

# Qualification Statement

**Human Scent, Scent of Ginseng**

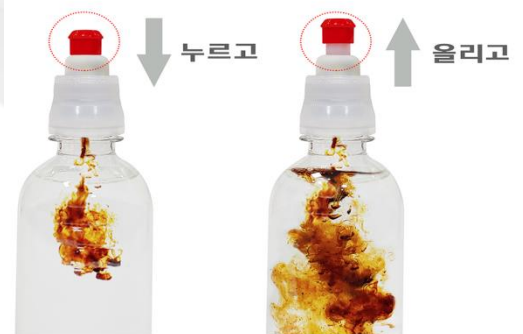
<https://smartstore.naver.com/hongsamcap/products/5121475771>

<http://blog.daum.net/okskpsm/5>

(주)인향홍삼

IN-HYANG

사람의 향기. 인삼의 향기를 품다.



**INHYANG**

[39870] #21-12 , Maewon3-gil , Waegwan-eup, Chilgok-gun, Gyeongsangbuk-do ,  
Republic of Korea

Tel: +82(0)54. 973.3277 Fax: +82(0)54. 974. 3277 / E-mail : okskcoh@hanmail.net

## QUALIFICATION STATEMENT

Dear Sir,

This document is prepared by INHYANG to get assigned as a supplier of the Red Ginseng Concentrate Products Seller Company and the other Facility in invest project.

We look forward contribute in your Investment project ( production and sale) as the partner for Red ginseng Concentrate Product "CAP" and "Blister"

2020. 11 . 09 .



**Lee Sang Gon / President**  
the best Red ginseng manufacturer



**The Company InHyang**



**Made in Korea**

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## Overview Company History

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[Total Amount of Investment Cost : USD30,000,000 ]

[Roi :3% / annually] / [ ten (10) years ]

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## Overview Introduction

### Company Name/Address

- **INHYANG Corporation**
- **Headquarter:** [39870] 21-12, Maewon 3-gil , Waegwan-eup ,Chilgok-gun , Gyeongsangbuk-do, Republic of Korea
- **Laboratory:** 2F , 1938-2 , Sobaek-ro, Yeongju-si, Gyeongsangbuk-do

### President

- Lee, Sang Gon

### Contact/Fax

- Headquarter : +82 54 973 3277 / Fax : +82 54 974 3277
- Labortory : +82 54 972 7277
- Homepage : [www.inhyanghongsam.com](http://www.inhyanghongsam.com)  
[Be preparing for the opening]
- Blog : <http://blog.daum.net/okskpsm>
- Smart Store  
<https://smartstore.naver.com/hongsamcap/products/5121475771>
- E-mail : okskcoh@hanmail.net

### Product Lists

- Red ginseng CAP
- Red ginseng Blister “CHEERS”
- A tube without residual quantity Container
- Red ginseng Concentrate type of cigarette
- A tube without residual quantity Bottle



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## Overview Company History

2010 - 2016

- Ginseng / Red ginseng , Operating Shop in Yeong Ju-si

2016 - 2018

- Ginseng / Red ginseng / product research and development
- Red ginseng CAP
- Red ginseng Blister “CHEERS”
- A tube without residual quantity Container
- Red ginseng Concentrate type of cigarette
- A tube without residual quantity Bottle
- Patent Filing date (2018. March 30)

2019

- Patent Registration date (2019. February 11)
- Development of Red Ginseng–natural aging Concentrate
- CAP Design / Product Design
- Company establishment
- Product production (OEM)
- Export consultation(Russia , Vietnam)
- Direct store opening (Yeongju city)

2020

- Head office transfer (yeongju city => Chilgok-gun)
- NH(NongHyub) Hanro–Mart Store Open



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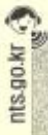
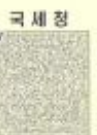


# 1. Company's documents

## A. Certificate of Business Registration[English]

발급번호 Issuance number	사업자등록증명 Certificate of Business Registration (법인사업자) (Corporate Taxpayer)		처리기간 Processing time
2398-187-5914-940			즉시 Immediately
상호(법인명) Name of company	주식회사 인향 INHYANG CORPORATION		
사업자등록번호 Business registration number	337-88-01699		
성명(대표자) Name of representative	이상곤 외 1명 Sang Gon Lee and 1 other		
주민(법인)등록번호 Resident(Corporation) registration number	175611-0021613		
사업장소재지 Business Address	경상북도 칠곡군 왜관읍 매원3길 21-12 21-12, Maewon 3-gil, Waegwan-eup, Chilgok-gun, Gyeongsangbuk-do, Republic of Korea		
개업일 Date of business commencement	2019년(Year) 07월(Month) 17일(Day)		
사업자등록일 Date of business registration	2019년(Year) 07월(Month) 17일(Day)		
업태 Business type	도매 및 소매업/제조업 Wholesale and retail trade/Manufacturing		
종목 Business item	전자상거래(홍삼제품) Electronic commerce via internet(RED GINSENG PRODUCT) 인삼식품 제조업 Manufacture of ginseng products		
공동사업자 Joint business owner	성명(법인명) Name(Name of company)	주민(사업자)등록번호 Resident(Business) registration No.	
	해당사항 없습니다 (No Data)		
<p>위와 같이 증명합니다. I certify that above information is true and correct to the best of my knowledge and belief.</p> <p>※ 위 내용은 발급일 현재 상황으로서 추후 변경될 수 있습니다. This information is true as of the issuance date of this certification and but maybe subject to change in the future.</p>			
접수번호 Receipt No.	502082289704	2020년 11월 3일 Year Month Day	
담당부서 Department	민원봉사실 Taxpayer Service Center	구미세무서장 (인) Head of Gumi District Tax Office (Stamp)	
담당자 Staff in Charge	김은연 Kim Eun Yeon		
연락처 Telephone No.	+082-54-468-4222		

## B. Certified copy of Corporate Registration

### 사 업 자 등 록 증

( 법인사업자 )

등록번호 : 337-88-01699

법 인 명 ( 단 체 명 ) : 주식회사 인향

대 표 자 : 이상근, 박선미

( 각 자 대 표 )

개 업 연 월 일 : 2019 년 07 월 17 일      법인등록번호 : 175611-0021613

사 업 장 소 재 지 : 경상북도 칠곡군 왜관읍 매원3길 21-12

본 점 소 재 지 : 경상북도 칠곡군 왜관읍 매원3길 21-12

사 업 의 종 류 : ☒ **업태** 도매 및 소매업      ☒ **종목** 전자상거래(홍삼제품)


제조업      인삼식품 제조업  
 제조업      화장품 제조업  
 도매 및 소매업      건강기능식품  
 도매 및 소매업      홍삼제품, 소분판매  
 서비스업      홍삼제품, 화장품 연구개발





발 급 사 유 : 정정

사업자 단위 과세 적용사업자 여부 : 여( ) 부( ☒ )

전자세금계산서 전용 전자우편주소 :

2020 년 07 월 06 일

구 미 세 무 서 장 



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## B - 1) List of Shareholders

\* Articles of Association [Enclosure]

Name of Shareholder	Korean Identification Number or Company Registration Number	Type of Shares	Number of Stocks	%
①Korea Red Ginseng Promotion Corporation	308-82-72480 (Certificate of Proper Number)	Common	100,000	33.34%
②Promotion Foundation of Bak-Gok-Jong-Hoe Branch of Gwangju Lee Family Clan	220-82-64166 (Certificate of Proper Number)	Common	100,000	33.34%
③Lee, Jong-min	990518-1042315	Common	50,000	16.67%
④Lee, Jong-chang	950805-1797824	Common	50,000	16.67%
Total			300,000	100%

Par Value of A Share: ₩500 Korean Won (KRW)

Number of stocks: 300,000

Capital: ₩150,000,000 KRW (\$132,744 USD)

We hereby certify that the above shareholders' list is exactly the same as the shareholders' list provided in the head office of the Company.

[relation manual]

①Park seon mi (personal operation business registration certificate / Mr Lee Sang gon Wife.

②Lee Sang gon (personal operation business registration certificate

③Lee, Jong-min / Lee Sang gon(second son)

④Lee, jong-chan / Lee Sang gon(first son)

The Company InHyang

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INHYANG CORPORATION





## B - 2) Certification of Board Registration


Register No.	006998	<b>Certificate of Board Registration</b> (Current Matters) (For submission)	
Registration No.	175611-0021613		
Firm Name	INHYANG CORPORATION		
Main Office	21-12, Maewon 3-gil, Waegwan-eup, Chilgok-gun, Gyeongsangbuk-do, Republic of Korea		
Manner of Public Notice	Announced in "Daily Yeongnam Ilbo" issued in Daegu.		
Par Value Per Stock	500 won		
Total Number of Stocks to be issued		1,200,000 stocks	
Total Number of Stocks Issued & Its Type and Quantity		Total Paid-in Capital	Date of Amendment Date of Registration
Total Number of Stocks issued	300,000 stocks	150,000,000 ₩	
Common Stock	300,000 stocks		
<b>Business Objectives</b>			
1. Red ginseng product mail order business 1. Research and development of red ginseng products 1. Wholesale/retail of ginseng products 1. Wholesale/retail of red ginseng products 1. Import/export business for ginseng and red ginseng 1. Research, manufacturing, and development of cosmetics 1. Wholesale/retail of cosmetics 1. Export/import business of cosmetics 1. Research, manufacturing, and sales of health food and health functional food 1. Operating business for rest restaurants (convenience stores, etc.) 1. Management consulting work 1. Real estate consulting and development 1. Real estate rental business 1. All subsidiary projects related to each of the above items			
<b>Matters on Executives</b>			
Auditor PARK JUN SEO 731023-***** Appointed on 2019.08.29 Registered on 2019.09.02			
Inside Director Lee Sang Gon 700221-***** 21-12, Maewon 3-gil, Waegwan-eup, Chilgok-gun, Gyeongsangbuk-do, Republic of Korea Appointed on 2020.02.14 Registered on 2020.02.14 Inside Director Lee Sang Gon 700221-***** Address Deleted on 2020.06.23 Registered on 2020.06.26			
Inside Director Parkseon mi 711205-***** Appointed on 2020.06.23 Registered on 2020.06.26			
Representative Director Lee Sang Gon 700221-***** 21-12, Maewon 3-gil, Waegwan-eup, Chilgok-gun, Gyeongsangbuk-do, Republic of Korea Appointed on 2020.06.23 Registered on 2020.06.26			
Representative Director Parkseon mi 711205-***** 21-12, Maewon 3-gil, Waegwan-eup, Chilgok-gun, Gyeongsangbuk-do, Republic of Korea Appointed on 2020.06.23 Registered on 2020.06.26			

## B - 2) Certification of Board Registration

<b>Date of Company Establishment</b> 2019.06.10
<b>Date of Register &amp; Its Reason</b> Head office transferred from #227(Changnak-ri), 1365, Jungnyeong-ro, Punggi-eup, Yeongju-si, Gyeongsangbuk-do, Republic of Korea on Jun. 23, 2020
Registered on 2020.06.30

----- Empty hereinafter -----

Competent registry: Daegu District Court, Chilgok Registry Office/  
Issuing Registry: Registered Information Central Management Office, National Court Administration  
The fee of KRW 1,000 is received



This is to certify that the above contents are true and correct in accordance with the recorded contents of registration records [however, matters on not requested branch or officer in charge and currently invalid contents are omitted].  
A.D. Nov. 08, 2020

Registered Information Central Management Office, National Court Administration

*Operating system officer*  
Official seal pressed hereon

- \* The matters crossed by a single line are cancelled matters.
- \* The certificate can be printed in color or in black.

