

KIND NEWSLETTER

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KIND to Pitch its Service to Saudi "NEOM" Project

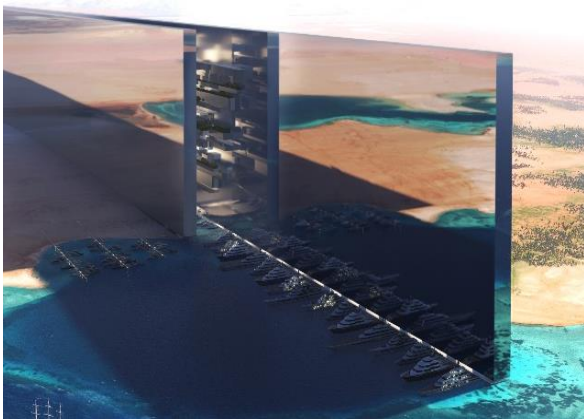
With Saudi Arabia's Crown Prince Mohammad bin Salman in Seoul on 17 NOV, NEOM, the kingdom's \$500 billion futuristic city, is a hot topic in the public.

Just before Crown Prince's time in Korea, Minister of Land, Infrastructure and Transport Won Hee-ryong visited Saudi Arabia(4 NOV till 9 NOV) to make a sales pitch for Korean companies seeking to participate in the \$500 billion NEOM city development.

Mr. Lee, Kang-hoon, CEO of KIND, accompanied the land minister on a trip to introduce KIND and search its role in NEOM project to support Korean companies. (Representatives of Hyundai E&C, Samsung C&T, Naver and KT and from smart city and mobility companies are joining the delegation.)

Mr. Lee attended numerous meetings and seminars such as Korea-Saudi Innovation Roadshow being organized with Saudi's Ministry of Transport and Logistics Services.

During his trip, he also had a special meeting with Mr. Kapil Lalwani chief development officer of VISION INVEST well known for massive Infrastructure investment in Middle East. They both agreed to cooperate with each other for infrastructure development. "This visit will bring momentum and further raise the specific cooperation not only between two companies but also between two countries in construction and infrastructure," Lee said.



- ★ NEOM is one element of Saudi Arabia's move away from its dependence on oil and for a greener future.
- The country aims to build a new city, from scratch, on a 26,500-square-kilometer desert area in northwestern Tabuk Province, which will be 100 percent run on renewable energy.
- Prince Mohammed first proposed the idea in 2017, with the goal of opening tourist attractions there in 2026.
- The residential area will open in the future, without a set date, but the target is for 1 million residents by end of 2030, and 9 million ultimately.

Vietnamese President Nguyen Xuan Phuc to Visit South Korea

On December 4-6, Vietnamese President Nguyen Xuan Phuc visited Korea. Phuc's visit to Korea coincides with the 30th anniversary of bilateral diplomatic between South Korea and Vietnam. A joint declaration which agrees to elaborate bilateral ties to a comprehensive and strategic partnership was adopted.

KIND met President Phuc to share current status of business with Vietnam, including industrial park in Hung Yen province, social housing in Hanoi, Tuttiem - Long Thanh airport link rail, and delivered improvements related to Vietnam's PPP environment.

As the Vietnamese infrastructure industry continues to grow at an annual average of 9.2% from 2014 to 2019, it is expected to cooperate actively in roads, railways, and green energy businesses as well as industrial complexes, social housing, commercial facilities, and smart cities. KIND will contribute to the cooperation between the two countries especially in the areas of infrastructure and urban development.



