

# **Extraordinary General Meeting Agenda**

Monday, January 28, 2013



**DONG-A PHARMACEUTICAL CO., LTD.**

## Convocation Notice of the Extraordinary General Meeting of Shareholders

To our Shareholders:

Notice is hereby given that the Extraordinary General Meeting of Shareholders of Dong-A Pharmaceutical Company will be held as described hereunder and your attendance is cordially requested

### <Date and Venue>

Date: 10:00 a.m., Monday, January 28, 2013 (KST)

Place: Dong-A Pharmaceutical Co., Ltd.  
7<sup>th</sup> Floor Auditorium of the New Building  
252 Yongdu-dong, Dongdaemun-gu, Seoul, Korea

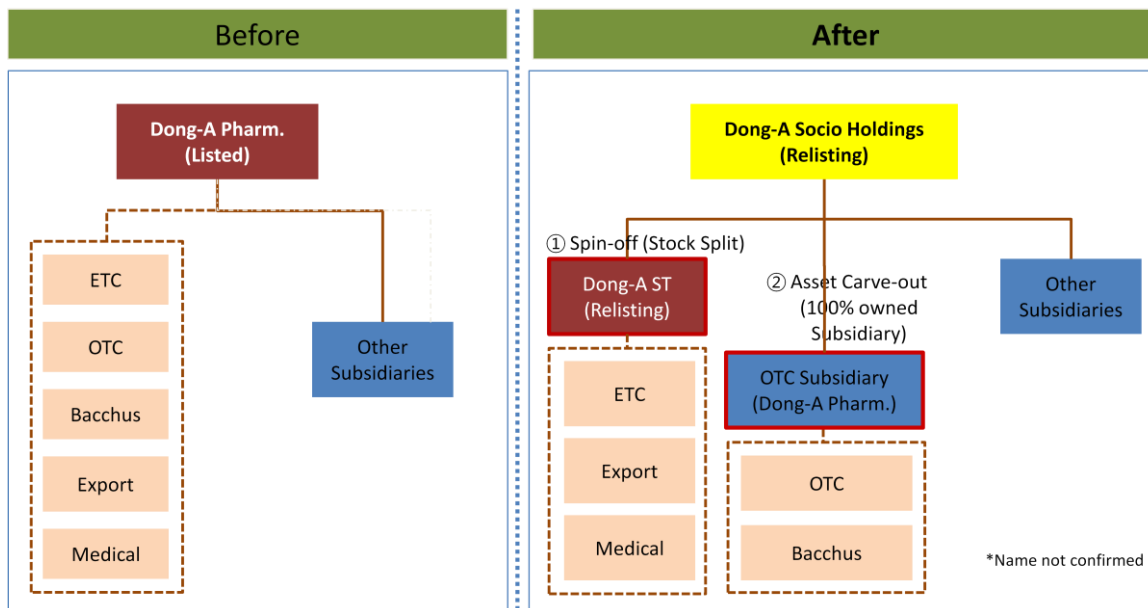
### <Agenda Summary>

- |             |                                                                                               |
|-------------|-----------------------------------------------------------------------------------------------|
| Agenda 1:   | Approval of Demerger plan                                                                     |
| Agenda 2-1: | Approval of the Partial Amendment of the Articles of Incorporation<br>– Company name change   |
| Agenda 2-2: | Approval of the Partial Amendment of the Articles of Incorporation<br>– Addition of objective |
| Agenda 2-3: | Approval of the Partial Amendment of the Articles of Incorporation<br>– Pre-emptive rights    |
| Agenda 2-4: | Approval of the Partial Amendment of the Articles of Incorporation<br>– Number of director    |
| Agenda 3-1: | Appointment of an Inside (Executive) Director Recommended by BOD                              |
| Agenda 3-2: | Appointment of an Inside (Executive) Director Recommended by BOD                              |
| Agenda 3-3: | Appointment of an Inside (Executive) Director Recommended by BOD                              |
| Agenda 3-4: | Appointment of an Outside Director Recommended by BOD                                         |

**Agenda 1: Approval of Demerger Plan**

Dong-A Pharmaceutical made a BOD resolution on Oct 23<sup>rd</sup>, 2012 to newly establish Dong-A ST (Science and Technology) Co. Ltd. through stock split while establishing Dong-A Pharmaceutical Co. Ltd. through asset spin-off from existing entity (see chart 1 for better illustration) which will be named Dong-A Socio Holdings Co. Ltd. The split will be completed on March 1<sup>st</sup>, 2013.

