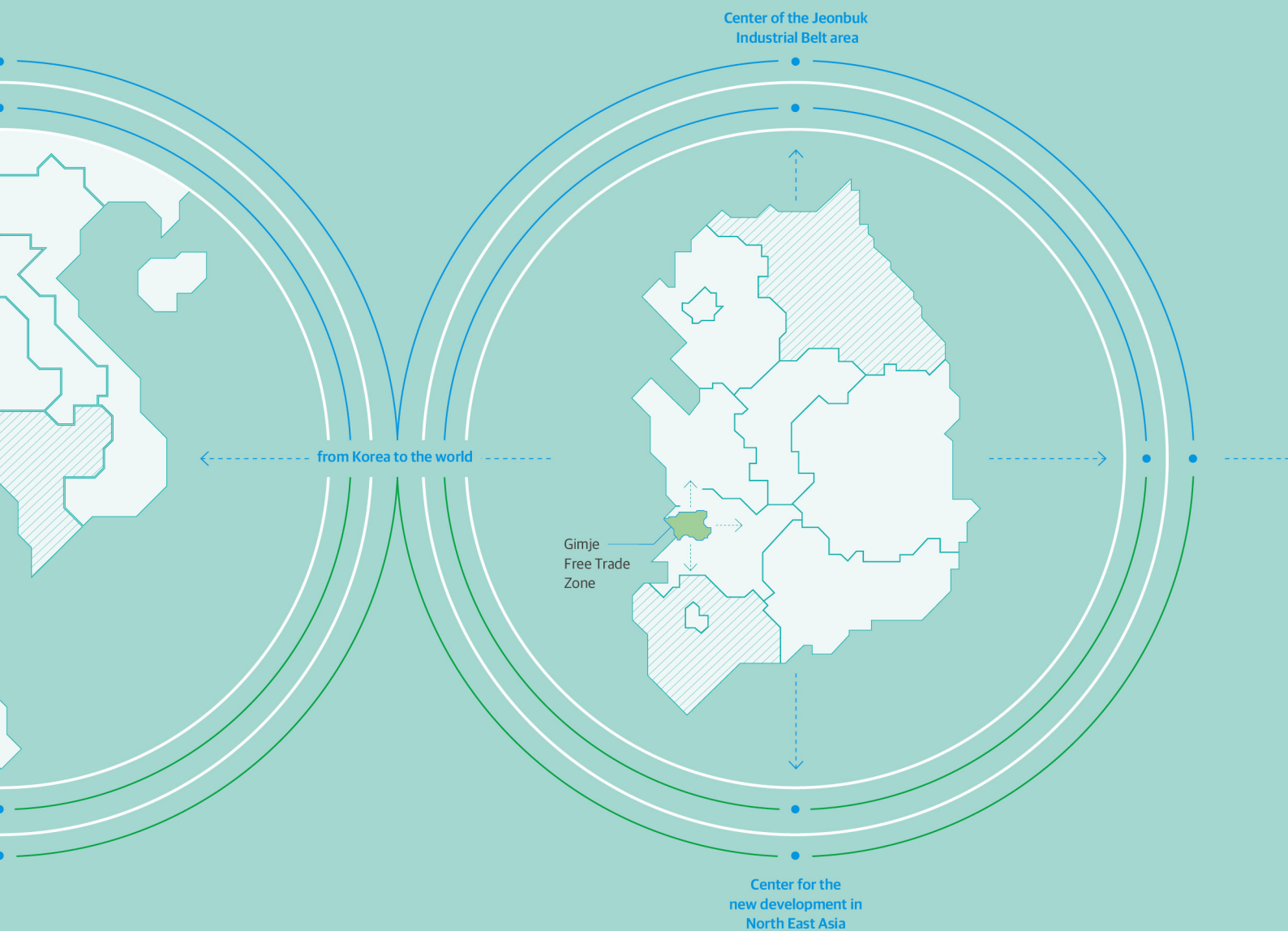


Land of opportunity
where you can
realize your dream
of business

—
New growth hub in
the Saemangeum
Economic Zone

Gimje Free Trade Zone

Gimje Free Trade Zone



Ministry of Trade,
Industry and Energy

Administration Agency of
Gimje Free Trade Zone

01

Why don't you meet the new hope in Gimje Free Trade Zone?



