

Hanwha TotalEnergies Petrochemical Co., Ltd. and its subsidiaries

Consolidated financial statements
for the period ended March 31, 2023
(Unaudited)



Hanwha TotalEnergies Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of financial position
as of March 31, 2023 and December 31, 2022

(Korean won in units)

	2023-03-31	2022-12-31
Assets		
Current assets:		
Cash and cash equivalents	₩ 542,055,947,972	₩ 100,254,868,645
Trade and other accounts receivables, net	903,293,604,707	1,086,077,418,034
Prepaid expenses	24,611,643,692	28,280,277,565
Current tax assets	71,937,711,883	70,015,223,515
Other current assets	1,819,979,331	4,683,937,178
Inventories, net	1,967,235,566,268	1,870,301,452,327
Total current assets	<u>3,510,954,453,853</u>	<u>3,159,613,177,264</u>
Non-current assets:		
Long-term investment securities	10,825,773,962	10,825,773,962
Long-term loans	453,333,380	543,891,376
Long-term accounts receivables, net	5,125,376,192	56,202,601,558
Long-term prepaid expenses	536,154,433	603,041,994
Property, plant and equipment, net	4,168,148,470,050	4,208,751,725,721
Intangible assets, net	27,164,973,594	26,753,531,843
Defined benefit assets, net	55,037,001,612	57,453,593,504
Other non-current assets	14,500,000	14,500,000
Deferred tax assets	5,819,876,158	7,476,939,161
Total non-current assets	<u>4,273,125,459,381</u>	<u>4,368,625,599,119</u>
Total assets	<u>₩ 7,784,079,913,234</u>	<u>₩ 7,528,238,776,383</u>

(Continued)

Hanwha TotalEnergies Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of financial position
as of March 31, 2023 and December 31, 2022
(Korean won in units)

	2023-03-31	2022-12-31
Liabilities and equity		
Liabilities		
Current liabilities:		
Trade and other		
accounts payable	₩ 1,508,607,254,290	₩ 1,396,322,482,310
Short-term borrowings	446,462,663,034	436,270,457,738
Current portion of bonds payable		
and long-term borrowings	814,503,118,484	633,638,699,861
Income tax payable	2,567,987,987	2,008,662,097
Other current liabilities	84,081,608,475	20,668,805,643
Total current liabilities	2,856,222,632,270	2,488,909,107,649
Non-current liabilities:		
Bonds payable, net	1,057,678,575,585	1,254,801,155,992
Long-term borrowings	435,440,790,428	283,847,558,236
Long-term other accounts payable	3,132,824,132	2,805,370,753
Other non-current liabilities	8,360,169,895	8,147,352,854
Total non-current liabilities	1,504,612,360,040	1,549,601,437,835
Total liabilities	4,360,834,992,310	4,038,510,545,484
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	5,723,106,656	7,961,424,917
Retained earnings	2,456,796,927,601	2,521,041,919,315
	3,423,244,920,924	3,489,728,230,899
Non-controlling interests	-	-
Total equity	3,423,244,920,924	3,489,728,230,899
Total liabilities and equity	₩ 7,784,079,913,234	₩ 7,528,238,776,383

Hanwha TotalEnergies Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of comprehensive income
for the period ended March 31, 2023 and 2022
(Korean won in units)

	2023 Q1 YTD	2022 Q1 YTD
Revenue	₩ 2,774,257,019,783	₩ 3,087,821,135,552
Cost of sales	2,672,627,303,097	2,808,255,807,131
Gross profit	101,629,716,686	279,565,328,421
Selling and administrative expenses	80,090,282,338	81,261,556,350
Operating profit	21,539,434,348	198,303,772,071
Finance income	109,840,071,234	57,676,518,724
Finance costs	124,008,907,232	136,794,338,334
Other non-operating income	5,124,032,702	2,016,745,452
Other non-operating expenses	7,260,727,012	2,832,122,409
Profit before income tax	5,233,904,040	118,370,575,504
Income tax expense	930,895,754	31,138,800,012
Profit for the period	₩ 4,303,008,286	₩ 87,231,775,492
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	(3,364,712,190)	3,818,870,667
Exchange differences on translation of foreign operations	1,126,393,929	550,946,710
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	₩ (2,238,318,261)	₩ 4,369,817,377
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>		
Remeasurement gain (loss) on defined benefit plan	-	-
OCI-net gain (loss) on valuation of financial instruments measured at FVOCI	-	-
Net other comprehensive loss not to be reclassified to profit or loss in subsequent periods	₩ -	₩ -
Other comprehensive income (loss) for the period, net of tax	(2,238,318,261)	4,369,817,377
Total comprehensive income (loss) for the period, net of tax	₩ 2,064,690,025	₩ 91,601,592,869
Profit attributable to:		
Equity holders of the Company	4,303,008,286	87,231,775,492
Non-controlling interests	-	-
	₩ 4,303,008,286	₩ 87,231,775,492
Total comprehensive income attributable to:		
Owners of the parent	2,064,690,025	91,601,592,869
Non-controlling interests	-	-
	₩ 2,064,690,025	₩ 91,601,592,869
Earnings per share:		
Basic and diluted, profit for the period	₩ 225	₩ 4,552

