

KIND NEWSLETTER

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Infrastructure and Transport

GICC 2021

Infrastructure and Transport



GICC 2021
Seoul
INFRASTRUCTURE COOPERATION CENTER



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KIND Holds the First PPP Seminar during the Global Infrastructure Cooperation Conference (GICC) 2021

KIND has put many efforts into accumulating and spreading knowledge and strategies in global infrastructure development and investment. It publishes a series of books and reports about the global infrastructure market and holds or participates in many forums and seminars.

Global Infrastructure Cooperation Conference (GICC) is hosted by the Ministry of Land, Infrastructure, and Transport, and is the most popular event in the field of global infrastructure development. As an integral part of the event, KIND held the very first PPP Seminar on 15 November 2021.

KIND invited experts from the national PPP institutions of the countries that we conceive to be strategically important partners in the global PPP market. Mr. Sri Bagus Guritno from BAPPENAS Indonesia, Ms. Vu

Quynh Le from the Public Procurement Agency Vietnam, Mr. Nodirjon Nuritdinov from PPPDA Uzbekistan, Mr. Christopher Kirigua from the PPP Directorate Kenya, and Mr. Najmus Sayadat from PPPA Bangladesh gave a series of presentations about the local PPP perspective.

Mr. Sejoung Yong, International Affairs Team Leader from KIND followed and introduced the PPP support programs for the Korean companies. The Panel discussion followed, moderated by Mr. Han Kyu LIM, the Executive Vice President at KIND. Mr. Joongyul Koh from K-EXIM and Mr. Sung Hoon Kang from K-Sure attended the panel discussion along with the other presenters to answer the questions from Korean companies willing to participate in the overseas infrastructure market.

On the same day, KIND also held the ESG Management Strategy Forum for overseas construction corporations in collaboration with the International Contractors Association of Korea (ICAK). Participants preemptively presented and promoted the management strategy of the overseas construction companies in the post-Corona era, focusing on ESG countermeasures. KIND is ready to actively support the overseas construction corporations to come up with ESG countermeasures.



An opening ceremony and the PPP Seminar in GICC 2021

Minister Noh Hyeong Ouk giving a welcoming remark

Team Korea Submits Proposal for Paraguay Light Rail Transit System



On 22 November 2021, Team Korea submitted a proposal to the Ministry of Public Works and Communications for the Light Rail Transit Project, which was a follow-up of the signed MOU and PDA (Project Development Agreement) between two countries in September 2021.

The Team held briefing sessions on a proposal for the Paraguayan government such as the Ministry of Public Works and Communication, Ministry of Finance, and Technical Secretariat for Economic and Social Development Planning. After reviewing the proposal by the governmental side, Team Korea and the government of Paraguay will keep negotiating detailed terms and conditions.

Time	Event
Nov 2020	Commencement of F/S
May 2021	Completion of F/S and Presentation
Sept 2021	MOU and PDA Signing
Nov 2021	Submission of Proposal

Karian-Serpong Regional Water Supply Project to Provide Safe Water

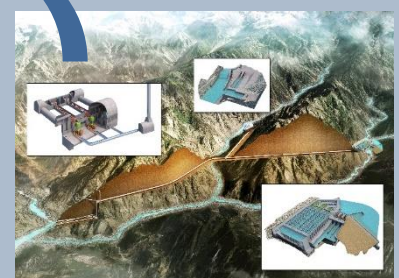
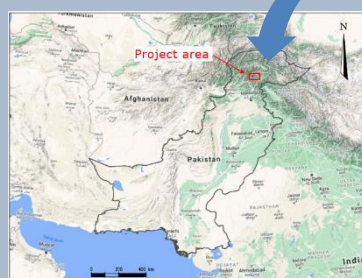
KIND visited Indonesia in November to discuss current issues for the Karian-Serpong Regional Water Supply project. The project is worth \$168.6 million in total project cost to build and operate a regional water supply system for supplying tap water to three areas of Jakarta, Tangerang, and South Tangerang. This is to be supplied with raw water from the Karian Dam which is under construction and scheduled to be completed in the second half of 2022. Although COVID-19 was still in a serious situation in Indonesia, KIND visited and inspected its business site to check the main points of investment

decisions. Through on-site inspections of water treatment plants and water pipes, related issues such as water pipeline routes, local water demand, and ESIA (Environmental and Social Impact Assessment) were shared to check the overall business status. In addition, KIND visited PT PII(IIGF, Indonesia Infrastructure Guarantee Fund), a payment guarantee government agency under the Indonesian Ministry of Finance, to confirm the stable payment structure of the project. The project is expected to begin construction in the first half of 2022 after signing EPC contracts and financial contracts.