[Chart 1] Organizational Chart before and after the Demerger



The newly established demerged entity through a stock split will be listed in Korean Stock Market (KOSPI) the existing entity with a new name, Dong-A Socio Holdings on the basis of the Code 9 and Code 18 in Korean stock market listing guideline. The asset split-off entity will carry on the old name “Dong-A Pharmaceutical and will be 100% owned subsidiary of Dong-A Socio Holdings.

Under the holding company structure, Dong-A Socio Holdings, the existing entity, will focus on new investments such as biosimilar and other healthcare business, while a newly established entity through the stock split, namely Dong-A ST will focus on ETC (ethical drug) business area; the newly established entity through an asset split, namely Dong-A Pharmaceutical will focus on OTC (Over-the Counter drug) business.

The demerged companies will begin operation on March 1<sup>st</sup>, 2012 and the shares of Dong-A Socio Holdings and Dong-A ST will be suspended for trading from February 27<sup>th</sup> to April 11<sup>th</sup>, 2013 and will resume trading on April 12<sup>th</sup>, 2013.

## **1) Rationale Considerations**

### Primary Purpose and Rational for Demerger

- ① Making 80th anniversary as a starting point to find new growth engine - HC(Holding Company) is established to expand into medical equipment and healthcare service, and secure group's growth engine
- ② HC will focus on developing new businesses such as U-Healthcare, Healthcare Technology and Human Genome, and while new OC(Operating Company) will focus on product development, production, marketing and distribution
- ③ New OC will generate profits from new drugs developed in its own research center while enjoying additional profits from HC's new business development
- ④ Improving profitability of new OC through carving out low margin business
- ⑤ Maximizing shareholders' value of all entities of Dong-A Socio group's going forward through enhancing value of each entities

This demerger is intended to enhance the transparency and stability of the Company through setting-up a holding company structure. The holding structure will

- ① Prevent transfer for risk from one subsidiary to another
- ② Enable independent decision making through clearer role and responsibility which enable effective evaluation
- ③ Conduct efficient resource allocation which will be led to improving core competencies
- ④ Enable lower funding cost for subsidiaries through utilizing the financial stability of holding company
- ⑤ Execute more decisive and prompt investment but at the same time, a business exit, if necessary, will be easier on the holdings level
- ⑥ Strengthen reputation, brand equity, corporate image, and identity of each company through more efficient brand management

## 2) Pro Forma Financial Summary

### Split Ratio

Shares will be split 0.371209 (holdings) vs. 0.628791 (new entity) ratio based on June 30<sup>th</sup>, 2012 financial statement on the net asset value of each company being listed.

### Statements of Financial Position (KRW mil.)

	1H 2012			
	Before	Dong-A Socio Holdings	Dong-A ST	Dong-A Pharm.
<b>Total Assets</b>	<b>1,297,940</b>	<b>397,126</b>	<b>864,013</b>	<b>89,223</b>
<b>Current Assets</b>	<b>524,481</b>	<b>165,734</b>	<b>299,610</b>	<b>59,137</b>
Cash & Equivalents	220,562	135,000	80,562	5,000
Receivables	143,057	0	117,406	25,651
Inventories	121,333	0	93,275	28,058
<b>Non-Current Assets</b>	<b>773,458</b>	<b>231,392</b>	<b>564,402</b>	<b>30,086</b>
Receivables	20	0	20	0
Tangible Assets	549,973	36,873	485,999	27,101
Intangible Assets	17,154	4,870	11,973	311
Investment in Associates	49,204	61,828	0	0
Investment in Subsidiaries	76,535	113,916	0	0
<b>Total Liabilities</b>	<b>569,969</b>	<b>126,897</b>	<b>393,647</b>	<b>51,843</b>
<b>Current Liabilities</b>	<b>497,012</b>	<b>114,187</b>	<b>334,750</b>	<b>48,075</b>
<b>Fixed Liabilities</b>	<b>72,957</b>	<b>12,710</b>	<b>58,897</b>	<b>3,768</b>
<b>Total Equity</b>	<b>727,971</b>	<b>270,229</b>	<b>470,365</b>	<b>37,380</b>
<b>Current Ratio</b>	<b>105.5%</b>	<b>145.1%</b>	<b>89.5%</b>	<b>123.0%</b>
<i>Change from BEFORE</i>	-	39.6%p	-16.0%p	17.5%p
<b>Liability to Equity Ratio</b>	<b>78.3%</b>	<b>47.0%</b>	<b>45.6%</b>	<b>138.7%</b>
<i>Change from BEFORE</i>	-	-31.3%p	-32.7%p	60.4%p