[Issuing on internet] The authenticity of this document can be verified by scanning the barcode below or by typing the issuing confirmation number on the "Issuing confirmation menu" at the Internet Registry Office Website (<http://www.iros.go.kr>). The verification with the issuing confirmation number is available only 5 times from the issuing date for 3 months.

Issue no. 11304040428000800111100120082919067070712172652731 | Issue confirmation no. 9989-AAUR-VHST | Issue date : Nov. 08, 2020



## C. Certificate of Doing Business Declaration (3 certificates)

- 1) Certificate of Health Functional Food Sales Business
- 2) Certificate of Distribution Sales Business
- 3) Certificate of Mail Order Business

제 2019-0558292 호

**건강기능식품 영업신고증**

업 소 명 : 주식회사인향  
소 재 지 : 경상북도 칠곡군 왜관읍 매원3길 21-12, 단독주택동

대 표 자 : 박선미 생 년 월 일 : 1971년 12월 05일  
법 인 명 : 주식회사인향 법 인 번 호 : 175611-0021613  
영업의종류 : 건강기능식품판매업 (세부종류 : 건강기능식품일반판매업)

조 건 : 법 제10조 및 동법시행규칙 제12조에 규정된 준수사항을 이행하고 기타 신고권자의 지시사항을 이행해야함.

건강기능식품에관한법을 제6조와 같은 법 시행규칙 제5조에 따라 영업의 신고를 수리합니다.

2020년 07월 03일

본 영업신고증(허가증)은 사업장등록증과는 별개이며 영업을 하지 않을 시 반드시 관청에도 지하송제 또는 폐업신고를 해야 합니다.

칠 곡 군

No. 2019-0558292

**Business report for Health functional food**

Company Name: INHYANG CORPORATION  
Address: Detached House Building, 21-12, Maewon 3-gil, Wangwan-eup, Chilgok-gun, Gyeongbuk-do, Republic of Korea

Representative Director Name: Parkseon mi Date of Birth: Dec. 05, 1971  
Corporation Name: INHYANG CORPORATION Corporation No.: 175611-0021613  
Type of Business: Health functional food sales business (Detailed Type: General sales of health functional food)

Condition: Understanding the compliance matters stipulated in Article 10 of the Act and Article 12 of the Enforcement Rules of the same Act and understanding other reporter's instructions.

Business report shall be accepted in accordance with Article 6 of the Health Functional Foods Act and Article 5 of the Enforcement Rule of the same Act.

Jul. 03, 2020

This business report (permit) is separate from the business registrant. If you do not operate, you must report the succession of status or report closure of business to the government office.

Mayor of Chilgok-gun /seal/

제 2019-0558293 호

**영업신고증**

법 인 명 : 주식회사인향 법 인 번 호 : 175611-0021613  
대 표 자 : 박선미 생 년 월 일 : 1971년 12월 05일  
영업소명칭 : 주식회사인향  
소 재 지 : 경상북도 칠곡군 왜관읍 군정2길 1

영업장면적 : 36.00㎡  
영업의종류 : 식품소분·판매업 (영업의형태 : 유통전문판매업)

조 건 : 법 제44조 및 동법시행규칙 제57조에 규정된 준수사항을 이행하고 기타 신고권자의 지시사항을 이행해야함.

식품위생법 제37조제4항, 같은 법 시행령 제25조 및 같은 법 시행규칙 제42조제8항에 따라 영업의 신고를 수리합니다.

2020년 07월 21일

본 영업신고증(허가증)은 사업장등록증과는 별개이며 영업을 하지 않을 시 반드시 관청에도 지하송제 또는 폐업신고를 해야 합니다.

칠 곡 군

No. 2019-0558293

**Business report**

Corporation Name: INHYANG CORPORATION Corporation No.: 175611-0021613  
Representative Director Name: Parkseon mi Date of Birth: Dec. 05, 1971  
Name of Business Place: INHYANG CORPORATION  
Address: 1, Gunchong 2-gil, Wangwan-eup, Chilgok-gun, Gyeongbuk-do, Republic of Korea

Area of Business Place: 36.00 m<sup>2</sup>  
Kind of Business: Food subdivision and sales business (Type of Business: Distributors specialized sales business)

Condition: Understanding the compliance matters stipulated in Article 44 of the Act and Article 57 of the Enforcement Rules of the same Act and understanding other reporter's instructions.

Business report shall be accepted in accordance with Article 37-4 of the Food Sanitation Act, Article 25 of the Enforcement Decree of the same Act and Article 42-8 of the Enforcement Rules of the same Act.

Jul. 21, 2020

This business report (permit) is separate from the business registrant. If you do not operate, you must report the succession of status or report closure of business to the government office.

Mayor of Chilgok-gun /seal/

제 2020-경북칠곡-0230 호

**통신판매업신고증**

상 호 : 주식회사인향  
소 재 지 : 경상북도 칠곡군 왜관읍 매원3길 21-12  
대표자(성명) : 박선미, 이상곤  
생년월일(남·여) : 1971년 12월 05일 (여), 1970년 02월 21일 (남)

「전자상거래 등에서의 소비자보호에 관한 법률」 제12조제1항, 같은 법 시행령 제13조제3항 및 같은 법 시행규칙 제8조제3항에 따라 통신판매업을 신고하였음을 증명합니다.

2019년 09월 06일

칠 곡 군

No. 2020-GyeongbukChilgok-0230

**Business report for Online Marketing Business**

Company Name: INHYANG CORPORATION  
Address: 21-12, Maewon 3-gil, Wangwan-eup, Chilgok-gun, Gyeongbuk-do, Republic of Korea  
Representative Director (Name): Parkseon mi, Lee Sang Gon  
Date of Birth (Gender): Dec. 05, 1971 (Female), Feb. 21, 1970 (Male)

Business report shall be accepted in accordance with Article 12-1 of Act On The Electronic Commerce, Etc., Article 13-3 of Enforcement Decree of the same Act and Article 8-3 of the Enforcement Rules of the same Act.

Sep. 06, 2019

Mayor of Chilgok-gun /seal/





**Made in Korea**

- Made in Korea**

Issuance No.: 5-5-2020-050645879

# Patent Registry

1948733

Patent No.			
[Right Section]		Registration Matters	
Marked No. 1	Application Date	Mar. 30, 2018	Number of Application 2018-00137218
	Notification Date	Feb. 15, 2019	Number of Notification
	Date of Allowance (Decision) for Registration	Feb. 07, 2019	Number of Claim 8
	Classification Mark	B65D 85/72, B65D 47/06, B65D 51/00	
	Title of Invention	Cigarette-type Red Ginseng Product and Packing Container for Cigarette-type Red Ginseng Product	
	Expiration date of Term (Expected)	Mar. 30, 2038	
	Registered on Feb. 11, 2019		

[Patent Fee Section]			
For 1st-3th year (Feb. 11, 2019 - Feb. 11, 2022)		Amount: 82,110 won (Reduction for Individual, the person who aged at not less than 19 - not more than 70 on a full-year-end basis)	Paid-on Feb. 11, 2019

[Patentee Section]			
(Patent Right Holder)			
No.	Parkseon mi (711205-*****)		
	21-12, Maewon 3-gil, Wangju-exp, Chulgi-gyn, Gyeongseongbuk-do, Republic of Korea		
	Lee Jong-Chan (959805-*****)		
	21-12, Maewon 3-gil, Wangju-exp, Chulgi-gyn, Gyeongseongbuk-do, Republic of Korea		
	Registered on Feb. 11, 2019		
1st	(Registered Right Holder)		
	Parkseon mi (711205-*****)		
	21-12, Maewon 3-gil, Wangju-exp, Chulgi-gyn, Gyeongseongbuk-do, Republic of Korea		
	Lee Jong-Chan (959805-*****)		
	21-12, Maewon 3-gil, Wangju-exp, Chulgi-gyn, Gyeongseongbuk-do, Republic of Korea		
1st Additional description	Registered on Feb. 11, 2019		
	(Ingrained Management of Indication about Registered Right Holder)		
	Date of Filing: Apr. 08, 2020 Filing No.: 2020-5080970		
	Holder of Right to Change: Parkseon mi (711205-*****)		
	21-12, Maewon 3-gil, Wangju-exp, Chulgi-gyn, Gyeongseongbuk-do, Republic of Korea		
Additional description	Changed Matter		
	Before Change: (Jichuk-dong) Room No. 401, Care Moon Park, 37, Heungguk-gil, Gyeonggi-do, Gyeonggi-do, Republic of Korea		
	After Change: 21-12, Maewon 3-gil, Wangju-exp, Chulgi-gyn, Gyeongseongbuk-do, Republic of Korea		
Registered on Apr. 08, 2020			

[Non-Exclusive Licensee Section]					
No.		Registration Matters			
1st	(Non-Exclusive License Registration)				
	Date of Filing: Oct. 11, 2019 Filing No.: 2019-0696062				
	Obligor of Registration: Parkseon mi (711205-*****)				
	(Jichuk-dong) Room No. 401, Care Moon Park, 37, Heungguk-gil, Gyeonggi-do, Gyeonggi-do, Republic of Korea				
	Non-Exclusive Licensee: DHTYANG CORPORATION (175611-*****)				
Issuance Date: Nov. 08, 2020					

Scope of Use	Yeonju-si, Gyeongseongbuk-do, Republic of Korea		
	Reason of Registration: acceptance		
	Scope of Non-Exclusive License		
	Period: Jul. 22, 2019 - Mar. 30, 2038		
	Territory: in Republic of Korea		
	Scope of Use: Use, Production		
	Amount for Use: 100 Millions won and Use Fee 3% of sales		
	Payment Term for Use: down payment of provisional contract - 50 Millions won (Jul. 22, 2019), balance of official contract - 50 Millions won (if concluding a contract, balance)		
	Payment Method: remittance to the bank account designated by the registered right holder		
	Registered on Oct. 11, 2019		

