

G A N G W O N P R O V I N C E
COMPLEX MARINA TOWN

I n v e s t m e n t P r o p o s a l



SEAMASTER

Seamaster. Co., Ltd.

2016. 08

G A N G W O N P R O V I N C E

COMPLEX MARINA TOWN

I n v e s t m e n t P r o p o s a l



SEAMASTER

Key Success Factor

1

Trustable Business Host

The business host **Seamaster Co., Ltd.** has its yearly sales of 6,5 billion , a subsidiary of Inames.



Cyidentity Co., Ltd

2

Great Location With Easy Access

Great Global Location, 2018 Pyeongchang Winter Olympic hosting site with increasing popularity.



Upon The Donghae Highway Completed

Highway: (On or about) 4.5 hours
 - Seoul, Incheon(1.5 hour)
 Daejeon, Daegu(2 hours)
 Busan(3 hours), Gwangju(4.5 hours)



Upon KTX Opening

National high-speed railway: (on or about) 4 hours
 - KTX opening: Seoul, Incheon(1 hour)
 Daejeon, Daegu(1.5 hour)
 Busan(2 hours), Gwangju (3.5 hours)



Airway (When using Yangyang International Airport)

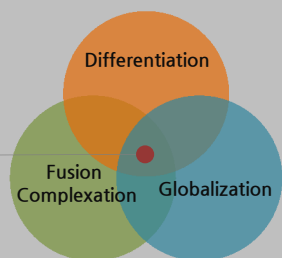
International Flight: (on or about) 3.5 hours
 - 51 major international cities, over 1 million (Beijing, Shanghai, Hong Kong, Tokyo and etc.)

Domestic Flight: (on or about) 1 hours
 - Seoul Gimpo airport, Busan Gimhae intl. airport, Jeju intl. airport, Gwangju intl. airport and other major national cities



3

Creating International Ocean Leisure Tourism Hub, "Complex Marina Town"



Marina



Ocean



Commercial Facility



Club house



Education



Cruise ship



. Business Overview

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01 Business Overview

01 Business Site Profile

Corporation Name:

Gangwon "Complex Marina Town" Construction

Business Host:

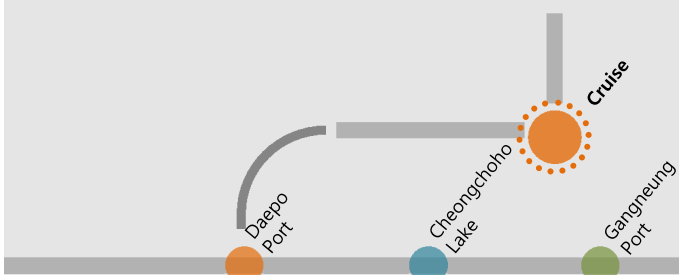
Seamaster

Business Site:

Sokcho area (Daepo-dong, Joyang-dong),

Gangwon-do Gangneung area(Gyeonso-dong)

Location	Facility	Site dimension (㎡)	Current status
Sokcho	Marina Facility	22,800.00㎡	• Mooring Facility(8 ships) - To be expanded
	Club House	803.20㎡	• Currently 1-story temp. building - Commercial facility completed : Facility club house to be operated
	Complex Commercial Facility	3,196.60㎡	• Acquired site(803.2㎡) - To acquire additionally (2,293.40㎡)
	Cruise	-	• 2 cruises to be operated
	Sub total		26,799.80㎡
Cheongchoho Lake	Marina Facility	39,000.00㎡	• In discussion - To be expanded
	Club House	10,481.85㎡	• Acquiring site(To be registered) - Mar. 9, 2017 (Registration completed) - To be built
	Sub total		49,481.85㎡
Gangneung	Marina Facility	9,881.00㎡	• Mooring facility(33 ships) - Land(1,331㎡) - Marine(8,550㎡)
	Club House	2,919.00㎡	• 5 story club house - To be expanded
	Complex Commercial Facility	11,800.00㎡	• 13 stories dimension
	Sub total		24,600.00㎡
Site dimension(Total)			100,881.65㎡



I . Business Overview

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02

Business Background & Objectives

To create global ocean leisure, sports, tour platform associating business host owned “Marina Facility” with local tour infrastructure.

To reach break-even point earlier by introducing various facilities reflecting international/national tourists’ needs.

To develop new business model using “Complex Marina Town” as a medium.

-To create complex leisure town with various ocean sports facilities and VIP resort(accommodations).

-To operate regular cruise connecting each marina(Daepo port, Cheongchoho Lake, Gangneung port).



*Hub(Center), Platform(Gateway): Using specialized single service product as a medium to create networking effect, to ultimately realize One Source Multi Use. To play a role as a kernel base of national ‘Marina’ industry(tourism, leisure, accommodations, culture, visit & stay and etc.)

I . Business Overview

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02 Business Host Profile

01 Company Overview

Company name: Seamaster Co., Ltd.

Representative: Taeje Kim

Establishment date: Aug. 12, 2007

Business description: Marina resort, real estate development, sports facility managing

Capital: 13 billion[After merger]

Staff number: 40[Present]

Gangwon main office: Gyeonso-dong 286-11, Gangneung, Gangwon-do, Korea

Seoul branch: IT Venture Tower 13th Fl. East Wing #1301, Jungdaero 135, Songpa-gu, Seoul, Korea

Tel. 070-8816-6543(Gangneung Main Office), 02-559-1004(Seoul)

Fax. 033-651-2543(Gangneung Main Office), 02-559-1001~3(Seoul)

02 Subsidiaries' Status

Subsidiary			Representative	Business category	Business Location	Establishment Date	Capital (Unit: Won)	Major Shareholder	Stocks Holding (%)
Seamaster Co., Ltd.	M e r g e r	Seamaster Co., Ltd.	Taeje Kim	Real estate development, Sports facility	Gangneung, Gangwon-do	Aug, 2007	6 Billion	iNames Co., Ltd	100%
		Seorak Marina Co., Ltd.	Taeje Kim	Real estate, Lease	Sokcho, Gangwon-do	Apr, 2012	7 Billion	iNames Co., Ltd	100%
Cyidentity Co., Ltd.			Taeje Kim	S/W consulting/development/supply	Songpa-gu, Seoul	Apr, 2000	0.49 Billion	iNames Co., Ltd	94.49%
iNames Co., Ltd			Taeje Kim	S/W development	Songpa-gu, Seoul	Apr, 2001	0.2 Billion	Taeje Kim	63.25%

*Above financial status is a virtual financial status table after merger of Seamaster & Seorak Marina as of June 30, 2016.

I . Business Overview

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03

Balance sheet summary

(Unit Million, VAT not included)

Description	Year 2015	Year 2016	Total	Average
1. Total asset	9,805	10,416	20,221	10,111
2. Equity capital	9,505	10,116	19,621	9,811
3. Liquid liabilities	290	290	580	290
4. Fixed liabilities	10	10	20	10
5. Liquid asset	1,035	1,647	2,682	1,341
6. Current net profit	-1,011	-389	-1,400	-700
7. Sales cost	831	983	1,814	907
8. Total sales	1,414	1,298	2,712	1,356
9. Return On Equity (Current net profit/equity capital)	-10.64%	-3.85%	-7.14%	-7.14%
10. Liability ratio (Liquid liabilities / fixed equity capital)	3.15%	2.87%	2.96%	2.96%