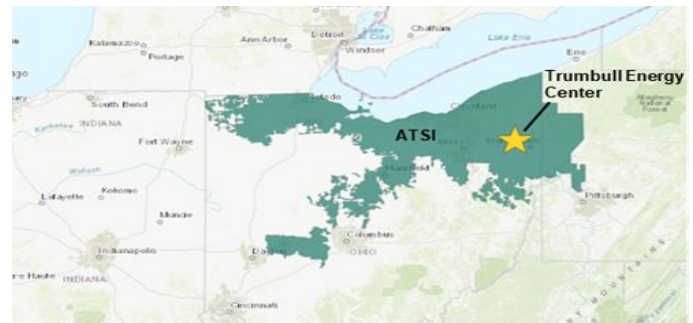
(from the left) Kang-hoon Lee, the CEO of KIND; Vietnamese President Nguyen Xuan Phuc

USA Trumbull CCGT Project Reaches Financial Close (PF \$665M)

KIND has achieved financial close on November 3th, 2022 for the \$1.3 billion 950MW Trumbull CCGT project in Lordstown, Ohio.

The project sponsors are Korea Overseas Infrastructure & Urban Development Corporation (16.78%), Korea Southern Power Company (56.23%) and Siemens Energy (26.99%) investing equity amount of total \$578 million. Construction started on 22 November and is expected to take three years. The plant will be built by Gemma and feature two Siemens Energy power island trains consisting of highly-efficient SGT6-8000H (V1.6) H-class gas turbines with a heat rate of ~6,353 Btu/kWh. When operational the project will connect to PJM.

Signed on 3 November and structured via borrowing senior loan for \$535 million and mezzanine lone for \$130 million. The senior debt comprises a \$445 million term loan and \$90 million fixed rate notes with the tenor of construction-plus-5-years. The lender line-up is MUFG (also admin agent), First Citizens Bank, Credit Agricole, Societe Generale, Nomura Corporate Funding, SMBC (also collateral agent), Woori Bank, Woori America Bank, Woori Global Infrastructure Synergy-Up Fund, Busan Bank, Shinhan Bank, Hana Securities, Nationwide Life and Annuity Insurance and NH-Amundi Hanaro Infra Private Placement Investment Trust for the senior and Tor and Sixth street for the mezzanine.



Nepal UT-1 Hydropower Project Reaches Financial Close (PF \$447M)

In November, KIND team inspected Nepal UT-1 hydropower Project construction site and checked recent issues with NWEDC (Nepal Water & Energy Development Company, SPC) and Doosan Enerbility (EPC contractor). KIND invested USD 55.1 million worth of equity securities in the project which achieved financial close last October.

The construction is currently underway and aims to be completed by 2026. The construction of the access road and the access tunnel for the excavation of the main tunnel has been completed, and excavation work for the main tunnel is underway 24 hours a day through a shift work. An important facility, the Power Plant, is planned to be installed inside the tunnel to be protected from earthquakes. An official from Doosan Enerbility, an EPC Contractor, said, "The construction is expected to proceed smoothly as the RQD (Rock Quality Designation), which greatly affects the construction, is superior to other project sites in Nepal."

In addition, an NWEDC official said, "We are actively carrying out the work such as installing fish ladders and collecting opinions from locals to meet E&S (Environmental and Social) global standards."



The First Ever EIPP International Conference Held



The Economic Innovation Partnership Program (EIPP), newly established by the Ministry of Economy and Finance in 2020, successfully held its first International conference at the Intercontinental Hotel.

The day for November 23rd, there were about 200 officials from the public and private sectors attended to share the progress status and achievements of EIPP. In the first session of the conference, officials from Indonesia, Uzbekistan, and Kenya gave us an in-depth of presentation on the status of economic cooperation partnerships through EIPP. In the second session, the EIPP Secretariat, KIND, KDI, KEXIM, and KOTRA presented the project outline and action plans for EIPP projects. KIND introduced five new EIPP projects for next year to support the relocation of the Indonesian capital and promised to continue to support policy advice and planning.

Turning to the third year of EIPP, 2023, KIND plans to carry out 4 projects in various subjects such as IKN financing, solar energy, and preliminary feasibility studies on the industrial complex construction in Indonesia.

Groundbreaking Ceremonies Held in Philippines and Vietnam

On October 28, the groundbreaking ceremony for the Cebu Affordable Housing Project was held in Philippines.

