

The 58th Annual Report

(Jan 1, 2019 – Dec 31, 2019)

Ssangyong Motor Company

I . Annual Report

1. Corporate Overview

1) The objective of the company

- (1) Manufacture and sale of various automobiles and parts thereof
- (2) Manufacture and sale of various heavy equipment and parts thereof
- (3) Repair of various automobiles and heavy equipment
- (4) Agency of automobile inspection
- (5) Manufacture of fire-fighting equipment
- (6) Export and import and agency thereof
- (7) Wholesale of automobile parts
- (8) Issue of offer sheets for sale of goods
- (9) Manufacture and production of various engines and related parts
- (10) Agency of automobile registration
- (11) Sales and consignment sale of good imported or exported
- (12) Sale and lease of real estate, equipment and facilities
- (13) Management of automobiles (used car sale; car scrapping agency; automobile lease)
- (14) Manufacture and sale of various molds
- (15) E-commerce and internet-related business
- (16) Various types of valued-added telecommunication business and specially-designated telecommunication business including an automobile information business, and sale and lease business of related equipment
- (17) Other businesses incidental to any of the foregoing

2) Core business

Manufacturing and sales of various automobiles and parts

3) Plant and other premises

Name	Major Business	Location
Pyeongtaek plant (Main Office)	Manufacture of vehicles	455-12, Dongsak-ro, Pyeongtaek-si, Gyeonggi-do
Changwon plant	Manufacture of engines	10, Gongdan-ro 474beon-gil, Seongsan-gu, Changwon-si, Gyeongsangnam-do
Seoul Service Center and 11 other sites	Maintenance and part sales	243, Gurodong-ro, Guro-gu, Seoul

4) Employees data

Gender	Office workers	Factory workers	Others	Total	Remarks
Male	1,502	3,338	24	4,864	-
Female	81	1	25	107	-
Total	1,583	3,339	49	4,971	-

5) Matters related to shares

① Type and number of issued shares

(Unit: Share, thousand KRW)

Sort of stock	The number of stocks	Amount	% of common stock	Remarks
Common Stock	149,840,002	749,200,010	100%	-

② Changes in capital

(Unit: Share, thousand KRW)

Date	Sort of stock	Increase / Decrease		After Change		Remarks
		Shares	Amount	Shares	Amount of Capital	
2011.01.04	Common	5,193	25,965	36,542,794	182,713,970	Debt-equity swap
2011.02.09	Common	85,419,047	427,095,235	121,961,841	609,809,205	Paid-in capital increase (to the 3 rd party)
2012.05.19	Common	644,550	3,222,750	122,606,391	613,031,955	Paid-in capital increase (to the 3 rd party)
2012.08.15	Common	68,250	341,250	122,674,641	613,373,205	Paid-in capital increase (to the 3 rd party)

2013.05.23	Common	14,545,455	72,727,275	137,220,096	686,100,480	Paid-in capital increase (to the 3 rd party)
2017.03.04	Common	729,300	3,646,500	137,949,396	689,746,980	Paid-in capital increase (to the 3 rd party)
2019.01.26	Common	11,890,606	59,453,030	149,840,002	749,200,010	Paid-in capital increase (to the 3 rd party)

③ General affairs on shares

Closing date	December 31 st		
Period of closing shareholders' registry	January 1 st - January 10 th	Base date	December 31 st
Public notice	SYMC's Website (http://www.smotor.com) or Kukmin IlBo		
Agent	Name	Korea Securities Depository	
	Location	23, Yeouinaru-ro 4-gil, Yeongdeungpo-gu, Seoul, Korea	

6) Corporate bond

(Unit: thousand KRW)

Type of bond	Date of issue	Issue amount	Interest rate	Outstanding amount	Repayment date	Payment guaranteed by
-	-	-	-	-	-	-

2. Sales Performance

1) Overall outlook

① Domestic market

The domestic automotive sales volume in 2019 decreased by 0.9% YoY to 1,538,613 due to the delayed economic recovery, and increased M/S of imported cars.

PC : Market decreased by 6.1% YoY to 652,433 due to the increased demand for RV, the decreased demand for middle lower model

RV : RV market grew by 5.2% YoY to 663,670 with the growing interest in leisure activities such as camping .

SUV: Increased by 10.4% YoY with the increase of large SUV

CDV: decreased by 18.5% YoY due to reduction in popular models and discontinuation vehicles.

SYMC : Although the sales volume decreased slightly year-on-year, the company ranked third in the industry thanks to the Launch of Korando and the introduction of the Tivoli Facelift model.

