

MIRA INFORM REPORT

Report No. :	531795
Report Date :	25.09.2018

IDENTIFICATION DETAILS

Name :	SAM YOUNG CHEMICAL CO., LTD.
Registered Office :	35, Cheonggyecheon-ro, Jongno-gu, Seoul, Korea, 13FL., Kwanjeong Bldg., 03188
Country :	South Korea
Financials (as on) :	30.06.2018
Date of Incorporation :	03.06.1963
Com. Reg. No.:	113-81-06556
Legal Form :	Listed Company
Line of Business :	Manufacture of Plastic Films, Sheets and Plates Capacitor Film, BOPP Film, PVC Film, Polypropylene Film, Polyethylene Stretch Film, Packaging Paper Container, Carton Pack
No. of Employees :	218

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	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	Slow but Correct
Litigation :	Exist

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 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

COMPANY INFORMATION

Basic

Company Name	SAM YOUNG CHEMICAL CO., LTD.		
Registered Address	35, Cheonggyecheon-ro, Jongno-gu, Seoul, Korea		
Building	13FL., Kwanjeong Bldg.		
Zip Code	03188		
Tel	+82-2-757-2291~4		
Fax	+82-2-753-7704		
E-mail	sysop@syc.co.kr		
Website	www.syc.co.kr		
Trading Address	13FL., Kwanjeong Bldg., 35, Cheonggyecheon-ro, Jongno-gu, Seoul, Korea (Old Address System : 13FL., Kwanjeong Bldg., 88, Seorin-dong, Jongno-gu, Seoul, Korea)		
Tel	+82-2-757-2291~4		
Fax	+82-2-757-2296		
Other Address-Cheongju Factory	88,	Jikji-daero	435beon-gil, Heungdeok-gu, Cheongju-si, Chungcheongbuk-do, Korea (Old Address System : 140, Songjeong-dong, Heungdeok-gu, Cheongju-si, Chungcheongbuk-do, Korea)
Tel	+82-43-262-3635		
Fax	+82-43-263-3635		
Other Address-Gumi Factory	77,	1gongdan-ro 7-gil,	Gumi-si, Gyeongsangbuk-do, Korea (Old Address System : 210, Gongdan-dong, Gumi-si, Gyeongsangbuk-do, Korea)
Tel	+82-54-463-5463		
Fax	+82-54-463-5462		
Other Address-Gimhae Factory	San 66, Hagye-ri, Jinyeong-eup, Gimhae-si, Gyeongsangnam-do, Korea		
Tel	+82-55-342-2345		
Fax	+82-55-342-2335		
Other Address-Gwangju Direct Sales Office	651-5, Nongseong 2-dong, Seo-gu, Gwangju, Korea		
Tel	+82-62-365-9121		
Fax			
Other Address-Busan Direct Sales Office	20-209,	Industrials Goods Center,	578, Gwaebeop-dong, Sasang-gu, Busan, Korea
Tel	+82-51-319-2058		
Fax			
Type	Export		
Industry	Manufacturer of Plastic Films, Sheets and Plates		
Main Business	Capacitor Film, BOPP Film, PVC Film, Polypropylene Film, Polyethylene Stretch Film, Packaging Paper Container, Carton Pack		
Sub Business			
Established (mm/dd/yyyy)	06/03/1963		

Detailed Products

Activity	Detailed Products (UNSPSC)
Sell	Films(13111200)
Sell	Biaxially orientated polypropylene(13111212)
Sell	Packaging boxes and bags and pouches(24121500)
Sell	Domestic disposable kitchenware(52151500)
Sell	Polypropylene films(13111211)

CEO's

Name	Lee Seok-Joon
Date of Birth	07/12/1954
Title	President & CEO
Nationality	Korean

Profiles

Capital (KRW)	17,000,000,000
Employees	218
Formation	Listed Company (Korea Stock Exchange : 003720) as of 06/30/1976
Bank Details	KEB Hana Bank-Sogong Dong Branch Shinhan Bank

Corporate Registered No.	110111-0010001
Business Registered No.	113-81-06556
Permit & Licenses	Int'l Trade No.: 690355
Shareholder Position	

Name	Shares	%
LEE SEOK-JOON	7,140,000	21.00
KWANJUNG FOUNDATION(110122-0032573)	1,400,000	4.12
SHINYOUNG ASSET MANAGEMENT CO., LTD.(110111-1304148)	1,170,000	3.44
THE SUBJECT'S EMPLOYEE STOCK OWNERSHIP ASSOCIATION	573,778	1.69
OTHERS	23,716,222	69.75
TOTAL	34,000,000	100.00

Company History	04/10/1959 Incorporated as SAM YOUNG CHEMICAL INDUSTRY CO.(Sole Proprietorship)
	06/03/1963 Incorporated as the present name
	05/04/2010 Split off the par value to 500 KRW from 5,000 KRW
	07/07/2014 Moved to 12, Hyehwa-ro 5-gil, Jongno-gu, Seoul, Korea from 6th Fl., Samyeong Bldg., 70, Sogong-dong, Jung-gu, Seoul, Korea
	09/02/2014 Moved to 307, Toegye-ro, Jung-gu, Seoul, Korea(Old Address System : 216, Gwanghui-dong 1(il)-ga, Jung-gu, Seoul, Korea from 12, Hyehwa-ro 5-gil, Jongno-gu, Seoul, Korea
	09/01/2015 Moved to the present HQ address from 307, Toegye-ro, Jung-gu, Seoul, Korea(Old Address System : 216, Gwanghui-dong 1(il)-ga, Jung-gu, Seoul, Korea)

