

DOOSAN BOBCAT INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015 (In U.S. dollars)

	Notes	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash generated from operations:	29	\$362,189,275	\$375,021,548
Net income		155,390,523	130,918,245
Adjustments		318,537,612	337,864,753
Changes in operating assets and liabilities		(111,738,860)	(93,761,450)
Interest received		1,942,366	3,138,811
Interest paid		(74,905,820)	(77,493,109)
Income tax paid		(18,696,783)	(8,840,802)
Net Cash Provided by Operating Activities		<u>270,529,038</u>	<u>291,826,448</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash inflows from investing activities:			
Decrease in short-term financial assets		-	4,071,542
Decrease in loans		731,648	1,319,512
Disposal of property, plant and equipment		895,750	3,449,434
Increase in government grants		-	1,853,914
Disposal of business		-	123,776,775
Subtotal		<u>1,627,398</u>	<u>134,471,177</u>
Cash outflows for investing activities:			
Increase in short-term financial instruments		344,875	-
Acquisition of long-term financial assets		-	85,324
Acquisition of property, plant and equipment		43,373,122	50,087,424
Acquisition of intangible assets		32,438,882	29,033,589
Combination of business		-	109,175,760
Subtotal		<u>(76,156,879)</u>	<u>(188,382,097)</u>
Net Cash Used in Investing Activities		<u>(74,529,481)</u>	<u>(53,910,920)</u>

(Continued)

DOOSAN BOBCAT INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015 (In U.S. dollars)

	2016	2015
CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash inflows from financing activities:		
Increase in borrowings	\$-	\$2,582,579
Issuing of convertible preferred shares	-	584,000,010
Issuing of new shares	4,045,057	-
Subtotal	4,045,057	586,582,589
Cash outflows for financing activities:		
Repayment of borrowings	253,586,216	13,000,000
Interim dividend	-	14,554,581
Stock redemption	-	569,265,184
Relevant cost of free issue of new shares	619,066	-
Relevant cost of investment in kind	377,017	-
Subtotal	(254,582,299)	(596,819,765)
Net Cash Provided by (Used in) Financing Activities	(250,537,242)	(10,237,176)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(3,293,709)	(23,140,114)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(57,831,394)	204,538,238
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	358,741,273	154,203,035
CASH AND CASH EQUIVALENTS, END OF THE YEAR	\$300,909,879	\$358,741,273

(Concluded)

See accompanying notes to consolidated financial statements.