

KIND

NEWSLETTER

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KIND Signed GIVF Investment
Contract

KIND kicks off development of Asunción LRT, Paraguay

MOU for development of Asunción LRT project was signed between KIND and FEPASA (Ferrocarriles del Paraguay S.A.) on Aug 19, 2020.

It is expected that this MOU and subsequent activities expedite the progress of development and realization of the project.

- See Page 2 for more details



MOU Signing for Asunción LRT and Establishment of Cooperation Structure

KIND and FEPASA(Ferrocarriles del Paraguay S.A., Paraguayan Railways) signed the memorandum of understanding(MOU) for development of Asunción LRT project on Aug 19, 2020. This MOU includes cooperation structure between both authorities that KIND will provide FEPASA with support for project planning establishment, seeking funding source and arrangement of investor and contractor.

According to MOU, KIND will carry out Feasibility Study for the project. In parallel, Team Korea will be organized with capable contractors, operators and financial institution for the project. After completion of Feasibility Study, Team Korea will present the firm and substantial proposal to FEPASA and negotiate the details for improving project feasibility and bankability as well as creating synergy with existing public transportation in Asunción.

This visit to Paraguay was done under the severe COVID-19 pandemic with support by both governments of Republic of Korea and Paraguay for delegation's convenience, which shows strong intention to build state of art and eco-friendly mass transportation system in Paraguay.

The project with around 44km length will use an existing FEPASA railway, serving 7 intermediate stations from Asunción Central to Ypacarai. The route is forecasted to carry around 150,000 passengers per day and services will be operated by fleets of tram.



MOU signing between KIND & FEPASA, Aug. 2020



Meeting with Delegation & Project Director in Ministry of Public Works and Communication, Aug. 2020



KIND and KHNP to Jointly Invest in Two(2) Distributed Solar Power Projects in Chile

KIND and KHNP(Korea Hydro & Nuclear Power Co.) have signed shareholder's agreement with S-Energy Co. and Hanyang Electric Co. respectively to invest in two(2) Chilean distributed solar power projects.

Two(2) solar plants will be built 6.6MW and 6.4MW each in Guadalupe and Maria Pinto, and be operated for 25 years. Construction will begin this year for completion in around 2Q of 2021. By this achievement, KIND made its position firm in renewable energy market in Chile.

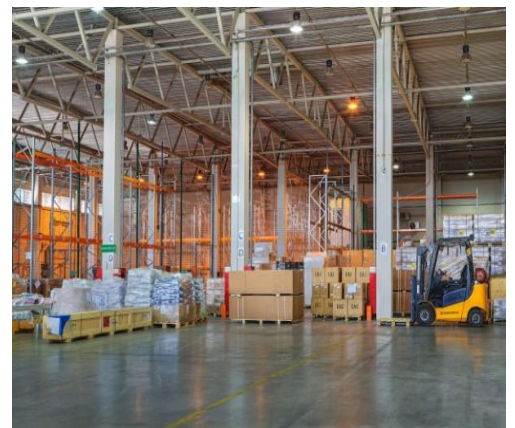
Looking for New Business Opportunity in Indonesia

KIND is looking for new business opportunity in Indonesia. There is lack of capacity for port logistics in Indonesia and consequently, it incurs additional cost and time for cargo owner and inefficiency in the relevant manufacturing industry.

As a member of consortium composed of experienced local company and state owned enterprise which have fruitful industry insight, KIND is reviewing investment on port logistics business in Indonesia.

If the investment is executed, it will be trigger for KIND to make additional investment for various sector of Indonesian infrastructure business.

Currently, due diligence for investment is ongoing and the final investment decision will be made in due course.