04

Contract subjects

No.	Company Name	Document Name	Description
1	Seamaster Co., Ltd.	Site sales contract	Cheongchoho Lake site sales contract (Joyang-dong 1544-4)
2	iNames Co., Ltd	Real estate deal contract register certificate	Daepo port site sales contract appendix (Ownership transfer & register to Seorak Marina)
3	iNames Co., Ltd	Common property sales contract	Daepo port site sales contract (Ownership transfer & register to Seorak Marina completed)
4	Seorak Marina Co., Ltd.	Right & duty succession contract	Daepo port site succession contract (iNames -> Seorak Marina)
5	Seamaster Co., Ltd.	Hollys Coffee franchise agreement	Royalty & Product supply related contract
6	Seamaster Co., Ltd.	Droptop agreement	Royalty & Product supply related contract
7	Seamaster Co., Ltd.	Droptop additional agreement	Royalty & Product supply related additional agreement

I . Business Overview

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Authorization & Approval status

No.	Company Name	Document Name	Description
1	Seamaster Co., Ltd.	• Gangneung port yacht marina facility investment agreement	• Gangneung port marina facility related Gangneung city MOU
2	Seamaster Co., Ltd.	• Fishing port development business approval letter	• Gangneung port yacht marina facility installation construction
3	Seamaster Co., Ltd.	• Fishing port development business modification approval letter	• Gangneung port yacht marina facility additional construction
4	Seamaster Co., Ltd.	• Construction completion confirmation certificate	• Gangneung port yacht marina facility
5	Seamaster Co., Ltd.	• Free use profit report certificate	• Gyeonso-dong, Gangneung, Gangwon-do site and building
6	Seamaster Co., Ltd.	• Fishing port use & occupancy approval letter	• Gangneung port yacht mooring facility occupancy approval
7	Seamaster Co., Ltd.	• Marina ship parking, mooring business registration certificate	• Gangneung port marina parking, mooring business registration
8	Seorak Marina Co., Ltd.	• Completion confirmation certificate	• Daepo port yacht marina facility
9	Seorak Marina Co., Ltd.	• Fishing port business approval certificate	• Daepo port yacht marina zone
10	Seorak Marina Co., Ltd.	• Investment MOU	• Cheongchoho Lake, Daepo port marina facility related Gangwon-do/Sokcho MOU
11	Seorak Marina Co., Ltd.	• MOU	• Ruspacific-Group Co., Ltd
12	Seorak Marina Co., Ltd.	• Mutual business cooperation agreement	• Gangwon-do yacht institute Yangyang marine port marina
13	Seorak Marina Co., Ltd.	• Fishing port use & occupancy approval letter	• Daepo port yacht mooring facility occupancy approval
14	Seorak Marina Co., Ltd.	• Mutual cooperation agreement	• Daepo port fueling vehicle related agreement with Jangwon gas station
15	Seorak Marina Co., Ltd.	• Marina ship parking, mooring business registration certificate	• Daepo port marina parking, mooring business registration

I. Business Overview

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06

Sokcho MOU Related Issue

Executed MOU with Sokcho, Gangwon-do and obtained Marina business approval and preparing for marina resort and club house business.



<MOU ceremony picture>

투자양해협약서

강원도, 속초시, (주)설악마리나는 속초시 청초호 및 대포항에 마리나시설을 위해 공동의 협력체계를 구축하고 상호 신뢰를 바탕으로 다음과 같이 투자양해협약서를 체결한다.

- (주)설악마리나는 성공적인 마리나 시설의 설치를 위해 속초시 청초호 및 대포항 지역에 다음과 같이 투자를 한다.
 - (주)설악마리나는 청초호 및 대포항 내 마리나 시설 설치를 위해 소요되는 총사업비를 투자한다.
 - (주)설악마리나는 청초호와 대포항사업 우선순위를 정하여 추진하며, 사업시행에 필요한 행정절차 수행에 최선을 다하고 사업승인 및 인·허가를 득한 즉시 공사를 착공하며 효율적인 공법과 자금을 집행하여 빠른 기간 내에 준공한다.
 - (주)설악마리나는 청초호 및 대포항 마리나시설 운영에 필요한 직원의 충원시 지역 내 인력의 채용에 노력한다.
- 강원도와 속초시는 (주)설악마리나의 원활한 투자진행을 위해 다음과 같이 지원한다.
 - 속초시는 사업부지를 (주)설악마리나에 유상제공한다.
 - 강원도와 속초시는 청초호 마리나 항만구역 내 (주)설악마리나의 수상호텔 건립에 대하여 충분한 시간을 갖고 별도 협의하여 추진한다.

- 강원도와 속초시는 청초호 및 대포항 마리나시설 사업과 관련된 인허가 사항은 적법한 절차에 의하여 가능한 범위 내에서 최대한 지원하며 속초시는 건담 공무원 배치, 홍보 등에 필요한 행정적인 지원을 한다.

- 본 협약서와 관련하여 구체적인 사항은 강원도, 속초시, (주)설악마리나가 신의성실의 원칙에 의거 상호 협의하여 결정하고, 본 협약서는 제3자에게 효력을 갖지 아니한다.

강원도, 속초시, (주)설악마리나는 합의사항 이행을 위하여 본 협약서를 3부 작성하여 각자 서명하고 각 1부씩 보관한다.

2012년 11월 30일



강원도지사 최문순 최문순



(주)설악마리나 대표이사 김태제 김태제



속초시장 채용생 채용생

<Investment MOU>

I. Business Overview

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07

Gangneung MOU Related Issue

Executed MOU with Gangneung and reported and obtained certificate of free use of and profit for the business site and operating Marina facility and club house.



<MOU ceremony picture>

무상사용 · 수익신고필증

1. 사 용 자
 ○ 성 명 : (주)시마스터 대표이사 김태제 (법인명)
 ○ 주 소 : 서울특별시 서초구 양재동 1-26 성문빌딩 6층

2. 사용재산의 표시
 ○ 소 재 지 : 강원도 강릉시 전소동 286-11번지
 ○ 용 도 : 요트마리나 클럽하우스
 ○ 규 모
 - 클럽하우스 1동(6층)[부지 1,300㎡, 건축면적 600.39㎡(연면적 1,939.31㎡)]
 ○ 구 조 : 철근콘크리트구조
 ○ 정산총사업비 : 2,252,542,386원

3. 사용기간 : 2010. 12. 15 ~ 2040. 12. 14(30년)

4. 사용조건 : 불 일

여론·어항법 제26조 및 동법시행령 제30조의 규정에 의하여 어항시설 무상사용·수익신고필증을 교부합니다.

2011년 10월 10일

동해어업관리단 강릉어항사무소장

<Certificate of Free Use Approval and Profit Report>

강릉항 요트마리나시설 투자협약서
(양해각서)

강릉시(이하"갑")와 (주)시마스터(이하"을")는 강릉항 요트마리나시설 민자유치사업과 관련하여 상호 신뢰를 바탕으로 다음과 같은 내용의 협약서를 2008년 10월 28일자로 체결한다.

1. "을"은 강릉항내에 1단계 사업으로「별첨」민자유치사업 실시협약과 같이 2009년까지 요트마리나 시설을 완공한다.
2. "갑"과 "을"은 마리나 콘도미니엄, 컨벤션센터, 계류시설 증설 등의 2단계사업은 투자여건 조성 및 관련절차이행에 관한 범위내에서 상호협의하여 최대한 지원·협조 한다.
3. "갑"과 "을"은 강릉항 요트마리나시설 활성화와 해양관광 진흥을 위해 공동체의식을 갖고 함께 노력하기로 한다.
4. 본 협약을 증명하기 위하여 협약의 당사자는 본 협약서를 2부 작성하여 서명하고 "갑"과 "을"이 각각 1부씩 보관한다.

별첨 : 강릉항 요트마리나시설 민자유치사업 실시협약서 1부.

강릉시 홍재동 1001 서울특별시 서초구 양재동 1-26
 강릉시장최명희 (주)시마스터 대표이사 김태제

최명희 김태제

<Investment MOU>

I. Business Overview

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Gangneung MOU Related Issue

Obtained fishing port development business approval for the business site which is purchasable despite of the public property according to Law on Marina Harbor Creation & Maintenance and etc.

