

BMT Company Limited
Statements of Cash Flows
For the years Ended December 31, 2016 and 2015

| <i>(in thousands of Korean Won)</i> | <u>2016</u> | <u>2015</u> |
|--|---------------------|--------------------|
| Cash flows from operating activities | | |
| Net income | ₩ (941,323) | ₩ 2,549,077 |
| Adjustments to reconcile net income to net cash used in operating activities | 2,730,035 | 3,446,427 |
| Changes in operating assets and liabilities | 6,003,110 | (1,694,011) |
| Interest received | 133,844 | 120,717 |
| Interest paid | (743,001) | (791,826) |
| Income tax paid | (270,712) | (1,023,225) |
| Net cash provided by (used in) operating activities | <u>6,911,953</u> | <u>2,607,159</u> |
| Cash flows from investing activities | | |
| Disposal (acquisition) of short-term financial instruments | 205,026 | (238,525) |
| Disposal (acquisition) of short-term loans | (780,083) | (948,764) |
| Disposal (acquisition) of trading securities | 200,444 | (199,916) |
| Disposal (acquisition) of long-term financial instruments | (265,074) | (292,073) |
| Acquisition of investment securities | - | - |
| Available for sale securities | - | (25,170) |
| Acquisition of property, plant and equipment | (1,676,717) | (1,245,299) |
| Disposal of property, plant and equipment | - | 80,000 |
| Acquisition of intangible assets | (97,816) | (42,565) |
| Others | 36,000 | 249,292 |
| Net cash used in investing activities | <u>(2,378,220)</u> | <u>(2,663,020)</u> |
| Cash flows from financing activities | | |
| Increase(Decrease) in short-term borrowings | 1,460,000 | 3,000,000 |
| Increase(Decrease) in long-term borrowings | (902,332) | (652,337) |
| Exercise of stock warrants | - | - |
| Increase in national subsidy | 16,907 | 74,656 |
| Disposal(purchase) of treasury stock | - | (990,338) |
| Dividends | (788,788) | (806,314) |
| Net cash provided by (used in) financing activities | <u>(214,213)</u> | <u>625,667</u> |
| Net increase(Decrease) in cash and cash equivalents | <u>4,319,520</u> | <u>569,806</u> |
| Cash and cash equivalents | | |
| Beginning of the year | <u>8,417,046</u> | <u>7,791,297</u> |
| Effect on foreign currency exchange of cash and cash equivalents | (494) | 55,943 |
| End of the year | <u>₩ 12,736,072</u> | <u>₩ 8,417,046</u> |

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