2016
Tourism & Leisure

Investment Opportunities In Korea
Tourism & Leisure

The Korean government strives to build its tourism and leisure infrastructure to meet the growing demand of domestic and overseas tourists.

Inbound international tourists (2014)

Total No. of Tourists **14.2 million**

Industry Overview
Number of inbound international tourists by year
Yearly sales of tourism businesses
Foreign direct investment in the tourism-related industries

Competitiveness
Number of Korean domestic travelers and their travel expenses
Increase of high-spending tourists
Tourism projects for new growth engine
Outlook for the demand for domestic hotels

Major Investment Projects
Jipo Tourism Complex in Anmyeondo Island
Uneyo Tourism Complex in Anmyeondo Island
Southwestern Coast Tourism & Leisure City- Guseong District
Southwest Coast Tourism & Leisure City- Sampo District
East-Busan Tourism Complex

Where to Invest
Project descriptions

1. Hwajinpo Lake International Tourist Resort
2. Andong Culture & Tourism Complex
3. Yeosu Gyeongdo Marine Tourism Complex
4. Hwayang District Tourism Complex
5. Daebudo Seongam Oceanic Experience District
6. Sokcho Beach Tourist Attractions
7. Mangsang Beach Marine Tourism Complex
8. Gampo Tourist Complex
9. Anmyeondo Tourism Complex
10. Alpensia
11. Gangdong Area Tourism Complex
12. Oceano
13. Costa Valley Tourism Complex
14. Naejangsan Resort
15. Dream Mountain Resort
Industry Overview

Number of inbound international tourists by year

The number of inbound international tourists reached 14.2 million in 2014, up 16.6% YoY, and particularly 41.6% more Chinese tourists visited, turning Korea into the number 1 inbound tourism market.

* Source: Tourism Knowledge and Information System (www.tour.go.kr)

Yearly sales of tourism businesses

As of 2013, Korean tourism business enterprises reported total sales of KRW 23.29 trillion, and the tourist accommodation segment accounted for the highest share with KRW 7.855 trillion.

* Source: 2013 Basic Statistics of Tourism Businesses (Ministry of Culture, Sports and Tourism, October, 2014)
Foreign direct investment in the tourism-related industries

<table>
<thead>
<tr>
<th>Year</th>
<th>Food (USD 1,000)</th>
<th>Accommodation (USD 1,000)</th>
<th>Culture (USD 1,000)</th>
<th>Amusement (USD 1,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>126,596</td>
<td>469,315</td>
<td>908,119</td>
<td>741,731</td>
</tr>
<tr>
<td>2012</td>
<td>97,062</td>
<td>55,100</td>
<td>937,135</td>
<td>229,426</td>
</tr>
<tr>
<td>2013</td>
<td>81,294</td>
<td>920,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Source: Ministry of Trade, Industry and Energy

Competitiveness

Number of Korean domestic travelers and their travel expenses

Number of domestic tourists and total travel expenses

Fueled by the improved quality of life and the trend of healthy living, more Koreans are partaking in domestic tourism and as such, their travel expenses are on a steady rise.

* Source: Korea National Tourism Survey, Korea Culture and Tourism Institute
Increase of high-spending tourists

Korea’s outstanding medical and beauty industries attract high-spending tourists who spend an average USD 3,000 or more per person.

The number of medical tourists in 2013 increased by 3.5-fold than 2009 and Chinese, American and Japanese tourists accounted for the most.

Tourism projects for new growth engine

In preparation for the era of inbound tourism boom involving 20 million foreign visitors, the Korean government is carrying out large scale investment projects to create new leisure culture and build tourism infrastructure.

Marina industry

Number of registered leisure vessels and license holders

In line with the global trend where marinas and leisure boats are at the core of the country’s tourism and leisure market, the Korean government plans to foster the marine industry as a new future growth engine by vitalizing marine tourism and marine leisure.

Last year, the number of leisure boats and yacht/boat license holders surged, raising the demand for marine leisure. This industry is expected to grow threefold and tenfold by 2015 and 2020, respectively, than that of 2011. The Korean government is nurturing marine experts and revising marine industry related laws and regulations to promote the industry.

* Source: Ministry of Oceans and Fisheries
Resort complex business

Casinos in Korea (as of 2015)

- Seoul (3)
  - Paradise Walker Hill Casino
  - Seven Luck Casino Seoul Gangnam
  - Seven Luck Casino Gangbuk

- Gangwon (2)
  - Alpensia Casino
  - Kangwon Land

- Incheon (1)
  - Paradise Sega Sammy Incheon

- Gyeongbuk (1)
  - Hotel Inter-Continental Daegu Casino

- Jeju (8)
  - The K Casino
  - Paradise Grand Casino
  - Majestar Casino
  - The Royal Palace Casino
  - Lotte Hotel Jeju Casino
  - Jeju Sun THE Hotel & Spa
  - L-Vegas Casino
  - Hyatt Hotel/Resort
  - Golden Beach Casino

- Busan (2)
  - Seven Luck Casino Busan
  - Paradise Casino Busan

The Korean government plans to build two theme resort complexes that will lead the Korean tourism industry. A resort complex includes common facilities, five-star hotel with over 1,000 guest rooms, KRW 20 to 70 billion worth of theme attractions, foreigner-only casino within 5 percent of total construction area, shopping facilities of 20,000 m² or more, and one or more types of selected culture or art facilities.

A casino is the core facility of a resort complex, and now Korea has 17 casinos (those for locals and foreigners): 8 in Jeju, 3 in Seoul, 2 in both Busan and Gangwon, and 1 in both Incheon and Daegu.

The resort complex development project is scheduled to be completed by 2020, with its developer and area to be selected by the end of 2015. The resort complexes will become a new leisure infrastructure landmark of the Korean tourism industry.

Outlook for the demand for domestic hotels

**Supply and demand of tourist hotels in Seoul**

- Demand
- Supply

**Supply and demand of tourist hotels in Jeju**

Seoul and Jeju are expected to see a rise in demand for hotel accommodations. In 2017, 7,437 more rooms will be needed in Seoul on a daily basis while 3,202 more rooms in Jeju.

* Source: Tourism Knowledge and Information System

* Source: Demand and Supply Analysis of Tourist Hotels (Korea Culture & Tourism Institute, 2014)
Major Investment Projects

**Jipo Tourism Complex in Anmyeon Island**
- Location: Nudong-ri, Gonam-myeon Janggok, Anmyeon-eup, Jungang-ri in Taen, Chungcheongnam-do
- Project period: 2007 - 2016
- Investment amount: KRW73.7 billion
- Project developer: Chungnam Development Corporation

**Southwestern Coast Tourism & Leisure City - GuseongDistrict**
- Location: Guseong-ri, Sang-gon-ri, Deoksong-ri in San-myeon, Haenam, Jeollanam-do
- Project period: 2006 - 2025
- Investment amount: KRW4.6844 trillion
- Project developer: Southwestern Coast Tourism & Leisure City

**Unyeo Tourism Complex in Anmyeon Island**
- Location: Nudong-ri, Gonam-myeon Janggok, Anmyeon-eup, Jungang-ri in Taen, Chungcheongnam-do
- Project period: 2007 - 2016
- Investment amount: KRW316.8 billion
- Project developer: Chungnam Development Corporation

**East-Busan Tourism Complex**
- Location: Daebyeon-ri, Giang-eup, Giang-gun, Busan Metropolitan City
- Project period: 2005 - 2019
- Investment amount: About KRW4 trillion (Private expenses: KRW2.8 trillion)
- Project developer: Busan Metropolitan Corporation

**Southwest Coast Tourism & Leisure City - SampoDistrict**
- Location: Sampo-ri, Sampo-eup, Yeongam-gun, Jeollanam-do
- Project period: 2006 - 2021
- Investment amount: KRW1.9451 trillion
- Project developer: KAVOand Jeannam Development Corporation
# Where to Invest

## Project Descriptions

<table>
<thead>
<tr>
<th>#</th>
<th>Project Description</th>
</tr>
</thead>
</table>
| 1 | **Hwajinpo Lake International Tourist Resort**  
Construction of Korea's major global resort city |
| 2 | **Andong Culture & Tourism Complex**  
Proposal to establish a base of lodges and resorts built on Confucian culture on northern part of Gyeongsangbuk-do, the world’s only depository of Confucian heritage, |
| 3 | **Yeosu Gyeongdo Marine Tourism Complex**  
Resort complex which provides a space for relaxation on the uncontaminated coast of Yeosu |
| 4 | **Hwayang District Tourism Complex**  
Development of a world class comprehensive resort complex providing tourist attractions and vacation spots related to the Marine National Park |
| 5 | **Daebudo Seongam Oceanic Experience District**  
Development of marine experience tourism district by 3 districts specializing in Marine leisure district, ecological experience district and theme tour district |
| 6 | **Sokcho Beach Tourist Attractions**  
Development of new concept urban ocean resort specializing in entertainment and night-life |
| 7 | **Mangsan Beach Marine Tourism Complex**  
Development of a four-season resort in Circum-East Sea Bloc (CESB) in relation with Keumgangsan Mountain, DMZ and 2018 Winter Olympics |
| 8 | **Gampo Tourist Complex**  
Beautiful resort blessed not only with Donghae, Korea’s clearest and cleanest sea, but also with the Gyeongju region, a tourist hotspot |
| 9 | **Anmyeondo Tourism Complex**  
Development of a resort utilizing an artificial beach available through four seasons and offers a variety of marine leisure experiences |
| 10 | **Alpensia**  
Surrounded by nature, the Olympics-level mountain resort provides four-season tourist and leisure activities |
| 11 | **Gangdong Area Tourism Complex**  
Equipped with leisure sports amenities, amusement facilities and resort accommodations, it is an urban resort that can be enjoyed by the whole family |
| 12 | **Oceano**  
Located in Haenam, Korea’s representative traditional town, this high-class resort provides an environment where people can enjoy various marine sports and golf, appreciating the beautiful sunset cast on the western coast of Korea |
| 13 | **Costa Valley Tourism Complex**  
The high-class ocean resort specializing in holistic health care with new business content, providing high-end leisure activities in Korea’s southeast region |
| 14 | **Naejangsan Resort**  
Recreation resort focusing on health and relaxation thanks to its abundant forests |
| 15 | **Dream Mountain Resort**  
Four-season mountain resort with water park, ski runs, theme park, hot springs, residence hotel, holistic medical center and arboretum |
**1. Hwajinpo Lake International Tourist Resort**

