



**MACQUARIE KOREA INFRASTRUCTURE FUND**  
2009 3<sup>rd</sup> QUARTER ASSET MANAGEMENT REPORT



Name : Macquarie Korea Infrastructure Fund (MKIF)

Period : Quarter 3 (1 July 2009 ~ 30 September 2009)

Prepared by Macquarie Shinhan Infrastructure Asset Management Co., Ltd. (MSIAM)

Fund code: 35801

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### Important notice

Under the Financial Investment Service and Capital Market Act (the "Act"), Macquarie Korea Infrastructure Fund ("MKIF") is required to provide an Asset Management Report to its shareholders in the form, and containing the specific information, set out in the Act on a quarterly basis. This Asset Management Report has been prepared by MKIF in compliance with its statutory obligations.

### Disclaimer

MKIF and Macquarie Shinhan Infrastructure Asset Management Co., Ltd. ("MSIAM"), are not an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia) and its obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 (MBL). MBL does not guarantee or otherwise provide assurance in respect of the obligations of MKIF/MSIAM.

### General advice warning

The contents of this report do not constitute an offer, invitation or recommendation for the subscription or purchase of securities. It does not take into account the investment objectives, financial situation and particular needs of the investor. Before making an investment in MKIF, the investor or prospective investor should consider whether such an investment is appropriate to their particular investment needs, objectives and financial circumstances and consult an investment adviser if necessary.

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## I General report

### 1. Overview

Under the Financial Investment Service and Capital Market Act (the Act)

Investment Grade : 4

Fund name	Macquarie Korea Infrastructure Fund (MKIF)
Fund code*	35801
Date of incorporation	12 December 2002
Date of registration	26 December 2002
Date of listing	15 March 2006
Financial year end	31 December every year
Fund maturity	Perpetual (until the occurrence of dissolution events defined in the Act)
Asset manager	Macquarie Shinhan Infrastructure Asset Management Co., Ltd. (MSIAM)
Sales agents	Shinhan Investment Corp., Samsung Securities Co., Ltd., Macquarie Securities Korea, Ltd., Hanwha Securities Co., Ltd., Kyobo Securities Co., Ltd., Tongyang Investment Bank Co., Ltd.
Custodian	Korea Securities Finance Corporation (KSFC)
Fund administrator	Korea Exchange Bank Investor Service Co., Ltd.
Board of directors +	Corporate Director: MSIAM
	Supervisory Directors: Dae Yun Cho, Kyung Soon Song and Tae Hee Yoon
Key staff of MSIAM +	Chul Hum Paik (CEO) Jason Pak (COO) Johnno Kim (Asset Management) Jong Hyuk Park (Asset Acquisition) Moon Mok Jung (Finance) Jinwook Park (Compliance)
MKIF profile	<p>Macquarie Korea Infrastructure Fund (MKIF) is a leading private sector infrastructure investor in Korea and has the largest portfolio of infrastructure assets in Korea that have been, or being, constructed under the Private Participation in Infrastructure Act (PPI Act).</p> <p>MKIF was established in December 2002 with a mandate to invest in concession companies that construct or operate infrastructure assets such as toll roads, bridges and tunnels in Korea. MKIF invests in these concession companies through equity and debt. MKIF is focused on generating profits from its investments and distributing these profits to its shareholders. MKIF is proud to be making a significant contribution to Korea's infrastructure development.</p> <p>MKIF is managed by MSIAM. MSIAM is a joint venture between Macquarie Capital Funds (Europe) Limited, a member of the Macquarie Group Limited, and Shinhan Bank and Shinhan Capital, which are members of the Shinhan Financial Group.</p>

\* Fund code generated by the Korea Financial Investment Association (KOFIA)

+ See Section IV Registered Asset Managers and Appendix I Board of Directors for more information

## 2. Asset details

Under the Act, MKIF is required to report the net asset value per share (NAV per share) of its portfolio.

The total net asset value of MKIF's portfolio is calculated by subtracting total liabilities from total assets of MKIF. MKIF's assets include its equity and debt investments in concession companies, cash and deposits and other investment securities,. The net asset value per share of MKIF is calculated by dividing total net asset value by the number of outstanding shares.

