

MIRA INFORM REPORT

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|----------------------|------------|
| Report No. : | 529859 |
| Report Date : | 12.09.2018 |

IDENTIFICATION DETAILS

| | |
|--------------------------------|---|
| Name : | DAESANG CORPORATION |
| Registered Office : | 26, Cheonho-daero, Dongdaemun-gu, Seoul, Korea, 02586 |
| Country : | South Korea |
| Financials (as on) : | 30.06.2018 |
| Date of Incorporation : | 31.01.1956 |
| Com. Reg. No.: | 109-81-14886 |
| Legal Form : | Listed Company |
| Line of Business : | <ul style="list-style-type: none"> • Manufacture of Starches and Starch Products Seasoning, Fermented Foods, Oriental Sauces, Ham, Sausage • Manufacture of Processed Spices and Mixed Condiments |
| No. of Employees : | 5,337 |

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 |

| | |
|----------------------------|---------|
| Status : | Good |
| Payment Behaviour : | Regular |
| 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.

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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 | DAESANG CORPORATION |
| Registered Address | 26, Cheonho-daero, Dongdaemun-gu, Seoul, Korea |
| Building | |
| Zip Code | 02586 |
| Tel | +82-2-2220-9500 |
| Fax | +82-2-2232-3719 |
| E-mail | charles@daesang.co.kr;shlim@daesang.com |
| Website | www.daesang.co.kr |
| Trading Address | 26, Cheonho-daero, Dongdaemun-gu, Seoul, Korea (Old Address System : 96-48, Sinseol-dong, Dongdaemun-gu, Seoul, Korea) |
| Tel | +82-2-2657-5337 |
| Fax | +82-2-2657-5177 |
| Other Address-DAESANG FNF CORPORATION | DAESANG Bldg., 470, Myeonmok-ro, Jungnang-gu, Seoul, Korea (Old Address System : DAESANG Bldg., 107-6, Sangbong-dong, Jungnang-gu, Seoul, Korea) |
| Tel | +82-2-2657-5271 +82-2-2220-9593 |
| Fax | +82-2-2220-9870 |
| Other Address-Icheon Coffee Factory | 37, Gyeongchung-daero 2191beon-gil, Bubal-eup, Icheon-si, Gyeonggi-do, Korea (Old Address System : 514-1, Sinha-ri, Bubal-eup, Icheon-si, Gyeonggi-do 17331 Korea) |
| Tel | +82-31-635-5991 |
| Fax | +82-31-636-5993 |
| Other Address-Gunsan Factory | 208, Oehang 1-gil, Gunsan-si, Jeollabuk-do, Korea (Old Address System : 228-1, Soryong-dong, Gunsan-si, Jeonbuk-do 54008Korea) |
| Tel | +82-63-469-2100 |
| Fax | +82-63-463-5220 |
| Other Address-Gunsan Factory | 884, Oehang-ro, Gunsan-si, Jeollabuk-do, Korea (Old Address System : 1633, Soryong-dong, Gunsan-si, Jeonbuk-do 54004 Korea) |
| Tel | +82-63-472-6114 |
| Fax | +82-63-471-8807 |
| Other Address-Kangseo Factory | 52-1 Gayang-dong, Kangseo-gu, Seoul 157-200 Korea |
| Tel | +82-2-2220-9500 |
| Fax | |
| Other Address-Sunchang Factory | 30, Sunchang-ro, Sunchang-eup, Sunchang-gun, Jeollabuk-do, Korea (Old Address System : 203-7, Ganam-ri, Sunchang-eup, Sunchang-gun, Jeollabuk-do, Korea) |
| Tel | +82-63-650-2114 |
| Fax | |
| Other Address-Cheonan 1 | 51, 2gongdan 5-ro, Seobuk-gu, Cheonan-si, Chungcheongnam-do, Korea |

