Jeju Investment Opportunity

Information Technology

We cordially invite you to Jeju, World Environmental Hub with Prestigious Natural Beauty.

Do your optimal IT business in Jeju, the Northeast Asia Hub.
Geographical & Economical Environment of Jeju

Jeju is located in the center of Northeast Asia and 50 major cities with over 1 mil population are suited within 2 hour flight distance. It is a great advantage to being fostered as the hub of tourism and business in Northeast Asia.

- Jeju was designated as a Free International City in April. 2002 by Korean Government: Promotion of Recreation & Business Hub City in Northeast Asia in the 21st Century
- Tax Benefits for Investors from home and abroad, Designation of Leading Projects etc

Jeju Island is the International Tourism City where over 10 million tourists visit.

<table>
<thead>
<tr>
<th>Year</th>
<th>Korean Visitors</th>
<th>Foreign Visitors</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>6,801,301</td>
<td>777,000</td>
<td>7,578,301</td>
</tr>
<tr>
<td>2011</td>
<td>7,665,339</td>
<td>1,045,637</td>
<td>8,740,976</td>
</tr>
<tr>
<td>2012</td>
<td>8,010,304</td>
<td>1,681,399</td>
<td>9,691,703</td>
</tr>
<tr>
<td>2013</td>
<td>8,517,417</td>
<td>2,333,848</td>
<td>10,851,265</td>
</tr>
<tr>
<td>2014</td>
<td>8,945,601</td>
<td>3,328,316</td>
<td>12,273,917</td>
</tr>
</tbody>
</table>

- It is equipped with world class infrastructure such as airport and harbor
  - Domestic Air Route: 13 Lines including Seoul, Busan, Daegu, Gwangju etc
  - International Air Route: 57 Air Lines with 40 cities including Shanghai, Beijing, Tokyo, Osaka (Regular 20, Non-Regular 7)
  - Promotion of Infrastructure Expansion (New Harbor, New Airport) as National Projects
  - New Harbor: 150,000 ton of two cruise ships capacity (Scheduled to be Completed by Dec. 2015)
  - Visitors by Cruise (2014): 242 times with 590,400 visitors

- International Convention Center Jeju with capacity of 4,300 people
2. Jeju, Optimal Place for IT Business

The Safest Area
- Jeju is the safest island from earthquake, tsunami compared to other regions in Asia such as Japan, Taiwan.
- Jeju is apart from Korean Peninsular and it is the safest area from accidental collision and conflict between inter Korea as the Island of World Peace (designated by Korean Government in 2005) aiming for world peace.

Clean Image
- Jeju is aiming for being World Environmental Hub as gaining the status of UNESCO Triple Titles in Natural Science Area (Biosphere Reserve, World Natural Heritage, Global Geopark).
- The clean image of Jeju meets the demand of IT, clean industry.

Stable & Reasonable Cost of Electricity Power & Communication Infrastructure
- Jeju area is available for the stable supply of electricity and communication service because of KEPCO & KT Jeju Branch.
- It is equipped with infrastructure to meet the demand Electricity Power & Communication and the cost is very reasonable compared to other neighborhood nations.
IT & BT have been selected as core industry by promoting the 1st Jeju Free International City Comprehensive Plan.

The well-known Korean IT companies have been relocated to Jeju by this plan.

**Daum:**
- Internet Portal Company
- The most prestigious IT portal company in Korea.
- Head Quarter was relocated to Jeju from Seoul in 2012.
  - Main Business: Internet Media, On-line Shopping, Finance, Entertainment etc.
  - Capital: 6.8 bil KRW (2013)
  - Sales: 428.1 bil KRW (2012)

**Nexon:**
- The best on-line game development service company in Korea.
- Head Quarter was relocated to Jeju from Seoul in 2013
  - Main Business: Computer Game, On-line Game Service
  - Capital: 2 bil KRW (2013)
  - Sales: 224.8 bil KRW (2012)

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**Optimal Education Environment for Foreign Residents**

<table>
<thead>
<tr>
<th>web site</th>
<th>KIS high school</th>
<th>NLCS Jeju (North London Collegiate School Jeju)</th>
<th>BHA (Branksome Hall Asia)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Korea International School</td>
<td><a href="http://www.kis.ac">www.kis.ac</a></td>
<td><a href="http://www.nlcsjeju.co.kr">www.nlcsjeju.co.kr</a></td>
<td><a href="http://www.branksome.asia">www.branksome.asia</a></td>
</tr>
<tr>
<td>Primary-Middle-High School</td>
<td>Aug. 19, 2013</td>
<td>Kindergarten, Primary-Middle-High School</td>
<td>Kindergarten, Primary-Middle-High School</td>
</tr>
<tr>
<td>Class &amp; Students Quota</td>
<td>21 (Grade 1-8) / 504</td>
<td>20 (Grade 9-12) / 480</td>
<td>73 (Grade R-13) / 1,508</td>
</tr>
<tr>
<td>Number of Teacher</td>
<td>65 (current)</td>
<td>116 (current)</td>
<td>76 (current)</td>
</tr>
<tr>
<td>Curriculum</td>
<td>AERO</td>
<td>NLCS PG, UK</td>
<td>IB Diploma PG</td>
</tr>
<tr>
<td>(American Education Reaches Out)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International Certificate PG</td>
<td>WASC</td>
<td>IB Diploma PG</td>
<td>IB Diploma PG</td>
</tr>
</tbody>
</table>
3 Site for Investment