KIND contributes to Indonesia's New Capital Project

Remote, but close communication started for EIPP

No.	Project
1	Roadmap of Economic Transformation and Comprehensive Urban Development Plan
2	The Economics of Capital City Relocation for Jabodetabek Area
3	Funding for New Capital City Development
4	Energy Transition Master plan and Waste Management System



As the operating institution for Indonesia EIPP, the first thing KIND did was to communicate with the dispatched Infrastructure consular of Korean embassy, National Agency for Administrative City Construction (NAACC) and Korea Land & Housing Corporation (LH) officers. Since then, video conference with BAPPENAS of Indonesia has been held, and three (3) rounds of intensive discussion have led to the detailed topic and work scope of the four EIPP projects. The open tender process is on the way and KIND hopes to select capable consultants soon.

KIND and KT join hands to cooperate in Global Data Center

KIND signed the MOU with KT, No.1 player in Korea Data Center market on Aug 4, 2020 to cooperate in developing global data center business.

The two companies will jointly seek to enter the overseas data center through joint development of overseas projects, exchange of information on overseas projects, discovery of business models, development of projects, and consultation on financing.

KT will focus on designing data centers and creating business plans, developing products and managing business operation, while KIND will take a lead in finding new demands for data centers in connection with its overseas projects.



What is a 'Data Center'?

'Data Center is a facility which integrates ICT equipment such as server, storage, network, etc. and provides services to suit customer requirements for business.'

The Planning & Management Department, focusing on Information Services through Information Strategy Plan (ISP)

KIND is focusing on the establishment of information service strategy plan for the improvement of work process and Information protection. Tasks to be improved are derived from environmental and status analysis. Then, work process and information system structures are designed through target model design. The planning and management department will improve work process through the information service strategy plan.



Executives dispatched to Vietnam

With COVID-19 continuing, KIND executive vice president and team leader have been dispatched to Vietnam to enhance the momentum of Vietnam's urban development projects in which KIND participates in the majority. By promoting the project through on-site surveys and face-to-face consultations during the project development phase, KIND will secure the driving force of the project and prevent delays.

KIND has expanded its Financial Network toward Global Market



As a means of facilitating infrastructure projects, KIND started to set up its own financial network with global banking institutions.

HSBC, which possesses global branches in 64 countries, would support our credit on a project basis including Guarantee, Bond and Letter of Credit. KIND hopes that this cooperation could prime the pump backing Korean construction companies winning the bidding projects.

Deutsche Bank, one of the global leading financial service providers, approved the short-term credit limit. This is our first attempt to set up the lending line with global bank and their first authorization over public institution implying the further partnership on various fields.

The Head of Finance Department, Mr. Ahn, expected that newly established global network could bring synergy with the domestic banking system pushing our developing projects toward the finish line, the Financial Close.

KIND signed GIVF Investment Contract

Due to the change of the LP(Limited Partner)s of the GIVF(Global Infrastructure Venture Fund), it has been delayed for new investment for the last several months. There were some changes of investors of GIVF; LH(Korea Land and Housing Corporation) and K-Water(Korea Water Resources Corporation) remains only as the beneficiary of their last investment while KIND newly participate as a public LP for KRW 30 billion.

KIND's participation enabled GIVF to maintain its Fund size to be KRW 650 billion even though it's not sufficient to satisfy the market requirement. However, in addition to changing of investors, there were some changes in an investment guideline of GIVF which expanded the maximum sole investment size from KRW 10 billion to 12 billion and allowed more on GP(General Partner) for its sole discretion.

It is now expected that the relaunch of GIVF will promote Korean Companies to invest overseas infrastructure PPP projects which is struggling under this COVID-19 situation. Previously, it supported development of the Almaty Ring road project in Kazakhstan which recently succeeded in signing a loan agreement in February, 2020.

KIND steps up the Responsible Administration of the PIS Fund

After the Global Plant Infrastructure Construction Smart City Fund ("PIS Fund") was successfully launched on October 31, 2019, the four PIS Investee Fund will be ready to support the increasing Korean company's overseas investment projects related to Plant, Infrastructure and Smart City sectors.

Designated as the PIS Fund management organization, KIND plans to strengthen fund management through the fund performance evaluation system in order to increase the achievement of the purpose of the fund. The performance evaluation company will be selected through the bidding process during October. They will set up the criteria and indicators for examining and reviewing the fund during five months. The performance evaluation report will be reported to the investors of the PIS fund and KIND will utilize the report for encouraging the fund manager and the improvement of the fund management.



