

Doosan Corporation and subsidiaries
Consolidated statements of changes in equity
for the years ended December 31, 2017 and 2016
(Korean won)

	Share capital	Capital surplus	Other equity items	Accumulated other comprehensive income	Retained earnings	Non-controlling interests	Total
As at January 1, 2016	₩ 134,838,235,000	₩ 838,903,661,720	₩ (522,422,077,786)	₩ 768,664,701,717	₩ 1,357,017,458,106	₩ 5,816,523,658,972	₩ 8,393,525,637,729
Total comprehensive income:							
Profit (loss) for the period	-	-	-	-	196,568,281,387	(146,151,837,597)	50,416,443,790
Remeasurements of net defined benefit liabilities	-	-	-	-	(28,114,582,599)	(41,378,718,930)	(69,493,301,529)
Land revaluation surplus	-	-	-	(43,715,580,690)	40,001,056,748	(24,133,609,527)	(27,848,133,469)
Gain (loss) on valuation of available-for-sale financial assets	-	-	-	(225,101,016,672)	-	14,182,251,175	(210,918,765,497)
Cash flow hedges	-	-	-	(2,409,578,725)	-	16,168,197,569	13,758,618,844
Exchange differences	-	-	-	13,104,013,117	-	12,248,864,924	25,352,878,041
Share of other comprehensive income of associates and joint ventures	-	-	-	(303,231,918)	-	(88,744,081)	(391,975,999)
Subtotal	-	-	-	(258,425,394,888)	208,454,755,536	(169,153,596,467)	(219,124,235,819)
Transactions with shareholders directly reflected in shareholders' equity and others:							
Cancellation of stock option	-	6,306,409,200	(6,306,409,200)	-	-	-	-
Recognition of share-based payments	-	-	176,550,097	-	-	-	176,550,097
Payment of dividends	-	-	-	-	(91,267,158,850)	(113,306,202,001)	(204,573,360,851)
Acquisition of treasury shares	-	-	(27,766,879,570)	-	-	-	(27,766,879,570)
Retirement of shares	-	-	63,545,813,297	-	(63,545,813,297)	-	-
Changes in scope of consolidation	-	-	-	-	-	(167,143,409,430)	(167,143,409,430)
Bonus issuance of subsidiaries	-	-	-	-	-	(2,860,448)	(2,860,448)
Capital increase by issuing new shares of subsidiaries	-	220,957,707	3,041,115,178	-	-	(2,587,793,600)	674,279,285
Transaction of treasury shares in subsidiaries	-	(31,723,309,777)	(279,193)	-	-	162,681,236,883	130,957,647,913
Acquisition of investments by subsidiaries	-	(3,604,222,507)	(24,144,435)	-	-	(454,405,184,117)	(458,033,551,059)
Disposal of investments by subsidiaries	-	13,491,418,848	(2,554,807,857)	1,656,590,316	-	449,283,858,721	461,877,060,028
Issuance and exercise of convertible bond in subsidiaries	-	(1,895,099,011)	-	-	-	4,216,930,071	2,321,831,060
Subsidiaries' bonds with warrants as consideration	-	1,682,147,335	-	-	-	10,409,201,458	12,091,348,793
Payment of dividends of hybrid capital instruments	-	-	-	-	-	(27,324,067,184)	(27,324,067,184)
Adjustment due to merger	-	3,844,536,502	-	-	-	-	3,844,536,502
Changes in other equity items	-	555,985,383	(1,368,427,672)	-	-	170,040,106	(642,402,183)
Subtotal	-	(11,121,176,320)	28,742,530,645	1,656,590,316	(154,812,972,147)	(138,008,249,541)	(273,543,277,047)
As at December 31, 2016	₩ 134,838,235,000	₩ 827,782,485,400	₩ (493,679,547,141)	₩ 511,895,897,145	₩ 1,410,659,241,495	₩ 5,509,361,812,964	₩ 7,900,858,124,863

