

MIRA INFORM REPORT

Report No. :	534046
Report Date :	09.10.2018

IDENTIFICATION DETAILS

Name :	SK NETWORKS CO., LTD.
Registered Office :	795, Gyeongsu-Daero, Jangan-Gu, Suwon-Si, Gyeonggi-Do, Korea 16267
Country :	South Korea
Financials (as on) :	30.09.2017
Date of Incorporation :	24.03.1956
Com. Reg. No.:	124-81-00718
Legal Form :	Listed Company
Line of Business :	Wholesale of non-specialized goods. (Fabrics, Chemicals, Steel, System Related Total Solutions, Clothing, Cellular Telephone, Rent-A Car, Fashion, Hotel, ICT Device, Petroleum Supply, Total Automotive Services)
No. of Employees :	2,321

RATING & COMMENTS

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

MIRA's Rating :

A+

Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low risk of default

Maximum Credit Limit :	USD 301,802,919
Status :	Good
Payment Behaviour :	Regular
Litigation :	Clear

NOTES:

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'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	SK NETWORKS CO., LTD.
Registered Address	795, Gyeongsu-daero, Jangan-gu, Suwon-si, Gyeonggi-do, Korea (Old Address System : 104-28, Yeonghwa-dong, Jangan-gu, Suwon-si, Gyeonggi-do, Korea)
Building	--
Zip Code	16267
Tel	+82-2-2221-2114
Fax	+82-2-2221-0080
E-mail	webmaster@sknetworks.co.kr;jskim08@sknetworks.co.kr; sechan@sknetworks.co.kr;jonghun724@sknetworks.co.kr
Website	www.sknetworks.co.kr;www.walkerhill.co.kr
Trading Address	SK Myungdong Bldg., 90, Namdaemun-ro, Jung-gu, Seoul, Korea (Old Address System : SK Myungdong Bldg., 5-3, Namdaemunno 2(i)-ga, Jung-gu, Seoul, Korea)
Tel	+82-70-7800-2114
Fax	+82-2-754-9414
Other Address-Seongnae Office	195, Gangdong-daero, Gangdong-gu, Seoul, Korea (Old Address System : 448-3, Seongnae-dong, Gangdong-gu, Seoul, Korea)
Tel	+82-70-7800-4030 +82-+82-
Fax	--
Other Address-Samseong-dong Office	503, Bongeunsa-ro, Gangnam-gu, Seoul, Korea (Old Address System : 71-9, Samseong-dong, Gangnam-gu, Seoul, Korea)
Tel	+82-2-3449-7777
Fax	--
Other Address-Man Power Management Team	90, Namdaemun-ro, Jung-gu, Seoul, Korea (Old Address System : 199-15, Euljiro 2(i)-ga, Jung-gu, Seoul, Korea)
Tel	+82-2-2221-2114
Fax	--
Other Address-	45, Gangnam-daero 160-gil, Gangnam-gu, Seoul, Korea (Old Address System : 534-24, Sinsa-dong, Gangnam-gu, Seoul, Korea)
Tel	--
Fax	--
Other Address-	12, Sapyeong-daero 14-gil, Seocho-gu, Seoul, Korea (Old Address System : 112-15, Banpo-dong, Seocho-gu, Seoul, Korea)
Tel	--
Fax	--
Other Address-	195, Seonyu-ro, Yeongdeungpo-gu, Seoul, Korea (Old Address System : 80-2, Yangpyeong-dong 3(sam)-ga, Yeongdeungpo-gu, Seoul, Korea)
Tel	--
Fax	--
Other Address-	16, Eulji-ro 5-gil, Jung-gu, Seoul, Korea (Old Address System : 204, Euljiro 2(i)-ga, Jung-gu, Seoul, Korea)
Tel	--

