



This report is sent in answer to your inquiry on:
Daekyung Engineering&Construction Co., Ltd.

D&B REPORT

Date Written : AUG, 17 2017

Date Printed : AUG, 17 2017

COMPANY DETAILS

DAEKYUNG ENGINEERING&CONSTRUCTION CO., LTD.

D-U-N-S 68-829-1407

Address 30 YONGJAM-RO 40BEON-GIL NAM-GU
ULSAN, ULSAN
44783
REPUBLIC OF KOREA

Tel 82 - 522789331

Fax 82 - 522585764

URL dk-enc.co.kr

E-Mail dkenc@dk-dnc.co.kr

Chief Executive LEE, KI SUN
PRESIDENT

Line of Business MANUFACTURE OF INDUSTRIAL MACHINERY

SIC 3599-0000

Import YES

Export NO

Employs 38

Paid Up Capital KRW
500,000,000

Sales 19,600,000,000

Net Worth 3,558,000,000

History CLEAR

D&B Rating 3A2 (Prev. 3A3)

Condition GOOD

Trend UP

CURRENCY: All monetary amounts shown in KOREAN WON unless otherwise stated.

EXECUTIVE SUMMARY

- Subject is a well-established business with 11 year(s) of operating history.
- The captioned premises are owned by subject.
- Operation are profitable operations based on its 2016 financial statement.

Financial Highlight

(Figures in millions South Korean WON (KRW))

YEAR :	2014	2015	2016
Sales	11,445	11,930	19,600
Profit After Tax	855	323	465
Net Worth	2,771	3,094	3,558

FINANCE

Financial Summary

(Figures in millions South Korean WON (KRW))

YEAR :	2014	2015	2016
---------------	-------------	-------------	-------------

Current:			
Assets	2,167	2,727	3,133
Liabilities	1,022	703	663
Working Capital	1,145	2,024	2,470
Other:			
Tangible Assets	7,576	7,220	7,177
Non-Current Liab.	5,950	6,150	6,089
Tangible Net Worth	2,771	3,094	3,558
Annual Sales	11,445	11,930	19,600
Profit After Tax	855	323	465
Profit Before Tax	855	323	465
Cash & Bank	144	588	289
A/Cs Receivable	1,186	894	1,954
Inventory	328	481	344
Fixed Asset	7,155	6,867	6,662
Trade Creditors	343	223	110

Balance Sheet

Fiscal statement as of 31/12/16.

(Figures in millions South Korean WON (KRW))

Cash and Bank	289	Trade Creditors	110
Marketable Securities	0	Creditors and Borrowings	300
Receivables	1,954	Other Curr Liab	253
Inventories/Stocks	344		
Prepayments	0		
Other Current Assets	546		
TOTAL CURRENT ASSET	3,133	TOTAL CURRENT LIAB	663
Land and Building	6,357	Creditors and Borrowings	6,089
Plant and Equipment	275	Other Non-Curr Liab	0
Motor Vehicles	11		
Fixtures and Fittings	6		
Office Furniture	13		
Other Fixed Assets	0		
TOTAL FIXED ASSET	6,662	TOTAL NON-CURRENT LIAB	6,089
Investments	515		
TOTAL INVESTMENT	515		

Goodwill	0	Paid Capital	500
Other Intangibles	0	Reserves General	0
		Accum./Retained Profit	3,058
		Other Equity	0
TOTAL INTANGIBLES		0	TOTAL EQUITY
TOTAL ASSETS	10,310	TOTAL LIAB AND EQUITY	10,310

Profit & Loss A/C

(Figures in millions South Korean WON (KRW))

PERIOD	1/1/2014 to 31/12/2014	1/1/2015 to 31/12/2015	1/1/2016 to 31/12/2016
Sales	11,445	11,930	19,600
Cost of Good Sold	9,424	9,360	16,836
Gross Profit	2,021	2,571	2,764
Operating Expenses	1,673	2,043	2,152
Operating Profit	348	528	613
Profit before Tax	855	323	465
Taxation	0	0	0
Profit After Tax	855	323	465

Financial Ratios

YEAR	2014	2015	2016
Current Ratio	2.12	3.87	4.72
Quick Ratio	1.30	2.10	3.38
Total Debt to Equity Ratio	2.51	2.21	1.89
Debt Ratio	0.71	0.68	0.65
Asset to Sales Ratio	0.85	0.83	0.52
Inventory Turnover	10.46	14.71	6.40
Net Profit Margin(%)	7.47	2.70	2.37
Return on Assets(%)	8.77	3.24	4.51
Return on Equity(%)	30.85	10.44	13.06

Subject condition is considered Good.