Approval of Investment in Pakistan's Hydropower Project Worth \$1.1 Billion

In November, the KIND Board of Directors approved an investment plan for the Lower Spat Gah hydropower project in Pakistan with a total investment of about \$1.1 billion and an installed capacity of 470MW, located 350 km northeast of Islamabad in Kohistan, KP Province, Kohistan. For the development of the project, public institutions such as Korea Hydro & Nuclear Power Co., the largest power generation company in Korea, KEPCO KPS, and private companies such as Sambu Construction, Lotte E&C, and Doosan Heavy Industries & Construction, formed Team Korea, and EPC orders worth about \$800 million are expected. For this project, the central government of Pakistan provides an appropriate return on equity (ROE) and PPA guarantee, and the IFC and ADB participate in the PF, so the stable implementation of the project is expected. KIND invests about \$70 million, which is 26% of the total investment, and expects to secure

100,000 tons of carbon credits per year along with dividend income. Team Korea plans to start construction of the power plant in 2025 after obtaining permission and completing it in 2030 and will operate the power plant for the next 30 years. The Project is the second overseas hydropower project approved by KIND following the Upper Trishuli 1 project in Nepal approved in 2020, and KIND plans to actively invest in renewable energy projects such as hydropower, solar power, and wind power in the future.



Negotiation with the Consultancies of 2021/22 EIPP Completed

In September, the 1st year of the Economic Innovation Partnership Program (EIPP) was completed. Through the process of collecting opinions from Bappenas (Ministry of National Development and Planning of Indonesia) for the 2nd year, a total of 5 EIPP projects were ordered alongside 4 linked and 1 new project from November.

As in the 1st year, the 21/22 EIPP project will be carried out for 300 days and after an open bidding announcement in November, the stages of evaluation and negotiation auspiciously went through and the contract is projected to be completed.

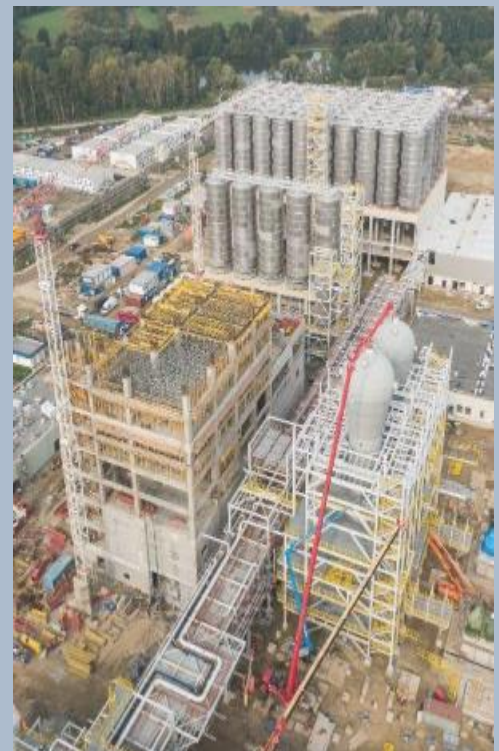
After signing the contract, the projects will be completed in early November next year after the kick-off meeting within January 2022. This involves an interim report with capacity building in May and the final report in September 2022.

Despite the current conditions of COVID-19, as the Government of Indonesia has expressed a strong will to relocate the capital, such as the push for enactment of legislation for the capital city relocation, KIND will actively support Indonesia's new capital city relocation and Korean corporations entry into the Indonesian new capital project.