Fax		--
Other	Address-	177, Walkerhill-ro, Gwangjin-gu, Seoul, Korea
WALKERHIL		
Tel		+82-2-450-6363
Fax		+82-2-450-6349
Other	Address-Metropolitan	4th Floor, Hong-in Building, 1579-9, Seocho, 3-dong, Seocho-gu, Seoul,
Branch		Korea
Tel		+82-70-7800-0035
Fax		+82-2-2101-1919
Other	Address-Dongbu	8th Floor, Thrunet Building, 1423-1, Oncheon 3-dong, Dongrae-gu, Busan,
Branch		Korea
Tel		+82-70-7800-8814
Fax		+82-51-502-2053
Other	Address-Seobu	7th Floor, Hanaro Telecom Building, 562-8, Gyerim 1-dong, Dong-gu,
Branch		Gwangju, Korea
Tel		+82-70-7800-6801
Fax		+82-62-233-6609
Other	Address-Jungbu	5th Floor, Cheongsa Plaza, 924, Dunsan-dong, Seo-gu, Daejeon, Korea
Branch		
Tel		+82-70-7800-5802
Fax		+82-42-472-6842
Other	Address-Busan	Songpa Building, 1063-1, Beomcheon-dong, Jin-gu, Busan, Korea
Branch		
Tel		+82-51-818-6000
Fax		+82-51-816-8901
Other	Address-Daegu	51, Dongin 2-ga, Jung-gu, Daegu, Korea
Branch		
Tel		+82-53-251-8000
Fax		+82-53-424-9972
Other	Address-Jungbu	2nd Floor, SK Telecom Dunsan Building, 594, Tanbang-dong, Seo-gu,
Branch		Daejeon, Korea
Tel		+82-42-610-0100
Fax		+82-42-488-7018
Other	Address-Seobu	2nd Floor, Daeyoung Building, 1178-2, Chipyeong-dong, Seo-gu,
Branch		Gwangju, Korea
Tel		+82-62-380-0100
Fax		+82-62-383-3648
Other	Address-Daejeon	2nd Floor, SK Telecom Dunsan Building, 594, Tanbang-dong, Seo-gu,
Sales Office		Daejeon, Korea
Tel		+82-42-610-0180
Fax		+82-42-488-6645
Other	Address-Daegu	51, Dongin 2-ga, Jung-gu, Daegu, Korea
Sales Office		
Tel		+82-53-425-4526
Fax		+82-53-424-9972
Other	Address-Busan	2nd Floor, Songpa Building, 1063-1, Beomcheon-dong, Jin-gu, Busan,
Office	Sales	Korea
Tel		+82-51-807-3112
Fax		+82-51-818-8033

Other Business Division	Address-Fashion	The Korea Chamber of Commerce & Industry Bldg., 3FL., 45, Namdaemunro 4-ga, Jung-gu, Seoul, Korea
	Tel	+82-70-7800-4564
	Fax	+82-2-3789-4292
Other Business Division	Address-S-Movilion	45, Namdaemunro 4-ga, Jung-gu, Seoul, Korea
	Tel	+82-2-530-7900
	Fax	+82-2-530-7929
Other Business Division	Address-S-Welheim	45, Namdaemunro 4-ga, Jung-gu, Seoul, Korea
	Tel	+82-70-7800-2143
	Fax	+82-2-776-5957
Type		Export/Import
Industry		Wholesale of Non-Specialized Goods
Main Business		Fabrics, Chemicals, Steel, System Related Total Solutions, Clothing, Cellular Telephone, Rent-A Car, Fashion, Hotel, ICT Device, Petroleum Supply, Total Automotive Services
Sub Business		--
Established (mm/dd/yyyy)		03/24/1956

DETAILED PRODUCTS

Activity	Detailed Products (UNSPSC)
Sell	Petroleum and distillates(15101500)
Sell	Clothing(53100000)
Sell	Corporate uniforms(53102710)
Sell	Fuels and Fuel Additives and Lubricants and Anti corrosive Materials(15000000)
Sell	System administrators(81111800)
Sell	Information Technology Broadcasting and Telecommunications(43000000)
Sell	Digital video disk players or recorders(52161516)
Sell	Vehicle maintenance and repair services(78180100)
Sell	Mobile communications services(83111600)
Sell	World wide web WWW site operation host services(81112105)
Sell	School uniforms(53102705)
Sell	Structural materials and basic shapes(30100000)
Sell	Fabrics and leather materials(11160000)
Sell	Plywood(11121609)
Sell	Distribution(80141700)
Sell	Transportation components and systems(25170000)
Sell	International trade services(80151600)
Sell	Hotels(90111501)

CEO'S

Name Park Sang-Kyu
Date of Birth 08/09/1964
Title President & CEO
Nationality Korean

PROFILES

Capital (KRW) 648,653,775,000
Employees 2,321
Formation Listed Company (Korea Stock Exchange : 001740) as of 06/30/1977
A Company of SK Group

Bank Details KEB Hana Bank
Corporate Registered No. 130111-0005199
Business Registered No. 124-81-00718
Permit & Licenses Int'l Trade No.: 670904
Shareholder Position

Name	Shares	%
SK HOLDINGS CO., LTD.(110111-0022816)	97,142,856	39.12
SHINHAN BANK(110111-0012809)	12,296,764	4.95
NATIONAL PENSION SERVICE(110171-0007134)	17,799,635	7.17
KOREA HIGH EDUCATION FOUNDATION(114622-0000613)	821,488	0.33
CHOI SHIN-WON	1,635,722	0.66
TREASURY STOCK	5,927,061	2.39
OTHERS	112,677,769	45.38
TOTAL	248,301,295	100.00

