

KUMHO PETROCHEMICAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Income

For the years ended December 31, 2017 and 2016

In millions of won, except earning per share information

	2017	2016
Sales	₩ 5,064,779	3,970,435
Cost of sales	4,636,527	3,637,513
Gross profit	428,252	332,922
Selling, general and administrative expenses	165,626	175,846
Operating income	262,626	157,076
Other income	53,072	96,758
Other expenses	87,496	101,354
Financial income	76,868	37,401
Financial expenses	104,371	104,641
Share of profit of equity accounted investees	89,089	27,636
Net profit before income tax	289,788	112,876
Income tax expense	72,141	32,112
Net profit for the year	₩ 217,647	80,764
Profit attributable to:		
Owners of the Group	213,577	73,246
Non-controlling interests	4,070	7,518
Net profit for the year	217,647	80,764
Earnings per share (In Korean won):		
Basic and diluted earnings per share(common stock)	₩ 7,647	2,618
Basic and diluted earnings per share(preferred stock)	₩ 7,727	2,683

KUMHO PETROCHEMICAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2017 and 2016

In millions of won

	2017	2016
Net profit for the year	₩ 217,647	80,764
Other comprehensive income (loss) for the year, net of income tax	33,282	11,165
1. Items that will not be reclassified subsequently to profit or loss:		
Remeasurements of net defined benefit liability	5,031	10,305
2. Items that will be reclassified subsequently to profit or loss:		
Net change in fair value of available-for-sale financial assets	33,997	1,291
Foreign currency translation differences for foreign operations	(2,867)	(818)
Effective portion of changes in fair value of cash flow hedges	427	457
Net change in unrealized gain on valuation of investments in associates	(2,421)	(995)
Net change in retained earnings of investments in associates	(885)	925
Total comprehensive income for the year	₩ 250,929	91,929
Total comprehensive income attributable to:		
Owners of the Group	245,031	87,066
Non-controlling interests	5,898	4,863
Total comprehensive income for the year	₩ 250,929	91,929