

# KIND

## NEWSLETTER

Winter Edition  
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### PROJECT DEVELOPMENT DIVISION

The 3<sup>rd</sup> Bangladesh-Korea Joint PPP Platform Meeting held with new confirmed project

### CORPORATE DEVELOPMENT DIVISION

KIND's First Urban Development Enabled by Timely Dispatch to Sites in Vietnam

### INVESTMENT & FINANCE DIVISION

KIND's First Bond (KRW 150 Billion) Issued



## KIND's First Urban Development Projects Launched

KIND invests in two Vietnamese urban development projects, Ecopark Apartment Development Project / Korea-Vietnam Economic Cooperation Industrial Complex Project



Ecopark Apartment Site

- See Page 4 for more details

## The 3<sup>rd</sup> Bangladesh-Korea Joint PPP Platform Meeting held with new confirmed project “Meghna Bridge Project”



VIPs' commemorative picture incl. Minister of Land, Infrastructure and Transport, Ambassador of Bangladesh in Korea, and CEO of KIND

KIND and Public Private Partnership Authority (PPPA), Bangladesh co-hosted the webinar titled “The 3<sup>rd</sup> Bangladesh-Korea Joint PPP Platform Meeting” on November 12, 2020 in Seoul and Dhaka simultaneously. In the meeting, Bangladesh Bridge Authority (BBA) showcased “Meghna Bridge Project” that involves the construction of a four-lane bridge over Meghna river on the Bhulta to Araihasar to Bancharampur road, which will serve as an alternate route of Dhaka-Chittagong Highway and Shaka-Sylhet highway.

Mr. Han-kyu Lim, EVP of KIND, officially declared that KIND and PPPA jointly agreed this project to be implemented as PPP scheme based on G2G Partnership.

In addition, the following three new potential projects were proposed by both sides for further discussion.

- New Project proposed by Korea Side
  - Purbachal Town Electricity Network
- New Project proposed by Bangladesh Side
  - ‘Tongi to Sadarghat Subway line’
  - ‘Oboshor - Senior citizen health care and hospitality center’ for financing arrangement only



Confirmed Project declared by Mr. Han-kyu Lim, EVP of KIND



Congratulatory Speech by Minister of Land, Infrastructure and Transport, Korea



Opening Speech from Bangladesh Side by CEO of PPPA(Left) and Principal Secretary of P.M.O(Middle)

The webinar was attended by Madam Hyun-mee Kim (Minister of Land, Infrastructure and Transport) and Mr. Salman F. Rahman (Private Industry and Investment Advisor to the Prime Minister) who graced the meeting with their presence. Also, Dr. Ahmad Kaikaus (Principal Secretary to the Prime Minister), Madam Sultana Afroz (Secretary and CEO of PPPA), Mr. Kyong-goo Hur (CEO of KIND), Mr. Jang Keun Lee (Ambassador of the Republic of Korea to Bangladesh), Madam Abida Islam (Ambassador of the People's Republic of Bangladesh to the Republic of Korea), senior government officials, private investors, and representatives of KIND and PPPA participated in the meeting.

The meeting ended with the commitment from the participants in strengthening mutual cooperation and working together for implementing infrastructure projects in Bangladesh.



*Welcoming Speech by CEO of KIND*

## Acquisition of New Shares and Loan Drawdown in Poland PDH/PP Project

Following up the execution of equity documents in May 31, 2020, concerning the investment of KIND to Polimery Police PDH/PP Plant Project in Poland (the "Project") carried out by Grupa Azoty Polyolefins S.A. ("GA Polyolefins"), KIND acquired new shares in GA Polyolefins by making a cash contribution in a total amount of USD 5 million on November 16, 2020. As the registration of the share capital increase at GA Polyolefins by the competent court in Poland has been completed on November 27, 2020, KIND has become an official shareholder of the GA Polyolefins. As Hyundai Engineering and Grupa LOTOS, co-sponsors with KIND for the Project, also acquired new shares in GA Polyolefins with the same schedule pursuant to the equity documents, the equity financing for the Project has been closed.

Further to the equity closing, KIND disbursed the shareholder's loan (in the type of subordinated loan) in the amount of USD 52 million to the GA Polyolefins on December 21, 2020. Grupa LOTOS also disbursed the loan on December 22, 2020, and as a result, all the cash contribution by sponsors to the Project has been completed.

The financial close of senior facilities is expected in February 2021. The Project is under construction by Hyundai Engineering as EPC contractor, and expected to reach commercial operation in 1st quarter, 2023.

