



MACQUARIE KOREA INFRASTRUCTURE FUND
2008 4th QUARTER ASSET MANAGEMENT REPORT



Name : Macquarie Korea Infrastructure Fund (MKIF)

Period : Quarter 4 (1 October 2008 - 31 December 2008)

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

Fund code: 35801

Important notice

Under the Indirect Investment Asset Management Business 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.

CONTENTS

I. GENERAL REPORT	4
1. Net Asset Value	4
2. Management Performance	5
3. Asset Portfolio	5
II. DETAILS OF REPORT	6
1. Overview	6
2. MKIF's Asset Portfolio details	7
3. Equity Transactions and Loan Facility Injections	9
4. Asset Management Overview & Profit/Loss Summary	10
5. Registered Asset Managers.....	11
6. Trading amount and Brokerage.....	12
7. Related Party Transactions.....	12
8. Details of Voting Rights Exercised on Stockholdings	12
9. Distribution Payment	12
10. Notice.....	12
APPENDIX I. MKIF BOARD OF DIRECTORS	13
APPENDIX II. SUMMARY OF FINANCIAL STATEMENTS	14

I. GENERAL REPORT

1. Net Asset Value

- Under the Indirect Investment Asset Management Business Act (**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 as the sum of the asset value of each asset in MKIF's portfolio. MKIF's assets include its equity and debt investments in concession companies, other investment securities, cash and deposits. The composition of MKIF's asset portfolio is described further below. The net asset value per share of MKIF is calculated by dividing total net asset value by the number of shares on issue.
- For its equity and loan investments in concession companies as allowed under the Act and Korean general accounting principles (KGAAP), MKIF has adopted a valuation policy where all investments are held at their original cost. The Act and KGAAP require that MKIF's short term certificates of deposit held by it are revalued on a quarterly basis.
- Accordingly, the total net asset value of MKIF and, as a result, the NAV per share does not reflect any revaluation of MKIF's assets (with the exception of its short term certificates of deposit), nor does it reflect the value of future income from these assets, as may be judged by the market or an independent purchaser.
- As a result, it is not anticipated that the MKIF NAV per share will vary greatly from quarter to quarter and, as a consequence, MKIF's NAV per share does not accurately reflect changes in the underlying value of MKIF's equity and debt investments in concession companies.
- 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.

	Q3 2008	Q4 2008	(Unit: KRW, Share) % Change
Total Assets(A)	2,023,188,296,915	2,099,831,650,358	3.79%
Total Liabilities(B)	310,698,951,680	359,003,898,329	15.55%
Net Assets(C=A-B)	1,712,489,345,235	1,740,827,752,029	1.65%
Shares(D)	323,490,204	323,490,204	0%
NAV per share(E=C/D)	5,293.79	5,381.39	1.65%

2. 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 original cost, the net asset value is not representative of changes in the value of the MKIF portfolio. The historical NAV per share in each historical period is compared with the NAV per share of MKIF determined.

A. Short-term performance

	(Unit: %)				
	1 Month	3 Month	6 Month	9 Month	1 Year
MKIF	0.46	1.28	2.56	3.73	8.96
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.

B. Long-term performance

	(Unit: %)			
	1 Year	2 Year	3 Year	4 Year
MKIF	8.96	6.53	5.82	6.19
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.