Financial Ratios Explanation

Current Ratio	Total Current Assets/Total Current Liabilities
Quick Ratio	(Total Cash+Marketable Securities+Receivables)/Total Current Liabilities
Total Debt to Equity Ratio	Total Liabilities/Total Equity
Debt Ratio	Total Liabilities/Total Assets
Asset/Sales Ratio	Total Assets/Sales
Inventory Turnover (Days)	(365*Inventories)/Sales
Net Profit Margin	(Profit after Tax/Sales)*100
Return on Assets	(Profit after Tax/Total Assets)*100

Return on Equity

(Profit after Tax/Tangible Net Worth)*100

* Cash and Bank

Cash & Cash Equivalent + S/T Investments

* Tangible Assets

Investments + Fixed Assets

DETAILED FINANCIAL STATEMENTS**Statement of Financial Position**

(Unit : KRW Mil., %)

Account	2014.12		2015.12		2016.12	
	Amount	%	Amount	%	Amount	%
Current Assets	2,167	22.2	2,727	27.4	3,133	30.4
Quick Assets	1,839	18.9	2,246	22.6	2,789	27.1
Cash & Cash Equivalent	144	1.5	588	5.9	259	2.5
S/T Investments	0	-	0	-	30	0.3
Trade Receivables	1,186	12.2	894	9.0	1,954	19.0
Other Receivables	458	4.7	460	4.6	466	4.5
Advance Payments	0	-	0	-	0	-
Prepaid Expense	43	0.4	103	1.0	70	0.7
Other Quick Assets	8	0.1	201	2.0	10	0.1
Inventories	328	3.4	481	4.8	344	3.3
Non-current Assets	7,576	77.8	7,220	72.6	7,177	69.6
Investments	348	3.6	314	3.2	472	4.6
L/T Financial Instruments	0	-	86	0.9	0	-
Other Investments	348	3.6	228	2.3	472	4.6
Fixed Assets	7,155	73.4	6,867	69.0	6,662	64.6
Land	4,423	45.4	4,423	44.5	4,423	42.9
Assets for Depreciation	2,732	28.0	2,444	24.6	2,239	21.7
Construction in-Progress	0	-	0	-	0	-
Other Fixed Assets	0	-	0	-	0	-
Intangible Assets	0	-	0	-	0	-
Other Non-current Assets	73	0.7	39	0.4	43	0.4
Housing Assets for Rent	0	-	0	-	0	-
Total Assets	9,743	100.0	9,947	100.0	10,310	100.0
Current Liabilities	1,022	10.5	703	7.1	663	6.4
Trade Payables	343	3.5	223	2.2	110	1.1
Short Term Borrowings	300	3.1	300	3.0	300	2.9
Advance Receipts	28	0.3	0	-	0	-
Accrued Expenses	16	0.2	22	0.2	19	0.2
Accrued Income Taxes	0	-	0	-	0	-
Current Portion of L/T Liabilities	0	-	0	-	0	-
Other Current Liabilities	335	3.4	158	1.6	233	2.3
Non-current Liabilities	5,950	61.1	6,150	61.8	6,089	59.1
Debentures	0	-	0	-	0	-
Long-Term Borrowings	5,950	61.1	6,150	61.8	6,089	59.1
Provision for S&R Benefits	0	-	0	-	0	-
Other Non-Current Liabilities	0	-	0	-	0	-
Total Liabilities	6,972	71.6	6,853	68.9	6,751	65.5
Capital Stock	500	5.1	500	5.0	500	4.8
Capital Surplus	0	-	0	-	0	-
Retained Earnings	2,271	23.3	2,594	26.1	3,059	29.7
(Net Income)	855	8.8	323	3.2	465	4.5
Capital Adjustments	0	-	0	-	0	-
Other Accu. Comprehensive Income	0	-	0	-	0	-
Total Stockholders' Equity	2,771	28.4	3,094	31.1	3,559	34.5

Total Liabilities & Capital	9,743 100.0	9,947 100.0	10,310 100.0
Total Borrowings *	2,372 24.4	2,372 23.9	2,372 23.0

*NOTE: Total borrowings include Long-Term Trade Payables and Long-Term Accounts Payables.