Location

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

Total area
(990,000m²)



Land for the production facility
75.6% / 750,416m²



Land for support facility
1.3% / 12,411m²



Park, parking space and road
23.1% / 228,913m²

Eligibility for Gimje Free Trade Zone

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

Classifications	Requirements
Manufacturing business primarily for exports	Business which amount of export is at least 50/100 (30/100 in cases of small and medium enterprises and 40/100 in cases of middle-standing enterprises) of the total sales during the past three years from the date on which an application for an occupancy contract is filed, for at least one year in a low
Manufacturing as a company invested by foreigner	<ol style="list-style-type: none"> 1. The foreign invested amount shall be not less than 100 million won and the foreigner shall own more than 10/100 of the total number of shares with voting rights or the total amount of investment issued by a Korean corporation or a company run by Korean people. 2. If exports to total sales during the past three years from the application date of the tenancy contract 1 year or more in consecutive periods of more than 30/100
A repatriating enterprise whose intended main purpose is export	As a company returning to South Korea for export purpose, the proportion of sales except for exports to South Korea as a percentage of total sales before return is 1 year or more in consecutive periods of more than 50/100 (30/100 in cases of small and medium enterprises and 40/100 in cases of middle-standing enterprises) during the past three years from the application date of the occupancy contract

Free Trade Zone provides the foreign invested companies and domestic export oriented companies with **the best investment environment**.



Desirable types of businesses

Electric and electronics, machine, car, carbon fiber, material parts etc

Restricted types of businesses

A person who falls on the business restricted to the occupancy of the Zone according to Article 10 of 「Instruction on the operation of Free Trade Zone」

- Business manufacturing and processing the agricultural, forestry and livestock products.
- Business manufacturing and processing the products which the authorized manager considers would hamper or damages the people's health or environment