3. Asset Portfolio

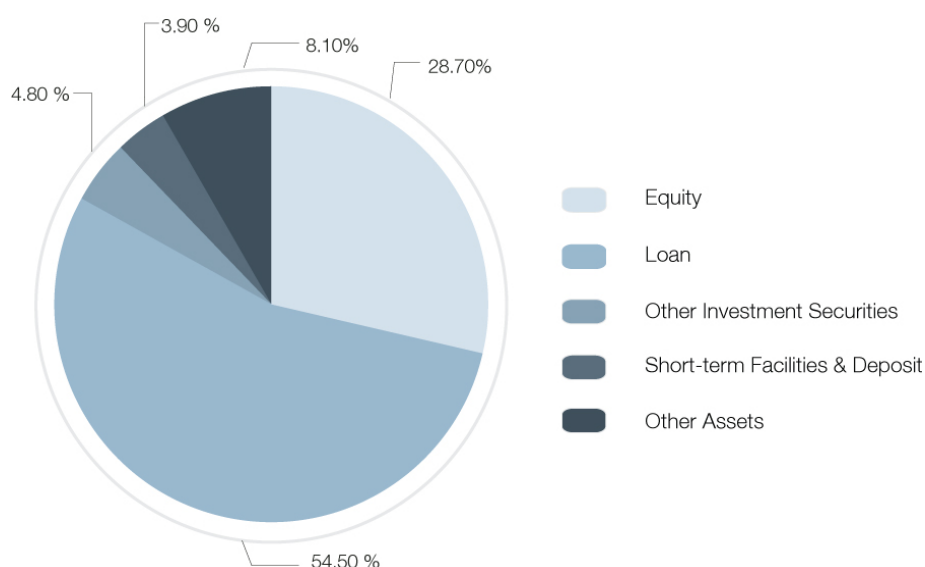
MKIF's investment portfolio as of 31 December 2008 consists of equity, loan and other investment securities (in the form of certificates of deposit), cash and deposits and other assets.

Type	Investment Securities			Derivatives		Real Estate	Goods	Special Asset		Short-term Facilities & deposit	Other Assets ^	Total Assets
	Equity	Loan+	Others*	Market	OTC			Indirect Investment Securities	Others			
KRW	602,553	1,144,656	100,530	0	0	0	0	0	0	81,882	170,211	2,099,832
Composition Ratio	28.70	54.50	4.80	0	0	0	0	0	0	3.90	8.10	100

+ Includes loans to concession companies.

* Certificates of Deposit.

^ Other Assets: interest receivable, other receivables and prepayment.



II. DETAILS OF REPORT

1. Overview

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 2008
Asset Manager	Macquarie Shinhan Infrastructure Asset Management Co., Ltd. (MSIAM)
Sales Agents	Goodmorning Shinhan Securities Co., Ltd., 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
Fund Administrator	Korea Exchange Bank Investor Service Co., Ltd.
Board of Directors +	Corporate Director: Macquarie Shinhan Infrastructure Asset Management Co., Ltd. Supervisory Directors: Dae Yun Cho, Kyung Soon Song, Tae Hee Yoon
Key Staff of MSIAM +	Chul Hum Paik (CEO) Jason Pak (COO) Johnno Kim (Asset Management) Jong Hyuk Park (Asset Acquisition) Kwangseob Jung (Finance) Jinwook Park (Compliance)
MKIF Profile	<p>MKIF is a leading private sector infrastructure investor in Korea and has 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 Asset Management Association of Korea

+ See Section 5 Registered Asset Managers and Appendix I Board of Directors for more information

2. MKIF's Asset Portfolio details

– Equity Investments

Equity securities as of 31 December 2008 are summarised as follows;

(Unit: Share, KRW million, %)						
Name	No. of Shares	Percentage Interest	Acquisition Value (A)	Appraisal Value (B) +	Gain/ Loss (B)-(A)	Composition Ratio ^
Kwangju Beltway Investment Co., Ltd.	2,610,000	100%	13,050	13,050	0	0.62
Woomyunsan Infraway Co., Ltd.	3,830,400	36%	21,876	21,876	0	1.04
New Airport Hiway Co., Ltd.	10,594,360	24.1%	59,880	59,880	0	2.85
Baekyang Tunnel Ltd.	100,000	100%	1,231	1,231	0	0.06
MCB Co., Ltd.	11,365,400	100%	48,464	48,464	0	2.31
Kwangju Ring Road Co., Ltd.	5,775,000	75%	29,495	29,495	0	1.41
Soojungsan Investment Co., Ltd.	1,114,880	100%	47,248	47,248	0	2.25
Cheonan-Nonsan Expressway Co., Ltd.	17,550,000	60%	93,815	93,815	0	4.47
Private Infrastructure Investment Korea	10,298,425	100%	57,047	57,047	0	2.72
Korea Road Infrastructure Investment Co., Ltd.	5,610,000	85%	57,552	57,552	0	2.74
Seoul-Chuncheon Highway Co., Ltd.	9,714,000	15%	49,439	49,439	0	2.35
Busan New Container Terminal Co., Ltd.	5,363,760	30%	27,447	27,447	0	1.31
Gyungso Highway Co., Ltd.	10,850,000	35%	54,862	54,862	0	2.61
BYT Securitization Specialty Co., Ltd.	5	0.5%	0	0	0	0.00
Seoul Metro Line 9 Co., Ltd.	8,197,309	24.5%	41,147	41,147	0	1.96
Total	102,973,539		602,553	602,553	0	28.70

+ Under KGAAP and in accordance with the Act, MKIF records the value of its equity investments in concession companies at their acquisition cost.