Feasibility Study Support Program 2nd Year

Studies for the 2nd half of 2020 have kicked off... Total 14 projects are in progress for 2020

KIND undertook F/S work with external consultants after selecting 5 projects for the 2nd half of 2020, a total of 12 projects selected for F/S support through an open competition process in 2020.

As KIND offers " non-competition" F/S support to projects of G2G basis or recommended by MDBs, this year 2 projects have passed KIND's Project Selection Committee for the support after presented on the basis of a request by each government, Myanmar and Paraguay. The projects are 'Myanmar Southern Yangon New City Development Project' and 'Paraguay Asuncion-Ypacarai LRT Project'.

Korea-Indonesia Infrastructure Cooperation Center

"Outpost for Infrastructure Development in Indonesia"

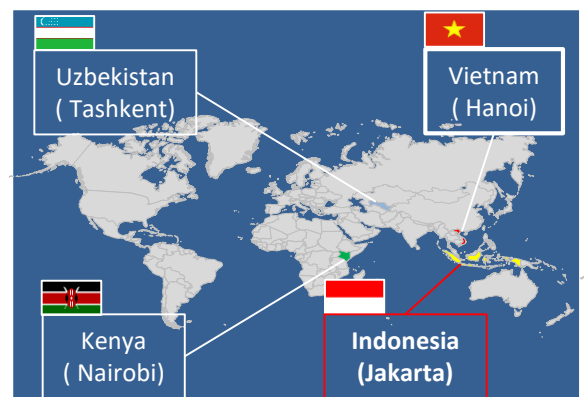
Currently, Indonesia government which is suffering from financial difficulties in the wake of the COVID-19 crisis prefers business model of PPP-BOT due to a burden of government subsidies but it has to entirely rely on operating income, so foreign companies as well as local state-owned enterprise are reluctant to participate because of accumulated management deficits.

Therefore, KIND Indonesia Representative office is proactively contributing the negotiation with Indonesia government regarding the business models such as PPP G2G project, EPC-F project.

Also, KIND Indonesia Representative office is jointly developing the expansion project of Sumatra's DUMAI refinery which is being promoted by Pertamina (Indonesia state-owned oil and natural gas corporation) with PT Nindya Karya under the condition that is free from exchange risks, can be participated through conditional negotiations rather than bidding competition, and guaranteed investment payback and construction profits.

KIND Indonesia office is collecting and monitoring in real time on various business information and bidding information based on human network with the Ministry of National Development Planning of the Republic of Indonesia, the Ministry of Transportation, National Public Procurement Agency and the Infrastructure Guarantee Agency. Such information is provided from time to time for Korea companies in order to gain the business awarding opportunities.

In addition, recently, our Representative office researched its infrastructure policies and trends in depth and suggested desirable direction for Korea to cope in the COVID-19 situation through the 2nd Edition of "Global Insight" published by the MOLIT(Ministry of Land, Infrastructure and Transportation).