DETAILED INFORMATION

Management

Job Description	Name	Nationality	Date of Birth	Inauguration Date
Chairman & CEO	Lee Seok-Joon	Korean	07/12/1954	07/02/2015
Sr. Executive Director	Kim Woon-Ki	Korean	12/10/1957	03/25/2016
Executive Director	Pi Tae-Won	Korean	06/27/1968	03/25/2016
Director	Joo Sang-Ryong	Korean	09/12/1954	03/25/2016
Director	Kwon Geun-One	Korean	04/19/1951	03/24/2017
Director	Cho Young-Han	Korean	07/20/1959	03/24/2017
Outside Director	Jeon Kook-Jin	Korean	03/24/1955	03/23/2018
Auditor	Kim Boo-Kyu	Korean	05/06/1937	03/23/2001

FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
06/2018	44,796,961,384	83,137,857,358	-3,779,340,623
2017	87,938,122,407	89,171,444,321	-21,470,565,074
2016	93,615,502,757	119,089,320,718	-32,162,823,548
2015	94,795,670,158	152,236,466,813	-4,408,605,122
2014	131,084,569,908	160,243,117,633	-12,452,587,196
2013	152,316,401,157	173,245,369,179	-1,702,079,139

Financial Description

Authorized Capital(KRW)	30,000,000,000
Paid-Up Capital(KRW)	17,000,000,000
Total Issued Shares	34,000,000

Balance Sheet

Unit : Korean Won	01/01/2018~06/30/2018	As of 12/31/2017	As of 12/31/2016
Total Assets	83,137,857,358	89,171,444,321	119,089,320,718
Current Assets	38,587,054,758	42,281,589,374	37,482,541,944
Cash & Cash Equivalents	1,476,691,490	9,189,020,268	2,561,124,203
Current Financial Instruments	265,000,000	765,000,000	265,000,000
Trade Receivables	25,271,753,365	22,120,235,690	24,889,986,936
Other Receivables	3,695,439,659	2,735,824,585	1,338,390,437
Other Current Assets	409,995,047	132,359,384	127,126,562
Inventories	7,468,175,197	7,339,149,447	8,300,913,806
Non-Current Assets	43,503,955,669	45,843,008,016	79,410,327,833
Non-Current Financial Instruments	2,000,000	2,000,000	2,000,000
Marketable Financial	128,140,000	50,000,000	50,000,000

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Instruments			
Investment_Subsidiaries	688,515,899	847,960,068	29,878,444,529
Tangibles	40,318,379,343	42,405,685,381	46,554,357,188
Intangibles	44,206,917	57,082,417	87,066,292
Deferred Income Tax	2,072,909,710	2,241,476,350	2,533,656,024
Assets			
Other Non-Current Assets	249,803,800	238,803,800	304,803,800
Non-Current Assets to be Sold	1,046,846,931	1,046,846,931	2,196,450,941
Total Liabilities	33,735,957,794	36,068,344,134	35,146,038,083
Current Liabilities	28,337,901,091	29,729,440,613	27,894,202,812
Trade Payables	13,997,506,939	10,570,167,529	14,262,071,292
Other Payables	2,095,734,142	3,259,347,405	2,100,391,766
Short-Term Borrowings	10,943,569,493	14,042,250,066	10,297,419,781
Other Current Financial Debts	152,210,517	708,795,613	85,439,973
Current Portion of Long-Term Debts	1,148,880,000	1,148,880,000	1,148,880,000
Non-Current Liabilities	5,398,056,703	6,338,903,521	7,251,835,271
Long-Term Trade Payables & Other Payables	1,686,840,000	2,261,280,000	3,410,160,000
Confirmed Salaries	3,524,916,703	3,862,025,868	3,616,289,159
Other Non-Current Liabilities	186,300,000	215,597,653	225,386,112
Capital Stock	17,000,000,000	17,000,000,000	17,000,000,000
Capital Surplus	34,999,435,061	46,631,161,546	46,631,161,546
Others	1,164,614,326	1,103,665,126	0
Profit Surplus	-3,762,149,823	-11,631,726,485	20,312,121,089
Total Equity	49,401,899,564	53,103,100,187	83,943,282,635
Liab. & Shareholder's Equity	83,137,857,358	89,171,444,321	119,089,320,718

