

MIRA INFORM REPORT

Report No. :	535548
Report Date :	22.10.2018

IDENTIFICATION DETAILS

Name :	DAEDONG IM CO., LTD
Registered Office :	775, Gyeongin-ro, Yeongdeungpo-gu, Seoul, Korea, Rm.2-1301, Ace Hightech City, 07299
Country :	South Korea
Financials (as on) :	31.12.2017
Date of Incorporation :	01.09.1998
Com. Reg. No.:	107-81-64755
Legal Form :	Co., Ltd by Shares
Line of Business :	Wholesale of Electrical Machinery and Related Materials [Diesel Generator, STPG-KNPS Condenser Tube, Construction Services]
No. of Employees :	14

RATING & COMMENTS

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

MIRA's Rating :	B
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Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Status :	Moderate
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

Company Name	DAEDONG IM CO., LTD. (English Company Name: DAEDONG INDUSTRIAL MACHINERY CO., LTD.)
Registered Address	775, Gyeongin-ro, Yeongdeungpo-gu, Seoul, Korea
Building	Rm.2-1301, Ace Hightech City
Zip Code	07299
Tel	+82-2-2631-4841
Fax	+82-2-2631-4842
E-mail	dimco@dimco.kr
Website	www.dimco.kr
Trading Address	Rm.2-1301, Ace Hightech City, 775, Gyeongin-ro, Yeongdeungpo-gu, Seoul, Korea (Old Address System : Rm.2-1301, Ace Hightech City, 55-20, Mullaedong 3-ga, Yeongdeungpo-gu, Seoul, ,Korea)
Tel	+82-2-2631-4841
Fax	+82-2-2631-4842
Type	Export
Industry	Wholesale of Electrical Machinery and Related Materials
Main Business	Diesel Generator, STPG-KNPS Condenser Tube, Construction Services
Sub Business	
Established (mm/dd/yyyy)	09/01/1998

DETAILED PRODUCTS

Activity	Detailed Products (UNSPSC)
Sell	Diesel engines(26101504)
Sell	Power generators(26111600)

CEO'S

Name	Park Ji-Soo
Date of Birth	08/01/1959
Title	President & CEO
Nationality	Korean

PROFILES

Capital (KRW)	500,000,000
Employees	14

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Formation	Co., Ltd by Shares		
Bank Details	Kookmin Bank		
	Industrial Bank of Korea		
	KEB Hana Bank		
Corporate Registered No.	110111-1581100		
Business Registered No.	107-81-64755		
Permit & Licenses	Int'l Trade No.: 11520184		
Shareholder Position			
	Name	Shares	%
	PARK JI-SOO	45,000	45.00
	LEE JI-YOUNG	55,000	55.00
	TOTAL	100,000	100.00
Company History	09/01/1998 Incorporated as the present name		
	09/03/2007 Increased the authorized shares to 2,000,000 shares from 20,000 shares		
	09/04/2007 Increased capital to 500,000,000 KRW from 50,000,000 KRW		
	10/07/2007 Split off the par value to 5,000 KRW from 10,000 KRW		
	04/15/2009 Moved to the present HQ address from 2-1302/1303, Ace Hightech City, 55-20, Mullaedong 3-ga, Yeongdeungpo-gu, Seoul, Korea		
	11/30/2009 Awarded US\$ 20 Million Export Top Prize		
	11/30/2010 Awarded US\$ 50 Million Export Top Prize		

DETAILED INFORMATION

Management

Job Description	Name	Nationality	Date of Birth	Inauguration Date
President & CEO	Park Ji-Soo	Korean	08/01/1959	07/19/2007
Director	Lee Ji-Young	Korean	07/21/1959	07/19/2007
Outside Director	Park Kwan-Soo	Korean	02/08/1965	03/10/2011
Auditor	Lee Jung-Geun	Korean	05/29/1960	03/10/2014

FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
2017	2,984,850,356	7,410,536,551	-8,624,532,698
2016	14,021,079,417	17,391,598,493	1,583,931,101
2015	11,423,193,736	14,029,189,582	3,661,139,593
2014	1,064,206,641	10,902,516,685	-1,308,173,647
2013	2,516,854,847	13,571,275,475	-1,437,560,818
2012	6,204,939,265	17,566,794,350	-1,935,669,111
2011	5,455,101,928	23,275,178,404	-4,114,095,017
2010	36,522,514,769	29,880,257,903	1,079,856,579

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Financial Description

Authorized Capital(KRW)	10,000,000,000
Paid-Up Capital(KRW)	500,000,000
Total Issued Shares	100,000