**Investment Highlights**

**Project Description**
Construction of Korea’s major global resort city

**Key Rationale**

- **Superb Natural Environment** – located northeast of Hwajinpo Bukho Lake, the nation’s largest natural lagoon with superb landscape
- **Adjacent to International Airport** – located 50 minutes from Yangyang International Airport
- **Beneficiary of 2018 Pyeongchang Winter Olympics** – Increased no. of tourists and promotion in connection with the hosting of the Winter Olympics

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**Project Overview**

![Image of Hwajinpo Lake International Tourist Resort]

**Geographic Location**

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**Project Summary**

<table>
<thead>
<tr>
<th>Type</th>
<th>Development of an ocean resort</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment</td>
<td>About 409.583 million USD</td>
</tr>
<tr>
<td>Location</td>
<td>106 plots of land including 84 Chodo-ri, Hyeondo-myeon, Goseong-gun, Gangwon-do</td>
</tr>
<tr>
<td>Total Area</td>
<td>177,298 m²</td>
</tr>
<tr>
<td>Developer</td>
<td>Resom Resort Co., Ltd.</td>
</tr>
</tbody>
</table>

**Project Profitability (Expected)**

Estimation of the business value of Hwajinpo international tourist resort
- membership return on investment : 22.61%
- ownership return on investment : 27.58%

**Case Reference**

- Sol Beach Hotel & Resort (Yangyang-gun)
- Location: Gangwon-do Yangyang-gun Soryang-myeon
- Developer: Daemyung Leisure Industry Co
- Opened Date: July of 2007
- Rooms: 503
- Facilities: Sea Water Sauna (Ocean Bay), Outdoor Spa, Water Park (Aqua World), Sol Beach Exclusive Beach, Kids’ Club, Massage Shop
- Details: Terrace with broad windows, and unique design of sunset red ceiling/white outer wall motivated by the surrounding of Bay at the Malaga, Spain.
Key Project Facilities

| Membership (Condominium) | luxury hotel & sky lounge, sky spa & water space, grand ballroom & conference hall, shopping mall |

| Ownership (Supplementary accommodations) | luxury hotel, community center |

<table>
<thead>
<tr>
<th>Owner</th>
<th>Member</th>
<th>Add Mem</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land area</td>
<td>65,206m²</td>
<td>67,059m²</td>
<td>64,459m²</td>
</tr>
<tr>
<td>Building area</td>
<td>8,268m²</td>
<td>18,674m²</td>
<td>40m²</td>
</tr>
<tr>
<td>Total floor area</td>
<td>65,054m²</td>
<td>119,583m²</td>
<td>40m²</td>
</tr>
<tr>
<td>Building-to-land %</td>
<td>9.59%</td>
<td>27.64%</td>
<td>0.47%</td>
</tr>
<tr>
<td>FAR</td>
<td>540.06%</td>
<td>106.03%</td>
<td>0.47%</td>
</tr>
<tr>
<td>Size</td>
<td>82/100</td>
<td>82/100</td>
<td>100</td>
</tr>
<tr>
<td># Rooms</td>
<td>406 rooms</td>
<td>645 rooms</td>
<td>-</td>
</tr>
<tr>
<td>Parking space</td>
<td>480 cars</td>
<td>644 cars</td>
<td>-</td>
</tr>
<tr>
<td>Etc.</td>
<td>-</td>
<td>Public parking lots</td>
<td>Additional 200 cars</td>
</tr>
</tbody>
</table>

Location Benefits

Accessibility:
- Close to Yangyang International Airport, it is expected to serve as the main approach
  - Distance: Located 220km from Seoul, 32km from Sokcho
  - Road: about 3 hours 30 minutes from Seoul, about 40 minutes from Sokcho
  - From Airport: 4 hours 20 minutes from Incheon International Airport, 4 hours from Gimpo International Airport, about 50 minutes from Yangyang International Airport

Site Attraction:
- Attractive Natural Environment
  - Located on the northeastern side of Hwajinpo Bukho, the nation’s largest natural lagoon with superb landscape.
  - The main access roads are the National Highway 7, which runs north and south to the west of the lagoon, and the County Road 1, which is located to the east.

Near the International Airport
- Located 50 minutes from Yangyang International Airport, it allows easy access for domestic and foreign tourists.

Tourism Resources:
- Major Tourist Attractions in the Area
  - Unification Observatory, Hwajinpo Dulle-gil, Holiday Villa of Syngman Rhee, the First President of Korea, The Castle of Hwajinpo (the Kim Ilseong Villa)
  - DMZ Museum, Hwajinpo Maritime Museum, Hwajinpo Ecological Museum, Mount Keumgang Natural History Museum
  - Wanggok Folk Village, Teddy Bear Museum Seorak

Major Tourism Operators
- Songjiho Auto-camping Site Gangwon-do World Jamboree Center

Major Regional Festivals
- Suseong Culture Festival (September), Sunrise Festival (January)
- Alaska Pollack Festival (October–November), Wanggok Traditional Folklore Festival (November)
- Dream of the Salmon Festival (March)

Government Support
- Foreign investment: When investing no less than 20 million USD, provide support based on the rate of foreign investment
  - 100% of cooperate tax exemption for 5 years, 50% of cooperate tax exemption for 2 years
  - 100% of acquisition, registration and property tax exemption for 15 years
2. Andong Culture & Tourism Complex

**Investment Highlights**

**Project Description**
Proposal to establish a base of lodges and resorts built on Confucian culture on northern part of Gyeongsangbuk-do, the world’s only depository of Confucian heritage,

**Key Rationale**
- **Improvement of surrounding conditions** – Increase of population in response to the relocation of Gyeongsangbuk-do Provincial Government Office (2015), expansion of road networks, promotion of related businesses around the Andong Dam
- **Diverse tourism resources** – Featuring a total of 811 pieces of state-designated cultural properties, the Confucian cultural sphere of northern Gyeongsangbuk-do province is the depository of Korea’s cultural heritage, expansion of transportation infrastructure

**Project Overview**

**Project Summary**
- **Type**: Development of Inland Resort
- **Investment**: 404,833 million USD
- **Location**: The whole area of Seonggok-dong, Andong-si, Gyeongsangbuk-do
- **Total Area**: 1,662,629㎡
- **Developer**: Gyeongsangbuk-do Tourism Corporation

**Facilities of Andong Culture & Tourism Complex**

<table>
<thead>
<tr>
<th>Categories</th>
<th>Opened Date</th>
<th>Operating Capacity</th>
<th>Scale</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Omnisium</td>
<td>2011.4.15</td>
<td></td>
<td>25,947㎡</td>
<td>Tropical Plant Theme Park</td>
</tr>
<tr>
<td>2. Observatory</td>
<td></td>
<td>Bon Aspen: Andong Tower</td>
<td>1st Floor Basement, 3rd Ground Floor</td>
<td>Restaurant (3rd floor), Observatory rest-space (2nd floor)</td>
</tr>
<tr>
<td>3. MuGreen Golf Club</td>
<td>2013.2.25</td>
<td></td>
<td>18 Hall (Non-membership)</td>
<td>Non-membership golf course</td>
</tr>
<tr>
<td>4. Richell Hotel</td>
<td>2012.10.9</td>
<td></td>
<td>Total rooms: 90</td>
<td></td>
</tr>
<tr>
<td>4. Confucianel</td>
<td>2013.6.1</td>
<td></td>
<td>Building area: 12,269㎡</td>
<td>Experience facilities - Confucian Center</td>
</tr>
<tr>
<td>5. Keon Taeho’s Sochoon Music Hall</td>
<td>2014.9.1</td>
<td>In Commemoration of Keon Taeho (Socheon)</td>
<td>Gross area: 1,537㎡</td>
<td>Socheon (Educational facilities)</td>
</tr>
<tr>
<td>6. Andong Grand Hotel</td>
<td>2015.10.13</td>
<td></td>
<td>Total rooms: 82</td>
<td></td>
</tr>
</tbody>
</table>
### Key Project Facilities

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Accommodations</strong></td>
<td>Four sites for traditional hotel, hotel A-B, family hotel and resort condominium</td>
</tr>
<tr>
<td><strong>Shopping Facilities</strong></td>
<td>Eight sites for shopping centers</td>
</tr>
<tr>
<td><strong>Sports and Recreation Facilities</strong></td>
<td>Golf course, playing field, tennis court, amusement park</td>
</tr>
<tr>
<td><strong>Recreational and Cultural Facilities</strong></td>
<td>Confucian Land, Ontrepeum Theme Garden, Spa Land, observatory, exhibit hall</td>
</tr>
<tr>
<td><strong>Public Conference Facilities</strong></td>
<td>Roads, parking areas, square, park office, promotion/reception center, green belt</td>
</tr>
</tbody>
</table>

### Location Benefits

<table>
<thead>
<tr>
<th><strong>Accessibility</strong></th>
<th>Expansion of transportation infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Distance : 240km from Seoul, 200km from Busan</td>
</tr>
<tr>
<td></td>
<td>• Road : about 2 hours 50 minutes from Seoul, about 2 hours 20 minutes from Busan by expressway</td>
</tr>
<tr>
<td></td>
<td>• From Airport : about 3 hours 40 minutes from Incheon Airport, about 3 hours 20 minutes from Gimpo Airport and about 1 hour 20 minutes from Daegu International Airport</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Site Attraction</strong></th>
<th><strong>Location Merits</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Located near the downtown area in the City of Andong and Andong Dam, it possesses charming scenery</td>
</tr>
<tr>
<td></td>
<td>• Suitable as a tourist attraction with world-class resources of traditional culture centered around Dosanseowon Confucian Academy and Hahoe Village as well as Juwangsan National Park, Cheongnyang Mountain and Mungyeongsaejae Provincial Park</td>
</tr>
<tr>
<td></td>
<td>• Bases of lodges and resorts for the tourism development projects of Confucian cultural area of 11 cities and counties in northern Gyeongsangbuk-do</td>
</tr>
</tbody>
</table>

| **Spiritual Home of Confucius and Mencius (孔孟之鄉)** | • It is acclaimed as a ‘roofless open-air museum’ with 280 pieces of various cultural properties of deferent times as well as many wooden cultural heritages including Confucian academy, head family houses and pavilions |

