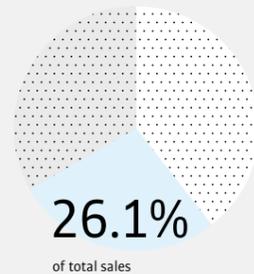


## Synthetic Resins

2016 Sales Revenue

# KRW 1,035.7 billion



### Main Products

PS, ABS, EP, SAN, EPS,  
ENERPOR, PPG

### Key Applications

Automobile Parts  
Home Appliances  
Food and Beverage Containers  
Office Supplies  
Building Materials

### Major Customers

Hyundai Motors, Kia Motors,  
GM Korea, Korea Yakult,  
Namyang Dairy Products,  
Samsung Electronics,  
LG Electronics,  
Dongbu Daewoo Electronics,  
Kingfa, Sabic, Haier,  
Arcelik, Vestel, KCC,  
Noroo Paint & Coatings



SALES IN OUR SYNTHETIC RESINS BUSINESS DECLINED SLIGHTLY TO KRW 1,035.7 BILLION. OUR FOCUS IN 2017 WILL BE ON MAINTAINING PROFITABILITY WITH AN EMPHASIS ON HIGHER-MARGIN PRODUCT SALES AND UPGRADING QUALITY ACROSS-THE-BOARD.

### 2016 Review

Synthetic resins accounted for 26.1% of total consolidated sales in 2016. We recorded sales of KRW 1,035.7 billion, a decline of approximately 4% from the previous year.

As international oil prices remained lower overall than 2015, synthetic resin prices similarly trended lower, leading to a slight decline in sales for the year. Although international oil prices began to rebound in 2016 and feedstock prices rose, the market situation made it difficult to pass on these costs to customers, limiting our ability to improve profitability. On a positive note, our flexible response to markets and stronger sales to major customers enabled us to improve the profitability of products that underperformed in 2015, allowing us to maintain profitability amid concerns about weakening market demand in the second half of the year.

### 2017 Outlook

Global production capacity in the synthetic resins market is projected to stay flat in 2017 with no concerns about significant new capacity coming online. The supply situation is not expected to change significantly as manufacturers appear set to maintain utilization at appropriate levels. Regarding SM (styrene monomer) feedstock supplies, new capacity is projected to come online this year, steadily easing the supply imbalance and setting the stage for prices to stabilize in the second half of the year.

Maintaining profitability will be the focus of our efforts in 2017. We will focus on growing sales of higher-margin products as we expand our market focus to boost market share. We will strive to improve the quality of our existing products through intensive R&D. We will also be partnering more closely with competitive feedstock suppliers to ensure our supply needs are met and sharpen our cost competitiveness.