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| | |
|--------------------------|---|
| Factory | (Old Address System : 54-1, Chaam-dong, Cheonan-si, Chungcheongnam-do, Korea) |
| Tel | +82-41-559-7200 |
| Fax | +82-41-559-7204 |
| Other Address-Cheonan 2 | 59-1, Dujeong-dong, Cheonan-si, Chungcheongnam-do, Korea |
| Factory | |
| Tel | |
| Fax | |
| Other Address-Osan | 595-66, Gajang-ro, Osan-si, Gyeonggi-do, Korea |
| Factory | (Old Address System : 415-1, Gwol-dong, Osan-si, Gyeonggi-do, Korea) |
| Tel | +82-31-831-3100 |
| Fax | +82-31-831-3129 |
| Other Address-Giheung | 28, Dongtangiheung-ro 681beon-gil, Giheung-gu, Yongin-si, Gyeonggi-do, Korea |
| Factory | (Old Address System : 72-2, Nongseo-ri, Giheung-gu, Yongin-si, Gyunggi-do, Korea) |
| Tel | +82-31-280-7817 |
| Fax | +82-31-280-7839 |
| Other Address-Lysine | 228-2, Soryong-dong, Gunsan-si, Jeollabuk-do, Korea |
| Factory | |
| Tel | +82-63-464-6172 |
| Fax | +82-63-464-6176 |
| Type | Import/Export |
| Industry | Manufacture of Starches and Starch Products |
| Main Business | Seasoning, Fermented Foods, Oriental Sauces, Ham, Sausage |
| Sub Business | Manufacture of Processed Spices and Mixed Condiments |
| Established (mm/dd/yyyy) | 01/31/1956 |

Detailed Products

| | |
|----------|--|
| Activity | Detailed Products (UNSPSC) |
| Sell | Shelf stable shellfish(50121613) |
| Sell | Shelf stable aquatic plants(50121804) |
| Sell | Glass or window cleaners(47131824) |
| Sell | Toothbrushes(53131503) |
| Sell | Frozen meat or poultry(50111511) |
| Sell | Shelf stable meat or poultry(50111512) |
| Sell | Shelf stable processed or prepared meats(50112003) |
| Sell | Processed and prepared meats(50112000) |
| Sell | Shelf stable vegetables(50101540) |
| Sell | Fresh prepared soups or stews(50191505) |
| Sell | Prepared soups and stews(50191500) |
| Sell | Seasonings and preservatives(50170000) |
| Sell | Jams or jellies or fruit preserves(50192401) |
| Sell | Shelf stable aquatic plants(50121804) |
| Sell | Dipping sauces or condiments or spreads or marinades(50171830) |
| Sell | Spices or extracts(50171550) |
| Sell | Fresh plain pasta or noodles(50192901) |
| Sell | Cakes and pies and pastries(50182000) |

| | |
|------|--|
| Sell | Herbs and spices and extracts(50171500) |
| Sell | Shelf stable aquatic plants(50121804) |
| Sell | Leaf tea(50201710) |
| Sell | Ready to eat or hot cereals(50221201) |
| Sell | Prepared and preserved foods(50190000) |
| Sell | Salad dressing or dips(50171832) |
| Sell | Cooking sauce(50171831) |
| Sell | Sauces and spreads and condiments(50171800) |
| Sell | Edible vegetable or plant oils(50151513) |
| Sell | Vinegars(50171707) |
| Sell | Edible vegetable or plant oils(50151513) |
| Sell | Frozen bread(50181902) |
| Sell | Jams or jellies or fruit preserves(50192401) |
| Sell | Coffee(50201706) |
| Sell | Formulas and products for nutritional support(42231800) |
| Sell | Cleaning and disinfecting solutions(47131800) |
| Sell | Processed and prepared meats(50112000) |
| Sell | Cereal flour(50221102) |
| Sell | Spices or extracts(50171550) |
| Sell | Dipping sauces or condiments or spreads or marinades(50171830) |
| Sell | Instant coffee(50201709) |
| Sell | Shelf stable fruit(50101636) |
| Sell | Brooms and mops and brushes and accessories(47131600) |
| Sell | Instant coffee(50201709) |
| Sell | Natural sugars or sweetening products(50161509) |
| Sell | Baking mixes(50181708) |
| Sell | Cooking sauce(50171831) |
| Sell | Toothbrushes(53131503) |
| Sell | Cooking sauce(50171831) |

CEO's

| | |
|---------------|-------------------------------------|
| Name | Lim Jeong-Bae |
| Date of Birth | 07/08/1961 |
| Title | Sr. Executive Director & CEO / Food |
| Nationality | Korean |

Profiles

| | |
|--------------------------|--|
| Capital (KRW) | 36,018,248,000 |
| Employees | 5,337 |
| Formation | Listed Company (Korea Stock Exchange : 001680) as of 03/31/1970 A Company of DAESANG GROUP |
| Bank Details | Woori Bank-Sinseol-Dong Branch Korea Development Bank KEB Hana Bank |
| Corporate Registered No. | 110111-0327125 |
| Business Registered No. | 109-81-14886 |
| Permit & Licenses | 1967 Miwon brand of MSG received the KS (Korean Standard) |