I certify that this registry is the same with the original registry.  
(No. 99529773)

Nov. 08, 2020

Commissioner of the Korean Intellectual Property Office (trial)



## D. Certificates of 3-Patent Rights and Laboratory[English]

- 1) Certificate of Patent Registration (Cigarette type of Red Ginseng)
- 2) Certificate of Patent Registration (No-leftover Tube Container #1)
- 3) Certificate of Patent Registration (No-leftover Tube Container #2)
- 4) Certificate of Laboratory

발급번호 : 5-5-2020-056045914

### 특허등록원부

특허번호 제 1948733 호

**【권리관】**

구분	구분	구분	구분
1. 발명명	2018년 02월 30일	출원번호	2018-0037288
2. 발명명	2018년 02월 30일	출원번호	-
3. 발명명	2018년 02월 30일	출원번호	-
4. 발명명	2018년 02월 30일	출원번호	-
5. 발명명	2018년 02월 30일	출원번호	-
6. 발명명	2018년 02월 30일	출원번호	-
7. 발명명	2018년 02월 30일	출원번호	-
8. 발명명	2018년 02월 30일	출원번호	-
9. 발명명	2018년 02월 30일	출원번호	-
10. 발명명	2018년 02월 30일	출원번호	-

**【특허료관】**

제 01 - 03 - 년분 (2019. 02. 11 ~ 2022. 02. 11) 공액 82,110 원(상대 10세 미만인 2019년 02월 11일 날임)

**【특허권자관】**

(초등권자관)

박성미 (711205-\*\*\*\*\*)  
경상북도 울진군 영랑읍 대원3길 21-12  
이종환 (990005-\*\*\*\*\*)  
경상북도 울진군 영랑읍 대원3길 21-12

**【특허권자관】**

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경상북도 울진군 영랑읍 대원3길 21-12

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(초등권자관)

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경상북도 울진군 영랑읍 대원3길 21-12

**【특허권자관】**

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이종환 (990005-\*\*\*\*\*)  
경상북도 울진군 영랑읍 대원3길 21-12

이 동 본(초본)은 특허등록부와 동일하여 효력을 증명합니다.  
[제 00029773 호]

2020년 11월 06일

**특 허 청**

Issuance No. 5-5-2020-056045914

### Patent Registry

Patent No. 1467736

**【Right Section】**

No.	Application Date	Notification Date	Registration Date	Number of Application	Number of Notification	Number of Claim
1	Jul. 15, 2014	Dec. 01, 2014	Nov. 17, 2014	2014-0088790	-	1

**【Patent Fee Section】**

No.	For 1st-5th year	Amount: 25,200 won	Paid on Nov. 25, 2014
1	(Nov. 25, 2014 - Nov. 25, 2017)	Amount: 43,400 won <td>Paid on Nov. 24, 2017</td>	Paid on Nov. 24, 2017
2	(Nov. 26, 2017 - Nov. 25, 2018)	Amount: 31,000 won <td>Paid on Nov. 26, 2018</td>	Paid on Nov. 26, 2018
3	(Nov. 26, 2018 - Nov. 25, 2019)	Amount: 31,000 won <td>Paid on Nov. 06, 2019</td>	Paid on Nov. 06, 2019
4	(Nov. 26, 2019 - Nov. 25, 2020)	Amount: 31,000 won <td>Paid on Nov. 06, 2019</td>	Paid on Nov. 06, 2019

**【Patent Section】**

(Final Right Holder)

Lee Young-Ju (531005-\*\*\*\*\*)  
(Hogye-dong) 112-904, Lucky Apt., 46, Gyeongju-daero 623beon-gil, Dongan-gu, Anyang-si, Gyeonggi-do, Republic of Korea

**【Exclusive Licensee Section】**

(Exclusive Licensee)

Date of Filing: Oct. 31, 2019  
Filing No.: 2019-0746190  
Oblige of Registration: Lee Young-Ju (531005-\*\*\*\*\*)  
(Hogye-dong) 112-904, Lucky Apt., 46, Gyeongju-daero 623beon-gil, Dongan-gu, Anyang-si, Gyeonggi-do, Republic of Korea  
Exclusive Licensee: INHYANG CORPORATION (175611-\*\*\*\*\*)  
Room No. 227, 2F, Panggi Jangjeon Convention Land, 1365, Jungseong-ro, Panggi-eup, Yeongju-si, Gyeongbuk-do, Republic of Korea  
Reason of Registration: contract for the establishment  
Scope of Exclusive License  
Period: Oct. 28, 2019 - Jul. 14, 2024  
Territory: in Republic of Korea  
Scope of Use: Production and Transfer  
Amount for Use: patent registration fee and 1% of product sales until expiration of contract  
Payment Time for Use: twice per year / 1st (closing on Jun. 31 every year, payment on the 15th day of the month following the closing; 2nd (closing on Dec. 31 every year, payment on the 15th day of the month following the closing)

Issuance Date: Nov. 08, 2020

Payment Method: remittance to the bank account designated by the right holder

Registered on Oct. 31, 2019

I certify that this registry is the same with the original registry.  
(No. 000297738)

Nov. 08, 2020

Commissioner of the Korean Intellectual Property Office (seal)

제 2019156463 호

### 연구개발전담부서 인정서

1. 전담부서명: 제품연구실  
[소속기업명: (주)인향]

2. 소 재 지: 경상북도 영주시 풍기읍 소백로 1938-2 2층

3. 신고 연월일: 2019년 10월 30일

**과학기술정보통신부**

「기초연구진흥 및 기술개발지원에 관한 법률」 제14조의 2제1항 및 같은 법 시행령 제27조제1항에 따라 위와 같이 기업의 연구개발전담부서로 인정합니다.

2019년 11월 5일

**한국산업기술진흥협회**

[Document No.: NSTV-qCRL-ghk-gj]

[Date of Issuance: Nov. 05, 2019]

No. 2019156463

### Certificate of R&D department

1. Department Name: Product Lab

[Company Name: INHYANG CORPORATION]

2. Address: 2F, 1938-2, Sobak-ro, Panggi-eup, Yeongju-si, Gyeongbuk-do, Republic of Korea

3. Date of Report: Oct. 30, 2019

In accordance with Article 14-2(1) of the Basic Research Promotion and Technology Development Support Act and Article 27(1) of the Enforcement Decree of the same Act, it is recognized as a R&D department of a company as above.

Nov. 15, 2019

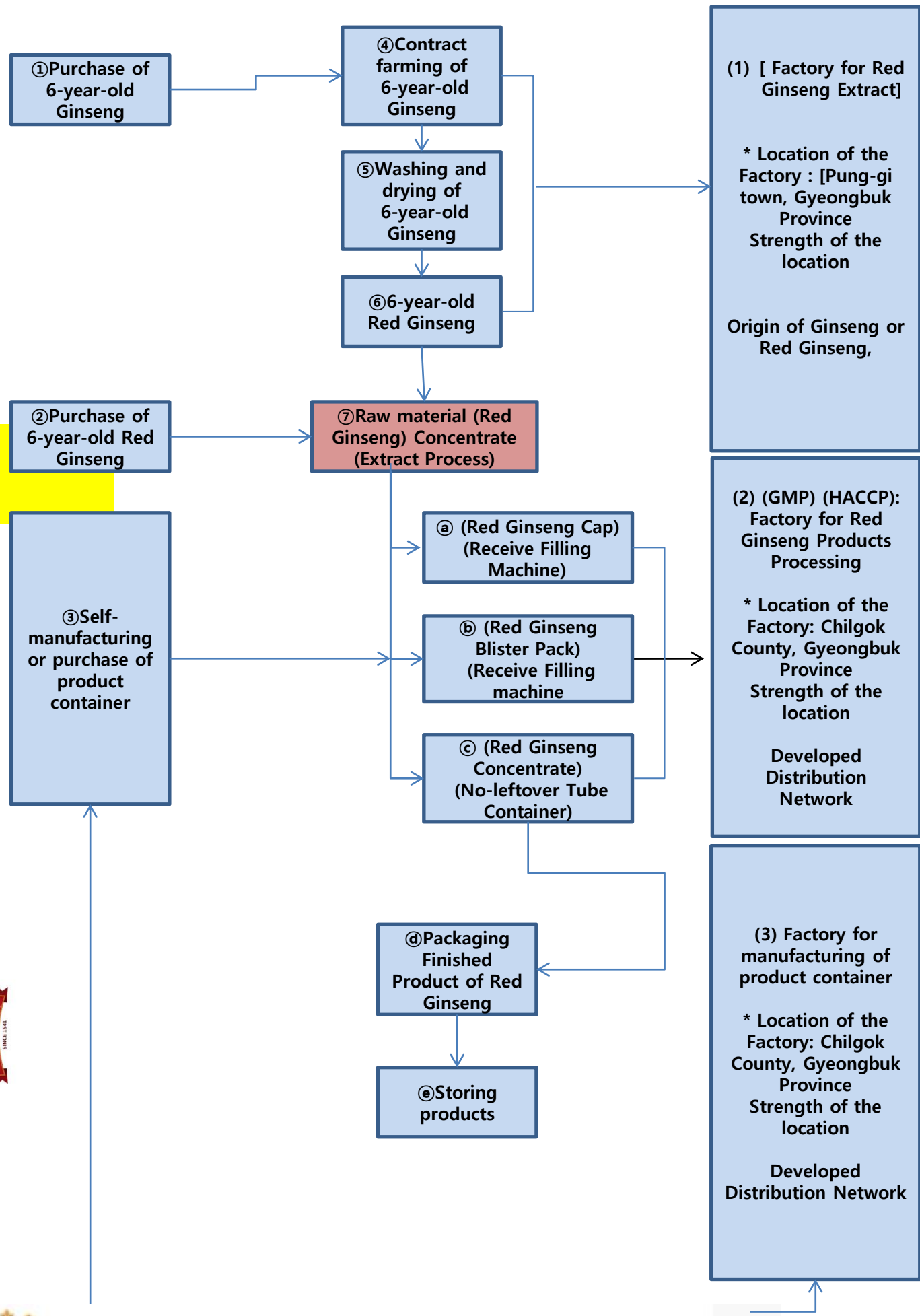
President of Korea Industrial Technology Association (seal)

It was issued from Korea Industrial Technology Association and if you enter the document number at "https://www.mdt.or.kr", you can verify the original and validate.