<b>Debt to Equity Ratio</b>	<b>47.8%</b>	<b>0%</b>	<b>54.5%</b>	<b>0%</b>
<i>Change from BEFORE</i>	-	-47.8%p	6.7%p	-47.8%p
<b>Net Debt to Equity Ratio</b>	<b>13.4%</b>	<b>0%</b>	<b>37.3%</b>	<b>0%</b>
<i>Change from BEFORE</i>	-	-13.4%p	23.9%p	-13.4%p

Statements of Income (KRW mil.)

	<u>2011</u>		<u>1H 2012</u>		<u>3Q 2012</u>	
	Before	Dong-A ST	Before	Dong-A ST	Before	Dong-A ST
<b>Sales</b>	<b>907,294</b>	<b>655,043</b>	<b>465,031</b>	<b>313,701</b>	<b>243,207</b>	<b>158,838</b>
COGS	403,257	288,816	230,194	156,757	112,874	71,815
<i>COGS to Sales Ratio</i>	44.4%	44.1%	49.5%	50.0%	46.4%	45.2%
SG&A	405,248	268,811	202,039	128,753	102,049	63,769
<i>SG&amp;A to Sales Ratio</i>	44.7%	41.0%	43.4%	41.0%	42.0%	40.1%
<b>Operating Profit</b>	<b>95,015</b>	<b>97,084</b>	<b>32,359</b>	<b>28,763</b>	<b>29,121</b>	<b>25,077</b>
<i>OP Margin</i>	10.5%	14.8%	7.0%	9.2%	12.0%	15.8%
Finance Income/Loss	-8,520	-8,526	-746	-2,462	-1,735	-2,211
<b>EBIT</b>	<b>86,495</b>	<b>88,558</b>	<b>31,613</b>	<b>26,298</b>	<b>27,386</b>	<b>22,866</b>
<i>EBIT Margin</i>	9.5%	13.5%	6.8%	8.4%	11.3%	14.4%
<b>Net Profit</b>	<b>60,654</b>	<b>62,486</b>	<b>25,037</b>	<b>20,223</b>	<b>27,347</b>	<b>16,792</b>

### 3) Risks

#### Risk Regarding Demerger Process and Its Completion

- ① This demerger plan may not be completed if 2/3 of the participating shareholders and 1/3 of the total shares outstanding as the interest of the management of Dong-A Pharmaceutical can defer from that of minority shareholders.

#### Risk Regarding Holding Company (Dong-A Socio Holdings)

- ① Pure holding company carries no business within itself and thus incurs no cash flow per se.

- ② The Holdings will carry on the biosimilar investment of pre-demerged entity which needs continuing investment in the future.
- ③ The KRW 51.6 billion loan guarantees and 9 litigation cases are to be cross-guaranteed by all three demerged companies after the demerger.

#### Risk Regarding Stock Spin-off Company (Dong-A ST)

- ① Ongoing regulation changes such as ‘Rebate Interlock System’ and ‘Dual Punishment System’ as well as ‘Drug Pricing System Overhaul and Pharmaceutical Industry Reform’, can deter its future growth and profitability.
- ② Dong-A, the pre-demerged entity, is currently under investigation whether bribery was given to a medical institution related to ETC business which will be transferred to the newly established entity through stock split. Financial impact by a fine from the case should be minimal, and it is hard to estimate the impact of the price cut so far.