Income Statement

(Unit : KRW Mil., %)

Account	2014.12		2015.12		2016.12	
	Amount	%	Amount	%	Amount	%
Sales	11,445	100.0	11,930	100.0	19,600	100.0
Cost of Sales	9,424	82.3	9,360	78.5	16,836	85.9
Gross Income	2,021	17.7	2,571	21.6	2,764	14.1
S&A Expenses	1,673	14.6	2,043	17.1	2,152	11.0
Salaries	1,112	9.7	1,297	10.9	1,428	7.3
S&R Benefits	26	0.2	41	0.3	37	0.2
Employee Benefits	96	0.8	111	0.9	142	0.7
Taxes And Dues	109	1.0	235	2.0	148	0.8
Rent	56	0.5	73	0.6	74	0.4
Depreciation	10	0.1	19	0.2	11	0.1
Advertising Expense	18	0.2	5	0.0	1	0.0
Bad Debt Expenses	17	0.1	14	0.1	24	0.1
Others	229	2.0	249	2.1	293	1.5
Operating Income	348	3.0	528	4.4	613	3.1
Non-Operating Income	788	6.9	32	0.3	76	0.4
Interest Income	20	0.2	8	0.1	21	0.1
Dividends Income	0	-	0	-	0	-
Gains On Foreign Currency Transaction	0	-	0	-	0	-
Others	768	6.7	24	0.2	55	0.3
Non-Operating Expenses	282	2.5	237	2.0	224	1.1
Interest Expense	250	2.2	208	1.7	202	1.0
Losses On Foreign Currency Transaction	0	-	2	0.0	3	0.0
Others	31	0.3	27	0.2	20	0.1
Ongoing Biz. Income BF Income Taxes	855	7.5	323	2.7	465	2.4
Income Tax Expenses for Ongoing Biz. Income	0	-	0	-	0	-
Ongoing Biz. Income	855	7.5	0	-	0	-
Discontinued Biz. Income	0	-	0	-	0	-
Net Income	855	7.5	323	2.7	465	2.4

Financial Ratios

(Unit : %, Time)

Item	Arithmetic Expression	2015.12	2016.12	Avg. of same Ind.
<Profitability>				
Net Income to SHs' Equity	Net Income/(SHs' Equity in former term+SHs' Equity in this term)x200	20.8	20.8	6
Net Income to Total Assets	Net Income/(Total Assets in former term+Total Assets in this term)x200	6.7	6.7	2.7
Net Income to Sales	Net Income/Sales x 100	3.2	3.2	2.8
	(Financial Exp.+ Net Income			

Fixed-Charge Coverage (Times)	Before Income Taxes)/Financial Exp.	5.9	5.9	0
Financial Exp. to Sales	Financial Exp./Sales x 100	0.7	0.7	1.3
Cost of Sales to Sales	Cost of Sales/Sales x 100	85.4	85.4	0
Capital Surplus and R/E to SHs' Equity	(Capital Surplus+R/E)/ SHs' Equity x 100	73.9	73.9	0
Operating Income to Sales	Operating Income/Sales x 100	4.1	4.1	5.3
<Stability>				
Current Ratio	Current Assets/Current Liabilities x 100	116.3	116.3	139.1
Non-current Assets to SHs' Equity & Non-current Liab.	Non-current Assets / (SHs' Equity + Non-current Liabilities) x 100	91.9	91.9	77.4
Debt to Equity Ratio	Total Liabilities/SHs' Equity x 100	186.4	186.4	122.7
SHs' Equity to Total Assets	SHs' Equity/Total Assets x 100	34.9	34.9	44.9
Total Borrowings and Debentures Payables to Total Assets	Total Borrowings/Total Assets x 100	43.2	43.2	30.9
Quick Ratio	Quick Assets/Current Liabilities x 100	107.4	107.4	108.2
<Turnover Ratios>				
Working Capital Turnover	Sales/Average of Working Capital	-85	-85	-
Trade Payables Turnover	Sales/Average of Trade Payables	16.2	16.2	8.5
Trade Receivables Turnover	Sales/Average of Trade Receivables	24.7	24.7	4.8
Inventories Turnover	Sales/Average of Inventories	103.8	103.8	8.2
Total Assets Turnover	Sales/Average of Total Assets	2.1	2.1	1
<Growth Ratios>				
Growth Rate of SHs' Equity	SHs' Equity in this term/SHs' Equity in former term x 100-100	23.2	23.2	7
Growth Rate of Operating Income	Operating Income in this term/Operating Income in former term x 100-100	-12.6	-12.6	-
Growth Rate of Total Assets	Total Assets in this term/Total Assets in former term x 100-100	3.8	3.8	3.6
Growth Rate of Sales	Sales in this term/Sales in former term x 100-100	12	12	1.9

