

Introduction to the HJ Magnolia Business Foundation activities in Korea

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Yongpyong Hotel and Resort

I am taking this opportunity to report on the work of the HJ Magnolia Foundation Korea. Although the work, which True Parents initiated and inspired, is developing in many countries around the world, in order to keep this at a reasonable length, I will focus my report on the HJ Magnolia Foundation's work within Korea.

True Parents founded this foundation to help attain the interdependence and mutual prosperity of all humankind. Under this vision of interdependence and mutual prosperity for all people, we are working to equalize the distribution of technology and capital to give everybody in our global village the chance at a life free from hunger and disease. In addition to economic activities, the foundation is also working to provide financial support for many projects aimed at securing peace for all people and creating a peaceful world.

True Mother is pursuing concrete initiatives aimed at securing the constructive coexistence of people and the natural world (which is an absolutely necessity to maintaining human life) as well as programs to improve the quality of life for the world's people through preserving clean air and water and developing healthy foods and medicines. I will introduce our work in four major areas in keeping with True Mother's plans and vision.

Tourism and Leisure

The benefits derived from the tourism and leisure sector, in addition to simply providing enjoyment through recreational activities, are the contribution it makes to people's mental and physical health and happiness through education, culture, arts and sports activities.

Yongpyong Hotel and Resort

We have four companies in the tourism and leisure sector and our central anchor in this field is the HJ Magnolia Yongpyong Hotel and Resort. Yongpyong Resort is located in Gangwon Province, about seven hundred meters above sea level. It is an extensive resort facility covering an area of about sixteen million square meters, with 3,000 lodging units, twenty-eight ski slopes, forty-five holes of golf, a sightseeing cable car that runs 1,458 meters up to the summit of Mt. Balwang and a four-season water park. All this makes it the largest and most diverse four-season resort in Korea, which was one of the key locations for the 2018 PyeongChang Winter Olympics.

As the flower of the Winter Olympics, Yongpyong was the site of the alpine events, as well as the location of the International Olympic Committee's hotel, the athletes' village, Olympic housing for many countries and the broadcast headquarters for NBC News, the Games' official news outlet. The games were the opportunity for the start of a new wave of progress toward world peace, with North Korean and South

Korean athletes marching in under one flag and seeds being planted for a North Korea–United States summit to work toward solving the nuclear arms problem on the Korean peninsula.

Mt. Balwang

Koreans know Mt. Balwang as a mountain with many treasures. Among them are the most beautiful sunrises and sunsets in Korea, a vista from the peak that includes a view of the glittering silver ocean, mystic yew trees over a thousand years old and a mineral spring that flows from a three-meter-deep well drilled into solid rock near the mountain's peak.



The Ocean Resort

The Ocean Resort is located at Korea's southernmost tip. Nestled like a jewel in Korea's beautiful southern coastline, off of which are the many islands of Dadohae National Marine Park, the Ocean Resort, with its hotel, condos, extensive water park, ocean beach and eighteen-hole golf course, is a four-season resort with a magnificent view of the ocean where you can experience ocean beauty all through the year.



Pine Ridge Resort

Pine Ridge Resort

Pine Ridge Resort, located in a secluded area of Gangwon Province, features the year-round colorful beauty of Mt. Seorak National Forest. It is Korea's largest golf and hot springs resort. It boasts one of Korea's top ten golf courses and has twenty-seven holes surrounded by beautiful pine forests, along with beautiful golden sand and superior landscaping.

Beache Palace

This is a condo-hotel located on South Korea's west coast at Muchangpo. Situated on an ocean beach, known for its beautiful sunsets, Beache Palace offers enjoyment for the whole family, including experiences in ocean fishing and crabbing on the mud flats, as well as a hike across to offshore islands over a land bridge that is open only at low tide.



Seil Travel Agency

Our final company in the tourism and leisure sector is Seil Travel, with forty-three years of experience offering comprehensive travel services. Seil offers a complete range of travel-related services from overseas package tours to group travel, school trips and individual trips including air travel, lodging, ground transportation and visa assistance.

Food and Healthcare

Our longest-standing business in this sector is the Il Hwa company, which we established in 1971. It produces ginseng products, beverages, pharmaceuticals and food products, in line with the founders' goal of "Helping the people of the world to be healthy." In addition to manufacturing its established products, Il Hwa also conducts research in the field of new medicines to remain competitive in the global market.



Seil Travel Agency

Ginseng

A medicinal herb, Ginseng is known as a "root of life" blending the wind, water, earth, nature and the passing seasons to provide medicinal herbal properties. Il Hwa began as a supplier of ginseng products, passing US\$10 million in exports in 1975, with overseas branches in Japan, Hong Kong and the United States and exports to over fifty countries, in Europe and other areas, while also maintaining strong

domestic sales, through well-known department stores and duty free shops as well as internet shopping malls.

Since 2013, Il Hwa has been producing ginseng-based products, including red ginseng concentrate, red ginseng tea, ginseng powder and ginseng extract tonics, in the company's own factories, which have NSF International Good Manufacturing Practices (GMP) status.



