

KIND NEWSLETTER

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26 Applications received for F/S

PIS Fund successfully launched

KIND got its first ratings "AAA"

Bold restructuring for 2020

Bangladesh 2nd Joint Platform M/T in JAN

Chile Talca PV in operation

The first KIND–invested project that entered into commercial operation



KIND Saw Its First Commercial Operation from the Opposite Side of the Globe, Chile

Talca PV’s tracker-type panels started to generate power.. and profit

The 10.4MW photovoltaic power plant started to generate clean energy that will be sufficient to power 5,300 of population in the Talca region, while offsetting more than 8,900 tonnes of carbon dioxide annually.

This PV plant will operate for 25 years and supply generated power to distribution company under the PMGD* regime. In Spanish, PMGD stands for Pequeños Medios de Generación Distribuída, and it is a special payment scheme for small scale PV plants.

This project is meaningful in that KIND successfully supported a medium-sized enterprise to complete an overseas investment project, together with public-private fund GIF (Global Infrastructure Fund).

FACT SHEET

- Generation capacity: 10.4MW
- Total investment cost: \$13.2Mil.
- KIND investment: \$6.5M for SPV-issued Kimchi bonds
- Main sponsor: S-Energy Inc.
- Other investor: Global Infrastructure Fund



Successful PR Activity Ended up with Successful Result – # of Feasibility Study Applications Broke the Record, 26

Continuous feasibility study supports will work as not only a useful tool to develop projects, but also a means to build KIND employees’ capacity

On November 18th 2019, KIND held a grand event to explain its feasibility study support program. Subsequently there was another session for 1:1 consulting with small and medium sized companies to help their overseas investment projects.

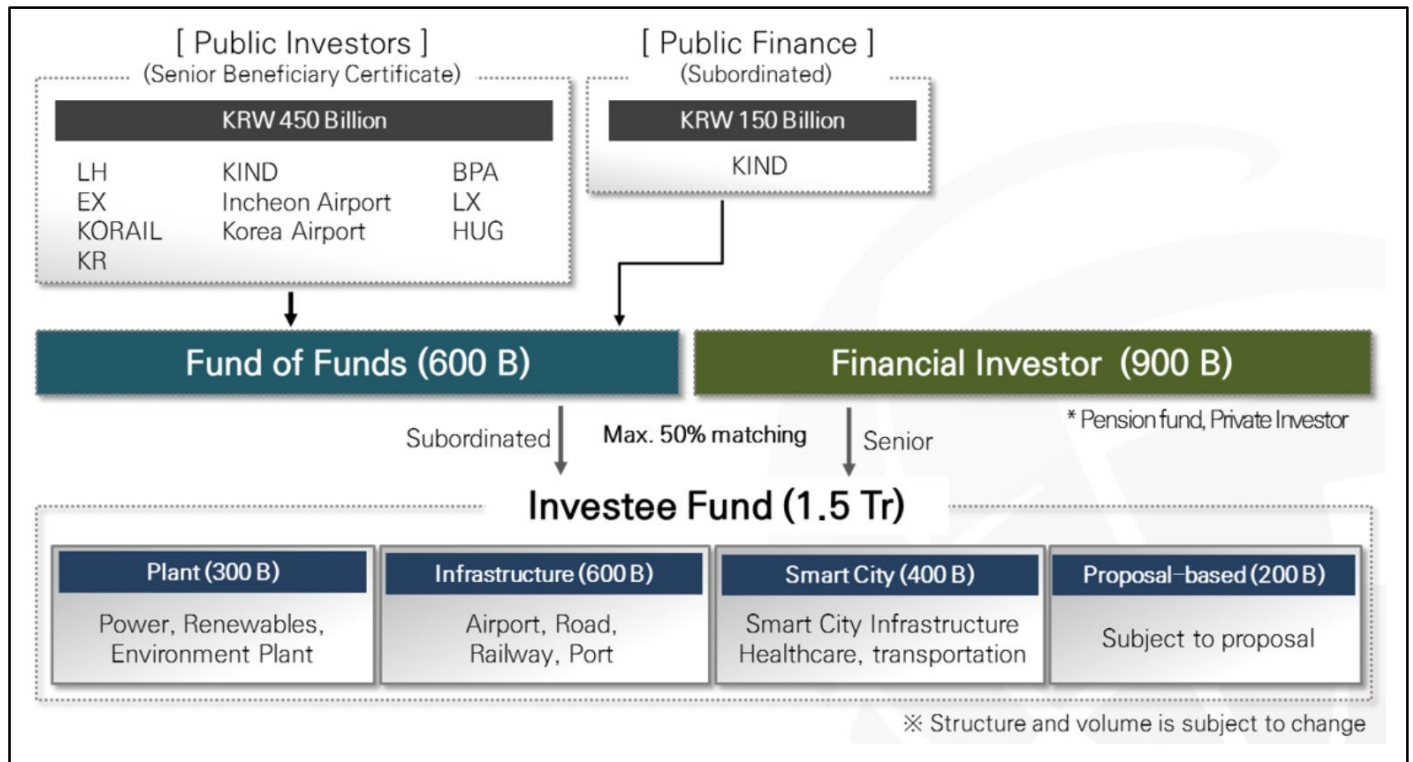
Over 160 participants showed strong interests on the program and consultation, and a successful result was brought out: The number of F/S applications hit 26, breaking the record.

