HOLOGIC INC.

SALES BY REGION (ACTIVITY & MARKETS)

Sales/ Unit	:Thousand	09/2018	2017	2016
KRW				
Export		22,527,726	26,534,995	24,971,051
Domestic		7,020,508	11,222,621	12,815,635
Total		29,548,234	37,757,616	37,786,686
The Subject exports to USA.				

COURT ACTION

No.

NEWS CLIPPING

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.33
UK Pound	1	INR 91.72
Euro	1	INR 81.69
KRW	1	INR 0.063

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	TRU

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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)