

MIRA INFORM REPORT

Report No. :	525392
Report Date :	16.08.2018

IDENTIFICATION DETAILS

Name :	KCI LIMITED
Formerly Known As :	<ul style="list-style-type: none"> • GEONCHANG CHEMICAL LTD. • GEONCHANG CHEMICAL CO
Registered Office :	221, Daejuk 1-ro, Daesan-eup, Seosan-si, Chungcheongnam-do, Korea, 31903
Country :	South Korea
Financials (as on) :	31.03.2018
Date of Incorporation :	13.07.1991
Com. Reg. No.:	133-81-26385
Legal Form :	Listed Company
Line of Business :	Manufacture of Surface-Active Agents and Cosmetics Materials [Surfactant, Polyquaternium, Preservative, Resin, BTAC]
No. of Employees :	136

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	KCI LIMITED
Registered Address	221, Daejuk 1-ro, Daesan-eup, Seosan-si, Chungcheongnam-do, Korea (Old Address System : 13-7, Daejuk-ri, Daesan-eup, Seosan-si, Chungcheongnam-do, Korea)
Building	
Zip Code	31903
Tel	+82-41-660-7900
Fax	+82-41-668-7901
E-mail	lab@kciltd.com
Website	www.kciltd.com
Trading Address	9th Fl., 2-dong, IT Castle, 137, Gasan digital 1-ro, Geumcheon-gu, Seoul, Korea (Old Address System : 9th Fl., 2-dong, IT Castle, 376-16, Gasan-dong, Geumcheon-gu, Seoul, Korea)
Tel	+82-2-784-1480
Fax	+82-2-784-9018
Other Address	1RA-708, Sihwa Industrial Complex, 87, Gongdan 1-daero 28beon-gil, Siheung-si, Gyeonggi-do, Korea (Old Address System : 1RA-708, Sihwa Industrial Complex, 1237-8, Jeongwang-dong, Siheung-si, Gyeonggi-do, Korea)
Tel	+82-31-497-6411
Fax	+82-31-497-6410
Type	Export
Industry	Manufacture of Surface-Active Agents and Cosmetics Materials
Main Business	Surfactant, Polyquaternium, Preservative, Resin, BTAC
Sub Business	
Established (mm/dd/yyyy)	07/13/1991

DETAILED PRODUCTS

Activity	Detailed Products (UNSPSC)
Sell	Preservatives(12164501)
Sell	Surfactants(12161900)
Sell	Resins(13111000)
Buy	Texturing materials(31211602)
Buy	Alcohols or its substitutes(12352104)
Buy	Amines or imines or its substitutes(12352116)
Buy	Organic derivatives and substituted compounds(12352100)
Buy	Chemicals including Bio Chemicals and Gas Materials(12000000)

CEO'S

Name	Yoon Kwang-Ho
Date of Birth	09/16/1962
Title	President & CEO
Nationality	Korean

PROFILES

Capital (KRW)	5,635,000,000
Employees	136
Formation	Listed Company (KOSDAQ : 036670) as of 12/29/2000
Bank Details	Kookmin Bank-Seo Yoido Branch Industrial Bank of Korea KEB Hana Bank

Corporate Registered No.	124411-0011884
Business Registered No.	133-81-26385
Permit & Licenses	06/10/1999 ISO 9001 10/27/2006 INNO-BIZ 12/16/2010 NET

Int'l Trade No.: 984377

Shareholder Position	Name	Shares	%
	SAMYANG CORPORATION(110111-4720945)	4,981,003	44.20
	TREASURY STOCK	509,800	4.52
	OTHERS	5,779,197	51.28
	TOTAL	11,270,000	100.00

Company History	02/10/1985 Established as Geonchang Chemical Co.(Sole Proprietorship) 07/13/1991 Incorporated as Geonchang Chemical Ltd. 03/23/1999 Designated as a Venture Business 01/28/2000 Changed company name to the present name 09/07/2001 Split off the par value to 500 KRW from 5,000 KRW 03/20/2009 Moved to the presently Registered HQ address from 1RA-708, Sihwa Industrial Complex, 87, Gongdan 1-daero 28beon-gil, Siheung-si, Gyeonggi-do, Korea (Old Address System : 1RA-708, Sihwa Industrial Complex, 1237-8, Jeongwang-dong, Siheung-si, Gyeonggi-do, Korea) 11/30/2010 Awarded US\$ 20 Million Export Top Prize 11/14/2012 Designated as a Venture Business again 11/26/2013 Increased capital to 5,635,000,000 KRW from 5,500,000,000 KRW 04/12/2018 Acquired O&O CHEMICAL CO., LTD.(135511-0195103)
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DETAILED INFORMATION