Architectural requirements

Building coverage ratio 80% or below, **Floor area ratio** 350% or below

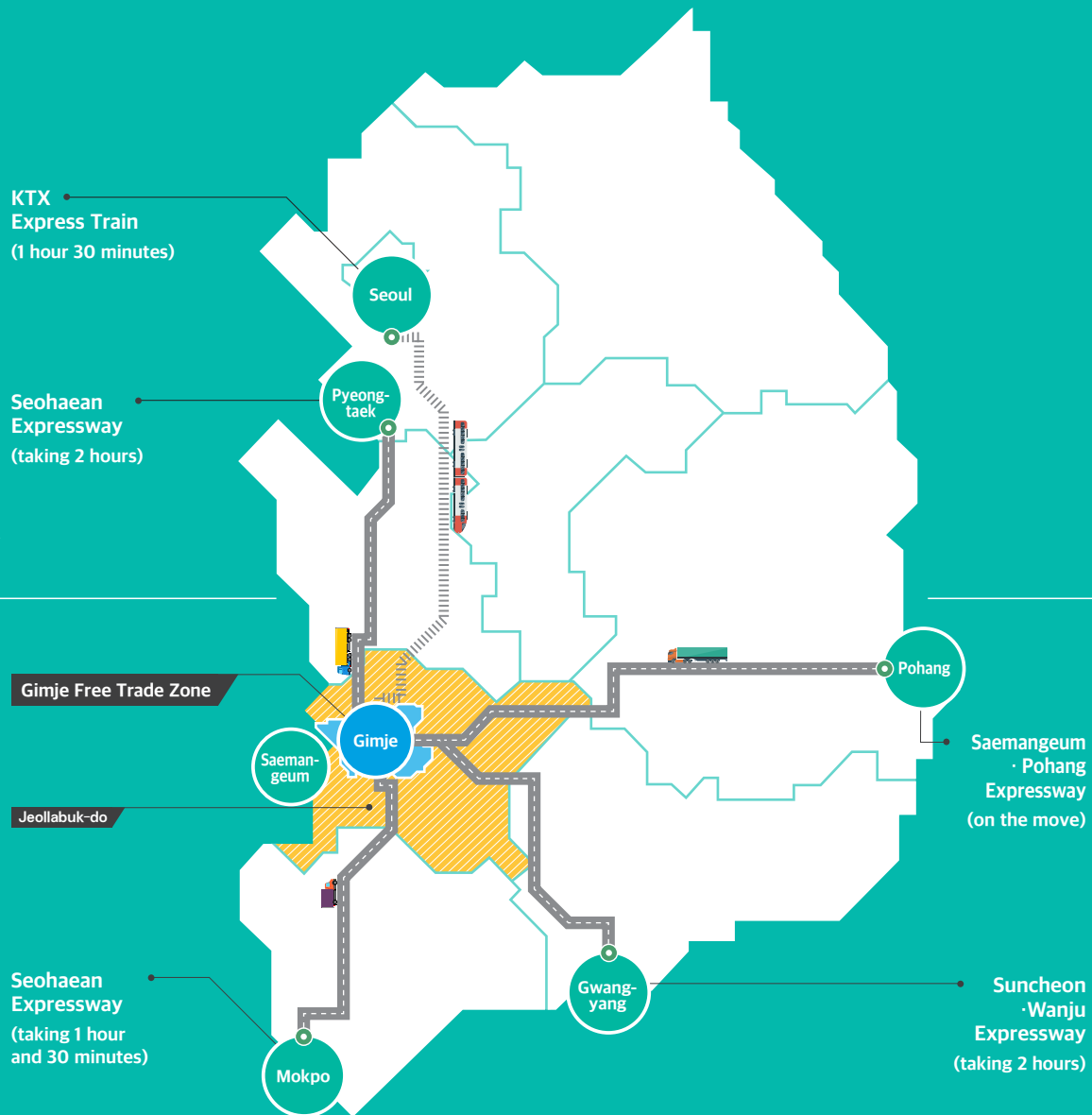
Moving-In Procedure

Consultation on the occupancy ▶ Application for occupancy ▶ Making the occupancy agreement ▶ Making the lease agreement ▶ Getting the approval of construction ▶ Registering the factory ▶ Operating the factory

02

Center of the new growth in North East Asia, The Gimje Free Trade Zone welcomes you.

Gimje



**Area within
1 hour from Seoul
metropolitan
area and 2 hours
from anywhere
in the country**

**Express Train network
connecting to anywhere
in the country**



- KTX and SRT Honam Line (Iksan Station): 1 hour 30 minutes between Seoul and Gimje
- * Time taken between Gimje Free Trade Zone and Iksan Station: 20 minutes

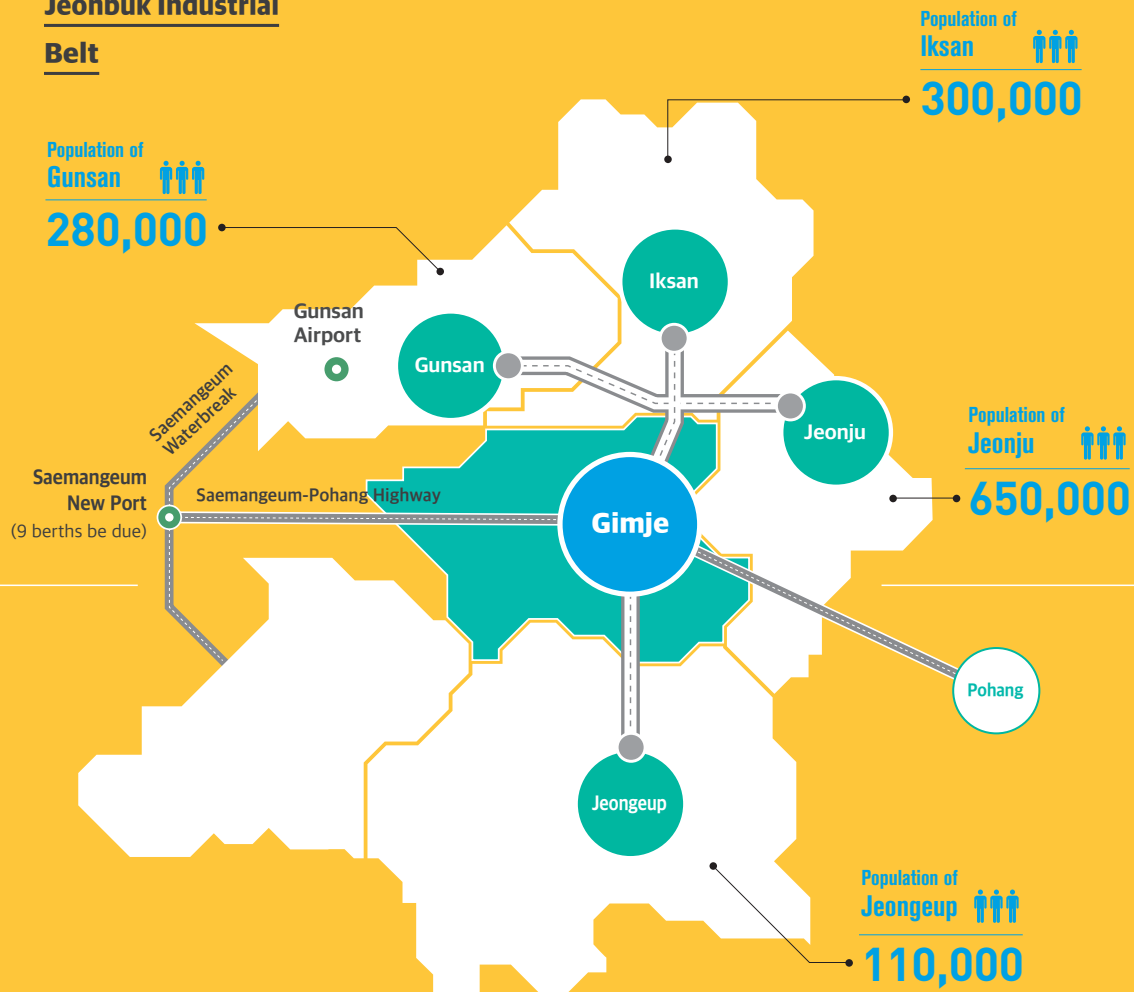
**Harbors located
around Gimje;
connecting to the world**



