

MIRA INFORM REPORT

Report No. :	517743
Report Date :	29.06.2018

IDENTIFICATION DETAILS

Name :	ISU EXACHEM CO., LTD
Formerly Known As :	EXACHEM CO., LTD.
Registered Office :	84, Sapyeong-daero, Seocho-Gu, Seoul, Korea, Isu Chemical Bldg., 06575
Country :	South Korea
Financials (as on) :	31.12.2016
Date of Incorporation :	07.08.2001
Com. Reg. No.:	114-86-11339
Legal Form :	Co., Ltd by Shares
Line of Business :	Wholesale of Industrial Basic Chemicals, and Petrochemicals Products [Parasol, D-sol, TDM, Petrochemical Products, Fine Chemical Products]
No. of Employees :	26

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 (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

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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 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	ISU EXACHEM CO., LTD (Ex. Company Name : EXACHEM CO., LTD)
Registered Address	84, Sapyeong-daero, Seocho-gu, Seoul, Korea
Building	Isu Chemical Bldg.
Zip Code	06575
Tel	+82-2-590-6652
Fax	+82-2-590-6667
E-mail	ks503@isu.co.kr
Website	www.exachem.co.kr
Trading Address	Isu Chemical Bldg., 84, Sapyeong-daero, Seocho-gu, Seoul, Korea (Old Address System : Isu Chemical Bldg., 112-4, Banpo 4-dong, Seocho-gu, Seoul, Korea)
Tel	+82-2-590-6830
Fax	+82-2-590-6667
Type	Export/Import
Industry	Wholesale of Industrial Basic Chemicals, and Petrochemicals Products
Main Business	Parasol, D-sol, TDM, Petrochemical Products, Fine Chemical Products
Sub Business	
Established (mm/dd/yyyy)	08/07/2001

DETAILED PRODUCTS

Activity	Detailed Products (UNSPSC)
Sell	Laundry products(47131811)
Sell	Compounds and mixtures(12350000)

CEO'S

Name	Kim Sang-Beom
Date of Birth	05/18/1961
Title	Co-President & CEO
Nationality	Korean

PROFILES

Capital (KRW)	1,600,000,000
Employees	26
Formation	Co., Ltd by Shares A Company of ISU Group

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Bank Details	KEB Hana Bank-Banpo Dong Branch Citi Bank, Korea Kookmin Bank Industrial Bank of Korea Korea Development Bank		
Corporate Registered No.	110111-2303826		
Business Registered No.	114-86-11339		
Permit & Licenses	Int'l Trade No.: 11938879		
Shareholder Position	Name	Shares	%
	KIM SANG-BEOM	320,000	100.00
	TOTAL	320,000	100.00
Company History	08/07/2001 Separated from ISU CHEMICAL CO., LTD and Incorporated as EXACHEM CO., LTD. 04/20/2005 Acquired IMS Co., Ltd at 11-8, Songnim-dong, Dong-gu, Incheon, Korea 11/29/2006 Awarded US\$30 Million Export Top Prize 07/07/2009 Increased capital to 1,600,000,000 KRW from 600,000,000 KRW 03/29/2010 Increased the authorized shares to 6,000,000 shares from 320,000 shares 03/31/2015 Changed company name to the present name		

DETAILED INFORMATION

Management

Job Description	Name	Nationality	Date of Birth	Inauguration Date
Co-President & CEO	Kim Sang-Beom	Korean	05/18/1961	03/30/2011
Co-President & CEO	Won Joon-Hyun	Korean	11/05/1962	11/09/2016
Director	Cha Ki-Seok	Korean	05/03/1970	11/09/2016
Auditor	Je Kang-Ho	Korean	10/22/1961	01/01/2013

FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
2017	N/A	108,507,858,104	N/A
2016	134,471,380,424	133,991,671,131	7,127,850,250
2015	134,048,798,874	90,641,468,105	5,699,029,392
2014	153,037,582,375	88,899,893,379	256,928,989
2013	175,713,979,610	75,042,066,087	5,104,472,113
2012	195,173,166,118	83,680,647,261	2,322,412,471
2011	199,263,532,073	85,145,353,399	1,747,917,936
2010	196,326,211,664	89,903,880,017	-982,726,652

