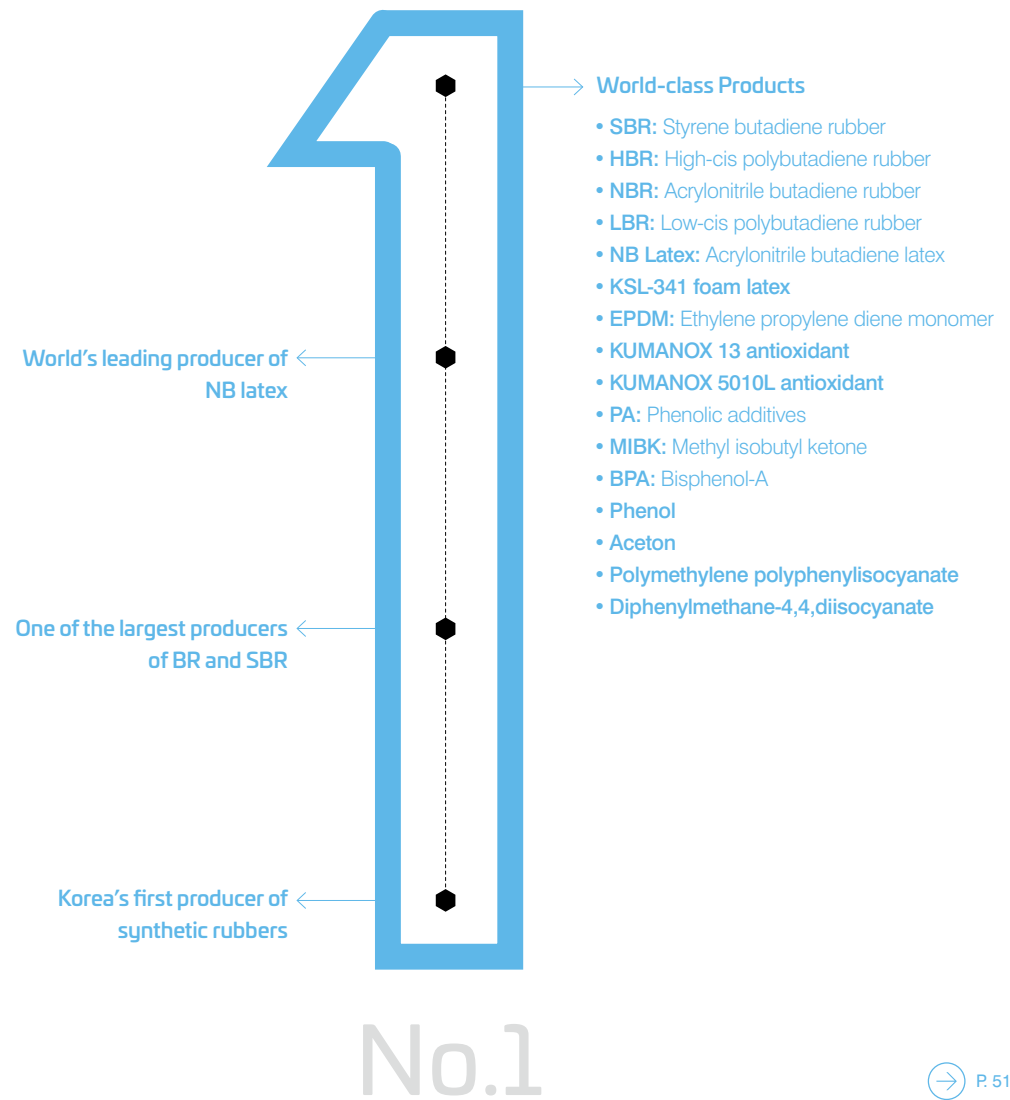


2017 Highlights

RETURN ON INNOVATION

Lead global markets

In 1970, KKPC became the first company in Korea to produce synthetic rubbers, and we have since grown into a global petrochemical company with the world's leading production capacity for butadiene rubber (BR) and styrene butadiene rubber (SBR). In 2017, we completed an expansion project that doubled our production capacity for acrylonitrile butadiene (NB) latex, which made us the world's No. 1 in production, thereby securing a strong market advantage. And now we are preparing for the future of the synthetic rubber industry by focusing our R&D on solution styrene butadiene rubber (SSBR) and completing the development of a pilot technology for foam-type acrylonitrile butadiene rubber (NBR).