Company History
03/24/1956 Incorporated as Sunkyong Limited
11/28/1980 SK Corporation(formerly known as Yukong Limited) is acquired
07/01/1998 Changed company name to SK company
07/31/2000 Changed company name to SK Global Co., Ltd.
09/09/2003 Increased the authorized shares to 1,500,000,000 shares to 180,000,000 shares
09/19/2003 Changed company name to the present name
10/27/2003 Signed the agreement on the execution of the Plan for strengthening operation
12/18/2004 Split off the par value to 2,500 KRW from 5,000 KRW
05/01/2005 Sold the equity share of SK Life Insurance
04/17/2007 Finished the Management Procedure by the Creditors of Financial Institutes
01/29/2008 The Subject decided to acquire OBZEE CO., LTD.(110111-1048960) as of 03/31/2008
05/01/2005 Sold the equity share of SK Life Insurance

04/17/2007 Finished the Management Procedure by the Creditors of Financial Institutes
05/2007 Moved to the present HQ address from 4, Pyeong-dong ,Gwonseon-gu ,Suwon-si, Gyeonggi-do, Korea and the offices at 4, Pyeong-dong ,Gwonseon-gu ,Suwon-si, Gyeonggi-do, Korea has been closed.
01/29/2008 The Subject decided to acquire OBZEE CO., LTD.(110111-1048960) as of 03/31/2008
09/23/2009 The Subject acquired WALKERHILL INC.(110111-0142854)
12/31/2009 Increased capital to 648,653,775,000 KRW from 635,676,652,500 KRW
10/01/2015 Acquire STEVEYONI CO., LTD.(110111-4276120)
10/11/2016 Agreed to acquire 100% shares of TONGYANG MAGIC INC(110111-5125962)

MANAGEMENT

Job Description	Name	Nationality	Date of Birth	Inauguration Date
Chairman & CEO	Choi Shin-Won	Korean	11/20/1952	03/18/2016
President & CEO	Park Sang-Kyu	Korean	08/09/1964	03/24/2017
Director	Cho Dae-Sik	Korean	11/27/1960	03/18/2016
Outside Director / Auditor	Lee Chun-Se	Korean	02/02/1967	03/24/2017
Outside Director / Auditor	Hur Yong-Seok	Korean	07/09/1956	03/21/2014
Outside Director / Auditor	Song Ha-Joong	Korean	12/29/1952	03/20/2015
Outside Director / Auditor	Kim Sung-Min	Korean	07/05/1954	03/20/2015

FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
09/2017	10,000,252,000,000	7,092,608,000,000	3,232,000,000
2016	17,333,736,977,673	7,892,425,667,085	-69,305,757,055
2015	17,893,133,136,304	7,704,567,342,154	78,091,577,735
2014	20,460,418,440,470	7,883,422,774,641	11,666,677,921
2013	23,739,620,446,948	8,168,923,062,095	-530,626,190,343
2012	25,511,199,448,837	9,822,542,561,050	-85,791,826,303
2011	26,224,418,959,648	10,266,831,121,466	138,054,125,450
2010	23,523,724,352,491	9,160,781,740,016	152,885,200,394
2009	21,190,407,487,003	7,710,385,127,209	50,484,259,385
2008	21,897,444,114,737	7,982,489,469,620	92,575,278,890
2007	17,686,274,023,495	6,264,010,494,308	590,557,005,160
2006	15,784,019,148,561	5,832,208,519,481	473,936,092,951
2005	14,879,511,552,609	5,228,066,986,700	456,078,604,780
2004	13,613,718,718,390	4,408,265,423,877	460,628,881,668

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2003 21,190,407,487,003 7,710,385,127,209 50,484,259,385

FINANCIAL DESCRIPTION

Authorized Capital(KRW) 7,500,000,000,000
 Paid-Up Capital(KRW) 648,653,775,000
 Total Issues Shares 248,301,295(Common : 248,187,647 / Preferable : 113,648)