<table>
<thead>
<tr>
<th><strong>Tourism Resources</strong></th>
<th><strong>Major Tourist Attractions in the Area</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Hahoe Village, Maeseonsoa Remains Exhibition Center, Yeongmokak, Buyongdae, Byeongasangseon Confucian Academy, Chehwaegong, Hahoe okeleyonjeongsa</td>
</tr>
<tr>
<td></td>
<td>• Dosanseowon Confucian Academy, Ongyejongtaek Sambaeckdang, Okjingak, Confucian Culture Museum, Toegyetaesil, Toegyejongtaek</td>
</tr>
<tr>
<td></td>
<td>• Bongjeongsa Temple, Unjanggak, Euiseonggim Family HakhongjongTaek, gyeongdangjongtaek, Andong Icheonjong Seokbulsan</td>
</tr>
</tbody>
</table>

| **Major Tourism Operators** | • Traditional resort, Gureume |

| **Major Regional Festivals** | • Andong International Mask Dance Festival (September - October) |
|                             | • Hanjeolgot Ice Festival (January), Hahoe Folk Village Traditional Festival, Andong Hanu Bulgogi Festival |
|                             | • Amsan Ice Festival (January), Bongjeongsa Temple Haneubit Chrysanthemum Village Festival (October), Andong Hakgasan Sanyak Festival (November) |

| **Infrastructure** | • Access road, sewage treatment plant, public parking lot as well as water and sewage plants have been installed |
|                   | • East and west 6-axis expressway (Chungcheongnam-do, Seosan – Sangju – Andong · Yeongdeok) was completed (2015) |
|                   | • Andong-Pohang National Highway is being extended into a 4 lane highway (due to be completed in 2018) |

| **Government Support** | Foreign investment company : supported, in accordance with foreign investment ratio, when the investment is 20 million USD or more |
|                       | • corporate tax 100% for 5 years, 50% for 2 years |
|                       | • acquisition tax , registration tax, property tax 100% for 15 years |
3. Yeosu Gyeongdo Marine Tourism Complex

Investment Highlights

Project Description
Resort complex which provides a space for relaxation on the uncontaminated coast of Yeosu

Key Rationale
Growth into a prestige golf course – since its opening in June 2014 and selection for the ‘Korea’s 10 Best New Courses’ and ‘10 Public Courses’ in the year, its users and sales have greatly increased
Tourism base of the eastern Jeollanam-do – serving as the infrastructure during the International Exposition Yeosu Korea 2012, it became the tourism base of the eastern Jeollanam-do

Project Overview

Geographic Location

Project Summary

Type Development of ocean resort
Investment 349.917 million USD (phase 1 - 267.083 million USD)
Location The whole area of Daegyeongdo, Gyeongho-dong, Yeosu-si, Jeollanam-do
Total Area 2,166,123 m²
Developer Jeonnam Development Corporation
Progress Opening of accommodations (condominium) and a 27-hole golf course

Case Reference

The Ocean Resort
- Location: Jeonam Yeosu-si Soho-ro 295
- Scale: 120,941 m²
- Developer: Ilsang Co.
- Opened Date: July 2008
- Rooms: 144 rooms (Hotel), 128 rooms (Condominium)
- Facilities: Water Park, Conventions, Spa, Sauna
- Characteristic: Facilitated as the infrastructural facilities for the Expo 2012 Yeosu Korea
### Key Project Facilities

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodations</td>
<td>Accommodations of 300 rooms, hotel and condominiums of 360 rooms etc.</td>
</tr>
<tr>
<td>Shopping Facilities</td>
<td>Fisherman's market, seafood center, shopping center etc.</td>
</tr>
<tr>
<td>Sports and Recreation Facilities</td>
<td>Golf course (27 holes), golf academy, club house, administration building, marina</td>
</tr>
<tr>
<td>Recreational and Cultural Facilities</td>
<td>Fairy tale theme park, business training institute, waterfront area, ecological experience center, Auto-camping site</td>
</tr>
<tr>
<td>Public and Other Facilities</td>
<td>Housing complex, sewage treatment plant, parking lot, neighborhood park, circular green etc.</td>
</tr>
</tbody>
</table>

### Location Benefits

<table>
<thead>
<tr>
<th>Accessibility</th>
<th>Regional demand from numerous industrial complexes located in Yeosu-Gwangyang area</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>･ Distance: 340km from Seoul, 110km from Gwangju</td>
</tr>
<tr>
<td></td>
<td>･ Road: about 4 hours 30 minutes from Seoul, about 1 hour 30 minutes from Gwangju by expressway</td>
</tr>
<tr>
<td></td>
<td>･ Railroad: about 2 hours 40 minutes from Seoul by KTX</td>
</tr>
<tr>
<td></td>
<td>･ From Airport: about 4 hours 40 minutes from Incheon Airport, about 4 hours 40 minutes from Gimpo Airport and about 30 minutes from Yeosu Airport</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Site Attraction</th>
<th>Beautiful Natural Environment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Blessed with the tourism resources including islands, foreshores and beautiful Hallyeосudo Marine National Park, the complex on the coast of Yeosu boasts spectacular scenery</td>
</tr>
<tr>
<td></td>
<td>Healthy natural ecosystem owing to the mild climate, plentiful sunshine and clean sea of Namhae</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Island off the coast of Yeosu</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gyeongdo was an uninhabited island, at a distance of about 0.36km from Mojangmaeul, Pyeongsa-ri, Yeosu-si</td>
</tr>
<tr>
<td></td>
<td>It has an area of 0.042m², a circumference of 1.0m and its peak is no higher than 30 m above sea level</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tourism Resources</th>
<th>Major Tourist Attractions in the Area</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Odongdo Island, Geomundo Island, Baekdo Island, night sea of Yeosu/Yeosu National Industrial Complex right view, Yeongchwisan Azalea</td>
</tr>
<tr>
<td></td>
<td>Hyangiram Temple, Geumodo Island Bireonggil Road, Yeosu Expo, Yeosu Cable Car</td>
</tr>
<tr>
<td></td>
<td>Yeosu Yisunsin Bridge, Dadohaeaeasang National Park, Gosan Confucian Academy, Daramsanseong Fortress</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Major Tourism Operators</th>
<th>Hanhwa Aquaplanet, Yeosu Ocean Railbike, Odongjae Hanok Hotel, The Ocean Resort</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Major Regional Festivals</th>
<th>Jinnam Geobuckseon Ship Festival(May), International Youth Festival(August), Yeosu International Tall Ship Festival(August)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yeosu Yeojaman Bay Mud Flat Twilight Festival(October), Yeongchwan Mountain Azalea Festival (April)</td>
</tr>
<tr>
<td></td>
<td>Geomundo-Baekdo Island Silver Ocean Festival (July), Yeosu Hyangiram Sunrise Festival (December-January)</td>
</tr>
</tbody>
</table>

| Infrastructure | Dock renovation and the expansion of access roads |

<table>
<thead>
<tr>
<th>Government Support</th>
<th>Foreign investment company: supported, in accordance with foreign investment ratio, when the investment is 20 million USD or more</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>･ corporate tax 100% for 5 years, 50% for 2 years</td>
</tr>
<tr>
<td></td>
<td>･ acquisition tax, registration tax, property tax 100% for 15 years</td>
</tr>
</tbody>
</table>
4. Hwayang District Tourism Complex

Investment Highlights

Project Description
Development of a world class comprehensive resort complex providing tourist attractions and vacation spots related to the Marine National Park

Key Rationale
Superb natural environment – beautiful view of the coastal waters of Yeosu, superb scenic beauty
Inexpensive land price and back market – Its land price is inexpensive and it possesses POSCO Gwangyang Steelworks and Yeosu National Industrial Complex in it

Project Overview

Geographic Location

Project Summary
Type: Resort development
Investment: 349.917 million USD (phase 1 - 267.083 million USD)
Location: The whole area of Hwayang-myeon, Yeosu-si, Joellanam-do
Total Area: 9,989,000 ft²
Developer: Gwangyang Bay Area Free Economic Zone Authority

Project Profitability (Expected)
Estimation of the business value of Duu Hinter Complex in Hadong district, Gwangyangman Free Economic Zone

<table>
<thead>
<tr>
<th>Division</th>
<th>Area of the land (km²)</th>
<th>IRR (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duu Hinter Complex</td>
<td>2.65</td>
<td>16.93</td>
</tr>
</tbody>
</table>

Case Reference

The Ocean Resort
- Location: Jeonam Yeosu-si Soho-ro 295
- Scale: 120,941 m²
- Developer: Ilsang Co.
- Opened Date: July 2008
- Rooms: 144 rooms (Hotel), 128 rooms (Condominium)
- Facilities: Water Park, Conventions, Spa, Sauna
- Characteristic: Facilitated as the infrastructural facilities for the Expo 2012 Yeosu Korea
### Key Project Facilities

<table>
<thead>
<tr>
<th>District</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Na-culture district</td>
<td>Cultural experiences, horse riding course in the woods, off-season training, cultural experiences in the resort</td>
</tr>
<tr>
<td>Marina beach district</td>
<td>Seaside leisure space for a sojourn which suits the site and circumstances</td>
</tr>
<tr>
<td>Shopping mall district</td>
<td>Specialized luxury outlet for both shopping and leisure</td>
</tr>
<tr>
<td>Golf park district</td>
<td>Luxury golf resort utilizing the landscapes of mountains and ocean</td>
</tr>
<tr>
<td>Mountain top district</td>
<td>In the nature of Bonghwasan Mountain, you can experience unusual recreational and cultural facilities</td>
</tr>
</tbody>
</table>

**Available Area:** 8,562,000m²

### Location Benefits

**Accessibility**
- Superb natural environment and abundant nearby tourism resources
- **Distance:** 350km from Seoul, 120km from Gwangju
- **Road:** about 4 hours 15 minutes from Seoul, about 1 hour 40 minutes from Gwangju by expressway
- **Railroad:** about 2hours 40 minutes from Seoul by KTX
- **From Airport:** about 4 hours 40 minutes from Incheon Airport, about 4 hours 30 minutes from Gimpo Airport and about 30 minutes from Yeosu Airport

**Site Attraction**
- **Locational Condition:**
  - The target area is located at the northern foot of Bonghwasan Mountain, including a farmland which surrounds the Anpo Reservoir on the valley and the south-facing slope
  - Located in the area are three mountains of Gobongsan (363m), Bonghwasan (371m) and lyeongsan (335m), of which the southern and eastern slopes border the sea and are gentle to a certain degree
  - The area shows lower inclination near the farmland and Anpo Reservoir, while getting steeper near the valley

**Superb Landscape**
- It boasts an outstanding view of the coastal waters of Yeosu as well as the calming landscape surrounded with mountain peaks

