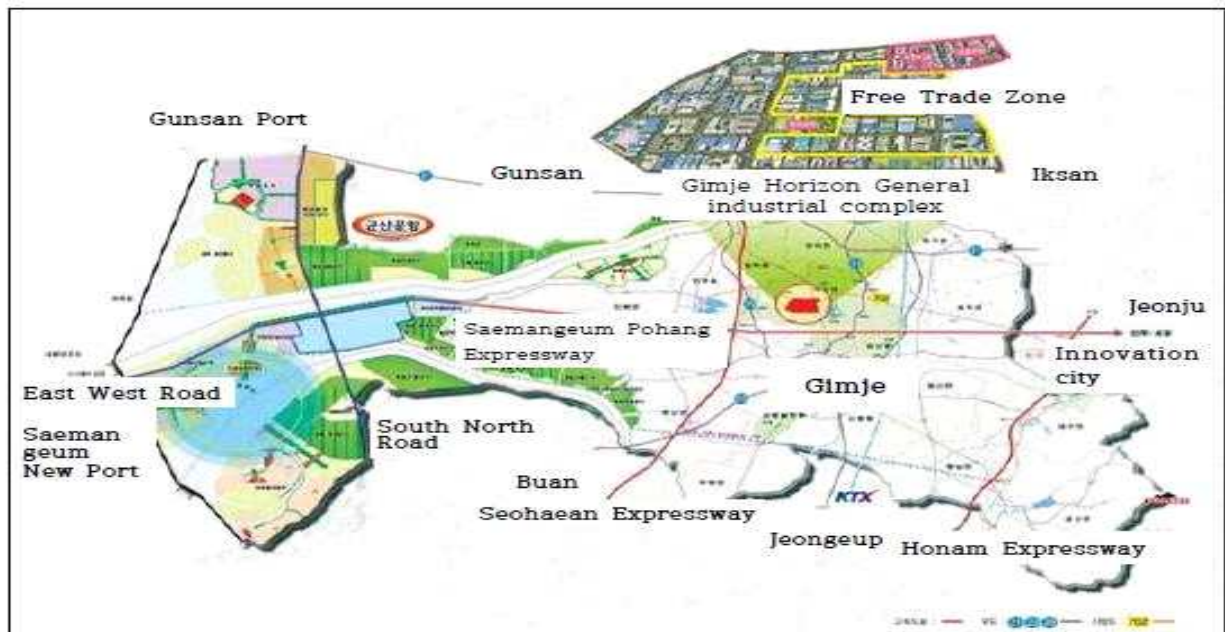




Gimje Horizon General Industrial Complex

The Excellent Parcel Price and Infrastructure



Area

- About 3,000,000m²

Parcel Price

- General industrial complex : \$105.3/m²

Rental Fee

- Free Trading Area : \$0.06/m², Free

Target Business

- Automobile, Electricity, Machine, Metal, Electrical equipment, Foodstuffs manufacturing industry etc.

Infrastructure

- Grading work, Korea institute of industrial technology,
- Standard factory(Free trading area),
- City gas(3,350Gcal/day)

Residential Facilities

- Shopping zone, Residential zone, Sports park

The Best Logistics Infrastructure

Expressway

- Honam Expressway
Industrial complex to Expressway(20min)
- Saemangeum·Pohang Expressway
(scheduled for completion by 2020)
Industrial complex to Expressway(5min)
- Seohaean Expressway
Industrial complex to Expressway(5min)
- Industrial road(Jeonju, Gunsan, Iksan, Jeongup)
Industrial complex to Expressway(10min)
connected to motorway network

Railway

- Honam KTX(Iksan station)
 - Industrial complex to Iksan station(20min motorway)
 - Iksan to Seoul station(1hour)

Port

- Saemangeum New Port(Begun in June 2012, completed by 2020)
 - logistical hub in northeast Asia
 - Industrial complex to New Port(20min motorway)
 - Connected to Saemangeum Expressway
 - 18 berths, 3.5km long breakwater, 18million tons(1year)

Airport

- Gunsan Airport
 - Industrial complex to airport(30min motorway)
 - Gwangju(80min), Cheongju(90min), Incheon(210min)
- Saemangeum International Airport(in progress)
 - International airport as an logistics hub in Northeast Asia

Investment Incentives

- **Parcel price subsidy**(A maximum of 20% the parcel price, the special policy of Gimje city government)

Standard for funding	Rate of subsidy	Time limit for applying
less than 20 regular employees	10% of regular parcel price	within 1 year from the date of parcelling-out contract
20~100 regular employees	15% of regular parcel price	
more than 100 regular employees	20% of regular parcel price	