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Certification

Int'l Trade No.: 673152

| Shareholder Position | Name | Shares | % |
|----------------------|---|------------|--------|
| | DAESANG HOLDINGS CO., LTD.(110111-3280099) | 13,697,456 | 38.03 |
| | LIM CHANG-WOOK | 452,702 | 1.26 |
| | DAESANG CULTURAL FOUNDATION(110122-0001693) | 1,324,957 | 3.68 |
| | NATIONAL PENSION SERVICE(110171-0007134) | 4,676,408 | 12.98 |
| | OTHERS | 15,866,725 | 44.05 |
| | TOTAL | 36,018,248 | 100.00 |

| Company History | Event |
|-----------------|--|
| | 07/14/1956 Incorporated as Sewon Corporation |
| | 07/16/1997 Changed company name to Daesang Industries Corporation |
| | 10/31/1997 Changed company name to the present name |
| | 04/25/2001 Increased par value to 1,000 KRW from 500 KRW |
| | 11/01/2005 Moved to the present HQ address from 52-1, Gayang-dong, Gangseo-gu, Seoul, Korea |
| | 01/06/2006 Increased capital to 125,000,000 shares from 100,000,000 shares |
| | 07/01/2006 Separated Construction Business Division, and established Hannam Construction Co., Ltd. |
| | 03/28/2007 Increased capital to 36,018,248,000 KRW from 32,743,862,000 KRW |
| | 11/01/2015 Acquired Lysine Business from PAIKKWANG INDUSTRIAL CO., LTD.(110111-0003709) |
| | 12/01/2016 Acquired DAESANG FNF CORPORATION(110111-3549883) |
| | 12/01/2016 Transferred Catering Business to DAESANG BESTCO CORPORATION(110111-4287755) |

DETAILED INFORMATION

Management

| Job Description | Name | Nationality | Date of Birth | Inauguration Date |
|-------------------------------------|---------------|-------------|---------------|-------------------|
| Sr. Executive Director & CEO / Food | Lim Jeong-Bae | Korean | 07/08/1961 | 03/24/2017 |
| President & CEO / Materials | Jung Hong-Eon | Korean | 09/03/1958 | 03/24/2017 |
| Sr. Executive Director | Choi Jung-Ho | Korean | 10/13/1960 | 03/24/2017 |
| Executive Director | Oh Yeon-Taik | Korean | 01/23/1965 | 03/24/2017 |
| Director | Kim Hoon-Sik | Korean | 01/28/1962 | 03/24/2017 |
| Outside Director | Kim Byung-Tae | Korean | 07/22/1953 | 03/18/2016 |
| Outside Director | Na Yang-Joo | Korean | 03/11/1952 | 03/18/2016 |
| Director | Park Yong-Joo | Korean | 02/07/1963 | 03/20/2009 |
| Auditor | Park Si-Jong | Korean | 06/22/1953 | 03/23/2018 |

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FINANCIALS

| Year / Unit : KRW | Sales | Assets | Net Income |
|-------------------|-------------------|-------------------|-----------------|
| 06/2018 | 1,104,411,607,460 | 1,944,780,642,313 | 61,056,130,175 |
| 2017 | 2,190,129,354,256 | 1,894,468,926,421 | 54,779,760,281 |
| 2016 | 1,852,714,894,145 | 1,909,289,888,859 | 71,969,374,199 |
| 2015 | 1,648,286,247,805 | 1,607,869,080,754 | 57,046,036,589 |
| 2014 | 1,601,116,619,343 | 1,406,807,462,402 | 85,595,035,623 |
| 2013 | 1,570,275,468,248 | 1,356,161,854,400 | 86,093,639,532 |
| 2012 | 1,552,521,212,981 | 1,266,125,823,939 | 74,067,241,869 |
| 2011 | 1,392,912,796,914 | 1,239,159,593,420 | 55,363,901,873 |
| 2010 | 1,202,371,571,877 | 1,075,338,024,528 | 26,936,291,120 |
| 2009 | 1,008,987,809,334 | 990,807,250,635 | -5,799,760,112 |
| 2008 | 920,278,510,244 | 926,332,575,459 | 1,427,851,644 |
| 2007 | 962,154,736,842 | 814,260,890,399 | 10,221,507,063 |
| 2006 | 1,018,978,814,021 | 952,862,512,342 | -16,715,970,571 |
| 2005 | 1,030,140,219,444 | 996,812,256,429 | -45,926,406,334 |
| 2004 | 1,354,569,808,297 | 1,217,037,463,142 | 13,208,164,880 |
| 2003 | 1,283,600,339,003 | 1,432,802,944,699 | 20,851,216,236 |