Balance Sheet

Unit : Korean Won	01/01/2017~09/30/2017	As of 12/31/2016	As of 12/31/2015
Total Assets	7,092,608,000,000	7,892,425,667,085	7,704,567,342,154
Current Assets	2,360,296,000,000	2,870,083,562,837	3,401,468,973,733
Cash & Cash Equivalents	558,590,000,000	579,159,362,745	1,022,023,948,630
Trade Receivables	933,694,000,000	1,258,598,423,312	1,050,612,720,340
Derivatives	6,719,000,000	33,055,011,117	24,457,605,406
Other Finance Assets	104,643,000,000	110,326,477,808	196,262,778,516
Other Current Assets	92,885,000,000	65,638,042,868	93,207,274,091
Inventories	425,265,000,000	417,150,023,427	1,006,337,178,403
Assets to be Sold	238,500,000,000	406,156,221,560	8,567,468,347
Non-Current Assets	4,732,312,000,000	5,022,342,104,248	4,303,098,368,421
Long-Term Finance Instruments	37,000,000	43,000,000	43,000,000
Marketable Financial Instruments	57,559,000,000	37,530,451,703	48,697,608,646
Investment_Subsidiaries	1,179,588,000,000	1,128,977,729,224	599,370,878,012
Derivatives	-	564,611,200	601,939,200
Other Finance Assets	181,607,000,000	189,221,561,499	257,413,984,885
Tangibles	3,087,215,000,000	3,418,352,709,207	3,181,899,975,164
Intangibles	30,930,000,000	27,559,978,167	48,543,425,841
Investment_Real Estates	80,235,000,000	87,780,552,923	86,323,090,448
Deferred Income Taxes	50,675,000,000	49,492,506,635	35,476,964,048
Assets			
Other Non-Current Assets	64,466,000,000	82,819,003,690	44,727,502,177
Total Liabilities	4,804,418,000,000	5,536,067,385,011	5,260,155,552,229
Current Liabilities	3,378,922,000,000	3,940,526,494,885	3,908,947,998,457
Trade Payables	2,344,120,000,000	2,486,127,289,863	2,576,516,531,634
Short-Term Borrowings	293,709,000,000	888,985,116,913	675,498,501,091
Current Portion of Long-Term Debts	425,500,000,000	154,810,532,487	356,240,999,884
Derivatives	10,056,000,000	14,811,325,713	2,181,425,248
Other Financial Debts	126,741,000,000	168,255,857,986	207,711,022,861
Accrued Income Tax	58,000,000		21,184,866,882
Provisions	-	55,734,047,563	
Other Current Debts	70,209,000,000	128,918,293,407	69,614,650,857
Assets to be Sold	108,529,000,000	42,884,030,953	
Non-Current Liabilities	1,425,496,000,000	1,595,540,890,126	1,351,207,553,772

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Borrowings & Debentures	1,235,844,000,000	1,420,436,704,155	1,208,880,813,865
Derivatives	146,000,000		
Guarantee Deposit	158,008,000,000	156,471,004,382	126,205,812,603
Withhold			
Provision for Severance & Retirement	9,391,000,000		
Provisions	8,679,000,000	6,792,587,206	8,790,798,550
Other Non-Current Debts	13,428,000,000	11,840,594,383	7,330,128,754
Capital Stock	648,654,000,000	648,653,775,000	648,653,775,000
Capital Surplus	788,090,000,000	788,089,953,532	788,089,953,532
Profit Surplus	891,587,000,000	914,824,337,397	1,006,715,564,162
Others	-40,141,000,000	4,790,216,145	952,497,231
Total Equity	2,288,190,000,000	2,356,358,282,074	2,444,411,789,925
Liab. & Shareholder's Equity	7,092,608,000,000	7,892,425,667,085	7,704,567,342,154

Income Statement

Unit : Korean Won	01/01/2017~09/30/2017	As of 12/31/2016	As of 12/31/2015
Sales	10,000,252,000,000	17,333,736,977,673	17,893,133,136,304
Cost of Sold Goods	9,362,431,000,000	16,412,886,313,890	16,942,551,944,602
Gross Profit	637,821,000,000	920,850,663,783	950,581,191,702
Selling & Admin. Expenses	576,177,000,000	780,042,476,653	772,344,914,904
Operating Income	61,644,000,000	140,808,187,130	178,236,276,798
Finance Income	207,084,000,000	303,345,294,815	235,761,658,907
Finance Expenses	259,497,000,000	376,866,671,147	310,756,640,646
Other Income	25,047,000,000	37,506,148,632	95,251,895,058
Other Expenses	26,866,000,000	59,134,513,553	77,173,780,972
Income Before Taxes	7,412,000,000	45,658,445,877	121,319,409,145
Income Taxes Expenses	1,634,000,000	10,790,775,327	24,414,431,154
Income from Continuous Business	5,778,000,000	34,867,670,550	96,904,977,991
Income from Stopped Business	-2,546,000,000	-104,173,427,605	-18,813,400,256
Net Income	3,232,000,000	-69,305,757,055	78,091,577,735

Cash Flows

Unit : Korean Won	01/01/2017~09/30/2017	As of 12/31/2016	As of 12/31/2015
Operating Activities Cash Flows	-7,370,000,000	-60,748,308,562	96,484,081,568
Net Income	3,232,000,000	-69,305,757,055	78,091,577,735
Adjustment	182,143,000,000	357,738,399,866	201,444,964,009
Changes in Asset/ & Liability	-148,923,000,000	-279,925,411,772	-84,190,623,730
Interests Received	3,206,000,000	8,952,753,416	14,611,014,849
Interests Paid	-50,071,000,000	-75,896,978,674	-80,716,549,944
Dividends Received	3,400,000,000	13,544,632,478	6,991,272,753
Income Taxes	-357,000,000	-15,855,946,821	-39,747,574,104
Cash Flows from Investing	568,353,000,000	-545,064,077,996	53,094,877,081

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Cash Flows from Financing	-581,552,000,000	162,947,800,673	-280,574,143,557
Increase/Decrease in Cash	-20,569,000,000	-442,864,585,885	-130,995,184,908
Cash at the Beginning of Year	579,159,000,000	1,022,023,948,630	1,153,019,133,538
Cash at the End of Year	558,590,000,000	579,159,362,745	1,022,023,948,630

