

11. 24. 2022

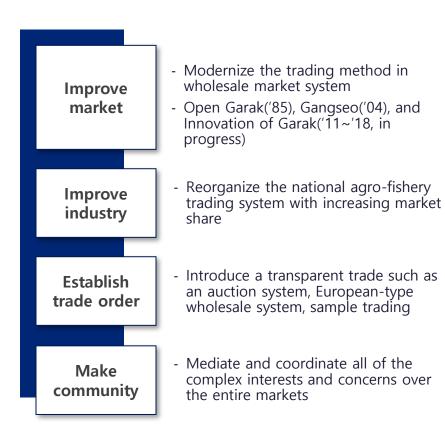
# Contents



### Well-experienced in Agrifood business in korea

We are well-experienced in growth of wholesale business and responding the environmental changes with high-end IT technology and innovative operating system.

### **Experienced in growth and operation**



### **Experienced in responding the environmental changes**

Active response to changes in the distribution environment

- Flexible market operation that satisfies the actual demands of consumers
- Auction system('85), market wholesaler system('04)

Market management with high-end IT Technology

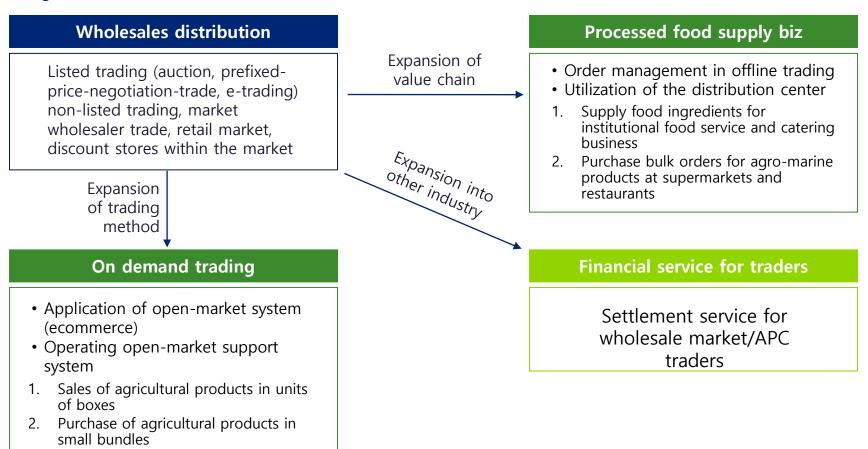
 Automation of logistics (palette, electric car), electronic auction, shipment information system, parking management system, electronic trading, etc.

Improved Market Policies & Regulations  Agro-product packaging system, Garbage volume controlled system, lorry registration, safety testing, recall system, agro-product price index, traceability

### Several new business models is on going

With the current wholesale business as the basis, we possess successful new business models, i.e. food and process, on demand trading, and farmer/shipper care. And we're still generating more.

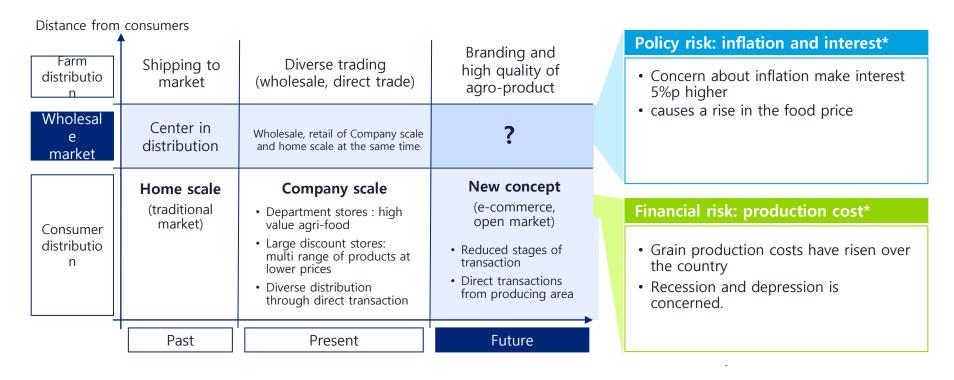
Generating new business models based on wholesale market



### **Agricultural market in KOREA**

The agricultural distribution industry in Korea has been changing from home(small) scale to company(large) scale and the market risks are increasing in policy and grain production cost.

### Historical structure and future prospects of agricultural distribution industry (major risk factors in present)



### How the Market Works: The People Who Work There

The flow of business

The market's many functions, and the key roles of the people working there.