Financial Description

| | |
|-------------------------|--|
| Authorized Capital(KRW) | 125,000,000,000 |
| Paid-Up Capital(KRW) | 36,018,248,000 |
| Total Issued Shares | 36,018,248(Common : 34,648,025 / Preferable : 1,370,223) |

Balance Sheet

| Unit : Korean Won | 01/01/2018~06/30/2018 | As of 12/31/2017 | As of 12/31/2016 |
|---|-----------------------|-------------------|-------------------|
| Total Assets | 1,944,780,642,313 | 1,894,468,926,421 | 1,909,289,888,859 |
| Current Assets | 753,014,505,344 | 707,205,818,484 | 763,838,628,925 |
| Cash & Cash Equivalents | 114,258,879,570 | 94,262,746,724 | 116,186,639,307 |
| Current Financial Instruments | 7,200,000,000 | 7,200,000,000 | 6,400,000,000 |
| Trade Receivables | 275,812,161,828 | 237,797,903,121 | 223,184,962,223 |
| Other Receivables | 17,792,685,614 | 9,113,170,874 | 10,270,645,454 |
| Unearned Income | 251,265,271 | 154,028,219 | 118,877,223 |
| Advance Payments | 7,185,483,656 | 9,055,436,977 | 6,094,090,588 |
| Prepaid Expenses | 9,332,895,615 | 4,394,147,959 | 3,212,453,747 |
| Financial assets at fair value through profit or loss | 96,241,169,316 | | |
| Marketable Financial Instruments | | 136,935,000 | 272,030,000 |
| Current Financial Instruments | 369,000,000 | 123,913,532,349 | 202,879,182,480 |
| Inventories | 224,570,964,474 | 211,410,111,943 | 195,219,747,903 |
| Other Current Assets | | 9,767,805,318 | |
| Non-Current Assets | 1,191,766,136,969 | 1,187,263,107,937 | 1,145,451,259,934 |

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DAESANG CORPORATION - 529859

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| | | | | |
|---|------------------|-------------------|-------------------|-------------------|
| Non-Current Instruments | Financial | 16,500,000 | 16,500,000 | 18,000,000 |
| Profit or loss-Fair value measurement | Financial assets | 15,798,877,000 | | |
| Other comprehensive income-fair value measurement | financial assets | 11,819,859,707 | | |
| Marketable Instruments | Financial | | 15,928,714,407 | 18,404,474,733 |
| Investment_Subsidiaries | | 266,596,813,272 | 270,387,541,657 | 267,277,743,734 |
| Investment_Related Companies | | 27,771,104,928 | 27,771,104,928 | 25,971,104,928 |
| Investment_Co-Subsidiaries | | 7,095,383,452 | 7,095,383,452 | 7,095,383,452 |
| Tangibles | | 682,360,402,514 | 677,575,558,353 | 605,152,473,869 |
| Intangibles | | 65,344,383,815 | 68,114,319,176 | 68,930,019,367 |
| Investment_Real Estates | | 71,674,279,100 | 64,891,549,732 | 96,802,720,885 |
| Other Financial Assets | | 7,134,988,416 | 22,758,747,802 | 22,224,873,669 |
| Deferred Income Tax | | 16,647,080,705 | 12,095,702,884 | 10,696,900,592 |
| Other Non-Current Assets | | 19,506,464,060 | 20,627,985,546 | 22,877,564,705 |
| Total Liabilities | | 1,038,864,532,185 | 1,031,605,525,234 | 1,070,634,043,591 |
| Current Liabilities | | 612,313,025,038 | 504,960,564,219 | 534,193,588,255 |
| Trade Payables | | 111,184,472,860 | 131,125,929,355 | 129,718,647,257 |
| Account Payables | | 72,985,344,509 | 109,174,232,100 | 92,775,742,550 |
| Short-Term Borrowings | | 171,553,075,354 | 103,178,515,543 | 212,741,060,607 |
| Deferred Income Tax Credit | | 25,117,753,316 | 11,462,953,147 | 16,726,354,801 |
| Advance Receipts | | 4,881,629,589 | 8,212,690,117 | 3,832,022,252 |
| Withholdings | | 4,642,423,940 | 4,279,549,158 | 4,259,728,963 |
| Accrued Expenses | | 35,117,358,766 | 11,113,487,165 | 10,938,631,780 |
| Provisions | | 3,868,228,636 | 4,429,059,647 | 3,564,432,729 |
| Current Portion of Long-Term Debts | | 478,205,120 | 467,001,059 | 193,260,557 |
| Current Portion of Debentures | | 159,920,293,550 | 99,955,314,218 | 49,993,789,230 |
| Other Current Financial Debts | | 10,244,834,339 | 11,522,038,181 | 4,456,017,270 |
| Other Current Liabilities | | 12,319,405,059 | 7,361,783,540 | 4,993,900,259 |
| Liabilities to be Sold | | | 2,678,010,989 | |
| Non-Current Liabilities | | 426,551,507,147 | 526,644,961,015 | 536,440,455,336 |
| Long-Term Trade Payables | | 683,003,490 | 573,520,164 | 621,256,395 |
| Long-Term Borrowings | | 3,960,900,438 | 4,057,212,175 | 4,292,070,593 |
| Debentures | | 289,417,854,792 | 399,153,636,553 | 399,029,661,264 |
| Provision for Severance & Retirement | | 127,020,926,466 | 117,136,053,013 | 112,031,122,537 |
| Other Non-Current Financial Debts | | 3,408,249,336 | 3,405,118,272 | 17,961,640,825 |
| Other Non-Current | | 2,060,572,625 | 2,319,420,838 | 2,504,703,722 |

