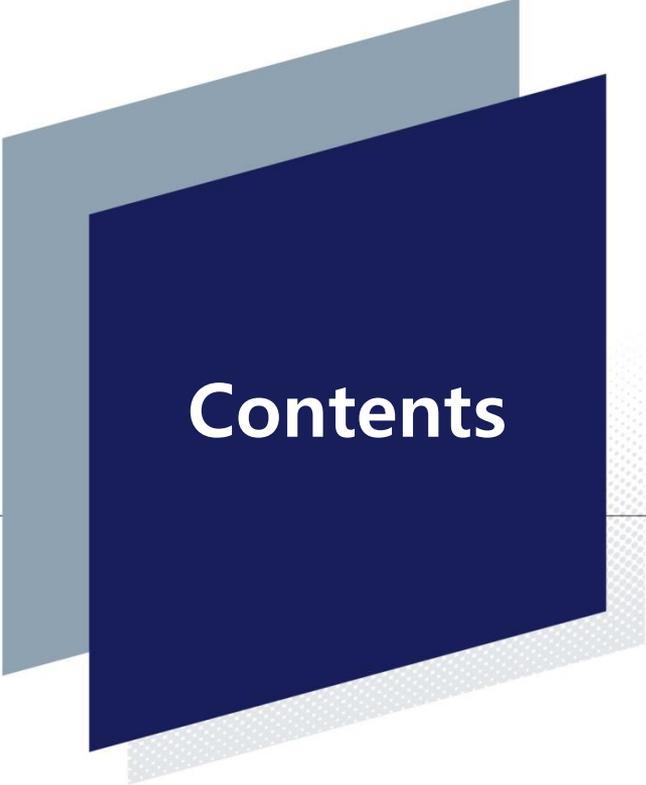


# GOVERNANCE UPDATE

2021.05

KUMHO PETROCHEMICAL





# Contents

01. FINANCIAL HIGHLIGHTS
02. BOARD OF DIRECTORS
03. COMMITTEES

# 1. FINANCIAL HIGHLIGHTS – 21.1Q

## Income Statements

(Unit: KRW bn)

Classification	21.1Q	20.4Q	QoQ	20.1Q	YoY
Sales	1,854.5	1,369.5	35.4%	1,225.5	51.3%
Operating Profit	612.5 (33.0%)	275.1 (20.1%)	122.6%	133.1 (10.9%)	360.2%
EBITDA	654.1 (35.3%)	301.9 (22.0%)	116.7%	182.1 (14.9%)	259.2%
Pre-tax Income	675.3 (36.4%)	277.4 (20.3%)	143.4%	139.0 (11.3%)	385.8%
Net Income	475.6 (25.6%)	209.4 (15.3%)	127.1%	127.5 (10.4%)	273.0%
Equity Income	59.3	18.4	222.3%	9.5	526.4%

\* Net Income is based on Controlling interests.