^ Ratio refers to the contribution to Total Assets represented by Appraisal Value.

– Loans to Concession Companies

Loan receivable as of 31 December 2008 are summarised as follows;

(Unit: KRW million, %)									
Name	Acquisition Value	Interest Receivable +	Interest Rate	Issued Date	Maturity Date	Guarantee	Credit Rating	Composition Ratio ^	
Kwangju Beltway Investment Co., Ltd. (Senior)	142,000	3,488	10.00	25/11/2004	30/09/2024	N/A	N/A	6.76	
Kwangju Beltway Investment Co., Ltd. (Sub)	31,950	40,918	20.00	21/03/2003	30/09/2026	N/A	N/A	1.52	
Kwangju Beltway Investment Co., Ltd. (Working capital)	3,261	1,458	15.00	19/12/2003	31/12/2027	N/A	N/A	0.15	
New Airport Highway Co., Ltd. (Sub)	51,670	1,240	13.90	30/01/2004	30/01/2017	N/A	N/A	2.46	
Baekyang Tunnel Ltd. (Senior)	1,707	181	15.00	10/03/2004	10/03/2024	N/A	N/A	0.08	
MCB Co., Ltd. (Sub)	61,267	6,651	20.00	01/06/2004	01/06/2029	N/A	N/A	2.92	
Kwangju Ring Road Co., Ltd. (Senior)	73,355	378	7.85	08/12/2004	08/12/2019	N/A	N/A	3.49	
Soojungsan Investment Co., Ltd. (Senior)	70,151	735	8.50	23/03/2005	16/11/2018	N/A	N/A	3.34	
Soojungsan Investment Co., Ltd. (Sub)	19,261	475	20.00	16/02/2005	16/05/2017	N/A	N/A	0.92	
Cheonan-Nonsan Expressway Co., Ltd. (Sub)	182,250	88,730	8.00	20/05/2005	20/05/2029	N/A	N/A	8.68	
Daegu East Circulation Road Co., Ltd. (Sub)	32,045	254	17.00	14/03/2006	15/09/2024	N/A	N/A	1.53	
Incheon Bridge Co., Ltd (Senior)	113,063	1,115	8.00	12/04/2006	18/07/2024	N/A	N/A	5.38	
Incheon Bridge Co., Ltd (Sub)	63,789	944	12.00	12/04/2006	18/07/2026	N/A	N/A	3.04	
Seoul Chuncheon Highway Co., Ltd. (Sub)	87,450	1,718	11.00	02/11/2006	28/05/2031	N/A	N/A	4.16	
Gyungso Highway Co., Ltd. (Sub)	72,400	980	13.00	22/02/2007	22/05/2034	N/A	N/A	3.45	
Kyunggi Highway Co.,Ltd. (Sub)	45,555	731	9.00	24/04/2007	29/10/2029	N/A	N/A	2.17	
Seoul Metro Line 9 Co., Ltd. (Sub)	33,460	619	15.00	25/01/2008	17/08/2035	N/A	N/A	1.59	
Busan New Container Terminal Co., Ltd. (Sub)	60,022	964	10.00	25/02/2008	25/11/2032	N/A	N/A	2.86	
Total	1,144,656	151,579						54.50	

+ These values are the accumulated interest.

^ Ratio refers to the contribution to Total Assets represented by Acquisition Value.