The Collective Investment Property Appraisal Committee of MSIAM has chosen to adopt the acquisition cost as the fair value for unlisted equity investments under the Act and accounting principles generally accepted in Korea (KGAAP). In addition, the loan investments are measured at amortized cost under the Act and KGAAP.

The calculation of the NAV per share of MKIF is set out in the table below. For the purposes of this calculation, asset and liability information is based on the balance sheet of MKIF, which is attached as Appendix II.

Type	Q2 2009	Q3 2009	(Unit: KRW, Share) % Change
Total Assets(A)	2,168,559,897,828	2,148,681,995,875	-0.92%
Total Liabilities(B)	452,011,069,386	482,643,299,254	6.78%
Net Asset Amount(C=A-B)	1,716,548,828,442	1,666,038,696,621	-2.94%
Shares(D)	331,459,341	331,459,341	0%
NAV per share(E=C/D)	5,178.76	5,026.37	-2.94%

### ※ Distribution payment (during the third quarter)

Date of Payment	Distribution Amount (KRW Million)	Balance after Payment (Shares)	NAV per share		Remarks
			Before Payment	After Payment	
14/08/2009	76,236	331,459,341	5,193.26	4,964.07	

## II Management performance and term performance

### 1. Overview

Established on 12 December 2002, MKIF is a leading private sector infrastructure investor in Korea under the PPI Act and managed by the Act. MKIF is mandated to invest in concession companies that construct or operate infrastructure assets through equity and debt. MKIF is focused on generating profits from its investments and distributing these profits to its shareholders. As of 30 September 2009 MKIF has committed to invest in 13 toll roads, a subway and a port with total investment commitment of KRW1,941.5 billion.

### 2. Management plan

MKIF is focusing on investments in loans to, and unlisted equity and equity-linked securities of, concession companies that operate infrastructure assets such as toll roads and other infrastructure under concessions from Korean central, provincial or city governments throughout the country. These infrastructure assets have been, or are being, constructed under the PPI Act and benefit from various forms of government support. Also, these assets offer opportunities to maximize MKIF's profit through capital restructuring initiatives.

### 3. Management performance

The table below sets out the historical NAV (including the distribution paid) for MKIF. As explained above and given that the majority of MKIF's assets are held at their acquisition cost, the net asset value is not representative of changes in the value of the MKIF portfolio.

#### A. Short-term performance

Type	3 Month	6 Month	9 Month	12 Month
MKIF	1.13	2.07	0.91	2.21
Comparative Index+	N/A			

+There is no comparable index available because MKIF is the only listed infrastructure fund in Korea with publicly available NAV data.

\* Performance quoted above is historical and does not guarantee future performance.

#### B. Long-term performance

Type	1 Year	2 Year	3 Year	5 Year
MKIF	2.21	5.46	5.22	5.29
Comparative Index+	N/A			

+There is no comparison index available because MKIF is the only listed infrastructure fund in Korea with publicly available NAV data.

\* Performance quoted above is historical and does not guarantee future performance.

### 4. Profit and Loss summary

MKIF is required under the Act to reflect any revaluation gain or loss as part of its P&L. The table below sets out the gains/losses incurred by MKIF in its P&L during the Quarter, in comparison with any gain or loss from the previous quarter.

Type	Equity	Loan	Certificates of Deposit	Short-term Facilities & Deposit	Other Asset +	Total Profit (Loss)
Q3 2009	0	37,509	131	1,807	41	39,488
Q2 2009	0	33,518	266	1,561	18	35,363