## Final Investment Decision made for Port Logistics Facility in Indonesia



*The picture above for explanation purpose only*

KIND has decided to invest in Port Logistics Facility in Probolinggo province, Indonesia (the "Facility"). The Facility which is composed of 12,000 square meter for general warehouse and 13,000 square meter for the yard will be built near the existing Probolinggo port. The SPC for the Facility is planning to be established early of 2021. They will carry out all business value chain such as stevedoring at port, inland trucking service, warehousing and etc.

This investment by proven local partner (PT PK) and port logistics giant (Busan Port Authority) will facilitate the improvement of logistics environment with serious congestion problem in East Java region and bring logistics cost saving to lots of manufacturing business companies.

It is emphasized that KIND is enhancing project pipeline for various sectors of Indonesian infrastructure business including this Facility.

## KIND's First Urban Development Enabled by Timely Dispatch to Sites

KIND invests in two Vietnamese urban development projects;

(1) Ecopark Apartment Development project

(2) Korea-Vietnam Economic Cooperation Industrial Complex project

It is meaningful KIND's first investment in urban development projects since its establishment.

Ecopark Apartment Development Project is to build residential and commercial apartments with Daewoo E&C, ROI, and Ecopark in Ecopark Township near Hanoi which is a new city where commercial, residential, and educational facilities are being developed on a 5 million square meter site.

Korea-Vietnam Economic Cooperation Industrial Complex Project located near Hanoi is to be developed by KIND, LH, KBI Construction and Shinhan Bank with a size of 148ha industrial complex. This project is supported by the Korean government in cooperation with the Vietnamese government in order to supply stable industrial land to Korean companies that want to secure global competitiveness through the construction of overseas production bases.

The progress of two projects is also attributed to the steady efforts of KIND dispatched in Vietnam. Executive vice president and two team leaders of KIND have been dispatched to Vietnam since last September to support the urban development projects through on-site surveys and face-to-face negotiations. Thanks to their effort, these projects could prevent development delay despite COVID-19.



*Ecopark Apartment*



*Industrial Complex*



## K-City Network : Online workshop is being held

KIND provided the online training program of selected countries which aims to build an understanding of policy and services in digital government and smart city for development, and improve capacities to respond to disaster and social crisis by utilizing a concept of 'resilience' in field of digital government and smart city.

## EIPP : Nominated the project consultancies for Indonesia

KIND selected capable consultants to carry out the studies and recruited new researchers who will work as deputy PM dedicated to each project for EIPP(Economic Innovation Partnership Program). The kick-off meetings for each project were held on December 2020.

## KIND and ICAK(International Contractors Association of Korea) contracted "Policies to support Korean Players' participation in international smart city projects"

On November 6, 2020, KIND together with ICAK(International Contractors Association of Korea) was ordered by the MOLIT(Ministry of Land, Infrastructure and Transport) for the research, "Policies to support Korean Players' participation in international smart city projects".

KIND and ICAK will conduct the research with three tasks as followings which will be fulfilled through experts' discussion for six months.

- (1) Establishing a consultative group to support Korean players
- (2) Analyzing overseas regulation and policy of smart city
- (3) Establishing a smart city business model for export



## PIS FUND DAY was successfully held on November 19, 2020

The PIS FUND DAY (“Event”) hosted by KIND was successfully held on November 19, 2020 with a promise of commencing of the PIS FUND.

Since PIS Fund is established to support the competitiveness of Korean companies in overseas construction market, major construction and engineering companies with overseas business were invited to this Event.

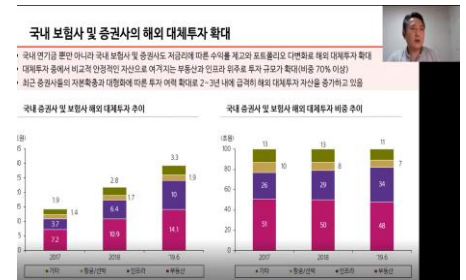
More than 80 people participated and showed great interest to PIS Fund even though it was held via Webinar due to COVID-19.

The Event consisted of an introduction to investment guidelines for four different PIS Investee Funds, Korean investor’s view on the infrastructure investment and global infrastructure market trends, and how to operate the integrated fund platform through KIND. After the main event, KIND prepared a one-on-one meeting between the PIS FUND asset managers and the construction and engineering companies in order to discuss the opportunities of project development and investment in plant business, infrastructure business and smart-city sectors.