Overseas Infrastructure Cooperation Center



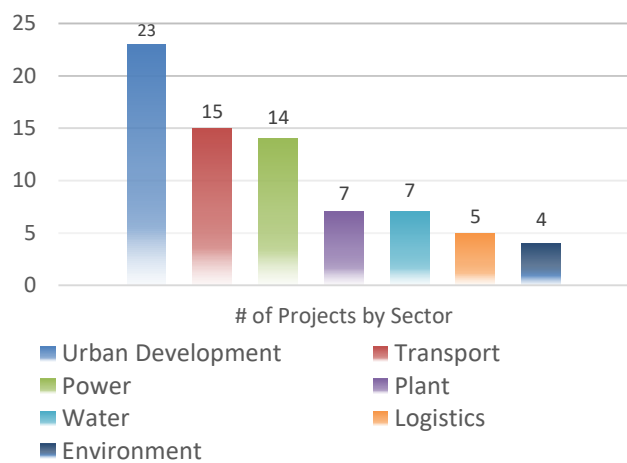
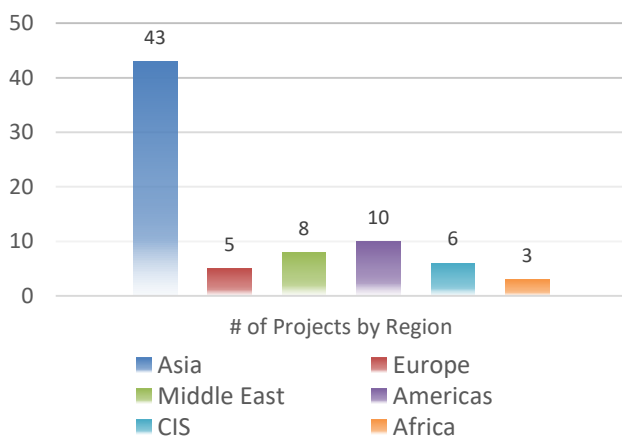
Projects with K-City Network's Supports in 2020 (as of September)

Smart City Development		Smart Solution Development	
Country	Project	Country	Project
Malaysia	Kota Kinabalu Smart City Project	Turkey	Ankara Disaster Prevention Management DSS
Myanmar	Dala New Town Development	Turkey	Gaziantep Smart City Data Coordination Centre
Russia	Smart City on Bolshoy Kamen	Thailand	Khon Kaen Smart City Mobility Master Planning
Vietnam	Smart City in the Mekong Delta Region	Lao PDR	Vientiane Urban Drainage System Improvement
Indonesia	Smart City for New Capital City	Mongolia	Ulaanbaatar Urban Mobility Smart Platform
Peru	Smart City for Astete Airport Area	Colombia	Bogota National Intelligent System

Projects KIND committed Investment for : 8 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
Plant tender - Middle East region ('19. 3Q)	\$ 5.0M	Bid submitted / Waiting for the result
Chile Maria Pinto Solar Power ('19. 4Q)	\$ 3.5M	Working for financial closing
Nepal UT-1 Hydropower('20.2Q)	\$ 55.1M	Working for financial closing
Chile Guadalupe Solar Power ('20. 2Q)	\$ 3.8M	Working for financial closing
Power tender - Middle East region ('20.3Q)	\$ 54.0M	Bid submitted / Waiting for the result
Total	\$ 199.9M	

KIND Deal Pipeline: total 75 Projects



Projects with KIND's F/S supports in 2020 (as of September)

Country	Project	Country	Project
Philippines	Cebu Economic Housing Project	Indonesia	Lore Lindu MHPP
Bahrain, Saudi Arabia	King Hamade-Causeway Road-Rail PPP project	USA	Super Center(New Surgery Center) & Korea Medical Plaza Project
Kazakhstan	Asfendiyarov Hospital PPP Project	Chile	Longitudinal Del Chiloe Road Project
Philippines	Batangas Gas to Power Project	Myanmar	Southern Yangon New City Development Project
Turkey	Halkali~Gebze High-Speed Railroad Project	Myanmar	350MW CAPP IPP Project
Japan	Oita Biomass Power Project	Costa Rica	San Jose Metropolitan Passenger Railway
Bangladesh	Chittagong Bay Terminal Project	Paraguay	Asuncion-Ypacarai LRT

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

Smart City Cooperation Centers to be launched

In collaboration with KOTRA, centers will be set up in four cities.



Turkey (Istanbul)



Vietnam (Hanoi)



Thailand (Bangkok)



Indonesia (Jakarta)

As a part of K-City Network program, the smart city cooperation centers will be launched in Turkey, Vietnam, Thailand and Indonesia.

KIND ran an open tender process to find a partner who can cooperate and KOTRA was selected. It seems that the most extensive KBC(Korea Business Center) network among the private/public sectors was effective.

KIND signed a contract with KOTRA on 9th September and smart city cooperation centers will support K-City Network’s consulting and planning to find new smart city opportunities in major cities.