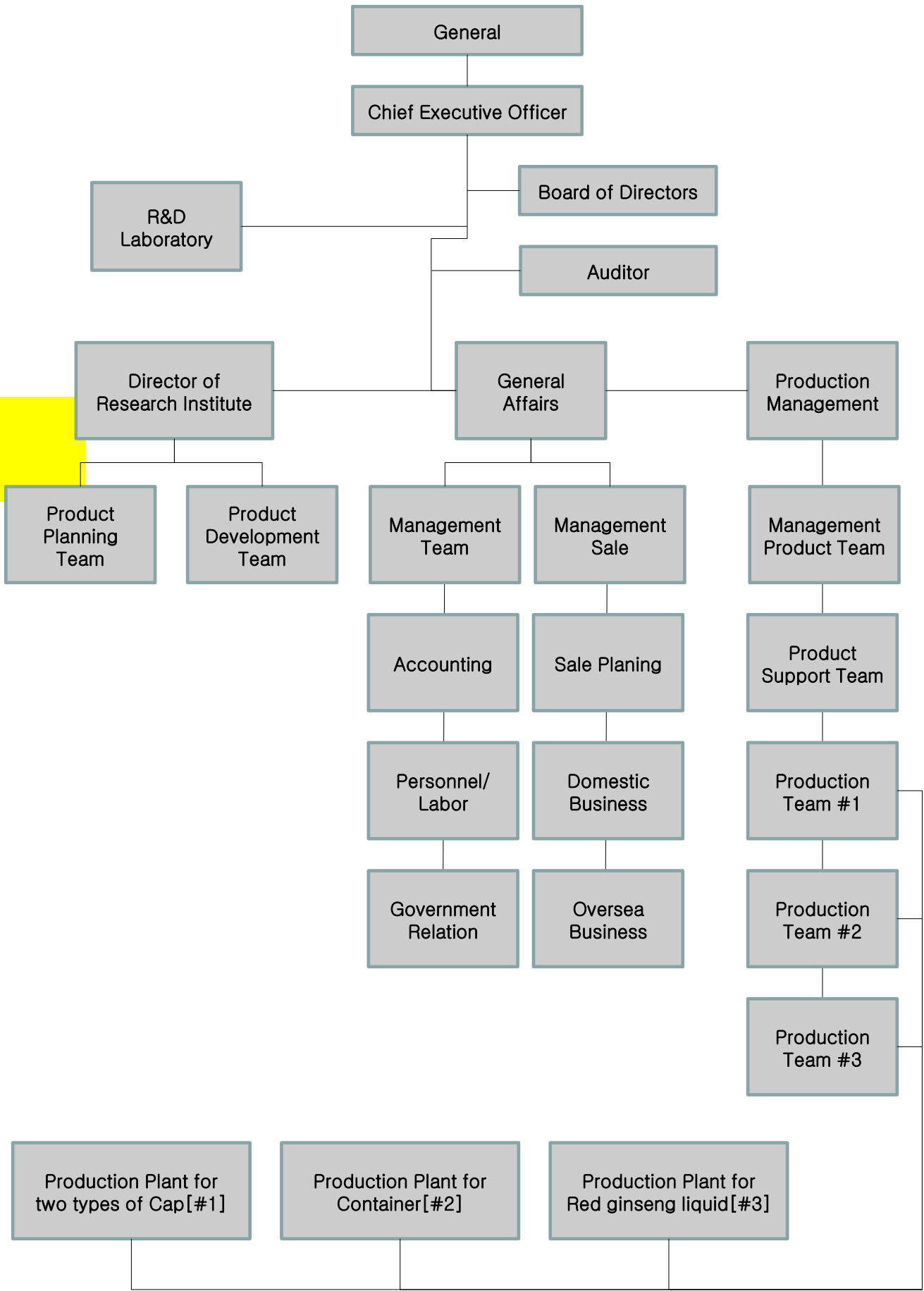


# E. Manufacturing Process Flow Chart





# F. Business Organization Chart





# G . Sum of required Funds

The total amount of required funds for the whole investment

Category	Breakdown	Amount (USD)	Note
(1)Land Purchase	I .Concentrate Factory II.Filling Factory III.Container Development Factory	2,637,562	I .(1,652.9m2) II.(3,3058m2) III.(3,3058m2)
(2)Construction Expenses	I .Concentrate Factory II.Filling Factory III.Container Development Factory IV.Authorization/Permit Expenses	4,567,032	4,425 \$ \$1,338.5/m2 (Certified GMP Facility)
(3)Machinery and Equipment Expenses	I .Concentrate Factory II.Filling Factory III.Container Development Factory	5,522,718	Certified GMP + HACCP Facilities
(4)Working Capital		7,296,460	See details
(5)R&D Expenses	New Product Development, Patent Acquisition	R&D Expenses are included to Working Capital	See details
(6)Raw Material	Red ginseng Purchase Cost	10,000,000	-Ginseng Purchase Cost -Dried Ginseng Purchase Cost
Total		USD 30,023,772	





## 2. FUND Investment Contents (Summary)

### A. Monthly Schedule from Facility Construction to Star of Product Manufacturing

=> 12months from Land Purchase to Product Manufacturing

=> Land purchase time is important (A lot of problems could take place in winter months)

Category	D+ 1(M)	D+ 2(M)	D+ 3(M)	D+ 4(M)	D+ 5(M)	D+ 6(M)	D+ 7(M)	D+ 8(M)	D+ 9(M)	D+ 10(M)	D+ 11(M)	D+ 12(M)	Note
Land Purchase		●											
Design		●											
Authorization /Permit		●											
Start of Construction			●										
Completion of Construction										●			
Facility Design		●											
Ordering of Facility		●											
Completion of Facility										●			
Red-Ginseng Concentrate Purchase				●			●			●			
Container Production										●			
New Product Development										●			
Design Development				●									
Development of Package									●				
Operational Testing											●		
Product Manufacturing												●	
Patent Application													



## B. Breakdown of Expenses for Facilities (USD)

Category	Breakdown	Expenses	Note
1. Factory for Concentrate	Land Purchase	442,478	1,650m2 (Ginseng Food Industrial Complex, Yeongju City, Gyeongbuk Province)
	Acquisition Tax	20,354	
	Construction Expenses	2,212,389	1,650m2 for GMP, HACCP Facilities (Construction cost: \$1.339 per 1m2)
	Design & Authorization/ Permit Expenses	88,496	-
	Machinery and Equipment Expenses	2,205,681	
	VAT	220,568	
	Subtotal	USD 5,189,966	
2. Factory for Filling	Land Purchase	1,106,195	3,305m2 (Gumi 3 Industrial Complex, Chilgok County, Gyeongbuk Province)
	Acquisition Tax	50,885	
	Construction Expenses	1,327,434	991.74m2 for GMP, HACCP Facilities (\$1,339 per 1m2)
	Authorization/Permit Expenses	88,496	
	Machinery and Equipment Expenses	1,930,088	
	VAT	193,009	
	Subtotal	USD 4,696,106	
3. Factory for Container Development	Land Purchase	973,451	3,305m2 (Machine Industrial Complex, A-gok Village, Chilgok County , Gyeongbuk Province)
	Acquisition Tax	44,779	
	Construction Expenses	761,062	661m2 for GMP, HACCP Facilities (\$1,152 per 1m2)
	Design & Authorization/ Permit Expenses	88,496	
	Machinery and Equipment Expenses	884,956	
	VAT	88,496	
	Subtotal	USD 2,841,239	
Total		USD 12,727,319	





# C. Breakdown of Working Capital (USD)

Category	Quantity	Required Expenses	Note
※ "Expansion of Market and Sales (Home/Abroad Market Development)" through an outsourcing until completion of self-production facility			
Red Ginseng Bottle Cap Manufacturing	2,000,000ea	619,469	
Red Ginseng Blister Pack Manufacturing	2,000,000ea	530,973	
product packing preparation	3,000,000ea	1,592,920	
Red Ginseng Concentrate Purchase	Each 10T	2,477,876	* Red Ginseng Bottle Cap (10T / USD1,238,938) , * Red Ginseng Bottle Cheers Blister Pack (10T / USD1,238,938)
Labor Cost	20personnel	411,504	3moths
R&D Expenses (1-5 : total)	5 items described below	513,274	
1.Fermented Concentrate	(5months)	88,496	
2.Wild-Ginseng Culture Fluid	(5months)	176,991	
3.Making 2 types of cap	(5months)	123,894	
4.Making Blister Pack	(5months)	61,947	
5.Making No-leftover Tube Container	(5months)	61,947	
Reserve Funds (Various Fees)	Construction/ Facilities/ Operation/Fees	884,956	
Vehicles and Transportation Equipment	5 Vehicles	265,487	
Raw materials	Red ginseng Purchase cost	10,000,000	1. Red Ginseng purchase cost , or Concentrate Red ginseng purchase cost 2. Purchase at least (eight-ten months)
Total		USD 17,296,459	



## D. Yearly plan of loan repayment and interest payment

Repayment through creation of operating Income

(1-year grace, 10-year installments / Every December installments)

Categor (y)	D+ 1(Y)	D+ 2(Y)	D+ 3(Y)	D+ 4(Y)	D+ 5(Y)	D+ 6(Y)	D+ 7(Y)	D+ 8(Y)	D+ 9(Y)	D+ 10(Y)	D+ 11(Y)	Total
Loan Amount	\$30,000,000 USD											
Grace Period	●											
Principal	30,000,000 \$	30,000,000 \$	27,000,000 \$	24,000,000 \$	21,000,000 \$	18,000,000 \$	15,000,000 \$	12,000,000 \$	9,000,000 \$	6,000,000 \$	3,000,000 \$	0
Repayment Amount		3,000,000 \$	3,000,000 \$	3,000,000 \$	3,000,000 \$	3,000,000 \$	3,000,000 \$	3,000,000 \$	3,000,000 \$	3,000,000 \$	3,000,000 \$	30,000,000 \$
Loan Balance			27,000,000 \$	24,000,000 \$	21,000,000 \$	18,000,000 \$	15,000,000 \$	12,000,000 \$	9,000,000 \$	6,000,000 \$	3,000,000 \$	year-start standard
Interest rate (3% year)	900,000 \$	900,000 \$	810,000 \$	720,000 \$	630,000 \$	540,000 \$	450,000 \$	360,000 \$	270,000 \$	180,000 \$	90,000 \$	5,850,000 \$



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### 3. Funds for Factory Construction and Equipment

#### 1 Land for Red Ginseng Concentrate Extract Factory

\*Location of the land: In the vicinity of Punggi-town, Yeongju-city, Gyeongbuk (Origin of Ginseng)

\*Strength of the location: As the origin of Ginseng, easy to buy Ginseng/ Red Ginseng and many professional [Ginseng/Red Ginseng workforce]

◎Land for Factory for Red Ginseng Concentrate Extract

1)Location: 417-8, Daechon-village, Bonghyeon-town, Yeongju-city, Gyeongbuk Province: Food Manufacturing

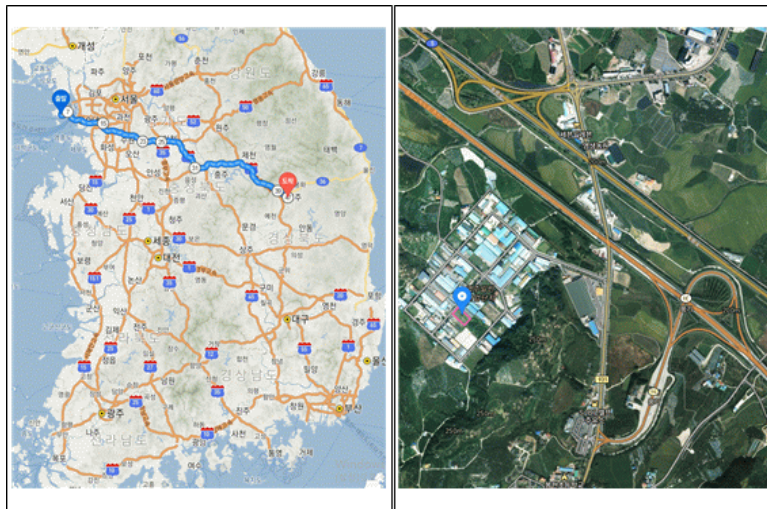
2) Size of the land: 1,649m<sup>2</sup>

3) Price of the land: \$462,832USD (Tax included)

4) Seller of the land: Mr. Yoon, Yong-chae

5) This land is located in the Punggi Ginseng Industrial Complex, famous for Ginseng/Viscose Rayon.