Plant, Infrastructure, Smart city Fund Successfully Launched

Limited Partner Advisory Committee held first meeting on Nov 14th 2019

After Global Plant Infrastructure Construction Smart City Fund (“PIS Fund”) was successfully launched on October 31st 2019, its first Limited Partner Advisory Committee (“LPAC”) was held by KIND and Samsung Asset Management, lead General Partner (“GP”) of PIS Fund on November 14th at Seoul Dragon City.

Presented the future investment plan and expected capital call schedule, as well as the overall plan for selecting the sub-GP of PIS Investee Fund at the meeting, PIS Fund announced KRW 60 billion worth first capital call, 10 percent of its total committed amount, on December 13th 2019. Now, the fund currently invites candidate sub-GPs and expects to have the investee funds launched in early 2020.



KIND Rated 1st time ever: AAA from All 3 Major Rating Agencies

From Korea Ratings Corp., Korea Investors Service & NICE Investor Service

On the first evaluation of its credit rating, KIND obtained the maximum “AAA” rating from all three domestic credit rating agencies – NICE Investor Service Co., Korea Ratings Corporation and Korea Investors Service at its first credit rating on December 24th, 2019. AAA means “Capacity for payment is strong, and unlikely to be adversely affected by foreseeable changes in circumstances”.

The rating agencies highly evaluated in the facts that 1) KIND was established based on the crucial law of the Overseas Construction Promotion Act, 2) its business has a strong legal basis, 3) also it has strong public influence and importance to Korean companies that hope to achieve more overseas projects. KIND was proven to be stable and sustainable with high probability of additional support from the government.



KIND’s Sixth Roadshow held for ‘Lions on the Move’, Africa

Reinforced its network and basis for Public–Private Partnership development

KIND held another global roadshow in Nairobi, Kenya on December 10th 2019. It is the sixth such road show following Bangladesh, Vietnam, Indonesia, Colombia and Uzbekistan, and the first one in Africa.

Established in mid 2018, KIND has only a short history of 1 year and a half. To promote itself and its business model and supporting means, KIND launched an ambitious roadshow plan starting from 2019. Six times is more than the hectic schedule for a new institution, but all of them were successfully held.

KIND Roadshows 2019

April	Bangladesh, Vietnam
May	Uzbekistan
June	Indonesia
August	Colombia
December	Kenya

