

## MIRA INFORM REPORT

<b>Report No. :</b>	538413
<b>Report Date :</b>	02.11.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	INEOS STYROLUTION KOREA LTD.
<b>Registered Office :</b>	143, Sanggae-Ro, Nam-Gu, Ulsan, Korea 44787
<b>Country :</b>	South Korea
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	29.09.2008
<b>Com. Reg. No.:</b>	610-81-94885
<b>Legal Form :</b>	Co., Ltd by Shares
<b>Line of Business :</b>	Manufacture of Synthetic Rubber and Plastics Materials
<b>No. of Employees :</b>	191

### RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23<sup>rd</sup> January 2017)

<b>MIRA's Rating :</b>	<b>A</b>
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

<b>Status :</b>	Good
<b>Payment Behaviour :</b>	Regular
<b>Litigation :</b>	Clear

### NOTES:

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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.

**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 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	INEOS STYROLUTION KOREA LTD. (Ex. Company Name: STYROLUTION KOREA LTD.)
Registered Address	143, Sanggae-ro, Nam-gu, Ulsan, Korea (Old Address System : 472-9, Sanggae-dong, Nam-gu, Ulsan, Korea)
Building	--
Zip Code	44787
Tel	+82-52-279-5800
Fax	+82-52-272-4801
E-mail	youngjoo.lee@styrolution.com
Website	www.styrolution.com;www.ineos-styrolution.com
Trading Address	5FL., Landmark Tower, 308, Gangnam-daero, Seocho-gu, Seoul, Korea (Old Address System : 5FL., Landmark Tower, 837-36, Yeoksam-dong, Gangnam-gu, Seoul, Korea)
Tel	+82-2-6322-7777 +82-2-6322-7760
Fax	+82-2-3707-7730
Type	Export/Import
Industry	Manufacture of Synthetic Rubber and Plastics Materials
Main Business	Styrene monomer(SM) , Polystyrene(PS), ABS, SBC, Copolymer
Sub Business	
Established (mm/dd/yyyy)	09/29/2008

## **DETAILED PRODUCTS**

Activity	Detailed Products (UNSPSC)
Sell	Chemicals including Bio Chemicals and Gas Materials(12000000)
Sell	Organic derivatives and substituted compounds(12352100)

## **CEO'S**

Name	Lee Jong-Hoo
Date of Birth	01/23/1963
Title	President & CEO
Nationality	Korean

## **PROFILES**

Capital (KRW)	63,800,000,000
Employees	191
Formation	Co., Ltd by Shares

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Bank Details	Foreign Direct Investment Corporation(Germany)									
Corporate Registered No.	HSBC									
Business Registered No.	230111-0148328									
Permit & Licenses	610-81-94885									
Shareholder Position	Int'l Trade No.: 30680883									
	<table border="0"> <thead> <tr> <th>Name</th> <th>Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>INEOS STYROLUTION GROUP GMBH</td> <td>63,800,000</td> <td>100.00</td> </tr> <tr> <td>TOTAL</td> <td>63,800,000</td> <td>100.00</td> </tr> </tbody> </table>	Name	Shares	%	INEOS STYROLUTION GROUP GMBH	63,800,000	100.00	TOTAL	63,800,000	100.00
Name	Shares	%								
INEOS STYROLUTION GROUP GMBH	63,800,000	100.00								
TOTAL	63,800,000	100.00								
Company History	<p>09/29/2008 Incorporated as BASF STYRENICS KOREA LTD.  07/02/2010 Changed company name to INEOS STYROLUTION KOREA LTD.  12/01/2010 Increased the authorized shares to 30,050,000 shares from 200,000 shares  12/29/2010 Increased capital to 30,050,000,000 KRW from 50,000,000 KRW  01/01/2011 Acquired KS Business from BASF COMPANY LTD.(110111-0600860)  10/04/2011 Registered as a Foreign Direct Investment Corporation(K0288950)  02/01/2012 Increased the authorized shares to 63,800,000 shares from 30,050,000 shares  02/10/2012 Increased capital to 63,800,000,000 KRW from 30,050,000,000 KRW  04/19/2013 Moved to the trading address from 3F, Korea Chamber of Commerce, 45, Namdaemunno 4(sa)-ga, Jung-gu, Seoul, Korea  01/15/2016 Changed company name to INEOS STYROLUTION KOREA LTD.</p>									

