

Hanwha TotalEnergies Petrochemical Co., Ltd. and its subsidiaries

Consolidated financial statements
for the period ended June 30, 2023
(Unaudited)



Hanwha TotalEnergies Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of financial position
as of June 30, 2023 and December 31, 2022
(Korean won in units)

	2023-06-30	2022-12-31
Assets		
Current assets:		
Cash and cash equivalents	₩ 212,706,964,611	₩ 100,254,868,645
Trade and other accounts receivables, net	1,041,646,593,552	1,086,077,418,034
Prepaid expenses	18,753,476,154	28,280,277,565
Current tax assets	651,872,960	70,015,223,515
Other current assets	5,449,278,176	4,683,937,178
Inventories, net	1,642,581,489,783	1,870,301,452,327
Total current assets	<u>2,921,789,675,236</u>	<u>3,159,613,177,264</u>
Non-current assets:		
Long-term investment securities	10,825,785,962	10,825,773,962
Long-term loans	443,333,384	543,891,376
Long-term accounts receivables, net	5,221,022,478	56,202,601,558
Long-term prepaid expenses	459,731,836	603,041,994
Property, plant and equipment, net	4,215,420,100,131	4,208,751,725,721
Intangible assets, net	25,763,647,092	26,753,531,843
Defined benefit assets, net	56,247,679,485	57,453,593,504
Other non-current assets	14,500,000	14,500,000
Deferred tax assets	53,558,882,364	7,476,939,161
Total non-current assets	<u>4,367,954,682,732</u>	<u>4,368,625,599,119</u>
Total assets	<u>₩ 7,289,744,357,968</u>	<u>₩ 7,528,238,776,383</u>

(Continued)

Hanwha TotalEnergies Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of financial position
as of June 30, 2023 and December 31, 2022

(Korean won in units)

	2023-06-30	2022-12-31
Liabilities and equity		
Liabilities		
Current liabilities:		
Trade and other		
accounts payable	₩ 1,436,224,612,035	₩ 1,396,322,482,310
Short-term borrowings	412,742,789,936	436,270,457,738
Current portion of bonds payable		
and long-term borrowings	969,876,428,194	633,638,699,861
Income tax payable	282,535,288	2,008,662,097
Other current liabilities	19,052,697,190	20,668,805,643
Total current liabilities	2,838,179,062,643	2,488,909,107,649
Non-current liabilities:		
Bonds payable, net	857,898,967,768	1,254,801,155,992
Long-term borrowings	338,957,579,957	283,847,558,236
Long-term other accounts payable	4,789,467,361	2,805,370,753
Other non-current liabilities	8,605,620,320	8,147,352,854
Total non-current liabilities	1,210,251,635,406	1,549,601,437,835
Total liabilities	4,048,430,698,049	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	4,546,281,194	7,961,424,917
Retained earnings	2,276,042,492,058	2,521,041,919,315
	3,241,313,659,919	3,489,728,230,899
Non-controlling interests	-	-
Total equity	3,241,313,659,919	3,489,728,230,899
Total liabilities and equity	₩ 7,289,744,357,968	₩ 7,528,238,776,383

Hanwha TotalEnergies Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of comprehensive income
for the period ended June 30, 2023 and 2022

(Korean won in units)