(Unit: Vehicle - CBU only)

Classification	2019	2018	2017
Tivoli	28,963	30,343	38,071
Tivoli Air	6,465	13,554	17,209
G4 Rexton	12,839	16,674	15,235
Rexton W			1,146
Rexton Sports	41,330	41,717	
Korando	17,413		
Korando C		3,610	7,841
Korando Sports		304	22,912
Chairman W			517
Korando Turismo	779	2,938	3,746
Total	107,789	109,140	106,677

② Overseas market

The European auto market sold 15.8 million units in 2019, slightly up 1.2 percent compared to the year before. Demand was mostly driven by the five major EU markets, with Germany (+5.0%), France (+1.9%), Italy (+0.3%) posting growth, and demand contracting in Spain (-4.8%), and the United Kingdom (-2.4%) due to the uncertainties of Brexit risk.

The China total number of passenger car sold in 2019 was 25.8 million units down 8.2% from the previous year. The main reasons were the slowdown in economic growth, increased uncertainty due to prolonged U.S-China trade friction.

In 2019 SYMC sold 25,010 units excluding CKD. In 2019, we launched the new model Korando, and we will expand sales in overseas markets by launching new trim model, X150 G1.2T in the first quarter of 2020 and face lift model of G4 Rexton, Y450 in the fourth quarter of 2020.

(Unit: Vehicle - CBU only)

Classification	2019	2018	2017
Rexton	-	-	1,630
G4 Rexton	3,536	4,884	3,189
Korando C	6,068	4,430	5,789
Tivoli	7,201	10,293	13,226
Tivoli Air	2,230	4,564	2,946
Rexton Sports	4,414	3,102	7,276
Actyon Sports	1,265	4,244	-
Chairman W	-	-	1
Korando Turismo	296	1,338	2,951
Total	25,010	32,855	37,008

2) Production performance

(Unit: Vehicle)

Category	58 th	57 th	Remarks
RV	132,994	142,059	Korando, Korando C, Korando Sports, Korando Turismo, Tivoli, Tivoli Air, Rexton W, G4 Rexton, Rexton Sports
Total	132,994	142,059	

3) Sales performance

(Unit: Mil. KRW, Vehicle)

Category	58 th		57 th		57 th
	Volume	Amount	Volume	Amount	
RV	132,799	3,136,404	141,995	3,246,435	Korando, Korando C, Korando Sports, Korando Turismo, Tivoli, Tivoli Air, Rexton W, G4 Rexton, Rexton Sports
CKD	2,436	69,610	1,314	34,135	
Others (Parts, etc)		420,247	-	425,333	
Total	135,235	3,626,261	143,309	3,705,903	

4) Major asset increase and their financing status

(Unit: Mil. KRW)

Investment areas	Amount	Financing details
Land	-	-
Building, Structures	2,408	
Vehicle transport equipment	1,959	
Machines	41,475	
Tools	170,043	
Equipment etc.	2,639	
Total	218,524	

3. Parent company, subsidiary company and company combinations

1) Parent company status

Parent company name	Mahindra & Mahindra Ltd.		
Parent company address	Gateway Building, Apollo Bunder, Mumbai 400 001, India		
Capital stock	596.11Crores as of 30th Sept, 2019	Major business areas	Vehicle & Farm Equipment manufacturing and related business
Number of shares in SYMC	111,855,108 shares	% shareholding	74.65%
Major business with parent company	Revenue (part, etc.) : 31,624 mil. KRW Expenses (Parts, etc.) : 1,216 mil. KRW Capital transaction: 50,000 mil. KRW		

※ The above capital stock is as of 30th Sep, 2018.

2) Subsidiary company etc status

(Unit: Share)

Subsidiary company				Relationship with SYMC		
Company name	Location	Capital	Core business areas	Number of shares owned	% of shares owned	Business relations with SYMC
Ssangyong(Shanghai) Automotive Co., Ltd.	China	30,000,000 (CNY)	Sale of vehicles and vehicle parts	No stock issued	100%	-
Ssangyong European Parts Center BV	Netherlands	700,000 (EUR)	Sale of vehicle parts	7,000	100%	Import & sale of vehicle parts
SY Auto Capital Co., Ltd.	Korea	20Bil. (Won)	Sales Finance company of vehicle	2,040,000	51%	Sales Finance company of vehicle
Ssangyong Australia PTY Ltd.	Australia	3,625,000 (AUS)	Sale of vehicles	5,000,000	100%	Sale of vehicles

3) Concurrent posts in subsidiary companies etc.

