

MIRA INFORM REPORT

Report No. :	526274
Report Date :	22.08.2018

IDENTIFICATION DETAILS

Name :	COSMAX BTI INC.
Registered Office :	255, Pangyo-Ro, Bundang-Gu, Seongnam-Si, Gyeonggi-Do, F-801, Pangyo Innovalley, Korea 13486
Country :	South Korea
Financials (as on) :	30.06.2018
Date of Incorporation :	12.11.1992
Com. Reg. No.:	124-81-22463
Legal Form :	Listed Company
Line of Business :	Investment Services, Non-Financial Holding Companies, Licensing Services, Sales of Intangible Assets, Market Research & Consulting Services, Cosmetics, Pharmaceuticals
No. of Employees :	123

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 :	Good
Payment Behaviour :	Regular
Litigation :	Clear

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NOTES:

Any query related to this report can be made on e-mail: 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

BASIC INFORMATION

Company Name	COSMAX BTI INC.
Registered Address	255, Pangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, Korea
Building	F-801, Pangyo Innovalley
Zip Code	13486
Tel	+82-31-789-3000
Fax	+82-31-353-6077
E-mail	recruit@cosmax.com
Website	www.cosmaxbti.com
Trading Address	F-801, Pangyo Innovalley, 255, Pangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, Korea (Old Address System : F-801, Pangyo Innovalley, 622, Sampyeong-dong, Bundang-gu, Seongnam-si, Gyeonggi-do, Korea)
Tel	+82-31-789-3000
Fax	+82-31-353-6077
Type	Services
Industry	Investment Services, Non-Financial Holding Companies
Main Business	Investment Services, Non-Financial Holding Companies, Licensing Services, Sales of Intangible Assets, Market Research & Consulting Services, Cosmetics, Pharmaceuticals
Sub Business	
Established (mm/dd/yyyy)	11/12/1992

DETAILED PRODUCTS

Activity	Detailed Products (UNSPSC)
Sell	Investment Services
Sell	Licensing Services
Sell	Sales of Intangible Assets
Sell	Market Research & Consulting Services
Sell	Non-Financial Holding Companies

CEO'S

Name	Lee Kyung-Soo
Date of Birth	05/30/1946
Title	Chairman & CEO
Nationality	Korean

PROFILES

Capital (KRW)	4,801,960,500
Employees	123
Formation	Listed Company (Korea Stock Exchange : 044820) as of 03/01/2014
Bank Details	Kookmin Bank KEB Hana Bank Woori Bank Industrial Bank of Korea
Corporate Registered No.	134811-0018641
Business Registered No.	124-81-22463
Permit & Licenses	N/A
Shareholder Position	

Name	Shares	%
LEE KYUNG-SOO	2,701,914	28.13
SEO SUNG-SEOK	1,979,661	20.61
NATIONAL PENSION SERVICE(110171-0007134)	1,041,894	10.85
BARING ASSET MANAGEMENT KOREA LIMITED(110111-0563208)	697,624	7.26
THE SUBJECT COMPANY'S EMPLOYEE STOCK OWNERSHIP ASSOCIATION	10,426	0.11
TREASURY STOCK	45,400	0.47
OTHERS	3,127,002	32.56
TOTAL	9,603,921	100.00

Company History	11/12/1992 Incorporated as COSMAX, INC. 02/07/2002 Listed at KOSDAQ Market 11/13/2006 Transferred to Korea Stock Exchange Market and listed 03/01/2014 Listed at Korea Stock Exchange Market again 03/03/2014 Changed company name to the present name 08/15/2014 Increased capital to 4,801,960,500 KRW from 2,296,602,500 KRW 04/01/2015 Acquired COSMAX INTERNATIONAL CO., LTD., and THREE ATSM CO., LTD. 09/26/2017 Decided to acquire CYKANENTERTAINMENT CO., LTD.(110111-3419482) as of 11/30/2017 10/31/2017 Moved to the present HQ address from F-601, Pangyo Innovalley, 255, Pangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, Korea (Old Address System : F-601, Pangyo Innovalley, 622, Sampyeong-dong, Bundang-gu, Seongnam-si, Gyeonggi-do, Korea) 12/01/2017 Acquired CYKAN ITT CO., LTD.
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MANAGEMENT

Job Description	Name	Nationality	Date of Birth	Inauguration Date
Chairman & CEO	Lee Kyung-Soo	Korean	05/30/1946	03/20/2015
Vice Chairman & CEO	Moon Sung-Ki	Korean	11/28/1949	03/23/2018
Chairman	Seo Sung-Seok	Korean	10/05/1952	03/22/2002
Outside Director	Hwang Young-II	Korean	03/23/1954	03/01/2014
Auditor	Ko Kwang-Se	Korean	07/27/1942	03/22/2002

FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
06/2018	26,309,219,765	426,678,356,505	1,675,378,571
2017	30,646,618,802	397,927,193,311	3,248,081,035
2016	23,281,054,172	349,241,100,625	6,093,090,894
2015	14,441,202,410	299,648,956,065	4,328,912,547
2014	4,642,553,317	264,276,964,819	9,009,512,908

FINANCIAL DESCRIPTION

Authorized Capital(KRW)	20,000,000,000
Paid-Up Capital(KRW)	4,801,960,500
Total Issued Shares	9,603,921

Balance Sheet

Unit : Korean Won	01/01/2018~06/30/2018	As of 12/31/2017	As of 12/31/2016
Total Assets	426,678,356,505	397,927,193,311	349,241,100,625
Current Assets	46,319,742,504	29,291,413,302	17,691,888,191
Cash & Cash Equivalents	5,371,951,247	609,197,107	36,872,530
Trade Receivables	20,853,816,001	12,046,459,086	7,650,721,887
Current Financial Instruments	17,227,983,745	14,093,774,527	9,871,497,324
Inventories	1,525,388,626	1,601,934,394	0
Deferred Income Tax Assets	0	143,374,530	0
Other Current Assets	1,340,602,885	796,673,658	132,796,450
Non-Current Assets	380,358,614,001	368,635,780,009	331,549,212,434
Other Non-Current Financial Assets	3,608,573,701	4,078,892,413	3,571,871,278
Investment_Related Companies	290,538,619,563	279,230,229,223	277,044,326,023

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Tangibles	79,900,200,335	79,164,359,217	44,345,931,275
Intangibles	6,095,224,054	6,162,299,156	6,587,083,858
Total Liabilities	165,593,372,294	136,802,297,412	89,076,120,903
Current Liabilities	151,005,080,844	116,528,745,301	28,107,610,539
Trade Payables	3,390,898,245	2,808,536,587	0
Other Current Financial Debts	147,023,540,594	113,479,308,479	26,631,235,588
Deferred Income Tax Credit	471,942,683	97,045,503	1,281,132,451
Other Current Liabilities	118,699,322	143,854,732	195,242,500
Non-Current Liabilities	14,588,291,450	20,273,552,111	60,968,510,364
Other Non-Current Financial Debts	8,647,684,000	15,038,183,000	55,672,600,000
Provision for Severance & Retirement	5,940,607,450	5,142,446,475	5,097,124,918
Deferred Income Tax Credit		92,922,636	198,785,446
Capital Stock	4,801,960,500	4,801,960,500	4,801,960,500
Capital Surplus	229,161,422,339	229,161,422,339	229,893,972,090
Others	-40,296,520,165	-39,914,295,205	-40,197,510,085
Profit Surplus	67,418,121,537	67,075,808,265	65,666,557,217
Total Equity	261,084,984,211	261,124,895,899	260,164,979,722
Liab. & Shareholder's Equity	426,678,356,505	397,927,193,311	349,241,100,625

Income Statement

Unit : Korean Won	01/01/2018~06/30/2018	As of 12/31/2017	As of 12/31/2016
Sales	26,309,219,765	30,646,618,802	23,281,054,172
Cost of Sold Goods	10,064,064,257	3,457,637,477	210,250,000
Gross Profit	16,245,155,508	27,188,981,325	23,070,804,172
Selling & Admin. Expenses	12,055,176,801	20,784,294,976	17,034,095,982
Operating Income	4,189,978,707	6,404,686,349	6,036,708,190
Finance Income	660,284,097	433,965,616	210,452,620
Other Income	70,439,096	35,267,158	2,441,829,653
Finance Expenses	2,657,621,618	2,797,168,249	1,056,179,558
Other Expenses	75,605,560	145,160,241	169,833,991
Income Before Taxes	2,187,474,722	3,931,590,633	7,462,976,914
Income Taxes Expenses	512,096,151	683,509,598	1,369,886,020
Net Income	1,675,378,571	3,248,081,035	6,093,090,894

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	-5,018,746,574	-2,232,680,407	1,936,684,322
Cash Flows from Operating Net Income	-5,119,411,801	3,248,081,035	6,093,090,894
-Exp. without Cash Outflow	1,675,378,571	6,430,379,246	1,965,657,463
-Revenue without Cash Inflows	5,194,594,455	1,083,214,395	802,085,322
-Changes in Asset/ &	-1,395,679,720	683,509,598	1,369,886,020
	-10,593,705,107	-6,904,172	-16,406,235