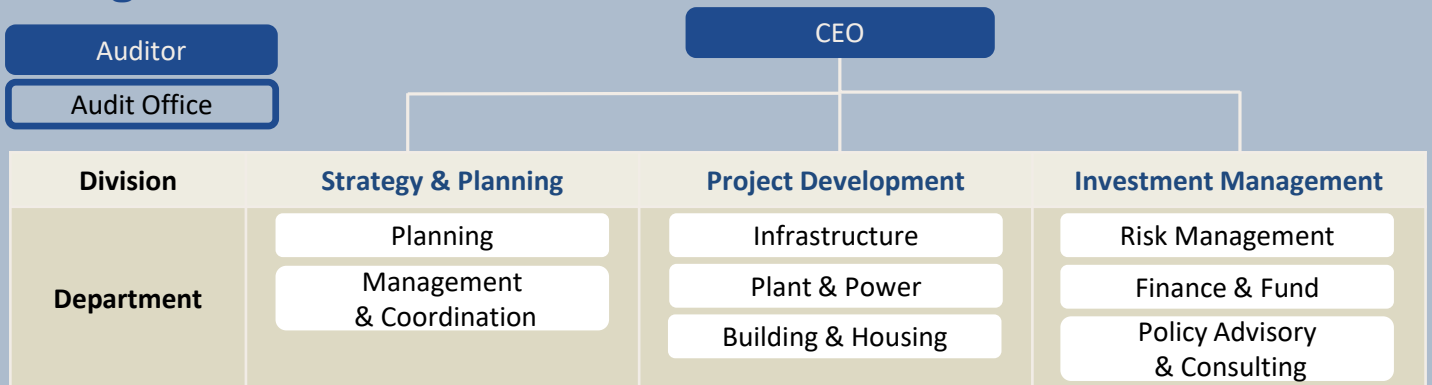
No.	21/22 EIPP Projects	
EIPP #1	IKN* Urban Acquisition/Utilization	Phase2-Focusing on Land and PMO Operation
EIPP #2	IKN Funding Plan Phase 2	- Focusing on Utilization of Sovereign Wealth Fund and Property Sales in Jabodetabek
EIPP #3	IKN Sustainable and Green Development Plan with Concept of Forest City	
EIPP #4	IKN Urban Transport Plan with Intelligent Transport System and EV Mass Transport Infrastructure	
EIPP #5	IKN Energy Transition Masterplan Phase2	- Roadmap of Gas Usage Optimization for Fulfilling Energy Demand

Construction of PDH/PP in Poland is Going Smoothly

Construction of PDH/PP in Poland commenced at end of '2019 and it is ongoing successfully. The engineering & procurement phase will be wrapped-up in soon while the construction phase is continuing under schedule. Specifically, the last part of electrical bulk materials and the remaining cables is planned to be delivered shortly. All stakeholders including the EPC contractor (Hyundai Engineering Co.) concentrate mainly on following the construction schedule amid breaking out the COVID-19. From the date (25 February 2021) when the project company had received a confirmation that the conditions precedent under the Senior Facilities Agreement had been fulfilled, project company has withdrawn from Senior Facility multiple times to pay out the relevant expenses in an appropriate manner.



Re-Organization for 2022



End of 2021, KIND has restructured to maximize our strength and efficiency. ① (Strategy & Planning Division) Merging the Innovation & Strategy Team and the research function of the Economic Research Department into the Innovation & Research Team of the planning department. ② (Project Development Division) Transferring functions of the New Business Department to the Infrastructure, Plant & Power, Building & Housing Department. ③ (Investment Management Division) Handing over the Risk Management functions and establishing the Policy Advisory & Consulting Department to manage EIPP, KCN, F/S consulting in an integrated way.

4 Innovation Tasks Won Awards for Outstanding Ideas



2021 Innovation Awards

RANK	TASK
1 st (tied)	Expand K-Green New Deal development projects to preemptively respond to climate change.
1 st (tied)	Strengthen the risk management system.
3 rd (tied)	Provide K-Urban development project models and revitalize investment.
3 rd (tied)	Vitalize overseas investment and development projects in the traditional infrastructure sector.

