

## MIRA INFORM REPORT

Report No. :	522548
Report Date :	27.07.2018

### IDENTIFICATION DETAILS

Name :	SHIN STEEL CO., LTD.
Registered Office :	257, Jungang-daero, Uichang-gu, Changwon-si, Gyeongsangnam-do, Korea, Rm. 407, Gyungnam International Trade Center, 51430
Country :	South Korea
Financials (as on) :	31.12.2017
Date of Incorporation :	08.09.2008
Com. Reg. No.:	609-81-84859
Legal Form :	Co., Ltd by Shares
Line of Business :	Wholesale of Basic Metals of Steel Products, CR, GI, EG, GA, PCM, Steel Plate
No. of Employees :	27

### RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23<sup>rd</sup> 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 :

Any query related to this report can be made on e-mail : [infodept@mirainform.com](mailto:infodept@mirainform.com) while quoting report number, name and date.

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**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**

### **Basic**

Company Name	SHIN STEEL CO., LTD.
Registered Address	257, Jungang-daero, Uichang-gu, Changwon-si, Gyeongsangnam-do, Korea
Building	Rm. 407, Gyungnam International Trade Center
Zip Code	51430
Tel	+82-55-287-7215
Fax	+82-55-287-7216
E-mail	shinsteel72@naver.com
Website	
Trading Address	Rm.406~407, Gyungnam International Trade Center, 257, Jungang-daero, Uichang-gu, Changwon-si, Gyeongsangnam-do, Korea (Old Address System : Rm.406~407, Gyungnam International Trade Center, 7-4, Yongho-dong, Uichang-gu, Changwon-si, Gyeongsangnam-do, Korea)
Tel	+82-70-7862-7287
Fax	+82-55-287-7216
Other Address	
Tel	
Fax	
Type	Export/Import
Industry	Wholesale of Basic Metals
Main Business	Steel Products, CR, GI, EG, GA, PCM, Steel Plate
Sub Business	
Established (mm/dd/yyyy)	09/08/2008

### **Detailed Products**

Activity	Detailed Products (UNSPSC)
Sell	Steel(11101704)

### **CEO's**

Name	Shin Seung-Kon
Date of Birth	06/14/1972
Title	Representative Director
Nationality	Korean

### **Profiles**

Capital (KRW)	500,000,000
Employees	27
Formation	Co., Ltd by Shares
Bank Details	Kookmin Bank Shinhan Bank

Corporate Registered No.	Nonghyup Bank		
Business Registered No.	Industrial Bank of Korea		
Permit & Licenses	194211-0094409		
Shareholder Position	609-81-84859		
	Int'l Trade No.: 30665022		
	Name	Shares	%
	SHIN SEUNG-KON	60,000	60.00
	LIM JI-HOON & OTHERS(7)	34,250	34.25
	TREASURY STOCK	5,750	5.75
	TOTAL	100,000	100.00
Company History	04/01/2005 Established as SHIN STEEL CO(Sole Proprietorship)		
	09/08/2008 Incorporated as the present name		
	08/31/2009 Increased the authorized shares to 200,000 shares from 80,000 shares		
	09/03/2009 Increased capital to 500,000,000 KRW from 100,000,000 KRW		

## **DETAILED INFORMATION**

### **Management**

Job Description	Name	Nationality	Date of Birth	Inauguration Date
Representative Director	Shin Seung-Kon	Korean	06/14/1972	03/31/2011
Auditor	Kim So-Young	Korean	08/29/1979	11/10/2017

## **FINANCIALS**

Year / Unit : KRW	Sales	Assets	Net Income
2017	106,347,199,300	33,037,520,211	695,055,398
2016	87,401,703,779	29,183,279,434	3,159,485,980
2015	71,634,063,382	20,324,959,590	2,708,347,637
2014	67,916,127,059	16,956,647,728	2,275,845,302
2013	72,448,737,609	13,003,258,263	-821,914,406
2012	49,193,330,447	11,172,657,979	713,499,714
2011	37,578,000,000	8,845,000,000	864,000,000
2010	17,951,000,000	4,732,000,000	481,000,000
2009	4,766,000,000	2,016,000,000	15,000,000
2008	2,746,000,000	217,000,000	95,000,000

### **Financial Description**

Authorized Capital(KRW)	1,000,000,000
Paid-Up Capital(KRW)	500,000,000
Total Issued Shares	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	33,037,520,211	29,183,279,434	20,324,959,590
Current Assets	24,128,299,418	21,093,516,052	14,333,692,133
-Quick Assets	17,469,451,486	15,065,102,682	11,186,241,261
-Inventories	6,658,847,932	6,028,413,370	3,147,450,872
Fixed Assets	8,909,220,793	8,089,763,382	5,991,267,457
-Investment	6,133,108,555	4,987,062,737	4,377,974,349
-Tangibles	2,421,377,035	1,289,493,007	1,228,995,815
-Intangibles			
-Others	354,735,203	1,813,207,638	384,297,293
Total Liabilities	22,697,690,177	19,436,466,503	13,832,203,051
Current Liabilities	19,043,544,078	17,263,400,988	12,175,965,501
Fixed Liabilities	3,654,146,099	2,173,065,515	1,656,237,550
Capital Stock	500,000,000	500,000,000	500,000,000
Capital Surplus			
Profit Surplus	9,966,564,310	9,271,508,912	6,112,022,932
Capital Adjustment	-126,734,276	-24,695,981	-119,266,393
Total Equity	10,339,830,034	9,746,812,931	6,492,756,539
Liab. & Shareholder's Equity	33,037,520,211	29,183,279,434	20,324,959,590
Current Liabilities	19,043,544,078	17,263,400,988	12,175,965,501
Short-Term Borrowings	9,300,000,000	7,327,147,977	5,600,000,000
Current Portion of Long-Term Debts	333,340,000	1,500,000,000	1,000,000,000
Trade Payables	7,036,864,130	7,163,698,932	4,587,758,057
Account Payables	893,416,823	703,978,546	537,622,632
Withholdings	18,375,561	12,785,686	37,171,541
Advance Receipts	1,345,403,244	179,952,932	-
Accrued Expenses	116,144,320	81,221,515	97,799,294
Deferred Income Tax	-	294,615,400	315,613,977
Fixed Liabilities	3,654,146,099	2,173,065,515	1,656,237,550
Long-Term Borrowings	499,980,000	-	-
Debentures	3,000,000,000	2,000,000,000	1,500,000,000
Provision for Severance & Retirement	-497,688,377	173,065,515	156,237,550
Leasehold Deposit Received	30,000,000	-	-

