

# KUMHO PETROCHEMICAL CO., LTD. AND SUBSIDIARIES

## Consolidated Statements of Financial Position

As of December 31, 2016 and 2015

| In millions of won                           | 2016               | 2015             |
|--|--------------------|------------------|
| <b>Assets</b>                                |                    |                  |
| <b>Non-current assets</b>                    |                    |                  |
| Property, plant and equipment                | ₩ 2,564,778        | 2,505,694        |
| Investment property                          | 5,600              | 5,601            |
| Intangible assets                            | 17,264             | 16,151           |
| Investments in associates and joint ventures | 417,770            | 395,841          |
| Available-for-sale financial assets          | 231,968            | 251,298          |
| Derivative financial assets                  | 2,224              | 2,417            |
| Loans and other receivables                  | 14,563             | 16,946           |
| Deferred tax assets                          | 26,827             | 30,213           |
| Other non-current assets                     | 9,797              | 18,818           |
|  | <b>3,290,791</b>   | <b>3,242,979</b> |
| <b>Current assets</b>                        |                    |                  |
| Inventories                                  | 445,542            | 394,695          |
| Held-for-trading financial assets            | 271                | -                |
| Available-for-sale financial assets          | -                  | 1                |
| Derivative financial assets                  | 7,566              | 5,924            |
| Trade receivables                            | 520,901            | 435,348          |
| Loans and other receivables                  | 73,632             | 40,853           |
| Cash and cash equivalents                    | 196,977            | 47,292           |
| Other current assets                         | 10,431             | 15,338           |
| Non-current assets held for sale             | -                  | 28,000           |
| Current tax assets                           | 3                  | 125              |
|  | <b>1,255,323</b>   | <b>967,576</b>   |
| <b>Total assets</b>                          | ₩ <b>4,546,114</b> | <b>4,210,555</b> |

In millions of won

|   | 2016               | 2015             |
|---|--------------------|------------------|
| <b>Equity</b>                                     |                    |                  |
| <b>Equity attributable to owners of the Group</b> |                    |                  |
| Capital   | ₩ 167,456          | 167,456          |
| Capital surplus                                   | 266,517            | 267,824          |
| Capital adjustment                                | (40,358)           | (40,323)         |
| Accumulated other comprehensive income            | 18,198             | 15,802           |
| Retained earnings                                 | 1,207,923          | 1,145,722        |
|   | <b>1,619,736</b>   | <b>1,556,481</b> |
| <b>Non-controlling interests</b>                  | 108,165            | 107,267          |
| <b>Total equity</b>                               | <b>1,727,901</b>   | <b>1,663,748</b> |
| <b>Liabilities</b>                                |                    |                  |
| <b>Non-current liabilities</b>                    |                    |                  |
| Other payables                                    | 1,546              | 50               |
| Long-term accrued expenses                        | 3,960              | 4,396            |
| Borrowings  | 559,536            | 882,265          |
| Liabilities for defined benefit plans             | 48,749             | 64,093           |
| Deferred tax liabilities                          | 54,493             | 49,319           |
| Financial guarantee liabilities                   | 120                | 545              |
| Derivative financial Liabilities                  | 808                | 1,073            |
| Other non-current liabilities                     | 3,441              | 3,809            |
|   | <b>672,653</b>     | <b>1,005,550</b> |
| <b>Current liabilities</b>                        |                    |                  |
| Trade payables                                    | 373,698            | 219,197          |
| Other payables                                    | 220,532            | 261,432          |
| Borrowings  | 1,521,119          | 1,032,326        |
| Current tax liabilities                           | 10,669             | 13,011           |
| Provision   | 5,302              | 7,326            |
| Other current liabilities                         | 14,240             | 7,965            |
|   | <b>2,145,560</b>   | <b>1,541,257</b> |
| <b>Total liabilities</b>                          | <b>2,818,213</b>   | <b>2,546,807</b> |
| <b>Total equity and liabilities</b>               | ₩ <b>4,546,114</b> | <b>4,210,555</b> |