

INDEPENDENT AUDITORS' REPORT

Based on a report originally issued in Korean

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

We have audited the accompanying non-consolidated statement of financial position of Kumho Petrochemical Co., Ltd [the "Company"] as of December 31, 2010, and the related non-consolidated statements of operations, appropriation of retained earnings, changes in equity and cash flows for the year then ended. These non-consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these non-consolidated financial statements based on our audit. The accompanying non-consolidated financial statements of the Company as of December 31, 2009, were audited by other auditors, whose report thereon dated March 22, 2010, expressed an unqualified opinion on those statements.

We conducted our audit 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 our audit provides a reasonable basis for our opinion.

In our opinion, the non-consolidated financial statements referred to above present fairly, in all material respects, the financial position of Kumho Petrochemical Co., Ltd. as of December 31, 2010 and the results of its operations, appropriation of its retained earnings, the changes in its equity and its cash flows for the year then ended in conformity with accounting principles generally accepted in the Republic of Korea.

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

As discussed in note 2(a) to the non-consolidated financial statements, accounting principles and auditing standards and their application in practice vary among countries. The accompanying non-consolidated financial statements are not intended to present the financial position, results of operations, changes in equity and cash flows in accordance with accounting principles and practices generally accepted in countries other than the Republic of Korea. In addition, 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 accounting principles and auditing standards and their application in practice.

As discussed in note 37 to the non-consolidated financial statements, on December 30, 2009, Kumho Asiana Group, including the Company, announced a Business Restructuring Plan that (1) the Company and Asiana Airlines will be required only to make voluntary efforts to improve their financial health, and (2) Kumho Industrial and Kumho Tire will plan the workout for debt rescheduling and corporate restructuring led by their creditor banks. In relation to this plan, on June 8, 2010, the Company entered into a contract with its creditor banks and has been executing the plan such as making an effort to reduce expenses.

Seoul, Korea
February 16, 2011

KPMG Samjung Accounting Corp.

This report is effective as of February 16, 2011, 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 non-consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.