

Chemical Affiliates

Kumho P&B Chemicals, Inc.

Kumho P&B Chemicals is a joint venture with Nippon Steel & Sumikin Chemical Co., Ltd. of Japan. It specializes in producing and selling key materials used in construction, shipbuilding, automobile, electric, electronics, pharmaceutical and paint industries, including BPA, phenol, acetone, epoxy resin and MIBK. The company launched its phenol and acetone businesses in 1976, and has since continued to innovate and expand, and now supplies high-quality products to industries in Korea that had previously depended on imports. It exports a significant amount of its production, and has achieved considerable growth through the continued expansion of production facilities. The company will continue to develop cutting-edge technologies and eco-friendly, highly-functional new materials even as the competitive environment sharpens. It will also actively invest in the environment and safety, and continue to expand capacity to become a leader in the international phenol and derivatives market, improving its customer value through the industry's highest quality and greatest technological prowess.

2017 Sales

KRW 1,233.6 billion

2017 Net Income

KRW 12.3 billion

KKPC Ownership

78.2%

www.kpb.co.kr



Kumho Mitsui Chemicals, Inc.

Established in 1989, Kumho Mitsui Chemicals is an industry leader in the production and sales of MDI, the main feedstock used in the production of polyurethane (PU). MDI is an advanced chemical product, used extensively across diverse product groups, including car seats and dashboards, refrigerator insulation, construction panels, synthetic wood, synthetic leather, spandex and sneaker soles. Demand for MDI continues to rise, and so the company completed a 100,000 ton expansion construction project in the second half of 2017, which has increased overall capacity to 350,000 tons, the largest MDI production capacity in Korea. In addition, Kumho Mitsui Chemicals has been developing new businesses, including beginning commercial production of phosgene derivatives (IPC), while continuing to put extra efforts into quality management as well as environmental and safety management. As the company makes active inroads into overseas markets, it will become a global PU producer.

2017 Sales

KRW 752.3 billion

2017 Net Income

KRW 152.9 billion

KKPC Ownership

50.0%

www.kmci.co.kr



Kumho Polychem Co., Ltd.

Kumho Polychem was founded in 1985 to produce and sell EPDM, a synthetic rubber widely used in automotive parts and industrial goods, as well as applied products such as TPV and KEPA. The company is Asia's No. 1 EPDM manufacturer, and has been a major contributor to supply/demand stability in the domestic and overseas EP rubber markets, as well as to the development of the Korean automotive industry. In July 2007, Kumho Polychem became the first company in the world to successfully complete a plant expansion that included a proprietary ultra-low temperature polymerization technology. With the completion of its second plant in June 2015, it became the world's No. 4 EPDM manufacturer, with an annual production capacity of 220,000 tons. In 2011, it won global first-class product certification for its EPDM, and was selected as a global first-class product manufacturer by the Ministry of Knowledge Economy. The company also continues to strengthen its R&BD activities, including establishing the Daejeon Research Center, thus reinforcing its position as a leading global producer of EPDM.

2017 Sales

KRW 423.1 billion

2017 Net Income

KRW -2.8 billion

KKPC Ownership

50.0%

www.kumhopolychem.co.kr



Kumho Terminal & Logistics Co., Ltd.

Established in September 2009, Kumho Terminal & Logistics is a dedicated logistics base for bituminous coal and other raw materials, for companies including Korea South-East Power and Korea East-West Power as well as KKPC's Yeosu Energy cogeneration plants in the Yeosu National Industrial Complex, to ensure stable supply of raw materials. By operating a sealed system for bituminous coal storage facilities, the company not only reduces logistics costs but also becomes more eco-friendly. In addition to port cargo handling and storage, Kumho Terminal & Logistics also provides inland transportation services for bituminous coal. The company aims to become a comprehensive logistics company by supporting its customers at all times and expanding its business areas to include a full array of logistics services.

2017 Sales

KRW 57.1 billion

2017 Net Income

KRW 6.5 billion

KKPC Ownership

95.0%

www.ktnl.co.kr



Korea Energy Power Co., Ltd.

Korea Energy Power was established to engage in the solar PV generation business. The company installed a solar PV plant in Sacheon, Korea, and began commercial power generation in July 2013. At the time, this plant was the largest regional rooftop solar project in Korea. The company generates revenues through sales of electricity and renewable energy certificates (REC) at the Korea Power Exchange. Including affiliates such as Cheoldo Solar and Kangwon School Solar Power, the company's total installed capacity is 31.4 MWh. Korea Energy Power's plants produce 44,000 MWh of electricity annually, which can be supplied to around 10,600 homes, thus contributing to the supply of clean electricity to regions throughout Korea. In addition, by achieving a CO₂ reduction of more than 18,100 tons annually, the company is contributing to environmental preservation. KKPC plans to strengthen and expand its new and renewable energy-related businesses in Korea and overseas, including wind power, fuel cell, energy storage system (ESS) and biofuel, beginning with PV generation in Korea.

2017 Sales

KRW 3.4 billion

2017 Net Income

KRW 1.0 billion

KKPC Ownership

96.1%