Directors		Concurrent office			
Name	Position in SYMC	Company	Position in concurrent office	Responsible area	Remarks
Yea, Byung Tae	Representative Director	Ssangyong(Shanghai) Automotive Co., Ltd.	Representative Director	-	-
Ashutosh Vidwans	Vice President	SY Auto Capital Co., Ltd.	Director	-	-
Kang, Dong Won	Executive Director	Ssangyong Australia PTY Ltd	Director	-	-
Chung, Yong Won	Executive Director	Ssangyong(Shanghai) Automotive Co., Ltd. Ssangyong Australia PTY Ltd.	Director	-	-
Lee, Jong Dae	Managing Director	Ssangyong European Parts Center BV	Director	-	-
Kim, Kwang Ho	Assistant Managing Director	SY Auto Capital Co., Ltd.	Director	-	-

4. Business performance and financial condition for the past 3 years

1) Consolidated Income Statement

(Unit: Mil.KRW)

Title of account	58th (Jan 1, 2019 – Dec 31, 2019)	57th (Jan 1, 2018 – Dec 31, 2018)	56th (Jan 1, 2017 – Dec 31, 2017)
I . Sales	3,623,882	3,704,793	3,494,638
II . Cost of sales	3,356,308	3,242,522	2,978,560
III. Gross profit	267,574	462,271	516,078
V . Selling and administrative expenses	549,479	526,447	581,354
IV. Operating profit (Loss)	(281,905)	(64,176)	(65,276)
V . Non-operating income	17,536	11,201	29,156
VII. Non-operating expense	72,100	10,530	35,014
VIII. Financial income	11,742	13,002	25,980
IX. Financial expense	19,031	13,013	22,026

X. Joint venture investment profit	2,433	1,719	1,396
XI. PBT	(341,325)	(61,797)	(65,784)
XII. Corporate tax	39	41	37
XIII. Net income (loss)	(341,364)	(61,838)	(65,821)

2) Consolidated Statements of Financial Condition

(Unit: Mil. KRW)

Title of account	58th	57th	56th
	(As of Dec 31, 2019)	(As of Dec 31, 2018)	(As of Dec 31, 2017)
Asset			
I . Current assets	497,540	571,070	655,191
II . Non - Current assets	1,521,667	1,634,572	1,592,828
Total assets	2,019,207	2,205,642	2,248,019
Liability			
I . Current liabilities	987,084	995,120	1,006,596
II . Non - current liabilities	628,999	517,234	466,268
Total liabilities	1,616,083	1,512,354	1,472,864
Capital			
I . Capital stock	403,124	689,747	689,747
II . Other capital surplus	749,200	87,909	133,142
III . Other capital adjustment		1,243	1,154
IV . Retained earnings(Deficit)	1,109	(85,611)	(48,888)
Total equity	403,124	693,288	775,155
Total liabilities and equity	2,019,207	2,205,642	2,248,019

3) Income Statement

(Unit: Mil. KRW)

Title of account	58th	57th	56th
	(Jan 1, 2019 – Dec 31, 2019)	(Jan 1, 2018 – Dec 31, 2018)	(Jan 1, 2017 – Dec 31, 2017)
I . Sales	3,626,261	3,705,903	3,489,882
II . Cost of sales	3,363,531	3,247,911	2,976,694
III . Gross profit	262,730	457,992	513,188

V. Selling and administrative expenses	537,929	519,916	577,435
IV. Operating profit (Loss)	(275,199)	(61,924)	(64,246)
V. Non operating income	17,534	11,201	29,156
VII. Non operating expenses	76,032	11,695	39,786
VIII. Financial income	11,647	12,972	25,939
IX. Financial expense	19,001	12,996	22,007
X. PBT	(341,052)	(62,443)	(70,945)
XI. Corporate tax			
XII. Net income (loss)	(341,052)	(62,443)	(70,945)

4) Financial Statement

(Unit: Mil. KRW)

Title of Account	58th	57th	56th
	(As of Dec 31, 2019)	(As of Dec 31, 2018)	(As of Dec 31, 2017)
Asset			
I . Current assets	506,529	575,684	655,307
II. Non-current assets	1,510,316	1,630,379	1,594,669
Total assets	2,016,845	2,206,063	2,249,976
Liability			
I . Current liabilities	983,425	993,613	1,006,051
II. Non-current liabilities	627,880	517,174	466,268
Total liabilities	1,611,305	1,510,787	1,472,319
Capital			
I . Capital stock	749,200	689,747	689,747
II. Other capital surplus	78,162	87,909	133,142
III. Other capital adjustments		103	
IV. Retained earnings	(421,823)	(82,483)	(45,232)
Total equity	405,540	695,276	777,656
Total liabilities and equity	2,016,845	2,206,063	2,249,976

※ Above financial statements are drawn up based on K-IFRS(Separate).