Income Statement

Unit : Korean Won	01/01/2018~06/30/2018	As of 12/31/2017	As of 12/31/2016
Sales	44,796,961,384	87,938,122,407	93,615,502,757
Cost of Sold Goods	42,206,007,428	82,770,094,004	84,438,945,498
Gross Profit	2,590,953,956	5,168,028,403	9,176,557,259
Selling & Admin. Expenses	5,633,816,766	11,514,755,941	9,070,522,403
Operating Income	-3,042,862,810	-6,346,727,538	106,034,856
Other Income	307,173,079	466,048,674	1,144,119,032
Other Expenses	544,243,376	3,898,864,099	33,205,650,283
Finance Income	29,070,572	38,309,857	40,574,313
Finance Expenses	200,467,279	480,747,740	425,346,490
Profits from Investment on Related Companies	-159,444,169	-9,274,343,625	0
Income Before Taxes	-3,610,773,983	-19,496,324,471	-32,340,268,572
Income Taxes Expenses	168,566,640	1,974,240,603	-177,445,024
Net Income	-3,779,340,623	-21,470,565,074	-32,162,823,548

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Cash Flows			
Unit : Korean Won	01/01/2018~06/30/2018	As of 12/31/2017	As of 12/31/2016
Operating Activities Cash Flows	-2,172,922,973	-3,705,642,658	4,632,162,540
Cash Flows from Operating Interests Received	-2,001,526,266	-3,263,204,775	5,016,934,717
Interests Paid	29,070,572	38,309,857	40,574,313
Cash Flows from Investing Interests Received	-200,467,279	-480,747,740	-425,346,490
Cash Flows from Investing Interests Paid	-1,866,285,232	7,737,588,438	259,045,478
Cash Inflow from Investing	2,305,930,600	11,263,636,242	1,933,043,461
Cash Outflows for Investing	-4,172,215,832	-3,526,047,804	-1,673,997,983
Cash Flows from Financing Interests Received	-3,673,120,573	2,595,950,285	-3,409,470,866
Cash Inflows from Financing	3,343,569,493	8,293,381,068	7,697,419,781
Cash Outflows from Financing	-7,016,690,066	-5,697,430,783	-11,106,890,647
Increase/Decrease in Cash	-7,712,328,778	6,627,896,065	1,481,737,152
Cash at the Beginning of Year	9,189,020,268	2,561,124,203	1,079,387,051
Cash at the End of Year	1,476,691,490	9,189,020,268	2,561,124,203

Products, Technologies, Services Description

Main Products & Services Capacitor Film, BOPP Film, PVC Film, Polypropylene Film, Polyethylene Stretch Film, Packaging Paper Container, Carton Pack

Detailed Products Spec.
Technologies Acquired

Trade Partners & Competitors

Suppliers KOREA PETRO CHEMICAL IND CO.,LTD.(110111-0024698)
 HONAM PETRO CHEMICAL CORPORATION(110111-0193196)
 HANWHA CHEMICAL CO., LTD.(110111-0360935)
 BOREALIS
 WEYCO

Customers Competitors HWASEUNG INDUSTRIES CO., LTD.
 6TH FL., JANGCHEON BLDG., 1287-21, YEONSAN 5-DONG, YEONJEGU, BUSAN, KOREA
 TEL:+82-51-311-0081 FAX:+82-51-312-2465

SKC HAAS DISPLAY FILMS CO., LTD.
 460, CHEONHEUNG-RI, SEONGGEO-EUP, SEOBUK-GU, CHEONAN-SI, CHUNGCHEONGNAM-DO, KOREA
 TEL:+82-41-550-9999 FAX:+82-41-622-9999

SANGBO ELECTRONIC CO., LTD.
 466, UIJEON-RI, JINYEONG-EUP, GIMHAE-SI, GYEONGSANGNAM-DO, KOREA
 TEL:+82-55-343-0822 FAX:+82-55-343-2679

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Related Parties (Subsidiaries, Joint-Venture & Affiliates)

Affiliates	SAMYOUNG INDUSTRIAL CO., LTD.(180111-0016865) KOREA INSULATOR INDUSTRIAL CO., LTD.(190111-0001343) GUKDONG DOKI CO., LTD.(131211-0000914)
Overseas Office	
Overseas Branch	
Joint Venture	
Subsidiary	SAM YOUNG HEAVY INDUSTRIES CO., LTD.(191311-0014359) TEL: +82-55-350-3500 (37.5% held by the subject company)
Corporate Ownership	
Major Shareholders	
Cooperative Enterprise	

Sales by Region (Activity & Markets)

Sales/ Unit : KRW	03/2012	2011	2010
Export	21,752,045,541	118,040,422,161	96,087,612,221
Domestic	24,447,641,535	102,242,490,495	96,313,847,548
Total	46,199,687,076	220,282,912,656	192,401,459,769

Court Action

Case No.	Court	Plaintiff(s)/ Creditor(s)/ Applicant(s)	Defendant(s)/ Debtor(s)/ Respondent(s)	Cause	Amount (Million KRW)	Status
		The Subject Company	Tax Tribunal, Korea	Imposed Taxes	-	Under Appeal
		Prosecutors' Office	The Subject Company	Violation of The Law of Tax Punishme nt	-	Prosecuted

News Clipping

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupee
US Dollar	1	INR 72.59
UK Pound	1	INR 95.00
Euro	1	INR 85.25
KRW	1	INR 0.065

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

INFORMATION DETAILS

Analysis Done by :	PRI
Report Prepared by :	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)