Going further than that, KIND continues to expand its partnership with the financial investors, developers, and engineering and construction companies by managing the integrated fund platform.



PIS Fund Day Announcement of KIND



Presentation of Samsung Asset Management (Lead general management)

## KIND raised KRW 150 billion via its First Bond Issuance



KIND launched an on-shore bond offering in October 2020. With the high demand, 4 times as much proposed amount of money, the first issuing bond was upsized to KRW 150 billion in aggregate principal amount from originally proposed KRW 100 billion offering. They carry a coupon of 1.12% for 3-year bond and 1.76% for 30-year, respectively.

The amount will be used for expanding the business supporting Korean construction companies in overseas infrastructure project. Head of Finance Department, KIND said “The very first attempt to raise capital from the market has achieved outstanding results. It implies that KIND has been acknowledged as reliable and stable company in the capital market. We expect the regular issuances based on our credibility, AAA-rating from all domestic rating agency.”

## KIND has deepened ties with Domestic Bank

KIND and two domestic banks, Kookmin Bank and Busan Bank (“BNK”), have signed two different Memorandum of Understanding (“MOU”) respectively to deepen economic cooperation in overseas infrastructure projects. The MOUs will facilitate collaboration in financial support of the overseas projects through sharing information, taking a role of co-Arrangers and co-Financial Advisories, and making joint investment.

Mr. Bin, the president of BNK, said that “We look forward to expanding our business toward global markets and accessing opportunities in overseas investment.”

KIND expected that these MOUs will help to create synergy by combining the capabilities of KIND’s project development with banks’ loan syndication to promote the Korean interest.



BNK – KIND Signing Ceremony

## Feasibility Study Support Program in the 2<sup>nd</sup> Year

**14 Projects were supported in 2020. KIND plans to expand F/S support for 2021**

KIND's Feasibility Study Support Program rolled out first in 2019 is to support promising projects developed by Korean developers. A total of 14 projects were selected in 2020 and an average of KRW 470 million (about USD 0.45Mil.) worth F/S support was made per project. KIND plans to keep boosting the development of overseas investment projects by significantly increasing the amount and improving quality of the support in 2021.

In October 2020, KIND held a webinar event to share changes and refinements of the 2021 F/S support program. Around 140 people from various companies involved in overseas infrastructure project attended and showed great interest in the program.

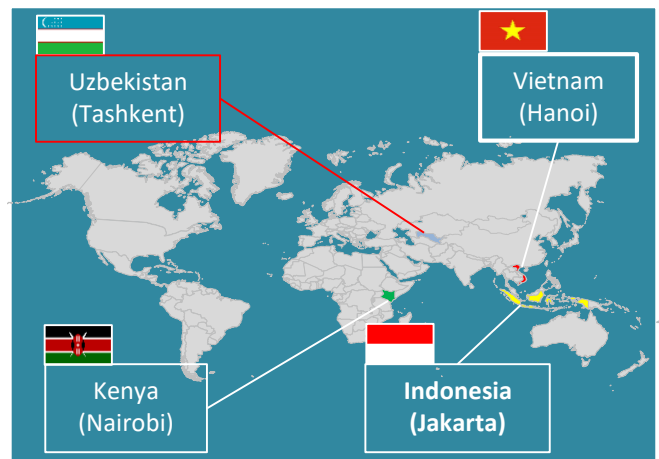
After this event, 20 projects in total have been submitted for the 1<sup>st</sup> half of 2021 program support during the one-month-long receipt period in November 2020. KIND is planning to select final projects for the support through both quantitative and qualitative assessments including 'Project Selection Committee' to be held in January 2021.

## Korea-Uzbekistan Infrastructure Cooperation Center

**“Lay the foundation stone of Cooperation between Uzbekistan and Korea”**

Uzbekistan government drives Foreign Direct Investment (“FDI”) through PPPs and recently established Public Private Partnership Development Agency (“PPPDA”) in 2018 and introduced a number of legislative change including simplification of business registration procedures and law on improving business environment. To further drive FDI inflows and to enhance investor confidence, the government enacted the PPP Law on June 10, 2019. The law sets out the institutional, regulatory and contractual framework for PPPs ensuring transparency of process, clarity over roles and responsibilities and confirmation of how investor rights are to be protected. In addition, the government is supported by ADB, the World Bank Group, IsDB and other major MDB and DFIs, ensuring that the best global practices are taken into account in developing Uzbekistan's PPP programme.