+ Other Assets: commitment fee income

### III Details of assets

#### 1. Asset portfolio

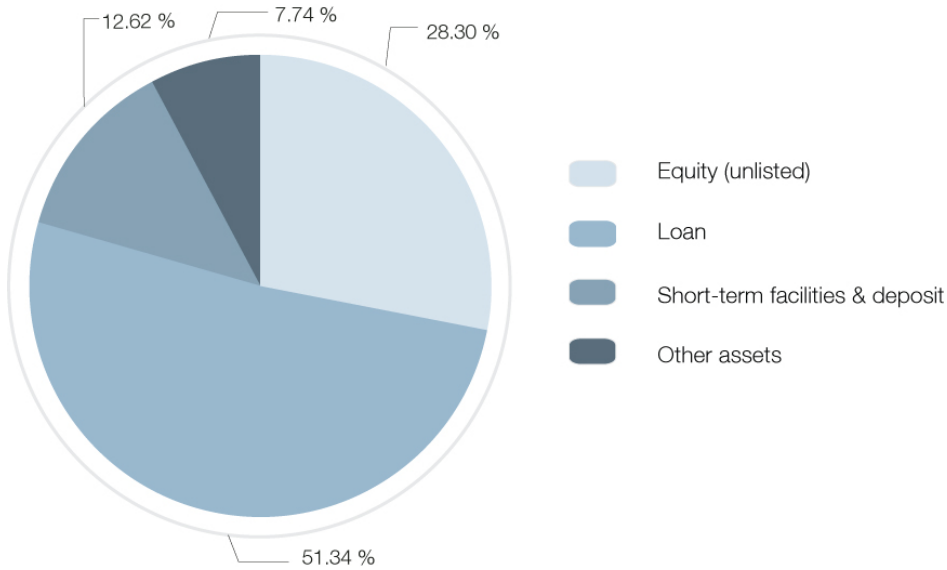
MKIF's investment portfolio consists of equity, loan and certificates of deposit, cash and deposits and other assets.

(Unit: KRW million, %)

Type	Equity (unlisted)	Loan+	Certificates of deposit	Short-term facilities & deposit	Other asset ^	Total Assets
KRW	607,985	1,103,086	0	271,213	166,398	2,148,682
Composition Ratio	28.30	51.34	0	12.62	7.74	100

+ Includes loans to concession companies

^ Other Assets: interest receivable, other receivables and prepayment



#### 2. Top ten invested assets

(Unit: %)

Rank	Type	Name	Acquisition Value +	Composition Ratio ^
1	Subordinated loan	Cheonan-Nonsan Expressway Co., Ltd.	182,250	8.48
2	Senior loan	Kwangju Beltway Investment Co., Ltd.	142,000	6.61
3	Equity (unlisted)	Cheonan-Nonsan Expressway Co., Ltd.	93,815	4.37
4	Subordinated loan	Seoul Chuncheon Highway Co., Ltd.	87,450	4.07
5	Subordinated loan	Busan New Container Terminal Co., Ltd.	85,726	3.99
6	Subordinated loan	Incheon Bridge Co., Ltd	81,335	3.79
7	Subordinated loan	Gyungso Highway Co., Ltd.	77,000	3.58
8	Senior loan	Kwangju Ring Road Co., Ltd.	73,355	3.41
9	Equity (unlisted)	Private Infrastructure Investment Korea	71,387	3.32
10	Senior loan	Soojungsan Investment Co., Ltd.	66,554	3.10

+ Under KGAAP and the Act, MKIF records the value of its equity investments in concession companies at their acquisition costs including transaction costs

^ Ratio refers to the contribution to total assets

### 3. MKIF's asset portfolio details

#### ① Equity securities (unlisted)

(Unit: Share, KRW million, %)

