

KUMHO PETROCHEMICAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

As of December 31, 2016 and 2015

In millions of won	2016	2015
Cash flows from operation activities:		
Cash generated from operation activities	₩ 370,541	568,929
Interest received	1,056	5,776
Interest paid	(63,629)	(68,304)
Dividends received	14,422	14,276
Income tax paid	(25,634)	(37,486)
Net cash provided by operating activities	296,756	483,191
Cash flows from investing activities:		
Increase in short-term financial instruments	(23,000)	(2,500)
Proceeds from sales of short-term financial instruments	5,000	-
Increase in long-term financial instruments	-	(5,000)
Proceeds from sales of long-term financial instruments	-	1
Increase in short-term loans	-	(6,000)
Collection of short-term loans	-	6,000
Increase in long-term loans	(608)	(864)
Collection of long-term loans	286	9,395
Acquisition of property, plant and equipment	(272,707)	(389,767)
Proceeds from sales of property, plant and equipment	1,640	842
Acquisition of intangible assets	(1,648)	(1,774)
Proceeds from sales of intangible assets	120	202
Acquisition of investments in associates and joint ventures	-	(7,020)
Acquisition of investments in subsidiaries	(1,880)	-
Acquisition of held-for-trading financial assets	(252)	-
Acquisition of available-for-sale financial assets	(7)	(2)
Proceeds from sales of available-for-sale financial assets	31,336	4,134
Proceeds from sales of non-current assets held for sale	4,187	-
Proceeds from sales of other investments	28	605
Increase in cash due to change in scope of consolidation	6,828	400
Net cash used in investing activities	(250,677)	(391,348)

In millions of won

	2016	2015
Cash flows from financing activities:		
Net proceeds(repaysments) of short-term borrowings	258,640	(42,130)
Proceeds from issuance of bonds	111,706	-
Proceeds from long-term borrowings	84,480	330,192
Repayments of current portion of long-term borrowings	(310,760)	(428,609)
Repayments of long-term borrowings	(12,270)	(76,101)
Dividends paid	(22,470)	(41,998)
Capital increase from non-controlling interests	-	300
Increase of parent's ownership interests	(5,686)	-
Proceeds from sales of parent's ownership interests	1	-
Payment for share issuance costs	(53)	(55)
Net cash provided by(used in) financing activities	103,588	(258,401)
Effect of exchange rate fluctuations on cash held	18	207
Net increase(decrease) in cash and cash equivalents	149,685	(166,351)
Cash and cash equivalents at beginning of year	47,292	213,643
Cash and cash equivalents at end of year	₩ 196,977	47,292