The 2nd High-Tech & Science Park

Project Overview
- Establishment of High-Tech Industry Cluster in Jeju by promoting of high-technology (IT, BT, CT) Research Institute Business Hub
- General Overview - Designation: National Industry Complex
  - Location/Area: Wolpyeong-eup Area, Jeju City / 855,403㎡ (Industrial Area 59.1%, Supporting Facility Area 3.2%, Residential Area 7.2%, Public Facility Area 30.5%)  
  - Business Type: IT, BT, CT & Research Institute etc  
  - Period: 2014~2020  
  - Project Cost: 138.5 million USD (National Budget 28 mil, JDC 110.5 mil)

Primary Direction
- Business Types - 3 Jeju Types Growth Engine Industries (IT, Bio, Energy)
  - Knowledge-Based Industry & R&D Manufacturing, Regional Specialized Industry
- Main Function - Jeju Region Industry Structure Improvement & Upgrade through High-Tech Industry as New Growth Engine Industry
  - Virtuous Circle (Research, Development, Production, Employment) of Fusion Industry Establishment
  - Cluster Expansion by Strengthening Technical Commercialization & Globalization with Integrated Effects from the 1st Science Park

Project Plan
- 2015: Industrial Complex Plan & Approval (Ministry of Land, Transport and Maritime Affairs / Supporting Committee of Prime Minister office)
- 2015: Land Compensation Work
- 2016: Completion of Industrial Complex Basic & Working Design, Ground Breaking for Site Renovation
- 2019: Completion of Site Renovation Work & Operating

Jeju Urban High-Tech Industrial Complex

Project Overview
- Location & Area: Donam-dong Area, Jeju City / 163,535㎡
- Period: 2015~2018
- Feature - Located near Main Road, Good Residential Environment, Schools are located within 10 minutes by car or on foot
  - Available for virtuous circle system of Industry, Education R&D, Training Workforce, Job Creation because of adjacent Jeju Industry-University Cooperation District
- Development Direction: Establishment of Job-Housing Proximity Type Industrial Complex located in urban
- Primary Concept: Industrial Land is arranged around Entrance Circulation and Various Administration & Supporting Function are arranged near Entrance.
- Lands: Industrial Land(76,254.9㎡), Residential Land(35,715.6㎡), Industry-Education Cooperation Land(5,124.2㎡), Others including Supporting Facilities(46,340.4㎡)
- Attracting Business: IT&B, On-Line Game Industry, Knowledge-based Service Industry etc

Land Usage Plan

Supporting by Provincial Government
- Supporting Water Reservoir & Entrance Road with Provincial Budget and Establishment of Knowledge-based Industry Center(Parks are supported by National Budget & Venture Companies, Supporting Center within the Site.
- Providing or Free Lease of Public Land (4 pieces / 2,030㎡)
- Purchasing the unsold pieces of land as a method of Land Reserve System Policy in case of unsold industrial lands
4 Investment Incentives

Jeju Investment Promotion Zone Policy
- **Amount:** Over 5 mil USD
- **Business Type:** 24 types of Business including Tourism, Culture, Education, Medical, High-Tech Industry, Renewable Energy etc.
- **Deadline for Application:** Within 6 months since Construction Commencement (after permission, approval, report)
- **Authority:** Jeju Governor
- **Incentives**
  - Corporate: Income Tax 100% Exemption for 3 years, 50% Reduction for next 2 years
  - Customs Duty: Tax Exemption on Imported Capital Goods (Difficulties in Supplying within S.Korea) for 3 years
  - Acquisition Tax Exempted
  - Property Tax Exempted for 10 years since Business Commencement
  - Other Expenses: 50% Reduction of Development - Public Waters - Agricultural - Grass - Mountain Land Preservation Expenses Within 50% Reduction of Sewage Facilities
* Joint Investment between Korean - Foreign Investors is Available*

Foreign Investment Zone Policy
- **Amount:** Over 30 million USD
- **Business Type:** Manufacturing (Automobile), High-Level Technology Industry
  * High Technology Research Institute: Requires over 5 mil USD Investment with hiring 10 or more people
- **Authority:** Jeju Governor
- **Incentives**
  - Corporate: Income Tax 100% Exemption for 5 years, 50% Reduction for next 2 years
  - Property Tax: 100% Exemption for 15 years
  - Acquisition Tax & Customs Duties on Imported Capital Goods: Exemption

Cash Grant for Foreign Investment
- **Target Business for Support**
  - High-Technology Business (Technologies Not developed in S.Korea or Low-Level of Development)
  - Industry Supports Service Business (Service with High Value Added & Effectiveness such as Manufacturing Business)
  - Material & Component Industry, Large Scale of Job Creation Industry, Research Development with over 10 Researchers
- **Supports**
  - Plant, Research Facilities: Land Acquisition Cost, Rental Cost, Construction Cost, Purchasing Expenses on Capital Goods.
  - Subsidy for Training & Education, Subsidy for Employment etc
- **Amount Determine:**
  Decision through Foreign Investment Committee after Pre-Negotiation
  - Support up to 30% (Land Acquisition & Construction Cost etc)

Sites for Investment and Moving-in are available
- The 2nd High-Tech Science Park (Moving-in / Establishment of Research Institute)
- Jeju Urban High-Tech Industrial Complex (Moving-in / Establishment of Research Institute)

Special Admission for International Schools within Jeju Global Education City
- Special Admission by Government without reference to entrance quota by international schools in Jeju Global Education City