#### Risk Regarding Asset Split Company (Dong-A Pharmaceutical)

- ① Dong-A Pharmaceutical is highly dependent on sales of Bacchus, which accounted for 54.46% of total sales in the first half of 2012.

#### Other Risks

- ① The financial statements detailed in the demerger plans are separate to the financial statements of the company prior to the demerger in the first half of 2012. It can change after the demerger as the companies continues on with its financial activities.
- ② The relisting date of Dong-A ST will be determined after the company has undergone the relisting screening process. As such, stock liquidity may be restricted during the planned period of trading suspension from February 28th, 2013 to the day before.
- ③ Relisting may not occur due to unexpected reasons, such as sharp changes in the economic environment, as well as due to factors involving the listing process.
- ④ Even shareholders opposed to the demerger are not given separate appraisal rights as specified in the Commercial Act and Financial Investment Services and Capital Markets Act. Investors should take note of this fact.

## **Agenda 2: Amendments to the Articles of Incorporation (Proposed)**

### Summary of Amendment to Be Made on Article of Corporation

<b>Amendment</b>	<b>Reason for change</b>	<b>Note</b>
2-1 Name of the Company	Change of company name to fit its purpose	
2-2. Objective	Addition of objectives of the holding company	
2-3. Pre-emptive rights	Addition of provisions for the capital increase with consideration through in-kind contribution to convert the Company into a holding company	For possible stock swap only for holding company establishment
2-4. Number of Director	Reduction of the maximum number of directors from 9 to 7 as the size of the company reduces	

### Details

<b>Old Article</b>	<b>Amendment (Proposed)</b>	<b>Remarks</b>
<p><b>Article 1 Company Name</b> The name of the Company shall be <u>Dong-A Je Yak Chusik Hoesa</u> (<u>Dong-A Pharmaceutical Co., Ltd. in English</u>)</p>	<p><b>Article 1 Company Name</b> The name of the Company shall be <u>Dong-A Socio Holdings Chusik Hoesa</u> (<u>Dong-A Socio Holdings Co., Ltd. In English</u>)</p>	Change of company name
<p><b>Article 2 Objectives</b> The objectives of the Company shall be to engage in the following business activities: (<u>newly added</u>)</p>	<p><b>Article 2 Objectives</b> The objectives of the Company shall be to engage in the following business activities: (1) <u>Business of a holding company by acquiring and owning the stocks and shares of the subsidiary companies to engage in controlling.</u></p>	Addition of objectives of the holding company



Old Article	Amendment (Proposed)	Remarks
<p>(newly added)</p> <p>(newly added)</p> <p>(newly added)</p> <p>(newly added)</p> <p>(newly added)</p> <p>(newly added)</p>	<p><u>managing directing,</u> <u>reorganizing and cultivating</u> <u>the various businesses of such</u> <u>subsidiary companies;</u></p> <p>(2) <u>Business of management and</u> <u>supervision of intellectual</u> <u>property rights such as, but not</u> <u>limited to brand and trademark</u> <u>rights, and licensing business;</u></p> <p>(3) <u>Business of advertising</u> <u>agency, and creation and sales</u> <u>of advertisements in and</u> <u>outside of Korea;</u></p> <p>(4) <u>Business of sales of intangible</u> <u>assets, including, but not</u> <u>limited to, Company's</u> <u>knowledge and information;</u> <u>and carry on related service</u> <u>businesses;</u></p> <p>(5) <u>Business of market research,</u> <u>management consulting, and</u> <u>consulting services;</u></p> <p>(6) <u>Business of parking lot</u> <u>operation;</u></p> <p>(7) <u>Business of business support</u> <u>service for joint development</u> <u>of products or services and</u> <u>joint utilization of sales,</u> <u>facilities and computer systems</u> <u>with subsidiary companies or</u> <u>other companies;</u></p>	
<p>(1) Business of manufacture and sale of medicine products, non-drug products, chemically engineered medicine products,</p>	<p>(8) Business of manufacturing, <u>export</u>, and sale of medicine products, non-drug products, chemically engineered</p>	

