

BMT Company Limited
Statements of Cash Flows
For the years Ended December 31, 2017 and 2016

<i>(in thousands of Korean Won)</i>	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Net income	₩ 2,983,071	₩ (941,323)
Adjustments to reconcile net income to net cash used in operating activities	5,623,045	2,730,035
Changes in operating assets and liabilities	222,661	6,003,110
Interest received	69,416	133,843
Interest paid	(464,250)	(743,001)
Income tax paid	(1,518)	(270,712)
Net cash provided by (used in) operating activities	<u>8,432,425</u>	<u>6,911,952</u>
Cash flows from investing activities		
Disposal (acquisition) of short-term financial instruments	(7,192,351)	205,026
Disposal (acquisition) of short-term loans	(118,532)	(780,083)
Disposal (acquisition) of trading securities	(2,945,526)	200,444
Disposal (acquisition) of long-term financial instruments	(169,796)	(265,074)
Acquisition of investment securities	(15,685)	-
Disposal of held to maturity securities	100,000	-
Acquisition of property, plant and equipment	(4,730,862)	(1,676,717)
Disposal of property, plant and equipment	8,909	-
Acquisition of intangible assets	(565,591)	(97,816)
Others	76,112	36,000
Net cash used in investing activities	<u>(15,553,322)</u>	<u>(2,378,220)</u>
Cash flows from financing activities		
Increase(Decrease) in short-term borrowings	240,000	1,460,000
Increase(Decrease) in long-term borrowings	(725,102)	(902,332)
Increase in national subsidy	258,963	16,907
Dividends	(788,788)	(788,788)
Net cash provided by (used in) financing activities	<u>(1,014,927)</u>	<u>(214,213)</u>
Net increase(Decrease) in cash and cash equivalents	<u>(8,135,824)</u>	<u>4,319,519</u>
Cash and cash equivalents		
Beginning of the year	12,736,072	8,417,047
Effect on foreign currency exchange of cash and cash equivalents	(19,748)	(494)
End of the year	<u>₩ 4,580,500</u>	<u>₩ 12,736,072</u>

The accompanying notes are an integral part of these financial statements.