#### Seont Auto-fisheries & Food Compration Operator Public release of Central information SAFFC Wholesale Market Seoul Auto-fisheries & Food Cornoration annervises Precise information about the amounts of goods in brings all maide, maistain all masses matet facilities. stock and wholesale prices are publicly released **Apportionment** Collection Products are divided into small lots for quick sale to Lane quantities of Buyers multiple retailers assorted moducts Intermediate are knowlit in from ostaurants, and such inside and outside wholesalers Котел Buyers purchase products from Intermediate wholesalers intermediate wholesalers for errchase modern from sale to consumers outside the wholesalers for selface to their market customers and they have their Suppliers Products gathered from own shous in the market annufiers are sold in the Producers maket to naticinaling Supplier organizations intermediate wholesalers • Importers • Other and authorized buyers Authorized buyers Consumers though auctions and negotiated transactions. Retailers and restaurants that have received Onlinery households authorization from the operator can participate in • Restaurant customers auctions and purchase products from wholesalers •Sanermankets in the same manner as intermediate wholesalers Settlement •Other of transactions Secure payment Setting prices settlements are made to pay suppliers and Related enterprises wholesalers Fair prices are set through auctions and negotiated Businesses that retail related food products and transactions cooking equipment, and restaurant and transport businesses working on behalf of market personnel Maintaining Sanitation inspection station hygiene SAFFC spections are conducted in accordance with the Food A facility that inspects products in the market to see if they Sanitation Act and other contain harmful or toxic substances, and provides guidance so regulations to ensure that products are handled hygienically hygienic facilities

## Challenges

- Externally
  - Re-arranged by large retailers
  - A change in food consumption
  - New competitors from various channels



## Challenges for wholesale Market

- Internally
  - Old facility structures
  - Traffic congestion

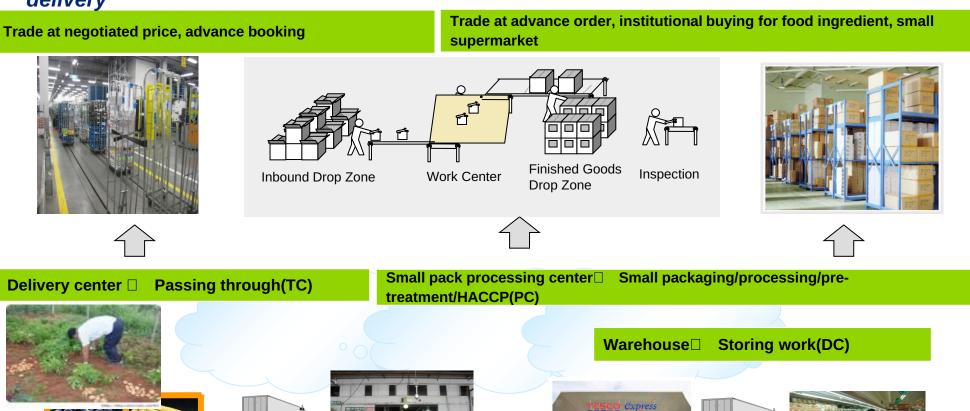


## 1. Trading system

listing

Auction

functions of wholesale market will be expanded including advance reservation, order, delivery

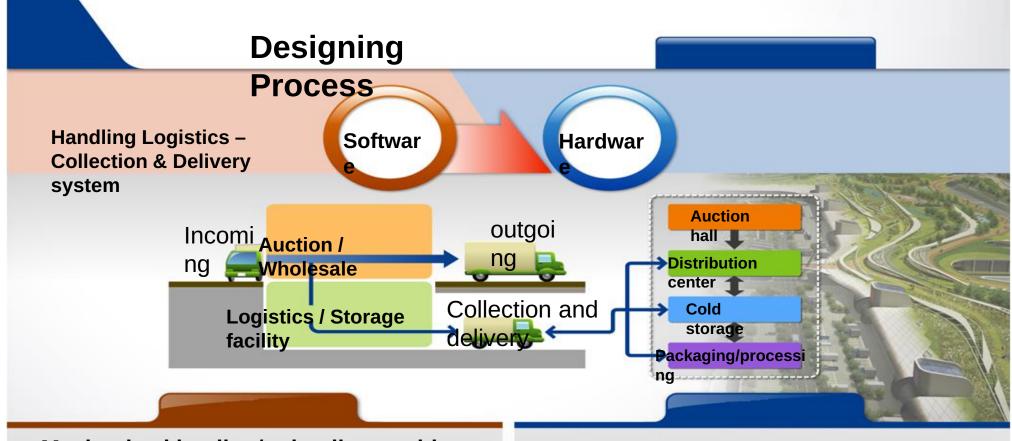


buyer

delivery

costomer

## 2. Efficiency of Logistic distribution



- Mechanized loading/uploading enables adjustable levels of docks.
- Ramps installed by items, by unit will give visitors a easier access
- Construction design will reflect future expansion of cold chain system

### 3. Warehouse

To enhance space efficiency for wholesale market, to maintain food quality

General Automation



First in, first out / location : Strictly managed



- Turning individual warehouses into common usage, boosting space efficiency
- Introducing automation warehousing to manage efficiently first in, first out/location

## 4. Expanding small packaging, processing facilities

To add value with small packaging, pre-treatment → to diversify valueadded activities at the wholesale market