# 1. FINANCIAL HIGHLIGHTS – 21.1Q

## Balance Sheet

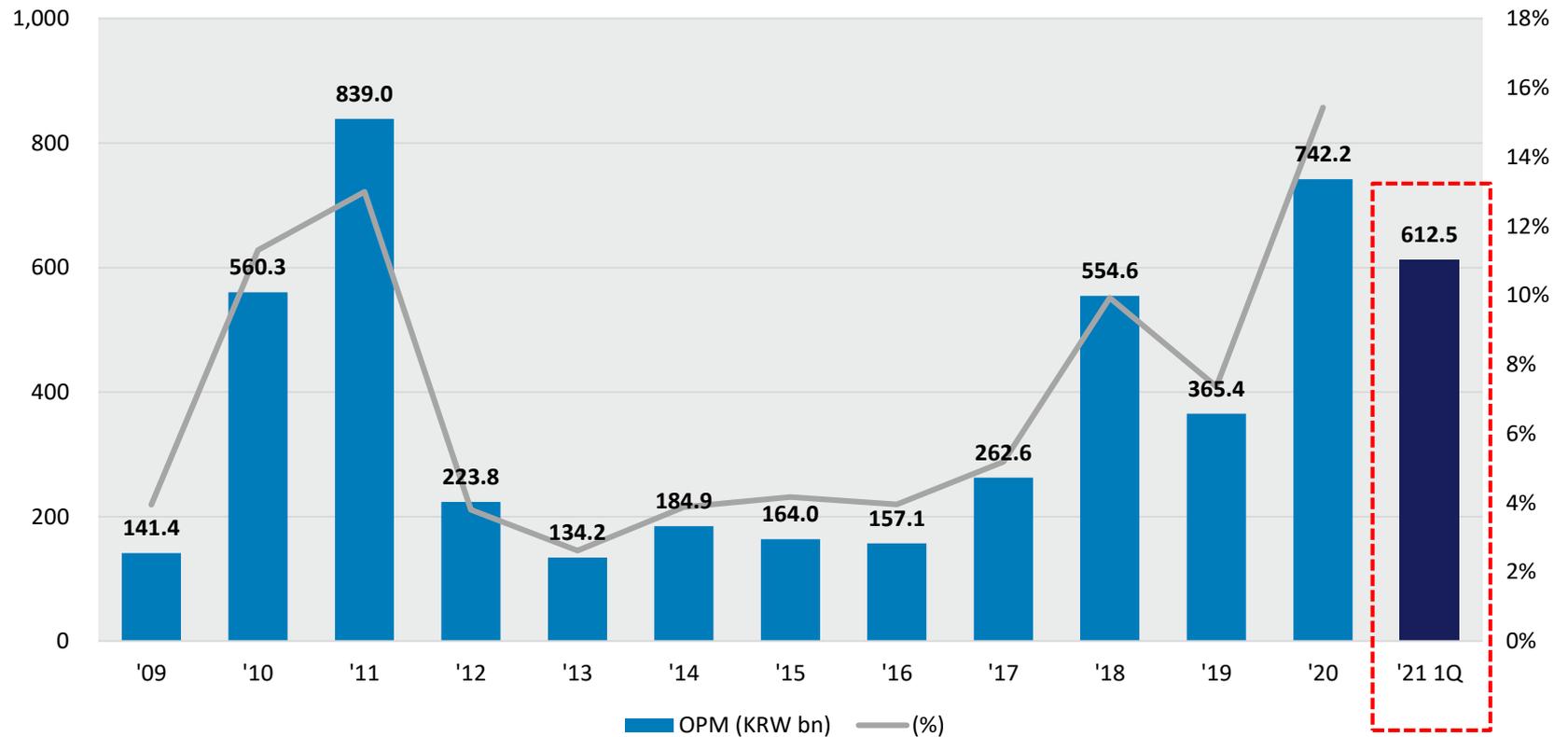
(Unit: KRW bn)

Classification	21.1Q	20 (End)	Change
<b>Asset</b> (Cash and equivalents)	5,681.3 (754.9)	5,027.2 (418.2)	13.0% (80.5%)
<b>Liabilities</b> (Debt)	2,134.3 (915.1)	1,878.0 (860.1)	13.6% (6.4%)
<b>Shareholder's Equity</b>	3,547.0	3,149.2	12.6%
<b>Liabilities/Equity (%)</b>	60.2%	59.6%	0.5%p

## Financial Ratios

Classification	21.1Q	20 (End)	Change
<b>Debt/Equity</b>	25.8%	27.3%	-1.5%p
<b>Net Debt/Equity</b>	4.5%	14.0%	-9.5%p
<b>Interest Coverage Ratio (x)</b>	119.6	26.5	93.1
<b>ROE</b>	56.8%	20.2%	36.7%p
<b>ROA</b>	35.5%	12.2%	23.3%p

# 1. FINANCIAL HIGHLIGHTS – 21.1Q



*21. 1Q , the highest quarterly earnings for the company since its establishment*

# 2.1. CHANGES OF THE BOARD

Dec 2020

26<sup>th</sup> of Mar 2021  
- 44<sup>th</sup> AGM

May 2021

15<sup>th</sup> of June 2021  
-EGM

Pos.	Name
Inside	Park Chan-Koo
	<b>Moon Dong-Joon</b>
	Shin Woo-Sung
Independent	Chung Jin-Ho
	Chung Yong-Sun
	Lee Jae-Kyung
	<b>Jeong Woon-Oh</b>
	<b>Song Ock-Ryeol</b>
	<b>Lee Hwi-Sung</b>
	<b>Jan Myong-Kee</b>

Pos.	Name
Inside	<b>Park Chan-Koo</b>
	<b>Shin Woo-Sung</b>
	<b>Baek Jong-Hoon</b>
Independent	Chung Jin-Ho
	Chung Yong-Sun
	Lee Jae-Kyung
	<b>Hwang Lee-Seok</b>
	<b>Choi Do-Sung</b>
	<b>Lee Jung-Mi</b>
	<b>Park Soon-Ae</b>

The Board discussed and concluded that:

- Mr. Park Chan-Koo will resign from his CEO role and directorship  
→ Two new executive directors will be elected at the upcoming EGM
- The Board will be run centered on independent directors
- The Board will have more discretion and enhance its monitoring
- The operation will be run by professional managers rather than controlling shareholder family

Pos.	Name
Inside	Baek Jong-Hoon
	<b>Ko Young-Hoon</b>
	<b>Ko Young-Do</b>
Independent	Chung Jin-Ho
	Chung Yong-Sun
	Lee Jae-Kyung
	<b>Hwang Lee-Seok</b>
	<b>Choi Do-Sung</b>
	<b>Lee Jung-Mi</b>
	<b>Park Soon-Ae</b>

\* Newly joined Directors are highlighted in blue and Directors to be replaced are highlighted in red.

Committees
Independent Director Nomination Committee
Audit Committee

Committees
Independent Director Nomination Committee
Audit Committee
<b>ESG Committee</b>
<b>Related Party Transaction Committee</b>
<b>Compensation Committee</b>

Consists of majority Independent Directors with the Independent Chair

Consists of solely Independent Directors

Charter of newly established committees will be finalized and disclosed on company website.

## 2.2. BOARD SKILL MATRIX

Name	Position	Gender	Term expires	Biz	Industry	R&D	Finance	Acct.	Risk mgt.	Legal	Public Policy	ESG
Park Chan-Koo	Inside	M	Resign	O	O							
Shin Woo-Sung	Inside	M	Resign	O	O							
Baek Jong-Hoon	Inside	M	2024.3	O	O							
Ko Young-Hoon	Inside	M	2024.5		O	O						
Ko Young-Do	Inside	M	2024.5				O	O				
Chung Jin-Ho	Independent	M	2022.3				O					
Chung Yong-Sun	Independent	M	2022.3				O					
Lee Jae-Kyung	Independent	M	2023.3	O			O	O				
Hwang Lee-Seok	Independent	M	2024.3				O	O	O			O
Choi Do-Soung	Independent	M	2024.3				O	O	O			
Lee Jung-Mi	Independent	F	2024.3							O		O
Park Soon-Ae	Independent	F	2024.3								O	O

## 2.3. CANDIDATES UP FOR ELECTION

Name	Position	Career	
 <p data-bbox="175 736 351 759"><b>Ko Young-Hoon</b></p>	Inside Director	2010-2016	Director, Head of Rubber Research Dept of Central Research Center of Kumho Petrochemical
		2017	Director, Head of Central Research Center of Kumho Petrochemical
		2018-2021	Managing Director, Head of Central Research Center of Kumho Petrochemical
		2021-present	Vice President, Head of Central Research Center of Kumho Petrochemical
 <p data-bbox="189 1110 338 1133"><b>Ko Young-Do</b></p>	Inside Director	2012-2013	Director, Head of Procurement and Funds Management of Kumho Petrochemical
		2014-2020	Director, Head of Procurement and Finance Management of Kumho Petrochemical
		2020-2021	Managing Director, Head of Procurement and Finance Management of Kumho Petrochemical
		2021-present	Managing Director, Head of Management Dept of Kumho Petrochemical

▶ *Strengthening the Board of Directors composition with professional managers and Outside Directors*

▶ *Establishing "Sales", "Finance" and "R&D" as pillars of a triangular management system*

### 3. COMMITTEES

	Baek Jong-Hoon	Ko Young-Hoon	Ko Young-Do	Chung Jin-Ho*	Chung Yong-Sun	Lee Jae-Kyung	Hwang Lee-Seok	Choi Do-Soung	Lee Jung-Mi	Park Soon-Ae
Position	Inside	Inside	Inside	Outside	Outside	Outside	Outside	Outside	Outside	Outside
Skills	Finance		0	0	0	0	0	0		
	Accounting		0			0	0	0		
	Risk mgt.						0	0		
	Legal								0	
	Policy									0
	ESG						0		0	0
Independent Director Nomination Committee				◎		0				
Audit Committee				0		0	◎	0		
ESG Committee	0							0	0	◎
Related Party Transaction Committee					0		0		◎	
Compensation Committee					0	◎				0

\* Mr. Chung Jin-ho's term will expire in Mar. 2022 and, in accordance with the Commercial Act, he is not eligible for re-election as he served more than six years.

\*◎: Chair of Committees (The Board will conclude in June)

**All committees other than ESG committee will consist of solely of Independent Directors**



**Thank you**

KUMHO PETROCHEMICAL