PRODUCTS, TECHNOLOGIES, SERVICES DESCRIPTION

Main Products & Services IM(Information Communication Technology Marketing)
E&C(Energy & Car)
T&I(Trading & Investment)
PM(Prestige Marketing)

Main Products & Services Brand Name : OK-mart, Skopi, OK-Cashbag, Tommy Hilfiger, DKNY, Daimler Chrysler, Jaguar/Land Rover, Infiniti, Speedmate
INFORMATION & TELECOMMUNICATION COMPANY
NETWORK BUSINESS DIVISIONAL GROUP
Continuous Sales Growth of Existing Network Business & Building Base for New Business (e-Government, Public Data, VoIP, etc.) On the basis of one of the most stable QoS (Quality of Service) in the country, Network Business Divisional Group provides "TONETZ", a telecommunication line rental service for corporate clients, and "TONETZ i-fone", an internet telephony service. Also selected as the operator for e-Government and public data network projects, the Divisional Group is providing high-quality telecommunications services for schools, government agencies and other major institutions. It hopes to build on these efforts to become the top dedicated line operator in Korea.

INFORMATION & TELECOMMUNICATION DISTRIBUTION BUSINESS DIVISIONAL GROUP

2nd Largest Telecommunications Business in SK Networks: Providing Integrated ICT Services Information & Telecommunication Distribution Business Divisional Group is expanding its business spectrum, centering on domestic mobile devices such as mobile phones and PDAs and encompassing service businesses such as rental, roaming, after-sales service, exporting used mobile phones, and solution businesses including IT system equipment distribution as well as Ufit, Pullbbang.com, OK Coufun services that make use of wired & wireless platforms. In addition, the Divisional Group has launched a mobile phone distribution business in China, opening the first store in Shenyang in October 2006. Having grown to include sixty mobile phone stores in China by 2007, the business will serve as a solid foundation for SK Networks to secure the core four logistics hubs and sales networks, in order to join the ranks of the top five distributors by 2011.

Main Products & Services

**GLOBAL BUSINESS & PRESTIGE LIFESTYLE BUSINESS COMPANY
GLOBAL BUSINESS DIVISIONAL GROUP**

A Total Solutions Provider that Satisfies Customers With its information power to respond swiftly to market changes and its competitive logistics capacity, Global Business Divisional Group is engaging in trading through a network of more than twenty countries across the world, mainly on energy, chemicals, and steel. The Divisional Group is aiming to become a globally localized trader, focusing on local distribution in foreign markets such as China, and at the same time maintaining a stable and continuous growth rate by carrying out new businesses, for example developing strategic products, expanding strategic markets and developing natural resources.

PRESTIGE LIFESTYLE BUSINESS DIVISIONAL GROUP

Creating Rich Customer Value through Customer-oriented Prestige Marketing

Established in March 2004 to reinforce customer service, Prestige Lifestyle Business Divisional Group is creating new value that satisfies customers' needs with services including fashion, imported cars, housing products and wine funds. The fashion business has secured top imported brands that reflect diverse lifestyles and is also developing global fashion brands that continue to be popular over the years. As of 2007, the imported car business offers a portfolio of four brands including Chrysler, and is bringing innovation to the market with reasonable prices and differentiated services by directly importing premium auto brands such as Benz. Furthermore, the new-concept housing development business that puts customers first, and the wine fund business that provides a special way of enjoying high-quality wines are offering customers options to enhance their quality of life.

**ENERGY MARKETING COMPANY
ENERGY MARKETING DIVISIONAL GROUP**

Top Network-based Marketing Business Unit that Creates New Customer Value

As a leader in the domestic petroleum product sales market, Energy Marketing Company continues to strengthen its competitiveness by consistently improving its service and quality, as well as conducting differentiated and unique marketing methods. It is expanding its Car-Life business to become a total service provider for automobiles, and is pursuing diversification of the distribution business by exploring new business models. The Divisional Group is also aiming to achieve greater globalization through a full-scale business in the Chinese market, such as the launching of Speedmate in Shanghai and an integrated petrol station business focusing on the three Northeastern provinces.

