Hwasun Marina Harbor Project

Jeju Special Self-Governing Province
Hwasun Marina Harbor Project

Hwasun port will be established as a port of call for cruise and yacht in Northeast Asia to connect among Jeju, China and Japan by developing Hwasun as a world class marina harbor for marina tourism.

Jeju is going to accomplish the vision of Jeju future and clean Jeju where people and nature are harmonized through sustainable marina harbor development by combining natural beauty, recreation, marina tourism and leisure.
Geographical & Economical Environment of Jeju

**Strategic Point in Northeast Asia among Korea, China and Japan**
- Jeju is located in the center of Northeast Asia
- 50 major cities with over 1 million 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.

**Free International City with No-Visa – No-Tax Policy**
- 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.

**The Premier International Tourism City in Northeast Asia**
- Jeju Island is the International Tourism City where over 10 million tourists visit.
- 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

*Promotion of Infrastructure Expansion on New Harbor* (accommodate 4 cruises of 220,000 ton), New Airport as National Projects

- International Convention Center Jeju with capacity of 4,300 people
  - Hosted Summit between Korea-U.S.A., Korea-Former Soviet Union, Korea-China-Japan and ASEAN-Republic of Korea Commemorative Summit

**Global Eco Platform**
- 2030 Carbon Free Island
- World Class Electric Vehicle Hub: All the vehicles within the island will be transformed into EV by 2030
Hwasun Marina Harbor Project

General Information
- Location: Area of Hwasun port (Southwest part of Jeju)
- Period: 2016~2021 (for 6 years)
- Investment Plan: Finalizing investment amounts by inviting (public bid) investors
- Facilities: Infrastructure such as breakwater, berthing facility, club house, commercial area & accommodation, etc.

Progress

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul. 2015</td>
<td>Announcement of The 1st Marina Harbor Primary Plan Adjustment Plan (by Ministry of Oceans &amp; Fisheries)</td>
</tr>
<tr>
<td>Jun. 2016 – Sep. 2016</td>
<td>Presentation to local residents and meeting with Hwasun village</td>
</tr>
<tr>
<td>Nov. 2016</td>
<td>Primary Feasibility Plan for Hwasun Marina Harbor</td>
</tr>
<tr>
<td>Jan. 2017 – Apr. 2017</td>
<td>Collecting local residents’ opinions on Primary Layout (4 times)</td>
</tr>
<tr>
<td>Apr. 2017</td>
<td>Advisory tips from experts (Vice President of Korean Yacht Association, Chief of Korean Delegation for American Cup)</td>
</tr>
<tr>
<td>Apr. 2017</td>
<td>Finalizing Hwasun Marina Harbor Primary Layout</td>
</tr>
</tbody>
</table>

Promotion Plan

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep. 2017</td>
<td>After Hwasun Marina Harbor Primary Plan Feasibility Study in Sep 2017, set up the advertisement &amp; marketing strategy plan for investment promotion</td>
</tr>
<tr>
<td>Dec. 2018</td>
<td>Investment promotion activities by participating international boat</td>
</tr>
<tr>
<td>Dec. 2019</td>
<td>Announcement of business plan, marina harbor area designation, approval for conducting plan by Ministry of Oceans &amp; Fisheries</td>
</tr>
<tr>
<td>Jan. 2020</td>
<td>Approval for Hwasun Marina Harbor Development Plan &amp; Designation of Jeju Investment Promotion Zone</td>
</tr>
</tbody>
</table>
Yacht-Marina Market Status

- Rapid increase of Super Yacht (over 24m of length) to meet the demand of high-end yacht trend
  - 507 in 2004 → 735 in 2014 (over 10 million USD a yacht)
  - Rank of obtaining Super yacht order in 2014

National Water Sports Leisure Vessels Registration Status

China Yacht-Marina Development Status

- 10% increase every year
- Marina Facility

Expectation Effectiveness

- Foundation for establishment of yacht-marina hub harbor in Northeast Asia
- Activation for the local economics by increasing the super rich visitors through super yacht invitation to meet the demand of the trend
- Job creation and fostering Jeju type integrated industry and creative industry such as yacht manufacturing, sales, maintenance, rental beyond the existed industries (primary tertiary industries)
### Area of facilities

