MIRAE ASSET – LEADING FINANCIAL GROUP IN KOREA

- Total Assets Under Management’s up to 398 billion USD with total Equity Capital is 13.3 billion USD.
- Mirae Asset’s extensive global network of 30 offices strategically positioned across 14 markets.
MPV’S MODEL OF PAYABLES FINANCE

1. Deliver Goods/Services
2. Recognise Account Receivable
3. Upload A/R Data to Platform
4. Transfer A/R
5. Pay (90% - Discount)
6. Pay 100% at Maturity
7. Auto collect 90% at Maturity

BUYER

SUPPLIER

INVESTOR

BUYER

Upload A/R Data to Platform

INVESTOR

Recognise Account Receivable

SUPPLIER

Deliver Goods/Services

INVESTOR

Pay 100% at Maturity

BUYER

Auto collect 90% at Maturity

INVESTOR

Transfer A/R

BUYER

Pay (90% - Discount)
## COMPARISON OF THE TWO SCF MODELS

<table>
<thead>
<tr>
<th>FEATURES</th>
<th>PAYABLES FINANCE MODEL (Current MPV)</th>
<th>RECEIVABLES DISCOUNTING MODEL</th>
</tr>
</thead>
</table>
| **Product Structure**| - Buyer joins as participant (Buyer driven)  
- Transaction Contracts are signed between Buyer – Platform - Supplier                          | - Buyer does not involve directly into the transaction  
- Transaction Contracts are signed between Platform - Supplier                                   |
| **Participants**     | - Assessment in both finance and operation aspect  
- Information provided from Buyer and other third-parties  
- Buyer Credit Rating  
- Only based on available information from third-parties                                           | - Buyer Credit Rating  
- Only based on available information from third-parties                                           |
| **BUYER Credit Rating** | - No credit assessment  
- Only transaction assessment  
- Buyer Credit Assessment                                                                          | - Assessment in both finance and operation & credit rating  
- Transaction assessment                                                                          |
| **SUPPLIER Credit Rating** | - Buyer and Supplier Credit Rating due to the transparency of information  
- Fraud and payment risk                                                                            |                                                                                                    |
| **Risk**             | - Better in risk control and reduction  
- Quick payment, withing 24hrs                                                                      | - Easy to approach client and initiate transaction                                                |
| **Pros**             | - Not easy to persuade Buyer to join                                                                   | - Risk control, especially fraud and payment risk  
- Take time for credit assessment and disbursement                                                   |
| **Cons**             |                                                                                                       |                                                                                                    |
CHALLENGES WHEN EXPANDING TO RECEIVABLES DISCOUNTING

Issue with Corporate Credit Rating
- Financial information of SMEs is not transparent
- Not being supported by CRSPs
- Weak financial base, most of SMEs are not qualified to pass the filters
- CIC information is limited and hard to access

Not yet being supported by professional data & analytic firms to define potential client group

Risk issues without Buyer’s participation
- Fraud
- Performance risk
- Payment risk
SUPPORT FROM THIRD-PARTY FOR E-PLATFORM

- Provide corporate assessment report
- Provide corporate credit rating service

Data Analytic Firms
- Analyze available data and define targeted clients follow e-Platform’s filtered criteria
- Provide reference information of potential client

State Agency
- Online connection of invoice verification system
- Promote the participation of non-financial institution members to CICB

Credit Reporting Services Providers (CRSPs)

E- Platforms

The diagram illustrates the interactions and support roles between E-Platforms, Credit Reporting Services Providers (CRSPs), Data Analytic Firms, and the State Agency in the context of providing third-party support for an e-platform.
Thank You!