About 50 people, including auditor Tae-soo Huh of KIND, Hyun-il Shim, EVC of Saekyung, and key local figures, attended the event.



On November 25, the groundbreaking ceremony of the Korea-Vietnam Economic Cooperation Industrial Complex was held in Hung Yen, Vietnam.

The industrial complex is located in Hung Yen Province, about 30km southeast of Hanoi, and is about 143ha.

The construction contract for the project was signed with Joint Venture between Kyeryong Construction Industrial Co. Ltd. and Construction Company in Vietnam at the end of August, and the construction will be completed by September 2024.

KIND Supported MOLIT-Ukrainian Delegates Meeting



KIND supported a meeting between Vice Minister for Land, Infrastructure and Transport and Ukrainian delegates on November 24. More than 20 people attended the meeting, including South Korea's vice minister for land, CEO of KIND, chairman of ICAK, vice speaker of Ukrainian parliamentary, chairman of foreign policy committee, and ambassador of Ukraine to Korea.

The meeting discussed the current status of the Russia-Ukraine war, progress in joining the European Union, efforts to rebuild the country, and cooperation of Korea and Ukraine. In particular, the Ukrainian delegates said that since power production facilities and infrastructure were destroyed, rapid restoration is needed and protection system for foreign investment will be adopted to attract foreign investment.

KIND will actively cooperate when the working group of the Ukrainian National Committee for Reconstruction invites Korean experts, while creating a Ukrainian TF for supporting Korean companies to participate in reconstruction projects.

G2G MOU Signing for Indonesia Jakarta MRT Phase 4 Project

The Republic of Korea's Ministry of Land, Infrastructure and Transport signed a memorandum of understanding with Indonesia's Ministry of Transport and the Jakarta government on November 14.

The MRT phase 4 project, in which KIND participates, is a project that connects about 12km east of Patmawati, the southern terminus of the first stage, and has completed F/S supported by KIND. The total project cost is estimated to be 28 trillion rupiah (about 2.4 trillion won).

The MOU is significant in that it was based on discussions between Minister Won Hee-ryong and Indonesian Transportation Minister Budi Kariya Sumadi, which boosted the possibility of Korean companies participating in MRT projects.



The Launch of the SMEs Scale-up Response Center



On December 16, KIND held the opening ceremony of the SMEs Scale-up Response Center and began full-scale operation.

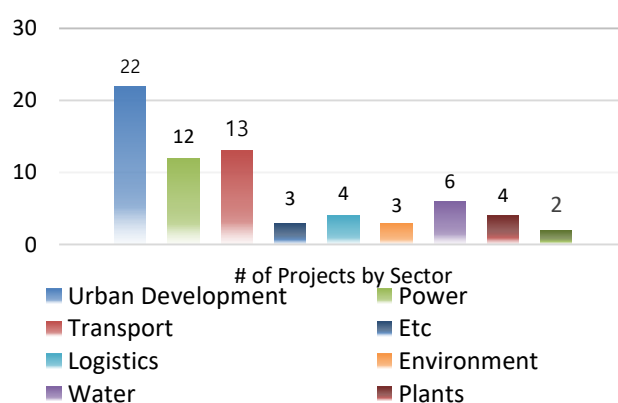
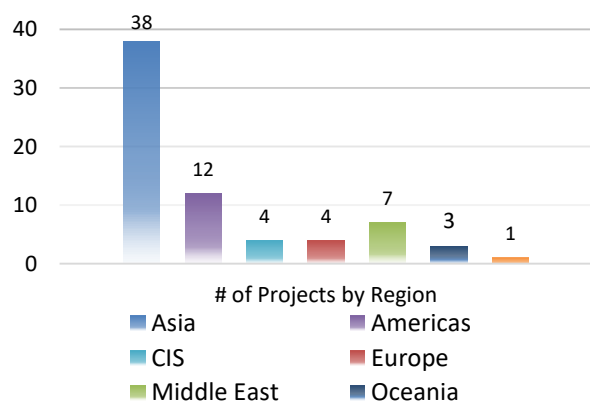
The SMEs Scale-up Response Center is a window for resolving corporate regulatory difficulties to improve unnecessary regulations and help small and medium-sized enterprises' innovative growth.

