

MACQUARIE KOREA INFRASTRUCTURE FUND

2009 1st QUARTER ASSET MANAGEMENT REPORT



MACQUARIE

Name: Macquarie Korea Infrastructure Fund (MKIF)

Period: Quarter 1 (1 January 2009 ~ 31 March 2009)

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

Fund code: 35801

Important notice

Under the Financial Investment Services 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. Net Asset Value

- Under the Financial Investment Services and Capital Market 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 value of MKIF's equity and debt investments in the 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.

	Q4 2008	Q1 2009	(Unit: KRW, Share) % Change
Total Assets(A)	2,099,831,650,358	2,120,729,328,286	1.00%
Total Liabilities(B)	359,003,898,329	425,194,325,164	18.44%
Net Asset Amount(C=A-B)	1,740,827,752,029	1,695,535,003,122	-2.60%
Shares(D)	323,490,204	331,459,341	2.46%
NAV per share(E=C/D)	5,381.39	5,115.36	-4.94%

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	0.44	-1.13	0.14	1.40	2.55
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	2.55	4.87	6.01	5.62
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

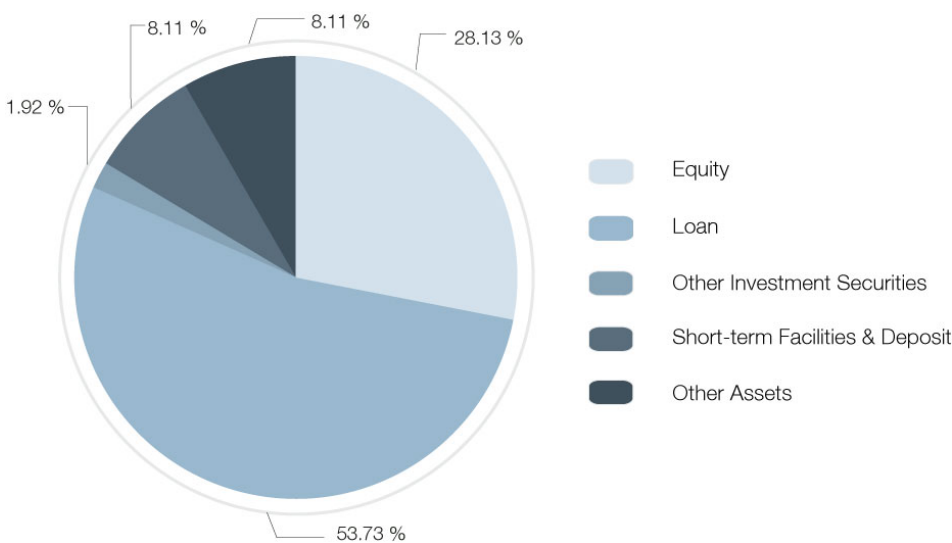
MKIF's investment portfolio consists of equity, loan and other investment securities (in the form of certificates of deposit), cash and deposits and other assets.

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	596,506	1,139,466	40,664	0	0	0	0	0	0	171,985	172,108	2,120,729
CompositionRatio	28.13	53.73	1.92	0	0	0	0	0	0	8.11	8.11	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 2009
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) 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.</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 Korea Financial Investment Association

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

2. MKIF's asset portfolio details

– Equity investments

Name	No. of Shares	Percentage Interest	Acquisition Value (A)	Appraisal Value (B) +	(Unit: Share, KRW million, %)	
					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.	1,915,200	36%	2,724	2,724	0	0.13
New Airport Hiway Co., Ltd.	10,594,360	24.1%	59,880	59,880	0	2.82
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	2.29
Kwangju Ring Road Co., Ltd.	5,775,000	75%	29,495	29,495	0	1.39
Soojungsan Investment Co., Ltd.	1,114,880	100%	47,248	47,248	0	2.23
Cheonan-Nonsan Expressway Co., Ltd.	17,550,000	60%	93,815	93,815	0	4.42
Private Infrastructure Investment Korea	12,278,425	100%	66,947	66,947	0	3.16
Korea Road Infrastructure Investment Co., Ltd.	5,610,000	85%	57,552	57,552	0	2.71
Seoul-Chuncheon Highway Co., Ltd.	9,714,000	15%	49,439	49,439	0	2.33
Busan New Container Terminal Co., Ltd.	6,004,680	30%	30,651	30,651	0	1.44
Gyungso Highway Co., Ltd.	10,850,000	35%	54,862	54,862	0	2.59
BYT Securitization Specialty Co., Ltd.	5	0.5%	0	0	0	0.00
Seoul Metro Line 9 Co., Ltd.	8,197,309	24.5%	41,148	41,148	0	1.94
Total	103,679,259		596,506	596,506	0	28.13

