

## Opening of ‘Groundbreaking ceremony of Harbin completed window processing workshop’, China



On April 30th 2013, our company held a groundbreaking ceremony at our new window manufacturing plant in Ochangsi, which was attended by President Jang-su Oh and Secretary of the People’s Government of Ochangsi Xin MinChao.

Harbin Jishinbaori Ltd., occupying 60,000m<sup>2</sup> in the Wjia Development Zone, Ochangsi, Harbin, Heilongjiang, is the first completed window manufacturing plant in China opening in collaboration with local partners, and will start producing finished PVC and TPS(Thermal Plastic Spacer) windows next year.

The reason our company selected Harbin as the construction site of our first window manufacturing plant is that there is a high demand by customers for high quality PVC doors and windows with excellent heat insulation properties due to the severe climate of the region. We will differentiate ourselves from other local manufacturers by producing higher quality doors and windows than the region is accustomed to.

Our company will carry out a win-win distribution strategy by supplying the top 100 Chinese construction companies, as well as implementing sales activities in collaboration with our partners in the Northeast region.

President Jang-su Oh said, “With this groundbreaking ceremony, we will be reborn as a company that creates happy living spaces that coexist with nature. We will engage with people to ceaselessly improve and innovate for the purpose of becoming the leader in the doors and windows market in the Northeast region.”

After the successful opening of the Harbin plant this year, we will take the core technologies gained and improved here and utilize them in our Tianjin plant, which we are planning to open next year. With these initiatives, we will make the Northeast and the Northern region of China as the central hub for supplying completed windows across the country.

## Launching of 2014-year ZEA wallpaper collection



Our company has launched the 2014 collection of ZEA wallpaper. ZEA wallpaper is an environmentally-friendly product made from PLA (Poly Lactic Acid), which is extracted from corn.

The 2014 ZEA wallpaper collection brings peace by embracing nature and creating a natural fusion of its materials, patterns, cotton, Hanji (Traditional Korean paper), the sky, and trees. Also, it intensifies the liveliness of nature and the look and feel of luxury with the delicate embossed effects. Furthermore, the most noticeable new addition is the exclusive product line for children, who suffer from the environmental diseases such as atopic dermatitis or respiratory disease, can enjoy comfortably and safely. This new collection offers a wider variety of colors for customers by launching 10 patterns in 51 colors reflecting the 'Slow interior' trend that pursues a natural life. This new wallpaper collection also has 4 different concepts of Space. There is a space where people can communicate and enjoy a cup of tea, a space that removes fatigue and heals the mind and body, a space where people can rest and enjoy composure, and a space where people can take pleasure in being in a healthy place.

## **M/S has solidified its rank as 1st in domestic sales through aggressive market developing activities, sales innovations, and development of market-leading products**

### **Excellent result case of wallpaper TA, decoration business department**

When the seasons change or when we simply need to refresh ourselves, we want to feel these new changes by changing the interior design of our homes. The best way to easily change the entire home atmosphere is to change the wallpaper. Our stylish and unique wallpapers have been designed in collaboration with the world-renowned designers, and now we have broken new ground in wallpapers by launching never-before-seen natural-themed wallpapers made from corn. Given the good results of wallpaper TA in Q1 this year, let's see if this is the secret to our success.



### **Plans for Aggressive Market Penetration by Launching Many Products at Various Price Points**

The domestic wallpaper market is one of the most competitive segments. Despite such a severe competitive landscape, our company achieved great results. Revenue reached 111% of the target, and the number of the high revenue stores increased from 4 in 2013 to 11 in Q1 2014.

Such an excellent performance is attributed to the aggressive market expansion and development activities through multipronged approach in our new sample book. First, we launched 'Vesti' in January to appeal to the middle-priced silk wallpaper market, the most significant market segment. This was the result of our unique and creative strategy to break away from the industry practice of not launching the new middle-priced products at the beginning of the year. By doing this, we were able to gain a competitive advantage in terms of market share and price. Next, we launched 'Fiance' for the lower-priced market in late January, followed by 'Therapy', a no-pattern wallpaper, once again targeting the middle-priced silk wallpaper market in March. Our new products have been well received in the market for their design and trendiness due to our thorough market research efforts before launching this year.