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| | | | |
|------------------------------|-------------------|-------------------|-------------------|
| Liabilities | | | |
| Capital Stock | 36,018,248,000 | 36,018,248,000 | 36,018,248,000 |
| Capital Surplus | 73,467,953,000 | 73,467,953,000 | 73,467,953,000 |
| Profit Surplus | 631,948,076,850 | 581,567,910,941 | 538,327,223,527 |
| Others | 164,481,832,278 | 171,809,289,246 | 190,842,420,741 |
| Total Equity | 905,916,110,128 | 862,863,401,187 | 838,655,845,268 |
| Liab. & Shareholder's Equity | 1,944,780,642,313 | 1,894,468,926,421 | 1,909,289,888,859 |

Income Statement

| | | | |
|--|-----------------------|-------------------|-------------------|
| Unit : Korean Won | 01/01/2018~06/30/2018 | As of 12/31/2017 | As of 12/31/2016 |
| Sales | 1,104,411,607,460 | 2,190,129,354,256 | 1,852,714,894,145 |
| Cost of Sold Goods | 800,660,975,016 | 1,545,714,476,180 | 1,330,454,398,060 |
| Gross Profit | 303,750,632,444 | 644,414,878,076 | 522,260,496,085 |
| Selling & Admin. Expenses | 239,756,307,526 | 541,274,234,215 | 421,954,120,453 |
| Operating Income | 63,994,324,918 | 103,140,643,861 | 100,306,375,632 |
| Other Income | 48,976,467,429 | 29,029,360,915 | 32,947,502,699 |
| Other Expenses | 18,157,814,696 | 33,237,996,281 | 25,664,932,478 |
| Finance Income | 3,828,841,189 | 20,721,499,058 | 12,802,600,168 |
| Finance Expenses | 12,403,384,363 | 22,766,668,001 | 28,143,879,223 |
| Profits from Investment on Related Companies | -4,427,750,513 | -18,176,569,778 | 1,262,914,138 |
| Income Before Taxes | 81,810,683,964 | 78,710,269,774 | 93,510,580,936 |
| Income Taxes Expenses | -20,754,553,789 | 23,930,509,493 | 21,541,206,737 |
| Net Income | 61,056,130,175 | 54,779,760,281 | 71,969,374,199 |

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 | 369,956,512 | 125,586,714,696 | 57,621,246,956 |
| Cash Flows from Operating Interests Received | 17,536,683,106 | 167,279,569,949 | 98,499,588,661 |
| Interests Paid | 967,271,488 | 4,847,440,423 | 5,604,560,249 |
| Dividends Received | -6,771,069,613 | -16,705,378,124 | -14,462,423,037 |
| Income Taxes | 262,385,233 | 2,124,636,088 | 587,161,244 |
| Cash Flows from Investing | -11,625,313,702 | -31,959,553,640 | -32,607,640,161 |
| Cash Flows from Financing | 22,598,904,183 | -65,320,510,230 | -150,668,362,900 |
| Increase/Decrease in Cash | -5,045,481,798 | -78,781,107,557 | 110,236,903,323 |
| Cash at the Beginning of Year | 17,923,378,897 | -18,514,903,091 | 17,189,787,379 |
| Cash at the End of Year | 94,262,746,724 | 116,186,639,307 | 98,881,463,355 |
| | 114,258,879,570 | 94,262,746,724 | 116,186,639,307 |

Products, Technologies, Services Description

Main Products & Services The Subject Company produces hot pepper paste, soybean paste, soy sauce, processed meats, frozen foods, western seasonings, agricultural products, seafood, and more.

