



**[Press Release]**

**September 25, 2025**

**LIFE Asset Management Calls on KCC to Disclose Strategic Plan for Samsung C&T Holdings**

*“LIFE Asset Management sends shareholder letter to KCC, stating the Company should have considered using Samsung C&T shares before issuing EBs backed by its treasury shares - given the value of KCC’s investment in Samsung C&T exceeds the Company’s own market capitalization”*

LIFE Asset Management has sent a letter to KCC’s management and the Board as its shareholder, calling on the Company to disclose its strategic plans regarding its substantial shareholding in Samsung C&T. Given that KCC has publicly filed its purpose of holding Samsung C&T shares as ‘participation in management,’ LIFE has also requested that KCC present a concrete shareholder engagement plan aligned with the stated objective.

On September 25, LIFE sent a letter to KCC’s board of directors and management, requesting transparency regarding the intended use of its Samsung C&T stake.

On the previous day (September 24), KCC announced plans to use its treasury shares. KCC currently holds 1,532,300 treasury shares, equivalent to 17.2% of total outstanding shares. The plan includes 882,300 shares (9.9%) for exchangeable bond (EB) issuance, 300,000 shares (3.4%) for employee welfare fund contributions, and 350,000 shares (3.9%) for cancellation.

LIFE Asset Management acknowledged that issuing EBs backed by treasury shares can be financially rational, as interest-free EB proceeds could reduce the debt burden incurred from KCC’s acquisition of Momentive in 2019, thereby decreasing overall financing costs.

Nevertheless, LIFE emphasized that KCC should have concurrently disclosed its strategic plan for KCC’s Samsung C&T holdings. As of the end of the first half of 2025, KCC held 17,009,518 Samsung C&T shares (representing a 10.01% ownership stake), valued at KRW 3.29 trillion based on the September 24 closing price—which exceeds KCC’s own market capitalization of KRW 3.27 trillion.

According to LIFE’s analysis, if the primary objective of the EB issuance was to reduce debt, KCC should have prioritized using non-core, low-return assets rather than treasury shares. Samsung C&T shares, which have historically yielded minimal earnings contribution, could have been used for issuing EBs. Instead, KCC’s decision to use treasury shares triggered a significant negative market reaction.

For comparison, when KCC announced its KRW 882.8 billion EB issuance plan backed by HD Korea Shipbuilding & Offshore Engineering (HDKSOE) shares on July 3, the share price increased 23.2% over the next 10 trading days. In contrast, following the September 24 announcement of EB issuance backed by treasury shares, KCC’s share price fell 17.0% intraday 11.8% at its closing on the same day.

LIFE further stated that KCC’s core business alone could support a market valuation exceeding KRW 5 trillion. If KCC were to dispose of its Samsung C&T stake valued at over KRW 3 trillion, the Company’s value could reach KRW 8 trillion.

In its shareholder letter, LIFE requested that if KCC refrained from utilizing Samsung C&T due to perceived undervaluation in share price, the Company should disclose its fair value assessment of the stake and provide the underlying valuation methodology. LIFE also called for KCC to present a proactive shareholder engagement strategy on Samsung C&T, noting that the Company’s extended investment in Samsung C&T has yielded ambiguous returns, while its stated purpose of ‘participation in management’ requires concrete action.



Dae Kwon Kang, Co-CEO/CIO of LIFE Asset Management, commented:

"While KCC's recent treasury share utilization plan received unfavorable market reaction, the disclosure of a comprehensive plan for its Samsung C&T holdings—an asset exceeding the Company's own market capitalization—would rapidly restore investor confidence. We anticipate the Board will promptly respond with their deliberations on our proposals and transparently communicate next steps."

#### **About LIFE Asset Management**

LIFE Asset Management focuses on long-term investments in undervalued companies while promoting value creation through constructive shareholder engagement. Leveraging deep expertise in corporate finance and governance, LIFE aims to align the long-term interests of shareholders and portfolio companies through its collaborative engagement-focused investment approach.

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For immediate release