

FSC VICE CHAIRMAN HOLDS INVESTOR RELATIONS IN SINGAPORE AND INTRODUCES THE CORPORATE VALUE-UP PROGRAM

- Korea's major capital market reform initiatives explained to encourage foreign investors' interest and boost investment.
 - Details of the Corporate Value-up Program introduced as a key measure to resolve the issue of "Korea discount."
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Vice Chairman Kim Soyoung of the Financial Services Commission held an investor relations event in Singapore with major institutional investors from Asia participating on February 27. During the dialogue, Vice Chairman Kim outlined the government's capital market reform initiatives with a particular attention on the recently announced Corporate Value-up Program, which have gained much interest from both domestic and overseas investors. The following is a summary of Vice Chairman Kim's remarks.

The Korean government's capital market reform measures have been focused on the following three areas. First, to establish a fair and transparent market order, the government has bolstered measures against unfair trading activities. A temporary ban on short-selling has been put in place to make trading conditions more equal for both retail and institutional investors and to build a completely electronic short-selling transaction system designed to prevent naked short-selling activities. Second, to make Korea's capital markets more accessible to investors, the authorities have already abolished the foreign investors' registration requirement, mandated companies to file disclosures in English in phases, and eased the reporting requirement to facilitate the use of omnibus account. To help expand domestic investor base, the government has already decided to repeal the planned introduction of capital gains tax on financial investments and plans to expand tax benefits for individual savings accounts (ISAs). Third, to promote shareholder values in corporate management practices, the government has been consistently working on various measures aimed at protecting the rights of general shareholders. As a consequence, many large companies have now adopted the improved dividend payout procedure in which investors are able to make investment decisions while knowing how much they will receive in dividends.

In addition, the Corporate Value-up Program, which was unveiled on February 26, is designed to build a positive feedback loop in capital markets where companies are able to get proper value for sound growth and investors are able to share the profit of growth for investing back in the market. To make this happen, self-initiated efforts to boost the value of the company is required alongside the government's assistance. The Corporate Value-up Program is intended to support listed companies' voluntary efforts to enhance their value. In this regard, the Corporate Value-up Program will be pursued on a continuing basis as a mid- to long-term project.

The Korean government will continue to make effort to engage with global investors to promote developments and improvements in our capital markets.

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