<table>
<thead>
<tr>
<th>Categories</th>
<th>Area (㎡)</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary facilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Breakwater</td>
<td>4,531</td>
<td>(1)</td>
</tr>
<tr>
<td>APRON</td>
<td>7,613</td>
<td>(2)</td>
</tr>
<tr>
<td>Road</td>
<td>9,459</td>
<td>(3)</td>
</tr>
<tr>
<td>Sub total</td>
<td>23,492</td>
<td></td>
</tr>
<tr>
<td>Functional facility</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Club house</td>
<td>1,500</td>
<td>(4)</td>
</tr>
<tr>
<td>Slip way</td>
<td>540</td>
<td>(5)</td>
</tr>
<tr>
<td>Boat lifter crane</td>
<td>3 sets</td>
<td>(6)</td>
</tr>
<tr>
<td>Land marina</td>
<td>4,909</td>
<td>(7)</td>
</tr>
<tr>
<td>Warehouse</td>
<td>2,700</td>
<td>(8)</td>
</tr>
<tr>
<td>Marina gas station</td>
<td>500</td>
<td>(9)</td>
</tr>
<tr>
<td>Supply facility</td>
<td>900</td>
<td>(10)</td>
</tr>
<tr>
<td>Mahana &amp; Mahjaguchi</td>
<td>2,552</td>
<td>(11)</td>
</tr>
<tr>
<td>Sub total</td>
<td>13,601</td>
<td></td>
</tr>
<tr>
<td>Service facility</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ocean marina lawn</td>
<td>9,365</td>
<td>(12)</td>
</tr>
<tr>
<td>Ocean Resort</td>
<td>12,222</td>
<td>(13)</td>
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<tr>
<td>Commercial area</td>
<td>9,851</td>
<td>(14)</td>
</tr>
<tr>
<td>waterfront space</td>
<td>9,667</td>
<td>(15)</td>
</tr>
<tr>
<td>Green area</td>
<td>1,014</td>
<td>(16)</td>
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<tr>
<td>Sub total</td>
<td>50,187</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>87,280</td>
<td>(17)</td>
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</tbody>
</table>

*Berth capacity [50th]: 162
Refueling berthing: 4*

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**Legend:**
- 1: Heavenly Way of Typhon
- 2: Oceanic Pagoda of Typhon
- 3: Typhon’s Ground
- 4: Typhon’s Son
- 5: Typhon’s Daughter
- 6: Typhon’s Great Son
- 7: Typhon’s Great Grandson
- 8: Typhon’s Great Great Grandson
- 9: Typhon’s Great Great Great Grandson
- 10: Typhon’s Great Great Great Great Grandson
- 11: Typhon’s Great Great Great Great Great Grandson
- 12: Heavenly Way of Typhon
- 13: Oceanic Pagoda of Typhon
- 14: Typhon’s Ground
- 15: Typhon’s Son
- 16: Typhon’s Daughter
- 17: Typhon’s Great Son
- 18: Typhon’s Great Grandson
- 19: Typhon’s Great Great Grandson

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*Andeok-myeon
Victim monument
Sage-ri
Sage park
Maritime police harbor
City planning road
Investment Incentives

Jeju Investment Promotion Zone Policy

- Amount: US$ 5 million or more (US$20 million or more for Tourism Development)
- 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 up to 5 years since the day of designation
  - Property Acquisition Tax: for 10 years from the day of designation
  - Other Expenses: 50% Reduction of Development Public Waters Agricultural Grass Mountain Land Preservation Expenses
  - Within 50% Reduction of Sewage Facilities

Foreign Investment Zone Policy

- Eligible Business and Designation Requirements
  - Manufacturing: US$30 million or more
  - Tourism and resort business: US$20 million or more
  - Logistics: US$10 million or more
  - High-Tech Industry Research Centers: US$2 million or more, 10 or more employees holding a master’s degree
- Authority: Jeju Governor
- Incentives
  - Corporate Income Tax: Exemption for 5 years, 50% Reduction for Next 2 years
  - Property Acquisition Tax: 100% Exemption for 15 years
  - Customs Duties on imported Capital Goods: Exemption within five years from the date on which foreign investment notification has been made

* Joint Investment between Korean-Foreign Investors is Available

We cordially invite you to Jeju, World Environmental Hub with Prestigious Natural Beauty. Do your optimal marina business in Jeju, the Northeast Asia Hub.