– Other Investment Securities

MKIF has invested a proportion of its cash reserves in certificates of deposit (CD). Details of CD as of 31 December 2008 are set out in the table below.
(Unit: KRW million, %)

Name	Face Value	Appraisal Value *	Interest Receivable	Interest Rate	Issued Date	Maturity Date	Credit Ratings+	Composition Ratio ^
CD (Nonghyup)	10,000	10,030	714	7.18	04/01/2008	04/02/2009	A1	0.48
CD (Nonghyup)	10,000	10,030	714	7.18	04/01/2008	04/02/2009	A1	0.48
CD (Nonghyup)	10,000	10,029	714	7.18	04/01/2008	04/02/2009	A1	0.48
CD (Woori)	10,000	10,023	521	5.90	14/02/2008	13/02/2009	A1	0.48
CD (Woori)	10,000	10,023	520	5.90	14/02/2008	13/02/2009	A1	0.48
CD (Woori)	10,000	10,023	520	5.90	14/02/2008	13/02/2009	A1	0.48
CD (Woori)	10,000	10,093	256	6.92	19/08/2008	19/08/2009	A1	0.48
CD (Woori)	10,000	10,093	256	6.92	19/08/2008	19/08/2009	A1	0.48
CD (Kookmin)	10,000	10,093	256	6.92	19/08/2008	19/08/2009	A1	0.48
CD (Kookmin)	10,000	10,093	256	6.92	19/08/2008	19/08/2009	A1	0.48
Total	100,000	100,530	4,727					4.80

* The Act and KGAAP require MKIF to value these certificates of deposit based on a market value. The interest receivable was excluded.

+ Domestic credit-rating agencies' ratings.

^ Ratio refers to the contribution to Total Assets represented by Appraisal Value.

– Short term Deposits

MKIF has also invested a proportion of its cash reserves in term deposits. A summary of the term deposit investments as of 31 December 2008 is set out in the table below.

Name	Banks	Deposit amount +	Date of Deposit	Maturity Date	Interest Receivable	Composition Ratio ^
MMDA	SC First Bank	21,484	18/09/2006	N/A	32	1.02
MMDA	SC First Bank	398	17/05/2007	N/A	4	0.02
Term Deposit	Kookmin Bank	10,000	04/01/2008	04/02/2009	712	0.47
Term Deposit	Kookmin Bank	10,000	04/01/2008	04/02/2009	712	0.47
Term Deposit	Kookmin Bank	10,000	04/01/2008	04/02/2009	712	0.48
Term Deposit	Kookmin Bank	10,000	04/01/2008	04/02/2009	712	0.48
Term Deposit	Kookmin Bank	10,000	04/01/2008	04/02/2009	712	0.48
Term Deposit	Shinhan Bank	10,000	31/10/2008	30/04/2009	129	0.48
Total		81,882			3,725	3.90

+ This value is the principal.

^ Ratio refers to the contribution to Total Assets represented by Deposit amount.

– Other Assets

The Other Assets as of 31 December 2008 are set out in the table below and consist of accrued income, fee receivables and pre-paid expense.

Type	Amount	Composition Ratio ^
Interest Receivable	160,031	7.62
Other Receivable+	2,427	0.11
Prepaid expense	7,615	0.36
Prepayment	138	0.01
Total	170,211	8.10

^ Ratio refers to the contribution to Total Assets.

+ Other Receivable mainly represents BYTL related fee receivable in relation to loans.

3. Equity Transactions and Loan Injections

– 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 any equity interests in the concession companies in which it has invested.

(Unit: Shares, KRW million, %)

Name	Buy		Sell		Turnover Ratio
	Shares	Amount	Shares	Amount	
Private Infrastructure Investment Korea	614,000	3,070	0	0	N/A
Busan New Container Terminal Co., Ltd.	732,540	3,663	0	0	N/A
Total	1,346,540	6,733	0	0	N/A

– Loan Injections

Loan investments were made to the concession companies or holding company for the Quarter as follows;

(Unit KRW million)

Name	Type	Date	Amount
Incheon Bridge Co., Ltd.	Senior Loan Injection	17/11/2008	3,643
Incheon Bridge Co., Ltd.	Subordinated Loan Injection	17/11/2008	3,599
Kyunggi Highway Co.,Ltd	Subordinated Loan Injection	24/10/2008	9,300
Kyunggi Highway Co.,Ltd	Subordinated Loan Injection	01/12/2008	4,700
Busan New Container Terminal Co., Ltd.	Subordinated Loan Injection	24/10/2008	4,872
Busan New Container Terminal Co., Ltd.	Subordinated Loan Injection	24/11/2008	6,331
Busan New Container Terminal Co., Ltd.	Subordinated Loan Injection	24/12/2008	4,559
Total			37,004