- Gunsan Port: 32 berths, up to 50,000 tons. Time taken between Gimje Free Trade Zone and Gunsan Port: 30 minutes
- Saemangeum New Port Construction: 9 berths including 80,000-ton Cruises (expected)
- * Time taken between Gimje Free Trade Zone and Saemangeum New Port: 20 minutes (if Saemangeum - Pohang Expressway is completed)

Based on the growth potential of Saemangeum, Gimje has shown the dynamic and innovative development. It is located in the center of T shaped industrial belt which connect to the area having 1.4 million population residing in the main cities in Jeonbuk area.

Center of Jeonbuk Industrial Belt



Free Trade Zone

Road network
connecting to all
areas by car



• T-shaped high speed
industrial road

▷ Gimje <-----> Jeonju
▷ Gimje <-----> Iksan
▷ Gimje <-----> Gunsan

Taking
20 minutes

03

Please make your dreams come true in Gimje Free Trade Zone

For your success, we give you the special benefits which cannot be found in any other places



Benefits which you can enjoy in Gimje Free Trade Zone

01

Minimized investment cost because of the low rent

In Gimje Free Trade Zone, the authority provides the companies with the land and buildings owned by the state at the price equivalent to 1% of the officially assessed price for 50 years.

As the investor needs not to purchase the land, the initial investment cost can be reduced lot.

*The agreement is made every 10 years and the rent would be changed every 2-years depending on the officially assessed price.



Monthly rent of land for the factory
\$ 0.05 / m²



Monthly rent for the apartment type standard factory
Average \$ 0.37 / m²

* The rent varies depending on the building.

02

Deregulation for guaranteeing the free trading activities

We alleviate the restrictions made according to the related laws such as Customs Act and Foreign Trade Act so that we provide the companies with the benefits such as tariff deference, permission of off-shore work, zero tax in VAT and others. Gimje Free Trade Zone is the best location for accessing to the world market including China, Japan and South East Asia.



It applies when the facility, raw materials or building materials are imported from overseas for the business



- Some of the processes for manufacturing the product can be processed at the domestic bonded area.
- The foreign materials such as facilities which are required for processing can be shipped overseas in the bonded state.



- Foreign products and services which are supplied or provided between companies in the free trade zones
- Materials for export which are delivered from other area of Korea

03

Maximization of service for the companies with one-stop administrative service

Administration Agency of Gimje Free Trade Zone provides the companies with the one-stop administrative service in which the administrative services such as consultation on the occupancy, contract, construction of factory, registration and others are provided. Administration Agency of Gimje Free Trade Zone is your strong business partner.



Additional benefits granted to the foreign-invested company

01

Tax benefits

Classification	Target	Benefits	Conditions of investment
<ul style="list-style-type: none"> Acquisition tax Property tax 	Business operated by the foreigner investment companies occupying Gimje Free Trade Zone	Total exemption for 15 years	<ul style="list-style-type: none"> 10 million US dollar or above (manufacturing)

02

Reduction in rent

Classification	Target	Benefits	Conditions of investment
Rent	Business which is run by the foreigner investment company occupying in Gimje Free Trade Zone, whose ratio of foreigner investment is at least 30% or the foreigner is the largest shareholder.	Reduction by 75%	<ul style="list-style-type: none"> 5 million US dollar or above (manufacturing)
		Total exemption	<ul style="list-style-type: none"> 5 million US dollar or above (parts materials industry) 1 million US dollars or above (new growth engine industry)