GLOBALITY

PROFITABILITY

SUSTAINABILITY

2017 Highlights

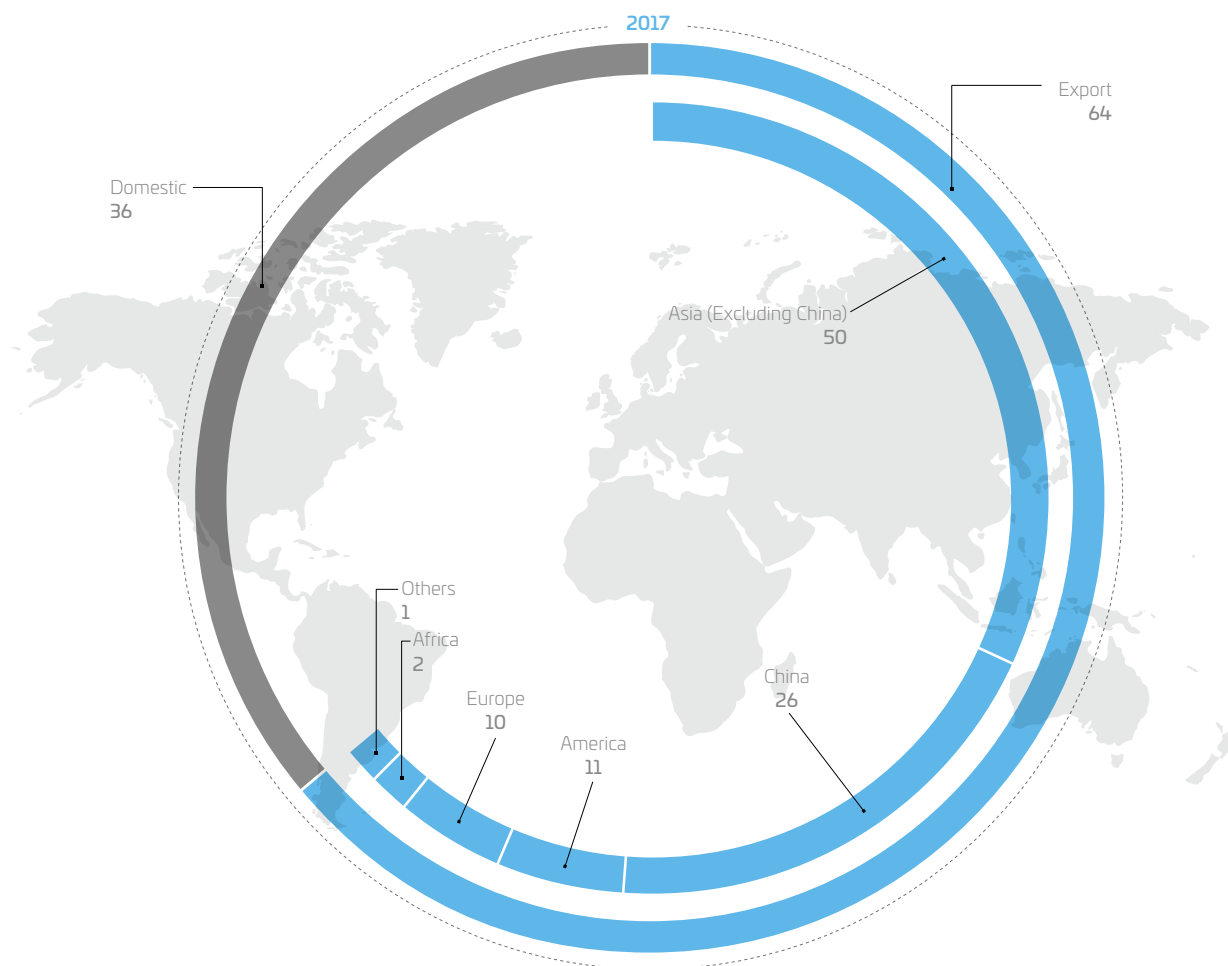
Expanding global presence

KKPC is a global comprehensive chemical company that exports its core products – synthetic rubbers and synthetic resins – as well as specialty chemicals and electronic materials, to Asia, China, the Americas, Europe and other regions around the world. Exports made up 64% of total sales, and by business, exports account for 79% of our synthetic rubber business and 64% of the synthetic resin business. In 2017, exports led corporate growth and strengthened our presence in global markets thanks to a year-on-year rise of 1%p, driven by supply-demand balance and strong demand.