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As a leading corn wet miller in Korea, Daesang produces various Cornstarches used in processed foods and confectioneries, High Fructose Corn Syrup and Oligosaccharide used in beverages, and other corn based ingredients.

-General Food Business

Under its flagship food brand CHUNGJUNGWON, The Subject Company produces a wide variety of consumer products such as hot pepper paste, soybean paste, soy sauce, processed meats, frozen foods, western seasonings, agricultural products, seafood, and more. The Korea Management Association selected CHUNGJUNGWON brand traditional hot pepper paste (e.g., SUNCHANG GOCHUJANG) as a food product with the most powerful brand for the past four consecutive years. They were also selected as the official hot pepper paste to be supplied to the Korean National Soccer Team. The Subject Company is solidifying its position as the leader in the commercial soy sauce market with the introduction of Haesaldameun soy sauce (e.g., Haesaldameun JinGanJang, a naturally matured soy sauce) through the marketing campaign "Clean Promise" in the second half of 2001. The Subject Company contributes to the promotion of a healthy society by introducing premium products such as pure vegetable condiment "Mushroom Gamchimi", CHUNGJUNGWON organic ketchup, Haesaldameun soybean paste. In 2001, the soy sauce from the Sunchang factory, the ready-to-eat food from the Giheung factory and the frozen food from the Cheonan factory won 'Food Safety Grand Prize'.

-Fermentation Business

Based on the cutting edge fermentation technology accumulated for about fifty years, The Subject Company produces MSG, Nucleotides, Aspartame, L-Phenylalanine, L-Glutamine, and L- Arginine. Miwon brand MSG has achieved an unrivaled position in Korea and is exported to about 80 countries. The Subject Company has expanded the production capacity of flavor enhancer Nucleotides such as I+G, IMP, and GMP through innovative technology and de-bottlenecking its manufacturing process to meet demands from its customers all over the world. From The Subject Company's Gunsan plant, birthplace of state of the art fermentation technologies, come outstanding quality products manufactured by the most advanced recovery and purification process.

Main Products & Services

-Corn Wet Milling Business

As a leading corn wet miller in Korea, The Subject Company produces various Cornstarches used in confectioneries and baked goods and its Modified Starches are used for applications in paper, textile, and specialty foods. The Subject Company also supplies corn sweeteners such as High Fructose Corn Syrup and Oligosaccharide used in beverages and other corn based ingredients. The corn wet milling technology has laid the foundation for Daesang's production of pharmaceutical raw materials such as Cyclodextrin, L-Glutamine, Acetoglutamide via the fine chemical technology. The Subject Company's cutting edge technology has been applied to the development of environmentally friendly products and has

succeeded in producing biodegradable plastics from cornstarch. This biodegradable material is expected to generate a brisk demand in the future from applications such as garbage bags, shopping bags, shock absorbent fillers, cup noodle containers, and so on. By diversifying its product portfolio in the corn wet milling business, The Subject Company will continue to maintain its competitiveness.

-Health food Business

The Subject Company is playing a leading role in the development of various dietary supplements that contribute to the creation of a rich and healthy life for its customers. Since the introduction of diverse dietary supplements under the "Wellife" brand, Daesang's health foods business has shown an explosive growth rate.

Its product list include "Chlorella", green algae nutrition provided even to astronauts during their space activities, "NuCare", a specially formulated dietary supplement for invalids and enteral nutrition, "Gluconiceporte", a diet promoting nutrition, and "ChamSaengSik", a natural raw meal containing forty eight essential elements jointly developed with the Oriental Medicine Graduate School of Wonkwang University.

-Coffee Business

In 1989, The Subject Company acquired MJC, a specialized whole bean coffee maker. The Subject Company provides various coffee products under the Rosebud brand such as whole bean coffee, coffee mixes, premium coffee and canned coffee. The "Rosebud" coffee contains the original flavor of coffee and is being produced under strict quality control. For the first time in the coffee industry in Korea, the "Rosebud" coffee brand received KS quality certifications. In 2003, The Subject Company created a new and modern brand image for the "Rosebud" coffee brand and changed product packages to emphasize a fresh and refined look. Today the "Rosebud" coffee brand has grown to be one of the premier coffee brands in Korea.