5. Issues to be addressed

N/A

6. Board & Audit Committee status

Classification	Name	Position	Responsible area/ Major role	Transaction with company	Remarks
Standing director	Yea, Byung Tae	President and C.E.O. (Director)	Member of MC	None	-
Non-standing	Pawan Kumar Goenka	Director	Chairman of Board Chairman of MC Member of ODCRC	None	-
Non-standing	Rajeev Dubey	Director	-	None	-
Non-standing	Chang, Dae Ryun	Member of audit committee (Outside director)	Chairman of Audit Committee Member of ODCRC	None	-
Non-standing	Dominic DiMarco	Member of audit committee (Outside director)	Chairman of ODCRC Member of audit committee	None	-
Non-standing	Won, Bong Hee	Member of audit committee (Outside director)	Member of audit committee	None	-
Non-standing	Park, Yong Hwan	Member of audit committee (Outside director)	Member of audit committee	None	-

7. Major shareholder status

(Unit: Share)

Name of shareholders	Number of shares owned	Percentage of shares	Business relations with SYMC	Remarks
Mahindra & Mahindra Ltd.	111,855,108	74.65%	Part sales, etc.	Largest shareholder
National Pension Service	2,191,713	1.46%	-	-
ESOA	943,910	0.62%	-	-
S&T heavy industry Ltd	379,480	0.25%	-	-
ISHARES CORE MSCI EMERGING MARKETS ETF	315,437	0.21%	-	-
J.P.MORGAN SECURITIES PLC	314,793	0.21%	-	-
China Construction Bank	305,704	0.20%	-	-

8. Investment in other companies by SYMC and its subsidiaries (solely or collectively)

(Unit: Share)

Name of other company*	Investment company	Investment in other companies		Other companies' investment in SYMC	
		Number of shares owned	Percentage of shares owned (%)	Number of shares owned	Percentage of shares (%)
Ssangyong (Shanghai) Automotive Co., Ltd.	SYMC	No Stock issued	100%	-	-
Ssangyong European Parts Center BV	SYMC	7,000	100%	-	-
SY Auto Capital Co., Ltd.	SYMC & KB Capital	2,040,000	51%	-	-
Ssangyong Australia PTY Ltd.	SYMC	3,625,000	100%	-	-

* The companies where SYMC has more than 10% of total shares.

9. Major creditors

(Unit: Mil. KRW, Share)

Creditor name	Credit amount	Number of shares owned	Percentage of shares owned	Remarks
KDB Bank	190,000	0	0.00%	-
JPMorgan Chase Bank	72,211	0	0.00%	-
BNP PARIBAS	38,349	0	0.00%	-
WOORI BANK	35,000	0	0.00%	-
Bank of America Merrill Lynch	20,880	0	0.00%	-
Citibank	14,144	0	0.00%	-
KEB Hana Bank	12,129	0	0.00%	-
KB Kookmin Bank	11,250	0	0.00%	-
Deutsche Bank	9,591	0	0.00%	-
Australia and New Zealand Bank	9,302	0	0.00%	-

10. Important issues after closing date

N/A

11. Other important matters related to Business

N/A

Consolidated Financial Statements

1) Consolidated statements of financial position

57th term (as of 2018.12.31)

56th term (as of 2017.12.31)

(Unit : KRW)

Title of Account	57 th	56 th
Assets		
I. Current assets	571,070,203,349	655,191,219,796
1. Cash and cash equivalents	156,062,656,901	215,443,729,768
2. Trade receivables	157,181,130,377	187,064,712,812
3. Non-trade receivables	4,841,889,347	4,838,305,896
4. Other receivables	12,180,935,740	11,921,800,361
5. Derivative assets	891,318,916	-
6. Inventories	228,612,470,370	228,374,428,544
7. Other current assets	11,299,801,698	7,548,242,415
II. non-current assets	1,634,571,862,535	1,592,827,653,736
1. Non-current financial instruments	4,000,000	4,000,000
2. Non-current other receivables	35,124,578,913	33,953,846,043
3. Available-for-sale financial assets	560,000,000	560,000,000
4. Property, plant and equipment	1,228,125,717,695	1,239,703,950,683
5. Intangible assets	353,759,962,577	303,268,722,439
6. Investments in subsidiaries	16,706,344,618	15,063,851,200
7. Other non-current assets	291,258,732	273,283,371
Total assets	2,205,642,065,884	2,248,018,873,532
Liabilities		
I. Current liabilities	995,119,973,035	1,006,595,519,995
1. Trade payables	534,943,258,868	526,482,551,907
2. Non-trade payables	158,998,587,816	189,284,735,304
3. Short-term borrowings	178,227,545,171	163,840,987,050
4. Derivative liabilities	-	409,259,095
5. Other payables	38,053,381,726	37,164,319,879
6. Provision of warranty for sale	49,209,825,611	53,046,747,890
7. Other long-term employee benefits liabilities	2,726,290,000	1,190,438,138
8. Other current liabilities	32,961,083,843	35,176,480,732