– Loan-term debts

Long-term debts as of 30 September and 31 December 2008 and additional debts drawn down for the Quarter are as follows;

(Unit KRW million)

Name	Limit of the Facility	Balance	Increase	Balance
		Q3 2008	Q4 2008	Q4 2008
Shinhan Bank	140,000	81,652	13,694.5	95,346.5
National Agricultural Cooperative Federation (NACF)	140,000	81,652	13,694.5	95,346.5
Woori Bank	110,000	64,155.5	10,759.5	74,915
Samsung Life Insurance	110,000	64,155.5	10,759.5	74,915
Total	500,000	291,615	48,908	340,523

4. Asset Management Overview & Profit/Loss Summary

– Asset Management Overview

The Profit & Loss statements (P&L) and Balance Sheets for the Quarter are attached in Appendix II. In accordance with the Act, MKIF has valued its investments in certificates of deposit based on a market value, assessed as at December 31 2008.

– Profit / 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.

(Unit: KRW million, %)

Type	Investment Securities			Derivatives		Real Estate	Goods	Special Asset		Short-term Facilities & deposit	Other Asset ⁺	Total Profit (Loss) [^]
	Equity	Loan	Others**	Market	OTC			Indirect Investment Securities	Others			
Q4 2008	0	37,586	2,188	0	0	0	0	0	0	1,197	64	41,035
Q3 2008	0	36,219	1,076	0	0	0	0	0	0	1,871	71	39,237

** Certificates of Deposit

+ Other Assets: commitment fee income

[^] Represents total revenue for the quarter

– Fees to Third Party Service Providers

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

(Unit: KRW million, %)

Type	Q3 2008		Q4 2008		Remarks
	Amount	Ratio ⁺	Amount	Ratio ⁺	
Management fee	6,935	0.40	5,975	0.34	
Performance fee to the manager	0	0	0	0	
Sales Agent fee	0	0	0	0	
Custodian fee	86	0.01	87	0.01	
Administrator fee	76	0	76	0	
Total	7,097	0.41	6,138	0.35	

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

– Fee / Expense

The table below sets out the ratio of total ordinary expenses incurred by MKIF in the Quarter, divided by the average NAV during the Quarter. Total ordinary expenses do not include any performance fees nor fees and expenses related to MKIF's debt facility.

(Unit: %)

Type	Q3 2008	Q4 2008
Total expense ratio	1.72	1.69
Commission ratio	0	0

5. 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 three asset management professionals who meet certain qualifications. The following is the list of MSIAM's asset management professionals who have been registered to the Asset Management Association of Korea (AMAK).

Name (AMAK Registration Number)	Age	Position	Operation Status		Career
			Number of Fund(s)	Size	
Johnno Kim (06-02323-0004)	1962	Head of Asset Management	N/A	N/A	Mr Kim has over 23 years experience in asset management and his previous experience includes: <ul style="list-style-type: none"> - Connell Wagner Group (consulting on major road projects) - Mott Macdonald Group (Project Engineer in UK) - BHP Engineering (Industrial & Commercial Development – Project Manager) - Egis Consulting/GHD (PF & Toll Road Management Consulting Company) - Managing MKIF since August 2004
Jong Hyuk Park (08-02323-0005)	1967	Head of Asset Acquisition	N/A	N/A	Mr Park has over 16 years experience with Kookmin Bank, including 10 years with Investment Banking Division. <ul style="list-style-type: none"> - Kookmin Bank (Project Manager for 3 port projects, 7 toll road projects and 2 property projects) - Worked as a member of advisory of PIMAC
Beom Shick Won (06-02323-0001)	1967	Associate Director	N/A	N/A	Mr Won has over 16 years experience in asset management and his previous experience includes: <ul style="list-style-type: none"> - Doosan Construction Co (PF management for Daejun-Chunbyun Expressway) / Management of O&M (operations and maintenance) company, Sub-Contracting Management - Managing MKIF since January 2005
Jung-Suk Lee (06-02323-0003)	1973	Senior Manager	N/A	N/A	Mr Lee has over 15 years experience in construction and asset management and his previous experience includes: <ul style="list-style-type: none"> - Parsons, Brinckerhoff, Quade & Douglas Co., Ltd (Design/Construction) - Parsons, Brinckerhoff Asia Co., Ltd (Contract Management, Due diligence, Supervision) - Managing MKIF since December 2004