## **Through a Mentor-Mentee program and an EL (Excellent LG) meeting with our resellers, we have diversified communication methods throughout our sales forces.**

A good result takes more than just having a good product. An effective distribution system also plays an important role in educating the customers on the new product and delivering it to them in a timely manner. In order to increase the efficiency of our distribution system, including the wallpaper resellers scattered throughout the country, we tried to improve our relationships with the local trade leaders through a monthly EL(Excellent LG) meeting. And we also implemented a Mentor-Mentee system for local trade leaders where experienced trade leaders share their sales skills and expertise with newer sales staff as an effort to improve communication among sales forces. Moreover, we deployed a win-win marketing strategy to grow together with the resellers by actively supporting them in their promotional activities or VIP retail sales events. As a result, the sales of “Vesti” increased markedly by 250% from the same period last year.

## **We solidified our position as the number one domestic wallpaper manufacturer with the ‘ZEA Collection’ and ‘Fabric Wallpaper’.**

Our Wallpaper TA Team will continue to launch various products and to execute marketing activities in Q2. We will stand out from other competitors by releasing never before seen wallpapers such as ‘ZEA wallpaper collection’ made from corn, and ‘Fabric wallpaper’ maximizing the concept of fabric in Q2 this year. Also, our company will appeal to the overseas customers by deploying an aggressive marketing campaign in overseas market timed with our launch of the Gracia wallpaper, especially in target sites in the Middle East and Turkey. Our Wallpaper TA Team will continue to lead the wallpaper market by through a superior products and a peerless global market expansion strategy.

## **We have improved world renowned architect Zaha Hadid's structure.**

### **Dongdaemun Design Plaza (DDP) constructed with 'HI-MACS'**

A UFO-like atypical building, Dongdaemun Design Plaza ("DDP") was built on the site of the old Dongdaemun Stadium (previously Seoul Stadium) in March, 2014. DDP not only stands for "Dongdaemun Design Plaza," but it also stands for "Dream, Design, Play." DDP is open to the public, and regularly holds various exhibitions, performance, and events. A part of the interior of this building has been decorated with HI-MACS, which has played a big role in constructing a unique atmosphere as it perfectly matches the atypical structural design concept of the DDP Building.



### **World Renowned Designer, Zaha Hadid, a HI-MACS power user**

Zaha Hadid is the first female architect to receive Pritzker Architecture Prize, the Pulitzer Prize in the architectural field. She has been known for designing famous architectural structures around the world such as German Phaeno Science Center, and Rosenthal Center for Contemporary Art in Cincinnati. Some of her works can be found in Asia including Dongdaemun Design Plaza in Dongdaemun in South Korea, and Guangzhou Opera House and Shanghai SOHO Office in China. DDP especially has been recognized as a creative and unique building that looks like a silver spaceship that accidentally landed on Dongdaemun. The common characteristic of these three buildings is that they are made with HI-MACS, an artificial marble developed by our company. As Zaha Hadid tends to design the curved type buildings rather than the straight-edged buildings, she utilizes HI-MACS, which realizes the neat curved design and soft feel to her works in many ways



## HI-MACS brings to life a seamless transition from the exterior to the interior

HI-MACS has been used to construct 7 areas of the Dongdaemun Design Plaza in Dongdaemun in South Korea: the information desk of Alimteco, Salimteco, Baeumteo and Jandisaranbang and also VIP waiting room. The curvature of the alpine white HI-MACS (product S028) was used in the interior atypically to contrast against existing straight lines or the rectangular desk while still connecting with the unique and original feeling of the outer appearance of the building. The information desk through the use of HI-MACS is able to be both sharp and soft in its atypical triangular form. It both greets guests from the interior while still maintaining a visual connection to the exterior of the building. The VIP waiting room is also designed so that the fresh feeling from the outdoors can be seamlessly transitioned into an expansive waiting area for very important persons.



## HI-MACS is the material most loved by world-renowned architectural designers.

Because HI-MACS does not show the seam between sections due to a special attachment method in processing, a design can maintain the illusion of having been from one solid piece. HI-MACS also has the added benefit that it can be bent or processed by heat according to the required design. These are just a few of the reasons why it has been frequently selected by the world-class architectural designers. Also, as it is nonporous material with low moisture absorption rate, it prevents germs and mold from reproduction, which enables easy cleaning and hygiene. For these reasons, it has been evaluated as a right product for large-scale buildings where maintenance is important. Therefore, HI-MACS has been used for constructing various structures in the world such as Hotel Puerta America in Madrid, Spain, Porsche Museum and Leonard GlasCub in Germany, Brooklyn Museum in the U.S.A., Oriental Pearl TV Tower and Guangzhou Opera House in China