

MIRA INFORM REPORT

Report No. :	547214
Report Date :	31.12.2018

IDENTIFICATION DETAILS

Name :	SHINSEGAE DF INC
Registered Office :	48, Sogong-Ro, Jung-Gu, Seoul, 3/8/12FL., Namsan Central Tower, 04631
Country :	South Korea
Financials (as on) :	31.12.2017
Date of Incorporation :	15.04.2015
Com. Reg. No.:	864-81-00077
Legal Form :	Co., Ltd by Shares
Line of Business :	Wholesale of Shirts and Outer Garments [Duty Free Shop, Souvenir, Food and Beverage, Restaurant, Tour Services, Accommodation Services, Education, Training Services]
No. of Employees :	351

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 :	No Complaints
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 (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

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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	SHINSEGAE DF INC.
Registered Address	48, Sogong-ro, Jung-gu, Seoul, Korea
Building	3/8/12FL., Namsan Central Tower
Zip Code	04631
Tel	+82-2-6048-5316
Fax	+82-2-6048-5140
E-mail	recruit.dfs@shinsegae.com
Website	www.ssgdfm.com
Trading Address	3/8/12FL., Namsan Central Tower, 48, Sogong-ro, Jung-gu, Seoul, Korea (Old Address System : 3/8/12FL., Namsan Central Tower, 10-1, Hoehyeon-dong 2(i)-ga, Jung-gu, Seoul, Korea)
Tel	+82-2-6048-5308
Fax	+82-2-6048-5140
Other Address- SHINSEGAE DF Myungdong Branch	77, Toegye-ro, Jung-gu, Seoul, Korea (Old Address System : 54, Chungmuro 1(il)-ga, Jung-gu, Seoul, Korea)
Other Address- SHINSEGAE DF Incheon Airport 2 Terminal Branch	446, Je2terminal-daero, Jung-gu, Incheon, Korea (Old Address System : 2868, Unseo-dong, Jung-gu, Incheon, Korea)
Other Address- SHINSEGAE DF Gangnam Branch	176, Sinbanpo-ro, Seocho-gu, Seoul, Korea (Old Address System : 19-3, Banpo-dong, Seocho-gu, Seoul, Korea)
Other Address- SHINSEGAE DF Incheon Airport 1 Terminal Branch	272, Gonghang-ro, Jung-gu, Incheon, Korea (Old Address System : 2840, Unseo-dong, Jung-gu, Incheon, Korea)
Type	Export/Import
Industry	Wholesale of Shirts and Outer Garments
Main Business	Duty Free Shop, Souvenir, Food and Beverage, Restaurant, Tour Services, Accommodation Services, Education, Training Services
Established (mm/dd/yyyy)	04/15/2015

DETAILED PRODUCTS

Activity	Detailed Products (UNSPSC)
Sell	Distribution(80141700)

CEO'S

Name	Sohn Young-Sik
Date of Birth	02/28/1963
Title	President & CEO

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Nationality Korean

PROFILES

Capital (KRW) 50,500,000,000
Employees 351
Formation Co., Ltd by Shares
A Company of SHINSEGAE GROUP
Bank Details KEB Hana Bank
Korea Development Bank
Corporate Registered No. 110111-5698315
Business Registered No. 864-81-00077
Permit & Licenses N/A
Shareholder Position

Name	Shares	%
SHINSEGAE INC.(110111-0028848)	5,900,000	100.00
TOTAL	5,900,000	100.00

(*)The list is based as of 12/31/2017.

Company History 04/15/2015 Incorporated as the present name
06/26/2018 Increased capital to 39,500,000,000 KRW from
29,500,000,000 KRW
09/20/2018 Increased capital to 50,500,000,000 KRW from
39,500,000,000 KRW

DETAILED INFORMATION

Management

Job Description	Name	Nationality	Date of Birth	Inauguration Date
President & CEO	Sohn Young-Sik	Korean	02/28/1963	03/09/2017
Director	Lim Seung-Bae	Korean	01/08/1965	03/15/2016
Director	Kim Sung-Kyum	Korean	12/09/1961	03/09/2017
Auditor	Oh Yong-Jin	Korean	12/15/1965	03/15/2018

FINANCIALS

Financial Description

Authorized Capital(KRW)	1,000,000,000,000
Paid-Up Capital(KRW)	50,500,000,000
Total Issued Shares	10,100,000

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Balance Sheet

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Total Assets	342,106,052,305	180,552,482,144	
Current Assets	239,883,722,589	133,505,376,686	
Cash & Cash Equivalents	2,174,232,773	6,379,585,830	
Trade Receivables & Other Receivables	38,804,292,932	23,259,346,340	
Inventories	171,614,976,918	85,946,314,262	
Other Financial Assets	840,715,250	-	
Other Current Assets	26,449,504,716	17,590,619,907	
Deferred Income Tax Assets	-	32,168,990	
Derivatives	-	297,341,357	
Non-Current Assets	102,222,329,716	47,047,105,458	
Non-Current Financial Instruments	2,000,000	2,000,000	
Finance Assets from this year's Income	676,806,000	1,500,000,000	
Investment_Subsidiaries	180,732,126	39,853,966	
Tangibles	62,958,300,459	41,620,572,954	
Intangibles	666,164,980	697,229,005	
Other Financial Assets	32,252,456,870	3,132,027,176	
Other Non-Current Assets	2,798,373,069	55,422,357	
Deferred Income Tax Assets	2,687,496,212	-	
Total Liabilities	187,079,754,071	153,277,065,147	
Current Liabilities	182,975,468,953	149,756,177,482	
Trade Payables & Other Payables	71,500,237,366	42,534,219,409	
Short-Term Borrowings	63,952,818,972	72,464,384,395	
Accrued Income Tax	495,856,436	-	
Other Financial Debts	100,000,000	100,000,000	
Other Current Liabilities	46,766,422,770	34,657,573,678	
Provisions	160,133,409	-	
Non-Current Liabilities	4,104,285,118	3,520,887,665	
Confirmed Salaries	852,595,728	365,287,412	
Other Non-Current Liabilities	152,969,596	108,702,309	
Provisions	3,098,719,794	3,046,897,944	
Capital Stock	29,500,000,000	18,000,000,000	
Capital Surplus	175,063,206,000	71,733,230,000	
Profit Surplus	-49,536,907,766	-62,457,813,003	
Total Equity	155,026,298,234	27,275,416,997	
Liab. & Shareholder's Equity	342,106,052,305	180,552,482,144	

