

Nammoon District's

Parts and Materials Industrial Park

Busan·Jinhae Free Economic Zone Authority



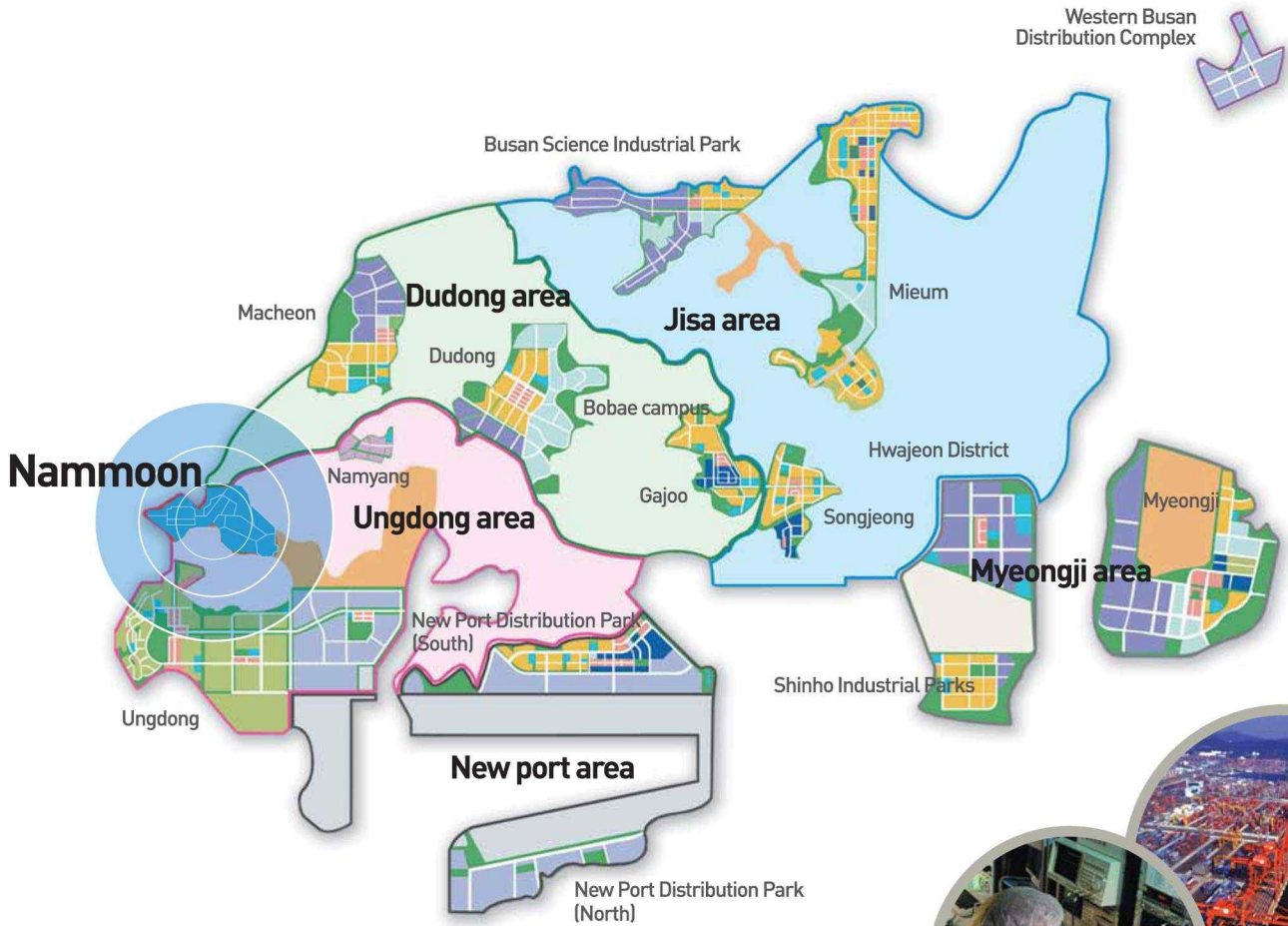
▶ Busan · Jinhae Free Economic Zone



▶ BJFEZ Development Overview

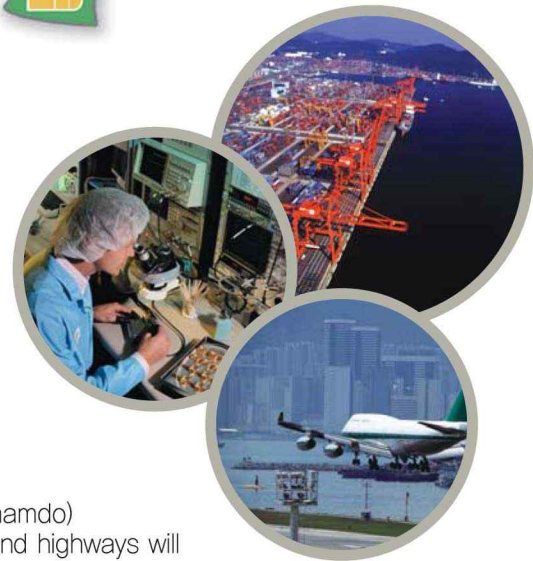
| | |
|-------------------------------|--|
| Purpose of Designation | Improving the investment environment for Multi-national companies Promoting foreign investment |
| Location | Composed of Busan & Jinhae cities |
| Area | 104.8km ² (2,600acres) |
| Target Businesses | High-tech Industry, Logistics, Tourism & Leisure, International Business, R&D, Education & Medical Service etc., |
| Period | 2003~2020 |
| Population | 240,000 by 2020 |





➤ Optimal Business Environment

- ▶ Located at the gateway to Northeast Asia (10minutes from New Port, 35minutes from Int'l Airport)
- ▶ Neighboring cities located in the southeast of Korea make the country's leading industrial belt connecting Shipbuilding, Automobiles and Mechatronics industries.
- ▶ 8 million populations in and around the BJFEZ (Busan, Kyeongsangnamdo)
- ▶ Korea's premier logistics infrastructure (New Port hinterland's railway and highways will expand your business worldwide)
- ▶ A pleasant cultural environment in and around the BJFEZ will enhance your quality of life



➤ Major Project

▶ Myeongji International business city

Area 4,483,000m²
Facilities International & Maritime business facilities, Residential & Commercial facilities, Foreign hospitals & Int'l schools and universities



▶ Ungdong Tourism & Leisure Complex

Area 2,849,000m²
Facilities Golf courses, Hotels, Casinos, Foreign hospitals & Educational institutions, Condos, Green tea experience village, Shopping malls, man made beach