Article 30 (Public & Common Property Lease & Use etc.)

- ① If the national or a local government acknowledges that it is necessary for development business or creating and operating Marina industrial complex, in spite of [National Property Law] or [Common Property And Material Maintenance Law], it may allow public and common property's lease, use, profiting or selloff.
- ② [National Property Law] or [Common Property And Material Maintenance Law] shall apply to public and common property's lease, use, profiting or selloff according to above ①.

<Law on Marina Harbor Creation & Maintenance and etc. Article 30 Preamble>

허가번호 제2009 - 7호			
어항개발사업시행허가증			
피 허 가 자	①법인 또는 기관명	(주) 시마스터	
	②대표 자(성 명)	김태제	③생년월일
허 가 사 랑	④주 소	서울시 서초구 양재동 1-26 성문빌딩6층	⑤전화번호 (02) 559 - 1213
	⑥공사의 종류	강릉항 요트 마리나시설 설치공사	
허 가 사 랑	⑦공사의 목적	어촌·어항 관광 인프라 구축 및 강릉시 지역경제발전, 강릉항 이용활성화 도모	
	⑧공 사 장 소	강릉시 전소동 강릉항내 배후 부지 및 항내 수역	⑨공사규모 및 사업비 1) 사업규모 : 부지면적 1,200㎡ 수역면적 4,500㎡ - 월입하수식건축면적 86㎡ (연면적 1,110.62㎡) - 수상계류시설 20선식 2) 사업비: 2,315백만원
⑩공 사 기 간	2009. 4 ~ 2009. 7. 31		
⑪공 사 방 법	도급시행		
⑫허 가 조 건	별첨 참조		
「어촌·어항법」 제23조제2항의 규정에 따라 어항개발사업을 허가합니다.			
2009년 4월 / 일			
강릉어항사무소장			
허가기관연락처	주소	강원도 강릉시 포남동 1117-13번지	
	부서	강릉어항사무소 전화번호 033-662-9940	

<Fishing port business approval certificate>

허가번호 제2010 - 호			
어항개발사업시행 변경허가증			
피 허 가 자	①법인 또는 기관명	(주) 시마스터	
	②대표 자(성 명)	김태제	③사업자 등록번호 214-88-13927
허 가 사 랑	④주 소	서울시 서초구 양재동 1-26 성문빌딩 6층	⑤전 화 번 호 (02) 559 - 1231
	⑥공사의 종류	강릉항 요트 마리나시설 시설	
허 가 사 랑	⑦공사의 목적	어촌·어항 관광 인프라 구축 및 강릉시 지역경제발전, 강릉항 이용활성화 도모	
	⑧공 사 장 소	강릉시 전소동 강릉항내 (286-11) 및 항 내수역	⑨공사규모 및 사업비 1) 사업규모 : 부지면적 1,300㎡ 수역면적 8,350㎡ - 월입하수식건축면적 294.99㎡ (연면적 1,937.75㎡) - 수상계류시설 : 33선식 - 부대시설(외부 연결통로) : 98㎡ ※ 계류시설 보수 : 보강 1식 2) 사업비: 3,004백만원
⑩공 사 기 간	2009. 9.28 ~ 2010.11.30(단초 2009. 9.28 ~ 2010. 9.30)		
⑪공 사 방 법	도급시행		
⑫허 가 조 건	변경없음		
「어촌·어항법」 제23조제2항의 규정에 따라 어항개발사업을 변경허가합니다.			
2010년 9월 30일			
강릉어항사무소장			
허가기관연락처	주소	강원도 강릉시 포남동 1117-13번지	
	부서	강릉어항사무소 전화번호 033-662-9940	

<Fishing port business amendment certificate>

II. Environmental Analysis

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01 Environmental Analysis

01 Nature Environmental Analysis

Location: Located in east from the center of Korean Peninsula. Located in Yeongdong region from Mt. Taebaek

Dimension: 16,87351km

Population: 1.5 million (as of 2015)

Weather: Annual average temperature of Yeongdong 13.2~14.1℃, Yeongseo 11.9~12.6℃

Precipitation: Annual average of Yeongdong 1,587.3~1,604.4mm

Annual average of Yeongseo 1,404~1,425.3mm

Gangwon-do Precipitation

(Precipitation)

Region	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Gangwondo	1,276.3	39.8	36.3	52.4	61.8	86.6	80.5	513.5	131.6	151.6	49.7	41.6	31.1	2013

Gangneung Weather Day

(Weather Days)

Region	Clear	Partly Cloudy	Very Cloudy	Cloudy	Rain	Frost	Fog	Snow	Thunder	Storm	Yellow Dust	Year
Gangneung	101	94	62	108	127	18	22	32	20	-	-	2013

Sokcho Weather Day

Region	Clear	Partly Cloudy	Very Cloudy	Cloudy	Rain	Frost	Fog	Snow	Thunder	Storm	Yellow Dust	Year
Sokcho	99	105	56	105	126	4	6	27	16	-	-	

* Reference : Statistics Korea, KMA 2014 「Annual climatological report」

II. Environmental Analysis

COMPLEX
MARINA
TOWN

2018

Pyeongchang Winter Olympic Hosting Site

Expecting increased international popularity



Benefits of Location

Located in the center of the Pacific rim
Potential to become a global ocean city

Intl. flight access in about 3,5 hours
Starting at Yangyang International airport
51 global cities with over 1 million population
-Beijing, Shanghai, Hong Kong, Tokyo and etc.
North-east Asia (25% of the world population)

Domestic flight access in about 1 hour

Starting at Yangyang international airport
Seoul(Gimpo airport), Busan(Gimhae Intl. airport)
Jeju Intl. airport, Gwangju airport and other
major domestic airports

02

Location Analysis

01 Domestic/International Access

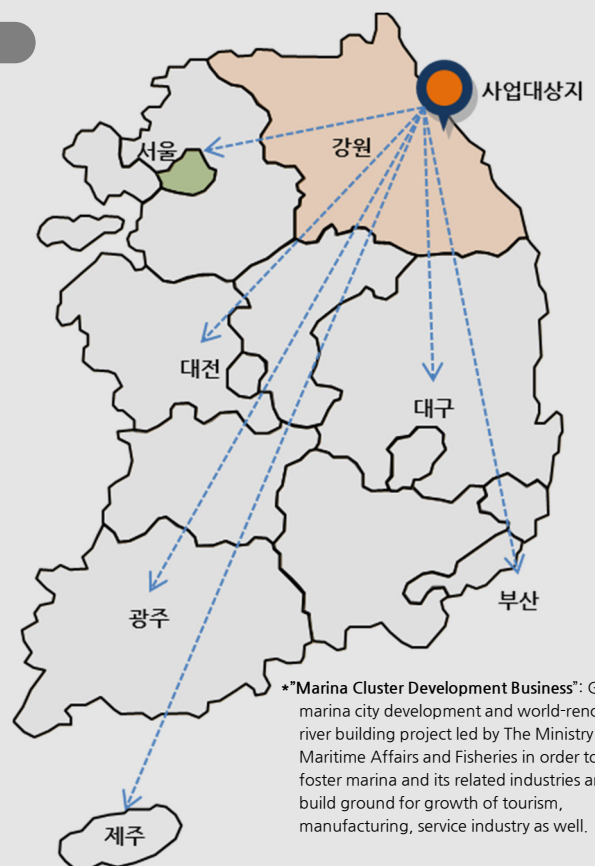
Owing to hosting 2018 Winter Olympic, economic value increased & it's potential of growth became limitless.

Starting point of Gangwon for Korean government leading "Marina Cluster Development Business"

When using domestic railway(KTX), highway (starting from Gangneung)

Seoul - 160Km (about 1 hour)
Incheon - 180Km (about 1 hour)
Daejeon - 200Km (about 2 hour)
Daegu - 210Km (about 2 hour)
Busan - 320Km (about 3 hour)
Gwangju - 340Km (about 4.5 hour)

*As of the time when major domestic traffic network roads(Seoul-Chuncheon highway expansion construction) and railway(Seoul-Gangneung KTX) was completed and actual time to be taken may be somewhat different.



