

Spark44 Seoul Limited
Annual Financial Statements
For the year ended March 31, 2018

Balance Sheet

As of March 31, 2018

SPARK44 SEOUL

(Unit : KRW)

Account	Current year		Prior year	
	Amount		Amount	
Asset				
I . Current Asset		938,205,170		615,613,631
Cash at Bank		648,042,701		132,132,839
Fixed Deposit		0		200,000,000
Account Receivable		0		281,243,922
Receivable		574,740		2,000,470
Receivable - Intercompany		39,291,045		0
Intercompany Receivable - JLRK Expense		125,540,772		0
Intercompany Receivable - JLRK		123,851,106		0
Prepaid Expense		854,806		176,400
Unclaimed Expense		50,000		60,000
II . Non Current Asset		118,978,414		124,192,815
(1) Investment		0		0
(2) Fixed Asset		49,439,614		69,254,015
Other Equipment	4,262,636		4,262,636	
Depreciation Other Equipment	2,927,661	1,334,975	1,862,003	2,400,633
Fixtures and Fittings	71,900,000		71,900,000	
Depreciation Fixtures and Fittings	39,545,000	32,355,000	25,165,000	46,735,000
Hardware	40,310,411		31,412,911	
Depreciation Hardware	25,371,551	14,938,860	14,103,517	17,309,394
Software	9,204,000		8,618,000	
Depreciation Software	8,393,221	810,779	5,809,012	2,808,988
(3) Intangible Asset		0		0
(4) Other Asset		69,538,800		54,938,800
Rent Deposit		54,762,400		54,762,400
Other Deposit		14,776,400		176,400
Total Asset		1,057,183,584		739,806,446
Liability				
I . Current Liability		230,280,237		291,472,710
Account Payable		124,198,774		160,935,775
Withholdings		417,178		175,170
VAT Payable		28,729,869		27,523,229
Current Corporation Tax		52,666,592		59,532,980
Accrued Expense		24,267,824		16,888,889
Intercompany Payable		0		26,416,667
II . Non Current Liability		109,033,487		65,647,700
Accrual for Severance Pay		109,033,487		65,647,700
Total Liability		339,313,724		357,120,410
Stockholder's Equity				
I . Common Stock		100,000,000		100,000,000
Common Stock		100,000,000		100,000,000
II . Capital Surplus		0		0
III . Capital adjustment		0		0
IV . Accumulated other comprehensive		0		0
V . Retained Earnings		617,869,860		282,686,036
Retained Earnings		617,869,860		282,686,036
(Net Income)				
Current Year : KRW 335,183,824				
Prior Year : KRW 256,698,409				
Total Stockholder's Equity		717,869,860		382,686,036
Total Liability & Equity		1,057,183,584		739,806,446

Income Statement

For the period ended on March 31, 2018

SPARK44 SEOUL

(Unit:KRW)

Account	Current year		Prior year	
	Amount		Amount	
I . Sales		2,485,320,283		1,580,139,392
Retainer Fees	1,351,102,925		1,256,568,000	
Intercompany revenue	157,551,864		80,286,339	
Pass Through revenue	976,665,494		243,285,053	
II . Cost of Sales		976,665,494		244,852,373
III . Gross Profit		1,508,654,789		1,335,287,019
IV . Operating Expenses		1,085,526,558		1,031,320,717
Salaries	546,135,360		517,420,686	
Bonus	37,326,613		32,524,374	
Management Bonus	6,505,145		16,393,443	
Severance expenses	43,385,787		44,049,792	
Target bonus	20,895,522		16,888,889	
Car Allowance	2,240,000		1,960,911	
Employee Benefit	700,000		0	
Travel	14,484,696		29,166,962	
Entertainment	2,497,680		4,726,650	
Taxes and Dues	62,500		62,500	
Depreciation	29,297,901		27,945,605	
Rent - Office	52,287,750		50,764,770	
IT Repairs	560,000		1,918,637	
Insurance	1,356,824		0	
Freight	196,299		120,160	
Education	523,636		5,200,643	
Book & Printing	23,400		0	
Office Supply	6,411,669		5,500,006	
Building Maintenance	29,099,430		28,251,840	
Bank Charge	180,702		213,300	
Tax Consultants Fees	24,900,000		17,200,000	
Consultants costs	36,000,000		36,000,000	
Recruitment	10,050,000		21,000,000	
Intercompany Management Fees	129,399,502		96,571,085	
Translation Fee	219,000		0	
Office Equipment-Leasing	3,303,264		2,867,998	
Security/Alarmsystem	2,116,800		2,116,800	
Other service charge	612,090		555,000	
IT - Support	0		2,861,560	
Pension	19,748,180		18,171,820	
Medical Insurance	19,617,120		17,368,690	
Employee Insurance	7,255,990		6,570,200	
Office - telephone	174,555		431,419	
Internet fee	9,000,000		9,000,000	
Support Mobile fee	8,774,438		9,235,276	
Entertaining - staff	5,285,521		5,399,360	
Overtime meal - staff	2,959,062		1,142,341	
Healthcheck - staff	0		1,720,000	
Travel - Phone & Internet	1,377,002		0	
Late night Taxis	2,723,120		0	
Car Lease Fee	7,840,000		0	
V . Operating Income		423,128,231		303,966,302
VI . Non-Operating Income		5,852,483		33,205,285
Interest Income	1,840,402		281,216	
Foreign Exchange Gains- Realized	3,135,561		2,262,958	
Foreign Exchange Gains- Unrealized	876,506		30,661,111	
Miscellaneous Income	14		0	
VII . Non-Operating Expense		12,495,888		18,057,928
Foreign Exchange Losses -Realized	2,548,750		7,930,963	
Foreign Exchange Losses -Unrealized	9,947,138		10,128,893	
Miscellaneous expense	0		-1,928	
VIII . Income Before Tax		416,484,826		319,113,659
IX . Income Tax		81,301,002		62,415,250
Income Tax	81,301,002		62,415,250	
X . Net Income		335,183,824		256,698,409