- **Subsidy by central government(Nation)**

Funding subject	Regions	Funding types	Funding range			Funding
			Large company	Medium company	Small company	
New or Additional establishment	General area	Equipment investment	within 8% of investment	within 11% of investment	within 14% of investment	up to ₩7.5billion
	Gimje-si		within 11% of investment	within 19% of investment	within 24% of investment	

● Subsidy by Local government(Province, City)

Section	Local government	Standard funding	Details	Maximum limit
Investment in new establishment	Gimje-si	· managed more than 3 years outside of the province · more than 20 regular employees	within 5% of investment of more than ₩1billion	₩5billion
	Jeollabuk-do	· managed more than 3 years outside of the province · more than 20 regular employees	within 10% of investment of more than ₩1billion	₩5billion
Massive investment	Gimje-si	· invested more than 100billion won in maufacturing business · more than 300 regular employees	within 10% of investment of more than ₩1billion	₩10billion
	Jeollabuk-do	· invested more than 100billion won in maufacturing business · more than 300 regular employees	within 10% of investment of more than ₩1billion	₩10billion
Employment subsidy	Gimje-si	· If more than 20 citizens of Gimje-si are newly hired, subsidy will be provided per person like right side	6 months * ₩100~600 thousand	₩200million
	Jeollabuk-do	· If more than 20 inhabitants of Jeollabuk-do are newly hired, subsidy will be provided per person like right side	6 months * ₩100~1,000 thousand	₩1billion
Education and training subsidy	Gimje-si	· If more than 20 citizens of Gimje-si are newly hired, subsidy will be provided per person like right side	6 months * ₩100~600 thousand	₩200million
	Jeollabuk-do	· If more than 20 inhabitants of Jeollabuk-do are newly hired, subsidy will be provided per person like right side	6 months * ₩100~500 thousand	₩500million

● Tax benefit

- National tax : 50% reduction of **corporate tax** for 4 years
50% reduction of **income tax** for 4 years
- Local tax : 75% reduction of **acquisition tax**
75% reduction of **property tax** for 5 years

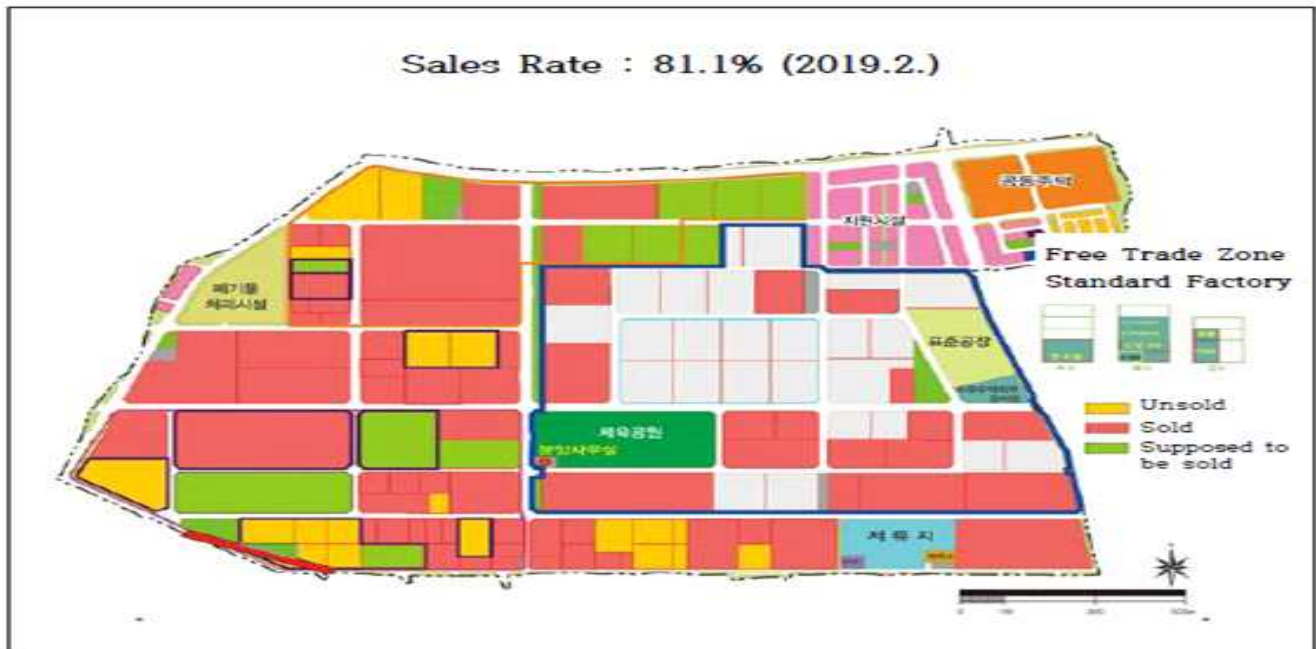


Gimje Free Trade zone

The Excellent Infrastructure

LOCATION

- Bugeo-ri, Baeksan-myeon, Gimje-si, Jeollabuk-do, Republic of Korea



Eligibility for Gimje Free trade Zone

- Those who meet the occupancy requirements for the zone according to Article 10 of Act on Designation and Management of Free Trade Zone

