

Statutory Audit Requirements

- Each of the following companies are subject to statutory external audit by an external auditor who is independent of the company under Korean Law¹
 - (1) A stock-listed corporation
 - (2) A company that intends to be a stock-listed corporation in the relevant business year or the following business year
 - (3) A joint stock company (Joosik Hoesa) which fulfills one of the below three conditions
 - 1) Total asset volume of prior fiscal year is equal or more than KRW 50 billion
 - 2) Total revenue of prior fiscal year (in case prior fiscal year is less than 12 months, it shall be converted into 12 months, and less than one month shall be deemed as one month) is equal or more than KRW 50 billion
 - 3) The company which meets at least 2 or more of the following conditions based upon prior fiscal year information

Assets	Liabilities	Sales	No. of employees
Equal or more than	Equal or more than	Equal or more than	Equal or more than 100 employees
KRW 12 billion	KRW 7 billion	KRW 10 billion	

- (4) A limited company (Yuhan Hoesa) which fulfills one of the below three conditions²
 - 1) Total asset volume of prior fiscal year is equal or more than KRW 50 billion
 - 2) Total revenue of prior fiscal year (in case prior fiscal year is less than 12 months, it shall be converted into 12 months, and less than one month shall be deemed as one month) is equal or more than KRW 50 billion
 - 3) The company which meets at least 3 or more of the following conditions based upon prior fiscal year information

Assets	Liabilities	Sales	No. of employees	No. of members
Equal or more than KRW 12 billion	Equal or more than KRW 7 billion	Equal or more than KRW 10 billion	Equal or more than 100 employees	Equal or more than 50 members

¹ Nevertheless, any company other than a stock-listed corporation among the companies designated as a public corporation or a quasi-government agency and any other company prescribed by Presidential Decree such as incorporation registration for the first time in the relevant business year, a special-purpose company and a company whose dissolution, liquidation or bankruptcy has been registered, etc. are not subject to external audit.

² Provided, that a limited company converted to a limited company from a joint stock company in accordance with Commercial Act on or after November 1, 2019 shall be governed by the conditions for a joint stock company for five years from the date the registration thereof is made