Sales Breakdown

(Unit: %)

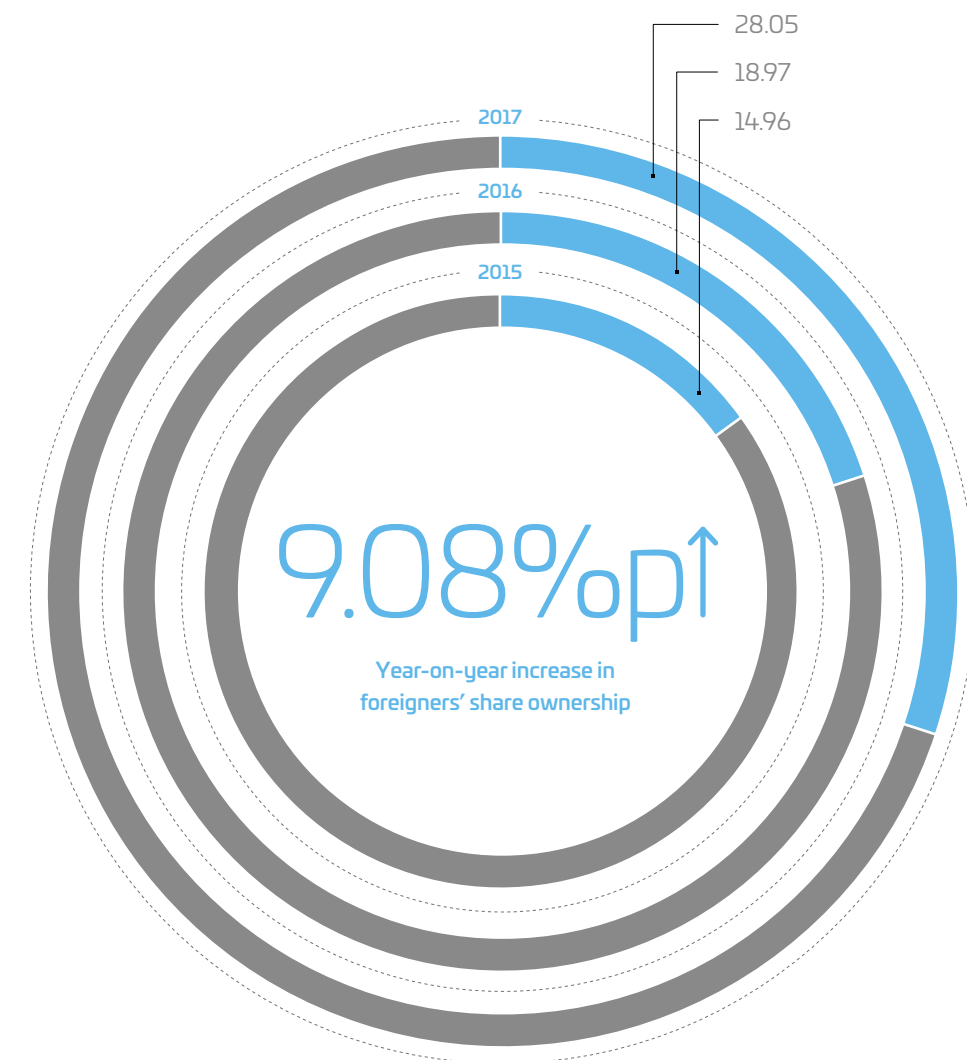
- Export
- Domestic



The proportion of KKPC's shares held by foreign investors has been increasing in recent years, thanks to our strong financial structure, consistent improvements in business performance and global product competitiveness. The proportion of shares held by foreigners rose 4.01%p year-on-year in 2016 from 14.96% at the end of 2015 to 18.97%, and then again in 2017 to peak as high as 29.20%, the highest level recorded in the past decade. The figure grew 9.08%p year-on-year to stand at 28.05% at the end of 2017, showing the confidence that overseas investors have in our company.

Share Ownership by Foreigners

(Unit: %)