classifications	requirements
Manufacturing business primarily for exports	Business which amount of export is at least 50/100(30/100 in cases of small and medium enterprises, 40/100 in cases of middle-standing enterprises) of the total sales during the past 3 years from the date on which an application for an occupancy contract is filed, for at least 1 year in a low
Foreign invested enterprise (manufacturing business)	Business which satisfies the standard of the foreigner investment of ₩100million and also owns 10% of either the total number of stocks or the total sum of investors issued by corporations or companies run by the people of the Republic of Korea

● Desirable types of business

- Electric and electronics, Primary metals, Metal processed products, Non-metal mining products, car and trailer, etc.

● Moving-in Procedure

- Consultation on the occupancy → Applying for occupancy → Making the occupancy agreement → Making the lease agreement → Getting the approval of construction → Registering the factory → Operating the factory

● The Logistics Infrastructure

● Expressway

- Saemangeum-Pohang Expressway(planned to be completed in 2020)
- Seohaean Expressway(taking 1 hour and 30 minutes)
- Suncheon-Wanju Expressway(taking 2 hours)

● Railway

- KTX and SRT Honam line(Iksan station) : 1 hour between Seoul and Gimje
- * Time taken between Gimje Free trade Zone and Iksan station : 15 minutes

● Harbors

- Gunsan Port : 35 berths for the ship of 50,000 ton max
- * Time taken between Gimje Free trade Zone and Gunsan Port : 20 minutes
- Saemangeum New Port : 18 berths for the cruise ship of 80,000 ton(planned to be completed in 2030, 4 berths would be first completed by 2020)
- * Time taken between Gimje Free Trade Zone and Saemangeum New Port : 20 minutes(if Saemangeum-Pohang Expressway is completed)

Benefits for the foreign-invested company

● Minimized investment cost with the exceptional low rent

- In Gimje Free Trade Zone, the authority provides the companies with the land and buildings owned by the nation at the price equivalent to 1% of the officially assessed price for 50 years. As the investor needs not to purchase the land, the initial investment cost can be reduced a lot.
 - Monthly rent of land for the factory : \$ 0.06/m²
 - Monthly rent for the apartment type standard factory : \$ 0.42/m²

● Deregulation for guaranteeing the trading activities

- Deference of tax for imported materials
 - It applies when the facility, raw materials or building materials are imported from overseas for the business
- Permission of off-shore work
 - Some of the processes for manufacturing the product can be processed at the domestic bonded area
 - The foreign materials such as facilities which are required for processing can be shipped overseas in the bonded state.
- Application of zero tax for VAT
 - Foreign products and services which are supplied or provided between companies in the free trade zones
 - Materials for export which are delivered from other area of Korea

Additional Benefits for the foreign-invested company

● Tax benefits

Classification	Target	Benefit	Condition of investment
<ul style="list-style-type: none">· Corporate tax· Income tax	Business operated by the foreigner investment companies occupying Gimje Free Trade Zone	All Taxes for 3 years and 50% exemption for subsequent 2 years	<ul style="list-style-type: none">· \$ 10 million or above (manufacturing)· \$ 2 million or above (New growth engine industry)
<ul style="list-style-type: none">· Acquisition tax· Property tax	Business operated by the foreigner investment companies occupying Gimje Free Trade Zone	Total exemption for 15 years	<ul style="list-style-type: none">· \$10 million or above (manufacturing)

● Subsidy benefits

Classification	Support requirement	Contents of support
Employment subsidy	Business which is run by a foreign investment company occupying in Gimje Free Trade Zone and which employs more than 20 Gimje residents as the regular employees within 3 years after the start of business	<ul style="list-style-type: none">\$ 554 max for every person in excess of 20₩ 200 million max within 6 months
Education and Training subsidy	Business which is run by a foreign investment company occupying in Gimje Free Trade Zone and which conducts the training and education for employing at least 20 Gimje residents as the regular employees within 3 years after the start of business	<ul style="list-style-type: none">\$ 554 max for every person in excess of 20₩ 200 million max within 6 months