[Location Map, 235 kilometers, 2 hours and 50mintues from Incheon Int'l Airport to Yeongju-city]



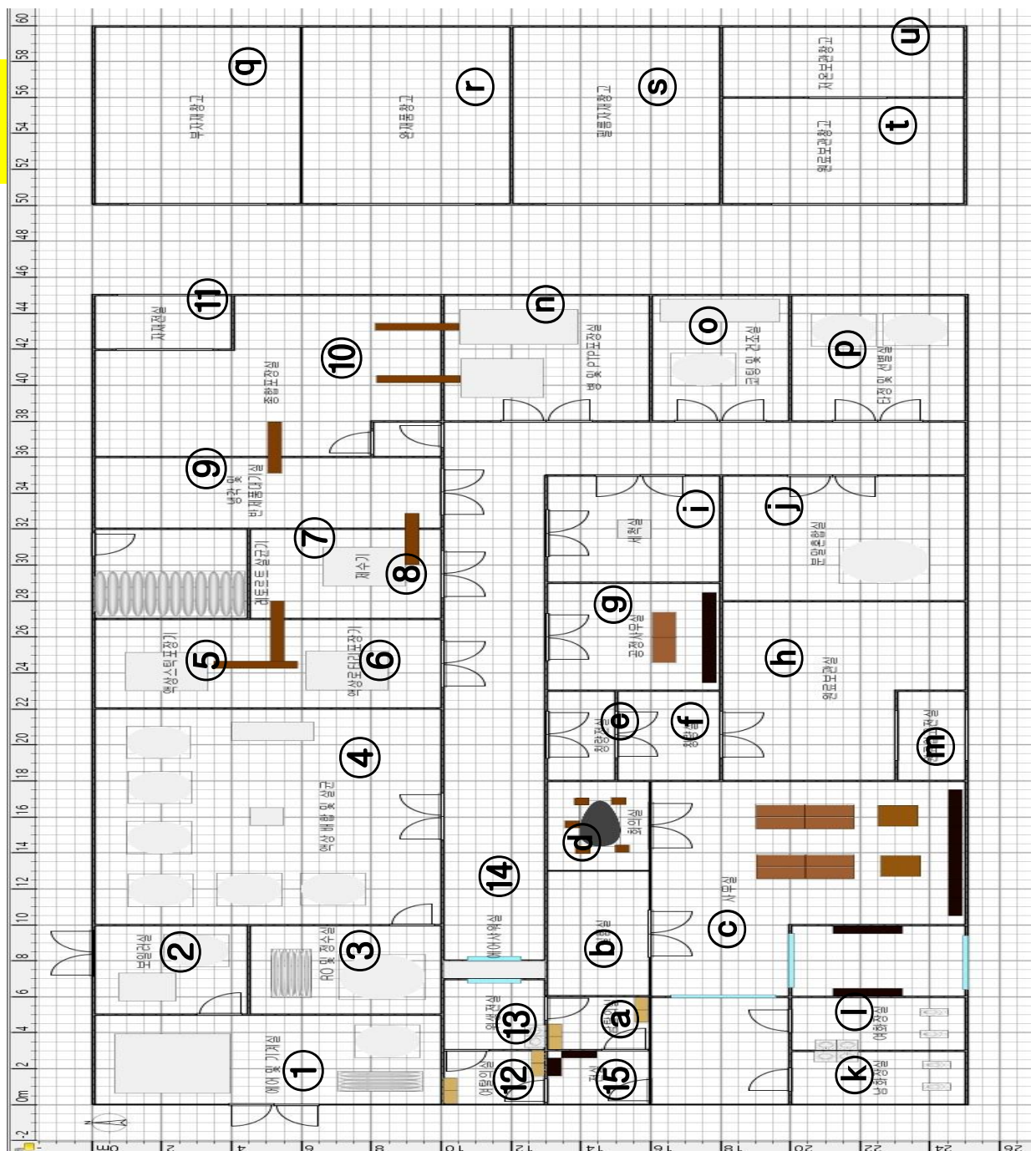
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**(Expenses of Construction and each factory)**

## 1 Factory for extract of Red Ginseng Concentrate [Construction]

- Design of factory for concentration (Floor Plan meets the HACCP, GMP requirements)  
**Main Process Line: Extract/Concentrate Line, Liquid Stick Line, Liquid Pouch Line, Tableting Line**  
**(Tableting line will be installed when space is secured)**
- **Factory for extract of Red Ginseng Concentrate**  
**[1,652.9m<sup>2</sup> X \$1,338.5/m<sup>2</sup> = \$ 2,212,389 (Cost)**  
**\*Expenses of Design & Authorization/Permit =\$88,496**



# 1 Drawing explanatory data

- ① Air and Machine Room(에어 및 기계실)
- ② Boiler (보일러실)
- ③ Reverse Osmosis & Water Purification ( RO 및 정수실)
- ④ Liquid Blending and Sterilization (액상배합 및 살균 )
- ⑤ Liquid Stick Packing (액상스틱 포장기)
- ⑥ Rotary Liquid Packing(액상 로터리 포장기)
- ⑦ Retort Sterilization Equipment(레토르트 살균기)
- ⑧ Water Remover(제수기)
- ⑨ Storage for Cooling and Semi-finished Products (냉각 및 반제품 대기)
- ⑩ Comprehensive Packing(종합 포장실)
- ⑪ Room for various materials(자재전실)
- ⑫ Female Changing Room(여탈의실)
- ⑬ Sanitation Room(위생전실)
- ⑭ Air Shower Room(에어샤워실)
- ⑮ Front Room(전실)
- ㉠ Male Changing Room(남탈의실)
- ㉡ Laboratory(실험실)
- ㉢ Office(사무실)
- ㉣ Meeting Room (회의실)
- ㉤ Front room of Weighing Room(칭량전실)
- ㉥ Weighing Room(칭량실)
- ㉦ Office(공정사무실)
- ㉧ Raw Material Storage (원료보관실)
- ㉨ Washing Room(세척실)
- ㉩ Powder Mixing room(분말혼합실)
- ㉪ Male Toilet(남자 화장실)
- ㉫ Female Toilet(여자 화장실)
- ㉬ Raw Material Receiving Room(원료입고 전실)
- ㉭ Bottle and PTP Packing Room(병 및 PTP 포장실)
- ㉮ Coating and Drying Room(코팅 및 건조실)
- ㉯ Tableting and Selecting Room(타정 및 선별실)
- ㉺ 부자재창고: Subsidiary Material Warehouse
- ㉻ Warehouse for Finished Products(완제(재)품 창고)
- ㉼ Film Storage Warehouse(필름자재창고)
- ㉽ Raw Material Storage Warehouse(원료보관창고)
- ㉾ Low-temperature Storage Warehouse(저온보관창고)





## internal stereoscopic plane drawing



INHYANG CORPORATION



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## [Details of Machinery and Equipment Costs]

1 (Amount Costs : \$2,426,249) (VAT included)

No.	Category	Name of Item	Amount (USD) (VAT Excluded)	Specification/Purpose	Note
1	Packaging Machine	Air Steam Retort Sterilization Equipment	145,062	Maximum Working Pressure and Temperature: 2.0kg/cm <sup>2</sup> , 125°C	Gyeong-Han Inc.
2		Automatic Liquid Stick Pack Machine	108,407	Model : HLQ-P3V, 5열	Han-Dok Inc.
3		Automatic Liquid Filling Machine	125,664	Model : HR-600	Han-Dok Inc.
	Manufacturing Machine	Mixing/CIP Equipment	166,372	Mixing Tanks (300/1000/2000Lit) CIP Tank, Transfer Pump, Ultra High Temperature (UHT) Instant Sterilizer	Amount
4	UHT	UHT	88,496	UHT Instant Sterilizer	Amount
	Extraction & Concentration	Extractor & Concentrator	530,973	Extractor/Concentrator	Amount
5	Electric Switchboard	Automatic Switchboard for Machines	61,947	Electric Switchboard for Manufacturing Machines, Electrical Work, and various meters	cost
6	Incoming Panel	Incoming Panel for whole factory	53,097		Cost
7	Pipe and Utility	Pipe and Utility	168,142	Pipe lagging, Worktable	Cost
8	Freezer		70,796	80RT-Detachable Pump, Tank included	Bum-Yang Inc.
9	AIR Compressor		72,566	50hp-dryer, Filter included	Han-Shin Inc.
10	Boiler		60,177	2ton-LNG-Once Through Boiler-Condensate Tank	Booster Inc.
11	Air Handling Unit		88,496	Cooling/Heating/Dehumidification	Cost
12	Sanitary Equipment		8,850	Various Sanitary Equipment	Cost

13	Forklift		39,823	Electric Forklift, 1.5 ton Lift	Cost
14	Warehouse Rack		13,274	Fixed Rack for Raw Material Storage	Cost
15	Lab Equipment		44,248	General Experiment, Microbial Test, Specification of Items	Cost
16	Metal Detector		13,274	Fixed Metal Detection	Cost
17	Checkweighers		13,274	Fixed Weight Measure	Cost
18	Marking Machine for printing Expiration Date		8,850	Marking for Expiration Date and Product Number	Cost
19	Pallet(For Indoor Use)		3,540	Pallets for Indoor Storage of Raw Material	Cost
20	Scale for raw material measuring		1,770	Scale for Raw Material Measure	Cost
21	Stainless Steel Baskets		2,212	For Transporting of Raw Material	Cost
22	Water Remover		39,823	Remove Water After Liquid Product Sterilization	Cost
23	Hand lift		1,327	For Transporting Raw Material and Subsidiary	Cost
24	Stainless Moving Cart		885	To move small amount of raw material	Cost
25	Reverse Osmosis Equipment		97,345	1 m <sup>3</sup> /hr-Tank, Pump included	Cost
	Other Utilities		176,991	Other Utilities	Cost
Total (USD)			2,205,681	VAT Excluded	