Relation between Korea and Uzbekistan Stronger Than Ever

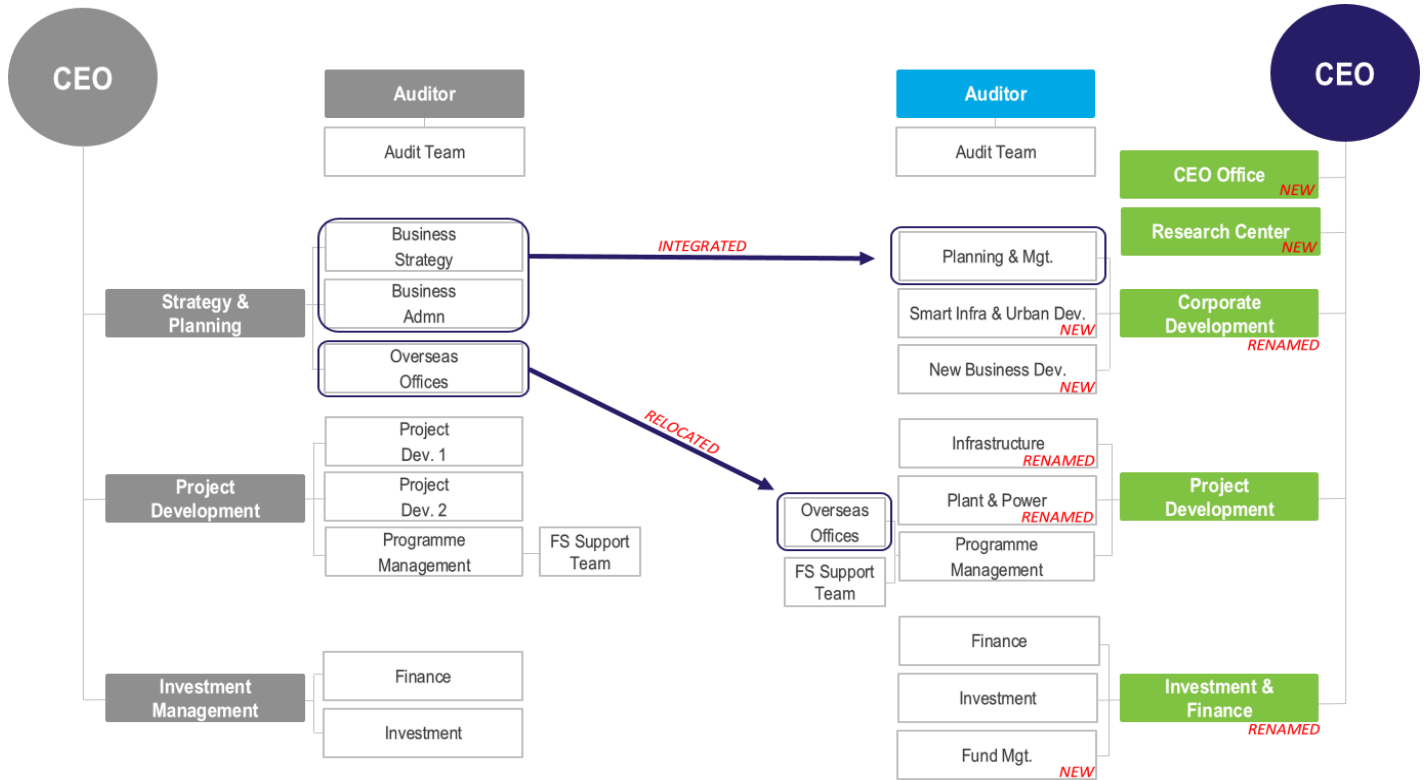
Along with Northern Policy, KIND keeps on building stronger relationship

KIND signed an MOU on October 23rd 2019 with the Ministry of Innovative Development of Uzbekistan. The agreement includes mutual cooperation on finding PPP projects and sharing knowledge in order to expand the PPP projects of Korean companies in Uzbekistan.

KIND already had its fifth roadshow in Uzbekistan, where both countries were able to share understanding about the infrastructure development. KIND will keep strengthening its relationship with the vibrant emerging country, focusing on sharing the strategic vision and on promoting the credibility of the PPP projects and further to pursue co-prosperity.

All Set for the Next Level Performance by Bold Restructuring

The management of KIND reshuffled the organization & human resources in an unprecedented scale to gear itself up for 2020



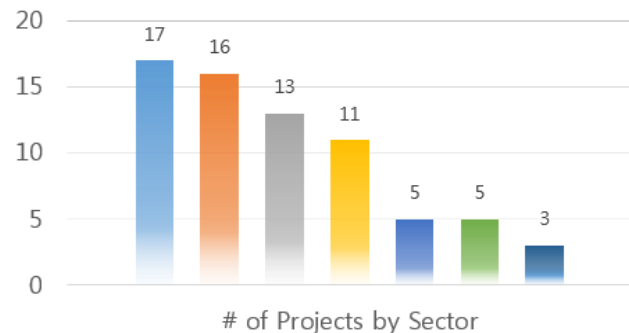
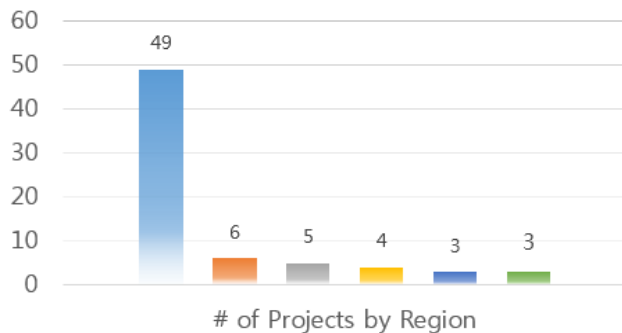
The major changes are as follows:

- 1) Enhanced project development capacity: development depts. increased from 3 to 5**
 - There used to be only **three** project development departments: Project Dev.1, Project Dev.2, and Programme Management departments.
 - Now there are **five**: Infrastructure (previously Project Dev.1), Plant & Power (previously Project Dev.2), Programme Management + Smart Infrastructure&Urban Dev. + New Business Dev. Departments.
- 2) Taking risk of reduction of internal admin depts.: 2 admin depts. merged into 1**
 - There used to be **two** administrative departments: Business strategy and Business admin
 - The management took the risk of merging into **one**: It was an inevitable measure to focus on project development out of limited resources the institution currently has
- 3) Fund mgt. and research strengthened: Fund mgt. dept. and Research center created**

[Deal Pipeline] Continuous Growth of the # of Projects

While the weight in Asia region grew significantly, diligent development activities from KIND and private companies brought more new opportunities

Total # of Projects: 70 (as of End of 2019)



■ Asia ■ Americas ■ Europe ■ Middle East ■ CIS ■ Africa

■ Transport ■ Urban Development
 ■ Power ■ Water
 ■ Logistics ■ Plant

[Projects] With Another PV, 4 Investments Approved in 2019

On top of 2 investments approved in 2018, year 2019 saw 4 new investment approvals from KIND in the fields of plants, urban development and energy

Projects KIND committed investment for (as of End of 2019)

Project	KIND Investment	Status
Kazakh Almaty Ring road PPP ('18. 4Q)	\$15.0M	Working for financial closing
Chile Talca Solar Power ('18. 4Q)	\$ 6.5M	COD since Sep 2019
Poland Polimery Police PDH/PP plant ('19. 2Q)	\$57.0M	Working for financial closing
Vietnam Starlake Urban development ('19. 3Q)	\$10.0M	Finalizing shareholding structure
Plant tender - Middle East region ('19. 3Q)	\$5.0M	Bid submitted / Waiting for the result
Chile Maria Pinto Solar Power ('19. 4Q)	\$ 2.0M	Working for financial closing
Total	\$98.5 M	

[F/S Support] 16 Feasibility Studies Completed in 2019

Projects KIND supported feasibility study budgets for (as of End of 2019)

Country	Project	Country	Project
Mozambique	Maputo CAPP	Bangladesh	Dhaka-Chattogram Expressway
Indonesia	Medan LRT+MRT	Iraq	Karbala Solar Power
Vietnam	Hanoi Agro/Fishery Wholesale Market	Georgia	Tskhenistsqali Hydro Power
Kyrgyzstan	Bishkek University Hospital	Mongolia	Ulaanbaatar Airport Railway
Turkey	3-Storey Istanbul Tunnel	Bangladesh	400kV Transmission Lines
Myanmar	Dala New City	Bangladesh	Upgrading Dhaka-Mymensingh Highway
Indonesia	Bekasi Proving Ground	Costa Rica	San Jose Railways
Vietnam	Dung Quat Urban Development	Indonesia	Rehabilitation of Landfill Site

The 2nd Bangladesh–Korea Joint Platform Meeting on Jan 19th, 2020

- Schedule of 2nd Joint Platform meeting: January 19th 2020
- Program: Announcement of Investor confirmation
 - Technical meetings for the confirmed projects
 - New projects presentation and discussion
 - PPP Financing seminar (KEXIM, SCB, IDCOL, etc.)
- Participants: Bangladesh government and institutions
 - Korea government and institutions (MoLIT, KIND, KEXIM, MoFA, etc.)
 - Korean investors and companies

Time really flies! 6 months already passed since the 1st Bangladesh-Korea Joint Platform meeting that was in Seoul last July.

The 2nd meeting will be held on January 19th 2020 at Intercontinental Hotel Dhaka, where some fruitful results will be announced. For further info, please contact Mr. Young Min Seo, Programme Management Office at ym.seo@kindkorea.or.kr.