Management

Job Description	Name	Nationality	Date of Birth	Inauguration Date
President & CEO	Lee Jin-Yong	Korean	09/11/1969	03/19/2018
Outside Director	Lee Jong-Yeol	Korean	05/19/1952	03/19/2018
Director	Kim Do	Korean	05/17/1965	03/19/2018
Director	Lee Sang-Hoon	Korean	06/05/1975	03/19/2018
Auditor	Noh Hyuck-Joon	Korean	04/27/1974	03/19/2018

FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
03/2018	14,098,260,224	64,889,826,598	1,919,460,054
2017	48,502,603,114	62,710,014,229	3,976,335,874
2016	44,306,663,816	60,366,477,587	6,729,408,075
2015	38,679,755,135	55,610,968,477	5,458,343,404
2014	39,165,387,319	56,195,855,739	3,306,976,215
2013	33,252,081,362	54,223,308,809	2,291,429,513
2012	30,028,762,454	53,005,558,109	1,881,511,657
2011	26,841,468,172	51,991,276,978	1,453,099,087
2010	28,766,033,917	49,467,366,154	2,623,191,590
2009	24,674,184,684	49,208,451,032	3,258,618,066

Financial Description

Authorized Capital(KRW)	20,000,000,000
Paid-Up Capital(KRW)	5,635,000,000
Total Issued Shares	11,270,000

Balance Sheet

Unit : Korean Won	01/01/2018~03/31/2018	As of 12/31/2017	As of 12/31/2016
Total Assets	64,889,826,598	62,710,014,229	60,366,477,587
Current Assets	33,080,047,861	31,957,771,897	30,259,348,056
Cash & Cash Equivalents	9,662,099,329	9,393,159,136	3,987,614,080
Current Financial Instruments	0	430,000,000	593,068,155
Trade Receivables & Other Receivables	10,524,337,319	8,443,220,311	8,931,958,234
Other Current Assets	1,753,639,791	1,055,824,514	979,737,290
Inventories	11,139,971,422	12,635,567,936	15,766,970,297
Non-Current Assets	31,809,778,737	30,752,242,332	30,107,129,531

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Tangibles	28,365,665,094	28,765,104,865	28,082,072,435
Intangibles	473,919,039	477,698,001	496,399,577
Other Financial Assets	89,378,864	157,938,864	267,938,864
Investment_Related Companies	2,848,232,195	1,318,917,057	1,216,429,231
Deferred Income Tax Assets	32,583,545	32,583,545	44,289,424
Total Liabilities	15,891,569,955	13,727,113,216	13,391,531,974
Current Liabilities	15,891,569,955	13,604,663,216	13,249,681,974
Trade Payables & Other Payables	2,716,186,256	2,677,623,377	3,000,265,537
Short-Term Borrowings	10,500,000,000	10,519,400,000	8,519,400,000
Other Current Liabilities	2,026,413,208	95,997,838	762,118,311
Deferred Income Tax Credit	648,970,491	311,642,001	967,898,126
Non-Current Liabilities		122,450,000	141,850,000
Long-Term Borrowings		82,450,000	101,850,000
Other Non-Current Liabilities		40,000,000	40,000,000
Capital Stock	5,635,000,000	5,635,000,000	5,635,000,000
Capital Surplus	6,622,675,183	6,622,675,183	6,622,675,183
Capital Adjustment	-4,161,279,707	-4,161,279,707	-4,161,279,707
Others	-127,186,154	-159,917,730	-128,373,256
Profit Surplus	41,029,047,321	41,046,423,267	39,006,923,393
Total Equity	48,998,256,643	48,982,901,013	46,974,945,613
Liab. & Shareholder's Equity	64,889,826,598	62,710,014,229	60,366,477,587