*"Marina Cluster Development Business": Global marina city development and world-renowned river building project led by The Ministry of Maritime Affairs and Fisheries in order to foster marina and its related industries and to build ground for growth of tourism, manufacturing, service industry as well.

II. Environmental Analysis

COMPLEX
MARINA
TOWN



INTERMODALISM SYSTEM

Intermodalism: Transportation system that implements smooth liaison of different transportation methods, road to airway, airway to railway, railway to harbor, to increase efficiency of passenger transfer and freight handling.



03

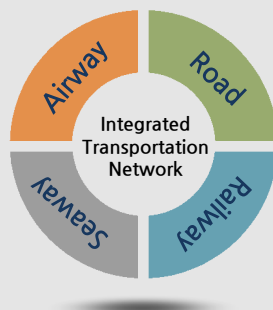
Development Environmental Analysis

01

Surrounding Area Development Plan

Currently Gangwon-do prepares for 2018 Winter Olympic, proceeding a business associated with integrated traffic networks.

Especially, focusing on building intermodalism traffic system integrating land, ocean and sky and traffic hub based on traffic node where the integrated traffic network is oriented as the key mission of National territorial policy.



*Reference:

Gangwon Provincial Government

www.provin.gangwon.kr

SBS news report

Gangwon development research center 2014,

'integrated transportation starting point and

Yangyang's readiness

Road

Donghae Highway extension project (east-west highway connection project)

Project period: Dec. 2004 ~ Dec. 2016 (Opening in 2017)

- Total extension distance(Samcheok to Koseong): 146.6Km

(Jumoonjin ~ Sokcho: 44.32Km)

- Hajodae ~ Yangyang: 9.7Km (2012) Opened

- Project cost: 132.4 billion won

Railway

Ministry of Land, Infrastructure and Transport built 3rd national railway network construction plan

By 2025, semi KTX train to be introduced to connect all national regions in 2 hours

-When the project is completed, Seoul to Gangneung will take in 1 hour.

-Project cost 74 trillion won(National treasury 53.7 trillion won)

Seaway

Boosting North seaway development (Sokcho ~ Jarubino, Hunchun seaway)

- Since its first service in Apr. 2000, with active exchange of human and material resources between China(north-east 3 states) and Russia (Far east), play a centripetal role in international trade in The East Sea Rim

- Its importance as a national harbor becomes greater to secure national distribution competitiveness and to take dominance over "Greater Tuman Initiative(GTI)" emphasized by Korea, China and Russia and to proceed our government's "Eurasia Initiative" policy.

Airway

Significant increase in Chinese intl. flight at Yangyang intl. airport, Gangwon-do

-Proceeding opening plan of 3 Asian Olympic airways, Yangyang ~ Beijing airway for 2018 Gangwon Winter Olympic (Currently, operating irregular flights newly connecting Yangyang international airport to 16 cities including Nan port, China (Jun ~ Sep. ,2016)

*Flexible operation depending on demand increase in other south-east Asian major cities.

III. Market Analysis

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TOWN



01 Customer Analysis

01

Gangwon-do Tourists Status

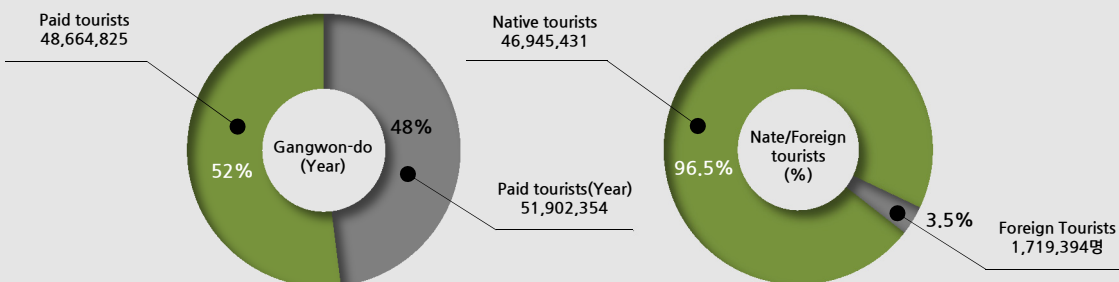
Out of paid/free tourists, the number of free tourist takes up 48%, 1/2 of total tourist number. Major tourist demand is led by native residents. Foreigners take up 3.5% of total tourist number.

Beginning with 2018 Pyeongchang Winter Olympic hosting, expecting increase in tour demand led by land-ocean-air-integrated transportation infrastructure expansion.

- Especially, Yangyang international airport is located in 30-minute distance around the business site. This enhances foreign tourists' accessibility leading to explosive increase in foreign tour demand.

Gangwon-do Paid tourists(Year) **48** million

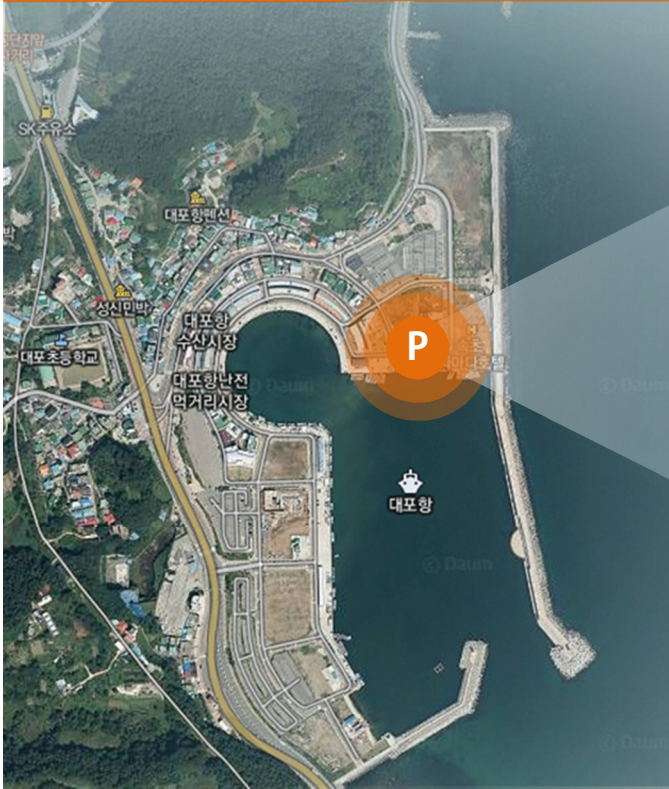
*Contents planning is required to accommodate paid/free tourists and attract foreign tourists..