Name	No. of Shares	Percentage Interest	Acquisition Value (A)	Appraisal Value (B) <sup>+</sup>	Gain/Loss (B)-(A)	Composition Ratio <sup>^</sup>
Cheonan-Nonsan Expressway Co., Ltd.	17,550,000	60%	93,815	93,815	0	4.37
Private Infrastructure Investment Korea	13,166,425	100%	71,387	71,387	0	3.32
New Airport Hiway Co., Ltd.	10,594,360	24.1%	59,880	59,880	0	2.79
Gyungso Highway Co., Ltd.	11,550,000	35%	58,362	58,362	0	2.72
Korea Road Infrastructure Investment Co., Ltd.	5,610,000	85%	57,552	57,552	0	2.68
Seoul-Chuncheon Highway Co., Ltd.	9,714,000	15%	49,439	49,439	0	2.30
MCB Co., Ltd.	11,365,400	100%	48,464	48,464	0	2.26
Soojungsan Investment Co., Ltd.	1,114,880	100%	47,248	47,248	0	2.20
Seoul Metro Line 9 Co., Ltd.	8,197,309	24.5%	41,148	41,148	0	1.92
Busan New Container Terminal Co., Ltd.	6,712,440	30%	34,190	34,190	0	1.59
Kwangju Ring Road Co., Ltd.	5,775,000	75%	29,495	29,495	0	1.37
Kwangju Beltway Investment Co., Ltd.	2,610,000	100%	13,050	13,050	0	0.61
Woomyunsan Infraway Co., Ltd.	1,915,200	36%	2,724	2,724	0	0.13
Baekyang Tunnel Ltd.	100,000	100%	1,231	1,231	0	0.06

<sup>+</sup> Under KGAAP and the Act, MKIF records the value of its equity investments in concession companies at their acquisition costs including transaction costs

<sup>^</sup> Ratio refers to the contribution to total assets

#### ② Loans to concession companies (top five assets)

(Unit: KRW million, %)

Name	Acquisition Value	Interest Receivable <sup>+</sup>	Interest Rate	Issued Date	Maturity Date	Guarantee	Credit Rating	Composition Ratio <sup>^</sup>
Cheonan-Nonsan Expressway Co., Ltd. (Sub)	182,250	76,693	16.00	20/05/2005	20/05/2029	N/A	N/A	8.48
Kwangju Beltway Investment Co., Ltd. (Senior)	142,000	4,193	10.00	25/11/2004	30/09/2024	N/A	N/A	6.61
Seoul Chuncheon Highway Co., Ltd. (Sub)	87,450	2,036	11.59	02/11/2006	28/05/2031	N/A	N/A	4.07
Busan New Container Terminal Co., Ltd. (Sub)	85,726	1,497	10.00	25/02/2008	25/11/2032	N/A	N/A	3.99
Incheon Bridge Co., Ltd (Sub)	81,335	1,203	12.00	12/04/2006	18/07/2026	N/A	N/A	3.79

<sup>+</sup> These values are the accumulated interest receivable

<sup>^</sup> Ratio refers to the contribution to total assets.

#### ③ Certificates of deposit

Details are set out in the table below.

(Unit: KRW million, %)

Name	Face Value	Appraisal Value <sup>*</sup>	Interest Receivable	Interest Rate	Issue Date	Maturity Date	Credit Ratings <sup>+</sup>	Composition Ratio <sup>^</sup>
N/A								

<sup>\*</sup> The Act and KGAAP require MKIF to value the certificates of deposit based on a market value. The interest receivable was excluded

<sup>+</sup> Domestic credit-rating agencies' ratings

<sup>^</sup> Ratio refers to the contribution to total assets

#### ④ Short term facilities and deposit

MKIF has also invested a proportion of its cash reserves in MMDA and term deposits. A summary of the MMDA and term deposit set out in the table below.

(Unit: KRW million, %)

Name	Banks	Deposit amount <sup>+</sup>	Date of Deposit	Maturity Date	Interest Receivable	Composition Ratio <sup>^</sup>
N/A						

<sup>\*</sup> Deposit amount exceeding 5% of the Total Assets

<sup>+</sup> This value is the principal

<sup>^</sup> Ratio refers to the contribution to total assets

⑤ **Other assets**

The other assets are set out in the table below and consist of accrued income, fee receivables and pre-paid expense.

Type	Amount	(Unit: KRW million, %) Composition Ratio ^
Interest Receivable *	152,541	7.10

\* Other assets under the invested assets composition (ex: accrued dividends, accrued income etc), exceeding 5% of the total assets

^ Ratio refers to the contribution to total assets

**IV Registered asset managers\***

MSIAM is licensed under the Act to carry out asset management activities for MKIF. As part of its licensing requirements, MSIAM is required to employ at least two asset management professionals who meet certain qualifications. The following is the list of MSIAM's asset management professionals who are registered with KOFIA and meet these requirements.