Income Statement

Unit : Korean Won	01/01/2018~03/31/2018	As of 12/31/2017	As of 12/31/2016
Sales	14,098,260,224	48,502,603,114	44,306,663,816
Cost of Sold Goods	9,913,375,681	34,992,152,578	28,883,017,375
Gross Profit	4,184,884,543	13,510,450,536	15,423,646,441
Selling & Admin. Expenses	2,182,091,452	8,398,708,225	7,197,563,536
- Logistics	31,774,021	114,489,755	105,043,986
- Selling Expenses	925,351,581	3,488,931,910	2,811,308,958
- Admin. Expenses	1,224,965,850	4,795,286,560	4,281,210,592
Operating Income	2,002,793,091	5,111,742,311	8,226,082,905
Other Income	431,065,273	1,478,004,858	1,672,597,895
Other Expenses	124,756,008	1,418,092,023	1,505,621,070
Finance Income	4,230,565	20,937,984	87,448,884
Finance Expenses	55,164,727	201,362,763	183,195,287
Income Before Taxes	2,258,168,194	4,991,230,367	8,297,313,327
Income Taxes Expenses	338,708,140	1,014,894,493	1,567,905,252
Net Income	1,919,460,054	3,976,335,874	6,729,408,075

Cash Flows

Unit : Korean Won	01/01/2018~03/31/2018	As of 12/31/2017	As of 12/31/2016
Operating Activities Cash	1,202,444,934	7,692,275,257	1,173,827,237

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Flows			
Cash Flows from Operating	1,249,787,772	9,424,438,659	2,852,584,844
Interests Received	8,964,588	37,049,171	51,085,067
Interests Paid	-54,927,776	-198,408,863	-171,161,869
Dividends Received		79,743,870	119,528,540
Income Taxes	-1,379,650	-1,650,547,580	-1,678,209,345
Cash Flows from Investing	-813,148,248	-2,128,484,785	-4,097,145,208
Cash Flows from Financing	-101,850,000	43,764,000	-553,094,000
Increase/Decrease in Cash	268,940,193	5,405,545,056	-3,456,800,637
Cash at the Beginning of Year	9,393,159,136	3,987,614,080	7,444,414,717
Cash at the End of Year	9,662,099,329	9,393,159,136	3,987,614,080

PRODUCTS, TECHNOLOGIES, SERVICES DESCRIPTION

Main Products & Services Polymer, Surface-Active Agents, Resin

Brand Name : POLYQUTA KC, Polyquaternium-10, BTAC

TRADE PARTNERS & COMPETITORS

Customers AMOREPACIFIC CORP.(110111-3471036)
LG HOUSEHOLD & HEALTH CARE LTD.(110111-2208000)
TAECHANG MULSAN CO., LTD.(124411-0010182)
L'OREAL
P&G

Competitors UNILEVER
HUCHEMS FINE CHEMICAL CORPORATION
5TH FL., KUKDONG BLDG., 60-1, CHUNGMURO 3-GA, JUNG-GU,
SEOUL, KOREA
TEL:+82-2-2262-0600 FAX:+82-2-2265-9381

COSMO CHEMICAL CO., LTD.
1534-5, SEOCHO 3-DONG, SEOCHO-GU, SEOUL, KOREA
TEL:+82-32-451-6100 FAX:+82-32-451-6119

FOOSUNG CO., LTD.
427-9, NOHA-RI, PALTAN-MYEON, HWASEONG-SI, GYEONGGI-DO,
KOREA
TEL:+82-31-495-7243 FAX:+82-31-491-1649

AMERCHOL(DOW)

RELATED PARTIES (SUBSIDIARIES, JOINT-VENTURE & AFFILIATES)

Affiliates	BIOS CHEMICAL CO., LTD.(110111-5658814) (10.0% held by the subject company)
Subsidiary	KCI JAPAN CO.,LTD (45.0% held by the subject company)
Corporate Ownership	SAMYANG CORPORATION(110111-4720945)
Major Shareholders	SAMYANG CORPORATION(110111-4720945)
Cooperative Enterprise	-Insured company KB INSURANCE CO., LTD.(110111-0017859)

SALES BY REGION (ACTIVITY & MARKETS)

Sales/ Unit :Thousand KRW	06/2015	2014	2013
Export	15,133,403	30,728,293	25,091,867
Domestic	4,500,932	8,437,094	8,160,214
Total	19,634,335	39,165,387	33,252,081

The Subject exports to South America, USA, Middle East, Europe, Japan and China.

COURT ACTION

No Records.

NEWS CLIPPING

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 69.47
UK Pound	1	INR 88.63
Euro	1	INR 79.19
KRW	1	INR 0.062

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)