Title of Account	57 th	56 th
II. Non-current liabilities	517,233,673,218	466,268,429,097
1. Long-term borrowings	75,000,000,000	70,000,000,000
2. Non-current other payables	1,593,270,810	3,374,007,893
3. Other long-term liabilities	11,317,481,541	-
4. Defined benefit liabilities	329,181,466,276	284,563,122,681
5. Other long-term employee benefits liabilities	14,313,193,681	15,138,489,583
6. Non-current provision of warranty for sale	85,828,260,910	93,192,808,940
Total liabilities	1,512,353,646,253	1,472,863,949,092
Equity		
Equity attributable to owners of the Company	693,288,419,631	775,154,924,440
I. Capital stock	689,746,980,000	689,746,980,000
II. Other capital surplus	87,909,477,800	133,141,919,432
III. Other equity	1,242,617,375	1,153,581,473
IV. Accumulated deficit	(85,610,655,544)	(48,887,556,465)
Non-controlling interests	-	-
Total equity	693,288,419,631	775,154,924,440
Total liabilities and equity	2,205,642,065,884	2,248,018,873,532

2) Consolidated statements of comprehensive loss

57th term (2018.01.01 - 2018.12.31)

56th term (2017.01.01 - 2017.12.31)

(Unit : KRW)

Title of Account	57 th	56 th
I. Sales	3,704,793,546,043	3,494,637,644,343
1. Sales of product	3,240,404,522,686	3,117,252,231,588
2. Sales of part	362,838,889,648	337,559,900,204
3. Other sales	102,069,767,766	40,316,060,382
4. Sales discount	(519,634,057)	(490,547,831)
II. Cost of sales	3,242,522,474,135	2,978,559,796,229
1. Cost of sales of product	2,964,816,497,372	2,776,656,991,187
2. Cost of sales of part	197,136,790,975	169,787,291,731
3. Other cost of sales	80,569,185,788	32,115,513,311
III. Gross profit	462,271,071,908	516,077,848,114
IV. Selling, general and administrative expenses	526,447,069,129	581,353,654,340
1. Selling expenses	335,750,173,424	390,697,540,125
2. Administrative expenses	190,696,895,705	190,656,114,215
V. Operating loss	(64,175,997,221)	(65,275,806,226)
VI. Other income & loss	670,275,852	(5,858,264,764)
Other income	11,201,137,260	29,156,178,060
Other expenses	10,530,861,408	35,014,442,824
VII. Finance income & loss	(11,100,026)	3,954,294,761
Finance income	13,002,066,795	25,979,516,111
Finance expense	13,013,166,821	22,025,221,350
VIII. Share of profits of joint venture	1,719,301,732	1,395,752,540
IX. Profit (Loss) before income taxes	(61,797,519,663)	(65,784,023,689)
X. Income tax expenses	40,707,752	37,174,808
XI. Profit (Loss) for the year	(61,838,227,415)	(65,821,198,497)
Owners of the Company	(61,838,227,415)	(65,821,198,497)
Non-controlling interests	-	-
XII. Other comprehensive income (loss) for the year	(20,028,277,394)	23,172,136,896
Items that will never be reclassified to profit or loss		
Defined benefit plan re-measurements	(20,040,504,982)	20,746,538,632
Title of Account	57th	56th

Items that are or may be reclassified subsequently to profit or loss:		
Changes in fair value of cash flow hedge		103,000,000
Foreign currency translation difference for foreign operation	(13,964,098)	(135,306,007)
XIII. Total comprehensive income(loss) for the year	(81,866,504,809)	(42,649,061,601)
Owners of the Company	(81,866,504,809)	(42,649,061,601)
Non-controlling interests	-	-
XIV. Earnings (Losses) per share		
Basic and diluted earnings (losses) per share	(448)	(478)

3) Consolidated statements of changes in shareholders' equity

57th term (2018.01.01 - 2018.12.31)

56th term (2017.01.01 - 2017.12.31)

(Unit : KRW)