2017 Highlights

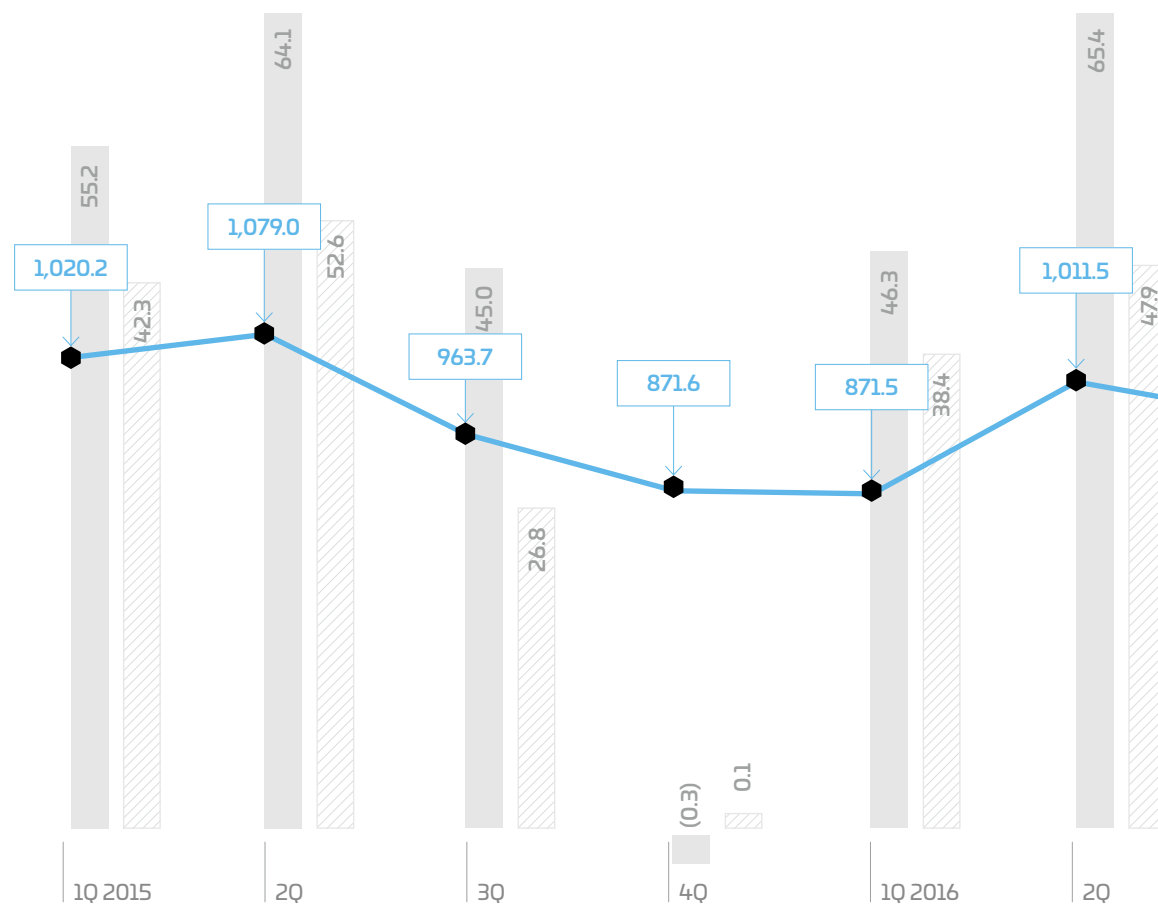
Robust profitable growth

In 2017, KKPC beat market expectations for our business performance, thanks to continuing leadership in the synthetic rubber market and remarkable growth in the synthetic resin market. Despite difficult industry conditions, the synthetic rubber business improved profitability through strategic product sales, and has built a foundation to take a quantum leap in 2018. Our consolidated sales for 2017 stood at KRW 5,064.7 billion, with operating income of KRW 262.6 billion and net income of KRW 217.6 billion, year-on-year increases of 27.6%, 67.2% and 169.3%, respectively.

Quarterly Performance Trend

(Unit: KRW billion)