+ 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

Name	Acquisition Value	Interest Receivable +	Interest Rate	Issued Date	Maturity Date	Guarantee	(Unit: KRW million, %)	
							Credit Rating	Composition Ratio ^
Kwangju Beltway Investment Co., Ltd. (Senior)	142,000	1,681	10.00	25/11/2004	30/09/2024	N/A	N/A	6.70
Kwangju Beltway Investment Co., Ltd. (Sub)	31,950	39,467	20.00	21/03/2003	30/09/2026	N/A	N/A	1.51
Kwangju Beltway Investment Co., Ltd. (Working capital)	3,261	1,632	15.00	19/12/2003	31/12/2027	N/A	N/A	0.15
New Airport Highway Co., Ltd. (Sub)	51,670	1,200	13.90	30/01/2004	30/01/2017	N/A	N/A	2.44
Baekyang Tunnel Ltd. (Senior)	1,696	178	15.00	10/03/2004	10/03/2024	N/A	N/A	0.08
MCB Co., Ltd. (Sub)	61,266	9,999	20.00	01/06/2004	01/06/2029	N/A	N/A	2.89
Kwangju Ring Road Co., Ltd. (Senior)	73,355	363	7.85	08/12/2004	08/12/2019	N/A	N/A	3.46
Soojungsan Investment Co., Ltd. (Senior)	70,151	719	8.50	23/03/2005	16/11/2018	N/A	N/A	3.31
Soojungsan Investment Co., Ltd. (Sub)	19,261	464	20.00	16/02/2005	16/05/2017	N/A	N/A	0.91
Cheonan-Nonsan Expressway Co., Ltd. (Sub)	182,250	96,144	16.00	20/05/2005	20/05/2029	N/A	N/A	8.59
Daegu East Circulation Road Co., Ltd. (Sub)	32,045	239	17.00	14/03/2006	15/09/2024	N/A	N/A	1.51
Incheon Bridge Co., Ltd (Senior)	67,250	1,233	8.00	12/04/2006	18/07/2024	N/A	N/A	3.17
Incheon Bridge Co., Ltd (Sub)	76,156	1,073	12.00	12/04/2006	18/07/2026	N/A	N/A	3.59
Seoul Chuncheon Highway Co., Ltd. (Sub)	87,450	1,727	11.00	02/11/2006	28/05/2031	N/A	N/A	4.12
Gyungso Highway Co., Ltd. (Sub)	72,400	954	13.00	22/02/2007	22/05/2034	N/A	N/A	3.41
Kyunggi Highway Co.,Ltd. (Sub)	50,455	784	9.00	24/04/2007	29/10/2029	N/A	N/A	2.38
Seoul Metro Line 9 Co., Ltd. (Sub)	33,460	591	15.00	25/01/2008	17/08/2035	N/A	N/A	1.58
Busan New Container Terminal Co., Ltd. (Sub)	73,814	1,174	10.00	25/02/2008	25/11/2032	N/A	N/A	3.48
Woomyunsan Infraway Co.,Ltd (Sub)	9,576	68	20.00	16/01/2009	15/12/2026	N/A	N/A	0.45
Total	1,139,466	159,690						53.73

+ 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 are set out in the table below.

Name	Face value	Appraisal value *	Interest receivable	Interest rate	Issued date	Maturity date	(Unit: KRW million, %)	
							Credit ratings+	Composition ratio ^
CD (Woori)	10,000	10,166	426.5	6.92	19/08/2008	19/08/2009	A1	0.48
CD (Woori)	10,000	10,166	426.5	6.92	19/08/2008	19/08/2009	A1	0.48

CD (Kookmin)	10,000	10,166	426.5	6.92	19/08/2008	19/08/2009	A1	0.48
CD (Kookmin)	10,000	10,166	426.5	6.92	19/08/2008	19/08/2009	A1	0.48
Total	40,000	40,664	1,706					1.92

* 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 MKIF has made are set out in the table below.