Title of Account	Capital stock	Other Capital Surplus				Other Capital adjustments	Retained earnings (Deficit)	Non-controlling interests	Total
		Paid-in capital in excess of par	Gain on capital reduction	Debt to be swapped for equity	Gain from sales of treasury stock				
Balance at January 1, 2017	686,100,480,000	11,452,712,819	118,189,001,064	931,508,409	1,105,137,340	(1,285,812,572)	(3,799,100,846)	-	812,693,926,214
Total comprehensive income(loss) for the period:									
Net Income	-	-	-	-	-	-	(65,821,198,497)	-	(65,821,198,497)
Actuary of defined benefit	-	-	-	-	-	-	20,746,538,632	-	20,746,538,632
Gain on valuation of derivatives	-	-	-	-	-	2,574,700,025	-	-	2,574,700,025
Overseas operations translation credit	-	-	-	-	-	(135,305,980)	-	-	(135,305,980)
Variations in joint venture re-measurement factors	-	-	-	-	-	-	(13,795,754)	-	(13,795,754)
Paid-increase	3,646,500,000	1,463,559,800	-	-	-	-	-	-	5,110,059,800
Balance at Dec 31, 2017	689,746,980,000	12,916,272,619	118,189,001,064	931,508,409	1,105,137,340	1,153,581,473	(48,887,556,465)	-	775,154,924,440
Balance at Jan 1, 2018	689,746,980,000	12,916,272,619	118,189,001,064	931,508,409	1,105,137,340	1,153,581,473	(48,887,556,465)	-	775,154,924,440
Total comprehensive income(loss)									
Net Income	-	-	-	-	-	-	(61,838,227,415)	-	(61,838,227,415)
Actuary of defined benefit	-	-	-	-	-	-	(20,040,504,982)	-	(20,040,504,982)
Gain on valuation of derivatives	-	-	-	-	-	103,000,000	-	-	103,000,000
Overseas operations translation credit	-	-	-	-	-	(13,964,098)	-	-	(13,964,098)
Variations in joint venture re-measurement factors	-	-	-	-	-	-	(76,808,314)	-	(76,808,314)
Disposition of deficit	-	-	(44,127,304,292)	-	(1,105,137,340)	-	45,232,441,632	-	-
Balance at Dec 31, 2018	689,746,980,000	12,916,272,619	74,061,696,772	931,508,409	-	1,242,617,375	(85,610,655,544)	-	693,288,419,631

4) Consolidated statements of cash flows

57th term (2018.01.01 - 2018.12.31)

56th term (2017.01.01 - 2017.12.31)

(Unit : KRW)

Title of Account	57 th	56 th
I. Operating activities	177,123,093,299	204,375,560,797
1. Cash generated from operations	179,057,613,503	205,476,098,165
(1) Profit(loss) for the year	(61,838,227,415)	(65,821,198,497)
(2) Adjustment	290,877,429,532	280,201,951,930
(3) Changes in assets and liabilities	(49,981,588,614)	(8,904,655,268)
2. Interest received	2,604,644,756	2,682,052,386
3. Interest paid	(4,550,164,960)	(3,793,589,754)
4. Dividends received	11,000,000	11,000,000
II. Investing activities	(257,693,933,873)	(277,454,555,398)
1. Cash inflows from investing activities:	2,873,259,335	7,281,143,236
Decrease in other receivables	2,425,473,737	6,220,682,215
Decrease in non-current financial assets	-	2,000,000
Disposal of property, plant and equipment	447,785,598	294,784,406
Disposal of intangible assets	-	763,636,365
Decrease in other assets	-	40,250
2. Cash outflows for investing activities:	(260,567,193,208)	(284,735,698,634)
Increase in other assets	4,139,420,156	8,976,266,184
Acquisition of property, plant and equipment	136,929,797,750	157,501,790,486
Acquisition of intangible assets	119,497,975,302	118,257,641,964
III. Financing activities	21,281,528,130	50,229,034,650
1. Cash inflows from financing activities:	33,781,528,130	75,243,094,152
Increase in borrowings	31,769,057,815	70,000,000,000
Proceeds from issuing capital stock	-	5,110,059,800
Receipts of government grants	2,012,470,315	133,034,352
2. Cash outflows for financing activities:	(12,500,000,000)	(25,014,059,502)
Decrease in borrowings	12,500,000,000	25,014,059,502
IV. Effect of exchange rate fluctuations on cash and cash equivalents	(91,760,423)	(108,017,371)
V. Net Increase(decrease) in cash and cash equivalents	(59,381,072,867)	(22,957,977,322)
VI. Cash and cash equivalents at January 1	215,443,729,768	238,401,707,090
VII. Cash and cash equivalents at December 31	156,062,656,901	215,443,729,768

Separate Financial Statements

1) Statements of financial position

57th term (as of 2018.12.31)

56th term (as of 2017.12.31)

(Unit : KRW)