Old Article	Amendment (Proposed)	Remarks
veterinary medicine products and agricultural medicine products;	medicine products, veterinary medicine products and agricultural medicine products, <u>biomedical products, and others of similar nature;</u>	
(2) Business of ground medical products; <u>(newly added)</u>	(9) Business of ground medical products;	
(3) Business of export/import and sale of herb medicine materials;	(10) <u>Business of providing research, development, technology development, technical information, etc., and related consigned services;</u>	
(4) Business of manufacture, import, lease, repair and sale of medical equipment and sanitary products;	(11) Business of export/import and sale of herbal medicine materials;	
(5) Business of manufacture and sale of food products, additives and Jinseng products;	(12) Business of manufacture, import, lease, repair and sale of medical equipment and sanitary products;	
(6) Business of manufacture and sale of cosmetic products, detergents, cleaning materials, soaps, painting materials and plastic products;	(13) Business of manufacture and sale of food products, additives and Jinseng products;	
(7) Business of manufacture and sale of enzyme;	(14) Business of manufacture and sale of cosmetic products, detergents, cleaning materials, soaps, painting materials and plastic products;	
(8) Business of international trade and international trade agency;	(15) Business of manufacture and sale of enzyme;	
(9) Business of sale and	(16) Business of international trade and international trade agency;	
	(17) Business of sale and	

Old Article	Amendment (Proposed)	Remarks
<p>consignment of imported products;</p> <p>(10) Business of development, sale and lease of real estate;</p> <p>(11) Business of computerization services and lease;</p> <p>(12) Business of forestation, afforestation and cultivation of medicinal herbs (excluding opium-poppy);</p> <p>(13) Business of warehouse and automobile transportation;</p>	<p>consignment of imported products;</p> <p>(18) Business of development, sale and lease of real estate;</p> <p>(19) Business of computerization services and lease;</p> <p>(20) Business of forestation, afforestation and cultivation of medicinal herbs (excluding opium-poppy);</p> <p>(21) Business of warehouse and automobile transportation;</p>	
<p>(14) Business of manufacture and Sale of machinery, electric and electronic tools;</p> <p>(15) Business of subcontracting of manufacture of medicine products, and lease of manufacturing facilities and equipment;</p> <p>(16) Business of education services;</p> <p>(17) Business of manufacture and sale of mold and other equipment;</p> <p>(18) Business of engineering services;</p> <p>(19) Business of export/import agency for alcoholic beverages;</p> <p>(20) Business of</p>	<p>(22) Business of manufacturing and sale of machinery, electric and electronic tools;</p> <p>(23) Business of subcontracting of manufacture of medicine products, and lease of manufacturing facilities and equipment;</p> <p>(24) Business of education services and <u>service agency</u>;</p> <p>(25) Business of manufacture and sale of mold and other equipment;</p> <p>(26) Business of engineering services;</p> <p>(27) Business of export/import agency for alcoholic beverages;</p> <p>(28) Business of telecommunication</p>	

Old Article	Amendment (Proposed)	Remarks
(21) telecommunication sale; Business of agency for self measurement;	(29) sale; Business of agency for self measurement;	
(22) Business of manufacture and sale of medicine products, etc. for animal;	(30) Business of manufacture and sale of medicine products, etc. for animal;	
(23) Business of manufacture of single taste feed;	(31) Business of manufacture of single taste feed;	
(24) Business of building, supply, sale and construction of houses;	(32) Business of building, supply, sale and construction of houses;	
(25) Business of prefabricated houses;	(33) Business of prefabricated houses;	
(26) Business of construction and lease of rental houses;	(34) Business of construction and lease of rental houses;	
(27) Business of construction, presale and lease of the apartment-type factory;	(35) Business of construction, presale and lease of the apartment-type factory;	
(28) Business of development of housing sites, factory sites;	(36) Business of development of housing sites, factory sites;	
(29) Business of building, supply, sale and construction of commercial buildings and office buildings;	(37) Business of building, supply, sale and construction of commercial buildings and office buildings;	
(30) Business of distribution specialty sale of food products;	(38) Business of distribution specialty sale of food products;	
(31) Business of electronic commerce relating to internet;	(39) Business of electronic commerce relating to internet;	
(32) Any other businesses incidental to any of the above businesses and	(40) Any other businesses incidental to any of the above businesses and investment.	

