

KUMHO PETROCHEMICAL CO., LTD. AND SUBSIDIARIES  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

For the years ended December 31, 2018 and 2017

In millions of won

|   | Capital   | Capital surplus | Capital adjustment | Accumulated other comprehensive income | Retained earnings | Non-controlling interests | Total equity |
|---|-----------|-----------------|--------------------|--|-------------------|---------------------------|--------------|
| <b>Balance at January 1, 2017</b>   | ₩ 167,456 | 266,517         | (40,358)           | 18,198                                 | 1,207,923         | 108,165                   | 1,727,901    |
| <b>Total comprehensive income for the year</b>                              |           |                 |                    |  |                   |                           |              |
| Net profit for the year   | -         | -               | -                  | -                                      | 213,577           | 4,070                     | 217,647      |
| Net change in fair value of available-for-sale financial assets             | -         | -               | -                  | 32,488                                 | -                 | 1,509                     | 33,997       |
| Foreign currency translation differences for foreign operations             | -         | -               | -                  | (2,874)                                | -                 | 7                         | (2,867)      |
| Effective portion of changes in fair value of cash flow hedges              | -         | -               | -                  | 433                                    | -                 | (6)                       | 427          |
| Net change in unrealized gain on valuation of investments in associates     | -         | -               | -                  | (2,170)                                | -                 | (251)                     | (2,421)      |
| Net change in retained earnings of investments in associates                | -         | -               | -                  | -                                      | (885)             | -                         | (885)        |
| Remeasurements of net defined benefit liability                             | -         | -               | -                  | -                                      | 4,461             | 570                       | 5,031        |
| <b>Transactions with owners of the Group, recognized directly in equity</b> |           |                 |                    |  |                   |                           |              |
| Additional acquisition of shares of subsidiaries                            | -         | (1)             | (14)               | -                                      | -                 | 83                        | 68           |
| Dividends   | -         | -               | -                  | -                                      | (22,095)          | -                         | (22,095)     |
| <b>Balance at December 31, 2017</b>   | ₩ 167,456 | 266,516         | (40,372)           | 46,075                                 | 1,402,981         | 114,147                   | 1,956,803    |

In millions of won

|   | Capital   | Capital surplus | Capital adjustment | Accumulated other comprehensive income | Retained earnings | Non-controlling interests | Total equity |
|---|-----------|-----------------|--------------------|--|-------------------|---------------------------|--------------|
| <b>Balance at January 1, 2018</b>   | ₩ 167,456 | 266,516         | (40,372)           | 46,075                                 | 1,402,981         | 114,147                   | 1,956,803    |
| Changes in accounting policies  | -         | -               | -                  | (92,911)                               | 92,154            | (40)                      | (797)        |
| <b>Balance at January 1, 2018 after applying changes</b>                    | 167,456   | 266,516         | (40,372)           | (46,836)                               | 1,495,135         | 114,107                   | 1,956,006    |
| <b>Total comprehensive income for the year</b>                              |           |                 |                    |  |                   |                           |              |
| Net profit for the year   | -         | -               | -                  | -                                      | 491,221           | 11,861                    | 503,082      |
| Foreign currency translation differences for foreign operations             | -         | -               | -                  | (197)                                  | -                 | -                         | (197)        |
| Effective portion of changes in fair value of cash flow hedges              | -         | -               | -                  | 56                                     | -                 | (13)                      | 43           |
| Net change in unrealized gain on valuation of investments in associates     | -         | -               | -                  | (330)                                  | -                 | 181                       | (149)        |
| Net change in retained earnings of investments in associates                | -         | -               | -                  | -                                      | 180               | -                         | 180          |
| Remeasurements of net defined benefit liability                             | -         | -               | -                  | -                                      | (11,843)          | 191                       | (11,652)     |
| Net change in fair value of available-for-sale financial assets             | -         | -               | -                  | (13,579)                               | 7,099             | 246                       | (6,234)      |
| <b>Transactions with owners of the Group, recognized directly in equity</b> |           |                 |                    |  |                   |                           |              |
| Additional acquisition of shares of subsidiaries                            | -         | 60,111          | -                  | -                                      | -                 | (125,745)                 | (65,634)     |
| Writing down subsidiary's treasury stocks                                   | -         | 29,929          | -                  | -                                      | (29,929)          | -                         | -            |
| Dividends   | -         | -               | -                  | -                                      | (27,298)          | -                         | (27,298)     |
| <b>Balance at December 31, 2018</b>   | ₩ 167,456 | 356,556         | (40,372)           | (60,886)                               | 1,924,565         | 828                       | 2,348,147    |