Title of Account	57 th	56 th
Assets		
I. Current assets	575,683,830,866	655,306,853,216
1. Cash and cash equivalents	150,953,422,796	212,521,514,253
2. Trade receivables	179,011,136,626	194,911,639,365
3. Non-trade receivables	4,521,261,262	4,955,654,445
4. Other receivables	12,106,439,187	11,882,897,796
5. Derivative assets	891,318,916	-
6. Inventories	216,956,614,671	223,537,426,093
7. Other current assets	11,243,637,408	7,497,721,264
II. non-current assets	1,630,379,322,688	1,594,668,782,874
1. Non-current financial instruments	4,000,000	4,000,000
2. Non-current other receivables	35,124,578,913	39,637,401,016
3. Available-for-sale financial assets	560,000,000	560,000,000
4. Property, plant and equipment	1,227,206,438,965	1,239,668,890,519
5. Intangible assets	353,759,962,577	303,268,722,439
6. Investments in subsidiaries	3,248,243,454	1,056,485,529
7. Investments in joint venture	10,200,000,000	10,200,000,000
8. Other non-current assets	276,098,779	273,283,371
Total assets	2,206,063,153,554	2,249,975,636,090
Liabilities		
I. Current liabilities	993,613,040,009	1,006,050,749,193
1. Trade payables	534,719,077,632	526,467,391,988
2. Non-trade payables	157,785,447,277	188,785,993,568
3. Short-term borrowings	178,227,545,171	163,840,987,050
4. Derivative liabilities	-	409,259,095
5. Other payables	38,035,515,779	37,164,319,879
6. Provision of warranty for sale	49,209,825,611	53,046,747,890
7. Other long-term employee benefits liabilities	2,726,290,000	1,190,438,138
8. Other current liabilities	32,909,338,539	35,145,611,585

Title of Account	57th	56th
II. Non-current liabilities	517,173,701,182	466,268,429,097
1. Long-term borrowings	75,000,000,000	70,000,000,000
2. Non-current other payables	1,593,270,810	3,374,007,893
3. Other long-term liabilities	11,257,509,505	-
4. Defined benefit liabilities	329,181,466,276	284,563,122,681
5. Other long-term employee benefits liabilities	14,313,193,681	15,138,489,583
6. Non-current provision of warranty for sale	85,828,260,910	93,192,808,940
Total liabilities	1,510,786,741,191	1,472,319,178,290
Equity		
I. Capital stock	689,746,980,000	689,746,980,000
II. Other capital surplus	87,909,477,800	133,141,919,432
III. Other equity	103,000,000	-
IV. Accumulated deficit	(82,483,045,437)	(45,232,441,632)
Total equity	695,276,412,363	777,656,457,800
Total liabilities and equity	2,206,063,153,554	2,249,975,636,090

2) Statements of comprehensive loss

57th term (2018.01.01 - 2018.12.31)

56th term (2017.01.01 - 2017.12.31)

(Unit : KRW)

Title of Account	57 th	56 th
I. Sales	3,705,902,889,354	3,489,882,082,764
1. Sales of product	3,246,435,023,669	3,117,252,231,588
2. Sales of part	358,741,714,487	333,791,053,504
3. Other sales	101,245,785,255	39,329,345,503
4. Sales discount	(519,634,057)	(490,547,831)
II. Cost of sales	3,247,911,038,476	2,976,693,716,040
1. Cost of sales of product	2,972,224,086,768	2,776,656,991,187
2. Cost of sales of part	195,809,037,571	168,886,612,603
3. Other cost of sales	79,877,914,137	31,150,112,250
III. Gross profit	457,991,850,878	513,188,366,724
IV. Selling, general and administrative expenses	519,916,041,582	577,434,758,471
1. Selling expenses	333,833,267,462	390,223,730,397
2. Administrative expenses	186,082,774,120	187,211,028,074
V. Operating loss	(61,924,190,704)	(64,246,391,747)
VI. Other income & loss	(494,409,282)	(10,629,717,394)
Other income	11,201,087,039	29,156,178,060
Other expenses	11,695,496,321	39,785,895,454
VII. Finance income & loss	(23,940,469)	3,931,308,224
Finance income	12,971,870,518	25,938,729,763
Finance expense	12,995,810,987	22,007,421,539
VIII. Profit (Loss) before income taxes	(62,442,540,455)	(70,944,800,917)
IX. Income tax expenses	-	-
X. Profit (Loss) for the year	(62,442,540,455)	(70,944,800,917)
XI. Other comprehensive income (loss) for the year	(19,937,504,982)	23,321,238,657
Items that will never be reclassified to profit or loss		
Defined benefit plan re-measurements	(20,040,504,982)	20,746,538,632
Items that are or may be reclassified subsequently to profit or loss:		

Title of Account	57 th	56 th
Changes in fair value of cash flow hedge	103,000,000	2,574,700,025
XII. Total comprehensive income(loss) for the year	(82,380,045,437)	(47,623,562,260)
XIII. Earnings (Losses) per share		
Basic and diluted earnings (losses) per share	(453)	(515)

3) Statements of changes in shareholders' equity

57th term (2018.01.01 - 2018.12.31)

56th term (2017.01.01 - 2017.12.31)

(Unit : KRW)