TRADE PARTNERS & COMPETITORS

Suppliers	SK ENERGY CO., LTD.(110111-3710385) POSCO(174611-0000741) HYUNDAI STEEL COMPANY(120111-0001743) DONGBU STEEL CO., LTD.(110111-0393308)
Competitors	-INFO & TELECOMMUNICATION KT POWER COM DREAM LINE DACOM SKN HANARO -ENERGY GS-CALTEX CORPORATION(110111-0078819) S-OIL CORPORATION(110111-0189955) HYUNDAI OIL REFINERY CO., LTD.(110111-0090558) -INT'L TRADING LG INTERNATIONAL CORPORATION 12TH FL., LG TWIN TOWER EAST ANNEX, 20, YEOUIDO-DONG, YEONGDEUNGPO-GU, SEOUL, KOREA TEL:+82-2-3773-5114 FAX:+82-2-3773-5273 INDUSTRY: WHOLESALE OF NON-SPECIALIZED GOODS HYUNDAI CORPORATION HUNGKUK LIFE INSURANCE BD 226, SINMUNNO 1-GA, JONGNO-GU, SEOUL 110-786 KOREA TEL:+82-2-390-1114 FAX:+82-2-390-1101 INDUSTRY: WHOLESALE OF NON-SPECIALIZED GOODS DAEWOO INTERNATIONAL CORPORATION DAEWOO CENTER BLDG., 541, NAMDAEMUNNO 5-GA, JUNG-GU, SEOUL 100-714 KOREA TEL:+82-2-759-2114 FAX:+82-2-753-9489 INDUSTRY: WHOLESALE OF NON-SPECIALIZED GOODS HYOSUNG CORPORATION HYOSUNG BLDG., 450, GONGDEOK 2-DONG, MAPO-GU, SEOUL 121- 720 KOREA TEL:+82-2-707-7000 FAX:+82-2-707-0130 INDUSTRY: MAN-MADE FIBERS SPINNING SAMSUNG CORPORATION 310, TAEPYEONGNO 2-GA, JUNG-GU, SEOUL 100-865 KOREA TEL:+82-2-2145-2114 FAX:+82-2-2145-3114 INDUSTRY: WHOLESALE OF NON-SPECIALIZED GOODS

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SSANGYONG CORPORATION
SSANGYONG BLDG., 24-1, JEODONG 2-GA, JUNG-GU, SEOUL 100-748 KOREA
TEL:+82-2-2270-8114 FAX:+82-2-2270-8334
INDUSTRY: WHOLESALE OF NON-SPECIALIZED GOODS

RELATED PARTIES (SUBSIDIARIES, JOINT-VENTURE & AFFILIATES)

Affiliates-Domestic

- SK HOLDINGS CO., LTD.(110111-0022816)
- SK TELECOM CO., LTD.(110111-0371346)
- PAXNET, INC.(110111-1698830)
- IHQ, INC.(110111-0042393)
- SK TELINK, CORP.(110111-1533599)
- AIRCROSS CO., LTD.(110111-2121765)
- TU MEDIA CORPORATION(110111-2907826)
- SK COMMUNICATIONS CO., LTD.(110111-1322885)
- COMMERCE PLANET CO., LTD.(110111-1416133)
- F&U CREDIT INFORMATION CO., LTD.(135311-0003300)
- SK WYVERNS CO., LTD(120111-0217366)
- SK TELESYS CO., LTD.(110111-1405897)
- LOEN ENTERTAINMENT, INC.(134111-0010706)
- INFOSEC CO., LTD(110111-2007858)
- ENCAR NETWORKS LTD.(110111-2125270)
- INDEPENDENCE CO., LTD.(110111-2010116)
- SKC MEDIA CO., LTD.(161511-0076377)
- IFILM CORPORATION(110111-2857451)
- SK BROADBAND CO., LTD.(110111-1466659)
- CU MEDIA. INC.(110111-2031477)
- NTREEV SOFT CO., LTD.(110111-2906456)
- SK I-MEDIA CO., LTD.(110111-3505851)
- NURI SOLUTION CO., LTD.(110111-1866213)
- HANAROMEDIA INC.(110111-3292664)
- HANARO DREAM INCORPORATED(110111-2183343)
- BROADBAND D&M CO., LTD.(110111-1509269)
- NOWON JOEUN TELECOM CO., LTD.(110111-3655218)
- MIRACLE INFORMATION & TELECOMMUNICATION CO., LTD.(120111-0433491)
- QC I&T CO., LTD.(110111-3675381)
- QL KWANAK CO., LTD.(110111-3826140)
- QL DONGJAK CO., LTD.(110111-3729740)
- QL SEOCHO CO., LTD.(110111-3729807)
- QL YONGSAN CO., LTD.(110111-3761023)

Affiliates-Domestic

QL YANGCHEON CO., LTD.(110111-3729609)
SK NETWORKS CO., LTD.(130111-0005199)
SK ENGINEERING & CONSTRUCTION CO., LTD.(110111-0038805)
SK SHIPPING CO., LTD.(110111-0311392)

SK C&C CO., LTD.(110111-0769583)
(15.0% held by the subject company)

INNOACE CO., LTD(110111-2104026)
(43.0% held by the subject company)

IPLATFORM, INC(110111-3638917)
(66.67% held by the subject company)
SK D&D CO., LTD.(110111-3001685)
OK CASHBAG SERVICE CO., LTD.(110111-1873432)
SK NETWORKS SERVICE CO., LTD.(135811-0141788)
SK MARKETING & COMPANY CO., LTD.(110111-3874066)
BROADBAND TS CO., LTD.(281111-0119401)
BROADBAND CS CO., LTD.(110111-1592595)
BROADBAND SEOUL CS CO., LTD.(110111-3558842)
BROADBAND BUSAN CS CO., LTD.(180111-0573774)
BROADBAND GYEONGGI CS CO., LTD.(134111-0147575)
BROADBAND GWANGJU CS CO., LTD.(200111-0233050)
ANTS CO., LTD.(151111-0031058)
ULLEUNG DEEP SEA WATER CO., LTD(110111-3224724)
SOLMICS CO., LTD.(134711-0014631)
UB CARE CO., LTD.(110111-1105364)
MECHARONICS CO., LTD.(120111-0233338)
ULLEUNG MINERAL CO., LTD.(110111-2602244)
REAL BEST CO., LTD.