## **MANAGEMENT**

Job Description	Name	Nationality	Date of Birth	Inauguration Date
President & CEO	Lee Jong-Hoo	Korean	01/23/1963	06/01/2012
Director	Steven Mark Harington	UK	07/29/1968	05/01/2015
Director	Lee Yong-Gap	Korean	10/29/1972	06/30/2017
Auditor	Jit Teng Tan	Malaysian	06/10/1969	10/01/2011

## **FINANCIALS**

Year / Unit : KRW	Sales	Assets	Net Income
2017	1,008,641,715,045	337,974,128,835	56,478,322,717
2016	804,664,741,667	255,055,324,572	25,347,763,006
2015	809,497,082,798	212,559,307,869	34,844,222,433
2014	1,001,002,104,198	213,591,733,883	13,177,007,689

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**INEOS STYROLUTION KOREA LTD. - 538413**

**PAGE NO. : 6**

2013	1,145,118,268,629	244,914,691,081	9,400,399,639
2012	1,066,426,648,086	249,953,696,655	-471,913,786
2011	1,160,344,177,953	285,327,618,004	6,110,509,115
2010	-	29,887,212,789	-153,377,700

**FINANCIAL DESCRIPTION**

Authorized Capital(KRW)	63,800,000,000
Paid-Up Capital(KRW)	63,800,000,000
Total Issues Shares	63,800,000

**Balance Sheet**

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Total Assets	337,974,128,835	255,055,324,572	212,559,307,869
Current Assets	167,781,281,506	190,268,783,935	146,444,291,459
-Quick Assets	127,847,880,254	133,365,177,705	108,703,367,385
-Inventories	39,933,401,252	56,903,606,230	37,740,924,074
Fixed Assets	170,192,847,329	64,786,540,637	66,115,016,410
-Investment	112,321,885,215	4,670,811,818	4,661,945,550
-Tangibles	56,179,954,248	58,457,024,236	60,210,186,560
-Intangibles	55,252,223	100,639,109	12,023,161
-Others	1,635,755,643	1,558,065,474	1,230,861,139
Total Liabilities	167,095,508,033	132,241,446,487	110,918,152,790
Current Liabilities	112,064,717,691	100,820,446,487	92,166,152,790
Fixed Liabilities	55,030,790,342	31,421,000,000	18,752,000,000
Capital Stock	63,800,000,000	63,800,000,000	63,800,000,000
Capital Surplus			
Profit Surplus	106,815,370,802	58,937,048,085	37,789,285,079
Capital Adjustment	263,250,000	76,830,000	51,870,000
Total Equity	170,878,620,802	122,813,878,085	101,641,155,079
Liab. & Shareholder's Equity	337,974,128,835	255,055,324,572	212,559,307,869
Current Liabilities	112,064,717,691	100,820,446,487	92,166,152,790
Trade Payables	84,078,243,486	82,006,485,595	59,168,172,744
Short-Term Borrowings			11,720,000,000
Advance Receipts	3,805,830,448	3,893,956,428	2,372,364,888
Withholdings	696,510,163	360,256,797	343,409,987
VAT Withhold			581,850,751
Accrued Expenses	9,171,725,117	8,827,177,927	7,858,987,635
Accrued Income Taxes	13,597,617,130	5,240,092,419	9,859,920,032
Other Provisions	714,791,347	492,477,321	261,446,753
Fixed Liabilities	55,030,790,342	31,421,000,000	18,752,000,000
Long-Term Borrowings	54,641,400,000	31,421,000,000	18,752,000,000
Provision for Severance & Retirement	389,390,342	0	0

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**Income Statement**

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Sales	1,008,641,715,045	804,664,741,667	809,497,082,798
Cost of Sold Goods	879,135,587,427	720,811,008,890	711,988,222,813
Gross Profit	129,506,127,618	83,853,732,777	97,508,859,985
Selling & Admin. Expenses	51,305,560,484	49,910,595,889	49,502,448,519
Operating Income	78,200,567,134	33,943,136,888	48,006,411,466
Non-Operating Income	21,376,706,869	24,208,420,792	21,456,340,623
Non-Operating Expenses	26,908,650,936	25,048,257,949	22,100,272,902
Income Before Taxes	72,668,623,067	33,103,299,731	47,362,479,187
Income Taxes Expenses	16,190,300,350	7,755,536,725	12,518,256,754
Net Income	56,478,322,717	25,347,763,006	34,844,222,433