## ※ Red Ginseng Concentrate Machine ,etc



1. Air Steam Retort Sterilization Equipment



4. Manufacturing Machine



4. Extraction Concentration



1-3. Packaging Machine



7. Pipe and Utility



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## 2 Land for Red Ginseng Concentrate Filling and Container Development Factory

© Land for Factory for Manufacturing Food including Filling Facility

1) Location: 443-12, Joong village, Seokjeok-town, Chilgok County, Gyeongbuk

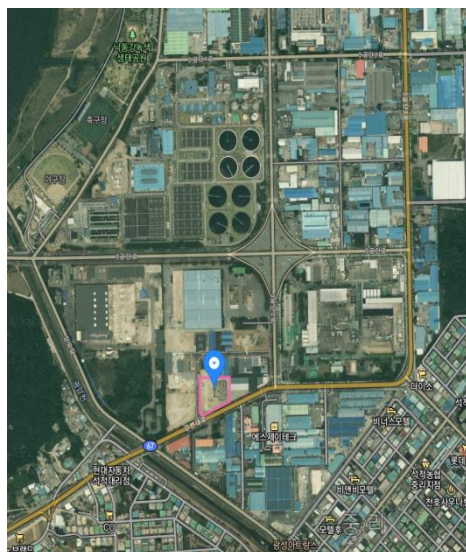
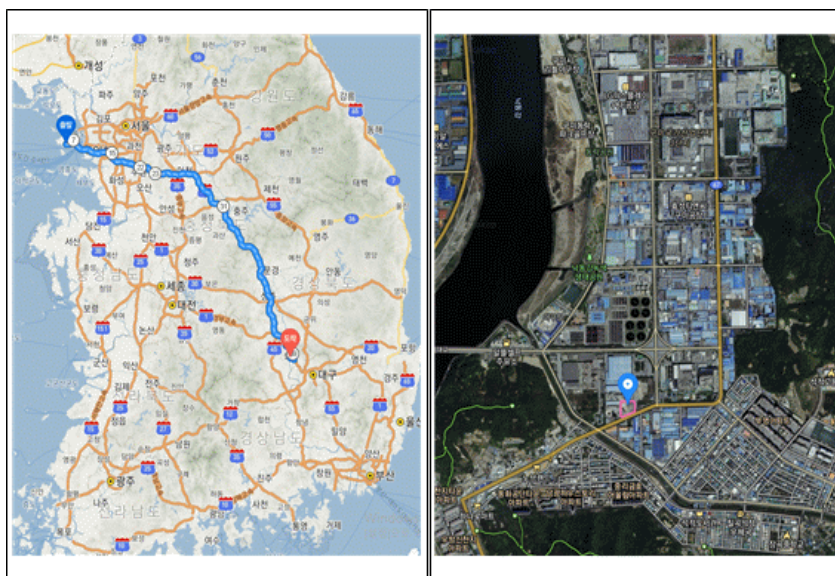
2) Size of the land: 3,311m<sup>2</sup>

**3) Price of the land: \$1,156,500USD (Tax included)**

4) Seller of the land: Star Chemical

5) This site is located in the Gumi3 Industrial Complex, Chilgok County and the investment value is high because the Gunwi County, near from the Chilgok County, was recently selected as a site of the new airport which will be relocated from Daegu Metropolitan City.

**[Location Map, 250 kilometers, 3 hours from Incheon Int'l Airport to Chilgok County]**



## (Expenses of Construction and each factory)

### 2 Factory for filling [Construction]

\* Factory for Filling

[991.74m<sup>2</sup> X \$1,338.5/m<sup>2</sup> = \$ 1,327,434 (Estimated Cost)

\* Costs of Design and Authorization/Permit: \$88,496 (USD)

### 2 Expenses of Cap and Blister Filling Machine [ \$ 2,123,017] (Amount Costs) / (VAT included)

No.	Category	Name of Items	Amount (USD) (VAT Excluded)	Specification/Purpose	Note
1	Packaging Machine	Pop Cap Filling Machine	353,982	Maximum Working Pressure and Temperature: 2.0kg/cm <sup>2</sup> , 125°C	Gyeong- Han Inc.
2		Blister Filling Machine	353,982	Model: HLQ-P3V	Han-Dok Inc.
3		GMP Facility and Basic Packaging Line	132,743	Model: HR-600	Han-Dok Inc.
4	UHT	UHT	88,496	UHT	Cost
5	Electric Switchboard	Automatic Switchboard for Machines	61,947	Electric Switchboard for Manufacturing Machines, Electrical Work, and various meters	Cost
6	Incoming Panel	Incoming Panel for whole factory	53,097		Cost
7	Pipe and Utility	Pipe and Utility	168,142	Pipe lagging, Worktable	Cost
8	Freezer		70,796	80RT- Detachable Pump, Tank included	Bum-Yang Inc.
9	AIR Compressor		72,566	50hp-dryer, Filter included	Han-Shin Inc.
10	Boiler		60,177	2ton-LNG- Once Through Boiler- Condensate Tank	Booster Inc.
11	Air Handling Unit		88,496	Cooling/Heating/Dehumidificatio n	Cost
12	Sanitary Equipment		8,850	Various Sanitary Equipment	Cost
13	Forklift		39,823	Electric Forklift, 1.5 ton Lift	Cost
14	Warehouse Rack		13,274	Fixed Rack for Raw Material Storage	Cost
15	Lab Equipment		44,248	General Experiment, Microbial Test, Specification of Items	Cost



16	Metal Detector		13,274	Fixed Metal Detection	Cost
17	Checkweighers		13,274	Fixed Weight Measure	Cost
18	Marking Machine for printing Expiration Date		8,850	Marking for Expiration Date and Product Number	Cost
19	Pallet(For Indoor Use)		3,540	Pallets for Indoor Storage of Raw Material	Cost
20	Scale for raw material measuring		1,770	Scale for Raw Material Measure	Cost
21	Stainless Steel Baskets		2,212	For Transporting of Raw Material	Cost
23	Hand lift		1,327	For Transporting Raw Material and Subsidiary	Cost
24	Stainless Moving Cart		885	To move small amount of raw material	Cost
25	Reverse Osmosis Equipment		97,345	1 m <sup>3</sup> /hr- Tank, Pump included	Cost
26	Other Utilities		176,991	Other Utilities	Cost
Total (USD)			1,930,088	VAT Excluded	

## ※ Types of Facility Equipment ♣ Red Ginseng “Cap” Filling Equipment



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Red ginseng “Blister : Cheers” Picture



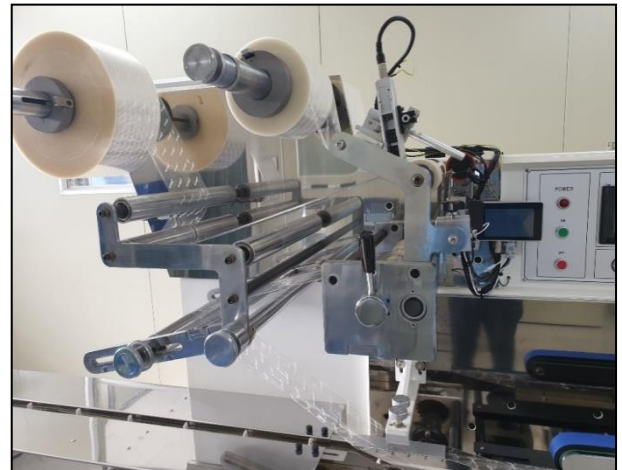
Red ginseng “CAP Container ” Picture



Red ginseng “CAP Container ” ① World-Wide foreign bottle cap  
② Korea bottle cap  
[double socket : Manual reference ]



## Production Process of INHYANG "Red Ginseng Cap" (Photo)



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# Production Process of INHYANG "Red Ginseng Cap" (Photo)



INHYANG CORPORATION



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3

## Land for products' container development factory

1)Location: 808, Agok-village, Waegwan-town, Chilgok County, Gyeongbuk

2)Size of the land: 3,333.6m<sup>2</sup>

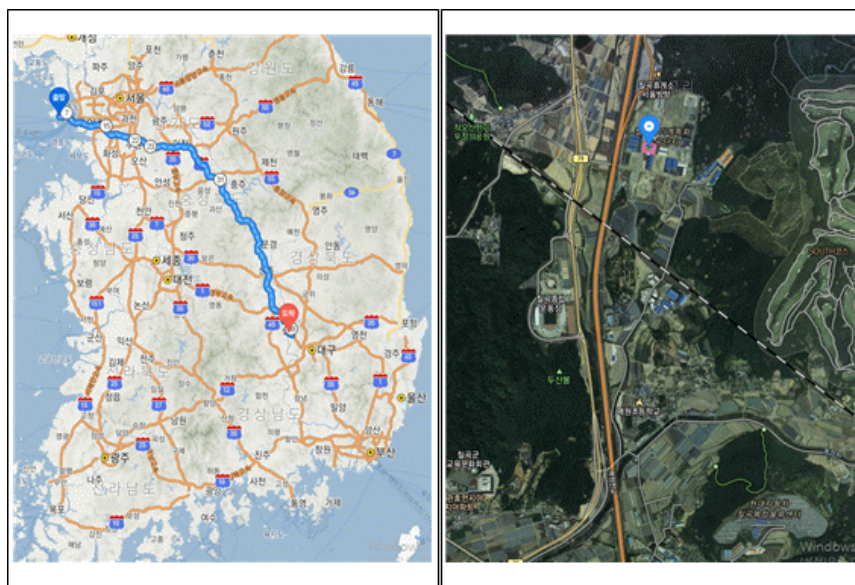
**3)Price of the land purchase: \$1,018,230USD (Tax included)**

4)Seller of the land: Younghwa Corp.

[Current price of the land: \$1,415,929USD (Tax included)]

5)This site is an industrial complex which was established by the assistance of government's fund and if sold within 5 years, the selling price is significantly low due to the control of Chilgok County.