MRO KOREA CO., LTD(110111-2016940)
(51.0% held by the subject company)

WS TRADING CO., LTD.(110111-3448712)
(100.0% held by the subject company)

Affiliates-Overseas

SK SECURITIES CO., LTD(110111-0037112)
(22.71% held by the subject company)
KIWI STEEL N.Z. LTD.
SK NETWORKS AMERICA, INC.
SK NETWORKS DEUTSCHLAND GMBH
SK NETWORKS AUSTRALIA PTY. LTD.
SK STEEL AUSTRALIA PTY. LTD.
SK NETWORKS (SHANGHAI) TRADING CO., LTD.
SK NETWORKS (GUANGZHOU) TRADING CO., LTD.
SK(DONGGUAN) STEEL CO., LTD
SK(ZHANGJIAGANG) METAL PRODUCTS CO.,LTD
POSK STEEL(PINGHU) PROCESSING CENTER CO.,LTD

SK NETWORKS PS(SHANTOU)CO., LTD
NINGBO SK ZHENBANG CHEMICAL. LTD
DAIYANG - SK NETWORKS METAL SANAYI VE TICARET LTD
SK NETWORKS MIDDLE EAST FZE
PT SK NETWORKS (INDONESIA)
SHENYANG SK NETWORKS ENERGY CO., LTD
SHANGHAI LAUNCH-SK AUTOMOBILE SERVICE CO., LTD
SK NETWORKS (SHANGHAI) MARKETING CO., LTD
SK NETWORKS(CHINA)HOLDINGS CO., LTD
DANDONG SK NETWORKS REAL ESTATE CO., LTD
SHENYANG SK NETWORKS BUS TERMINAL CO., LTD
DANDONG SK NETWORKS ENERGY CO., LTD
DANDONG SK NETWORKS LOGISTICS CO., LTD
SHENYANG SK NETWORKS ELECTRONICS
&TELECOMMUNICATIONS CO., LTD
SK NETWORKS (SHANGHAI) ELECTRONICS
&TELECOMMUNICATIONS MARKETING CO., LTD
BEIJING SK NETWORKS ELECTRONICS & TELECOMMUNICATIONS
CO., LTD
SHANDONG SK NETWORKS ELECTRONICS
&TELECOMMUNICATIONS CO., LTD
SK NETWORKS HONG KONG
SK NETWORKS MEXICO S.A DE C.V
SKYNETWORKS LCC.
MIRAE COMPANY LIMITED
RICHARD CHAI LLC.
OBZEE N.Y

SK MENA INVESTMENT BV(NETHERLANDS)
(21.79% held by the subject company)

SK LATIN AMERICA INVESTMENT S.A.(SPAIN)
(21.79% held by the subject company)

GEMINI PARTNERS PTE. LTD.(SINGAPORE)
(20.00% held by the subject company)

Overseas Office

SK NETWORKS CO., LTD. QINGDAO BRANCH
ROOM 1403, HISENSE TOWER 17 DONGHAI XI ROAD, QINGDAO ,
CHINA
TEL : 86-(532)-387-4331, 4333, 7054, 7187, 4440 FAX : 86-(532)-387-
4555

SK NETWORKS CO., LTD. GUANGZHOU BRANCH ROOM
1706, OFFICE TOWER , CITIC PLAZA, NO.233 TIANHE ROAD NORTH ,
TIANHE DISTRICT, GUANGZHOU , CHINA (510613)
TEL : 86-(20)-3891-2445 FAX : 86-(20)-8732-0869

SK NETWORKS CO., LTD. WUHAN BRANCH
ROOM 705, WUHAN INT'L TRADE COMMERCIAL CENTRE, NO.297

XINHUA BACK ROAD , WUHAN , CHINA (430022)
TEL : 86-(27)-8577-5840, 5842, 5847 86-(27)-8572-4634, 4644 / FAX : 86-(27)-8577-5851

SK NETWORKS CO., LTD.
CHENGDU OFFICE 24 THFL. CHUANZIN MANSION , 18 SEC.2
RENMIN SOUTH ROAD , CHENGDU , CHINA (610016)
TEL : 86-(28)-6199-755~9 FAX : 86-(28)-6200-155