Name (KOFIA registration number)	Date of fund management	Title (Birth year)	Management fund other than MKIF		Career
			Number of fund(s)	Total asset under management	
Johnno Kim (06-02323- 0004)	February 2006	Division Director (1962)	N/A	N/A	Mr Kim has over 22 years experience in asset management and his previous experience includes: <ul style="list-style-type: none"> <li>- Connell Wagner Group (consulting on major road projects)</li> <li>- Mott Macdonald Group (Project Engineer in UK)</li> <li>- BHP Engineering (Industrial &amp; Commercial Development – Project Manager)</li> <li>- Egis Consulting/GHD (PF &amp; Toll Road Management Consulting company)</li> </ul>
Jong Hyuk Park (08-02323- 0005)	January 2008	Associate Director (1967)	N/A	N/A	Mr Park has over 15 years experience with Kookmin Bank, including 10 years with Investment Banking Division and his previous experience includes: <ul style="list-style-type: none"> <li>- Kookmin Bank (Project Manager for 3 port projects, 7 toll road projects and 2 property projects)</li> <li>- Worked as a member of advisory panel to PIMAC</li> </ul>
Beom Shick Won (06-02323- 0001)	February 2006	Associate Director (1967)	N/A	N/A	Mr Won has over 15 years experience in asset management and his previous experience includes: <ul style="list-style-type: none"> <li>- Doosan Construction Co (PF management for Daejun-Chunbyun Expressway) /</li> <li>- Management of O&amp;M (operations and maintenance) company, Sub-Contracting Management</li> </ul>
Jung-Suk Lee (06-02323- 0003)	February 2006	Senior Manager (1973)	N/A	N/A	Mr Lee has over 14 years experience in construction and asset management and his previous experience includes: <ul style="list-style-type: none"> <li>- Parsons, Brinckerhoff, Quade &amp; Douglas Co., Ltd (Design/Construction)</li> <li>- Parsons, Brinckerhoff Asia Co., Ltd (Contract Management, Due diligence, Supervision)</li> </ul>

\* All of the four registered asset managers work exclusively for MSIAM, the manager of MKIF which has investment commitment of KRW 1.94 trillion and no other fund. According to the Articles of Incorporation of MKIF, MKIF is allowed to pay the performance fee to MSIAM, the asset manager of MKIF.

## V Cost summary

### 1. Fees to third party service providers

The table below sets out fees paid by MKIF to its service providers.

(Unit: KRW million, %)

	Type	Q2 2009		Q3 2009		Remarks
		Amount	Ratio <sup>+</sup>	Amount	Ratio <sup>+</sup>	
MKIF	Management fee	5,735	0.338	5,973	0.358	
	Sales Agent fee	0	0	0	0	
	Custodian fee	85	0.005	84	0.005	
	Administrator fee	74	0.004	73	0.004	
	Total	5,894	0.347	6,130	0.367	

+Ratio refers to fees as a proportion of Net Asset Value

### 2. Fees and expenses

(Unit: Annualised, %)

Type	Relevant Collective Investment Vehicle	
	Total Expense Ratio <sup>*</sup>	Commission Ratio
MKIF	Q2 2009	1.7261
	Q3 2009	1.7714

\* Total Expense Ratio refers to a ratio calculated by dividing the total management fee and other expenses borne by the collective investment vehicle by annual average balance of the fund (before deducting the fees and expenses) and represents the total fees and expenses borne by the investor during the management period

## VI Equity transactions and loan facility injections

### 1. Equity transactions

During the Quarter, MKIF acquired equity securities in concession companies or holding companies (which hold an interest in an underlying concession company). These acquisitions represented new investments for existing investments (in accordance with the schedule in the relevant shareholders agreement) and are summarised in the table below. During the Quarter, MKIF did not dispose of any equity interests in the concession companies in which it has invested.