Beverage Products

The food and beverage division produces McCol, the country's first barley-based soft drink, along with Chojeong Mineral Water and Cheonyeon Cider. Since McCol entered the market in 1982, Il Hwa has sold more than five billion cans of this barley-based healthy vitamin-enriched soft drink. Il Hwa manufactures Chojeong Mineral Water products and Cheonyeon Cider with water from one of the world's three primary mineral springs, the Chojeong-ri mineral spring.



Pharmaceutical Products

IlHwa's pharmaceutical division focuses on and markets over 150 specialized pharmaceutical products, including circulatory and digestive medicines and antibiotics. After a period of stable growth, in 2013, the company expanded by establishing a world class KGMP (Korea Good Medical Practices) factory of 24,000 square meters in Chuncheon, Gangwon Province, which manufactures over a thousand specialized medicines and generic drugs. To determine the company's future direction, they are pursuing RandD in industry, academic collaboration with Seoul National University on Lung Cancer and research related to antioxidants and diseases related to the metabolism of alcohol in collaboration with Pusan National University.

Food, Well-Being

The food that people eat determines their health and constitution. True Mother established HJ Food in order to supply good-quality food products and healthy meals. HJ Food supplies food to schools, training centers and companies of all sizes. Through Magnolia Plaza, located near the North Han River, and the Hyo Jeong Cafe, on the riverbank, they provide traditional Korean and Japanese meals, accompanied by top class coffee products at Cafe Kona Queens. Cafe Kona Queens is expanding across the country with franchises in eight locations and five cafes directly operated by the company. HJ Food is committed to

developing a healthy food service culture.

Machine Tools, Automotive Parts

TIC

TIC is a model company in the movement for the equalization of technology. In 1981, True Parents acquired a number of German companies that manufactured automotive engines, including Bandor and Hirschstad. With the technology from those companies, they formed Tongil Industries, the forerunner of TIC. Tongil Industries played a key role in the development of the automotive industry in Korea. TIC is currently located in Changwon, Gyeongnam Province, and manufactures automotive parts, machine tools and precision ball screws.

It manufactures and distributes key automobile components such as axles, transmissions and brake systems. It was the first Korean company to manufacture cylindrical grinding machines; TIC manufactures twenty-two models of them for sale in Korea as well as for export to Japan and Germany. The company is expert in producing precision ball screws, which are used as components for manufacturing equipment and various types of robots.

TIC's excellence in the precision machine tool industry gives them a market that includes companies not only Korea, but also OTC, a US defense contractor, Japan's Toyota Motor Group, the Vietnamese state owned VinFast and Pindad, an Indonesian state-owned military and commercial manufacturer.



Shinjeong Development

Shinjeong Development

Located in Ulsan, Shinjeong Development produces special use vehicles. The company develops and produces 70 percent of the special use vehicles sold on the domestic market, including street sweepers, road sprinklers, fire engines, aircraft tow vehicles, armored-wheeled vehicles, mountain motorbikes and snowplows.

Shinjeong has exported armored vehicles for police use to Vietnam, 2,158 bulletproof police patrol cars to Peru and lightweight armored vehicles to the Indonesian Police Department and has additional contracts in process for delivery this year of vehicles to Indonesia and armored vehicles and street sweepers to Singapore, Oman, India and Saudi Arabia.

JC Corporation

JC Corporation has locations in Siheung in Gyeonggi Province and Daegaya-eup in Gyeongbuk Province. The company produces AL-FLUX, an agent for treating aluminum in the production of air conditioners, as well as products used in wastewater treatment. JC's flagship product, AL-FLUX, holds 40 percent of the domestic market in its sector and exports to China, Japan and other markets, with plans to expand export sales further.

True Mother directed us to become involved in the drone industry last year, as drones are an important new technology for the Fourth Industrial Revolution, so we have been pursuing research and development regarding drones and preparing for production. The *Segye Times* has already hosted some drone events, including a drone fishing competition and a drone expo.

Another new area we are exploring, through our facilities with Shinjeong Special-Use Vehicles, is pollution-free electric vehicles.



Construction, Stonework, Building Maintenance Division

Sun Won Construction

Begun in 2000, Sun Won Construction has been actively working on numerous construction projects in the Chung Pyung area and elsewhere. They have developed into a respected expert company in the general construction field. Their aggressive pursuit of contracts in government and private sectors brought contracts for new highway construction in 2011, the Yeonjong Sky City landscaping work in 2012, the PyeongChang Olympics press center apartments in 2015, a segment of the new Seohae train line in 2016 and other major construction projects utilizing a variety of construction techniques. They took an important step into a foreign market with a contract to construct the Seoul Forest in Ulaanbaatar, Mongolia.



Sun Won's construction projects at Chung Pyung cover the Cheongshim International Medical Center (2001) CheongShim Theological Seminary (2003) Cheon Jeong Gung, the CheongShim International Academy and the International Youth Center. They provided the foundations for the Cheonwon Complex and most recently Magnolia Plaza, Hyojeong Cafe and other recent additions to the area.