							(Unit: KRW million, %)	
Name	Banks	Deposit amount +	Date of Deposit	Maturity Date	Interest Receivable	Composition Ratio ^		
MMDA	SC First Bank	146,342	18/09/2006	N/A	75	6.90		
MMDA	SC First Bank	843	17/05/2007	N/A	2	0.04		
Term Deposit	Shinhan Bank	10,000	31/10/2008	30/04/2009	316	0.47		
Term Deposit	Shinhan Bank	5,000	06/01/2009	06/04/2009	55	0.24		
Term Deposit	Woori Bank	4,900	06/01/2009	06/04/2009	53.5	0.23		
Term Deposit	Woori Bank	4,900	06/01/2009	06/04/2009	53.5	0.23		
Total		171,985			555	8.11		

+ This value is the principal.

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

– Other assets

The Other Assets on MKIF's balance sheet are set out in the table below and consist of accrued income, fee receivables and pre-paid expense.

			(Unit: KRW million, %)	
Type	Amount	Composition Ratio ^		
Interest Receivable	161,951	7.64		
Other Receivable+	2,480	0.11		
Prepaid expense	7,540	0.35		
Prepayment	137	0.01		
Total	172,108	8.11		

^ 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 facility 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, Capital redemption by Woomyunsan Infracway Co., Ltd resulted in cash inflow of KRW 19,152mil.

(Unit: Shares, KRW million, %)

Name	Buy		Sell		Turnover Ratio
	Shares	Amount	Shares	Amount	
Woomyunsan Infracway Co., Ltd.	0	0	1,915,200	19,152	N/A
Private Infrastructure Investment Korea	1,980,000	9,900	0	0	N/A
Busan New Container Terminal Co., Ltd.	640,920	3,205	0	0	N/A
Total	2,620,920	13,105	1,915,200	19,152	N/A

– Loan sales

(Unit KRW million)

Name	Type	Date	Amount
Incheon Bridge Co., Ltd.	Senior Loan divestment	30/03/2009	67,250

– Loan injections

(Unit KRW million)

Name	Type	Date	Amount
Incheon Bridge Co., Ltd.	Senior Loan Injection	18/02/2009	21,436
Incheon Bridge Co., Ltd.	Subordinated Loan Injection	18/02/2009	12,367
Kyunggi Highway Co.,Ltd	Subordinated Loan Injection	23/01/2009	4,900
Busan New Container Terminal Co., Ltd.	Subordinated Loan Injection	23/01/2009	4,137
Busan New Container Terminal Co., Ltd.	Subordinated Loan Injection	24/02/2009	5,934
Busan New Container Terminal Co., Ltd.	Subordinated Loan Injection	24/03/2009	3,721
Woomyunsan Infracway Co., Ltd.	Subordinated Loan Injection	16/01/2009	9,576
Total			62,071

– Loan facility drawdowns

(Unit KRW million)

Name	Limit of the Facility	Drawdown amount		
		Accumulative to Q4 2008	Q1 2009	Accumulative to Q1 2009
Shinhan Bank	140,000	95,346.5	18,628.5	113,975
National Agricultural Cooperative Federation (NACF)	140,000	95,346.5	18,628.5	113,975
Woori Bank	110,000	74,915	14,636.5	89,551.5
Samsung Life Insurance	110,000	74,915	14,636.5	89,551.5
Total	500,000	340,523	66,530	407,053

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 March 31 2009.

– 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			
Q1 2009	0	38,399	1,226	0	0	0	0	0	0	1,043	199	40,867
Q4 2008	0	37,586	2,188	0	0	0	0	0	0	1,197	64	41,035

** 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	Q4 2008		Q1 2009		Remarks
	Amount	Ratio ⁺	Amount	Ratio ⁺	
Management fee	5,975	0.34	5,859	0.34	
Performance fee to the manager	0	0	0	0	
Sales Agent fee	0	0	0	0	
Custodian fee	87	0.01	84	0.01	
Administrator fee	76	0	73	0	
Total	6,138	0.35	6,016	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	Q4 2009	Q1 2009
Total expense ratio	1.69	1.72
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 Korea Financial Investment Association (KOFIA).