K-City Network : Online Workshop will be held

K-City Network secretariat at KIND is preparing webinar programs for selected countries with project consultancies. The workshop is about Introduction and insights of Korean smart city and solutions, and will be held online due to COVID-19.

EIPP : Project Consultancy to be deployed in 4Q

For EIPP, consultation with Indonesia government about work scope has been completed. EIPP secretariat will nominate and deploy the project consultancies by October.

KIND to hold Online Seminar on its ‘2021 Feasibility Study Support Program’



A briefing session on KIND’s 2021 F/S support program will be held in October. It will be organized in a webinar format in consideration of the COVID-19 threat. Applications for the F/S support for the 1st half of 2021 will be received from November.

Title	KIND Feasibility Study Support Program Briefing Session
Time	October 15, 13:30 - 15:00pm
Venue	Webinar
Target Participants	Korean overseas project developers
Purpose	To share more information about KIND’s 2021 F/S support program and gather information on the needs of developers with regard to the F/S
# Final schedule, program and venue will be announced on KIND’s website	

The 3rd Korea-Bangladesh Joint Platform Meeting is coming. In November!!

Time really flies! 9 months already passed since the 2nd Korea-Bangladesh Joint Platform Meeting in Dhaka in January. In spite of this unexpected COVID-19 era, G2G collaboration never stops. The 3rd meeting will be held in November, but on-line basis. The detailed information will be announced soon via KIND’s website.



KIND-PPPA G2G Cooperation Scheme

[VOICE OUTSIDE] Representative of IFC KOREA, Jiyeon(Janice) Ryu

First, I would like to thank KIND for the opportunity to reach out to every one of you through its newsletter. I am Jiyeon (Janice) Ryu, Representative of IFC Korea. Since IFC re-established its presence in Korea in 2014, IFC has provided and mobilized financing for projects involving Korean partners and banks worth over US\$ 6.5 billion.

These projects are in challenging markets and key infrastructure sectors like hydropower and transportation. As we speak, global cases of COVID-19 surpassed 31 million cases and there has been over 965,000 deaths so far. As they say, the world will never be the same after the pandemic. While the crisis impacted every aspect of the global economy, infrastructure is one of the sectors that has been directly affected by the virus. Many infrastructure projects around the world including IFC’s own portfolio projects are facing unexpected delays with constructions.

And other projects are experiencing financial stress due to decreased demand. While the COVID-19 pandemic has caused many disruptions to the infrastructure sector, economic activity is likely to pick up as the pandemic eases and mobility increases. As governments, among other pressing priorities, attend to the large financing needs arising from COVID-19, the private sector can play a vital role in delivering the large investments and expertise required in developing countries. In this time of crisis, IFC is determined to continue to work closely with the private sector, national authorities, and key partners like KIND to support the infrastructure sector on many fronts. I strongly believe that we could unlock more opportunities together to support and rebuild more resilient and sustainable infrastructure going forward. As such, IFC Korea is organizing a virtual technical workshop on “**infrastructure investment opportunities in the post COVID-19 era**” on **October 7th, 2020** to explore emerging infrastructure opportunities and discuss ways to mitigate risks in the post COVID-19 era. I hope to see many friends and colleagues from KIND in the event so we can collectively seize the new business opportunities.



This section will treat information related to the upcoming events of global construction projects. The latest infrastructure projects information provided by Investment Office of **Turkey** is introduced to the potential partners.



1. Çukurova Airport Project(BOT/Contract Duration 25 years)
2. Yeni Foça Marina Project(\$2.6M)
3. Avşa Island Türkeli Marina Project
4. Akköprü Hydropower Plant(115MW / Contract Duration 49 years)
5. Çamlıca-1 Hydropower Plant(84MW / Contract Duration 49 years)
6. Derbent Hydropower Plant(56MW / Contract Duration 49 years)
7. Topçam Hydropower Plant(61MW / Contract Duration 49 years)

Further Detailed Info Reach us at



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