Hanwha TotalEnergies Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of changes in equity
for the period ended March 31, 2023 and 2022

(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, 2022	₩ 95,826,580,000	₩ 864,898,306,667	₩ 4,528,011,728	₩ 2,878,693,682,391	₩ 3,843,946,580,786	₩ -	₩ 3,843,946,580,786
Profit for the period	-	-	-	87,231,775,492	87,231,775,492	-	87,231,775,492
Net gain (loss) on valuation of interest rate swaps	-	-	3,818,870,667	-	3,818,870,667	-	3,818,870,667
Exchange differences on translation of foreign operations	-	-	550,946,710	-	550,946,710	-	550,946,710
Total comprehensive income (loss) for the period	-	-	4,369,817,377	87,231,775,492	91,601,592,869	-	91,601,592,869
Dividend	-	-	-	(441,030,000,000)	(441,030,000,000)	-	(441,030,000,000)
As of March 31, 2022	₩ 95,826,580,000	₩ 864,898,306,667	₩ 8,897,829,105	₩ 2,524,895,457,883	₩ 3,494,518,173,655	₩ -	₩ 3,494,518,173,655
As of January 1, 2023	₩ 95,826,580,000	₩ 864,898,306,667	₩ 7,961,424,917	₩ 2,521,041,919,315	₩ 3,489,728,230,899	₩ -	₩ 3,489,728,230,899
Profit for the period	-	-	-	4,303,008,286	4,303,008,286	-	4,303,008,286
Net gain (loss) on valuation of interest rate swaps	-	-	(3,364,712,190)	-	(3,364,712,190)	-	(3,364,712,190)
Exchange differences on translation of foreign operations	-	-	1,126,393,929	-	1,126,393,929	-	1,126,393,929
Total comprehensive income (loss) for the period	-	-	(2,238,318,261)	4,303,008,286	2,064,690,025	-	2,064,690,025
Dividend	-	-	-	(68,548,000,000)	(68,548,000,000)	-	(68,548,000,000)
As of March 31, 2023	₩ 95,826,580,000	₩ 864,898,306,667	₩ 5,723,106,656	₩ 2,456,796,927,601	₩ 3,423,244,920,924	₩ -	₩ 3,423,244,920,924

Hanwha TotalEnergies Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of cash flows
for the period ended March 31, 2023 and 2022

(Korean won in units)

	2023 Q1 YTD	2022 Q1 YTD
Cash flows from operating activities		
Profit for the period	₩ 4,303,008,286	₩ 87,231,775,492
Non-cash adjustments to reconcile profit for the period to net cash flows	140,931,276,062	228,364,578,988
Changes in assets and liabilities arising from operating activities	246,872,817,941	(55,233,907,340)
Interest received	1,931,334,077	305,502,696
Income taxes paid	(657,470,819)	(101,441,570,447)
Net cash flows provided by operating activities	393,380,965,547	159,226,379,389
Cash flows from investing activities		
Increase in short-term investment securities	-	(300,027,149)
Decrease in long-term loans	90,557,996	499,999,996
Proceeds from disposal of long-term investment securities	-	13,005,000
Decrease in long-term accounts receivable	19,354,656	197,106,584
Increase in long-term accounts receivable	(1,356,168)	(23,000,000)
Proceeds from disposal of property, plant and equipment	3,278,142,446	12,558,627
Acquisition of property, plant and equipment	(85,964,713,689)	(51,184,403,842)
Proceeds from disposal of intangible assets	-	105,000,000
Acquisition of intangible assets	(5,024,038)	-
Settlement of derivatives	22,401,963,510	(46,140,170,758)
Dividends received	845,797,615	-
Net cash flows used in investing activities	(59,335,277,672)	(96,819,931,542)
Cash flows from financing activities		
Issuance of bonds	308,808,040,000	288,885,060,000
Net increase in short-term borrowings	9,214,293,622	(69,383,822,393)
Repayment of current portion of long-term bonds and long-term borrowings	(341,402,306,653)	(1,348,878,052)
Increase in long-term borrowings	150,000,000,000	-
Increase in deposit received	-	1,200,000
Decrease in deposit received	(8,668,168)	(1,450,746)
Interest paid	(19,615,930,374)	(13,065,588,611)
Net cash flows used in financing activities	106,995,428,427	205,086,520,198
Net increase in cash and cash equivalents	441,041,116,302	267,492,968,045
Cash and cash equivalents at the beginning of the period	100,254,868,640	181,015,315,864
Net foreign exchange difference	759,963,030	(386,499,362)
Cash and cash equivalents at the end of the period	₩ 542,055,947,972	₩ 448,121,784,547