(Unit: Shares, KRW million, %)

Name	Buy		Sell		Turnover Ratio <sup>+</sup>
	Shares	Amount	Shares	Amount	
Private Infrastructure Investment Korea	440,000	2,200	0	0	N/A
Busan New Container Terminal Co., Ltd.	345,960	1,730	0	0	N/A
Gyungso Highway Co., Ltd.	700,000	3,500	0	0	N/A
Total	1,485,960	7,430	0	0	N/A

+ The Turnover Ratio shows the rapid pace of the business market. During the application period, like when stocks are sold, the average of retained stocks is calculated. During the relevant application period, the average stock investment plan is 10 trillion won. In the case that the stock redemption amount and the 10 trillion won are equal, the buy and sell turnover rate is 100%

### 2. Loan sales

(Unit KRW million)

Name	Type	Date	Amount
	N/A		

### 3. Loan injections

(Unit KRW million)

Name	Type	Date	Amount
Incheon Bridge Co., Ltd.	Subordinated Loan Injection	17/08/2009	2,661
Gyungso Highway Co., Ltd.	Subordinated Loan Injection	30/09/2009	4,600
Kyunggi Highway Co., Ltd.	Subordinated Loan Injection	24/07/2009	9,800
Busan New Container Terminal Co., Ltd.	Subordinated Loan Injection	27/07/2009	2,384
Busan New Container Terminal Co., Ltd.	Subordinated Loan Injection	29/09/2009	3,012
Total			22,457

#### 4. Debt facility amounts

(Unit KRW million)

Name	Limit of the Facility	Debt facility amounts		
		Accumulative to Q2 2009	Movements in Q3 2009	Accumulative to Q3 2009
Shinhan Bank	140,000	121,424	(8,433)	112,991
National Agricultural Cooperative Federation (NACF)	140,000	121,424	(8,433)	112,991
Woori Bank	110,000	95,405	(6,627)	88,778
Samsung Life Insurance	110,000	95,405	(6,627)	88,778
Total	500,000	433,658	(30,120)	403,538

#### 5. Trading amount and brokerage

##### - Stock

(Unit: KRW million)

Classification	09-07-01 ~ 09-07-31			09-08-01 ~ 09-08-31			09-09-01 ~ 09-09-30		
	Trading amount (Ratio)	Fee		Trading amount (Ratio)	Fee		Trading amount (Ratio)	Fee	
		Amount (Ratio)	% Fee		Amount (Ratio)	% Fee		Amount (Ratio)	% Fee
N/A									

##### - Others

(Unit: KRW million)

Classification	09-07-01 ~ 09-07-31			09-08-01 ~ 09-08-31			09-09-01 ~ 09-09-30		
	Trading amount (Ratio)	Fee		Trading amount (Ratio)	Fee		Trading amount (Ratio)	Fee	
		Amount (Ratio)	% Fee		Amount (Ratio)	% Fee		Amount (Ratio)	% Fee
N/A									

##### - Derivatives

(Unit: KRW million)

Classification	09-07-01 ~ 09-07-31			09-08-01 ~ 09-08-31			09-09-01 ~ 09-09-30		
	Trading amount (Ratio)	Fee		Trading amount (Ratio)	Fee		Trading amount (Ratio)	Fee	
		Amount (Ratio)	% Fee		Amount (Ratio)	% Fee		Amount (Ratio)	% Fee
N/A									

## VII Related party transactions and transaction of shares issued by affiliated companies

### 1. Related party transactions

Under the Act, MKIF is required to report to the Financial Services Commission (FSC) transactions with related party. During the Quarter the transaction with the related party has not incurred.

(Unit: KRW million)

Name	Related Party		Trading date	Type of trade	Type of asset	Amount	Remarks
	Name	Party Affiliations					
N/A							

### 2. Ownership of shares issued by affiliated companies

Relevant collective investment vehicle

(Unit: share, KRW million, %)

Name	Shares	Amount (Appraisal value)	Ratio
N/A			

Total collective investment vehicle

(Unit: share, KRW million, %)

Type of asset	Shares	Amount (Appraisal value)	Ratio
N/A			

### 3. Transaction of shares issued by affiliated companies

(Unit: KRW million)

Type of trade	Type of asset	Name	transaction method (counterparty)	transaction volume	amount	date
N/A						

### 4. Loan transaction of shares issued by affiliated companies

(Unit: KRW million)

Name	Type	counterparty	amount	terms	date
N/A					

## VIII Details of voting rights exercised on stockholdings

MKIF is not required to report its voting execution as a shareholder in concession companies as the relevant provision (Article 87) of the Act does not apply to MKIF by virtue of Article 44 of the PPI Act.

