

# Independent Auditors' Report

Based on a report originally issued in Korean

## The Board of Directors and Shareholders Kumho Petrochemical Co., Ltd.:

We have audited the accompanying separate statement of financial position of Kumho Petrochemical Co., Ltd (the "Company") as of December 31, 2011, and the related separate statements of income, comprehensive income, changes in equity and cash flows for the year then ended. Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with Korean International Financial Reporting Standards. Our responsibility is to express an opinion on these separate financial statements based on our audit. The non-consolidated statement of financial position of the Company as of December 31, 2010, and the related separate statements of income, comprehensive income, changes in equity and cash flows for the years then ended, which are not presented in the accompanying financial statements, were prepared in accordance with previous Generally Accepted Accounting Principles in the Republic of Korea ("previous K-GAAP") and our opinion dated February 17, 2011 expressed an unqualified opinion on those non-consolidated financial statements. The accompanying separate statement of financial position of the Company as of December 31 and January 1, 2010, and the related separate statements of income, comprehensive income, changes in equity and cash flows for the year ended December 31, 2010, which are presented for comparative purpose, were not included in our audit scope.

We conducted our audits in accordance with auditing standards generally accepted in the Republic of Korea. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the separate financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2011 and its financial performance and its cash flows for the year then ended, in accordance with Korean International Financial Reporting Standards.

Without qualifying our opinion, we draw attention to the following:

The procedures and practices utilized in the Republic of Korea to audit such non-consolidated financial statements may differ from those generally accepted and applied in other countries. Accordingly, this report and the accompanying non-consolidated financial statements are for use by those knowledgeable about Korean auditing standards and their application in practice.

*KPMG Samjung Accounting Corp.*

Seoul, Korea  
March 13, 2012

This report is effective as of March 13, 2012, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying separate financial statements and notes thereto. Accordingly, the readers of the audit report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.