*Reference: Gangwon Statistics Information, 2014

IV. Facilities

COMPLEX
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TOWN



Aerial View of
Daepo Port
Marina

01 Daepo Port Marina

01 Operation Status & Development Plan

Location: 940-5, Daepo-dong, Sokcho, Korea (area)

Site dimension : 26,799.80㎡

Daepo Port "Marina" : mega yacht 8 ships' space (to be expanded for 104 ships)

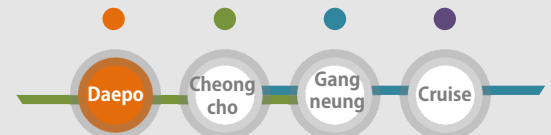
Daepo Port "Club House" : 1-story temporary building (to be operated in complex commercial facility)

Daepo Port "Complex commercial facility" : Preparing for aerial view

Commercial facility site dimension: 3,196.60㎡

- Reserving site: 803.20㎡
- Site to purchase: 2,293.40 ㎡ (940-3,4,6)

- Site dimension : 22,800.00㎡
- Facility purpose : Marina mooring facility



Daepo

MARINA



CLUBHOUSE

Operating temporary building

When Daepo port "Complex commercial facility" is completed, club house to be operated in the facility

IV. Facilities

COMPLEX
MARINA
TOWN



Aerial view of
Cheongchoho Lake
Marina

02

Cheongchoho Lake Marina

01

Operation Status & Development Plan

Location : 1544-4, Joyang-dong, Gangwon-do, Sokcho, Korea

(Within Cheongchoho Lake Amusement Park)

Site dimension : 49,481.85㎡ (Land : 10,481.85㎡, Ocean:39,000.00㎡)

Cheongchoho Lake "Marina" : In discussion (to be expanded)

Cheongchoho Lake "Club House" : In process of purchasing (scheduled for new construction)

* "Club House" : Mar. 09, 2017 to make site purchase registration



- Site dimension : 39,000.00㎡
- Facility purpose : Marina mooring facility



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- Site dimension : 10,481.85㎡
- Facility purpose : Customers' convenience facility and commercial facility

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Scheduled for new construction

Newly built referring to Gangneung
port club house.
See p.15.

IV. Facilities

COMPLEX
MARINA
TOWN



03 Gangneung Port Marina

01 Operation Status & Development Plan

Location : 286-11, Gyeonso-dong, Gangneung,
Gangwon-do, Korea

Site dimension : 9,881.00㎡

Gangneung Port Marina :

Available for 33 ships including land
& ocean mooring facility(to be expanded)

- Land : 1,331㎡

- Ocean : 8,550㎡

- Site dimension : 9,881.00㎡
- Facility purpose : Customers' convenience and commercial facility

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02 Assigned yacht specification

Type	Length(m)	Width(m)	Hole(m)	Weight(kg)
50ft	15.00	4.80	2.60	14,800
40ft	12.00	3.90	2.10	9,100

03 Mooring facility type per specification

Type	Number of ship	Width(m)
50ft power yacht	4 ships	-
40ft power yacht	29 ships	4 Catamarans
Safe guardship	1 ship	Not included
Total	33 ships	-

IV. Facilities

COMPLEX
MARINA
TOWN



04 Gangneung Port Club House

01 Operation Status & Development Plan

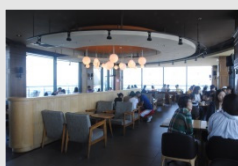
Site dimension : 2,919.00㎡
Architectural dimension: 1,937.75㎡
Construction dimension : 594.99㎡
Floor space: 149.06%
Floor area ratio: 45.77%



02 Floor Overview

Floor	Floor dimension(㎡)	Remark
1F	462.45	Office
2F	176.63	Empty(To rent)
3F	401.10	Lodging
4F	401.10	Hollys Coffee(Open)
5F	401.10	Droptop Coffee(Open)
6F	95.37	Terrace
Total	1,937.75	-

Purpose	Facility	Dimension (㎡)	Ratio(%)	Floor
Club House	Office	93.60	4.8	1F,2F
	Managing Office	46.80	2.4	1F
	Yacht sale & showroom	161.20	8.3	1F
	Staff lodging	93.60	4.8	3F
	Common restaurant	687.30	35.6	3F,4F,5F
	Rest area snack bar	46.80	2.4	2F
	Public area	746.05	38.5	All floors
	Mechanic & Electric room	62.40	3.2	1F, Top F.
Total		1,937.75	100.0	



Hollys Coffee



Droptop Coffee

*Above pictures show current shops' images.

IV. Facilities

COMPLEX
MARINA
TOWN



Aerial view of Gangneung Port
"Complex Commercial Facility"

05

Gangneung Port Complex Commercial Facility

01 Operation Status & Development Plan

Site dimension : 11,800.00㎡



02 Construction Overview

Description	Details
Location	286-11, Gyeonso-dong, Gangneung, Gangwon-do, Korea (Area)
Main use	Installment sale / Rent
Business Dimension	11,300㎡
Construction Dimension	7,315㎡
Architectural Dimension	43,262㎡
Construction Scale	13 Floors
Floor space	70%
Floor area ratio	400%



Convention center



Duty free store

* Above pictures are for reference only.

*Above conditions are subject to change during construction and completion process.

IV. Facilities

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Introducing Luxurious Cruise
To Maximize Tourists' Attraction To
"Complex Marina
Town"

06 Cruise Operational Planning

01 Cruise Introduction Planning

Introducing cruises to connect each marina
(Daepo port, Cheongchoho Lake, Gangneung port)
Introduce cruises based upon each port's cruise pier



02 Cruise Operational Planning

Description	Type	Operation time	Passenger
Number of Cruise	2 cruises		
Summer	Standard cruise	8	200
	Lunch	1	200
	Dinner	1	200
Winter	Standard cruise	4	200
	Lunch	1	200
	Dinner	1	200

Cruise ship



Virtual cruise image



Virtual cruise image

V. Business Plan

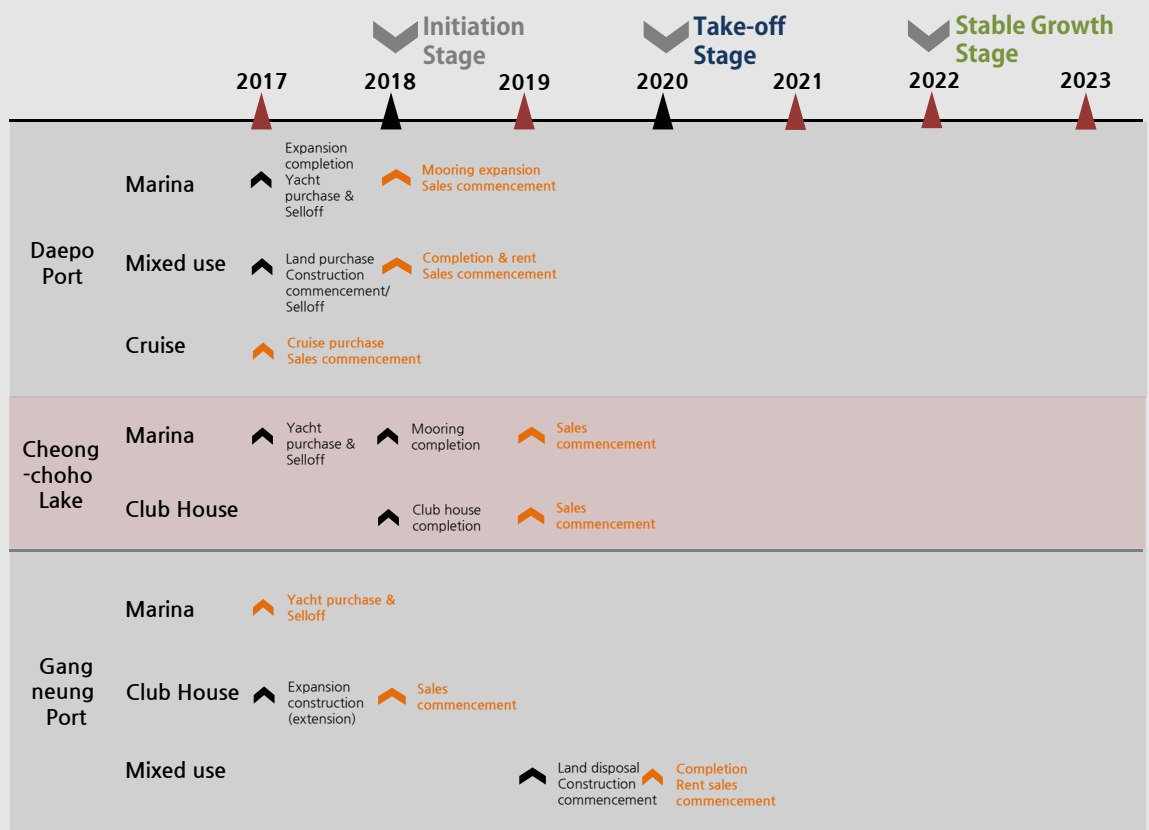
COMPLEX
MARINA
TOWN



01 Business Schedule

Sokcho

Gangneung



*Business time period and specific schedule may be adjusted depending on management condition and business circumstances.

