

Hanwha Total Petrochemical Co., Ltd. and its subsidiaries

Consolidated financial statements
for the period ended March 31, 2021
(Unaudited)



Hanwha Total Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of financial position
as of March 31, 2021 and December 31, 2020

(Korean won in units)

	<u>2021-03-31</u>	<u>2020-12-31</u>
Assets		
Current assets:		
Cash and cash equivalents	₩ 265,620,224,121	₩ 231,451,124,896
Short-term investment securities	20,861,750,000	90,834,800,000
Trade and other accounts receivables, net	781,258,687,297	606,333,255,566
Prepaid expenses	17,257,582,672	16,640,694,136
Other current assets	883,879,000	2,508,006,515
Inventories, net	1,354,361,096,300	1,061,699,446,067
Total current assets	<u>2,440,243,219,390</u>	<u>2,009,467,327,180</u>
Non-current assets:		
Long-term investment securities	14,859,080,390	16,870,305,966
Long-term loans	936,700,682	949,384,680
Long-term accounts receivables, net	28,480,434,665	3,538,133,847
Long-term prepaid expenses	71,008,294,141	54,402,395,386
Property, plant and equipment, net	4,490,255,442,884	4,538,254,282,160
Intangible assets, net	30,905,056,971	31,510,628,005
Defined benefit assets, net	931,181,720	4,725,934,016
Other non-current assets	15,500,000	15,500,000
Deferred tax assets	8,029,125,862	7,269,016,257
Total non-current assets	<u>4,645,420,817,315</u>	<u>4,657,535,580,317</u>
Total assets	<u>₩ 7,085,664,036,705</u>	<u>₩ 6,667,002,907,497</u>

(Continued)

Hanwha Total Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of financial position
as of March 31, 2021 and December 31, 2020

(Korean won in units)

	<u>2021-03-31</u>	<u>2020-12-31</u>
Liabilities and equity		
Liabilities		
Current liabilities:		
Trade and other		
accounts payable	₩ 747,824,215,194	₩ 592,264,516,317
Short-term borrowings	141,633,305,755	94,768,700,797
Current portion of bonds payable		
and long-term borrowings	494,134,816,507	603,994,382,294
Income tax payable	97,114,199,798	20,013,674,145
Other current liabilities	85,860,113,466	33,883,695,449
Total current liabilities	<u>1,566,566,650,720</u>	<u>1,344,924,969,002</u>
Non-current liabilities:		
Bonds payable, net	1,359,485,886,332	1,340,919,474,134
Long-term borrowings	509,002,916,721	508,678,257,589
Long-term other accounts payable	78,199,855	78,199,855
Defined benefit obligation, net	-	-
Other non-current liabilities	10,415,081,240	10,099,605,540
Total non-current liabilities	<u>1,878,982,084,148</u>	<u>1,859,775,537,118</u>
Total liabilities	3,445,548,734,868	3,204,700,506,120
Equity		
Equity attributable to		
equity holders of the Company:		
Issued capital	95,826,580,000	95,826,580,000
Share premium	864,898,306,667	864,898,306,667
Accumulated other comprehensive income	5,482,817,887	5,078,280,408
Retained earnings	2,673,907,597,283	2,496,499,234,302
	<u>3,640,115,301,837</u>	<u>3,462,302,401,377</u>
Non-controlling interests	-	-
Total equity	3,640,115,301,837	3,462,302,401,377
Total liabilities and equity	₩ 7,085,664,036,705	₩ 6,667,002,907,497

Hanwha Total Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of comprehensive income
for the period ended March 31, 2021 and 2020

(Korean won in units)

	2021 Q1 YTD	2020 Q1 YTD
Revenue	₩ 2,089,475,963,109	₩ 2,046,762,612,804
Cost of sales	1,683,346,684,667	2,247,213,275,314
Gross profit (loss)	406,129,278,442	(200,450,662,510)
Selling and administrative expenses	61,327,228,630	62,967,186,114
Operating profit (loss)	344,802,049,812	(263,417,848,624)
Finance income	52,530,840,830	193,393,327,340
Finance costs	79,908,619,047	100,121,259,910
Other non-operating income	4,079,871,449	2,896,874,114
Other non-operating expenses	1,783,779,247	2,330,945,084
Profit (loss) before income tax	319,720,363,797	(169,579,852,164)
Income tax expense (recovery)	84,354,143,803	(41,876,253,792)
Profit (loss) for the period	₩ 235,366,219,994	₩ (127,703,598,372)
Other comprehensive income		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Net gain (loss) on valuation of interest rate swaps	1,152,540,287	761,698,782
Exchange differences on translation of foreign operations	741,355,706	978,132,772
Net other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods	₩ 1,893,895,993	₩ 1,739,831,554
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>		
Remeasurement of defined benefit plan	(498,857,013)	-
Net gain (loss) on valuation of financial instruments measured at FVOCI	(1,489,358,514)	-
Net other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods	₩ (1,988,215,527)	₩ -
Other comprehensive income (loss) for the period, net of tax	(94,319,534)	1,739,831,554
Total comprehensive income (loss) for the period, net of tax	₩ 235,271,900,460	₩ (125,963,766,818)
Profit (loss) attributable to:		
Equity holders of the Company	235,366,219,994	(127,703,598,372)
Non-controlling interests	-	-
	₩ 235,366,219,994	₩ (127,703,598,372)
Total comprehensive income (loss) attributable to:		
Owners of the parent	235,271,900,460	(125,963,766,818)
Non-controlling interests	-	-
	₩ 235,271,900,460	₩ (125,963,766,818)
Earnings per share:		
Basic and diluted, profit (loss) for the period	₩ 12,281	₩ (6,663)