SK NETWORKS CO., LTD. DALIAN OFFICE
18TH FLOOR, SENMAO BLDG. 147 ZHONG SHAN ROAD XIIGANG
DISTRICT,
DALIAN , CHINA (116011)
TEL : 86-(411)-8360-9393 FAX : 86-(411)-8369-3924

SK GLOBAL HONG KONG LTD. TAIPEI BRANCH
5TH FLOOR ROOM A-1 NO.287 NAN-KING EAST ROAD, SEC.3,
TAIPEI, TAIWAN, R.O.C.
TEL : 886-(2)-2718-3949 FAX : 886-(2)-2514-0377, 0294

SK NETWORKS CO., LTD.
HARBIN OFFICE 4TH FL., SONGLEIL GROUP BLDG. 160 ZHONGSHAN
ST. , DONGLI DIST. HARBIN , CHINA (150040)
TEL : 86-(451)-264-8505 FAX : 86-(451)-246-8492

SK NETWORKS CO., LTD. SHANGHAI BRANCH
ROOM NO.2310, INTERNATIONAL TRADE CENTER, 2201, YAN AN
ROAD (W), SHANGHAI, CHINA
TEL : 86-(21)-6295-0088 / FAX : 86-(21)-6295-0033/55

SK NETWORKS (CHINA) HOLDINGS CO., LTD.
SK NETWORKS PS (SHANTOU) CO., LTD

SHENYANG SK NETWORKS ENERGY CO., LTD
18/F BLOCKA PRESIDENT BUILDING, NO.69HEPING NORTH STREET,
HEPING DISTRICT, SHENYANG CITY, LIAONING PROVINCE, CHINA
TEL : 86-(24)-2281-4330 / FAX : 86-(24)-2281-4334,4340,4350

Subsidiary

SK NETWORKS SERVICE CO., LTD.(135811-0141788)
(86.50% held by the subject company)

SK PINX CO., LTD.(224111-0003760)
(100.00% held by the subject company)

CAR LIFE SERVICE CO., LTD.(Ex. SPEED MOTORS CO., LTD.(160111-0306525))
(100.00% held by the subject company)

SKN (CHINA) HOLDINGS CO., LTD.(CHINA)

(100.00% held by the subject company)

SHENYANG SK NETWORKS ENERGY CO., LTD.(CHINA)
(50.00% held by the subject company)

POSK (PINGHU) STEEL PROCESSING CENTER CO., LTD.(CHINA)
(80.00% held by the subject company)

SK NETWORKS HONGKONG LTD.(HONG KONG)
(100.00% held by the subject company)

SK NETWORKS JAPAN CO., LTD.(JAPAN)
(100.00% held by the subject company)

OBZEE N.Y. INC.(USA)
(100.00% held by the subject company)

SK NETWORKS DEUTSCHLAND GMBH(GERMANY)
(100.00% held by the subject company)

SK STEEL AUSTRALIA PTY. LTD.(AUSTRALIA)
(100.00% held by the subject company)

SK NETWORKS (CHINA) FASHION CO., LTD.(CHINA)
(100.00% held by the subject company)

SK (GZ FREEZONE) CO., LTD.(CHINA)
(100.00% held by the subject company)

SK NETWORKS (SHANGHAI) CO., LTD.(CHINA)
(100.00% held by the subject company)

SK NETWORKS RESOURCES AUSTRALIA PTY. LTD.(AUSTRALIA)
(100.00% held by the subject company)

DAIYANG SK NETWORKS SAN. VE TIC. LTD.
STI, SK (GUANGZHOU) METAL CO., LTD.
SK NETWORKS (XIAMEN) STEEL PROCESSING CENTER CO., LTD.
SK LIAONING CONSTRUCTION CO., LTD.
SK HOLDINGS CO., LTD.(110111-0022816)
SK HOLDINGS CO., LTD.(110111-0022816)
Tommy Hilfiger Licensing, Inc.

Corporate Ownership
Major Shareholders
Cooperative Enterprise

SALES BY REGION (ACTIVITY & MARKETS)

Sales/ Unit :Mil KRW	03/2017	2016	2015
Export	1,404,707	4,320,619	4,491,076

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SK NETWORKS CO., LTD. - 534046

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Domestic	3,653,073	14,136,762	15,032,339
Others	-398,839	-1,123,644	-1,630,282
Total	4,658,941	17,333,737	17,893,133

The Subject exports to China, Vietnam, Hong Kong, Taiwan, Japan, Philippines, USA, Thailand, UAE, Saudi Arabia, Belgium, Italy and New Zealand..

COURT ACTION

There are 30 cases filed as Plaintiff(s)/ Creditor(s)/ Applicant(s) amounting 13,499,000,000 KRW, and 13 cases fled as Defendant(s)/ Debtor(s)/ Respondent(s) amounting 797,000,000 KRW as of 09/30/2017.

NEWS CLIPPING

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.92
UK Pound	1	INR 96.86
Euro	1	INR 85.06
KRW	1	INR 0.065

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)

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