KIND to be Equipped with Another Support Package for Smart City

MoLIT (Min. of Land, Infrastructure & Transport) of Korea plans to nominate KIND as a platform for developing overseas smart city projects, by assigning the task of supporting master planning and feasibility study to KIND. The total budget for this assignment will be around \$ 3M, which will be available for the smart city projects only upon request from KIND's partner government.

KIND to join MoLIT in Korea Innovation Week at the World Bank in Feb

Korea Innovation Week event is being planned by MoEF (Ministry of Economy & Finance) of Korea with the purpose to disseminate advanced, innovative solutions Korean public and private sector have. Presenting selected themes including smart city, KIND will join MoLIT with other institutions.

KIND will Accelerate the Selection of PIS Sub-Fund Managers

The PIS Fund has a two-layer structure, i.e., 'fund of funds', and 'sub-funds'. The schedule for selecting sub-fund managers in the three different sectors of Plant, Infrastructure, and Smart city is as shown here:

- (19.12.12) RFP Notification
- (~20.1.10) Deadline for Proposal submission
- (~20.1.17) Evaluation for the selection of candidates
- (~20.1) On-site Due Diligence and Final Selection
- (~20.4) Fundraising for PIS sub-funds from Private investors

Be Kind, for everyone you meet is fighting a hard battle.

From the movie "I, Daniel Blake" directed by Ken Loach

KIND is kind. We welcome all enquiries and consulting requests.
Contact us at ym.seo@kindkorea.or.kr / +82 2 6746 7366

[VOICE INSIDE] Hankyu Lim – EVP, Project Development Division

Upon my appointment as an executive of KIND, I made up my mind to achieve three goals:

- No.1, To make KIND focal point of overseas investment projects;
- No.2, To create exemplary cases from strong capacity building; and
- Lastly, based on those successful cases, to eventually foster a culture where Korean companies do not hesitate to develop new investment projects.

To achieve these goals, my colleagues and I discussed over 100 projects from over 400 times of meetings with various global/domestic parties. As a result, some projects were approved for KIND's investment and the process is being accelerated more and more. What remains now is to cultivate Korean companies' voluntary participation and further build capacities.

KIND will utilize most of its advantages as a governmental institution that can develop G2G projects. Time and workforce are limited, but there is much work to be done, and I make my mind again to put my utmost effort to address various demands from foreign governments.



[VOICE OUTSIDE] Ngovi Kitau – 1st Kenyan Ambassador to Korea

The following is an excerpt of a column on The Korea Times newspaper dated December 22nd 2019. The editing team appreciate the honorable ambassador Mr. Kitau for his kind permission to quote his column.

KIND held its first African roadshow in Nairobi on Dec. 10. It was one of a kind. It candidly shed light on why Kenya and Africa should partner with South Korea on public-private partnerships (PPP) to close the huge and growing infrastructure gap.



KIND, a state-owned enterprise (SOE), and Team Korea's leader for another nine Korean SOEs, is being used strategically by the Korean government as an instrument of implementing public policy to provide a fillip to the private sector. Notwithstanding, it has developed a state-of-the-art PPP financing model, which can transform African economies.

This financing model, again, is one of a kind. It will give a helping hand to Kenya and other African countries to develop their own SOEs and mobilize local funds instead of relying on expensive multilateral development banks and development finance institutions whose focus is only on debt financing, where the borrower bears all the risks.

However, there are two nagging questions. A detailed analysis of KIND's operations reveals an interesting trend, which could have political repercussions.

So far, KIND has established four overseas infrastructure cooperation centers in Kenya, Indonesia, Vietnam and Uzbekistan. Except for Kenya, the other centers are aligned with President Moon Jae-in's New Southern Policy and New Northern Policy. The question is: Will the Korean government allocate sufficient funds to viable projects in Africa where President Moon has no substantive policy?

Secondly, a good percentage of the \$222 million indirect investments KIND has been made through the Global Infrastructure Fund (GIF) and Plant, Infrastructure, Smart City (PIS) fund, is largely aligned with the above two policies. The question is: If liberals lose the next elections to conservatives, will KIND continue to enjoy government patronage?

In conclusion, the KIND Africa roadshow was an eye opener and there is no doubt they are a reliable companion for global infrastructure development, and can provide expertise to close the infrastructure financing gap in Africa.