**Income Statement**

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Sales	106,347,199,300	87,401,703,779	71,634,063,382
Cost of Sold Goods	97,856,206,216	77,433,328,701	63,198,821,988
Gross Profit	8,490,993,084	9,968,375,078	8,435,241,394
Selling & Admin. Expenses	7,468,956,638	7,396,953,890	6,056,593,345
Operating Income	1,022,036,446	2,571,421,188	2,378,648,049

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Non-Operating Income	2,342,356,373	2,834,987,136	1,786,873,433
Non-Operating Expenses	2,593,110,791	1,704,674,460	932,650,167
Income Before Taxes	771,282,028	3,701,733,864	3,232,871,315
Income Taxes Expenses	76,226,630	542,247,884	524,523,678
Net Income	695,055,398	3,159,485,980	2,708,347,637

**Cash Flows**

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Cash Flows from Operating	-4,012,196,709	2,024,686,142	2,827,805,337
-Net Income	695,055,398	3,159,485,980	2,708,347,637
-Exp. without Cash Outflow	625,209,121	133,372,401	365,281,600
-Revenue without Cash Inflows	-1,431,167,479	-1,310,746,654	-782,186,763
-Changes in Asset/ & Liability	-3,901,293,749	42,574,415	536,362,863
Cash Flows from Investing	1,188,359,038	-3,423,644,003	-2,248,676,770
-Cash Inflow from Investing	4,770,422,435	1,928,428,869	2,193,954,139
-Cash Outflows for Investing	-3,582,063,397	-5,352,072,872	-4,442,630,909
Cash Flows from Financing	2,306,172,023	3,847,397,486	-561,400,000
-Cash Inflows from Financing	29,112,870,000	39,247,476,416	39,379,200,000
-Cash Outflows from Financing	-26,806,697,977	-35,400,078,930	-39,940,600,000
Increase/Decrease in Cash	-517,665,648	2,448,439,625	17,728,567
Cash at the Beginning of Year	3,099,195,884	650,756,259	633,027,692
Cash at the End of Year	2,581,530,236	3,099,195,884	650,756,259

**Products, Technologies, Services Description**

Main Products & Services      Steel Products, CR, GI, EG, GA, PCM  
Detailed Products Spec.  
Technologies Acquired

**Trade Partners & Competitors**

Suppliers                              DONGBU STEEL CO., LTD.(110111-0393308)  
   POSCO COATED & COLOR STEEL CO., LTD.(174611-0006492)  
Customers                              DONGBU INCHEON STEEL CO., LTD.(120111-0707747)  
Competitors                            HAN YANG STEEL IND. CO., LTD.  
   472-2, JAKJEON 2-DONG, GYEYANG-GU, INCHEON, KOREA  
   TEL:+82-32-547-5540 FAX:+82-32-549-7914  
  
   KUNYOUNG STEEL CO., LTD.  
   381-13, JEONGJA 1-DONG, JANGAN-GU, SUWON-SI, GYEONGGI-DO,  
   KOREA  
   TEL:+82-31-244-9998 FAX:+82-31-244-9968

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SEOUL, KOREA  
TEL:+82-2-3474-3933 FAX:+82-2-3474-3936

**Related Parties (Subsidiaries, Joint-Venture & Affiliates)**

Affiliates	SHIN STEEL SC CO., LTD.(Ex. J&K STEEL CO., LTD.(110111-4558049)) (50.58% held by the subject company)
	SHIN INTERNATIONAL CO., LTD.(194211-0243618) (75.0% held by the subject company)
	SHIN DEVELOPER CO., LTD.(194211-0264672) (100.0% held by the subject company)
Overseas Office	
Liaison Office	
Overseas Branch	
Joint Venture	
Subsidiary	SHIN STEEL(THAILAND) CO., LTD. (100.0% held by the subject company)
Corporate Ownership	
Major Shareholders	
Cooperative Enterprise	-Insured Company MERITZ FIRE & MARINE INSURANCE CO., LTD.(110111-0013328)

**Sales by Region (Activity & Markets)**

The Subject exports to Saudi Arabia, Brazil and China.

**Court Action**

No Records.

**News Clipping**

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**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.80
UK Pound	1	INR 90.58
Euro	1	INR 80.45
KRW	1	INR 0.061

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	NIY
<b>Report Prepared by :</b>	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)