Old Article	Amendment (Proposed)	Remarks
<p>investment.</p> <p><b>Article 9 Pre-emptive Rights</b></p> <p>(1) The shareholders shall have pre-emptive rights to subscribe, in proportion to their respective shareholdings, for any additional shares of the Company, which may be issued.</p> <p>(2) Notwithstanding Paragraph (1) above, the new shares of common shares or preferred Shares may be allocated to a party other than the current shareholders of the Company, when necessary to achieve the management objectives of the Company, by the resolution of the Board of Directors within 20/100 of the total issued shares of the Company, in case of:</p> <ol style="list-style-type: none"> <li>1. issuance of new shares in the way of capital increase through shareholders priority public offering;</li> <li>2. issuance of new shares in the way of capital increase through the general public offering;</li> <li>3. issuance of new shares to the domestic or overseas financial institutes institutional investors, or foreign investors in order</li> </ol>	<p><b>Article 9 Pre-emptive Rights</b></p> <p>(1) The shareholders shall have pre-emptive rights to subscribe, in proportion to their respective shareholdings, for any additional shares of the Company, which may be issued.</p> <p>(2) Notwithstanding Paragraph (1) above, the new shares of common shares or preferred Shares may be allocated to a party other than the current shareholders of the Company, when necessary to achieve the management objectives of the Company, by the resolution of the Board of Directors within 20/100 of the total issued shares of the Company, in case of:</p> <ol style="list-style-type: none"> <li>1. issuance of new shares in the way of capital increase through shareholders priority public offering;</li> <li>2. issuance of new shares in the way of capital increase through the general public offering;</li> <li>3. issuance of new shares to the domestic or overseas financial institutes institutional investors, or foreign investors in order to address the urgent funding need;</li> <li>4. issuance of new shares to the relevant parties for the purpose of inducement of technology,</li> </ol>	

Old Article	Amendment (Proposed)	Remarks
<p>to address the urgent funding need;</p> <p>4. issuance of new shares to the relevant parties for the purpose of inducement of technology, research and development, technology development or alliance for production, sale or capital which are important to the business of the Company; or</p> <p>5. issuance of new shares due to the issuance of DR.</p>	<p>research and development, technology development or alliance for production, sale or capital which are important to the business of the Company;</p> <p>5. issuance of new shares due to the issuance of DR;</p>	
<p><u>(newly added)</u></p> <p>(3) In case of issuance of new shares under Section (2) above, the types, number, the issue price, etc. of the shares to be</p>	<p>6. <u>acquisition of additional shares of a subsidiary within the meaning of the Monopoly Regulation and Fair Trade Act, or acquisition of shares of another company as in-kind contribution in order to make the said company a subsidiary within the meaning of the Monopoly Regulation and Fair Trade Act; provided, however, that in such cases, the Company will not be subject to the 20/100 of total issued shares restriction mentioned in this Section (2) in allocating the new shares.</u></p> <p>(3) In case of issuance of new shares under Section (2) above, the types, number, the issue price, etc. of the shares to be issued shall be</p>	<p>Newly added provisions for the capital increase with consideration through in-kind contribution to convert the Company into a holding company</p>