**Cash Flows**

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Cash Flows from Operating	65,119,925,013	11,865,386,320	49,588,588,514
-Net Income	56,478,322,717	25,347,763,006	34,844,222,433
-Exp. without Cash Outflow	10,676,534,216	13,007,534,752	12,077,503,046
-Revenue without Cash Inflows	-5,097,671,197	-1,188,752,643	-2,057,159,066
-Changes in Asset/ & Liability	3,062,739,277	-25,301,158,795	4,724,022,101
Cash Flows from Investing	-112,932,550,461	-4,491,670,516	-5,009,862,188
-Cash Inflow from Investing	155,985,435	23,277,930	1,020,042,992
-Cash Outflows for Investing	-113,088,535,896	-4,514,948,446	-6,029,905,180
Cash Flows from Financing	19,300,234,463	-4,200,000,000	-6,137,574,893
-Cash Inflows from Financing	103,202,694,719	-	18,962,425,107
-Cash Outflows from Financing	-83,902,460,256	-4,200,000,000	-25,100,000,000
Increase/Decrease in Cash	-28,512,390,985	3,173,715,804	38,441,151,433
Cash at the Beginning of Year	47,297,823,472	44,124,107,668	5,682,956,235
Cash at the End of Year	18,785,432,487	47,297,823,472	44,124,107,668

**PRODUCTS, TECHNOLOGIES, SERVICES  
DESCRIPTION**

Main Products & Services	SM, PS, ABS, SBC
Detailed Products Spec.	--
Technologies Acquired	--

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## **TRADE PARTNERS & COMPETITORS**

Suppliers	--
Customers	--
Competitors	SAMSUNG TOTAL PETROCHEMICALS CO., LTD. 411-1, DOKGOT-RI, DAESAN-EUP, SEOSAN-SI, CHUNGCHEONGNAM- DO, KOREA TEL:+82-41-660-6114 FAX:+82-41-681-4812  HONAM PETROCHEMICAL CORPORATION 11TH FL., LOTTE GWANAK TOWER, 395-67, SINDAEBANG 2-DONG, DONGJAK-GU, SEOUL, KOREA TEL:+82-2-829-4114 FAX:+82-2-843-1010  SAM NAM PETROCHEMICAL CO., LTD. 4TH FL., SAMYANG CO. BLDG., 263, YEONJI-DONG, JONGNO-GU, SEOUL, KOREA TEL:+82-2-740-7450~1 FAX:+82-2-745-4225

## **RELATED PARTIES (SUBSIDIARIES, JOINT- VENTURE & AFFILIATES)**

Affiliates	INEOS LIMITED INEOS STYROLUTION HOLDING LIMITED INEOS STYROLUTION GROUP GMBH INEOS STYROLUTION OOO INEOS STYROLUTION EUROPE GMBH INEOS STYROLUTION AMERICA LLC INEOS STYROLUTION MEXICANA, S.A. DE C.V. INEOS STYROLUTION APAC PTE. LTD. INEOS STYROLUTION POLYMERS (SHANGHAI) CO. LTD. INEOS STYROLUTION VIETNAM CO. LTD. INEOS STYROLUTION (THAILAND) CO., LTD. INEOS STYROLUTION INDIA LIMITED INEOS STYROLUTION HONGKONG COMPANY LIMITED INEOS STYROLUTION POLYMERS (SHANGHAI) CO. LTD.- GUANGZHOU BRANCH INEOS STYROLUTION APAC PTE. LTD. - JAPAN BRANCH INEOS STYROLUTION SWITZERLAND INEOS KOREA LTD.
Subsidiary	KR COPOLYMER CO., LTD.(110111-1882144)

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**INEOS STYROLUTION KOREA LTD. - 538413**

**PAGE NO. : 9**

Corporate Ownership	(50.0% held by the subject company) INEOS LIMITED
Major Shareholders	INEOS STYROLUTION GROUP GMBH
Cooperative Enterprise	INEOS STYROLUTION GROUP GMBH -Technical Support & Engineering Supply Agreement with INEOS STYROLUTION GROUP GMBH
	-Insured Company AIG KOREA INC.(110111-4725010)

## ***SALES BY REGION (ACTIVITY & MARKETS)***

The Subject deals with the companies in Germany.

## ***COURT ACTION***

No.

## ***NEWS CLIPPING***

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**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.83
UK Pound	1	INR 94.82
Euro	1	INR 83.73
KRW	1	INR 0.065

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	NIS
<b>Report Prepared by :</b>	NIT

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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)