KIND Innovation Committee selected 4 outstanding innovation tasks after holding a final inspection meeting and checking annual performance. KIND established an Innovation Plan in May and has carried out 16 tasks in three directions: creating social value; enhancing economic vitality; and

boosting public trust. The 4 outstanding tasks are in the table above and awards were given to the department that performed each task during the 2021 closing ceremony on 30 December. KIND also shared this achievement internally to strengthen the innovation mindset of members.

MOU Signing to Support Overseas Urban Development

On 1 December, KIND signed a Memorandum of Understanding (MOU) for Overseas Urban Development Support at Song-do International City G Tower with the Incheon Free Economic Zone Authority (IFEZ) and the Incheon Housing & City Development Corporation (iH). The key point of this agreement is to establish a cooperative system in relation to Korean corporations' entry into overseas smart cities and urban development projects.

Lee Kang Hoon, the CEO of the KIND, said "Through the signing of this MOU, it is expected that we will be able to more effectively support Korean companies that promote overseas urban development projects."

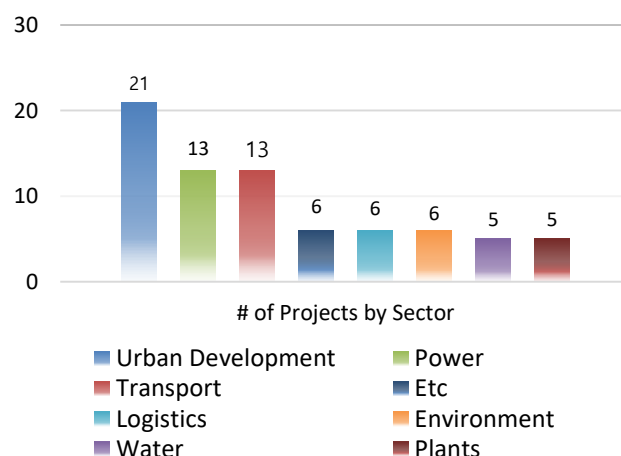
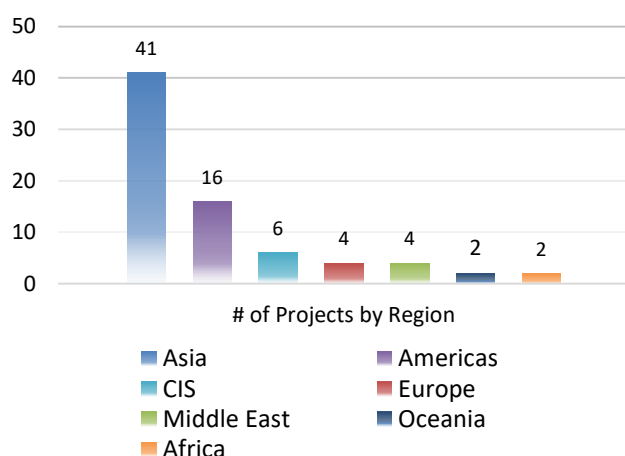


MOU Signing Between KIND-IFEZ-iH

KIND's Committed Investment: 16 Projects

Project	Time	Commitment	Status
Kazakhstan 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	Working for financial closing
Chile Guadalupe Solar Power	'20.2Q	\$ 3.8M	Construction
Vietnam Hung Yen Industrial Park	'20.4Q	\$ 3.8M	Working for financial closing
Indonesia Probolinggo Port	'20.4Q	\$ 1.2M	Construction
Saudi Arabia Tanajib CHP plant	'21.2Q	\$ 17.0M	EPC Contract Signed
Vietnam Hanoi Social Housing	'21.3Q	\$ 4.6M	Working for financial closing
Pakistan Lower Spat Gah Hydropower	'21.4Q	\$ 70.0M	Working for financial closing
U.S.A. Chicago Hotel	'21.4Q	\$ 11.6M	Working for financial closing
Chile PMGD Portfolio Solar Powers (Equity)	'21.4Q	\$ 8.1M	Working for financial closing
Chile PMG(D) Portfolio Solar Powers (Fund)	'21.4Q	\$ 12.9M	Working for financial closing
Indonesia Karian Water Treatment	'21.4Q	\$ 5.5M	Working for financial closing
Philippines Cebu Affordable Housing	'22.1Q	\$ 11.0M	Working for financial closing
Total		\$ 286.6M	