Old Article	Amendment (Proposed)	Remarks
<p>issued shall be determined through the resolution of the Board of Directors.</p> <p><u>(newly added)</u></p> <p>(4) When a shareholder waives its pre-emptive right or odd shares occur during the allocation of new shares, the Board of Directors shall determine the method of handling such matters.</p> <p><b>Article 29 Number of Directors</b></p> <p>(1) The Company shall have not less than three (3) Directors and not more than <u>nine (9)</u> Directors.</p>	<p>determined through the resolution of the Board of Directors.</p> <p>(4) <u>In case of issuance of new shares under Section (2) above to a party other than the current shareholders of the Company, the Company shall give notice to the shareholders or make public notification of the items prescribed in Articles 416(1), (2), (2)-2, (3) and (4) of the Korean Commercial Code, no later than 2 weeks prior to the payment date.</u></p> <p>(5) When a shareholder waives its pre-emptive right or odd shares occur during the allocation of new shares, the Board of Directors shall determine the method of handling such matters.</p> <p><b>Article 29 Number of Directors</b></p> <p>(1) The Company shall have not less than three (3) Directors and not more than <u>seven (7)</u> Directors.</p>	<p>Heightened notice and/or public notification requirement in case of issuance of new shares to a third party other than the current shareholders</p> <p>Reduction of the maximum number of directors</p>
<p><b>Supplementary Provisions</b></p> <p>1. (Effective Date) These Articles of Incorporation shall take effect beginning April 15, 2012.</p>	<p><b>Supplementary Provisions</b></p> <p>1. (Effective Date) These Articles of Incorporation shall take effect beginning <u>March 5, 2013.</u></p>	

**Agenda 3-1: Appointment of an Inside (Executive) Director Recommended by BOD**

<b>Name</b>	<b>Dong- Hoon Lee</b>
<b>Expiration</b>	<ul style="list-style-type: none"> <li>■ March 2016</li> </ul>
<b>Date of Birth</b>	<ul style="list-style-type: none"> <li>■ Aug. 12, 1968 (46 years old)</li> </ul>
<b>Education</b>	<ul style="list-style-type: none"> <li>■ MBA, Ohio State University</li> <li>■ BS in Business Administration, Seoul National University</li> </ul>
<b>Current Position</b>	<ul style="list-style-type: none"> <li>■ Head of Global Business Development Division</li> </ul>
<b>Experience</b>	<ul style="list-style-type: none"> <li>■ 2012 Dong-A Pharmaceutical Co., Ltd.</li> <li>■ Partner, Samjong KPMG Investment Advisory Service</li> <li>■ Partner, Samjong KPMG Financial Advisory Service</li> <li>■ Director, Off Road Capital Korea</li> <li>■ Senior Auditor, KPMG New York LLP</li> </ul>
<b>Shares Held</b>	<ul style="list-style-type: none"> <li>■ 33 shares</li> </ul>
<b>Reasons for Appointment</b>	<ul style="list-style-type: none"> <li>■ Mr. Lee’s expertise perfectly fits with the core purpose of establishing holding company as he spent many years giving and building a strategy for global expansion for many Korean conglomerates, which Dong-A Group needs desperately to overcome the rising difficulties in domestic pharmaceutical market in Korea</li> <li>■ He will head Dong-A Socio Holdings which will strive to find the growth driver for the both OTC and ETC business as well as untapped areas such as U-Healthcare, genome, and other future healthcare and biotech businesses.</li> <li>■ Also Mr. Lee , utilizing his experience as investment advisor, is expected to find the most optimum investment portfolio for the Dong-A Socio Holdings of which goal is to become the most trusted and profitable holdings company in Korea going forward</li> <li>■ BOD believes that Mr. Lee as a COO and President of Dong-A Socio Holdings will spearhead operation for Portfolio company restructuring and business development while leveraging his advisory experiences at emerging market to expand Dong-A’s global business into emerging market countries.</li> </ul>