VI. Feasibility Analysis

COMPLEX
MARINA
TOWN

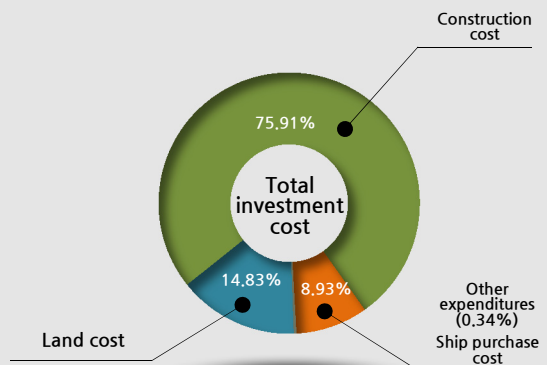
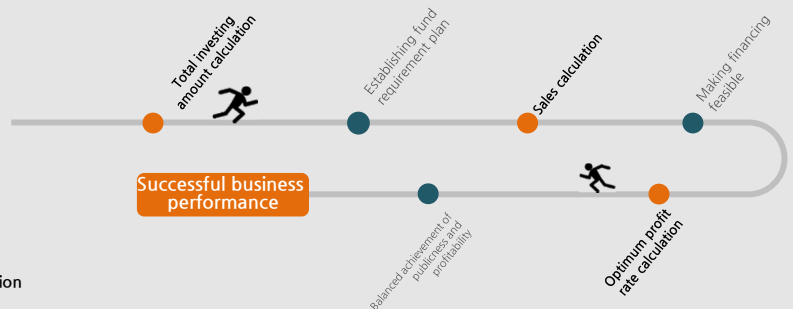


01

Total Business Cost Calculation

01 Feasibility Analysis Overview

Feasibility and profitability review based on business earnings and expenditure analysis during business period.
Adequacy review on assumption on sales and other profit items.



(Unit: Won, VAT not included)

Cost	Amount	Rate(%)	Remark
Land cost	17,476,605,000	14.83%	
Construction cost	89,481,591,000	75.91%	
Ship purchase cost	10,524,800,000	8.93%	
Other expenditures	400,000,000	0.34%	
Total business (investment) cost	117,882,996,000	100.00%	

*Basic index and assumption for feasibility analysis

VI. Feasibility Analysis

COMPLEX
MARINA
TOWN

02

Land Purchase Cost Status (Expected)

(Unit: Won, VAT not included)

Description 1	Description 2	Description 3	Remark
Gangneung	Location	Area at 286-4, Gyeonso-dong, Gangneung, Gangwon-do, Korea	
	Total business site dimension	16,050.00㎡	
	Scheduled purchase site dimension	16,050.00㎡	
	Estimated purchase price per 3.3㎡	2,000,000	
	Total estimated site purchase price	9,727,273,000	
Sokcho	Location	940-3~6, Daepo-dong, Sokcho, Gangwon-do Korea	
	Total business site dimension	3,196.60㎡	
	Scheduled purchase site Dimension	2,393.40㎡	
	Estimated purchase price per 3.3㎡	8,000,000	
	Total estimated site purchase price	7,749,333,000	
Total		17,476,606,000	

03

Construction Cost Status (Expected)

(Unit: Won, VAT not included)

Description 1			Description 2	Architectural Dimension	Construction Unit price (Won/3.3㎡), (Ship)	Construction cost	Remark	
				㎡				
Sok cho	Daepo Port	Marina	Available for 88ships	-	22,727,272	2,000,000,000		
			Sub total	-	-	2,000,000,000		
		Mixed use	Construction Cost	25,572.80㎡	3,348,000	25,947,600,000	•	
			Design & supervision cost			Distribution area 20,622.80㎡		1,162,400,000
			Others			909,666,000	•Tax 3.5% of construction cost+ Allotment 1.5 million won, other	
			Sub total	-		-	28,019,666,000	
	Cheong-choho Lake	Marina	Available for 95 ships	-	22,727,272	2,159,090,000		
			Sub total	-	-	2,159,090,000		
		Club House	Construction cost	10,481.85㎡	3,000,000	7,305,532,000	•	
			Design & supervision cost			476,448,000		• 150 thousand won per Py.
			Others			257,193,000	•Tax 3.5% of construction cost+ Allotment 1.5 million won, other	
			Sub total	-		-	8,039,173,000	
	Gangneung	Gangneung Port	Club House	1F Mezzanine construction	224.47㎡	2,300,000	156,449,000	• 3F floor dimension(401.10㎡)-2 F floor dimension (176.63㎡)
				6F vertical Extension construction	401.10㎡	2,300,000	279,554,000	
Design & supervision cost						28,435,000	•150 thousand won per 3.3㎡.	
Others						2,495,000	• Tax 3.5% of construction cost+ Allotment 1.5 million won, other	
1F Mezzanine construction				-	-	466,933,000		
Mixed use			Construction Cost	43,262.25㎡	3,451,000	45,245,182,000		
			Design & supervision cost	Distribution area 38,312.25㎡		1,966,466,000	•150 thousand won per Py.	
			Others			1,585,081,000	• Tax 3.5% of construction cost+ Allotment 1.5 million won, other	
			Sub total	-		-	48,796,729,000	
			Total					

VI. Feasibility Analysis

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MARINA
TOWN

04

Ship Purchase Cost[Yacht] Status

(Unit: Won, VAT not included)

Model	Scale	Purchase Price	Introduction cost(W) (160% of purchase price)	Introduced No.	Total purchase cost
46'Luxury Sport Yacht	50ft	\$394,200	756,864,000	3	2,270,592,000
55'luxury Yacht with Flybridge	60ft	\$691,200	1,327,104,000	2	2,654,208,000
Cruise for 200 passengers	-	-	2,800,000,000	2	5,600,000,000
Total					10,524,800,000

05

Estimated Condensed Balance Sheet

(Unit: Million Won, VAT not included)

Title of Account	2016	2017	2018	2019	2020	2021	2022	2023	Ratio
	1.1-12.31	1.1-12.31	1.1-12.31	1.1-12.31	1.1-12.31	1.1-12.31	1.1-12.31	1.1-12.31	(2018)
I. Liquid assets	1,647	118,431	125,495	274,787	321,994	334,967	350,027	367,555	78.56%
Quick assets	1,647	107,425	125,495	263,991	321,994	334,967	350,027	367,555	78.56%
Inventory assets	0	11,006	0	10,796	0	0	0	0	0.00%
Other liquid assets	0	0	0	0	0	0	0	0	0.00%
II. Non-liquid assets	8,769	23,860	34,258	41,054	41,054	41,054	41,054	41,054	21.44%
Investment assets	0								0.00%
Tangible assets	6,879	21,970	32,368	39,164	39,164	39,164	39,164	39,164	20.26%
Intangible assets	1,870	1,870	1,870	1,870	1,870	1,870	1,870	1,870	1.17%
Other non- liquid assets	20	20	20	20	20	20	20	20	0.01%
Total Assets	10,416	142,291	159,753	315,841	363,048	376,021	391,081	408,609	100.00%
I. Liquid liabilities	290	3,962	4,448	8,794	10,108	10,469	10,888	11,376	2.78%
II. Non-liquid liabilities	10	137	153	303	349	361	375	392	0.10%
Total liabilities	300	4,098	4,601	9,097	10,456	10,830	11,264	11,769	2.88%
III. Capital	13,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	39.44%
IV. Capital surplus	0	0	0	0	0	0	0	0	0.00%
V. Capital adjustments	-7	-7	-7	-7	-7	-7	-7	-7	0.00%
VI. Accumulated Other comprehensive income	0	0	0	0	0	0	0	0	0.00%
VII. Earned surplus	-2,877	75,200	92,158	243,751	289,599	302,198	316,824	333,847	57.69%
Unappropriated earned surplus	-2,877	75,200	92,158	243,751	289,599	302,198	316,824	333,847	57.69%
Total capital	10,116	138,193	155,151	306,744	352,592	365,191	379,817	396,840	97.12%
Total of assets and liabilities	10,416	142,291	159,753	315,841	363,048	376,021	391,081	408,609	100.00%