Title of Account	Capital stock	Other Capital Surplus				Other Capital adjustments	Retained earnings (Deficit)	Total
		Paid-in capital in excess of par	Gain on capital reduction	Debt to be swapped for equity	Gain from sales of treasury stock			
Balance at Jan 1, 2017	686,100,480,000	11,452,712,819	118,189,001,064	931,508,409	1,105,137,340	(2,574,700,025)	4,965,820,653	820,169,960,260
Total comprehensive income(loss)								
Net income(loss)	-	-	-	-	-	-	(70,944,800,917)	(70,944,800,917)
Actuary of defined benefit	-	-	-	-	-	-	20,746,538,632	20,746,538,632
Gain on valuation of derivatives	-	-	-	-	-	2,574,700,025	-	2,574,700,025
Paid-increase	3,646,500,000	1,463,559,800	-	-	-	-	-	5,110,059,800
Balance at Dec 31, 2017	689,746,980,000	12,916,272,619	118,189,001,064	931,508,409	1,105,137,340	-	(45,232,441,632)	777,656,457,800
Balance at Jan 1, 2018	689,746,980,000	12,916,272,619	118,189,001,064	931,508,409	1,105,137,340	-	(45,232,441,632)	777,656,457,800
Total comprehensive income(loss)								
Net income(loss)	-	-	-	-	-	-	(62,442,540,455)	(62,442,540,455)
Actuary of defined benefit	-	-	-	-	-	-	(20,040,504,982)	(20,040,504,982)
Gain on valuation of derivatives	-	-	-	-	-	103,000,000	-	103,000,000
Disposition of deficit	-	-	(44,127,304,292)	-	(1,105,137,340)	-	45,232,441,632	-
Balance at Dec 31, 2018	689,746,980,000	12,916,272,619	74,061,696,772	931,508,409	-	103,000,000	(82,483,045,437)	695,276,412,363

4) Statements of cash flows

57th term (2018.01.01 - 2018.12.31)

56th term (2017.01.01 - 2017.12.31)

(Unit : KRW)

Title of Account	57 th	56 th
I. Operating activities	177,498,480,119	205,080,777,994
1. Cash generated from operations	179,435,486,109	206,204,896,914
(1) Profit(loss) for the year	(62,442,540,455)	(70,944,800,917)
(2) Adjustment	293,718,065,031	285,797,740,581
(3) Changes in assets and liabilities	(51,840,038,467)	(8,648,042,750)
2. Interest received	2,588,204,074	2,645,795,758
3. Interest paid	(4,536,210,064)	(3,780,914,678)
4. Dividends received	11,000,000	11,000,000
II. Investing activities	(260,348,099,706)	(277,445,714,475)
1. Cash inflows from investing activities:	2,872,913,523	7,281,143,236
Decrease in other receivables	2,425,473,737	6,220,682,215
Decrease in non-current financial assets	-	2,000,000
Disposal of property, plant and equipment	447,439,786	294,784,406
Disposal of intangible assets	-	763,636,365
Decrease in other assets	-	40,250
2. Cash outflows for investing activities:	(263,221,013,229)	(284,726,857,711)
Increase in other assets	4,139,420,156	8,976,266,184
Acquisition of property, plant and equipment	136,632,785,121	157,492,949,563
Acquisition of intangible assets	119,497,975,302	118,257,641,964
Acquisition of subsidiaries	2,950,832,650	-
III. Financing activities	21,281,528,130	50,229,034,650
1. Cash inflows from financing activities:	33,781,528,130	75,243,094,152
Increase in borrowings	31,769,057,815	70,000,000,000
Proceeds from issuing capital stock	-	5,110,059,800
Receipts of government grants	2,012,470,315	133,034,352
2. Cash outflows for financing activities:	(12,500,000,000)	(25,014,059,502)
Decrease in borrowings	12,500,000,000	25,014,059,502
IV. Net Increase(decrease) in cash and cash equivalents	(61,568,091,457)	(22,135,901,831)
V. Cash and cash equivalents at January 1	212,521,514,253	234,657,416,084
VI. Cash and cash equivalents at December 31	150,953,422,796	212,521,514,253

5) Statement of disposition of deficit

57th term (2018.01.01 - 2018.12.31)

56th term (2017.01.01 - 2017.12.31)

(Unit : KRW)

Title of Account	57 th	56 th
	Expected appropriation date: Mar. 29, 2019	Finalized disposition date: Mar.30, 2018
I. Unappropriated retained earnings (deficit)	(82,483,045,437)	(45,232,441,632)
1. Undisposed retained earnings(deficit) carried over from prior year	-	4,965,820,653
2. Net income (loss)	(62,442,540,455)	(70,944,800,917)
3. Actuarial income(loss)	(20,040,504,982)	20,746,538,632
II. Appropriation earnings(deficit)		45,232,441,632
1. Gain from sales of treasury stock	-	1,105,137,340
2. Gain on capital reduction	-	44,127,304,292
III. Unappropriated earnings(deficit) to be carried forward to the subsequent year	(82,483,045,437)	-