**Tourism Resources**
- **Major Tourist Attractions in the Area**
  - Baegunsan Natural Recreational Forest, Nakan Natural Recreational Forest
  - Odongdo, Geomundo-Baekdo, Geumodo, Manseongni Beach, Suncheonman Bay Ecological Park, Songnim Park
  - Hyangrim Hermitage, Nakan Upseong Folk Village

**Major Regional Festivals**
- Jinnam Geobuckseon Ship Festival(May), International Youth Festival(August), Yeosu International Tall Ship Festival(August)
- Yeosu Yeojaman Bay Mud Flat Twilight Festival(October), Yeonggwhisan Mountain Azalea Festival(April)
- Geomundo-Baekdo Island Silver Ocean Festival(July), Yeosu Hyangrim Sunrise Festival(December-January)

**Major Tourism Operators**
- Hanhwa Aquaplanet, Yeosu Ocean Railbike, Odongjae Hanok Hotel, The Ocean Resort

**Infrastructure**
- Internal access road to County Road 21 is being planned
- Bridge between Yeosu-si and Goeheung-gun will be henceforward constructed

**Government Support**
- Foreign investment company: supported, in accordance with foreign investment ratio, when the investment is 20 million USD or more
  - Corporate tax 100% for 5 years, 50% for 2 years
  - Acquisition tax, registration tax, property tax 100% for 15 years
5. Daebudo Seongam Oceanic Experience District

Investment Highlights

Project Description
Development of marine experience tourism district by 3 specializing in- Marine leisure district, ecological experience district and theme tour district

Key Rationale
Ample potential of development – The target area is located on the West Coast Tourism Belt and it demonstrates an ample potential thanks to the development of nearby areas (e.g. Songsan Green City, Yeongjongdo Midan City, Cheongna District, Songdo New City)

Causes of tourists’ inflow – With numerous other developmental plans in Daebudo in progress, tourists’ inflow into this area is expected to increase

Project Overview

Geographic Location

Project Summary

Type Resort development
Location The whole area of Seongam-dong, Danwon-gu, Ansan-si, Gyeonggi-do
Total Area 1,009,000 m²
Developer City of Ansan

Project Profitability (Expected)

Business valuation of Daebudo Seongam Oceanic Experience District

<table>
<thead>
<tr>
<th>Division</th>
<th>IRR(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seogam Marine</td>
<td>11</td>
</tr>
</tbody>
</table>

Business valuation of each major facility

<table>
<thead>
<tr>
<th>Division</th>
<th>IRR(%)</th>
<th>Division</th>
<th>IRR(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ocean Blue</td>
<td>8</td>
<td>Sea Water</td>
<td>18</td>
</tr>
<tr>
<td>Gallery On</td>
<td>13</td>
<td>Ocean Golf</td>
<td>6</td>
</tr>
<tr>
<td>Pension</td>
<td>11</td>
<td>Kids Theme Park</td>
<td>13</td>
</tr>
<tr>
<td>Hanok Village</td>
<td>13</td>
<td>Shopping Mall</td>
<td>14</td>
</tr>
</tbody>
</table>

1 USD = 1,200 KRW
## Key Project Facilities

**Major Facilities**  
Ocean Blue (Ocean Resort, Ocean Food, Ocean Health), observation deck

**Experience Education**  
Seaside golf course, eco museum, kids’ theme park, marine sports academy

**Commercial Facilities**  
Seawater therapy & spa, shopping mall & world’s food court, gallery on shipboard

**Accommodation**  
Camping ground, ocean hotel, Hanok Marine Renewable Energy Model Complex, terraced house style pension

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## Location Benefits

### Accessibility
Various tourist locations in Daebudo, including tidal mud flats, salt field and land-tied island show a great possibility of differentiated tourism service
- Distance: about 55km from Seoul, about 50km from Incheon International Airport
- Road: about 1 hour 20 minutes from Seoul
- From Airport: about 1 hour from Incheon International Airport, about 1 hour from Gimpo International Airport

### Site Attraction
- The most characteristic coastal landmark in Daebudo is tidal flats. To the north of the land-tied island lies the area of Gunjaman with vast mud flats; and the extensive area to the south, which spreads out toward Jebudo, Hwaseong-gun, also features a wide tideland
- Various tourist locations in Daebudo, including tidal mud flats, salt field and land-tied island show a great possibility of differentiated tourism service

### Locational Condition

#### Land-tied Island
- Originally an island, Daebudo has been mostly tied to the land through the Shihwa Seawall Project
- As the Seawall Construction Project in Shihwa was completed, the Local Road 301 was connected with Seohaean expressway and Yeongdong expressway etc., which brought about great accessibility to the capital area

### Tourism Resources

#### Major Tourist Attractions in the Area
- Sihwaho Tidal Power Plant, Gubong Island Sunset, Daebu Haesol-gil, Dongju Salt Field, Tando Island Sea Route
- Pungdo Island, Ansan Reed & Wetland Park, Multi-cultural Street, Nojeokbong Falls
- The West Coast Foreshore Experience (Seongam Fishing Village Experience, Jonghyeon Fishing Village Experience)

#### Major Regional Festivals
- Ansan Street Theater Festival (May), Daebu Grape Festival (September)
- Danwon Art Festival (October), Seongho Culture Festival (May)
- Songkran Festival (May), Ansan M Valley Rock Festival

### Government Support
Foreign investment company: supported, in accordance with foreign investment ratio, when the investment is 20 million USD or more
- corporate tax 100% for 5 years, 50% for 2 years
- acquisition tax, registration tax, property tax 100% for 15 years
6. Sokcho Beach Tourist Attractions

Investment Highlights

Project Description
Development of new concept urban ocean resort specializing in entertainment and night-life

Key Rationale

Excellent sandy beach – With its wide sandy beach, clear waters and pine forest, it is a popular tourist destination for both Koreans and foreigners

Deep sea water – The most amount of deep sea water is abstracted from nearby sea and it is expected interfacing the deep sea water with various use on its function.

Project Overview

Geographic Location

Project Summary

<table>
<thead>
<tr>
<th>Type</th>
<th>Resort development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment</td>
<td>174.917 million USD</td>
</tr>
<tr>
<td>Location</td>
<td>The whole area of Daepo-dong and Joyang-dong in Sokcho-si</td>
</tr>
<tr>
<td>Total Area</td>
<td>237,950m²</td>
</tr>
<tr>
<td>Developer</td>
<td>Sokcho-si</td>
</tr>
</tbody>
</table>

Project Profitability (Expected)

Estimated Business valuation of Each Major Facility and Sokcho Beach Resort in total

<table>
<thead>
<tr>
<th>Division</th>
<th>Area (m²)</th>
<th>Expenses (million KRW)</th>
<th>IRR (%)</th>
<th>NPV (0.1 billion KRW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aqua Beach Club</td>
<td>8,500</td>
<td>9,795</td>
<td>13.5</td>
<td>4,887</td>
</tr>
<tr>
<td>Aqua Condominium</td>
<td>29,100</td>
<td>117,298</td>
<td>36.7</td>
<td>42,803</td>
</tr>
<tr>
<td>Aqua Fun</td>
<td>9,750</td>
<td>16,443</td>
<td>14.6</td>
<td>9,659</td>
</tr>
<tr>
<td>Role Play Game</td>
<td>8,000</td>
<td>12,078</td>
<td>12.2</td>
<td>4,398</td>
</tr>
</tbody>
</table>
Key Project Facilities

Recreational and cultural facilities
Aqua Beach Club, Aqua Plaza, entrance plaza

Exercise and amusement facilities
Aqua Water Park, Play Game Theme Park

Accommodations
Aqua Condominium

Shopping facilities
Strip mall, Aqua Food Village

Public convenience facilities
Public facilities, roads and green, parking lot

Location Benefits

Accessibility
Situated on the seashore of Donghae, this area boasts a spectacular scenery
- Distance: 190km from Seoul
- Road: about 3 hours from Seoul
- From Airport: 3 hours 40 minutes from Incheon Airport, 3 hours 20 minutes from Gimpo Airport, and about 25 minutes from Yangyang International Airport

Site Attraction
Locational Merits
- Full length of the beach is 1.2km including Cheonghodong, Joyang-dong and Daepo-dong
- Area opened to bathers is 700m in length and 50m in width. With the beach not only boasting fine quality sand but also going with clear seawater and superb pine forest, it is a popular tourist destination for citizens and foreigners
- It is famous for being selected as the outstanding uncontaminated beach every year.

Deep Sea Water Abstraction
- Deep sea water of Oeongchi, Sokcho is abstracted up to 20 thousand tons a day (the maximum amount permitted in the nation)
- Connectivity with the deep sea water as well as the extended function of the water is expected

Tourism Resources
Major Tourist Attractions in the Area
- Seoraksan Mountain, Cheongdaesan Mountain, Oeongchi Beach, Deungdade Beach, Daepahang Harbor, Seorakhang Harbor, Cheongho Beach, Dongmyeonghang Harbor, Jangsahang Port,
- Cheongchho Marine Park, Lake Yeongrang, Seorak Sunrise Park, Expo Star Plaza
- Jo Island, Beom Bawi(crouching tiger rock), Lighthouse Observatory, Hakmujung

Major Regional Festivals
- Seorak Festival(October), Seorak Cherry Blossom Festival(April), Sokcho Jeolkkal Festival(October)
- Sokcho Sunrise Festival(December-January), Jeonggwol Daeboreum Festival (January of the lunar calendar)
- Lance Fish Festival(November), Eunggol Strawberry Festival (December)

Government Support
Foreign investment company: supported, in accordance with foreign investment ratio, when the investment is 20 million USD or more
- Corporate tax 100% for 5 years, 50% for 2 years
- Acquisition tax, registration tax, property tax 100% for 15 years
7. Mangsang Beach Marine Tourism Complex

Investment Highlights

**Project Description**
Development of a four-season resort in Circum-East Sea Bloc (CESB) in relation with Keumgangsan Mountain, DMZ and 2018 Winter Olympics

**Key Rationale**

**Foothold of tourism and leisure in the Circum-East Sea Bloc** – a center of tourism and trade located in a major transportation point including Donghae Port, Yangyang International Airport and Mangsang railway station, etc.