Brand Name: CHUNGJUNGWON and The Subject Company maximizes synergistic effects by introducing family brands such as Wellife for dietary supplements, Rosebud for Espresso Coffee, O'food for organic foods, CookJoy for ready-to-eat foods, HyPork for high quality chilled pork and more.

Detailed Products Spec.
Technologies Acquired

Trade Partners & Competitors

Suppliers

TAEYOUNG INDUSTRY CORPORATION
1-1, YONGJAM-DONG, NAM-GU, ULSAN 680-070 KOREA
TEL:+82-52-228-3300 FAX:+82-52-228-3388
INDUSTRY: WATER FREIGHT HANDLING

CARGILL

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| | |
|-------------|---|
| Customers | <p>GLENCORE TATE & LYLE TOUTON MARUBENI LOTTE SAMKANG CO., LTD. ADDRESS: 21, MULLAEDONG 6-GA, YEONGDEUNGPO-GU, SEOUL 150-096 KOREA TEL:+82-2-2629-0114 FAX:+82-2-2629-0293 INDUSTRY: MANUFACTURE OF ICE-CREAM AND OTHER EDIBLE ICE CAKES</p> <p>LOTTE CHILSUNG BEVERAGE CO., LTD. ADDRESS: 50-2, JANWON-DONG, SEOCHO-GU, SEOUL 137-906 KOREA TEL:+82-2-3479-9114 FAX:+82-2-535-8619 INDUSTRY: MANUFACTURE OF OTHER NON-ALCOHOLIC BEVERAGES</p> <p>LOTTE CONFECTIONERY CO., LTD. ADDRESS: 23, YANGPYEONG-DONG 4-GA, YEONGDEUNGPO-GU, SEOUL 150-866 KOREA TEL:+82-2-2670-6114 FAX:+82-2-6672-6600 INDUSTRY: MANUFACTURE OF COCOA, CHOCOLATE AND SUGAR CONFECTIONERY</p> |
| Competitors | <p>CJ CHEILJEDANG CORP 500, NAMDAEMOON-RO 5-GA JUNG-GU SEOUL, 100-802 SOUTH KOREA TEL:+82-2-7268114 FAX:+82-2-7268112</p> <p>SAMYANG CORPORATION 263, YUNJI-DONG JONGRO-GU SEOUL, 110-725 SOUTH KOREA TEL:+82-2-7407114 FAX:+82-2-7444005</p> <p>TS CORPORATION 6-14 BOOKSEONG-DONG 1-GA JUNG-GU INCHEON, 400-201 SOUTH KOREA TEL:+82-32-7701400 FAX:+82-32-7701601</p> |

Related Parties (Subsidiaries, Joint-Venture & Affiliates)

| | |
|---------------------|--|
| Affiliates-Domestic | <p>DAESANG HOLDINGS CO., LTD.(110111-3280099) DAESANG INFORMATION TECH CO., LTD.(110111-0789432) SANGAM COMMUNICATIONS. INC.(110111-0924179) DONGSEO CONSTRUCTION CO., LTD.(134411-0015750) UTC INVESTMENT CO., LTD.(110111-0570922) UTC & COMPANY CO., LTD.(110111-3928219) MYBI CO., LTD.(180111-0335570) BUSAN HANARO CARD CO., LTD.(180111-0433275) NADRI COMETI CO., LTD.(110111-0243199)</p> |
|---------------------|--|