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2009	130,776,684,480	91,720,068,139	2,638,000,410
2008	131,830,541,121	76,421,092,730	2,764,069,038

FINANCIAL DESCRIPTION

Authorized Capital(KRW)	1,600,000,000
Paid-Up Capital(KRW)	1,600,000,000
Total Issued Shares	320,000

Balance Sheet

Unit : Korean Won	As of 12/31/2016	As of 12/31/2015	As of 12/31/2014
Total Assets	133,991,671,131	90,641,468,105	88,899,893,379
Current Assets	51,655,248,009	30,351,296,579	32,452,040,928
Cash & Cash Equivalents	14,344,806,215	923,368,831	436,604,026
Trade Receivables & Other Receivables	17,957,528,931	7,272,459,835	9,550,424,175
Inventories	1,056,740,763	796,672,693	2,401,817,035
Current Financial Instruments	17,293,284,274	21,293,040,000	20,024,206,027
Other Current Assets	1,002,887,826	65,755,220	38,989,665
Non-Current Assets	82,336,423,122	60,290,171,526	56,447,852,451
Long-Term Trade Receivables & Other Receivables	342,533,804	338,354,196	32,752,000
Tangibles	1,417,082,212	1,762,882,126	1,930,269,876
Intangibles	401,864,527	401,864,527	401,864,527
Investment_Subsidiaries Investment_Related Companies	58,851,455,649	56,493,812,852	49,322,639,427
Deferred Income Tax Assets	1,279,763,184	1,290,757,825	1,547,511,980
Non-Current Financial Instruments	20,043,723,746	2,500,000	4,840,000
Total Liabilities	103,001,500,417	65,953,629,603	69,560,587,725
Current Liabilities	103,001,500,417	65,430,618,153	68,808,565,379
Trade Payables & Other Payables	77,853,836,087	48,275,529,147	55,871,744,578
Short-Term Borrowings	23,053,172,281	16,100,000,000	12,139,237,648
Deferred Income Tax Credit	1,412,463,645	788,914,632	228,071,352
Other Current Liabilities	682,028,404	266,174,374	569,511,801
Non-Current Liabilities	-	523,011,450	752,022,346
Confirmed Salaries	-	523,011,450	752,022,346
Capital Stock	1,600,000,000	1,600,000,000	1,600,000,000
Profit Surplus	29,390,170,714	23,087,838,502	17,739,305,654
Total Equity	30,990,170,714	24,687,838,502	19,339,305,654
Liab. & Shareholder's	133,991,671,131	90,641,468,105	88,899,893,379

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Equity

Income Statement

Unit : Korean Won	As of 12/31/2016	As of 12/31/2015	As of 12/31/2014
Sales	134,471,380,424	134,048,798,874	153,037,582,375
Cost of Sold Goods	114,055,246,605	114,250,927,123	141,426,977,921
Gross Profit	20,416,133,819	19,797,871,751	11,610,604,454
Selling & Admin. Expenses	9,328,551,644	8,991,380,716	7,741,112,476
Operating Income	11,087,582,175	10,806,491,035	3,869,491,978
Other Income	3,189,955,610	1,044,295,508	1,600,475,554
Other Expenses	3,584,728,865	2,807,845,833	2,875,262,625
Finance Income	725,895,933	939,606,535	1,874,441,393
Finance Expenses	2,306,821,122	2,647,618,728	3,072,459,618
Income Before Taxes	9,111,883,731	7,334,928,517	1,396,686,682
Income Taxes Expenses	1,984,033,481	1,635,899,125	1,139,757,693
Net Income	7,127,850,250	5,699,029,392	256,928,989

Cash Flows

Unit : Korean Won	As of 12/31/2016	As of 12/31/2015	As of 12/31/2014
Operating Activities Cash Flows	26,514,227,780	4,569,594,678	18,299,394,489
Net Income	7,127,850,250	5,699,029,392	256,928,989
Adjustment	5,657,254,102	4,576,727,441	4,678,070,245
Changes in Asset/ & Liability	14,440,710,511	-5,919,505,338	13,279,973,716
Interests Received	720,961,759	932,786,874	1,840,793,243
Income Taxes	-1,432,548,842	-719,443,691	-1,756,371,704
Cash Flows from Investing	-18,387,993,968	-5,704,376,583	-19,176,690,794
Cash Flows from Financing	4,212,436,146	1,588,501,685	174,767,877
Increase/Decrease in Cash	12,338,669,958	453,719,780	-702,528,428
Cash at the Beginning of Year	923,368,831	436,604,026	1,139,586,749
Cash at the End of Year	14,344,806,215	923,368,831	436,604,026