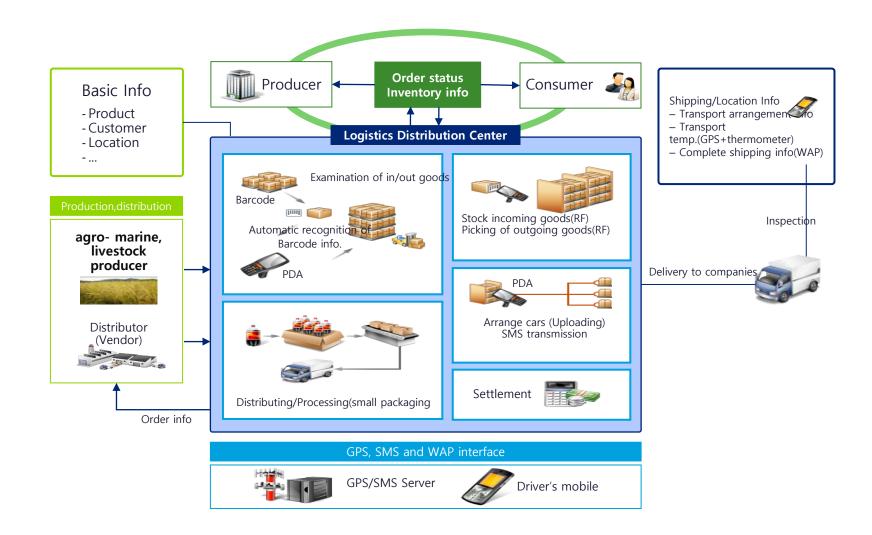
Small pack, pre-treatment
HACCP

Small pack, processing center

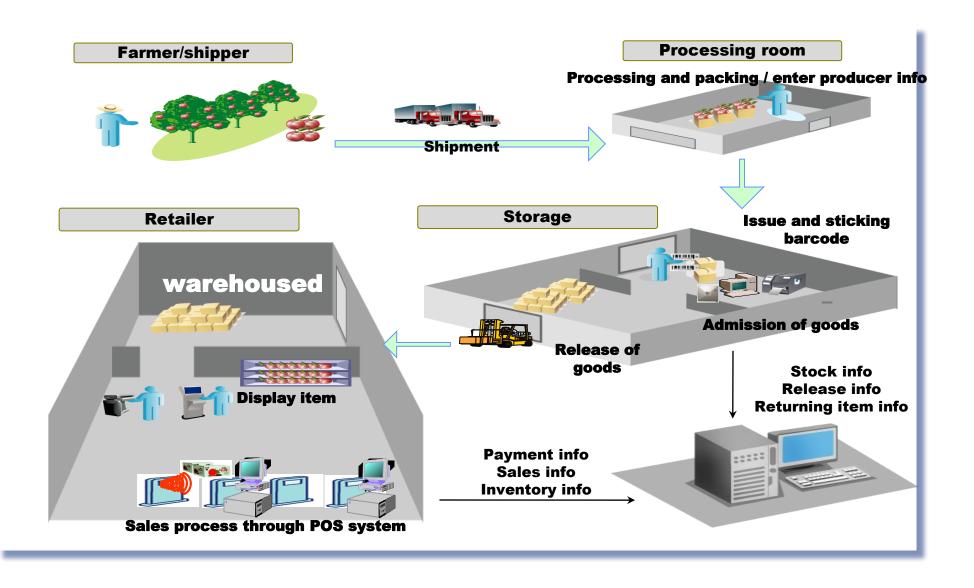


- From simple processing at shops To more organized, customized center
- Small package, pre-treatment, HACCP to add values to food products

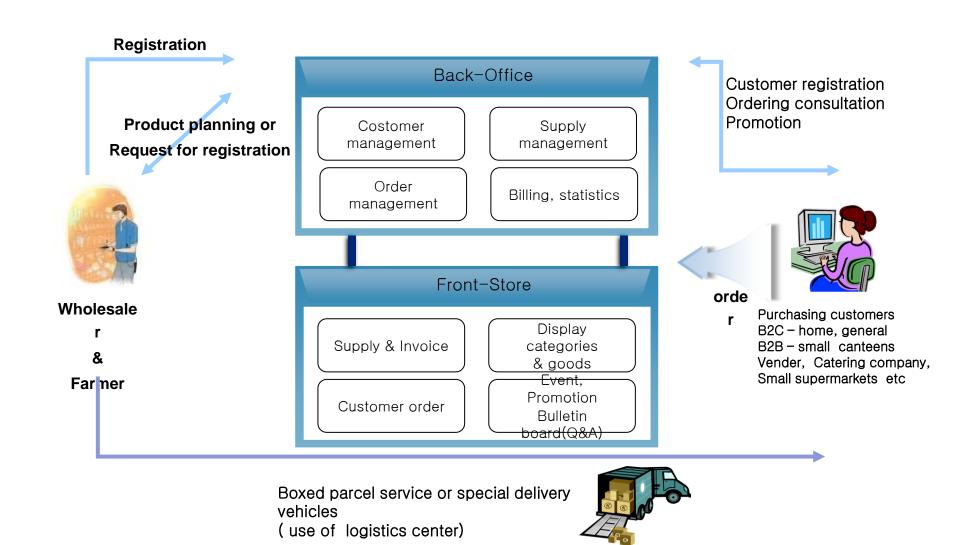
### **APC Food processing delivery**



### Modernized wholesale direct sale center process



### E-commerce based on Wholesale Market/APC



Q&A