Il Shin Stonework

Il Shin is based in Icheon, in Gyeonggi Province. It does stone processing and distribution, and stone production and installation. With specialized knowledge, Il Shin has amassed a record of major projects over the past two decades and established itself as an expert in the supply of imported and domestic stone

including products from twenty countries in Europe, the Middle East and other areas. Il Shin also excavates and processes pink granite from its own quarry.



Il Shin Stonework

In recent years, the company has opened the largest showroom for luxury stone products in the country and is taking the lead in the supply of high-end stone products. In their 10,000 square meter showroom, more than a hundred varieties of imported stone from Italy and Brazil are displayed, with a wide variety of colors and patterns.

Seilo and Pamsco

These two companies work in the building management and maintenance service sector. Their primary work is maintenance service at schools, hotels and resorts and studio apartment buildings. They also handle MRO (Maintenance, Repair and Operating) and supply purchasing services and Intelligent Building Maintenance (IBS) services. They supply clean water and clean energy and management and maintenance services to the facilities in the Cheonwon Complex.

HJ Magnolia Medical Foundation

The Cheongshim International Medical Center is located in the Cheonwon Complex. It provides comprehensive health care to all the residents of the area, utilizing both Oriental and Western medicine, with fourteen specialized departments and 147 in-patient beds. The medical center ranked first in popularity among foreign patients and has received awards from Korea's Minister of Health and Welfare.

Cheongshim International Medical Center staff members in collaboration with Isshin Hospital in Japan and the Aewon Social Welfare Foundation are continuing overseas medical programs the Unification Church began in 1971.

Medical personnel primarily from Japan staffed the early medical volunteer activities. They provided medical services in the Philippines, India, Brazil, Africa, Paraguay, Bangladesh and Mongolia. Recently, they brought their services to Cambodia, in collaboration with the Cambodian government and civilian organizations. Starting in 2016, forty students from the School of Health Care at Sun Moon University joined the volunteer health service, offering medical care in Cambodia.

Status of real estate holdings

Magnolia Foundation Korea is responsible for managing about 31 million square meters of forest, agricultural and residential land in Korea, along with thirty-eight buildings with a total floor space of about 150,000 square meters, including the Dowon and Pyeonghwa Buildings in Seoul, the Samil Artrium on Jeju Island and an office building in Yongsan. We are focusing on maximizing the value and utility of these forest and undeveloped properties and on the agricultural land. We're producing eco-friendly crops and energy. Forestland and other properties that do not generate income are evaluated for appropriate development strategies and properties with aging buildings are being made more profitable by rebuilding.

Status of the Hyo Jeong Cheonwon Complex

Cheon Jeong Gung

True Mother is now using Cheon Jeong Gung as the headquarters of the global providence. It is a classical stone building built on a plot of land measuring 40,000 square meters and has two underground levels and four floors above ground totaling 33,000 square meters. Cheon Jeong Gung houses the FFWPU International Headquarters offices, event rooms, an exhibition on True Parents' lives and work and a museum of classical Korean works of art. Adjacent buildings on both sides of the main palace contain VIP lodging facilities and executive seminar facilities.



Cheongshim Peace World Center and International Youth Center

These are central facilities for the development of hyojeong culture through various performances and events.

HJ Hotel

This is at the planning stage. We are pursuing a five star hotel and youth hostel to accommodate those who come to visit the Cheonwon Complex in the coming years. The HJ Hotel is slated for construction on a 300,000-square-meter plot of land. The convention center complex includes a tower-style hotel, a youth hostel and a convention center. We've announced these publicly. Work will begin soon on building permits and construction.



Cheonji Sunhak Won

Cheonji Sunhak Won is arguably the center of the Hyo Jeong Cheonwon complex. Here, we will archive documents and materials regarding True Parents' lives and accomplishments and we will hold exhibitions and education programs on the providence of restoration. Cheonji Sunhak Won will arise on a plot of land of about 125,000 square meters, with a total floor space of 76,000 square meters in three basement levels and four floors above ground with a domed structure in reinforced concrete with stone cladding. The total height of the building from the third basement to the dome is 68 meters. It is 180 meters wide and 236 meters long.

Financial Support

We support NGOs pursuing peace activities, educational institutions and cultural organizations. HJ Magnolia Foundation-Korea utilizes some income generated through its economic activities to provide support for peace initiatives and NGOs.

Cultivating Future Leaders

The foundation provides support for twelve academic institutions in Korea, attended by twenty-one thousand students. The Foundation provides financial support and employment support to help the schools maintain their competitive edge. In addition, to help students with financial difficulties to receive a quality education, the foundation provides support for scholarship programs at the schools.

Cultural Organizations

The foundation also provides support for the Little Angels and Universal Ballet, which are anchors of hyojeong culture and the pride of the Unificationist family.

Conclusion

The mission of the HJ Magnolia Foundation Korea is promoting interdependence and mutual prosperity. We will do our best to manage the movement's business enterprises and financial assets wisely to support True Parents' work for peace. We will find the way to move steadily forward toward securing the beauty of the earth and the health of humankind.