The establishment of an online window for reporting and consulting has been completed, and reporting and consulting are also available offline.

KIND's Committed Investment : 20 Projects

Project	Time	Commitment	Status
Kazakh Almaty Ring Road PPP	'18.4Q	\$ 15.0M	Construction
Chile Talca Solar Power	'18.4Q	\$ 6.5M	Operation
Poland Polimery Police PDH/PP plant	'19.2Q	\$ 57.0M	Construction
Chile Maria Pinto Solar Power	'19.4Q	\$ 3.5M	Working for financial closing
Nepal UT-1 Hydropower	'20.2Q	\$ 55.1M	Construction
Chile Guadalupe Solar Power	'20.2Q	\$ 3.8M	Operation
Vietnam Hung Yen Industrial Park	'20.4Q	\$ 3.8M	Construction
Indonesia Probolingo Port	'20.4Q	\$ 1.2M	Construction
Saudi Arabia Tanajib CHP Plant	'21.2Q	\$ 17.0M	Construction
Vietnam Hanoi Social Housing	'21.3Q	\$ 4.6M	Preparing for bidding
Pakistan Lower Spat Gah Hydropower	'21.4Q	\$ 70.0M	Working for financial closing
U.S.A. Chicago Hotel	'21.4Q	\$ 11.6M	Construction
Equity Investment in Chile PMGD Portfolio Solar Powers	'21.4Q	\$ 6.3M	Construction
Fund Investment in Chile PMGD Portfolio Solar Powers	'21.4Q	\$ 10.2M	Construction
Indonesia Karian Water Treatment	'21.4Q	\$ 5.5M	Working for financial closing
Philippines Cebu Affordable Housing	'22.1Q	\$ 10.2M	Construction
U.S.A. Trumbull Gas Combined Cycle Power Plant	'22.1Q	\$ 75.1M	Construction
Middle East Utilities Project	'22.2Q	\$ 29.5M	Bidding Submitted
Latin America Combined Cycle Power Plant	'22.3Q	\$ 67.5M	Preparing for bidding
Malaysia Pengerang Energy Complex	'22.4Q	\$ 25.0M	Working for financial closing
Total		\$ 478.4M	

KIND Deal Pipeline: 69 Projects



Plant, Infrastructure, and Smart City (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 AM	KIAMCO	Korea Investment Real Asset Mgmt.	Samsung AM
Investment	On-going	On-going	On-going	On-going

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 70 Bil (50%)	KRW 123 Bil (54%)	KRW 65 Bil (46%)	KRW 110 Bil (45%)	KRW 110 Bil (45%)	KRW 103 Bil (10%)
Vintage	2014	2011	2016	2017	2019	2019	2019
Manager	KIAMCO	Shinhan AM	KIAMCO	KIAMCO	KB AM	KB AM	Shinhan AM
Investment	Completed	Completed	Completed	Completed	Completed	Completed	Completed

F/S Support Program : 13 Projects Going on (as of 4th Quarter of 2022)



< Project list and countries selected in 2022 >

Commissioned by the Ministry of Land, Infrastructure and Transport (MOLIT), KIND is sponsoring Feasibility Study (F/S) Support Program for promising projects in 2022 for the fourth year in a row. One project was newly selected for F/S in the last quarter of this year. “Bangladesh Meghna Bridge Project”, previously chosen in 2021, has been selected for ‘Proposal Preparation’ Support after completion of feasibility study. Out of a total of thirteen in 2022, seven projects were submitted through regular/irregular open calls while six projects were selected for particular purposes such as implementation of G2G agreements, etc.

