

KUMHO PETROCHEMICAL CO., LTD.
NON-CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2009 AND 2008

A	S	S	E	T	S	2009	2008
						(In millions of Korean won)	
CURRENT ASSETS							
Cash and cash equivalents, net of government subsidy of ₩508 million as of December 31, 2009 and ₩997 million as of December 31, 2008 (Notes 2, 10, 16 and 26)						₩77,237	₩12,089
Short-term financial instruments						2,633	-
Accounts receivable - trade, net of allowance for doubtful accounts of ₩2,582 million as of December 31, 2009 and ₩1,132 million as of December 31, 2008 (Notes 2, 16, 25, 29, 30 and 35)						298,859	336,808
Accounts receivable - other, net of allowance for doubtful accounts of ₩286 million as of December 31, 2009 and ₩219 million as of December 31, 2008 (Notes 2, 16 and 27)						12,066	16,972
Short-term loans, net of allowance for doubtful accounts of ₩10,200 million as of December 31, 2009 and nil as of December 31, 2008 (Notes 2, 7 and 35)						15,485	346
Accrued income						1,175	1,177
Advanced payments						3,063	986
Prepaid expenses						4,515	1,069
Prepaid taxes (Note 23)						367	-
Current derivative instruments assets (Notes 2 and 30)						16,808	28,180
Current deferred income tax assets (Notes 2 and 23)						22,299	16,368
Inventories, net (Notes 2, 4 and 28)						321,291	369,300
Total Current Assets						775,798	783,295
NON-CURRENT ASSETS							
Investment Assets							
Long-term financial instruments (Note 3)						20	75
Available-for-sale securities (Notes 2 and 5)						23,711	20,966
Equity method investment securities (Notes 2, 6, 29 and 35)						865,943	1,533,527
Total Investments Assets						889,674	1,554,568
Property, Plant and Equipment, net (Notes 2, 8, 15, 28, 29 and 31)						1,356,650	1,272,781
Intangible Assets, net (Notes 2, 9 and 31)						35,642	45,369
Other Non-current Assets							
Guarantee deposits						16,858	16,208
Long-term loans (Note 7)						2,289	2,516
Non-current derivative instruments assets (Notes 2 and 30)						3,162	26,839
Other deposits						1,278	539
Other non-current assets						11,771	12,697
Current deferred income tax assets (Notes 2 and 23)						106,747	-
Total Other Non-current Assets						142,105	58,799
Total Non-current Assets						2,424,071	2,931,517
TOTAL ASSETS						₩3,199,869	₩3,714,812

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KUMHO PETROCHEMICAL CO., LTD.
NON-CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS OF DECEMBER 31, 2009 AND 2008

LIABILITIES AND SHAREHOLDERS' EQUITY	2009	2008
(In millions of Korean won)		
CURRENT LIABILITIES		
Accounts payable - trade (Notes 16 and 27)	₩262,547	₩213,106
Accounts payable - other (Notes 10, 16 and 27)	127,693	183,458
Short-term borrowings (Notes 12 and 16)	630,067	168,070
Short-term bond payable, net of discount on debentures of ₩158 million as of December 31, 2009 and nil as of December 31, 2008 (Note 14)	139,842	-
Advanced receipts	2,204	867
Withholdings	3,141	1,021
Withholding taxes	518	389
Accrued expenses	15,371	20,800
Income tax payable (Note 23)	-	24,473
Current portion of other long-term accounts payable (Notes 2, 15 and 16)	1,553	1,217
Current portion of long-term borrowings, net of discount on debentures of ₩253 million as of December 31, 2009 and ₩179 million as of December 31, 2008, and present value discount of ₩850 million as of December 31, 2009 and nil as of December 31, 2008 (Notes 13, 14 and 16)	869,969	491,588
Current portion of exchangeable bond payable, net (Notes 2 and 14)	4,133	-
Unearned income	75	89
Current derivative instruments assets (Notes 2 and 30)	1,522	10,843
Other current liabilities	121	1,086
Total Current Liabilities	2,058,756	1,117,007
NON-CURRENT LIABILITIES		
Bonds payable, net of discount on debentures of ₩152 million as of December 31, 2009 and ₩84 million as of December 31, 2008 (Note 14)	109,848	326,116
Bonds payable denominated in foreign currency (Notes 14 and 16)	-	40,986
Exchangeable bond payable, net (Notes 2, 6, 14 and 30)	-	3,849
Long-term borrowings, net of present value discount of ₩6 million as of December 31, 2009 and nil as of December 31, 2008 (Note 13)	431,166	835,922
Long-term borrowings denominated in foreign currency (Notes 13 and 16)	44,112	102,043
Accrued severance indemnities, net of transfers to the National Pension Fund of ₩714 million as of December 31, 2009 and ₩861 million as of December 31, 2008, and deposits for severance benefits ₩34,338 million as of December 31, 2009 and ₩35,514 million as of December 31, 2008 (Note 2)	20,127	24,214
Long-term guarantee deposits withheld	99	83
Long-term other accounts payable (Notes 2, 15 and 16)	651	1,673
Non-current derivative instruments liabilities (Notes 2, 14 and 30)	-	2,243
Non-current deferred income tax liabilities (Notes 2 and 23)	-	97,532
Total Non-current Liabilities	606,003	1,434,661
Total Liabilities	₩2,664,759	₩2,551,668

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KUMHO PETROCHEMICAL CO., LTD.
NON-CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS OF DECEMBER 31, 2009 AND 2008

LIABILITIES AND SHAREHOLDERS' EQUITY	2009	2008
(In millions of Korean won)		
SHAREHOLDERS' EQUITY		
Capital Stock (Notes 1 and 17):		
Common stock	₩127,122	₩127,122
Preferred stock	15,118	15,118
Total Capital Stock	142,240	142,240
Capital Surplus:		
Additional paid-in capital (Note 17)	138,941	138,941
Revaluation surplus (Note 18)	161,393	161,393
Other capital surplus	3,115	3,115
Total Capital Surplus	303,449	303,449
Capital Adjustments:		
Treasury stock (Notes 19 and 29)	(40,066)	(40,066)
Other capital adjustment	(9,019)	(10,433)
Total Capital Adjustments	(49,085)	(50,499)
Accumulated Other Comprehensive Income (Loss) (Notes 2, 22 and 23):		
Unrealized gain on valuation of available-for-sale securities (Notes 2 and 5)	6,351	5,426
Increase in equity of associates (Notes 2 and 6)	189,729	198,332
Decrease in equity of associates (Notes 2 and 6)	(177)	(9,501)
Loss on valuation of derivatives for cash flow hedge (Notes 2 and 30)	(2,039)	(5,195)
Increase in the revaluation of property, plant and equipment (Notes 2 and 8)	171,323	171,323
Total Accumulated Other Comprehensive Income	365,187	360,385
Retained Earnings (Note 20):		
Legal reserve	8,269	6,539
Voluntary reserve	381,000	413,101
Accumulated deficit before disposition	(615,950)	(12,071)
Total Retained Earnings (Accumulated deficit)	(226,681)	407,569
Total Shareholders' Equity	535,110	1,163,144
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	₩3,199,869	₩3,714,812

See accompanying notes to non-consolidated financial statements.