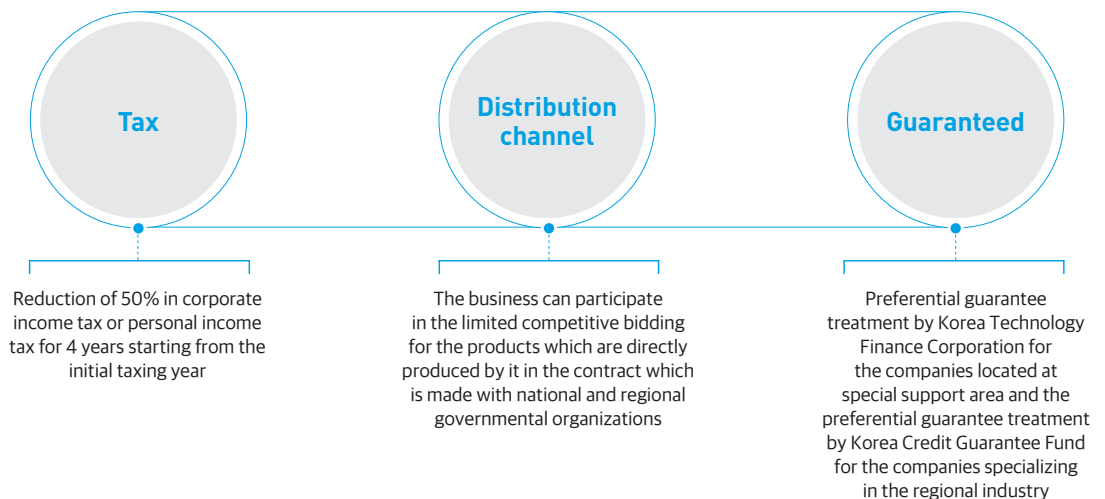
03

Payment of subsidy



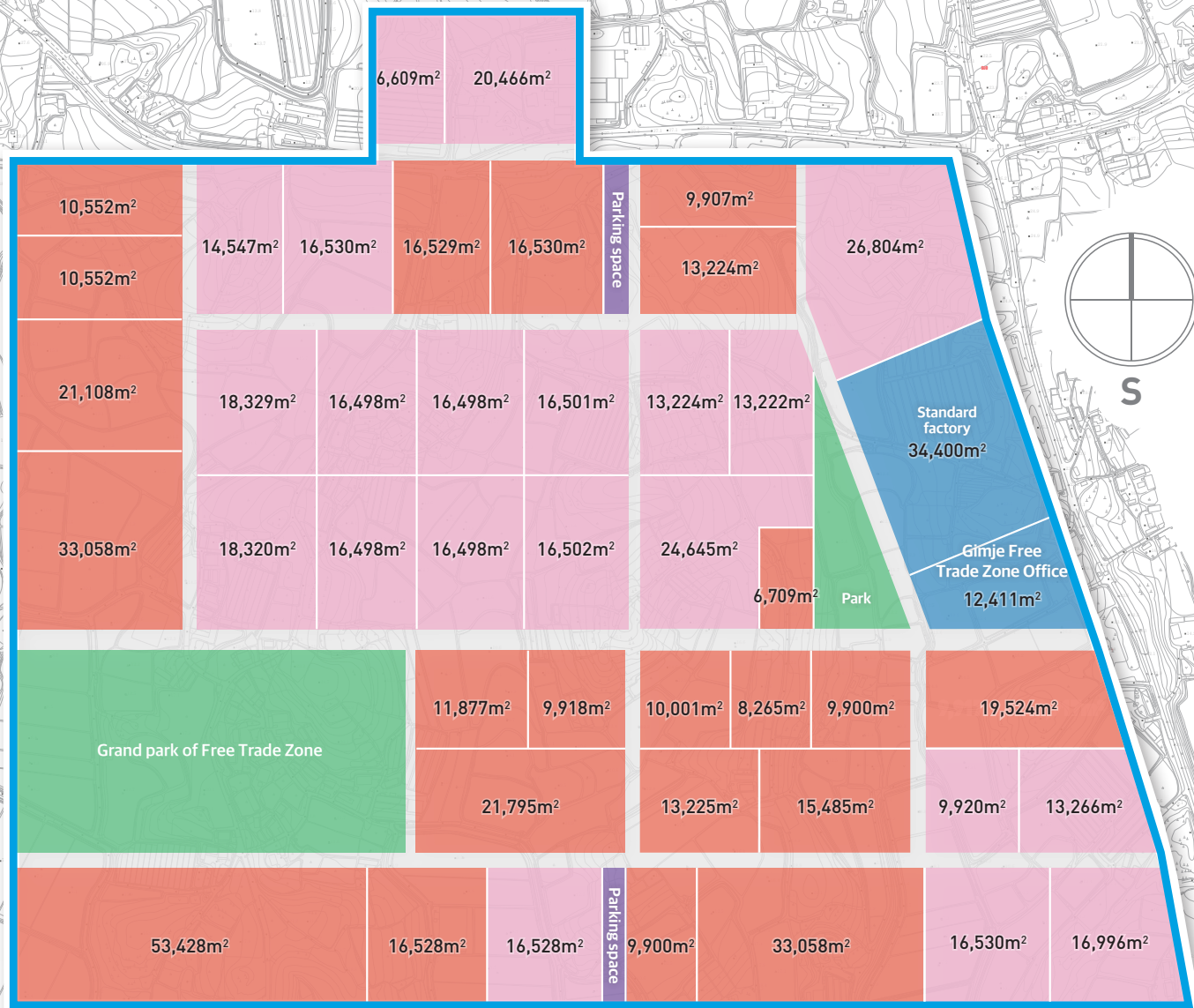
Additional benefits granted to the small and medium sized companies

