

Title: Hite-Jinro group sets up a new company, combining beer and soju.

Sub title: Jinro merges with Hite brewery

Hite-Jinro group publicly announced that they will establish Hite-Jinro Ltd which is the consolidated company of Hite brewery Ltd and Jinro Ltd, reported on April, 8.

Hite-Jinro Ltd will become the largest liquor company in Korea, including beer, soju, and other alcoholic beverages. "We decided to consolidate two companies to maximize a synergy effect as a total liquor beverage company," said Hite-Jinro group.

The consolidated company is in the form that Jinro merges with Hite brewery. Hite brewery's 1 common share gets 3.0303911 Jinro shares, 1 preferred share receives 3.0303911 Jinro shares according to merger ratio.

Due to merging two companies, Hite-Jinro group can strengthen efficiency and competitiveness by enlarged sales integration and joint marketing. As 'Korea's representative liquor company', Hite-Jinro group will focus on global competition by developing premium brands and strengthening export markets.

"To survive from the sluggish domestic beer market and marketing competition among liquor companies, the company has to diversify products and satisfy consumers", "As a major company of beer and soju combining together, it is natural that we can maximize company's value by providing various products and customer service", said Weon Bo Shim, CFO at Hite-Jinro group.

The schedule could be changed by approval of related authorities, but a general shareholder's meeting will be held on July 28 and the claim period of stock purchase will be until August, 17. Hite brewery will be not traded from August, 30 to September, 25 in stock market and expected merger date is September, 1.