6. Trading amount and Brokerage

Stock trading

(Unit: KRW million)

Classification	08-10-01 ~ 08-10-31			08-11-01 ~ 08-11-30			08-12-01 ~ 08-12-31		
	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	08-10-01 ~ 08-10-31			08-11-01 ~ 08-11-30			08-12-01 ~ 08-12-31		
	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	08-10-01 ~ 08-10-31			08-11-01 ~ 08-11-30			08-12-01 ~ 08-12-31		
	Trading amount (Ratio)	Fee		Trading amount (Ratio)	Fee		Trading amount (Ratio)	Fee	
		Amount (Ratio)	% Fee		Amount (Ratio)	% Fee		Amount (Ratio)	% Fee
N/A									

7. Related Party Transactions

Under the Act, MKIF is required to report to the Financial Supervisory Commission (FSC) transactions with related parties within the meaning of the Act that relate the investment and management activities of MKIF and MSIAM. During the Quarter the transaction has not incurred.

(Unit: KRW million)

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

8. Details of Voting Rights Exercised on Stockholdings

MKIF is not required to report its voting decisions as a shareholder in concession companies as the relevant provision (Article 94) of the Act does not apply to MKIF by virtue of Article 44 of the PPI Act.

9. Distribution Payment

Date of Payment	Distribution Amount (KRW Million)	Balance after Payment (Shares)	NAV per share		Remarks
			Before Payment	After Payment	
N/A					

10. Notice

For more detailed information on the investing activities of MKIF, please refer to the Investor Centre on MKIF's website. (www.macquarie.com/mkif)

APPENDIX I. MKIF BOARD OF DIRECTORS

Supervisory Directors

Name	Career
Dae Yun Cho	<i>Reappointed as MKIF Supervisory Director in March 2007 (Initially appointed in December 2002)</i>
	– Practicing law at the law offices of Kim & Chang in Seoul since 1979 (Senior Partner)
	– Acted as a consultant for various Korean Ministries, including the Ministry of Strategy and Finance and the Ministry of Knowledge Economy
	– Former senior adviser to the Korea International Trade Law Association, the arbitrator of the Korean Commercial Arbitration Board
Kyung Soon Song	– Panel member of the WTO's Subsidies and Countervailing Duties Committee
	<i>Reappointed as MKIF Supervisory Director in March 2008 (Initially appointed in March 2005)</i>
	– Founding Representative Director of Korea Expert Consulting Group (KECG)
	– Visiting Professor at the Graduate School of International Studies of Seoul National University since 2003
Tae Hee Yoon	– Former senior staff member of World Bank
	– Former chief operating officer of Nomura Project Finance International Limited.
	<i>Reappointed as MKIF Supervisory Director in March 2008 (Initially appointed in September 2004)</i>
	– Chairman, Lutronic Corporation Inc, Korea
	– Former Vice-Chairman, Financial Advisory Services, PricewaterhouseCoopers
	– Former Chairman of Arirang International TV
	– Founding chairman of Korea Economic Intelligence, New York Wall Street