*Note: Source of Industrial Average : Financial Statement Analysis of THE BANK OF KOREA (C29100) General purpose machinery (All Enterprise), The Average of the fiscal year 2015

CURRENT INVESTIGATION

On 16/8/2017, Jeon, Seok Tae, Manager, submitted financial statement and confirmed operational and historical information.

The financial statement(s) of subject was obtained by mail. The statement was unaudited.

Fiscal year end date of subject is 31 Dec.

Accounting Standards for F/S of FY2014, FY2015, FY2016: K-GAAP

BANK

Banking relations are maintained principally with :-

Industrial Bank of Korea	Branch Ulsan
--------------------------	------------------------

Banking Facilities Granted from the Bank(s):-

		Amount
Short-Term Loan	KRW	300,000,000
Long-Term Loan	KRW	6,088,520,000
Est. Credit Limit		Medium 10 Figures
Deposit Level		Low 9 Figures

(As of 31 Dec 2016)

DETRIMENTAL INFORMATION

(as of Aug 17 2017)

(Figures in millions South Korean WON (KRW))

No. of Default	No. of Organization	Total Amount
0 Items	0 Reporting Co.	0

Occurred Date	Reporting Date	Default Amt.	Reporting Corp.	Reason of Default
---------------	----------------	--------------	-----------------	-------------------

HISTORY

Legal Status	Corporation - Co. Ltd. by Shares
Incorporation No.	2301110120491
Business Reg No.	6108181153
Date of Registration	13 Mar 2006
Year Started	2006
Authorized Capital	KRW 2,000,000,000

Divided into:-

Type of Shares	No. of Shares	Par Value
Ordinary Shares	100,000	5,000.000
Fully Paid Up Capital	KRW 500,000,000	

(as of 17 Aug 2017)

Initial Capital KRW 100,000,000

Shareholders' List

Name of Shareholder	% Shares Held
Lee, Ki Sun	44.0%
Park, Eun Deuk	40.0%
Lee, Ji Hye	8.0%
Lee, Bo Min	8.0%
<hr/>	
Total	<u>100%</u>

Other Key Events

Date of event: 13 Mar 2006

Details : Founded.

Date of event: 3 Apr 2010

Details : Increased its capital to KRW 500 Mil.

Date of event: 1 Jan 2014

Details : Due to the implementation of new address system based on road name address, its head office address was changed from 757-4, Yeocheon-dong, Nam-gu, Ulsan to 67, Sinyecheon-ro, Nam-gu, Ulsan. It is only change in expression by new address system but not change in physical location.

Date of event: 28 Feb 2014

Details : Moved its head office from 67, Sinyecheon-ro, Nam-gu, Ulsan to 30, Yongjam-ro 40beon-gil, Nam-gu, Ulsan.

Principals

Name/Address	ID/PP NO.	Nationality
LEE, Ki Sun	--	Korean
South Korea		

Principals' Background

Details of director(s) are listed as follows.

Name	:LEE, Ki Sun
Gender	:Male
Title	:President
Birth Date	: 20/3/1959
Nationality	:Korean
Education	
- Level	:University
- School/University	:University of Ulsan
- Major	:Business Administration
Started with Subject	:2006 (Founder of Subject)
Activity Status	:Active in subject's day-to-day operation.
Area of Responsibility	:Overall management

Employment History :

<u>Period</u>	<u>Company Employed</u>	<u>Last Position Held</u>
1983-2008	Daekyung Machinery & Engineering Co., Ltd.	Director
2006	Daekyung Engineering&Construction Co., Ltd.	President

OPERATION

Subject is engaged in:-

Manufacturing of Industrial Machinery 100%

Major Customer(s)

- 1) Hyundai Engineering Co., Ltd.
- 2) SK Energy Co., Ltd.
- 3) GS ENGINEERING & CONSTRUCTION CORP.
- 4) Hyosung Corp.

Major Supplier(s)

- 1) Y C P CO., LTD.
- 2) TAE DONG CORPORATION
- 3) Myeongseong Metal Co., Ltd.
- 4) Ulsan Steel Co., Ltd.