KIND Deal Pipeline: 75 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 Mgmt.	Korea Investment Mgmt.
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	On-going	On-going	On-going	On-Going

KIND's Feasibility Study (F/S) Supports, 2021 (*final report completed)

Country	Project	Country	Project
Bangladesh	Meghna Bridge	Sri Lanka*	Anuradhapura 100MW Solar Power Plant
Uganda*	Kampala~Jinja Expressway PPP	Laos	Boualalpha 400MW Wind Farm
Cameroon*	Limbe Combined Cycle Power Plant	Peru	Cusco Astete Smart City
Indonesia*	Bekasi Industrial Complex	Uzbekistan	Tashkent Wastewater Treatment Facility
Qatar*	Public Schools PPP-Package 3	Laos	Luang Prabang International Airport
Bangladesh	Dhaka Circular Rail Line PPP	Kenya	Mombasa-Nairobi Expressway
Indonesia	Jakarta MRT Ph-4	Panama	Metro Ph-5
Cambodia*	New Phnom Penh International Airport Solar Farm	Vietnam	Hanoi K-Edu Complex

KIND has supported Feasibility Study (F/S) to aid early-stage project development for three consecutive years since 2019. 16 projects in 2019, 14 in 2020, and 16 in 2021 were awarded F/S support through the selection process that takes twice a year. Among 16 projects of 2021, 10 projects were submitted and selected through regular open calls, 5 projects on the first and the other 5 on the second half of the year. Meanwhile, 6 were developed on G2G (government to government)

basis or with a partnership with MDBs. By securing an adequate project period and expanding support amount per project for high-quality results, KIND considers that we reached the substantialization of the F/S Support Program and plans to reorganize it from 2022 by newly supporting 'Proposal Preparation' subdividing applications. More information is on KIND's official website and the official YouTube channel.

Online Briefing for Feasibility Study (F/S) Supports, 2022

2022년 F/S지원사업
온라인 사업설명회
3. '22년도 지원제도



01 지원제도 개요

구분	민영화 후 재개발사업(그린필드) 예비/본 사업신청서 지원	민영화 후 재사업(브라운필드) 본 사업신청서 지원 (23% 인센티브)	개발사업별 지원 (23% 인센티브)	기타 지원
공모방식	공모 또는 비공모	공모 또는 비공모	수시 공모	비공모
지원금액	최대 10억원/건	최대 10억원/건	최대 20억원/건	최대 10억원/건
공모기간	4주 (일/화/수/목)	4주 (일/화/수/목)	4주 (수/목/금)	(비공모)
지원내용	예비/본 사업신청서 용역 수임 (기초조사, 법률 자문, 재무 검토 등)	본 사업신청서 용역 수임 (일시/2차, 가치평가/Valuation) 등	개발사업별 지원 (기초조사, 계획 도출, 보조금 지원, 법률 자문, 재무 검토 등) 및 기타 개발 지원, 인센티브, 반석 등 지원	개발사업계획 지원 (개발단계에 맞는 예비/본 사업)
특징	-	예비/본 사업 신청 가능	현행사업조사 완료 사업 대상, 사업수주 시 지원금액 환수	-



KIND held an online briefing for Feasibility Study (F/S) Supports, 2022 through its official YouTube channel on 22 December 2021. Together with 100 pre-registered individuals from 54 companies with great interest, the briefing which lasted over an hour included an overview of KIND F/S Supports, application and selection procedures, and answers to the questions. Moreover, through this briefing, KIND announced that the scope and fields of F/S Supports, 2022 will be expanded.

KIND plans to newly implement 'Proposal Preparation' Support and subdivide existing F/S Supports into 'Greenfield' and 'Brownfield.' More information on F/S Supports, 2022 is on KIND's official website in detail and the application is due by 5 p.m. 13 January 2022 (KST). Also, 'Proposal Preparation' Support open calls will soon be posted on the website.