Nammoon District



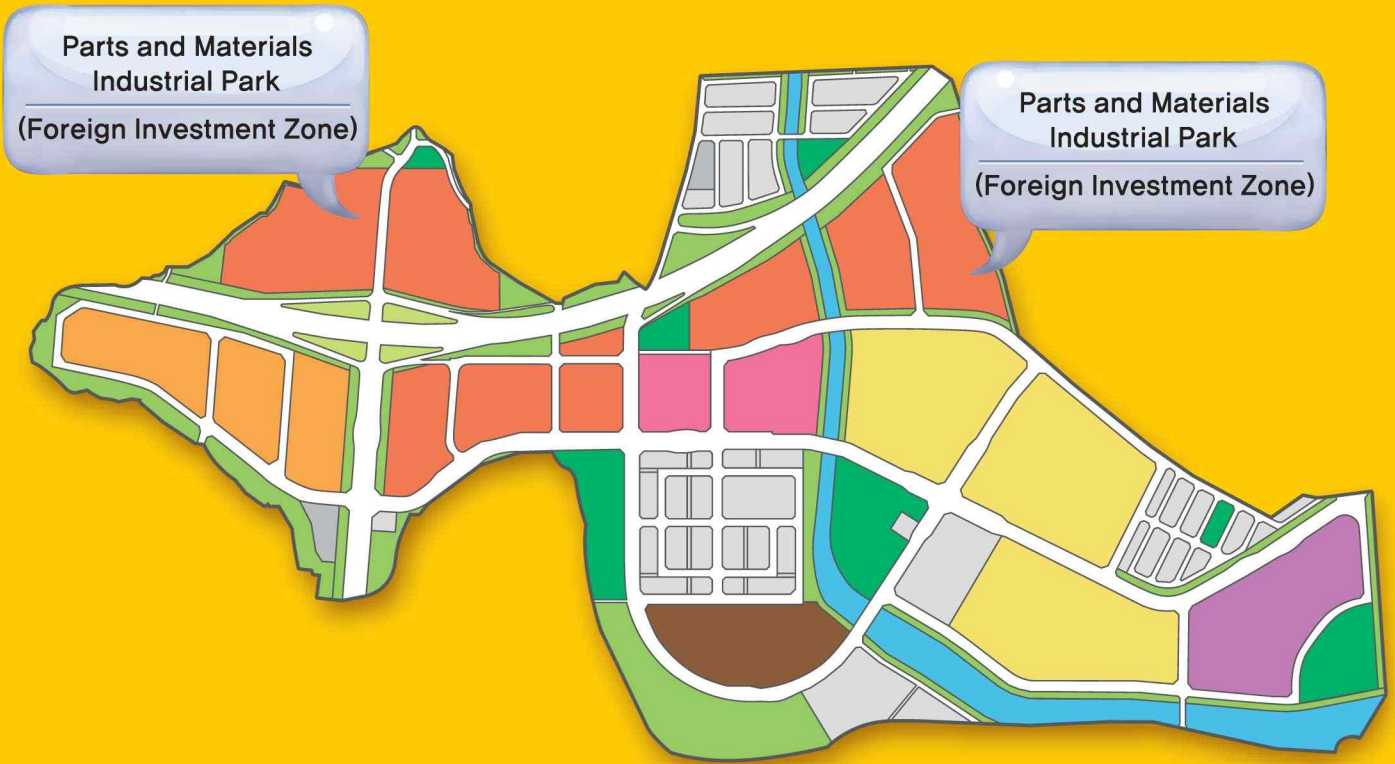
Overview of Nammoon District

| | |
|-----------------------|--|
| Location | Nammoon-dong area of Jinhae City, Gyeongnam Province |
| Area | 1,087,420m ² (269 acres) |
| Project period | 2006~2011 |
| Project cost | 331 mil. US\$ |
| Developer | Gyeongnam Development Corp. |

► Utility

| | |
|-------------------------------------|---|
| Water supply | 7,454m ³ /day |
| Sewage | 5,237m ³ /day |
| Electricity | 28,557 KVA |
| Communication | 12,642 lines |
| Gas supply | Gyeongnam Energy Corp. |
| Disposal of waste facilities | facilitated by 3 rd party agencies |

Land Usage Plan



| Parts | Contents | Area |
|-------|-------------------------------------|---------------------------------|
| | Parts and Materials Industrial Park | 168,857m ² (42acres) |
| | Industrial site (Domestic) | 53,329m ² (13acres) |
| | Education, R&D site | 40,353m ² (10acres) |
| | Residential site | 174,364m ² (43acres) |
| | Residential site for foreigners | 28,934m ² (7acres) |
| | Logistic, Distribution site | 30,314m ² (7acres) |

Parts and Materials Industrial Park Overview

Location Parts and Materials Industrial Park in Nammoon District

Area 168,857m² (42 acres)

Target industries Mechatronics, shipbuilding, Auto parts, and other manufacturing industries