**2018 Winter Olympics** – with the hosting of the Olympics in 2018, promotion effects to the tourists from home and abroad is expected

**Natural environment** – located on the Myeongsasimni Mangsang Beach of about 5km in its length, the area provides with the optimal conditions for a complex marine tourism

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**Project Overview**

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**Geographic Location**

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**Project Summary**

<table>
<thead>
<tr>
<th>Type</th>
<th>Resort development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment</td>
<td>259.5 million USD (phase 1)</td>
</tr>
<tr>
<td>Location</td>
<td>The whole area of Mangsang-dong, Donghae-si, Gangwon-do</td>
</tr>
<tr>
<td>Total Area</td>
<td>6.49 ha</td>
</tr>
<tr>
<td>Developer</td>
<td>East coast Free Economic Zone Authority</td>
</tr>
</tbody>
</table>
Key Project Facilities

<table>
<thead>
<tr>
<th>Phase 1 Commercial and Cultural Complex</th>
<th>Commercial facilities, cultural facilities (conference center, concert hall), accommodations (e.g. hotel, condominium)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 2 Touristic and recreational complex</td>
<td>Golf course, tracking course, Snow Park Plaza, recreational town</td>
</tr>
<tr>
<td>Phase 3 Mangsang Beach complex</td>
<td>Leisure facilities town on the beach, marine resort, comprehensive maritime leisure and sports center</td>
</tr>
</tbody>
</table>

Available Area: 1,409,608 m²

Location Benefits

Accessibility

At the center of the tourism and trade in CESB, it has a beneficial location to attract tourists from Japan and Russia

- Distance: 260km from Seoul, 91km from Donghae-si, the nearest major city
- Road: 3 hours from Seoul, 15 minutes from Donghae-si
- Railroad: 4 hours 30 minutes by Mugunghwa trains between Seoul and Donghae Stations
- From Airport: 3 hours 50 minutes from Incheon Airport, 3 hours 30 minutes from Gimpo Airport and 1 hour from Yangyang Airport

Site Attraction

Attractive Natural Environment

- As the best beach on Korea’s eastern coast, Myeongnasimni Mangsang boasts a wide expansion of clean white sands, which runs 5km against thick pine woods, following the endless shoreline just beside the clear and shallow seawater
- Mangsang is especially well-known among the travel destinations located in Gangwon-do, where 90 million tourists visit every year for their summer holidays and winter leisure activities

Vast back market

- Situated at a major traffic point including Donghae port, Yangyang International Airport, Mangsang Station etc., it serves as a foothold in the tourist resort business in CESB.
- Thanks to the opening of an air service to Japan and Russia etc., this area possesses a beneficial location to attract tourists from the region

Tourism Resources

Major Tourist Attractions in the Area

- Chuan Beach, Mureung Scenic Spot, Yakteon Culture Village, Chuan Sculpture Park
- Gawon Marsh Ecological Park, Cheongok Cave

Major Tourism Operators

- Mangsang Auto Camping Resort

Major Regional Festivals

- Mangsang Beach Festival(August)
- Jeongwool-daeboreum Event(March)
- Ucheon Culture Festival(April), Donghae Mureung Festival(October)

Infrastructure

- Dongseo Expressway (Dongchon-Yangyang) – Expansion work
- Donghae Expressway (Yangyang-Goseong, Donghae-Samcheon) – by 2016
- Yeongdong Expressway 2 (Gyeonggi-do Gwangju-Wonju) – due at the end of 2016
- Jungang Expressway (Chunccheong-Chelwon) – Extension work, by 2016

Government Support

Foreign investment company: supported, in accordance with foreign investment ratio, when the investment is 20 million USD or more

- Corporate tax 100% for 5 years, 50% for 2 years
- Acquisition tax, registration tax, property tax 100% for 15 years
8. Gampo Tourist Complex

Investment Highlights

Project Description
Beautiful resort blessed not only with Donghae, Korea’s clearest and cleanest sea, but also with the Gyeongju region, a tourist hotspot

Key Rationale
Korea’s greatest travel destination for historic and cultural tourism – enriches visitors’ experiences by providing them with a variety of maritime leisure activities
Uncontaminated sea water – provides a variety of maritime leisure activities in Korea’s clearest and cleanest sea

Project Overview

Project Summary

<table>
<thead>
<tr>
<th>Type</th>
<th>Resort development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment</td>
<td>About 1,091,667 million USD</td>
</tr>
<tr>
<td>Location</td>
<td>The whole area of Najeong-ri and Daebon-ri, Gampo-eup, Gyeongju-si, Gyeongsangbuk-do</td>
</tr>
<tr>
<td>Total Area</td>
<td>4,019,200 ft²</td>
</tr>
<tr>
<td>Developer</td>
<td>Gyeongsangbuk-do Tourism Corporation</td>
</tr>
</tbody>
</table>

Case Reference

J's Country Club Seaside
- Location: Gyeongsangbuk-do Gyeongju-si Gampo-eup Donghaeanro 1819-59
- Developer: JSPND GROUP
- Opened Date: March 2006
- Facilities: 18 Hall. Membership and Non-membership Golf Course
Key Project Facilities

Available Area: 1,409,608 m²

Public convenience facilities
- Service plaza, plaza, parking lot, sewage purification facility, object disposal facility

Accommodations
- Hotel, condominium, small size accommodations

Shopping facilities
- Shopping complex, central shopping center

Exercise and amusement facilities
- Ocean Land, Sea Life Park (aquarium, whale show place, fishing village experience center), golf course

Recreational and cultural facilities
- Training facilities, arboretum/forest zoo

Location Benefits

Accessibility
- Accessibility to be improved thanks to the opening of a new expressway and the planning of local roads which go by way of the new complex
  - Distance: 350km from Seoul, 380m from Gyeongju, the nearest major city
  - Road: 4 hours from Seoul to Gyeongju by expressway, 50 minutes from Gyeongju to the target area
  - Railroad: 2 hours from Seoul to Gyeongju by KTX
  - From Airport: 4 hours 50 minutes from Incheon Airport, 4 hours 30 minutes from Gimpo Airport, 50 minutes from Pohang Airport and 1 hour from Ulsan Airport

Site Attraction
- Attractive Natural Environment
  - Its superb scenery includes mountains with beautiful autumn leaves and captivating snowy landscapes as well as Korea's cleanest sea waters of Donghae

Vast Back Market
- Back Market with a population of 13 million within 1 hour distance, including Pohang (520 thousand people), Busan (3.5 million people), Ulsan (1.1 million people) and Daegu (2.5 million people) etc.
- Numerous global companies and industrial complexes in Pohang, Ulsan, Gyeongju, Gumi and Daegu

Tourism Resources
- Major Tourist Attractions in the Area
  - Historical sites of Silla's ancient capital (Bulguksa Temple, Seokguram Grotto, Daereungwon Ancient Tombs, Michuwanreung Royal Tomb District, Gyeongju Donggung and Wolji etc.)
  - Yangdong Village, Oksanseowon Confucian Academy, Gyeongju Dongnakhang House, Donggangseowon Confucian Academy
  - Seoraksan Mountain, Namsan Mountain, Obongsan Mountain, Sogeumgang Valley, Tohamsan Mountain etc.

Major Tourism Operators
- Bomun Tourism Complex

Major Regional Festivals
- Bonghwadae Music Square (every Friday), Bomun Outdoor Korean Traditional Music Concert
- Gyeongju Brand Performance, Gyochon Cultural Performance (April-August)
- Seonmudo Performance, Silla Cultural Festival (October)

Infrastructure
- Phase 1 businesses are being pushed forward
- Ulsan-Pohang Expressway has been opened
- National highway 4 (Gyeongui-Gimpo) has been shifted and expanded into a 4-lane highway
- National highway 31, which goes by way of Gampo Tourism Complex, is planned to be expanded

Government Support
- Foreign investment company: supported, in accordance with foreign investment ratio, when the investment is 20 million USD or more
  - Corporate tax 100% for 5 years, 50% for 2 years
  - Acquisition tax, registration tax, property tax 100% for 15 years
9. Anmyeondo Tourism Complex

**Investment Highlights**

**Project Description**
Development of a resort utilizing an artificial beach available through four seasons and offers a variety of marine leisure experiences

**Key Rationale**

*Korea’s biggest marine tourism zone* – situated near the capital area, the annual number of 26 million people visit the complex

*Marine complex leisure activities* – thanks to an artificial beach available all year round, the complex provides indoor and outdoor leisure activities

**Project Overview**

![Geographic Location](image)

**Project Summary**

<table>
<thead>
<tr>
<th>Type</th>
<th>Resort development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment</td>
<td>About 60 million USD</td>
</tr>
<tr>
<td>Location</td>
<td>Mountain 20-1, Janggongni, Gonam-myeon, Taean-gun, Chungcheongnam-do etc.</td>
</tr>
<tr>
<td>Total Area</td>
<td>538,599 m²</td>
</tr>
<tr>
<td>Developer</td>
<td>Chungnam Development Corporation</td>
</tr>
</tbody>
</table>

**Project Profitability (Expected)**

<table>
<thead>
<tr>
<th>Division</th>
<th>Construction Expenses</th>
<th>Sales by letting-out</th>
<th>Re-tax profit</th>
<th>Re-tax ROI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Profit rate</td>
<td>60.032</td>
<td>63.264</td>
<td>3.233</td>
<td>5.38%</td>
</tr>
</tbody>
</table>

**Case Reference**

- Golden Bay Golf and Resort (Taean)
- Location: The whole region of Chungcheongnam-do Taean-gun Gyeunheung-myeon Jeongjuk-ri
- Developer: Hanwha Hotels and Resorts Co.
- Scale: 2,100,000 m² (700,000 Pyeong)
- Opened Date: October 2010
- Facilities: 27 Half Golf Course, 56 rooms Sea-side Golf Village
### Key Project Facilities

<table>
<thead>
<tr>
<th>Category</th>
<th>Facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recreational and cultural facilities</td>
<td>Artificial beach I-II, water park, aquarium, amusement hall, amusement park, etc.</td>
</tr>
<tr>
<td>Accommodations</td>
<td>Condominium, pool villa I-II, seaside villa, pension complex etc.</td>
</tr>
<tr>
<td>Tourist facilities</td>
<td>Central shopping mall, seaside theme shops, shops in villa</td>
</tr>
</tbody>
</table>