2021 K-City Network : 4 Projects Going On

The K-City Network project is a global cooperation program for smart cities. KIND currently operates a total of 4 urban development projects in the second year. In February 2022, the project will hold an interim report meeting to check the process and to collect opinions from the countries as below.

Country	Project	Main contents
Uzbekistan	Master Planning, a Satellite Smart City in Tashkent	Planning and deriving smart city solutions to expand high-quality housing and infrastructure supply in response to urban population growth.
Kenya	Master Planning, a Smart City in Nairobi Central Station Area	Deriving a smart city strategy plan by selecting a pilot project area, establishing a development plan, and conducting a feasibility study.
Indonesia	Feasibility Study, the New Capital City Housing	Surveying the implementation of the New Capital Public Officials Housing Demonstration Complex Project and establishing a plan for development.
Philippines	Master Planning, a Smart City in the Clark Economic Zone	Planning smart cities with industrial functions such as logistics hubs and airports. A feasibility study will review commercial feasibility.

Coming of a New Generation: KIND Leadership 2.0



Mr. Sang Wook Lee

More than three years and a half have passed since the conception of an idea – to establish an innovative and powerful engine to spearhead and also support PPP project development for Korean companies. After the honorable retirement of the two founding executives – Mr. Taek-won Seo and Mr. Young-soo Kim, two new faces joined the team KIND: Mr. Sang Wook Lee, Executive Vice President, Strategy and Planning Division, and Mr. Gichul Jeong, Executive Vice President, Investment Management Division. Mr. Lee has rich experiences in the public sector, the Ministry of Land and Infrastructure, and particularly in the field of infrastructure development. Mr. Jeong spent most of his career in the Ministry of Economy and Finance and is a specialist in finance and international development. With these two capable executive officers newly on board, KIND successfully completed its leadership transition and is ready to set sail even further next year.



Mr. Gichul Jeong

Season's Greetings from KIND

Greetings to dear readers of KIND News Letter!

This is Kang Hoon Lee, and I took office as the 2nd president of Korea Overseas Infrastructure and Urban Development Corporation (KIND) last September. I deeply appreciate your cooperation and support for KIND in the year 2021.

Despite the COVID-19, we have worked hard to develop and invest in overseas infrastructure projects for the past years. We are participating in many projects in transportation infrastructure, plants, new and renewable energy, and real estate development across many countries around the world. We plan to continue taking on challenges with Korean companies and supporting them.

The 2nd KIND management team will further innovate the overseas investment business development platform to improve KIND's financial condition while further solidifying its business identity through mid-to-long-term value system inspection and organizational restructuring suitable for the new post-COVID era.

We will expand our investment strategy from greenfield equity investment to brownfield, bonds and beneficiary certificates, investment in the pre-sale remodeling business, and activation of policy fund investment. As a lead developer, we will take the lead in discovering G2G-based infrastructure projects and enhance Team Korea's ability to win orders in overseas investment and development projects. In addition, we will develop KIND's unique DNA that challenges and achieves on the global stage while creating a culture of empathy and consideration for the company's organizational culture.

Next year, KIND will put the interests of our partners and citizens first and move together with you. Thank you for your cooperation and support. I wish you a healthier and happier New Year 2022.



Kang Hoon Lee
CEO & President,
KIND

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KIND Major Media Coverages

- [Paraguay Asuncion light rail project 'Team Korea' launched](#)
- [Hyundai Engineering KIND' Team Korea to submit final proposal for Paraguay light rail train next month](#)
- [Experienced Korea as the best PPP partner](#)
- [Presenting the present and future of infrastructure, GICC gives companies 'the wings to win overseas projects'](#)
- [KIND prepares ITS and financing plan for relocation project to Indonesia](#)
- [Indonesia's new capital relocation project, EIPP phase 2](#)
- [IFEZ cooperates with KIND to support overseas urban development](#)
- [Korea-China Forum to commemorate the 30th anniversary of Tuman River regional development](#)
- [KIND supports overseas infrastructure and urban development project feasibility study](#)
- [KIND, which missed the 870 billion won development project, reorganized the system](#)
- [The expansion of the overseas construction projects ... Government support is required more and urgently](#)