Availability From the second half of 2010

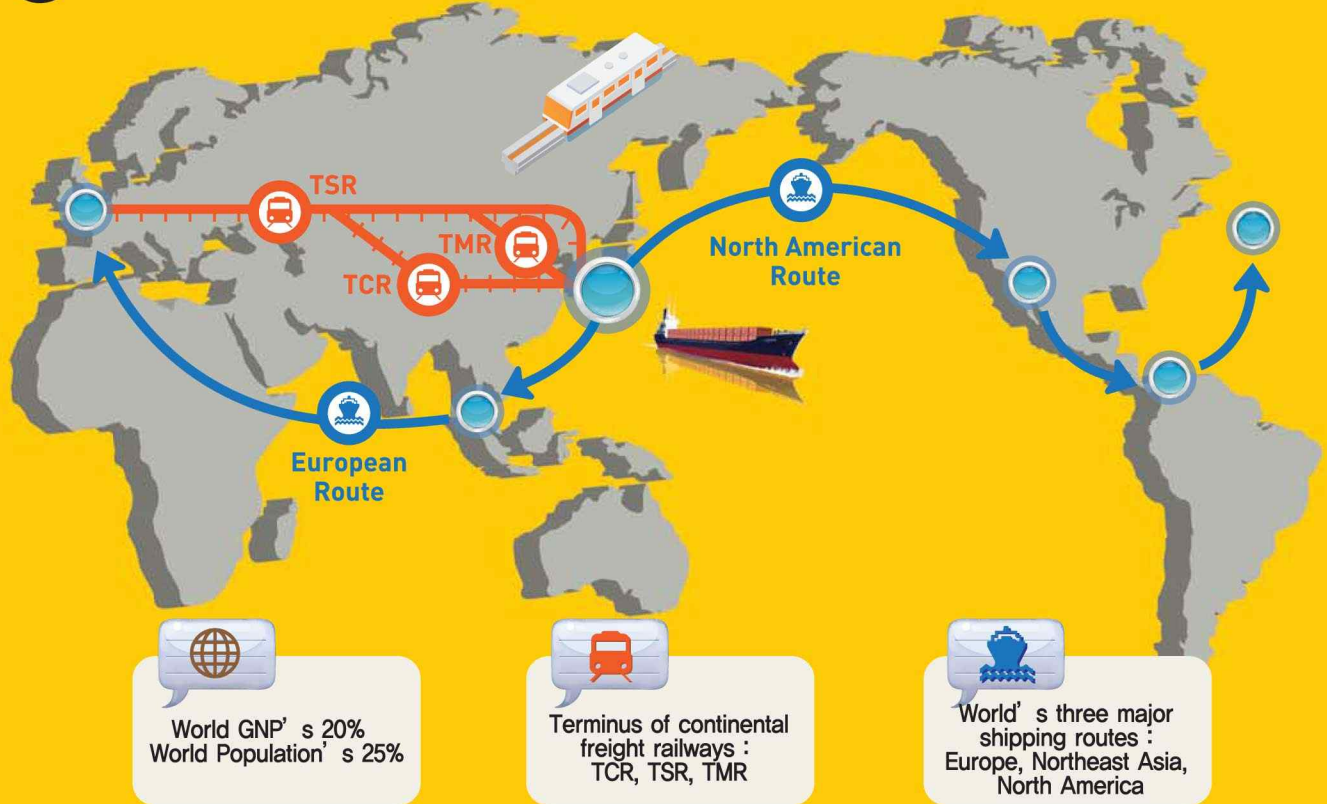
Eligibility JVs with foreign stake of 30% or more

Rent 1% of the purchase price of the land(Land lease period: 50years, renewable every 10 years)

Land usage the building-to-land ratio 70%, floor area ratio 400%

Investment Environment

➔ Economic crossroad of Northeast Asia



➔ Manufacturing industry clusters



Investment Incentives

▶ Tax Breaks

| Eligibility | Taxes | Reduction and Exemption |
|--|----------------|---|
| Manufacturing industry in constructing plants and facilities : US \$ 10 million or more | National tax | - Corporate tax - Income tax |
| | Local tax | - Acquisition tax - Registration tax - Property tax |
| Imported capital goods | Customs Duties | |

*() refers to invest high-tech industry and R&D institutions in constructing plants and facilities
US \$ 2 million or more

▶ Rent Reduction or Exemption

| Categories | FDI Amount | Reduction |
|--------------------------------|-------------------------|--------------------------|
| High-tech industry | US \$ 1 million or more | 100% |
| General manufacturing industry | State-owned land | US \$ 5 million or more |
| | Publicly-owned land | US \$ 20 million or more |
| | | US \$ 10 ~ 20 million |
| | | US \$ 5~10 million |

Transportation





BJFEZ Busan·Jinhae
Free Economic Zone Authority

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