■ Operating Income ▨ Net Income ● Sales

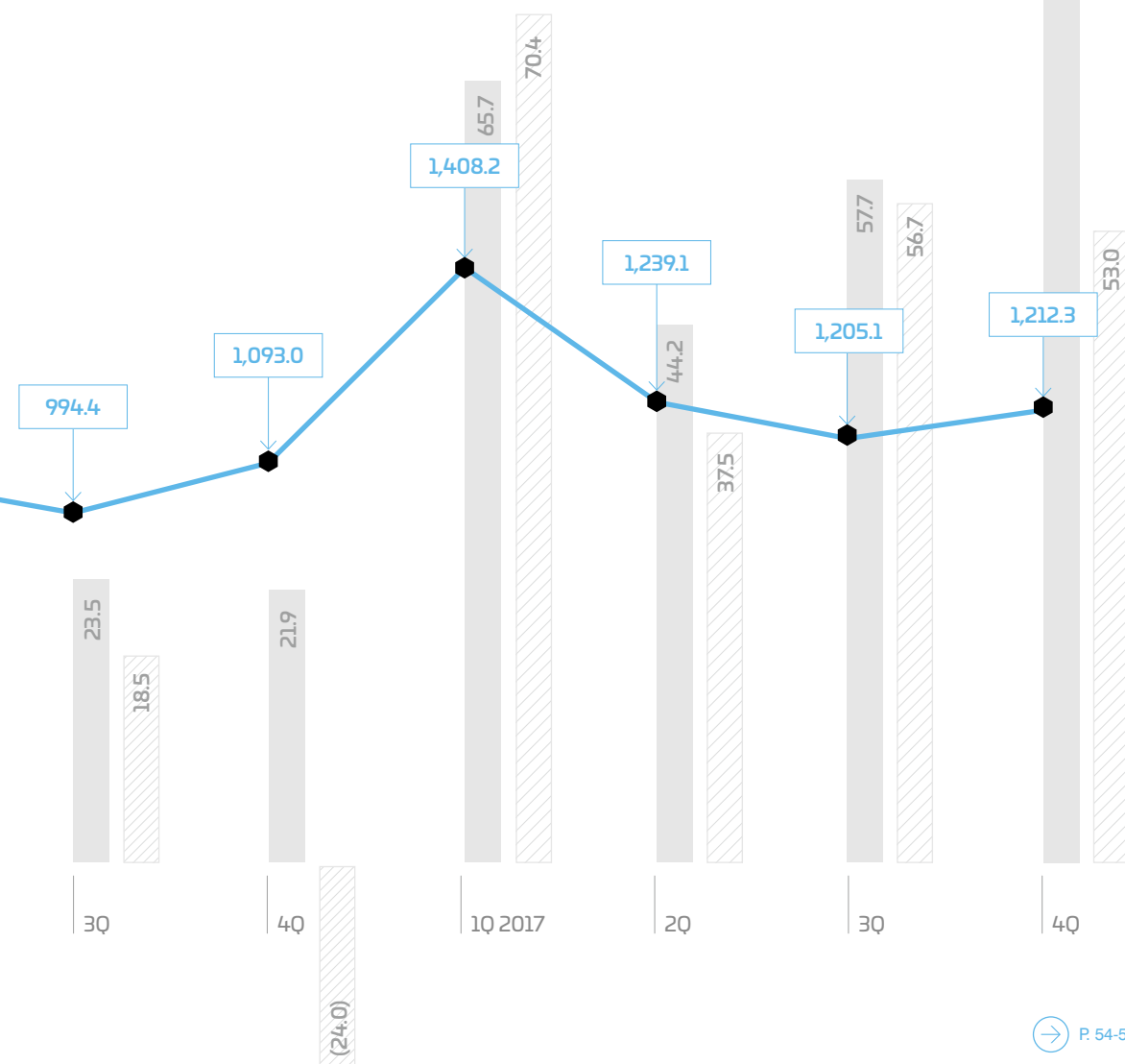


67.2%↑

Year-on-year growth of operating income

169.3%↑

Year-on-year growth of net income

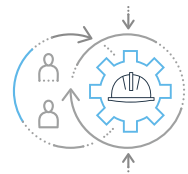


2017 Highlights

Safety-first culture

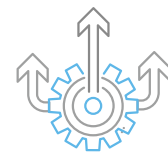
Safety is our top priority. In order to create a safe and healthy workplace, our CEO leads a company-wide integrated environment, health and safety (EHS) management system, and the Safety and Environment Committee discusses and makes prompt decisions on EHS management policy, plans and regulations. In addition, we strive to prevent and respond to accidents by strengthening operational systems for emergency situations, supported by establishing emergency organizations at each plant site and by conducting emergency response training. We will continue to improve our EHS management systems and training programs to build a safe, eco-friendly work environment.

Promoting a Safety Culture



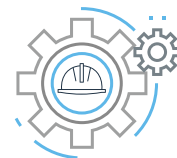
Safety management system

- Integrated safety and environmental management meetings led by the CEO
- Industrial Safety and Health Committee, EHS Committee
- Safety zone certification for plant sites
- Operate safety and health management programs, including KOSHA 18001 and OHSAS 18001)
- Establishment an emergency response system and emergency scenarios