**Agenda 3-2: Appointment of an Inside (Executive) Director Recommended by BOD**

<b>Name</b>	<b>Soo-hyung Kang</b>
<b>Expiration</b>	<ul style="list-style-type: none"> <li>■ March 2016</li> </ul>
<b>Date of Birth</b>	<ul style="list-style-type: none"> <li>■ Nov. 30, 1955</li> </ul>
<b>Education</b>	<ul style="list-style-type: none"> <li>■ Ph.D in Biochemistry, Korea University.</li> </ul>
<b>Current Position</b>	<ul style="list-style-type: none"> <li>■ Head of Dong-A Meiji Biosimilar TF, Dong-A Pharmaceutical Co., Ltd</li> </ul>
<b>Experience</b>	<ul style="list-style-type: none"> <li>■ 2005 Head of Bio-tech Division</li> <li>■ 2003 Director, Research Planning</li> </ul>
<b>Shares Held</b>	<ul style="list-style-type: none"> <li>■ 1409</li> </ul>
<b>Reasons for Appointment</b>	<ul style="list-style-type: none"> <li>■ Dr. Kang was with Dong-A for past 30 years in R&amp;D division and demonstrated his expertise in developing new growth driver for the ETC and bio businesses such as Stillen, Zyderna and 1<sup>st</sup> generation biosimilar including Closerin and Growtropin.</li> <li>■ Recently, Mr. Kang led the successful collaboration with Meiji-Seika in development of the biosimilar business and thus BOD believes that he is well equipped in pursuing a biotechnology and other future business going forward.</li> <li>■ BOD believes that Dr. Kang will play critical role in increasing corporate value by finding new growth engines in the future.</li> </ul>

**Agenda 3-3: Appointment of an Inside (Executive) Director Recommended by BOD**

<b>Name</b>	<b>Hong-Ki Chae</b>
<b>Expiration</b>	<ul style="list-style-type: none"> <li>■ March 2016</li> </ul>
<b>Date of Birth</b>	<ul style="list-style-type: none"> <li>■ Oct. 23, 1964</li> </ul>
<b>Education</b>	<ul style="list-style-type: none"> <li>■ MS in Law, Korea University.</li> </ul>
<b>Current Position</b>	<ul style="list-style-type: none"> <li>■ CFO, Dong-A Pharmaceutical Co., Ltd</li> </ul>
<b>Experience</b>	<ul style="list-style-type: none"> <li>■ 2012 CFO, Dong-A Pharmaceutical Co., Ltd.</li> <li>■ Financial Controller, ST Pharm (formerly Samchully Pharm)</li> </ul>
<b>Shares Held</b>	<ul style="list-style-type: none"> <li>■ 43</li> </ul>
<b>Reasons for Appointment</b>	<ul style="list-style-type: none"> <li>■ Mr. Chae is expert in both law and finance as he spent most of his time working in the areas of finance and HR at Samchully Pharmaceutical which later became ST Pharm after being acquired by Dong-A Group.</li> <li>■ BOD believes that he well-demonstrated his leadership in bring together the possible confusion during the during the time of post M&amp;A integration so as to bring the company together to become one of the most profitable subsidiaries of Dong-A Pharmaceutical.</li> <li>■ BOD believes his leadership and expertise in finance, legal, as well as HR will contribute Dong-A Socio Holdings to become successful holding company that will be engage in various M&amp;A activities to engender growth for the whole Dong-A Group going forward.</li> </ul>

**Agenda 3-4: Appointment of an Outside Director Recommended by BOD**

<b>Name</b>	<b>Bong-Soon Cho</b>
<b>Expiration</b>	■ March 2016
<b>Date of Birth</b>	■ Jul. 22, 1966
<b>Education</b>	■ Ph.D in Business, State University of New York
<b>Current Position</b>	■ Professor of Business Administration, Sogang University
<b>Experience</b>	■ Professor of Business Administration, Sogang University
<b>Shares Held</b>	■ None
<b>Reasons for Appointment</b>	<ul style="list-style-type: none"> <li>■ With the recommendation from Softbank Investment, one of minority shareholders of Dong-A Pharmaceutical, BOD resolved to appoint Bong-Soon Cho as an outside director.</li> <li>■ Furthermore, Mr. Cho is renowned expert in human resource management and particularly well-known for PMI (Post M&amp;A Integration) and BOD believes arising difficulties from sluggish domestic market left no choice for Dong-A to continue seeking the way to grow through M&amp;A and his expertise will play a critical role in building up the Company going forward.</li> <li>■ Thus, he will be an important position to advice the way for the Company to operate in the best interest of various stakeholders and to maximize shareholders' value through not only by giving advice for the excellence of company management but also delivering the view of minority shareholders.</li> </ul>