**Available Area:** 9,447,000 m²

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### Location Benefits

<table>
<thead>
<tr>
<th>Accessibility</th>
<th>With plans for the construction of a related road and a bridge, much more improved accessibility to the complex is expected</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Distance: 180km from Seoul</td>
</tr>
<tr>
<td></td>
<td>- Road: about 2 hours 30 minutes from Seoul by expressway</td>
</tr>
<tr>
<td></td>
<td>- From Airport: 3 hours from Incheon Airport, 2 hours 40 minutes from Gimpo Airport</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Site Attraction</th>
<th>Attractive Natural Environment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Taeanhaean National Park (Korea’s only seaside national park)</td>
</tr>
<tr>
<td></td>
<td>- Starting from Hakampo, its superb natural landscape stretches southward all the way to Yeongmok, following the rias coastline of about 230km, which the Nature has created through eternity. The landscape includes beautiful tidal mud flats, coastal dunes and the sunset along with a variety of animals and plants to form the unique marine ecosystem of the area.</td>
</tr>
</tbody>
</table>

| Vast back market | Situated near the capital area with 23 million residents, the complex is easy to access from both the central inland area and southwest coastal region |
|------------------| It also boasts a beneficial location for attracting Chinese tourists |

<table>
<thead>
<tr>
<th>Tourism Resources</th>
<th>Major Tourist Attractions in the Area</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Eight Scenic Views of Taean, Beach(Mallipo, Mongsanpo, Kgotji Beach etc.)</td>
</tr>
<tr>
<td></td>
<td>- Anmyeondo Island Natural Recreational Forest, Cheolipo Arboretum, Cheongsan arboretum, Orchid Town</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Major Regional Festivals</th>
<th>Korea Floritopia (April-May), Anmyeondo Art Festival (July-August), Baeksajang Prawn Festival (October), Jayeom Salt Festival (September-October), Yeongmok Port Marine Products Festival (May-June), Taean Lily Festival (June-July), Taean Lotus Festival (July-August)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Major Tourism Operators</th>
<th>European Resort, Golden Bay Resort, Kgotji tourist attractions, Daecheon tourist attractions etc.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>Road Jipo-Уnjeo is planned to be constructed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bridge Anmyeondo Island-Boryeong is planned to be constructed</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Government Support</th>
<th>Foreign investment company: supported, in accordance with foreign investment ratio, when the investment is 20 million USD or more</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Corporate tax 100% for 5 years, 50% for 2 years</td>
</tr>
<tr>
<td></td>
<td>- Acquisition tax, registration tax, property tax 100% for 15 years</td>
</tr>
</tbody>
</table>
10. Alpensia

Investment Highlights

**Project Description**
Surrounded by nature, the Olympics-level mountain resort provides four-season tourist and leisure activities

**Key Rationale**
- **World-class scale and facilities** – suitable for the 2018 Winter Olympics
- **Special values only for the owner** – incomparable values prepared only for a few VIP
- **Global-level dignity and service** – Alpensia Town provides global-level dignity and service

**Project Overview**

![Project Overview Image]

**Geographic Location**

![Geographic Location Map]

**Project Summary**
- **Type**
  Development of a mountain resort
- **Investment**
  1.403 billion USD
- **Location**
  The whole area of Yongsan-ri · Suha-ri, Daegwallyeong-myeon, Pyeongchang-gun, Gangwon-do
- **Total Area**
  4,855,224 m²
- **Developer**
  Gangwondo Development Corporation
- **Progress**
  Total rate of progress 91%

**Case Reference**
- InterContinental Alpensia Pyeongchang Resort
  - First Class Hotel (5 stars) with scale of 238 rooms in total.
  - Wellness Center, Spa, Restaurants with premium facilities
  - Operated by world class hotel chain group, InterContinental Hotels & Resorts
- Alpensia Troon Country Club
  - 268 Generation Alpensia Estate, 27 Hall of Apenas Troon, Golf Academy
  - 27 Hall Championship Golf Course was designed by Robert Trent Jones Jr.
  - Serviced by largest golf management company, Troon Golf Group, which provides 190 golf facilities over 30 countries worldwide.
Key Project Facilities

<table>
<thead>
<tr>
<th>Facility</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alpensia Country Club</td>
<td>Alpensia Estate 268 households, Alpensia Country Club 27 holes, golf academy etc.</td>
</tr>
<tr>
<td>Alpensia Town</td>
<td>Intercontinental Resort (five-star hotel), Holiday Inn Resort (five-star hotel), Holiday Inn Suite (condominium), conventional hotel, ski slopes, Ocean 700 (water park), concert hall etc.</td>
</tr>
<tr>
<td>Alpensia Sports Park</td>
<td>Ski jump slopes, cross country ski playground, biathlon playground, Alpensia 700 Golf Club (18 holes), ecological school etc.</td>
</tr>
</tbody>
</table>

Location Benefits

<table>
<thead>
<tr>
<th>Accessibility</th>
<th>Thanks to the opening of Yeongdong Expressway and the parallel double-tracking of Wonju-Gangneung Railroad, the accessibility is expected to be greatly improved</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Distance: 200km from Seoul, 30km from Gangneung, the nearest major city</td>
</tr>
<tr>
<td></td>
<td>• Road: about 2 hours 30 minutes from Seoul by expressway</td>
</tr>
<tr>
<td></td>
<td>• Driving Time from Airport and Harbor: 3 hours 30 minutes from Incheon Airport, 3 hours 20 minutes from Gimpo Airport and 1 hour from Gangneung Harbor</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Site Attraction</th>
<th>Ideal Elevation</th>
<th>Abundant Snowfall</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Situated at an elevation of 700m, the meeting altitude of high and low atmospheric pressure, the site provides the most ideal condition for human biohythms</td>
<td>Plentiful snowfall in the area provided with optimal conditions for the development of winter sports and well-known ski resorts</td>
</tr>
<tr>
<td></td>
<td>Increase of brain hormones offers a quicker recovery from fatigue</td>
<td>Yongpyeong Resort in its proximity could also enrich the experiences of the visitors in Alpensia</td>
</tr>
<tr>
<td></td>
<td>Average July-August temperature stays around 20°C, making the area as Korea’s most popular summer resort</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tourism Resources</th>
<th>Major Tourist Attractions in the Area</th>
<th>Major Regional Festivals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Odaesan Mountain, Heungjeong Valley, Korea Botanic Garden,</td>
<td>• Daegwallyeong Snow Festival (January), Gangneung Danoje Festival (May)</td>
</tr>
<tr>
<td></td>
<td>• Lee Hyo Seok Literary House, Daegwallyeong Ski Museum,</td>
<td>• Great Mountains Music Festival (July), Hyeosok Cultural Festival (September)</td>
</tr>
<tr>
<td></td>
<td>• Daegwallyeong Samyang Ranch, Yangtte Farm, Herbnara</td>
<td>• Gangwon Potato Festival (August)</td>
</tr>
<tr>
<td></td>
<td>Major Tourism Operators</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Yongpyeong Resort, Phoenix Park Ski Resort</td>
<td></td>
</tr>
</tbody>
</table>

| Infrastructure | • Ground shaping and the construction of infrastructure in the complex completed; Resort building finished                                      |
|               | • Opening of Yeongdong Expressway 2 is planned in January 2016, an hour and less is expected between Seoul-Wonju                               |
|               | • Parallel double-tracking of Wonju-Gangneung Railroad is due at the end of 2017                                                              |

| Government Support | Real Estate Investment Immigration System is applicable in the region                                                                         |
|                   | • Foreigners who invest 500 thousand USD or more in the real estate including Alpensia Condominium or Villa are given the residential qualifications before they are granted permanent residency in case they preserve the qualifications for 5 years and more |
11. Gangdong Area Tourism Complex

Investment Highlights

**Project Description**
Equipped with leisure sports amenities, amusement facilities and resort accommodations, it is an urban resort that can be enjoyed by the whole family.

**Key Rationale**
- **Vast consumption market** – as a tourism market connected with Gyeongju, Ulsan and Busan (90 million visitors), it can serve as the base of tourist attractions in the region.
- **Market for the leisure of employees and their family** – possessing the three big industries of automobile, shipbuilding and petroleum refining, this area features a much higher income level compared to other areas. Therefore there are high demand of leisure from its own local industries employees and the families and also for business stay.

---

**Project Overview**

**Geographic Location**

**Project Summary**

<table>
<thead>
<tr>
<th>Type</th>
<th>Development of an urban resort</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment</td>
<td>2,087,089 million USD</td>
</tr>
<tr>
<td>Location</td>
<td>The whole area of Gangdong-dong, Buk-gu, Ulsan Metropolitan City</td>
</tr>
<tr>
<td>Total Area</td>
<td>1,355,759 m²</td>
</tr>
<tr>
<td>Developer</td>
<td>Ulsan Metropolitan City</td>
</tr>
</tbody>
</table>

**Project Profitability (Expected)**

Estimated Business Value of Gangdong Play Park (tourism complex)

<table>
<thead>
<tr>
<th>Division</th>
<th>IRR</th>
<th>NPV</th>
<th>Investment Payback Period</th>
<th>Discount Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>The whole play park</td>
<td>12.95%</td>
<td>104.668 million USD</td>
<td>7 years</td>
<td>10%</td>
</tr>
<tr>
<td>Youth Training facilities district</td>
<td>11.18%</td>
<td>3.778 million USD</td>
<td>11 years</td>
<td></td>
</tr>
<tr>
<td>Leisure/Sports facilities district</td>
<td>19.65%</td>
<td>73.918 million USD</td>
<td>5 years</td>
<td></td>
</tr>
<tr>
<td>Theme Park facilities district</td>
<td>14.56%</td>
<td>31.187 million USD</td>
<td>7 years</td>
<td></td>
</tr>
<tr>
<td>Well-being Cultural Facilities district</td>
<td>12.79%</td>
<td>4.214 million USD</td>
<td>9 years</td>
<td></td>
</tr>
</tbody>
</table>
Key Project Facilities

Youth Training district
World village, youth training facilities, 3D movie theatre / Joy Land, multi purpose sports park

Leisure Sports Facilities district
Indoor ski dome, tourism pension, picnic area, villa style / tower style condominium, hotel, sports facilities, water park, driving range, futsal field, condominium (convention), recreational park / music hall

Theme Park Facilities district
Theme park, lifestyle center, hotel type / villa type condominium, science / video experience center, toy / skate board park, observatory cafe / sales facilities

Cultural Facilities district
Folk museum / experience center, horse riding course, spa center, red clay pension, condominium, potted plant garden / herb garden / sales facilities

Available Area: 1.345938 million

Location Benefits

Accessibility
Presence of the vast consumption market of Ulsan, Gyeongju and Busan at the back of the Complex
- Distance: 390km from Seoul, 580km from Busan, 450km from Gyeongju
- Road: 4 hours 30 minutes by expressway from Seoul, 40 minutes from Busan, 30 minutes from Gyeongju
- Railroad: 2 hours 20 minutes between Seoul and Mokpo by KTX
- From Airport: 50 minutes from Gimpo Airport by airplane