In light of above environment, Infrastructure Cooperation Center located in Tashkent also makes the best endeavor to develop project opportunity and introduce successful experience of Korean PPPs to the country such as co-hosting “PPP and Infra cooperation forum” with PPPDA and KIND head office by webinar in 2020.



*Overseas Infrastructure Cooperation Center*



*Korea-Uzbekistan Infrastructure Cooperation Center*

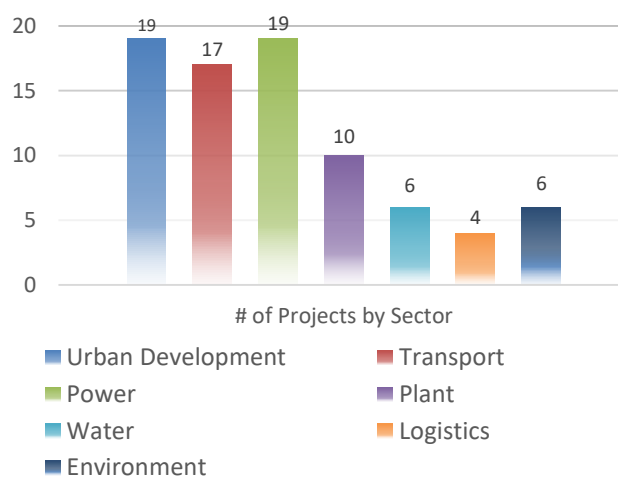
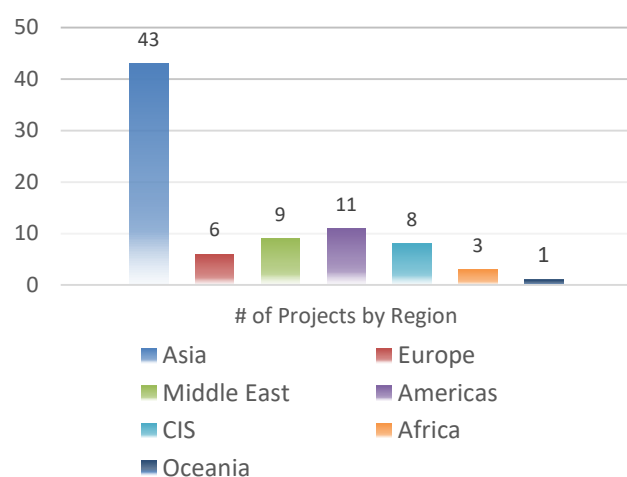
Despite the serious COVID-19 is sweeping the world, there are a lot of projects which are in a line for bidding advised by major MDB and DFIs like renewable energy, transportation project and others and they attracts strong intention by a number of global renowned contractors including various Korean companies.

KIND and its local Infrastructure Cooperation Center supports Uzbekistan government and Korean companies which try to launch its own business in the country in order to make PPP business settle and bring the fruitful achievement to the country and investors.

## Projects KIND committed Investment for : 10 Projects

Project	KIND Commitment	Status
Kazakh Almaty Ring road PPP ('18. 4Q)	\$ 15.0M	Financial Closing Completed
Chile Talca Solar Power ('18. 4Q)	\$ 6.5M	Under Operation
Poland Polimery Police PDH/PP plant ('19. 2Q)	\$ 57.0M	Under Construction
Chile Maria Pinto Solar Power ('19. 4Q)	\$ 3.0M	Working for financial closing
Nepal UT-1 Hydropower('20.2Q)	\$ 55.1M	Working for financial closing
Chile Guadalupe Solar Power ('20. 2Q)	\$ 3.8M	Under Const. and working for financial closing
Power tender - Middle East region ('20.3Q)	\$ 54.0M	Bid submitted / Waiting for the result
Vietnam Hung Yen Industrial Park ('20.4Q)	\$ 3.8M	Working for financial closing
Vietnam Ecopark Township ('20.4Q)	\$ 48.3M	Working for financial closing
Indonesia Probolingo Port ('20.4Q)	\$ 2.5M	Working for financial closing
<b>Total</b>	<b>\$ 249.0M</b>	

## KIND Deal Pipeline: Total 81 Projects



## PIS Fund

Fund	Plant	Infrastructure	Smart city	Proposal-based
Fund Size	KRW 210 Bil.	KRW 450 Bil.	KRW 240 Bil.	KRW 200 Bil.
Investor	PIS Fund of funds and other financial Investors			
Vintage	2020	2020	2020	2020
Manager	Hanwha Asset Mgt.	KIAMCO	Korea Investment Mgt.	Samsung Asset Mgt.
Investment	On-going	On-going	On-going	On-going