## IX Notice

Under the Financial Investment Service and Capital Market Act (the "Act") MSIAM shall prepare this report and upload it on the web site of MKIF and KOFIA after confirmation from the Custodian (KSFC).

For more information on the website:

MKIF [www.macquarie.com/mkif](http://www.macquarie.com/mkif)

KOFIA <http://dis.fundservice.net>

## APPENDIX I. MKIF BOARD OF DIRECTORS

### Supervisory directors

Name	Career
Dae Yun Cho	<p><i>Appointed as MKIF Supervisory Director in March 2007 (Initially appointed in December 2002)</i></p> <ul style="list-style-type: none"> <li>– Practicing law at the law offices of Kim &amp; Chang in Seoul since 1979 (Senior Partner)</li> <li>– Acted as a consultant for various Korean Ministries, including the Ministry of Strategy and Finance and the Ministry of Knowledge Economy</li> <li>– Former senior adviser to the Korea International Trade Law Association, the arbitrator of the Korean Commercial Arbitration Board</li> <li>– Panel member of the WTO's Subsidies and Countervailing Duties Committee</li> <li>– President of the International Association Korean Lawyer</li> </ul>
Kyung Soon Song	<p><i>Appointed as MKIF Supervisory Director in March 2008 (Initially appointed in March 2005)</i></p> <ul style="list-style-type: none"> <li>– Founding Representative Director of Korea Expert Consulting Group (KECG)</li> <li>– Visiting Professor at the Graduate School of International Studies of Seoul National University since 2003</li> <li>– Former senior staff member of World Bank</li> <li>– Former Chief Operating Officer of Nomura Project Finance International Limited</li> </ul>
Tae Hee Yoon	<p><i>Appointed as MKIF Supervisory Director in March 2008 (Initially appointed in September 2004)</i></p> <ul style="list-style-type: none"> <li>– Chairman, Lutronic Corporation Inc, Korea</li> <li>– Former Vice-Chairman, Financial Advisory Services, PricewaterhouseCoopers</li> <li>– Former Chairman of Arirang International TV</li> <li>– Founding chairman of Korea Economic Intelligence, New York Wall Street</li> </ul>

### Corporate director – MSIAM

Name	Career
Chul Hum Paik	<p><i>Appointed as MSIAM Representative Director in December 2006</i></p> <ul style="list-style-type: none"> <li>– Representative Director of Macquarie Shinhan Infrastructure Asset Management Co., Ltd.</li> <li>– Joined Shinhan Bank in 1993, with responsibilities for international banking and investment banking division</li> <li>– Headed the Financial Products division of Shinhan Macquarie Financial Advisory from 2001 to 2006</li> </ul>
Nick van Gelder	<p><i>Reappointed as MSIAM Director in December 2008 (initially appointed in December 2005)</i></p> <ul style="list-style-type: none"> <li>– Head of Macquarie Capital Funds in Asia</li> <li>– Former Representative Director of Macquarie Shinhan Infrastructure Asset Management Co., Ltd. from 2002 to 2006</li> <li>– Joined Macquarie Group in 1997 with responsibilities for infrastructure and real estate investment</li> <li>– Worked over 10 years in financial advisory and investment management prior to joining Macquarie Group</li> </ul>
Jason Pak	<p><i>Reappointed as MSIAM Director in November 2008 (initially appointed in June 2008)</i></p> <ul style="list-style-type: none"> <li>– Chief Operating Officer of Macquarie Shinhan Infrastructure Asset Management Co., Ltd.</li> <li>– Joined Macquarie Group in 2002 and spent 4 years on the equity capital market and M&amp;A advisory side with Macquarie Securities</li> <li>– Worked over 5 years in the Corporate Finance division of KPMG, in Seoul and London on the M&amp;A advisory side</li> </ul>
Young Sup Hwang	<p><i>Appointed as MSIAM Director in March 2009</i></p> <ul style="list-style-type: none"> <li>– Vice President of Shinhan Capital</li> <li>– Joined Shinhan Capital in 1991 and worked in the investment management division</li> <li>– Became the head of investment Banking Division at Shinhan Capital in 2006</li> </ul>
Chang Soo Oh	<p><i>Reappointed as MSIAM Director in November 2008 (initially appointed in November 2007)</i></p> <ul style="list-style-type: none"> <li>– Head of Project Financing Team in Investment Banking Group of Shinhan Bank</li> <li>– Joined Shinhan Bank in 1981 with responsibilities for various transactions and investment banking division</li> </ul>