| | |
|--|--|
| | KARDNET INC.(110111-1837313) EZ FINANCIAL PLANNING CO., LTD.(110111-3599367) THE HANKYOREH PLUS INC.(110111-1833725) CHOROK MAEUL CO., LTD.(110111-3401025) HANKYOREH TOUR CO., LTD.(110111-3144691) ZEULGEOWOON SCHOOL CO., LTD.(110111-2053679) |
| | MINISTOP KOREA CO., LTD.(110111-1376139) (20.0% held by the subject company) |
| Affiliates-Overseas | SUNCHANG JAMGRYU CO., LTD.(214511-0002972) (29.90% held by the subject company) PT.MIWON INDONESIA PT.JICO AGUNG PT. ABN MIWON VIETNAM MIWON SHWE THA ZIN DAESANG JAPAN CHLORELLA SUPPLY DAESANG HONGKONG DAESANG AMERICA DAESANG EUROPE SEWON EUROPE SANGAM & ASSOCIATES MAMIWON(M) SDN BHD PT.KIRIN-MIWON FOODS TIANJIN DEOKPOONG FOOD CO., LTD. KEUMSUNG(BEIJING) FOOD CO., LTD. PT. MIWON AGRO KENCANA SAKTI |
| Overseas Office | PT JICO AGUNG(INDONESIA) (48.75% held by the subject company) SHANGHAI OFFICE - ESTABLISHED IN 1996 - MAJOR BUSINESS: FOOD TRADE RM. 1702, CIMIC TOWER, 1090 CENTURY AVENUE, PUDONG SHANGHAI 200120, CHINA TEL: +86-21-5853-9069 FAX:+86-21-5853-9050 |
| | SHENYANG OFFICE - ESTABLISHED IN 1996 - MAJOR BUSINESS: FOOD TRADE RM. 1304 YUANDONG B/D, NO. 21, NANJING NORTH STREET, HEFING DISTRICT SHENYANG, LIAONING PROVINCE 110003, CHINA TEL:+86-24-2251-7598 FAX: +86-24-2252-9039 |
| Liaison Office Overseas Branch Joint Venture | DAESANG RICOR CO., LTD.(PHILIPPINES) (50.0% held by the subject company) |

| | |
|------------|--|
| Subsidiary | DMC CO., LTD.(KOREA) (50.0% held by the subject company) BOKUMJARI CO., LTD.(135011-0061461) (100.0% held by the subject company) |
| | DAESANG BESTCO CORPORATION(110111-4287755) (70.0% held by the subject company) |
| | SINAN SOLAR SALT CO., LTD.(201111-0031156) (90.0% held by the subject company) |
| | JEONG POONG CO., LTD.(161511-0004279) (100.0% held by the subject company) |
| | PT MIWON INDONESIA (83.91% held by the subject company) |
| | PT ANEKA BOGA NUSANTARA(INDONESIA) (50.0% held by the subject company) |
| | MIWON VIETNAM CO., LTD.(VIETNAM) (93.11% held by the subject company) |
| | DAESANG (H.K.) LTD.(CHINA) (100.0% held by the subject company) |
| | TIANJIN DUCKPUNG FOOD CO., LTD.(CHINA) (100.0% held by the subject company) |
| | DAESANG(BEIJING) FOOD CO., LTD.(CHINA) (100.0% held by the subject company) |
| | DAESANG JAPAN INC.(JAPAN) (100.0% held by the subject company) |
| | DAESANG AMERICA INC.(USA) (95.0% held by the subject company) |
| | DAESANG EUROPE B.V.(NETHERLANDS) (100.0% held by the subject company) |
| | DU FOOD CO., LTD.(175911-0013127) (92.50% held by the subject company) |
| | DUC VIET FOOD JOINT STOCK COMPANY (100.00% held by the subject company) TAN LAP COMMUNE, YEN MY DISTRICT,' HUNG YEN PROVINCE, VIETNAM |

Corporate Ownership DAESANG HOLDINGS CO., LTD.(110111-3280099)
Major Shareholders DAESANG HOLDINGS CO., LTD.
62-2, YONGDAP-DONG, SEONGDONG-GU, SEOUL 133-848 KOREA
TEL:+82-2-2211-6542 FAX:+82-2-2214-6511
INDUSTRY: HOLDING COMPANIES

Cooperative Enterprise

Sales by Region (Activity & Markets)

| Sales/ Unit :Mil KRW | 06/2018 | 2017 | 2016 |
|----------------------|-----------|-----------|-----------|
| Export | 236,054 | 425,056 | 364,024 |
| Domestic | 868,358 | 1,765,073 | 1,488,691 |
| Total | 1,104,412 | 2,190,129 | 1,852,715 |

Court Action

There are 3 cases filed as Plaintiff(s)/ Creditor(s)/ Applicant(s) amounting 548,000,000 KRW and 3 cases filed as Defendant(s)/ Debtor(s)/ Respondent(s) amounting 2,696,000,000 KRW as of 06/30/2018.

News Clipping

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FOREIGN EXCHANGE RATES

| Currency | Unit | Indian Rupee |
|-----------|------|--------------|
| US Dollar | 1 | INR 72.32 |
| UK Pound | 1 | INR 94.42 |
| Euro | 1 | INR 84.08 |
| KRW | 1 | INR 0.064 |

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

INFORMATION DETAILS

| | |
|----------------------|-----|
| Analysis Done by : | DIV |
| 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)