Name (KOFIA registration number)	Year of Birth	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 22 years experience in asset management and his previous experience includes: <ul style="list-style-type: none"> - Connell Wagner Group - Mott Macdonald Group - BHP Engineering - Egis Consulting/GHD - Managing MKIF since August 2004
Jong Hyuk Park (08-02323-0005)	1967	Head of Asset Acquisition	N/A	N/A	Mr Park has over 15 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 of Asset Management	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"> - 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 of Asset Management	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"> - 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	09-01-01 ~ 09-01-31			09-02-01 ~ 09-02-28			09-03-01 ~ 09-03-31		
	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	09-01-01 ~ 09-01-31			09-02-01 ~ 09-02-28			09-03-01 ~ 09-03-31		
	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	09-01-01 ~ 09-01-31			09-02-01 ~ 09-02-28			09-03-01 ~ 09-03-31		
	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)

Name	Related party		Type of trade	Type of asset	Amount
	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 84) of the Act does not apply to MKIF by virtue of Article 44 of the PPI Act.

9. Distribution payment

Date of Declaration	Distribution amount (KRW million)	Balance after payment (Shares)	NAV per share		Remarks
			Before Declaration	After Declaration	
2009-02-03	113,869	331,459,341	5,415.31	5,064.26	

* The distribution was paid on 26 February 2009.

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>Appointed 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
	– Panel member of the WTO's Subsidies and Countervailing Duties Committee
Kyung Soon Song	<i>Appointed 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
	– Former senior staff member of World Bank – Former chief operating officer of Nomura Project Finance International Limited.
Tae Hee Yoon	<i>Appointed as MKIF supervisory director in March 2008 (Initially appointed in September 2004)</i>
	– Chairman, Lutronic Corporation Inc, Korea
	– Former Vice-Chairman, Financial Advisory Services, Pricewaterhouse Coopers
	– Former Chairman of Arirang International TV
	– Former senior staff member of World Bank – 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.
	– Joined Shinhan Bank in 1993, with responsibilities for international banking and investment banking division – Headed the Financial Products division of Shinhan Macquarie Financial Advisory from 2001 to 2006
Nick van Gelder	<i>Reappointed as MSIAM director in December 2008 (Initially appointed in December 2005)</i>
	– Head of Macquarie Capital Funds in Asia
	– Former Representative Director of Macquarie Shinhan Infrastructure Asset Management Co., Ltd. from 2002 to 2006
	– 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
Jason Pak	<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.
	– 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
Young Sup Hwang	<i>Reappointed as MSIAM director in March 2009</i>
	– Vice President at Shinhan Capital
	– Former Head of Investment Banking Division at Shinhan Capital in 2006 – Joined Shinhan Capital in 1991 and worked in the investment management division
Chang Soo Oh	<i>Reappointed as MSIAM director 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

As of 31 March 2009
31 December 2008 and
31 March 2008

(Unit: KRW million)

	31 Mar. 2009	31 Dec. 2008	31 Mar. 2008
Assets			
I . Invested assets	1,948,621	1,929,621	1,889,961
Cash & deposits	212,649	182,412	311,947
Loans receivable	1,139,466	1,144,656	1,028,695
Equity securities	596,506	602,553	549,319
II . Others	172,108	170,211	128,249
Interest receivables	161,951	160,031	113,044
Other receivables	2,480	2,428	2,424
Deferred costs, net	7,677	7,752	12,781
Total assets	2,120,729	2,099,832	2,018,210
Liabilities			
Payables	9,602	9,606	2,182
Management fee payable	5,859	5,975	7,584
Other liabilities	2,680	2,900	2,258
Long-term debt	407,053	340,523	271,222
Total liabilities	425,194	359,004	283,246
Shareholders' equity			
I . Share capital	1,670,986	1,631,531	1,631,531
II . Retained earnings	24,549	109,297	103,433
Total shareholders' equity	1,695,535	1,740,828	1,734,964
Total liabilities and shareholders' equity	2,120,729	2,099,832	2,018,210

Statements of income

For the Quarter Ended 31 March 2009
 The Quarter Ended 31 December 2008
 And for the Quarter ended 31 March 2008

(Unit: KRW million)

	Quarter Ended 31 Mar. 2009	Quarter Ended 31 Dec. 2008	Quarter Ended 31 Mar. 2008
I . Revenue	40,867	41,035	117,224
1. Interest income	40,534	40,470	36,925
2. Arrangement fees	144	-	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	189	565	444
II . Expenses	11,746	12,697	13,791
1. Management fees	5,859	5,975	7,584
2. Custodian fees	84	87	127
3. Administrator fees	73	76	74
4. Interest expense	4,512	5,267	3,447
5. Other expenses	1,218	1,292	2,559
III . Net income	29,121	28,338	103,433

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