**[Location Map, 250 kilometers, 3 hours from Incheon Int'l Airport to Chilgok County]**





### 3 Factory for Container Development [Construction]

\* Factory for Filling

[661.16m<sup>2</sup> X \$1,151.4/m<sup>2</sup> = \$ 761,062

\* Costs of Design and Authorization/Permit: \$88,496 (USD)

### 3 Expenses of Cap and Blister Filling Machine [ \$ 973,452]

1. Load Shelf	2. Toolbox	3. Working Platform
4. Height Adjustable/ General Work bench	5. Shock Resistant Floor	6. Mobile Electric Cord Reel
7. Automatic Electric Shock Prevention Device	8. Overload Protection Device	9. Moving Cart
10. Welding Device Carrier	11. Auxiliary Heavy Equipment Carrier	12. Automatic Lifting
13. Scissor Lift	14. Press Automation Equipment	15. Local Exhaust Ventilation (Mass Production)
16. Industrial Floor Vacuum Cleaner	17. Machinery Moving Equipment	18. Conveyor System
19. Mold Change System	20. Automated Injection Molding Machine	21. DC Arc Welding Machine
22. Chip Shatterproof Barrier	23. Hazardous Beam Protection Barrier	24. Noise Reduction Earmuffs
25. Lock	26. Mobile Ladder	27. Hopper Loader
28. Desk Drill	29. Portable Air Cooler	28. Other Accessories



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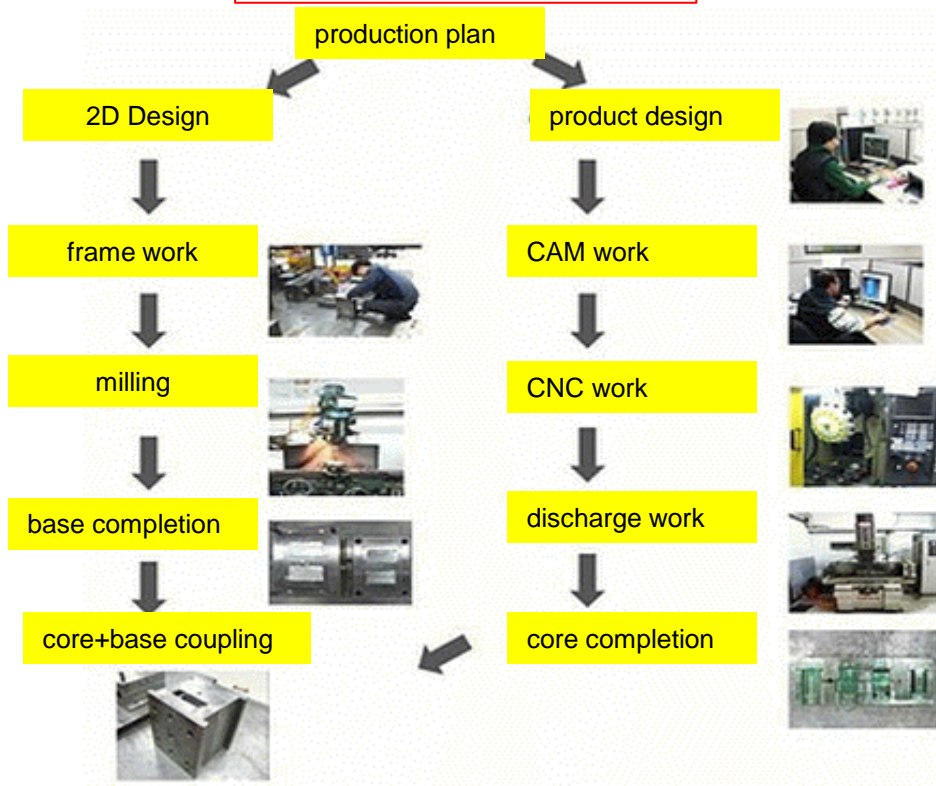


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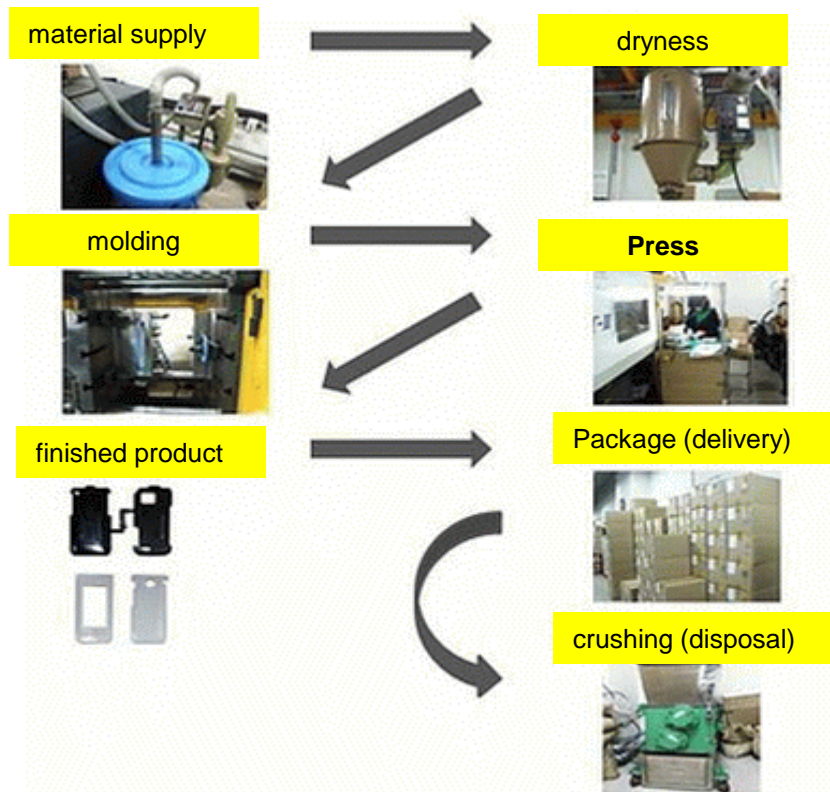
3

# Container development manufacturing mold and injection process diagram

process diagram [1]

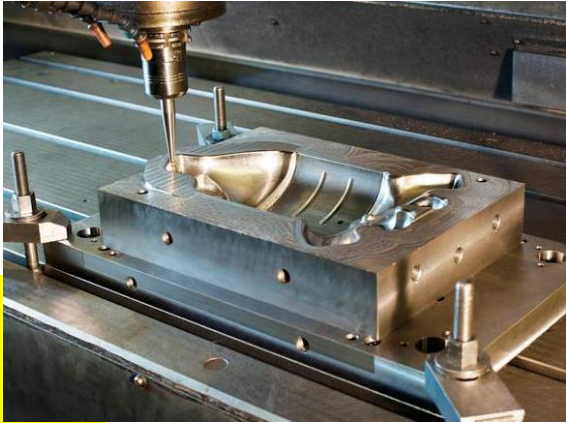


process diagram [2]



◎ Container development equipment for company products

1. Red ginseng "CAP" Container
2. Red ginseng "Bottle" Container [the tube container having no the remaining amount]
3. Red ginseng "Blister" Container , etc



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## 4. [Explannation]

- ☞ In Sam(ginseng) and
- ☞ Hong Sam(Red ginseng) and
- ☞ Concentrate of Red ginseng

### ☞ In Sam(ginseng)



### ☞ Hong Sam (Red ginseng)

steam ginseng nine times and  
Dried ginseng nine times  
=> Red Ginseng



### ☞ Concentrate of (Red ginseng)





## 5. Plan to purchase of raw materials or concentrate of Red Ginseng

[Red Ginseng Purchase Fund (Purchase in advance): \$10,000,000USD]

Total Required Fund	\$10,000,000USD	\$10,000,000USD	Note
Purchas items	6-year-old Red Ginseng for raw materials (\$134/kg)	Concentrate of 6-year-old- Red Ginseng (\$161/kg)	Without exchange rate fluctuation, raw material of Red Ginseng can be purchased with the above amount.
Quantity of purchase	75-ton	62-ton	
Cost of Red Ginseng Extract	\$27/kg (Possible price change)	0 N/A	
Quantity of Red Ginseng Concentrate		62,7kg (약62톤)	

The above shows the amount of Red Ginseng or Red Ginseng concentrate which can be purchased with \$10,000,000USD.

Raw red ginseng requires an extra cost for extraction and concentration. The raw material red ginseng is "6-year-old ginseng" and meets the standard confirmed by the "National Verification Agency".

It's advantageous to purchase immediately after extraction of the concentrate of Red Ginseng

(There are sufficient markets selling the concentrate of the(Red ginseng)).



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## ◆ The role of “Local Ginseng Agricultural Cooperative Federation (LGACF)”

(LGACF is one of branches of South Korean cooperative federation also known by its Korean initials NH, Nong Hyup)

1. Ginseng growers' report stating their cultivation is computerized and kept by the LGACF. (When cultivating Ginseng, all Ginseng growers must report their cultivation to LGACF in order to be certified root age and grade of the Ginseng. If Ginseng growers don't register their cultivation to LGACF, those Ginseng won't be sold in a good price because unregistered Ginseng can't be certified the age of Ginseng roots. Therefore, most of Ginseng growers report their cultivation to LGACF, and buyers tend to check the certificate of the age of Ginseng roots issued by LGACF even in general transactions.
2. The LGACF manages field testing and inspection of Ginseng farms and inspects pesticide residues
3. The LGACF purchases general Ginseng from the growers to produce processed products.

### ◆ The current status of LGACF

1. 3 LGACFs (Punggi, Geumsan, Gangwon) are the most representative organizations and Punggi LGACF is considered as the best one in terms of history and system.

### ◆ Ginseng Industry Act

1. Ginseng Industry Act has a separate legal basis, and LGACFs manage root age of Ginseng, test, certification.

## ◆ Manufacturing Process of Red Ginseng



1. **Washing:** It's a process of washing dirt cleanly. Once the first washing is finished with high-pressure clean water in the Ginseng washing machine, the microscopic vibration of the ultrasonic Ginseng cleaner removes all the remaining dirt in the gap between Ginseng.



2. **Steaming:** Washed Ginseng is steamed in the steaming machine and the color of red ginseng gradually is made during the process of steaming.



3. **Sun drying:** Steamed Ginseng will be dried using the traditional way of sunlight and wind for about 15 days.



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**4. Shaping:** The shape of Red Ginseng is made by the process of shaping. Prior to shaping, thin roots and branches attached to the main roots are removed and the shape of Red Ginseng is finally made through shaping.



**5. Selection:** The shaped Red Ginseng is classified through three stages of Red Ginseng's internal structure, weight, and appearance such color, crack, shape and divided into root ginseng suitable for the grade.