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Liability			
Interests Received	408,597,596	260,402,392	220,904,579
Interests Paid	-1,153,694,800	-2,715,003,168	-972,717,849
Dividends Received	781,554,000		
Income Taxes	64,208,431	-2,083,980,201	-1,076,968,090
Cash Flows from Investing	-16,388,814,186	-9,481,750,816	-48,595,057,828
Cash Inflow from Investing	50,700,077,865		
Cash Outflows for Investing	-67,088,892,051		
Cash Flows from Financing	26,170,314,900	12,286,755,800	46,669,992,270
Cash Inflows from Financing	104,267,820,000		
Cash Outflows from Financing	-78,097,505,100		
Increase/Decrease in Cash	4,762,754,140	572,324,577	11,618,764
Cash at the Beginning of Year	609,197,107	36,872,530	25,253,766
Cash at the End of Year	5,371,951,247	609,197,107	36,872,530

PRODUCTS, TECHNOLOGIES, SERVICES DESCRIPTION

Main Products & Services Investment Services, Non-Financial Holding Companies, Licensing Services, Sales of Intangible Assets, Market Research & Consulting Services, Cosmetics, Pharmaceuticals

Brand Name : COSMAX

TRADE PARTNERS & COMPETITORS

Suppliers --
Customers --
Competitors GS HOLDINGS CORP.(110111-3045112)
23TH FL., GS GANGNAM TOWER, 679, YEOKSAM 1-DONG,
GANGNAM-GU, SEOUL, KOREA
TEL:+82-2-2005-8125 FAX:+82-2-2005-8180

GREEN CROSS HOLDINGS CORPORATION(134511-0000014)
303, BOJEONG-DONG, GIHEUNG-GU, YONGIN-SI, GYEONGGI-DO,
KOREA
TEL:+82-31-260-9300 FAX:+82-31-260-9469

YOUNGONE HOLDINGS CO., LTD.(110111-0165830)
171, MALLIDONG 2-GA, JUNG-GU, SEOUL, KOREA (P.O.BOX 1204)

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RELATED PARTIES (SUBSIDIARIES, JOINT- VENTURE & AFFILIATES)

Affiliates	COSMAX, INC.(134811-0294273) (25.81% held by the subject company)
	COSMAX I CURE CO., LTD.(134811-0320028) COSMAX HYANGYAKWON CO., LTD.(161211-0028374) COSMAX. LAB CO., LTD.(134811-0359564) CM TECH CO., LTD.(110111-6131124) WELSKIN CO., LTD.(110111-2010249)
	PT. COSMAX INDONESIA
Subsidiary	COSMAX BIO CO.,LTD.(110111-0386022) (62.54% held by the subject company)
	THREE APPLES COSMETICS CO., LTD.(110111-1514599) (51.00% held by the subject company)
	TREE OF LIFE F&B CO., LTD.(135811-0123132)
	NUTRIBIOTECH CO.,LTD.(110111-2407470) (37.30% held by the subject company)
	TWO WIN PHARMA CO., LTD.(131411-0231929) (56.52% held by the subject company)
	NUTRI-1 CO., LTD.(110111-4937764) NUTRI SCIENCE CO., LTD.(110111-5326445) NUTRIBIOTECH SHAGHAI CO., LTD. NUTRIBIOTECH USA CO., LTD. NUTRIBIOTECH AUSTRALIA CO., LTD.
	CYKANENTERTAINMENT CO., LTD.(110111-3419482) (100.00% held by the subject company)
	COSMAX PHARMA CO., LTD.(134811-0371336) (100.00% held by the subject company)
	DR. DNA CO., LTD.(110111-6043014)
	COSMAX(SHANGHAI)TECHNOLOGY CO., LTD.(CHINA)

(100.00% held by the subject company)

COSMAX SHANGHAI TSM, INC

Cooperative Enterprise

-Insured Company

HANWHA GENERAL INSURANCE CO., LTD.(110111-0006456)

KB INSURANCE CO., LTD.(110111-0017859)

HYUNDAI MARINE & FIRE INSURANCE CO., LTD.(110111-0035893)

SALES BY REGION (ACTIVITY & MARKETS)

The Subject deals with the companies in USA, Australia and China.

COURT ACTION

No Records.

NEWS CLIPPING

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 69.67
UK Pound	1	INR 89.40
Euro	1	INR 80.25
KRW	1	INR 0.062

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

INFORMATION DETAILS

Analysis Done by :	NIS
Report Prepared by :	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)