Safety training, campaigns and activities

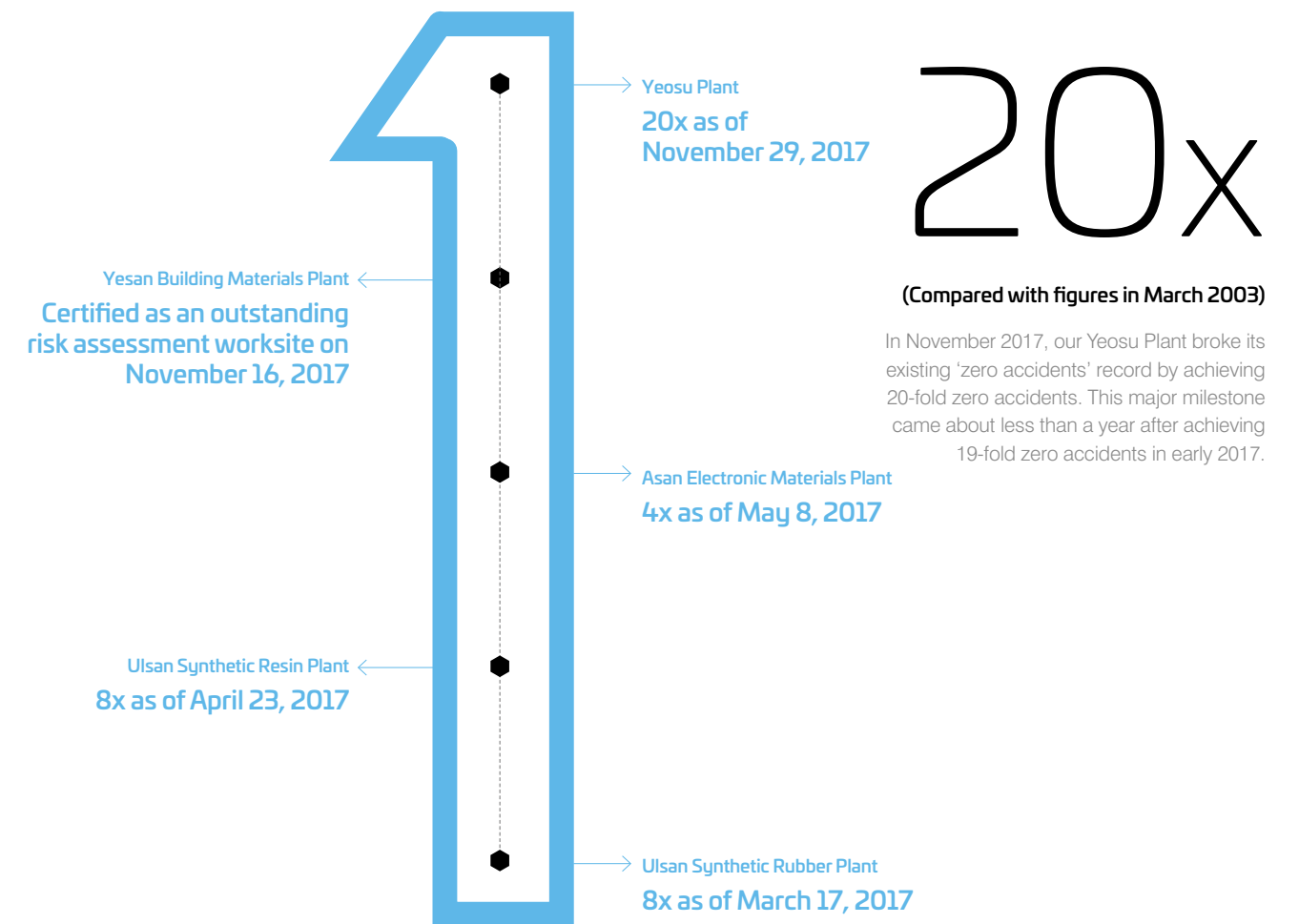
- Provide safety trainings and measure performance on a regular basis
- Provide safety trainings to new employees and managing supervisors
- Provide outsourced professional safety trainings
- Three zero – zero accident, zero disease, zero pollution – campaign jointly conducted by labor and management
- Safety inspections and patrols
- Safety work management



Suppliers' safety management

- Meetings for permanently-stationed suppliers
- Safety and health meetings attended by representatives from suppliers
- Joint safety inspections with suppliers
- Implement win-win cooperation programs for safety and health

Zero Accident Status at KKPC



2017 Highlights

This relentless focus on globality, profitability and sustainability, combined with our drive to innovate, has enabled KKPC to win the trust of a growing number of customers, shareholders and other stakeholders over recent years. As we marked a year of strong growth in 2017, we are also building momentum for the future by focusing on what matters most to our stakeholders and making further strides towards realizing our vision.