VI. Feasibility analysis

COMPLEX
MARINA
TOWN

06

Estimated Sales Calculation Table (Profit & Loss)

(Unit: Million Won, VAT not included)											
Sales category			2016	2017	2018	2019	2020	2021	2022	2023	Ratio
			1.1-12.31	1.1-12.31	1.1-12.31	1.1-12.31	1.1-12.31	1.1-12.31	1.1-12.31	1.1-12.31	1.1-12.31
Sok Cho	Daepo Port	Mixed use Building Selloff		99,989	24,997						74.86%
		Mixed use Building Rent			442	516	590	675	772	881	1.32%
		Marina		17	242	276	294	294	294	294	0.72%
		Yacht selloff		3,199							0.00%
		Cruise		4,293	5,619	6,743	8,092	9,710	11,653	13,983	16.83%
		Sub total		107,498	31,301	7,536	8,976	10,679	12,719	15,158	93.73%
	Cheong-choho Lake	Marina Facility				274	291	291	291	291	0.00%
		Club House				5,907	6,940	8,159	9,595	11,289	0.00%
		Yacht selloff		1,859							0.00%
		Sub total		1,859		6,180	7,231	8,449	9,886	11,580	0.00%
Gangneung	Gangneung Port	Mixed use building selloff				185,756	46,439				0.00%
		Mixed use building rent					492	559	636	718	0.00%
		Marina	59	71	83	95	101	101	101	101	0.25%
		Club House	1,238	1,683	2,009	2,400	2,867	3,425	3,425	3,425	6.02%
		Yacht selloff		929							0.00%
		Sub total	1,298	2,683	2,093	188,251	49,899	4,086	4,162	4,245	6.27%
Total			1,298	112,040	33,394	201,967	66,106	23,214	26,767	30,983	100.00%

07

Estimated Sales/ Expenditure Calculation Table

(Unit: Million Won, VAT not included)

Sales / Expenditure Category		2016	2017	2018	2019	2020	2021	2022	2023	Ratio
		1.1-12.31	1.1-12.31	1.1-12.31	1.1-12.31	1.1-12.31	1.1-12.31	1.1-12.31	1.1-12.31	(2018)
A. Labor costs [Maintenance]		124	244	364	424	484	486	488	490	15.31%
B. Operational costs	Mixed use Building Maintenance	0	0	88	103	216	247	282	320	3.70%
	Marina Facility	12	18	65	129	137	137	137	137	2.73%
	Club House	248	337	402	1,661	1,961	2,317	2,604	2,943	16.91%
	Cruise	0	859	1,124	1,349	1,618	1,942	2,331	2,797	47.29%
C. Reserve fund, other expenditures		320	1,120	334	2,020	661	232	268	310	14.05%
Total expenditure		704	2,577	2,377	5,686	5,078	5,361	6,109	6,996	100.00%

VI. Feasibility analysis

COMPLEX
MARINA
TOWN

08 Estimated Income Statement

(Unit: Million Won, VAT not included)

Title of Account	2016	2017	2018	2019	2020	2021	2022	2023	Ratio
	1.1-12.31	1.1-12.31	1.1-12.31	1.1-12.31	1.1-12.31	1.1-12.31	1.1-12.31	1.1-12.31	(2018)
I. Sales	1,298	112,040	33,394	201,967	66,106	23,214	26,767	30,983	100.00%
II. Cost of sales	983	31,386	14,058	44,689	15,180	5,254	6,031	6,963	42.10%
III. Gross margin	315	80,654	19,336	157,278	50,926	17,960	20,736	24,019	57.90%
IV. Sales and Maintenance expenditure	704	2,577	2,377	5,686	5,078	5,361	6,109	6,996	7.12%
V. Operating profit	-389	78,077	16,959	151,593	45,848	12,599	14,627	17,023	50.78%
VI. Non-operating profit									0.00%
VII. Non-operating cost									0.00%
VIII. Margin before corporate tax deduction	-389	78,077	16,959	151,593	45,848	12,599	14,627	17,023	50.78%
IX. Corporate tax and etc.									0.00%
X. Current net income	-389	78,077	16,959	151,593	45,848	12,599	14,627	17,023	50.78%

VII. Proposal

COMPLEX
MARINA
TOWN



01 Proposal

01 Investment Proposal

Requested investment amount: 50 billion won

Investment cost used for: 1st business cost

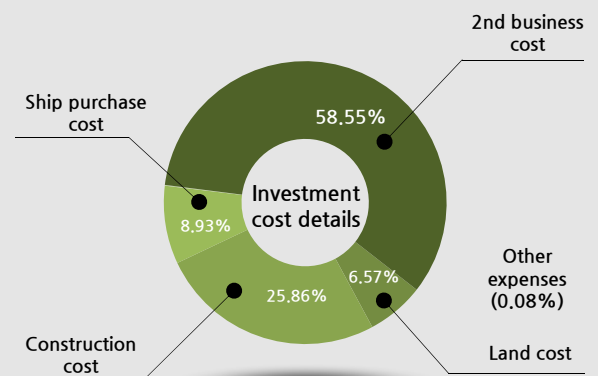
Investment methods

- Membership(ownership) selloff(0.5 billion+)
- Equity investment (warrant on new share)
- Investor equity(rate): 49%

*Investment cost shall be used for 1st business cost (ship purchase, land cost, construction cost) to accelerate initial business progress.

*Depending on the business environment and business conditions, business timing and detailed schedule may be adjusted.

*The proposed amount was estimated by internal data.



(Unit: Won, VAT not included)

Cost	Amount	Ratio(%)	Remark
Land cost	7,749,000,000	6.57%	
Construction cost	30,486,599,000	25.86%	
Ship purchase cost	10,524,800,000	8.93%	
Other costs	100,000,000	0.08%	
1 st investment cost (Sub total)	48,860,399,000	41.45%	
2 nd business cost		58.55%	
Total business (investment) cost	117,882,996,000	100.00%	

VII. Proposal

COMPLEX
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Complete view of
Expo tower

01 Joyang-dong SITE

01 Additional Investment proposal (Joyang-dong Site)

Requested investment amount: 230 billion won

Location : 1544-1, 1545-1, Joyang-dong, Gangwon-do,
Sokcho, Korea

Site dimension : 23,466.5㎡ (7,579.5㎡ + 15,887㎡)

Zoning : General commercial area

Floor area ratio : 900%

Building Coverage Ratio : 80%

Business Purposes: Department store, Duty Free Shop,
Residential complex, mansions, Hotel, etc.