**6. Compression:** Selected Red Ginseng is compressed by the compression machine for packaging.

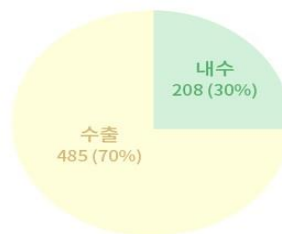


**7. Packing:** After packaging in a wooden box which Hanji (Korean traditional paper) is laid and packed again in a plastic film in the form of wooden box, and vacuum-packed, and finally put in a can.

## ◆ Ginseng and Red Ginseng consumption by use per a LGACF



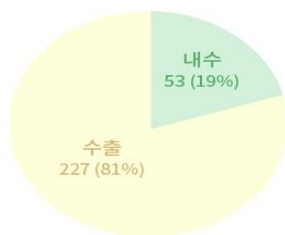
[수삼용] 7,000톤  
수삼소비 전량내수



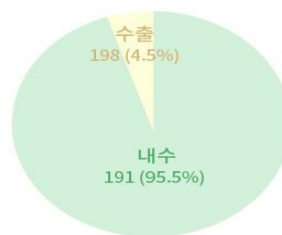
[홍삼용] 2,100톤  
뿌리삼가공 : 696 (33%)



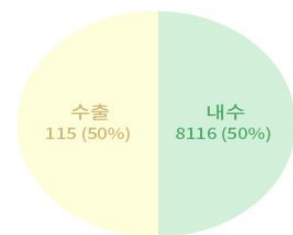
[홍삼용] 2,100톤  
가공제품류 : 1,407 (67%)



[태극삼용] 280톤  
뿌리삼가공 : 280(100%)



[백삼용] 4,620톤  
뿌리삼가공 : 4,389(95%)



[백삼용] 4,620톤  
가공제품류 : 231 (5%)



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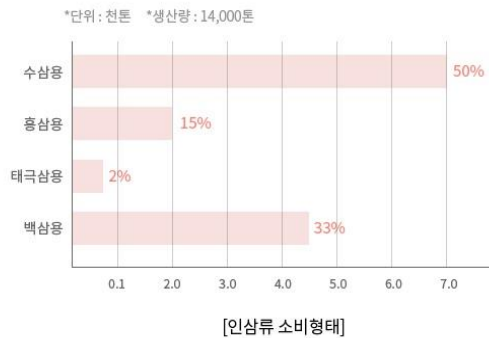


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## ◆ Amount of Ginseng and red ginseng consumption per a LGACF

### 소비형태 비중

인삼류 소비형태



- ◆ Securing Red Ginseng and Ginseng that clearly show the origin and root age confirmation is made through or direct purchase.  
Therefore, there is no problem in purchasing raw materials with confirmed origin and root age through a contract with individual LGACF

## COVID-19 : preventive effect

- ◆ In the process of steaming to the red ginseng, the toxins of the raw ginseng (Ginseng) are removed.
- ◆ Red ginseng contains saponin (ginsenoside), amino acids, antioxidants, maltol, and organic fatty acids, making it the best product for overcoming covid-19 (improvement of immunity).
- ◆ Red ginseng is a traditional Korean medicine that has already been loved by the people for 2,000 years.
- ◆ Red ginseng concentrates are health functional foods made by concentrating these red ginseng and are well promoted all over the world (World – Wide)
- ◆ Red ginseng concentrate is the representative food of Korea that the president of Korea presents most to foreign presidents



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## 6. R & D Contents

Concentrate	Cost of Research	Cost of Research Institute	Patent Registration Fee (Incidental cost included)	Total
Cost of 3 Red Ginseng Concentrate Patent Registration	Development is completed		\$ 88,495	\$ 88,495 (Overseas is included)
Cost of 3 fermented concentrate research	\$ 53,097	\$ 88,495	\$ 35,398	\$ 176,991
Types of containers	Cost of Design (Outsourcing)	Cost of Molding (Outsourcing)	Patent Registration Fee (Incidental cost included)	Total
Cap(Push Pull type)	\$ 8,850	\$ 44,247	\$ 8,850	\$ 61,947
Cap(Lid type)	\$ 8,850	\$ 44,247	\$ 8,850	\$ 61,947
Blister	\$ 8,850	\$ 44,247	\$ 8,850	\$ 61,947
No-leftover Tube Container	\$ 8,850	\$ 44,247	\$ 8,850	\$ 61,947
총계	\$ 88,495	\$ 265,483	\$ 159,292	\$ 513,274





## 7. Comparison of competitiveness between existing products and our products

Category	Existing Products(KGC included)	IN HYANG's products	Feature of IN HYANG's products
Type of Containers	Pouch/Stick/Glass Bottle	Cap/Blister/No-leftover Tube container	Acquisition of Monopoly for containers
Raw Material of Red Ginseng	Mixed 4/5/6year Ginseng root and various herbal medicines (Only KGC uses 6-year-old Red Ginseng)	IN HYANG uses only 100% 6-year-old Red Ginseng (IN HYANG purchases Red Ginseng only at National Ginseng NH, Quality Assurance Organization)	Safety Guarantee
Product competitiveness compared to the same price	Concentrate 150ml (2-3 pouches of Red Ginseng Concentrate)	Concentrate 500ml (1 Red Ginseng Cap)	Less than 50% of the price of KGC products
Weight	Very heavy	Very light	1/5 weight than KGC
On board of Airplane	Banned	Allowed	Allowed in carry-on bags
Solvency in water	Need to stir or shake more than 30 seconds	Completely Soluble in 2 seconds	Keep Fresh
Taste	Slightly Sweet (Other herbal medicines added)	Slightly Bitter (100% Red Ginseng)	100% Genuine Red Ginseng
Shelf Life	2 years	2 years	
Production volumes	Mass production (Currently)	*Small Quantity Production (Currently) *Mass production will be available once construction of facilities is completed	Mass production will be available after investment of the new facilities
Development of the new product	*Raw material development and Change (s/w)	*Raw material development and Change(s/w) *Development of Container and Change(h/w)	Development of the new product will be available after investment of the new facilities
Brand Awareness	High	Low (Brand Awareness will be increased if advertised)	Brand Awareness will be increased if advertised
Facility Assurance	HACCP(Certified) GMP(Good Manufacturing Practice)	HACCP(Certified) GMP(Good Manufacturing Practice)	
Quality Assurance	100 Million KRW Liability Insurance for products	100 Million KRW Liability Insurance for products	Same



## Business Market

A. Pro Forma Financial Statement **[Enclosure]**

B. Size of Red Ginseng Market, Annual Average Growth Rate: 6%

C. Sales example of KGC



KGC인삼공사 국내·수출 매출 비중 (단위: 억원)

	2013	2014	2015	2016	2017	2018
매출액	7848	8128	9178	10076	12000	13283
국내	6926	7291	8361	10508	11138	12125
수출	922	837	817	568	862	1158
영업이익	1250	1301	1334	1749	1854	2048

D. Scale of Market Growth (Year 2022)

Item	Scale of Market Growth, Year 2022 (USD/\$)	
Red Ginseng (Root)	Export	\$1,106,194,690
	Domestic	\$1,769,911,504
	Total	\$2,876,106,194
Red Ginseng(Product)	Export	\$2,212,389,380
	Domestic	\$3,539,823,008
	Total	\$5,752,212,389

※KGC's current market share rate: 70% (Almost Korean Red Ginseng Monopoly)

※It's difficult for us to share Red Ginseng market with the same types of products of KGC

**but we're very competitive with the special and sensational Red Ginseng products.**  
**(Types of existing Red Ginseng Products: Pouch, Stick, Glass Bottle)**



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## 8. Sales Plan

(When self-mass production facilities are completed)

Category	Now	After	Note
Domestic Sales	Mail Order	·Infomercial Channel (four times/a month) (400,000 units will be sold per a month)	When mass production is available
	Internet Sales	·Build our own website for sales	When mass production is available
	Market Sales (Waegwan NH Hanaro Mart)	Sales at 2,800 NH Hanaro Mart would be possible (INHYANG's products were registered to NH) Plant to provide 100units to each Hanaro Mart/Month (Possible to provide 280,000 units to Hanaro Mart nationwide) ·e-mart (the largest retailer in S. Korea)	Contract of demonstration store was completed
	Sales for group	·Korea Cycle Federation ·Korea Golf Association ·Korea Alpine Federation ·Korea Baseball Organization ·Korea Basketball Association ·Korea Football Association ·Promotion at the housing sales market	Available when facilities for the mass production is completed (through Advertisement)
Subtotal	Lack of funds Lack of the Company's own facilities (Short of production)	Possible to sell 1,000,000units/month	
Overseas Sales (Export)	N/A(Due to COVID-19)	27countries available (Plan to use the Punggi Ginseng NH's overseas sales network managed by Yeongju-city)	Yeongju-city's sales network invested by ROK Government was established
	Open Branch Offices	(America) Korean Association of Los Angeles (South Asia) Singapore Japan Tokyo China Shanghai Europe Sweden South America Brazil Dubai Expo Tokyo Olympic	Year 2022
	Internet Sales	In Open market (Alibaba in China etc) (Amazon in USA etc)	Year 2022
Subtotal	Lack of funds Lack of the Company's own facilities (Short of production)	Possible to sell 1,000,000 units/month	



## 9. List of Enclosures

- 1)Articles of Association
- 2)Pro Forma Financial Statement
- 3)Diagram of Fund Guarantee and Execution



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## 10. Product Manual of "Red ginseng CAP"

- 1)Articles of Association
- 2)Pro Forma Financial Statement
- 3)Diagram of Fund Guarantee and Execution



**The cap contains red ginseng inside**

keep in cool in planet everywhere



**Korea Red ginseng (Insam)-Cap!**

"InHyang" is the company that makes the freshest red ginseng extract, combining the world's first patented product, "cap" and "red ginseng" One cap can be eaten by the whole family



red ginseng concentration extract 5ml ·  
[natural bottled water 500ml]

One Box [Total capacity of 5,000ml]  
[10 Cap · 500ml = 5,000ml]

Sale Price [USD 78]  
[Excluding vat]



**Simple operation & Enjoy it**



1. I'll just press the red tap three times to blow it off
2. Put the red tap up and drink

When you combine with foreign bottled water bottles, do this(korean bottled water exception)

Turn the lower bottom transparent socket to remove it



It turns and it eliminates

**red ginseng cap, product characteristics**

1. The red ginseng extract of other products is usually about 40ml-70ml.
2. One red ginseng cap has a capacity of 500ml; it's a large capacity product that is 5-7 times the size of another company's red ginseng extract. (Reasonable value)
3. It's easy to carry. Anywhere, one red ginseng cap is ok (convenience of portable)
4. The red ginseng liquid phase is preserved separately in the red ginseng cap and the change of content is prevented in the long term preservation. (no sugar, no pigment, no contamination)
5. the world's only patented product
6. It's a pure red ginseng concentrate, made from 100% 6-years old korea red ginseng.

4/10



**The Company InHyang**



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