PRODUCTS, TECHNOLOGIES, SERVICES DESCRIPTION

Main Products & Services	D-SOL : D-SOL has good solubility as contains low unsaturated contents and impurity. D-SOL contain naphthenic rich contents so it has better solubility than normal paraffin D-SOL has low aromatic, sulfur contents so it has low odor and easily adopt to each process of industry
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PARASOL :

Linear hydrocarbon as Paraffin(N-Paraffin) is obtained from Kerosene by Molex extraction method and etc. N-Paraffin is raw material of Linear Alkyl Benzene, Chloroparaffin, a-oleffin, and additive for lubricant, dry cleaning, anti-rusting oil, aerosol etc.

TDM :

-Chain Transfer agent in polymerization to produce ABS, SBR, SB-Latex.
-Extreme pressure additives for gear oils, greases, and metal working fluids.
-Corrosion inhibitor for lubrication oil.

TRADE PARTNERS & COMPETITORS

Suppliers	ISU CHEMICAL CO., LTD
Customers	ISU CHEMICAL CO., LTD
	ISU OIL & CHEMICAL CO, LTD.
	MS CHEM
	SAMHWA LUBE.CO., LTD.(141211-0006811)
	BUHMWOO CHEMICAL. IND. CO. LTD.(120111-0003830)

RELATED PARTIES (SUBSIDIARIES, JOINT-VENTURE & AFFILIATES)

Affiliates-Domestic	ISU CORPORATION(110111-2833451)
	ISU CHEMICAL CO., LTD(110111-0008600)
	ISU PETASYS CO., LTD(110111-0186638)
	ISU SYSTEM CO., LTD.(110111-1304643)
	ISU C&D CO., LTD.(110111-1151549)
	EXA BOARD CO., LTD.(131411-0161035)
	TODA ISU CORPORATION(141211-0043623)
	ISU OIL CHEMICAL CO., LTD.(110111-0584436)
	ISU ENGINEERING & CONSTRUCTION CO., LTD.(110111-0202202)
Affiliates-Overseas	ISU PETASYS CORP.
	ISU-SAUDI ENGINEERING AND CONSTRUCTION CO., LTD.
	ISU BROWNSTONE CO., LTD
	ISU CHEMICAL GERMANY GMBH
	GREAT ORIENT CHEMICAL PTE. LTD.
	GREAT ORIENT CHEMICAL(TAICANG) CO., LTD.
	ISU PETASYS CORP.
Joint Venture	
Subsidiary	ISU CORPORATION(110111-2833451)
	(67.45% held by the subject company)

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ISU C&E., LTD.(110111-5503829)
(100.00% held by the subject company)

ISU VENTURE CAPITAL CO., LTD.(110111-1917636)
(78.05% held by the subject company)

ISU SYSTEM CO., LTD.(110111-1304643)
ISU CHEMICAL CO., LTD(110111-0008600)
ISU ABXIS CO., LTD.(110111-2203951)

SHANGHAI ISU CHANUM MANAGEMENT CO., LTD(CHINA)
(34.00% held by the subject company)

IK PARTNERS CO., LTD.(KOREA)
ISU CHEMICAL GERMANY GMBH
ISU CONSTRUCTION (TAICANG) CO., LTD.
QINGDAO DONGSUNG TEXTILE CO., LTD.(CHINA)

SALES BY REGION (ACTIVITY & MARKETS)

Sales/ Unit :Thousand KRW	2017	2016	2015
Export	48,633,312	47,236,091	68,755,141
Domestic	85,838,068	86,812,708	84,282,441
Total	134,471,380	134,048,799	153,037,582

The Subject exports to Japan and China.

COURT ACTION

No.

NEWS CLIPPING

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.94
UK Pound	1	INR 90.21
Euro	1	INR 79.64
KRW	1	INR 0.062

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

INFORMATION DETAILS

Analysis Done by :	PRA
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)