

KUKBO EXPRESS STARTS STEEL PALLET AGENCY & SERVICES

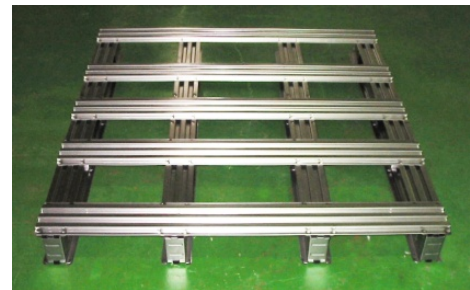
We are pleased to announce that we have started the provision of, and logistic services for steel pallets.

The new services include our partners:

- Provision and distribution of steel pallets, steel cases and quarantine conform corrugated cardboards.
- International freight forwarding and local logistics in Korea for steel pallets.

STEEL PALLETS BASICS

- **Niche Product:** Steel pallets are a niche product. In most major markets their share is between 1 and 3% of all pallets. Since 2012 though metal pallets have been enjoying something of a boom, especially in Asia. This is due to certain types of steel becoming less expensive, as well as improved properties (reduced weight for example) of steel and pallets.
- **Materials:** Steel pallets can be made of carbon steel or stainless steel. There are also composite pallets which are made of steel and plastic. Carbon steel offers excellent durability at the lowest cost. Stainless steel doesn't need a paint coating, and is preferred for such applications as clean room environments. Carbon steel units are relatively expensive compared to wood, and stainless pallets cost about 2-3 times that of carbon steel. The long term cost, however, can be lower than that of wood pallets.
- **Usage:** Steel pallets are used in markets where durability and product protection are key measures. Primary industries include automotive, pharmaceutical, chemical, glass, motorcycles, and tires.



Non-reversible, four-way entry type



Reversible, four-way entry type

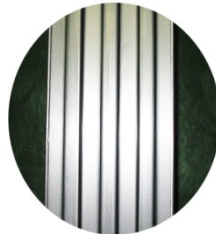
ADVANTAGES OF OUR PALLETS

- **Low production costs:** Comparatively low unit price thanks to mass production by automatic welding equipment. Steel pallets don't require fumigation and therefore the selling price of our steel pallets is cheaper than such fumigated wooden pallets in Korea.
- **Environmentally friendly:** Steel pallets can be used longer than wooden ones, and are recyclable. Ideal also for captive or closed loop environments.

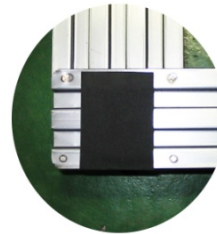
- High quality: Inherent strong intensity of steel material, especially solid thanks to spot welding. Stiff and durable, allow for heavy loads. It's also especially lightweight steel which makes the pallets as light as plastic pallets.
- Reduced logistic costs: No quarantine test necessary, simplified export process, no disposal costs. Steel (pallets) can be re-sold at end of usage.
- Safe for sensitive products: No quarantine issues (bug-free), water proof, no splinters, sanitary.
- Variety: 2-way and 4-way entry (reversible, and non-reversible). Different specs and sizes available depending on product. Alterable framework and number of blocks according to load characteristics.



Spot welding ➔
strong binding



Margin folded ➔
More secure and
strong



Pad attached ➔ Slip
preventable during transfer
and storage

BUSINESS

- Current customer base: Korean companies like Hyundai, Sungwoo Automotive, Samsung Electronics, TDK Korea, Mando. Most of the current customers are using the pallets for round shipments within their own company and subsidiaries.
- Plan to sell to non-Korean companies: If you have clients in the automotive, pharmaceutical, chemical, tyre or similar industries they might be interested steel pallets as those could reduce their logistics costs.
- Majority of steel pallets are rented out. This is the dominant business model. Pallet rental companies are therefore another target.
- In case there is interest, we have brochures and presentations showing the whole product range in detail. We are happy to provide those to any interested party.

CONTACT

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