

KUMHO PETROCHEMICAL CO., LTD.

Separate Statements of Cash Flows

For the years ended December 31, 2016 and 2015

In millions of won	2016	2015
Cash flows from operation activities		
Cash generated from operation activities	₩ 291,457	435,059
Interest received	604	1,996
Interest paid	(46,838)	(52,562)
Dividends received	12,091	10,481
Income tax paid	(24,558)	(37,335)
Net cash provided by operating activities	232,756	357,639
Cash flows from investing activities		
Increase in short-term loans	(6,189)	-
Increase in long-term loans	(454)	(664)
Cash from decrease of long-term loans	266	350
Increase in short-term financial instruments	(1,500)	-
Cash from sales of short-term financial instruments	5,000	-
Increase in long-term financial instruments	-	(5,000)
Cash from sales of long-term financial instruments	-	1
Acquisition of property, plant and equipment	(176,592)	(227,129)
Proceeds from sales of property, plant and equipment	1,428	237
Acquisition of intangible assets	(1,648)	(1,730)
Proceeds from sales of intangible assets	32	202
Acquisition of investments in subsidiaries and associates	(5,686)	(16,855)
Proceeds from sales of available-for-sale financial assets	1	-
Proceeds from sales of other investments	4,187	-
Net cash used in investing activities	(181,155)	(250,588)

In millions of won

	2016	2015
Cash flows from financing activities		
Net proceeds(repaysments) of short-term borrowings	247,302	(3,871)
Proceeds from long-term borrowings	50,000	142,300
Repayments of current portion of long-term borrowings	(254,719)	(359,990)
Proceeds from issuance of bonds	91,726	-
Dividends paid	(22,470)	(41,998)
Net cash provided by(used in) financing activities	111,839	(263,559)
Effect of exchange rate fluctuations on cash held	50	(4)
Net increase(decrease) in cash and cash equivalents	163,490	(156,512)
Cash and cash equivalents at beginning of year	2,922	159,434
Cash and cash equivalents at end of year	₩ 166,412	2,922