(Continued)

Doosan Corporation and subsidiaries
Consolidated statements of changes in equity
for the years ended December 31, 2017 and 2016 (cont'd)
(Korean won)

	Share capital	Capital surplus	Other components of equity	Accumulated other comprehensive income	Retained earnings	Non-controlling interests	Total
As at January 1, 2017	₩ 134,838,235,000	₩ 827,782,485,400	₩ (493,679,547,141)	₩ 511,895,897,145	₩ 1,410,659,241,495	₩ 5,509,361,812,964	₩ 7,900,858,124,863
Total comprehensive income:							
Profit for the period	-	-	-	-	40,567,984,409	5,381,126,524	45,949,110,933
Remeasurements of net defined benefit liabilities	-	-	-	-	21,724,396,123	33,215,984,650	54,940,380,773
Land revaluation surplus	-	-	-	115,028,477,082	21,474,788,424	163,838,660,179	300,341,925,685
Gain on valuation of available-for-sale financial assets	-	-	-	898,267,984	-	4,550,554,435	5,448,822,419
Cash flow hedges	-	-	-	(9,644,266,164)	-	(27,708,833,399)	(37,353,099,563)
Exchange differences	-	-	-	(8,446,930,143)	-	(120,747,242,291)	(129,194,172,434)
Share of other comprehensive income of associates and joint ventures	-	-	-	(2,810,111,512)	-	1,699,877,995	(1,110,233,517)
Subtotal	-	-	-	95,025,437,247	83,767,168,956	60,230,128,093	239,022,734,296
Transactions with shareholders directly reflected in shareholders' equity and others:							
Exercise of stock option	7,500,000	180,464,400	(62,050,400)	-	-	-	125,914,000
Cancellation of stock option	-	1,802,180,300	(1,802,180,300)	-	-	-	-
Payment of dividends	-	-	-	-	(100,425,616,900)	(65,685,841,285)	(166,111,458,185)
Retirement of treasury shares	-	-	61,480,484,781	-	(61,480,484,781)	-	-
Changes in scope of consolidation	-	-	-	-	-	13,948,638,772	13,948,638,772
Transaction of treasury shares in subsidiaries	-	21,904,044	-	-	-	(189,929,723)	(168,025,679)
Acquisition of investments by subsidiaries	-	3,908,005,438	-	-	-	(11,281,209,306)	(7,373,203,868)
Disposal of part of investments by subsidiaries	-	-	(830,721,293)	-	-	128,545,873,829	127,715,152,536
Stock options of subsidiaries	-	1,480,577,491	(1,480,577,491)	-	-	-	-
Conversion of convertible bonds of subsidiaries	-	(11,277,376)	-	-	-	22,020,685	10,743,309
Issuance of bond with warrants in subsidiaries	-	22,621,793,787	-	-	-	62,327,760,578	84,949,554,365
Exercise of warrants of subsidiaries	-	(3,718,656,164)	-	-	-	8,268,514,706	4,549,858,542
Repayment of hybrid capital instruments of subsidiaries	-	-	(8,097,202,730)	-	-	(559,067,394,270)	(567,164,597,000)
Payment of dividends of hybrid capital instruments	-	-	-	-	-	(26,656,014,920)	(26,656,014,920)
Changes in share ratio of subsidiaries	-	(9,816,314,016)	(274,334)	-	-	9,527,236,184	(289,352,166)
Subtotal	7,500,000	16,468,677,904	49,207,478,233	-	(161,906,101,681)	(440,240,344,750)	(536,462,790,294)
As at December 31, 2017	₩ 134,845,735,000	₩ 844,251,163,304	₩ (444,472,068,908)	₩ 606,921,334,392	₩ 1,332,520,308,770	₩ 5,129,351,596,307	₩ 7,603,418,068,865

The accompanying notes are an integral part of the consolidated financial statements.