SMEs Special Support Zone designed Business designed for 5 years starting from Mar. 13, 2015 according to SMBA Publication No. 2015-17

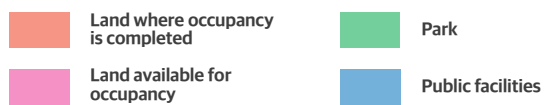




Land for factories



Classification





Apartment type standard factory

Size

- **3 buildings in total** (2 five-story buildings and 1 three-story building)
- **Floor area 35,150m²** (Area for exclusive use 29,073m², for common use 6,077m²)

Standard factory Building A and B

Classifi- cation	Area for rent (m ²)		Floor height (m)	Allowable load (ton/m ²)	Monthly rent (US dollar/m ²)	Size of cargo elevator
	Building A	Building B				
1st floor	3,045	2,149	4.5	0.6	0.36	- Allowable load : 4ton - Size : (W)3.4m × (H)2.3m × (D)4.5m
2nd floor	3,045	2,149	4.5	0.6		
3rd floor	3,045	2,149	4.5	0.6		
4th floor	3,045	2,149	4.5	0.6		
5th floor	3,045	2,149	4.8	0.6		

Standard factory building C

Classifi- cation	Area for rent (m ²)	Floor height (m)	Allowable load (ton/m ²)	Monthly rent (US dollar/m ²)	Size of cargo elevator
1st floor	3,060	9.0	1.2	0.39	- Allowable load : 4ton - Size : (W)3.4m × (H)2.3m × (D)4.5m
2nd floor	3,060	4.5	0.6		
3rd floor	3,060	4.8	0.6		

* Area for rent: area for exclusive use (about 80% of the rented area) + area for common use





From Korean company to World company Draw the big picture for the future industry Gimje Free Trade Zone

**Singapore, a hub in Asian economy and
Dubai, a shining star in Middle East...**

**More interests are pouring on the economic free zone in the world.
It is because the companies located here can expand their
business to the world through the free trades.
In preparation for the approaching Saemangeum period,
we have constructed the free trade zone in Gimje in order to
construct the industrial base for accessing to the world market.
As the new business hub for the North East Asia, it would grow
a lot to not only encompass the Asia but also the world soon.
Now, the dream for the future industry is becoming a reality.**

**Gimje has the environment, conditions and benefits
good for the businesses. Why don't you strongly spread
your dream and future here?**



What is the free trade zone?

- It is the area where the free manufacturing, logistics, distribution and trading are guaranteed. It is the area designated for the contribution to the national and regional development through the attraction of foreign investment, promotion of trading, creation of job, and enhancement in the technology.
- It was designated as the core base in the pan-yellow sea economic zone in

Jan. 2009 in order to contribute the activation of local economy and the development of national economy. It provides the company with the best investment environment for the business.

- Administration Agency of Gimje Free Trade Zone, Ministry of Trade, Industry and Energy provides companies with the one-stop

administrative support system for the best services to the business. Through this service, it tries to attract the foreigner investment companies and support their exports.

- According to the related laws on the foreigner investment, many benefits such as tax reduction, and low rent are provided to the companies. Especially as the area is where the tax

is deferred, the business is more free in conducting the import and export than any other areas.