Income Statement

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
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Sales	1,164,735,998,999	310,139,016,295
Cost of Sold Goods	589,831,374,884	109,043,618,690
Gross Profit	330,258,621,008	98,790,262,027
Selling & Admin. Expenses	315,701,513,459	151,113,511,252
Operating Income	14,557,107,549	-52,323,249,225
Finance Income	6,155,328,111	2,108,035,851
Finance Expenses	8,670,914,263	3,046,159,272
Non-Operating Income	559,724,804	96,401,430
Non-Operating Expenses	1,008,592,796	740,429,958
Income Before Taxes	11,592,653,405	-53,905,401,174
Income Taxes Expenses	-1,919,626,623	-
Net Income	13,512,280,028	-53,905,401,174

Cash Flows

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Operating Activities Cash Flows	-82,696,661,830	-102,378,166,588	
Cash Flows from Operating Interests Received	-79,762,014,532	-102,184,812,964	
Interests Paid	5,178,012	208,940,130	
Income Taxes	-2,971,203,020	-375,313,124	
Cash Flows from Investing	31,377,710	-26,980,630	
Cash Flows from Financing	-27,806,187,389	-43,898,943,513	
Increase/Decrease in Cash	106,318,410,577	151,951,856,897	
Cash at the Beginning of Year	-4,184,438,642	5,674,746,796	
Cash at the End of Year	6,379,585,830	697,019,935	
	2,174,232,773	6,379,585,830	

**PRODUCTS, TECHNOLOGIES, SERVICES
DESCRIPTION**

Main Products & Services Duty Free Shop, Souvenir, Food and Beverage, Restaurant, Tour Services, Accommodation Services, Education, Training Services

TRADE PARTNERS & COMPETITORS

Competitors HOTEL LOTTE CO., LTD.(110111-0145410)
1, SOGONG-DONG, JUNG-GU, SEOUL, KOREA
TEL:+82-2-771-1000 FAX:+82-2-752-3758

DONG WHA DUTY FREE SHOP CO., LTD.
B1, GWANGHWAMUN BLDG., 211, SEJONGNO, JONGNO-GU, SEOUL,
KOREA

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TEL:+82-2-399-3000 FAX:+82-2-399-3111~2

HDC SHILLA DUTY FREE LTD.
3~7FL., I-PARK MALL, 55, HANGANG-DAERO 23-GIL, YONGSAN-GU,
SEOUL, KOREA
TEL:+82-2-490-3102 FAX:+82-2-490-3010

RELATED PARTIES (SUBSIDIARIES, JOINT- VENTURE & AFFILIATES)

Affiliates	SHINSEGAE INC.(110111-0028848) GWANGJU SHINSEGAE. CO., LTD.(200111-0054795) SHINSEGAE INTERNATIONAL INC.(110111-0282402) SHINSEGAE ENGINEERING & CONSTRUCTION CO., LTD.(110111-0759493) SHINSEGAE INFORMATION & COMMUNICATION CO., LTD.(110111-1408867) SHINSEGAE FOOD CO., LTD.(110111-0305288) THE WESTIN CHOSUN SEOUL(110111-0003999) SHINSEGAE L&B CO., LTD.(110111-4015338) STARBUCKS COFFEE KOREA CO., LTD.(110111-1461667) GREEN CITY CO., LTD.(134511-0057932) FAMILY FOOD CO., LTD.(134811-0068181) SHINSEGAE UIJEONGBU STATION DEVELOPMENT CO., LTD.(110111-2670548) THE CHOSUNHOTEL BAKERY CO., LTD.(161511-0069091) SHINSEGAE CHELSEA CO., LTD.(110111-3239228) E-MART CO., LTD.(110111-4594952) HANAM UNION SQUARE CO., LTD.(135711-0074452) SHINSEGAE CHELSEA CO., LTD.(110111-3239228) SELIN SHINSEGAE CO., LTD.(110111-4880567) MONCLER SHINSEGAE INC.(110111-5600302)
Subsidiary	SHINSEGAE DF GLOBAL INC.(180111-1143451) (100.0% held by the subject company) HANJE SHINSEGAE ADVISORY SERVICE(BEIJING) CO., LTD.(CHINA) (100.0% held by the subject company)
Corporate Ownership Major Shareholders Cooperative Enterprise	SHINSEGAE INC.(110111-0028848) SHINSEGAE INC.(110111-0028848) -Management Consulting Services from SHINSEGAE DUTYFREE GLOBAL CO., LTD.(180111-1127728)
	Sales Agreement with BVLGARI

SALES BY REGION (ACTIVITY & MARKETS)

Not Available.

COURT ACTION

No Records.

NEWS CLIPPING

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 69.98
UK Pound	1	INR 88.66
Euro	1	INR 80.18
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 :	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)