## APPENDIX II. SUMMARY OF FINANCIAL STATMENTS

### Balance sheets

As of 30 September 2009,  
30 June 2009 and  
30 September 2008

(Unit: KRW million)

	30 September 2009	30 June 2009	30 September 2008
<b>Assets</b>			
<b>I . Invested assets</b>	<b>1,982,284</b>	<b>2,015,883</b>	<b>1,871,433</b>
Cash & deposits	271,213	332,888	167,964
Loans receivable	1,103,086	1,082,440	1,107,648
Equity securities	607,985	600,555	595,821
<b>II . Others</b>	<b>166,398</b>	<b>152,677</b>	<b>151,755</b>
Interest receivables	152,541	138,624	140,599
Other receivables	3,219	3,308	2,424
Deferred costs, net	10,638	10,745	8,732
<b>Total assets</b>	<b>2,148,682</b>	<b>2,168,560</b>	<b>2,023,188</b>
<b>Liabilities</b>			
Payables	3	9,599	9,596
Management fee payable	5,973	5,735	6,935
Other liabilities	73,129	3,019	2,553
Long-term debt	403,538	433,658	291,615
<b>Total liabilities</b>	<b>482,643</b>	<b>452,011</b>	<b>310,699</b>
<b>Shareholders' equity</b>			
<b>I . Share capital</b>	<b>1,670,986</b>	<b>1,670,986</b>	<b>1,631,531</b>
<b>II . Retained earnings</b>	<b>(4,947)</b>	<b>45,563</b>	<b>80,958</b>
<b>Total shareholders' equity</b>	<b>1,666,039</b>	<b>1,716,549</b>	<b>1,712,489</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,148,682</b>	<b>2,168,560</b>	<b>2,023,188</b>

## Statements of income

For the Quarter Ended 30 September 2009 and 30 June 2009 and 31 March 2009  
The nine months ended 30 September 2009

(Unit: KRW million)

	Quarter Ended 30 Sep. 2009	Quarter Ended 30 June 2009	Quarter Ended 31 March 2009	Nine months Ended 30 Sep. 2009
<b>I . Revenue</b>	<b>39,489</b>	<b>35,363</b>	<b>40,867</b>	<b>115,719</b>
1. Interest income	39,688	39,344	40,534	119,566
2. Arrangement fees	-	-	144	144
3. Gain (loss) on valuation of debt securities	(240)	(424)	134	(530)
4. Gain (loss) on sale of loans receivable	-	(3,575)	-	(3,575)
5. Other income	41	18	55	114
<b>II . Expenses</b>	<b>13,763</b>	<b>14,349</b>	<b>11,746</b>	<b>39,858</b>
1. Management fees	5,973	5,735	5,859	17,567
2. Custodian fees	84	85	84	253
3. Administrator fees	74	74	73	221
4. Interest expense	5,741	6,754	4,512	17,007
5. Other expenses	1,891	1,701	1,218	4,810
<b>III . Net income</b>	<b>25,726</b>	<b>21,014</b>	<b>29,121</b>	<b>75,861</b>

## CORPORATE DIRECTORY

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