Site Attraction
Vicinity of Taehwagang River and Ulsanman Bay
- Target area of the Gangdong Area Development including Gangdong Area Tourism Complex that belongs to the administrative district of Buk-gu, Ulsan-si, and lies on the northeastern coast of the city of Ulsan
- Following the eastern coast of Korea, it stretches north and south, forming a linear shape of about 4km to touch the boundary of Gyeonggiangbuk-do to the north

Nearby consumption market
- Market is connected to the new town, which is being developed in the Gangdong area, and also close to the old section of the city of Ulsan
- Easy to access from Yeongnam Province’s existing huge tourism markets of Busan and Gyeongju, development of related programs is expectable

Tourism Resources
Major Tourist Attractions in the Area
- Jeongja Beach, Jujae Beach, Daewangam Park, Daesusan Valley, Seonbawi Rock, Ganjeolgot Cape
- Twelve Scenic Views of Ulsan, Ganjeolgot Cape Sunrise Bangudae, Four Seasons of Gajisan Mountain etc.
- Ganwol Natural Recreation Forest, Mt. Sinbul Recreation Forest

Major Regional Festivals
- Cheoyong Cultural Festival (October), Go Bok Su Song Festival (November), Ulsan Whale Festival (June)
- Bonggye Hwangssal Festival (October), Jinha Beach Festival (August)
- Ganjeolgot New Year Festival (December-January), Jeongja Beach Film Festival (July-August)

Major Tourism Operators
- Ulsan Play Park, Ulsan Hot Springs, Amethyst Cavern Park

Infrastructure
- Interior circuit (road) building finished
- Gangdong sewage disposal plant completed (2012.9)

Government Support
- Foreign investment company : supported, in accordance with foreign investment ratio, when the investment is 20 million USD or more
- Corporate tax 100% for 5 years, 50% for 2 years
- Acquisition tax, registration tax, property tax 100% for 15 year

kotra
Korea Trade Investment Promotion Agency

INVEST KOREA
12. Oceano

Investment Highlights

Project Description
Located in Haenam, Korea’s representative traditional town, this high-class resort provides an environment where people can enjoy various marine sports and golf, appreciating the beautiful sunset cast on the western coast of Korea.

Key Rationale
A variety of marine sports – it provides a chance to experience a variety of marine leisure activities like sailing and fishing in the islands of indigo archipelago

Other marine resources – on the land that looks down on the beautiful beach, people can take another chance to experience different parts of the resort such as the water park, seawater hot springs and X-games

Namdo culture experience – Making an environment to give an opportunity to experience Namdo’s traditional culture and local food for visitors and tourists.

Project Overview

Project Summary
<table>
<thead>
<tr>
<th>Type</th>
<th>Resort Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment</td>
<td>984.08 million USD</td>
</tr>
<tr>
<td>Location</td>
<td>The whole area of Hwabong-ri / Juggwang-ri, Hwawon-myeon, Haenam-gun, Jeollanam-do</td>
</tr>
<tr>
<td>Total Area</td>
<td>5,084,000 m²</td>
</tr>
<tr>
<td>Developer</td>
<td>Korea Tourism Corporation</td>
</tr>
<tr>
<td>Progress</td>
<td>Land compensation rate: 100%, Construction progress rate of infrastructure: 99%</td>
</tr>
</tbody>
</table>

Project Profitability (Expected)
Estimated value of the project businesses (Sinan amja District)

<table>
<thead>
<tr>
<th></th>
<th>IRR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total expenses</td>
<td>187.402 million USD</td>
</tr>
</tbody>
</table>

Case Reference
- Pine Beach Country Club
- Location: Jeollanam-do Haenam-gun Hwawon-myeon Jugwangri Mt. 19 address (located at the north end of the resort)
- Investor: BOSUNG
- Situation: completed establishment sale in lots (Membership of Sale in Lots: Individuals for USD 0.17 million, corporation for USD 0.33 million)
- Characteristics:
  - Majority of golf course is located next to the shore Region is measured 20°C on average over a year, and 300 days or more are counted as clear weather in the region.
  - It is known as the beautiful pebble beach of South Korea and continues to gain positive feedback from the capital region.
  - Club members have access to use yachts, go scuba diving, wind surfing, fishing and much more
## Key Project Facilities

<table>
<thead>
<tr>
<th>District</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marine World district</td>
<td>Marina, hotel (1/2 Confs Hotel), retail mall, F&amp;B etc.</td>
</tr>
<tr>
<td>Sea World district</td>
<td>Sea World (water park), Thalasso Hotel, condominium (1/2), café etc.</td>
</tr>
<tr>
<td>Beach district</td>
<td>Beach, hotel (3), condominium (3), pension, Sea Water Town (spa) etc.</td>
</tr>
<tr>
<td>Golf course district</td>
<td>Golf course, golf village, golf academy</td>
</tr>
<tr>
<td>Culture and art district</td>
<td>Flower park, Namdo Culture Complex, art camp, sports park etc.</td>
</tr>
</tbody>
</table>

**Available Area:** 9,447,999 m²

## Location Benefits

### Accessibility
- Though located far from Seoul, a new road access and a land bridge are expected to rapidly improve accessibility
  - Distance: 350km from Seoul, 100km from Mokpo, the nearest major city
  - Road: about 4 hours from Seoul by expressway
  - Railroad: 1 hour 50 minutes by KTX between Seoul and Mokpo
  - From Airport and Port: 4 hours 40 minutes from Incheon Airport, 4 hours 20 minutes from Gimpo Airport, 1 hour from Muan Airport and 30 minutes form Mokpo New Port

### Site Attraction
- Superb natural environment
  - Located at the southwestern end of Korean Peninsula, facing the sea and running north and south, the site is rectangular in shape, 6km in length
  - Heavily indented coast of 8.7km shows a breathtaking scenery
  - Its coastline and the ocean view provide a suitable condition for establishing a luxury leisure resort as well as introducing special programs related with marine leisure activities
  - To make the best of a couple of small islands included in the site, some iconic programs or related development are expected
- Beautiful golf courses and the sea shore
  - Most of the holes in the courses are located near the coast line; the average annual temperature is 20°C and the weather is beautiful on 300 days or more through the year; plural small beaches are included in the site and available for the exclusive use of the hotel guests

### Tourism Resources
- **Major Tourist Attractions in the Area**
  - Yudalsan Mountain, Wolchulsan Mountain
  - The Island of Love, Oedaldol Island, Tangkkeut Village, Sebang Sunset, Mystic Sea Road tourist attractions
  - Woohangni Dinosaur Museum tourist attractions, Dasanchodang, Wosoyoong (Myeongnyang Naval Battle) tourist attractions, Historic Site of Wang In tourist attractions
- **Major Tourism Operators**
  - Eldorado Resort
  - Major Regional Festivals
    - Sola Sea Do, Muan Company Town
    - Sinan Diamond Cluster development, Jodo Cluster development, Bogildo Cluster development
    - Sado-Nangdo Cluster development

### Infrastructure
- Site purchased; business approval procedure completed
- Site renovation and installation of infrastructure in the complex mostly completed; immediate business launching possible at the point of investment decision
- With a new land bridge, the time needed to access the target area from Mokpo is expected to be greatly shortened

### Government Support
- In case one purchases a real estate in the complex for business purpose from the developer of the tourism complex, 50% of the acquisition tax and the registration tax shall be supported (Ordinance of Joellenan-do)
- In case of foreign investment of 20 million USD and over into the designated businesses (Foreign Investment Zone Designation Conditions), support shall be provided as follows: corporate tax and income tax 100% for 5 years, since then 50% for 2 years; acquisition tax and registration tax 100% for 15 years; property tax 100% for 15 years
13. Costa Valley Tourism Complex

Investment Highlights

Project Description
The high-class ocean resort specializes in holistic health care with new business contents, providing with high-end leisure activities in Korea’s southeast region.

Key Rationale
Hot spring located in the target area — By the maximum use of the hot spring to local to be unique and specialized.
Business demand — numerous global companies and industrial complex scattered in the area create ample business demand and a consumption market with high income level

Project Overview

Project Summary
Type Resort Development
Investment 984.083 million USD
Location Duwon-ri, Janggi-myeon, Nam-gu, Pohang-si, Gyeongsangbuk-do
Total Area 2,810,204 m² (phase 1: 2,810,204 m², phase 2: 2,810,204 m²)
Developer Jungwon Co., Ltd.

Project Profitability (Expected)
Estimated Business Value of Costa Valley

<table>
<thead>
<tr>
<th>Division</th>
<th>Result Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project IRR(after-tax)</td>
<td>11.07%</td>
</tr>
<tr>
<td>Project IRR(pre-tax)</td>
<td>20.51%</td>
</tr>
<tr>
<td>NPV(after-tax)</td>
<td>34.751 billion KRW</td>
</tr>
<tr>
<td>NPV(pre-tax)</td>
<td>68.872 billion KRW</td>
</tr>
</tbody>
</table>
Key Project Facilities

PHASE 1

<table>
<thead>
<tr>
<th>Facilities</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodations</td>
<td>Business training center, golf village</td>
</tr>
<tr>
<td>Residential Facilities</td>
<td>Townhouse</td>
</tr>
<tr>
<td>Commercial Facilities</td>
<td>Spa &amp; water park, shopping mall</td>
</tr>
<tr>
<td>Exercise Facilities</td>
<td>Golf course</td>
</tr>
</tbody>
</table>

PHASE 2

<table>
<thead>
<tr>
<th>Facilities</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodations</td>
<td>Tourism hotel, resort( condominum )</td>
</tr>
<tr>
<td>Residential Facilities</td>
<td>Senior house, lease village</td>
</tr>
<tr>
<td>Commercial Facilities</td>
<td>Theme park, performance hall, health care</td>
</tr>
<tr>
<td>Exercise Facilities</td>
<td>Square, observation platform, museum</td>
</tr>
</tbody>
</table>

Available Area: 9,447,000m²

Location Benefits

Accessibility

- Thanks to the Direct railway to the KTX and the Ulsan-Pohang Expressway, improved accessibility from the capital area and its surrounding cities is expected
  - Distance: 360km from Seoul, 30km from Pohang, the nearest major city
  - Road: about 4 hours from Seoul by expressway
  - Railroad: about 2 hours by KTX between Seoul and Mokpo
  - From Airport and Port: 4 hours 40 minutes form Incheon Airport, 4 hours 20 minutes from Gimpo Airport, 45 minutes from Pohang Airport and 45 minutes from Pohang New Port