- Location : Joyang-dong 1545-1
- Site dimension : 15,887.00㎡
- Official land price : 706,700 won/㎡
(date of value 2016.1.1)



사업부지 1

1999 International Tourism Expo site

- Location : Joyang-dong 1544-1
- Site dimension : 7,579.5㎡
- Official land price : 601,000 won/㎡
(date of value 2016.1.1)



사업부지 2

Joyang

VII. Proposal

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01 Joyang-dong SITE

02 Business Plan

Joyang

Daepo

Description1	Description2	Remark
① Site Dimension	23,466 m ²	about 7,100(py)
② Building Coverage Ratio	80 %	
③ Floor area ratio	900 %	
Construction dimension	168,958 m ²	① X ② X ③ about 50,000(py)
Land cost	28 billion	
Construction cost	200 billion	m ² /10.6M won
Total cost	228 billion	

Permanent Residency Package Sale		
Description1	Description2	Remark
Distribution price	1 trillion won	m ² /60.6M won
Expected Revenue	772 billion won	When issuing a green card

Domestic sale		
Description1	Description2	Remark
Distribution price	500 billion won	m ² /30.3M won
Expected Revenue	272 billion won	

- * No altitude limitation (The Construction of 42F Apartment permitted on neighboring site)
- * Above comments derived from the case of Apartment construction, so additional revenue can be expected in practical businesses such as multipurpose buildings etc.
- * Green-card : Which means Permanent Residence Grant to Foreigner(P32 for reference) being able to achieve after the grant of Gangwon-do governor and Legislation Minister.
We are going to proceed the Grant Procedure based on the MOU(Memorandum of understanding) with Gangwon-do

VII. Proposal

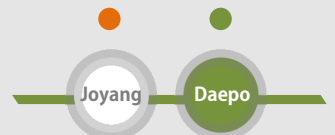
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02 Daepo-dong SITE

01 Additional Investment proposal (Daepo-dong Site)

Requested investment amount : 150 billion
Location : 937, Daepo-dong, Gangwon-do, Sokcho, Korea
Site dimension : 12,022㎡
Zoning : General commercial area
Official land price : 1,201,000 won/㎡ (Date of value 2016.1.1)
Floor area ratio : 900%
Building Coverage Ratio : 80%
Business Purposes : Hotel, etc.



- Complete view of Ramada Gangwon Sokcho hotel



Nearby Hotels

- Lotte resort construction site



Nearby Resort

Daepo

VII. Proposal

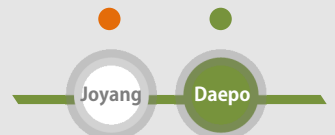
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Site foreground

02 Daepo-dong SITE

02 Business Plan



Description1	Description2	Remark
① Site Dimension	12,022 m ²	about 3,600(py)
② Building Coverage Ratio	80 %	
③ Floor area ratio	900 %	
Construction dimension	86,558 m ²	① X ② X ③ about 26,000(py)
Land cost	25 billion	
Construction cost	120 billion	m ² /13.6M won
Total cost	145 billion	

Permanent Residency Package Sale		
Description1	Description2	Remark
Distribution price	520 billion won	m ² /60.6M won
Expected Revenue	375 billion won	When issuing a green card

Domestic sale		
Description1	Description2	Remark
Distribution price	260 billion won	m ² /30.3M won
Expected Revenue	115 billion won	

- * Despite 28F altitude limitation, the construction is possible within the ratio of building-to-land and floor area to site
- * Green-card : Which means Permanent Residence Grant to Foreigner(P32 for reference) being able to achieve after the grant of Gangwon-do governor and Legislation Minister.
We are going to proceed the Grant Procedure based on the MOU(Memorandum of understanding) with Gangwon-do

VII. Proposal

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02 Investment Benefit

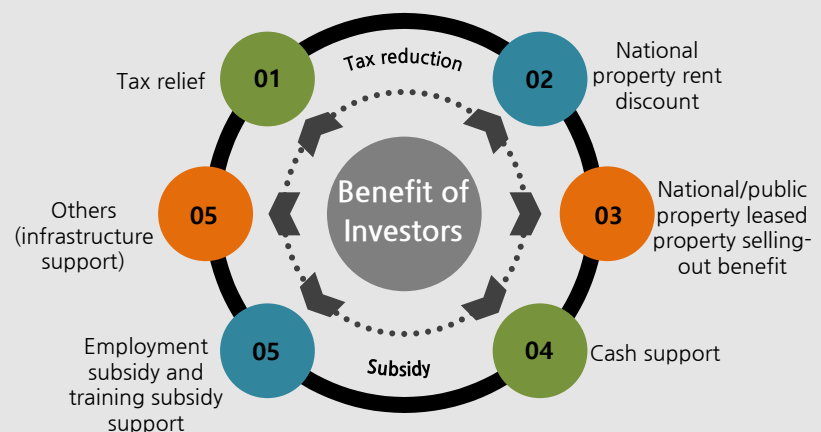
01 Tax Benefit and Tax Relief

According to Gangwon-do's Enforcement Rules under The Ordinance on Foreign Investor Attraction Facilitation, Gangwon-do supports all kinds of tax benefit to investment corporations and investors that invested in this business.

Tax relief(Law On Foreign Investor Attraction Facilitation, Article 9, Tax Exemption Proposition Law, Article 121-2)

Providing tax relief to Foreign Investment Corporation for 15 years from its first profit occurring year after its business commencement for its investment ratio.

- National tax : total 7 years(5 years: 100%, 2 years: 50% tax cut)
- Local tax : 15 years tax cut
- Other rent discount, benefit when transferring leased property, cash support, training subsidy support, other infrastructure supports and etc.



VII. Proposal

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02

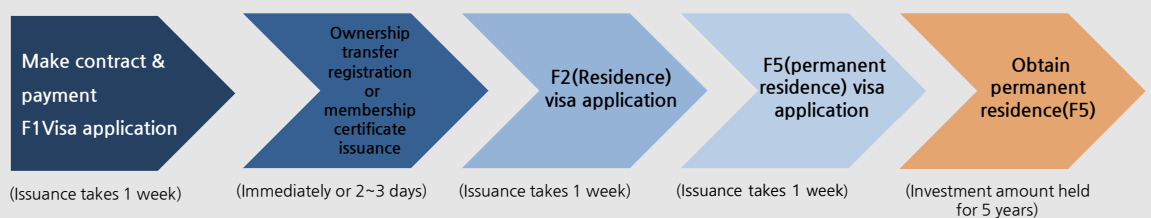
Permanent Residence Grant to Foreigner(F-5)

This has been conducted by the Department of Justice. With over 500 million invested in real estate, residential qualification(F2) is granted upon investment, 5 years later, Korean permanent residence(F5) is granted.

Investment immigration guidance

- Investment region: Gangwon-do "Pyeongchang Winter Olympic Special District"
- Investment qualification: Foreigners who hope to invest in the special district in Gangwon-do
- Permanent residence(F5) visa : For investment amount over 500 million won for 5 years, Korean permanent residence granted
- Grant period: May 1, 2013 to Apr. 30, 2018
- Korean Department Of Justice's Notification: [#2013-198, May 16, 2013]

Ownership transfer registration & Permanent residence obtaining process



VII. Proposal

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03 Expectancy effects by Investment

- Business site is 2018 Pyeongchang Winter Olympic Hosting Site whose domestic/international investment value is increasing.
- Korean government selected Gangwon-do, Pyeongchang, Gangneung, Jeongseon area as “Pyeongchang Winter Olympic Special District”(Jan. 10, 2014), proceeding “Olympic High-Class City” Creation Project by investing about 3 trillion won by 2018.
- The business site's real estate value is expected to increase because of expanding various kinds of infrastructure and carrying out all kinds of foreign investment facilitation system.

Real Estate Value Increase



01

Pyeongchang Winter Olympic Hosting City

- Various culture tour infrastructure establishment
- Olympic hosting enhanced the popularity of the business site.
- Emerged as the world-renowned tourists' attraction

02

Land/Ocean/Air transportation infrastructure expansion

- Building road, railway, ocean, air transportation network to increase transient population
- Promoting Yangyang intl. airport to enhance tourists' accessibility

03

Conducting foreign investment facilitation system

- All kinds of tax benefit for investment facilitation and permanent residence grant to attract various commercial capital
- Maximizing the real estate rarity of the business site

MEMO



MEMO



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