Balance Sheet

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Total Assets	7,410,536,551	17,391,598,493	14,029,189,582
Current Assets	4,677,486,202	14,581,483,899	11,127,500,131
-Quick Assets	4,556,651,171	14,572,194,339	10,959,318,131
-Inventories	120,835,031	9,289,560	168,182,000
Fixed Assets	2,733,050,349	2,810,114,594	2,901,689,451
-Investment			
-Tangibles	2,702,665,349	2,770,853,325	2,862,528,182
-Intangibles			
-Others	30,385,000	39,261,269	39,161,269
Total Liabilities	2,290,838,876	3,647,368,120	1,868,890,310
Current Liabilities	2,150,963,135	3,616,972,790	1,833,698,863
Fixed Liabilities	139,875,741	30,395,330	35,191,447
Capital Stock	500,000,000	500,000,000	500,000,000
Capital Surplus			
Profit Surplus	4,619,697,675	13,244,230,373	11,660,299,272
Capital Adjustment			
Total Equity	5,119,697,675	13,744,230,373	12,160,299,272
Liab. & Shareholder's Equity	7,410,536,551	17,391,598,493	14,029,189,582
Current Liabilities	2,150,963,135	3,616,972,790	1,833,698,863
Trade Payables	648,661,640	746,699,954	250,328,240
Account Payables	400,526,415	493,870,304	296,188,052
Withholdings	20,555,230	11,505,460	10,460,132
Advance Receipts	39,530,775	1,183,478,667	70,000
Short-Term Borrowings	1,038,000,000	1,179,000,000	1,274,000,000
Accrued Expenses	3,689,075	2,418,405	2,652,439
Fixed Liabilities	139,875,741	30,395,330	35,191,447
Leasehold Deposit	25,000,000	25,000,000	25,000,000
Received			
Provision for Severance & Retirement	114,875,741	5,395,330	10,191,447

Income Statement

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Sales	2,984,850,356	14,021,079,417	11,423,193,736
Cost of Sold Goods	2,150,068,416	9,657,558,871	6,670,231,231
Gross Profit	834,781,940	4,363,520,546	4,752,962,505
Selling & Admin. Expenses	9,218,644,414	2,880,682,728	945,593,519
Operating Income	-8,383,862,474	1,482,837,818	3,807,368,986

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Non-Operating Income	343,233,903	606,918,725	393,590,431
Non-Operating Expenses	583,904,127	505,825,442	539,819,824
Income Before Taxes	-8,624,532,698	1,583,931,101	3,661,139,593
Income Taxes Expenses	-	-	-
Net Income	-8,624,532,698	1,583,931,101	3,661,139,593

Cash Flows

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Cash Flows from Operating	-1,528,566,854	2,784,482,865	1,316,640,179
-Net Income	-8,624,532,698	1,583,931,101	3,661,139,593
-Exp. without Cash Outflow	8,322,584,219	550,891,903	513,125,753
-Revenue without Cash Inflows	-201,191,604	-184,514,652	-67,089,970
-Changes in Asset/ & Liability	-1,025,426,771	834,174,513	-2,790,535,197
Cash Flows from Investing	2,014,876,269	-1,175,372,727	-903,482,907
-Cash Inflow from Investing	2,014,876,269	918,904,430	23,666,363
-Cash Outflows for Investing	-	-2,094,277,157	-927,149,270
Cash Flows from Financing	-141,000,000	-95,000,000	-519,300,000
-Cash Inflows from Financing	-	-	-
-Cash Outflows from Financing	-141,000,000	-95,000,000	-519,300,000
Increase/Decrease in Cash	345,309,415	1,514,110,138	-106,142,728
Cash at the Beginning of Year	1,530,416,874	16,306,736	122,449,464
Cash at the End of Year	1,875,726,289	1,530,416,874	16,306,736

**PRODUCTS, TECHNOLOGIES, SERVICES
DESCRIPTION**

Main Products & Services Diesel Generator, STPG-KNPS Condenser Tube

TRADE PARTNERS & COMPETITORS

Suppliers	LS INDUSTRIAL SYSTEMS KOREA PLANT SERVICE & ENGINEERING KOREA ELECTRIC POWER CORPORATION (KEPCO) STX ENGINE STX ENPACO
Customers	3R ENC CO., LTD.(180111-0770817)
Competitors	DOOSAN ENGINE CO., LTD.

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RELATED PARTIES (SUBSIDIARIES, JOINT- VENTURE & AFFILIATES)

Affiliates	3R ENC CO., LTD.(180111-0770817)
Cooperative Enterprise	-Insured Company SAMSUNG FIRE & MARINE INSURANCE CO.,LTD.(110111-0005078)

SALES BY REGION (ACTIVITY & MARKETS)

The Subject exports to Sudan, Vietnam and Pakistan.

COURT ACTION

No.

NEWS CLIPPING

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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 :	NIY
Report Prepared by :	SYL

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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)