Products/Services

Heat Exchanger & Boiler
Pressure Vessel
Reactor
Tower & Column etc.

Sales Territory

Local:- 99.7%
International:- 0.3%
Japan

Selling Terms

Cash
Contract basis

Purchase Territory - Merchandise

Local:- 90.3%
International:- 9.7%
PR China
Japan

Purchasing Terms

Cash
Contract basis

Employees

Total: 38

Staff Breakdown

Directors	4
Plant Workers	18
Office Personnel	7
Technicians	9

Location

Premises are located in an industrial area. Subject owns 6,642 square meters.

Previous Address : 67, Sinyecheon-ro, Nam-gu, Ulsan

Date of relocation :28/2/2014

APPENDIX

D&B Rating

D & B's Rating consists of 2 parts, the Financial Strength and the Composite Credit Appraisal. Financial Strength is an indication of tangible net worth (Total assets - Total Liability - Intangible assets) or capital.

The Composite Credit Appraisal indicating an overall credit condition is derived from a comprehensive analysis of the information presented throughout the BIR, such as overall financial status, legal structure, management experience and any adverse listings.

D&B Rating Interpretation Tables

Financial Strength Indicator			Composite Credit Appraisal			
Tangible Net Worth	Capital	Korean Won(KRW)	Strong	Good	Fair	Poor
5A	5AA	35,515,000,000 and over	1	2	3	4
4A	4AA	7,103,000,000 to 35,514,999,999	1	2	3	4
3A	3AA	1,065,500,000 to 7,102,999,999	1	2	3	4
2A	2AA	532,725,000 to 1,065,499,999	1	2	3	4
1A	1AA	266,363,000 to 532,724,999	1	2	3	4
A	AA	133,536,000 to 266,362,999	1	2	3	4
B	BB	66,768,000 to 133,535,999	1	2	3	4
C	CC	33,384,000 to 66,767,999	1	2	3	4
D	DD	17,047,000 to 33,383,999	1	2	3	4
E	EE	8,524,000 to 17,046,999	1	2	3	4
F	FF	4,262,000 to 8,523,999	1	2	3	4

G	GG	2,131,000 to 4,261,999	1	2	3	4
H	HH	Up to 2,130,999	1	2	3	4

The symbols 5A - H are based on tangible net worth and the symbols 5AA - HH are based on capital.

Alternate Ratings Used

- N** Financial Strength is negative
- O** Financial Strength is undisclosed
- NB** New Business: Less than 24 months
- NQ** Out of Business: All companies that have ceased operations or have been liquidated.
- BR** Branch or division location.
- DS** Indicates that only brief partial information is currently available on the company, and a full investigation will be conducted once an enquiry is placed.
- INV** Indicates that D&B is currently conducting an investigation to gather the most current details.
- FB** Foreign branch

Composite Credit Appraisal

Rating	Condition	Interpretation
1	Strong	Minimum expectation of risk
2	Good	Low expectation risk
3	Fair	Risk Slightly Over the Average
4	Poor	Significant Risk - To review carefully
-	Undetermined	Unknown Risk - Insufficient Information

(123/D20/SH)



THIS REPORT MAY NOT BE REPRODUCED IN WHOLE OR IN ANY FORM OR MANNER WHATSOEVER

This report, furnished pursuant to contract for the exclusive use of the subscriber as one factor to consider in connection with credit, insurance, marketing or other business decisions, contains information compiled from sources which Dun & Bradstreet (Korea) Ltd does not control and whole information, unless otherwise indicated in the report, has not been verified. In furnishing this report, Dun & Bradstreet (Korea) Ltd in no way assumes any part of the user's business risk, does not guarantee the accuracy, completeness, or timeliness of the information provided, and shall not be liable for any loss or injury whatsoever resulting from contingencies beyond its control or from negligence. The preceding information (data) is for information purposes only and is not the official record of this business (company). Information in this report is based upon existing records in D&B database as of today and may not include information (data) which relates to this company (business) due to possible changes in ownership, control, name or legal status.

©Copyright 2017 Dun & Bradstreet (Korea) Ltd
THIS REPORT MAY NOT BE REPRODUCED IN WHOLE OR IN ANY FORM OR MANNER WHATSOEVER

If you have any questions or suggestions about this report, please call the D&B Customer Service Centre on 82-2-2122-2500.

-- End of Report --