Hanwha Total Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of changes in equity
for the period ended March 31, 2021 and 2020

(Korean won in units)

	Issued capital	Share premium	Accumulated other comprehensive income	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
As of January 1, 2020	₩ 95,826,580,000	₩ 864,898,306,667	₩ (1,074,259,885)	₩ 2,638,563,186,803	₩ 3,598,213,813,585	₩ -	₩ 3,598,213,813,585
Profit (loss) for the period	-	-	-	(127,703,598,372)	(127,703,598,372)	-	(127,703,598,372)
Net gain on valuation of interest rate swaps	-	-	761,698,782	-	761,698,782	-	761,698,782
Exchange differences on translation of foreign operations	-	-	978,132,772	-	978,132,772	-	978,132,772
Total comprehensive loss for the period	-	-	1,739,831,554	(127,703,598,372)	(125,963,766,818)	-	(125,963,766,818)
Dividend	-	-	-	(222,992,000,000)	(222,992,000,000)	-	(222,992,000,000)
As of March 31, 2020	₩ 95,826,580,000	₩ 864,898,306,667	₩ 665,571,669	₩ 2,287,867,588,431	₩ 3,249,258,046,767	₩ -	₩ 3,249,258,046,767
As of January 1, 2021	₩ 95,826,580,000	₩ 864,898,306,667	₩ 5,078,280,408	₩ 2,496,499,234,302	₩ 3,462,302,401,377	₩ -	₩ 3,462,302,401,377
Profit for the period	-	-	-	235,366,219,994	235,366,219,994	-	235,366,219,994
Net gain on valuation of interest rate swaps	-	-	1,152,540,287	-	1,152,540,287	-	1,152,540,287
Exchange differences on translation of foreign operations	-	-	741,355,706	-	741,355,706	-	741,355,706
Remeasurement of defined benefit plan	-	-	-	(498,857,013)	(498,857,013)	-	(498,857,013)
Net loss on valuation of financial instruments measured at FVOCI	-	-	(1,489,358,514)	-	(1,489,358,514)	-	(1,489,358,514)
Total comprehensive income for the period	-	-	404,537,479	234,867,362,981	235,271,900,460	-	235,271,900,460
Dividend	-	-	-	(57,459,000,000)	(57,459,000,000)	-	(57,459,000,000)
As of March 31, 2021	₩ 95,826,580,000	₩ 864,898,306,667	₩ 5,482,817,887	₩ 2,673,907,597,283	₩ 3,640,115,301,837	₩ -	₩ 3,640,115,301,837

Hanwha Total Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of cash flows
for the period ended March 31, 2021 and 2020

(Korean won in units)

	2021 Q1 YTD	2020 Q1 YTD
Cash flows from operating activities		
Profit (loss) for the period	₩ 235,366,219,994	₩ (127,703,598,372)
Non-cash adjustments to reconcile profit (loss) for the period to net cash flows	223,960,720,993	(35,427,322,212)
Working capital adjustments	(330,849,584,043)	(88,026,099,664)
Interest received	235,805,864	538,992,451
Income taxes paid	(7,758,717,799)	(15,894,736,040)
Net cash flows from (used in) operating activities	120,954,445,009	(266,512,763,837)
Cash flows from investing activities		
Decrease in short-term investment securities	70,000,000,000	-
Decrease in long-term loans	12,683,998	19,706,906
Increase in long-term loans	-	(390,000,000)
Proceeds from disposal of long-term investment securities	46,372,655	7,365,000
Decrease in long-term deposits receivables	-	193,401,000
Increase in long-term deposits receivables	-	(3,000,000)
Proceeds from disposal of property, plant and equipment	757,789,276	2,711,402,547
Acquisition of property, plant and equipment	(73,281,984,682)	(142,680,270,204)
Acquisition of intangible assets	-	(274,221,420)
Settlement of derivatives	(2,708,365,037)	90,290,129,263
Decrease in deposits received	(122,575,639)	-
Net cash flows used in investing activities	(5,296,079,429)	(50,125,486,908)
Cash flows from financing activities		
Net increase in short-term borrowings	46,286,066,887	247,235,375,622
Repayment of current portion of long-term bonds and long-term borrowings	(110,000,000,000)	(210,000,000,000)
Increase in long-term borrowings	-	150,000,000,000
Repayment of lease liabilities	(1,202,873,577)	(1,083,324,216)
Interest paid	(16,839,729,362)	(18,090,245,735)
Net cash flows from (used in) financing activities	(81,756,536,052)	168,061,805,671
Net increase (decrease) in cash and cash equivalents	33,901,829,528	(148,576,445,074)
Cash and cash equivalents at the beginning of the period	231,451,124,896	368,644,459,888
Net foreign exchange difference	267,269,697	388,338,893
Cash and cash equivalents at the end of the period	₩ 265,620,224,121	₩ 220,456,353,707