KIND held a briefing session on “PPP vitalization and F/S Support Program” on December 9, 2022 and details on 2023 program will be posted on KIND’s official website by the end of the year.

The 3rd Year K-City Network Project Planning in Progress

The K-City Network project is a Korean government-led smart city global cooperation program that began in 2020. The k-City Network project marked its third year in later 2022. Currently, the project for smart city planning has been through the kick-off meeting with partner countries and those 5 K-City Network projects are in the process of implementation. In September, Korean consortium was selected as consultant firms for each projects, and Kick off meetings were held in October.

An interim meeting for each project will be held around January, and the Smart City Planning and Solution training program will also be held to strengthen the capabilities of public officials.

Country/City	Project Information
Kyrgyzstan /Issyk-Kul	Establishment of a basic plan and pre-feasibility study to develop an eco-friendly smart tourism city by utilizing the tourism resources of Issyk-Kul Lake area
Mongolia /Zuunmod	Establishment of a basic plan for the construction of a smart city (new city) in the southern Zuunmod area of Khushig Valley (Free Economic Zone) to disperse the population of Ulaanbaatar
Malaysia /Klang	Establishment of a basic plan for a smart urban regeneration and pre-feasibility study to protect the cultural heritage of the city and to give a rebirth to the city as a tourist destination
Bangladesh /Khulna	Establishment of a basic smart city plan and pre-feasibility study to solve city problems, such as traffic congestion, aging of sewage facilities and waste management
Azerbaijan Rep. /Zangilan	Establishment of a basic smart city plan and pre-feasibility study including the provision of infrastructure such as water resources, electricity, and housing in undeveloped border area

Briefing for “PPP and Feasibility Study(F/S) Supports”

KIND held a briefing session on “PPP and Feasibility Study(F/S) Supports” with MOLIT on December 9th.

This briefing was held for the second time following the one in July with an aim of increasing companies understanding of PPP and vitalizing the PPP ecosystem. The event was immensely successful with about 170 industry officials from more than 100 companies attending.

The session consisted of Part 1: Korean companies’ Case Studies and Part 2: System and Law. At the beginning, Executive Vice President Han Kyu Lim gave a lecture on PPP’s future development plans drew from case studies based on his experience and knowledge. K-water followed up with a presentation about Karian Dam Project and also attracted a lot of attention by sharing details about the case.

Part 2 began with Executive Vice President Gi Chul Jeong and Feasibility Study & Consulting Team leader Su Hyun Ko’s explanation on ‘Feasibility Study’ and ‘Proposal preparation’ Support. The presentation included major changes in 2023 that helped companies planning to apply for next year’s program. Lastly, Kwang Bok Lee, head of Policy Advisory & Consulting Department analyzed laws and enforcement ordinances related to a relocation of Indonesian capital and distributed regarding materials translated into Korean.

The MOLIT and KIND hope this briefing would serve as an opportunity for Korean companies to increase their interest and capability in overseas PPP projects, and plan to strengthen corporate support activities.



KIND Wins 2022 Construction Cooperation Promotion Grand Prize

On October 19, KIND received the 2022 Construction Cooperation Promotion Award for its contribution to mutual growth in the construction industry through win-win cooperation between large and small companies.

KIND has been providing support in various ways, including F/S support for small and medium-sized companies and support for overseas EPC orders through policy funds.

As a result, the performance of supporting investment development projects involving small and medium-sized companies increased by 20% this year compared to the previous year. In addition, KIND was highly recognized for its contribution to the vitalization of a business information platform for supporting Korean companies by publishing 'Guidelines for Entry into Business' and 'Complete Conquest of Overseas Construction' and holding PPP seminars and corporate meetings.


Lee Kang-hoon, president & CEO of KIND, said, “We have taken the lead in strengthening the competitiveness of Team Korea by providing total services, including identification, development, and financial support for overseas PPP projects. We will continuously strive for win-win cooperation and mutual growth between the private and public sectors, through direct and indirect investment and step-by-step customized supports.”



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