\* PIS Fund of funds :600Bil KRW

## Global Infrastructure Fund

Fund	GIF 1	GIF 2	GIF 3	GIF 4	GIF 5	GIF 6	GIF 7
Investors	KIND and others						
Fund Size (KIND Share)	KRW 50 Bil (67%)	KRW 80 Bil (44%)	KRW 123 Bil (54%)	KRW 65 Bil (47%)	KRW 110 Bil (45%)	KRW 110 Bil (45%)	KRW 102 Bil (10%)
Vintage	2015	2011	2016	2017	2019	2019	2019
Manager	KIAMCO	Shinhan BNPP	KIAMCO	KIAMCO	KB Asset Mgt.	KB Asset Mgt.	Shinhan BNPP
Investment	Completed	Completed	Completed	On-going	On-going	On-going	On-Going

## [VOICE OUTSIDE] Overseas Construction Policy Division In MOLIT Director, Jae Soon Park

First, it is my sincere pleasure to be featured in the Last Word page and also an honor for me to reach out to every one of you via this Newsletter. I am Jae soon Park, the director of overseas construction policy division in MOLIT(Ministry of Land, Infrastructure and Transport).

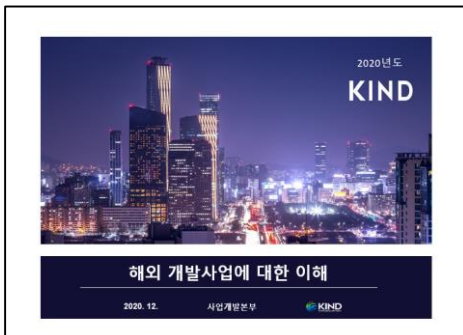


Since its establishment in 2018, KIND has made its rapid, but competent decisions over 10 overseas investment projects. KIND has also provided diversified and practicable functions such as G2G cooperation framework and F/S support, and has mobilized financing for projects involving Korean partners using state-run funds worth KRW 1.5 trillion. Like this, by providing comprehensive services not only to Korean partners, but also to various global partners, KIND became an reliable partner for overseas infrastructure market.

Along with aforesaid constant efforts of KIND, Korean construction companies won overseas orders worth over USD 30 billion in 2020 despite many disruptions caused by the COVID-19 so that year 2020 was a rehabilitated year for Korea's overseas construction I think.

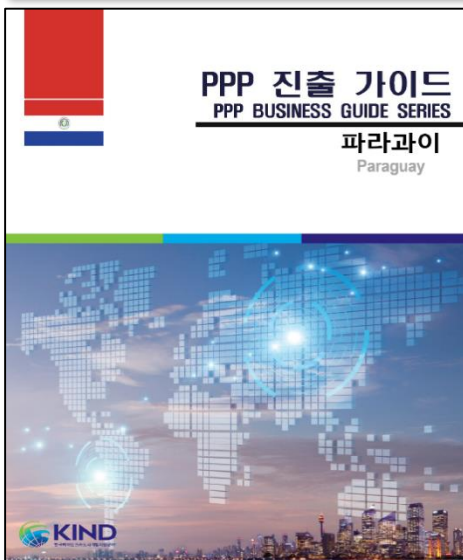
Once again, thank you KIND and also look forward that KIND will strengthen its specified role as a PPP control tower and manager of operating state-run funds. In the long run, by developing high value-added projects like smart city projects, KIND is expected to lead a global infrastructure market as a leader of Team Korea.

## KIND published 1) Guidelines for entering Paraguay and Philippines' PPP Market, 2) Understanding of Overseas Project Development



KIND published two additional volumes of guidelines to branch out into overseas PPP market. This series was previously composed of five volumes for Indonesia, Vietnam, Kenya, Uzbekistan and Bangladesh. Additional volumes for Paraguay and Philippines were published on December, 2020.

Guidelines to branch out into overseas PPP market focus on supporting Korean small and medium-sized businesses to save their time and budget when expanding their overseas business areas. Each volume includes Infrastructure Investment Opportunities, PPP-related Laws, Case Studies, Information about Key Persons and so on.



Furthermore, KIND has also released a book "Understanding of Overseas Project Development" on December, 2020. KIND's Project Development Division mentioned that the book focuses on providing information about backgrounds and general outlines of overseas project development incl. overall structure of project financing and case studies with Korean parties in various projects.

HAPPY  
NEW  
YEAR