Corporate Director – MSIAM

Name	Career
Chul Hum Paik	<i>Appointed as MSIAM Representative Director in December 2006</i>
	– Representative Director of Macquarie Shinhan Infrastructure Asset Management Co., Ltd.
	– Headed the Financial Products division of Shinhan Macquarie Financial Advisory from 2001 to 2006
	– Lead financial advisor to MKIF on its successful IPO and listing in March 2006
Nick van Gelder	– Joined Shinhan Bank in 1993, with responsibilities for international banking and investment banking division
	<i>Reappointed as MSIAM Director in December 2008 (Initially appointed in December 2002)</i>
	– Head of Macquarie Capital Funds in Asia
	– Former Representative Director of Macquarie Shinhan Infrastructure Asset Management Co., Ltd. from 2002 to 2006
Jason Pak	– Joined Macquarie Group in 1997 with responsibilities for infrastructure and real estate investment
	– Worked over 10 years in financial advisory and investment management prior to joining Macquarie Group
	<i>Reappointed as MSIAM Director in November 2008 (Initially appointed in June 2008)</i>
	– Chief Operating Officer of Macquarie Shinhan Infrastructure Asset Management Co., Ltd.
Seung Keun Oh	– Joined Macquarie Group in 2002 and spent 4 years on the equity capital market and M&A advisory side with Macquarie Securities
	– Worked over 5 years in the Corporate Finance division of KPMG, in Seoul and London on the M&A advisory side
	<i>Reappointed to MSIAM Director in November 2008 (Initially appointed in July 2007)</i>
Chang Soo Oh	– Vice President at Shinhan Capital
	– Joined Shinhan Capital in 1991 and became a head of general affairs and IT department since 1997
	– Served for Shinhan Bank in 1983 with responsibilities for various department and business units
Chang Soo Oh	<i>Reappointed as MSIAM Director in November 2008 (Initially appointed in November 2007)</i>
	– Head of Project Financing Team in Investment Banking Group of Shinhan Bank
	– Joined Shinhan Bank in 1981 with responsibilities for various transactions and investment banking division

APPENDIX II. SUMMARY OF FINANCIAL STATEMENTS

Balance Sheets

31 December 2008
30 September 2008
31 December 2007

	(Unit: KRW million)		
	31 Dec. 2008	30 Sep. 2008	31 Dec. 2007
Assets			
I . Invested Assets	1,929,621	1,871,433	1,668,493
Cash & deposits	182,412	167,964	83,530
Loans receivable	1,144,656	1,107,648	1,070,291
Equity securities	602,553	595,821	473,504
Debt securities	-	-	41,168
II . Others	170,211	151,755	156,498
Interest receivables	160,031	140,599	148,290
Other receivables	2,428	2,424	55
Deferred costs, net	7,752	8,732	8,153
Total Assets	2,099,832	2,023,188	1,824,991
Liabilities			
Payables	9,606	9,596	121
Management fee payable	5,975	6,935	8,139
Other liabilities	2,900	2,553	1,024
Long-term debt	340,523	291,615	113,009
Total Liabilities	359,004	310,699	122,293
Shareholders' Equity			
I . Share Capital	1,631,531	1,631,531	1,652,985
II . Retained Earnings	109,297	80,958	49,713
Total Shareholders' Equity	1,740,828	1,712,489	1,702,698
Total Liabilities and Shareholders' Equity	2,099,832	2,023,188	1,824,991

Statements of Income

For the Quarters Ended 31 December 2008 and 30 September 2008
The Year ended 31 December 2008

(Unit: KRW million)

	Quarter Ended 31 Dec. 2008	Quarter Ended 30 Sep. 2008	The Year Ended 31 Dec. 2008
I . Revenue	41,035	39,237	235,064
1. Interest income	40,470	39,405	154,388
2. Arrangement fees	-	-	2,895
3. Dividend income	-	-	482
4. Loss on valuation of debt securities	-	-	(2,922)
5. Gain on sale of loans receivable	-	-	24,454
6. Gain on sale of debt securities	-	-	54,946
7. Other income	565	(168)	821
II . Expenses	12,697	11,885	51,364
1. Management fees	5,975	6,935	27,836
2. Custodian fees	87	86	387
3. Administrator fees	76	76	302
4. Interest expense	5,267	4,363	16,235
5. Other expenses	1,292	425	6,604
III . Net Income	28,338	27,352	183,700

CORPORATE DIRECTORY

Manager of MKIF

Macquarie Shinhan Infrastructure Asset Management Co., Ltd.
11th Floor, Hanwha Building,
110 Sokong-Dong, Chung-Gu,
Seoul, 100-755, KOREA
Telephone: 82 2 3705 9919
Facsimile: 82 2 3705 8596

MKIF Custodian

Korea Securities Finance Corp.
34-9, Yeouido-Dong, Yeongdeungpo-Gu,
Seoul, 150-884, KOREA
Telephone: 82 2 3770 8800
Facsimile: 82 2 3770 8244

MKIF Administrator

KEB Investor Services Co., Ltd
Korea Exchange Bank 23th Floor,
181 Eulji-Ro 2 Ga Chung-Gu,
Seoul, 100-793, KOREA
Telephone: 82 2 729 8402
Facsimile: 82 2 777 5311