



## SABIC AND SK GLOBAL CHEMICAL JOINT VENTURE

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SABIC and the Korean petrochemical company, SK Global Chemical, have successfully concluded negotiations for a 50-50 joint venture that will purchase the unique Nexlene™ solution technology and a plant that manufactures a range of high-performance Ethylene/Alpha-Olefin copolymers products in Ulsan, Republic of Korea. The aggregate purchase price for the technology and plant is approximately USD 640 million.

The closing of the deal on Friday, July 3, in Seoul was presided over by Abdulrahman Al-Fageeh, Polymers Executive Vice President, and Hwa Youp Cha, SK Global Chemical CEO.

The joint venture holding company, SABIC SK Nexlene Company (SSNC) is headquartered in Singapore. Its wholly owned subsidiary, Korea Nexlene Company (KNC), owns the plant in Ulsan, which has an annual capacity of 230,000 tons. The parties intend to further expand capacity with the construction and operation of additional plants globally.

The plant will produce metallocene based linear low-density polyethylene, polyolefin plastomers, and polyolefin elastomers to meet the growing needs of diverse industries such as flexible packaging, industrial and agricultural film, automotive, consumer products (footwear), medical, and construction.

Yousef Al-Benyan, SABIC's Acting Vice Chairman and CEO, said, "We are very pleased to launch this partnership with SK Global Chemical, which is the latest stage in SABIC's global expansion. By growing our presence in Republic of Korea we are opening up new markets globally and reinforcing our position as a global leader – a major goal of our 2025 strategy.

Al-Fageeh said the new venture would enable both partners to grow in the highly specialized polyethylene market by providing high-value polymer products to global customers. "The solidification of our partnership with SK Global Chemical will complement our polymers portfolio and enable us to offer a more varied, cost-effective, and customer-focused selection of products," he said.

Nexlene will offer customers better performance, manufacturability, and final product properties, including excellent impact strength, enhanced toughness, superior transparency, low heat-seal temperature, incremental output, and improved organoleptic properties. These unique properties and characteristics offer a range of possibilities for the development of innovative product applications.

The packaging industry will benefit from lighter versions of Nexlene (mLLDPE) for producing films to manufacture flexible food packaging and wrapping materials. They can also be used in pipes and consumer goods, such as rotomoulded articles.

Metallocene polyolefin elastomers have applications in a number of industries where elasticity is important, including impact modifiers in the automotive industry, footwear in consumer markets, and wire coatings in the utilities and construction industries. Metallocene polyolefin plastomers are designed to provide excellent heat-seal strength for a variety of packaging products that can help provide inner sealing, adhesion, and a barrier against air and moisture.

The joint venture marks the latest SABIC investment in manufacturing capability in the Far East. With Nexlene, SABIC now has access to the most complete Polyethylene technology platforms within the petrochemical industry. SK Global Chemical is a pioneering petrochemical company in the Republic of Korea, being the first in the country to build a naphtha cracking facility in 1972. Through continuous facility investment, R&D and technological improvement, the company has maintained its position as the leader of the petrochemical industry in Korea

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