Site Attraction

- Superb scenery near the coast
  - Presence of Hot spring in the target area as well as the Windmill Power Complex resources currently under progress by Jungwon and Korea East West Power Co. Ltd can provide with differentiating factors in the business
  - Not only located at the point of contact with the East Coast Belt and the related bases of Korea’s east-west coastal tourism, but also benefited with large scale floating tourism market formed in the nearby area

- Large scale consumption market
  - It owns a consumption market of 13 million people within 2 hours’ distance including Pohang (520 thousand people), Busan (3500 thousand people), Ulsan (1100 thousand people) and Daegu (2500 thousand people) etc.
  - Cities of Pohang, Ulsan, Gyeongju, Gumi and Daegu are scattered with numerous global companies and an industrial complex

Tourism Resources

- Major Tourist Attractions in the Area
  - Homigot tourist attractions (Sunrise Square, Canola Flower Complex, Hands Win-Win, Green Grapes Memorial Stone of the Poet, Lee Yuk-sa etc.)
  - Deokdong Culture Village, Jangjeupleseong, Guryongpo Modern Culture Street, Ilwool Pond and Yeonorang-Seonyeo
  - Posco Global Safety Center, Yeongil Folk Museum, National Lighthouse Museum, POSCO History Museum

- Major Tourism Operators
  - Submarine Resort

- Major Regional Festivals
  - Pohang International Fireworks Festival (July-August)
  - Homigot Sunrise Festival (December-January)
  - Pohang Beach Run (June)

Infrastructure

- Site purchased and Phase 1 businesses under progress

Government Support

- Foreign investment company: supported, in accordance with foreign investment ratio, when the investment is 20 million USD or more
  - Corporate tax 100% for 5 years, 50% for 2 years
  - Acquisition tax, registration tax, property tax 100% for 15 years
14. Naejangsan Resort

Investment Highlights

Project Description
Recreation resort focusing on health and relaxation thanks to its abundant forests

Key Rationale
Tourism resources – with nearby Naejangsan National Park visited annually by 1.9 million people, tourism resources are increasing
Surrounding development – with many state-run research institutes and cutting-edge industrial complexes under development, purchasing power of the resident population is increasing

Project Overview

Project Summary

<table>
<thead>
<tr>
<th>Type</th>
<th>Development of mountain resort</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment</td>
<td>224.5 million USD</td>
</tr>
<tr>
<td>Location</td>
<td>The whole area of Sincheong-dong and Yongsan-dong, Jeongeup-si, Jeollabuk-do</td>
</tr>
<tr>
<td>Total Area</td>
<td>1,586,759 ㎢</td>
</tr>
<tr>
<td>Developer</td>
<td>Korea Tourism Organization</td>
</tr>
<tr>
<td>Progress</td>
<td>Land Compensation Rate: 100%, Progress Rate: civil engineering 95%, landscaping 66%</td>
</tr>
</tbody>
</table>

Project Profitability (Expected)
Estimated Business Value compared with nearby businesses (Taein Golf Course)
- Location: Mountain 3, Jeungsan-ri, Taein-myeon, Jeongeup-si Jeollabuk-do (Membership 27 holes, Public 9 holes)

Case Reference
Naejangsan Tourism Theme Park
- As there is growing tourism trend in family units, Naejangsan theme park concentrated on developing variety of different themes (including weather themes), green tourism, and environments associated with surrounding regional culture for extended stay type of tourism.
- They are continuing to develop public facilities such as water park, museums, supervised agricultural experience center, and with private facilities including youth hotels, food street center in 520,000 m² under Naejangsan.
Key Project Facilities

Refresh Zone  Highland Hotel, Elysium villa, resort, Rainbow pension etc.

Wellness Zone  Hyu(½) Cultural Center, performance hall, traditional culture experience hall

Multiplex Zone  F&C Mall, Danpung Miin Korean Beef Corner, event plaza etc.

Available Area: 1,095,618m²

Location Benefits

Accessibility  Numerous national research centers and cutting-edge industrial complex are under the development at the local area and the number of residence population with purchasing power is increasing
  • Distance : 250km from Seoul, 50km/12km each from Jeongneup and Jeonju, the nearest major cities
  • Road : about 3 hours from Seoul by expressway
  • Railroad : 1 hour 20 minutes between Seoul and Jeongneup by KTX
  • Driving distance from Airport and Port : 2 hours 50 minutes form Incheon Airport, 2 hours 20 minutes from Gimpo Airport, 40 minutes from Gunsan Airport and 1 hour form Gunsan New Port

Site Attraction  Increase of residential population with purchasing power
  • Numerous national research centers and cutting-edge industrial complex are under the development at the local area and the number of residence population with purchasing power is increasing
  • Jeongneup High-tech Science & Industrial Complex, Korea Atomic Energy Research Institute Jeongneup Radiation Science Institute, Korea Research Institute of Bioscience & Biotechnology Jeonbuk Branch, Korea Institute of Toxicology Jeongneup Branch Office etc. (all located within the distance of 2km)

Tourism Resources  Major Tourist Attraction in the Area
  • Naejangsan, called Mount Keumgang in Honam Province, is located at the distance of 1 km or so
  • As one of Korea’s 8 Scenic Beauties, the mountain consists of two valleys including Yonggul and Geumseon Falls, Dodeok Falls, Geumsan and wonsu
  • The geography book of Donggukkyojeongunam shows that the Mountain is one of Honam Province’s 8 noted mountains including Namwon Jirisan Mountain, Yeongam Wolchulsan Mountain, Jangheung Cheongwangsan Mountain and Buan Neunggasan Mountain (Byeonsan Mountain)
  • Fall colors in the mountain enjoying popularity as the nation’s best, annual number of 1.9 million tourists visit the area

Major Tourism Development in Progress
  • Naejangsan Tourism Theme Park
  In relation with the local culture and the tourism belt, the condition of four season residential tourism is developed in the area of 520 thousand m² (water park, museum, agricultural experience center, food items center etc.)

Infrastructure  • Land purchased; Business approval procedure completed
  • Site renovation and installation of infrastructure in the complex mostly completed; immediate business launching possible at the point of investment decision

Government Support  Foreign investment company : supported, in accordance with foreign investment ratio, when the investment is 20 million USD or more
  • Corporate tax 100% for 5 years, 50% for 2 years
  • Acquisition tax, registration tax, property tax 100% for 15 years
15. Dream Mountain Resort

Investment Highlights

Project Description
Four-season mountain resort with water park, ski runs, theme park, hot springs, residence hotel, holistic medical center and arboretum

Key Rationale
Center for winter sports – abundant snowfall and superb infrastructure for winter sports/leisure makes it Korea’s best travel destination for summer holidays and winter time leisure
Participation of world class operator – Village Roadshow, Australia’s best theme park operator will take part in this project

Project Overview

Project Summary

<table>
<thead>
<tr>
<th>Type</th>
<th>Development of mountain resort</th>
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</thead>
<tbody>
<tr>
<td>Investment</td>
<td>224.5 million USD</td>
</tr>
<tr>
<td>Location</td>
<td>The whole area 261-1 SukHwa-Ri, SaoWon-Myun, HoengSeong County, KangWon Province</td>
</tr>
<tr>
<td>Total Area</td>
<td>1,586,759 m²</td>
</tr>
<tr>
<td>Developer</td>
<td>Korea Tourism Organization</td>
</tr>
<tr>
<td>Progress</td>
<td>Land Compensation Rate : 100%, Progress Rate : civil engineering 95%, landscaping 66%</td>
</tr>
</tbody>
</table>

Project Profitability (Expected)

- Estimate Business Value of Dream Mountain Resort
- Its break-even point is expected to be reached within 4 years of opening
Key Project Facilities

**Available Area:** 1.095618 million m²

<table>
<thead>
<tr>
<th>Phase 1</th>
<th>Residence, residence tower 1&amp;2, world’s food &amp; shopping center, indoor water park &amp; spa, outdoor water park, ski slopes, ski house, healing medical center</th>
</tr>
</thead>
<tbody>
<tr>
<td>NO.</td>
<td>ZONING</td>
</tr>
<tr>
<td>1</td>
<td>Ski</td>
</tr>
<tr>
<td>2</td>
<td>Water Park &amp; Theme Park</td>
</tr>
<tr>
<td>3</td>
<td>Residence &amp; Condominium</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Phase 2</th>
<th>Theme park, spa &amp; well-being fitness center, live show stage &amp; concert hall</th>
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</thead>
<tbody>
<tr>
<td>4</td>
<td>Residence Tower</td>
</tr>
<tr>
<td>5</td>
<td>International Food &amp; Shopping Outlet</td>
</tr>
<tr>
<td>6</td>
<td>Entrance &amp; Service Area</td>
</tr>
<tr>
<td>7</td>
<td>Access Road &amp; Parking Lot</td>
</tr>
</tbody>
</table>

Location Benefits

**Accessibility**

Plenty of nearby tourism resources and the chances of improving competitiveness through the development of related programs

- Distance: 100km from Seoul, 23km from Wonju, the nearest major city
- Road: about 1 hour 40 minutes from Seoul
- From Airport: 2 hours 20 minutes from Incheon Airport, 2 hours form Gimpo Airport

**Site Attraction**

Superb natural environment

- Surrounded with thick wood valleys and slopes
- In addition to the beautiful autumn leaves and attractive snowy mountains, it boasts different seasonal sceneries.

Center of winter sports/leisure

- Plentiful snowfall, Center of winter sports/leisure activities
- Number of various local food and attractions for winter leisure population

**Tourism Resources**

Major Tourist Attractions in the Area

- HOENGSEONG traditional MARKET, Hoengseong Dam, Hoengseong Lake way
- Gangwon Jurassic Land, Art Museum Jajaknamusoup, Gloria Herb Resort, SoopCheWon
- Tadpole Memories Exhibition, Our Star Observatory

Major Regional Festivals

- Hoengseong Hanu Festival (September-October), Hoengseong Hoedaji Song Festival (April)
- Anheung Jinppang Festival (October)
- Hoengseong Deodeok Festival (August), Dunnae Tomato Festival (August)

**Major Tourism Operators**

- Welli Hilli Park (Sungwoo Resort)

**Infrastructure**

- Purchase of the land completed

**Government Support**

Foreign investment company: supported, in accordance with foreign investment ratio, when the investment is 20 million USD or more

- Corporate tax 100% for 5 years, 50% for 2 years
- Acquisition tax, registration tax, property tax 100% for 15 years