	2023 Q2 YTD	2022 Q2 YTD
Revenue	₩ 5,720,934,640,863	₩ 6,989,066,789,264
Cost of sales	5,761,089,087,087	6,330,175,518,835
Gross profit (loss)	(40,154,446,224)	658,891,270,429
Selling and administrative expenses	155,728,805,019	159,411,832,237
Operating profit (loss)	(195,883,251,243)	499,479,438,192
Finance income	203,489,490,589	221,365,259,358
Finance costs	223,377,814,944	333,896,139,404
Other non-operating income	8,233,839,089	4,624,109,141
Other non-operating expenses	15,585,703,413	7,919,741,120
Profit (loss) before income tax	(223,123,439,922)	383,652,926,167
Income tax expense (gain)	(46,672,012,665)	100,130,811,834
Profit (loss) for the period	₩ (176,451,427,257)	₩ 283,522,114,333
Other comprehensive income (loss)		
<i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:</i>		
Net gain (loss) on valuation of interest rate swaps	(3,320,546,494)	5,340,008,663
Exchange differences on translation of foreign operations	(94,597,229)	939,691,726
Net other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods	₩ (3,415,143,723)	₩ 6,279,700,389
<i>Other comprehensive income (loss) 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 income (loss) not to be reclassified to profit or loss in subsequent periods	₩ -	₩ -
Other comprehensive income (loss) for the period, net of tax	(3,415,143,723)	6,279,700,389
Total comprehensive income (loss) for the period, net of tax	₩ (179,866,570,980)	₩ 289,801,814,722
Profit (loss) attributable to:		
Equity holders of the Company	(176,451,427,257)	283,522,114,333
Non-controlling interests	-	-
	₩ (176,451,427,257)	₩ 283,522,114,333
Total comprehensive income (loss) attributable to:		
Owners of the parent	(179,866,570,980)	289,801,814,722
Non-controlling interests	-	-
	₩ (179,866,570,980)	₩ 289,801,814,722
Earnings (loss) per share:		
Basic and diluted, profit for the period	₩ (9,207)	₩ 14,794

Hanwha TotalEnergies Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of changes in equity
for the period ended June 30, 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	-	-	-	283,522,114,333	283,522,114,333	-	283,522,114,333
Net gain (loss) on valuation of interest rate swaps	-	-	5,340,008,663	-	5,340,008,663	-	5,340,008,663
Exchange differences on translation of foreign operations	-	-	939,691,726	-	939,691,726	-	939,691,726
Total comprehensive income (loss) for the period	-	-	6,279,700,389	283,522,114,333	289,801,814,722	-	289,801,814,722
Dividend	-	-	-	(441,030,000,000)	(441,030,000,000)	-	(441,030,000,000)
As of June 30, 2022	₩ 95,826,580,000	₩ 864,898,306,667	₩ 10,807,712,117	₩ 2,721,185,796,724	₩ 3,692,718,395,508	₩ -	₩ 3,692,718,395,508
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
Loss for the period	-	-	-	(176,451,427,257)	(176,451,427,257)	-	(176,451,427,257)
Net gain (loss) on valuation of interest rate swaps	-	-	(3,320,546,494)	-	(3,320,546,494)	-	(3,320,546,494)
Exchange differences on translation of foreign operations	-	-	(94,597,229)	-	(94,597,229)	-	(94,597,229)
Total comprehensive income (loss) for the period	-	-	(3,415,143,723)	(176,451,427,257)	(179,866,570,980)	-	(179,866,570,980)
Dividend	-	-	-	(68,548,000,000)	(68,548,000,000)	-	(68,548,000,000)
As of June 30, 2023	₩ 95,826,580,000	₩ 864,898,306,667	₩ 4,546,281,194	₩ 2,276,042,492,058	₩ 3,241,313,659,919	₩ -	₩ 3,241,313,659,919

Hanwha TotalEnergies Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of cash flows
for the period ended June 30, 2023 and 2022

(Korean won in units)

	2023 Q2 YTD	2022 Q2 YTD
Cash flows from operating activities		
Profit (loss) for the period	₩ (176,451,427,257)	₩ 283,522,114,333
Non-cash adjustments to reconcile profit for the period to net cash flows	218,893,185,660	458,070,496,523
Changes in assets and liabilities arising from operating activities	409,846,105,220	14,504,713,222
Interest received	4,380,736,549	959,051,711
Income taxes refund (paid)	69,279,897,809	(224,892,343,897)
Net cash flows provided by operating activities	525,948,497,981	532,164,031,892
Cash flows from investing activities		
Decrease in long-term loans	100,557,992	509,999,992
Increase in long-term loans	-	(80,558,000)
Decrease in long-term accounts receivable	19,380,448	304,648,162
Increase in long-term accounts receivable	(450,618,244)	(44,220,000)
Proceeds from disposal of long-term investment securities	-	13,005,000
Acquisition of long-term investment securities	(12,000)	(7,700)
Proceeds from disposal of property, plant and equipment	3,390,935,745	92,350,111
Acquisition of property, plant and equipment	(279,769,327,128)	(87,910,955,574)
Proceeds from disposal of intangible assets	-	1,705,000,000
Acquisition of intangible assets	(5,033,442)	-
Receipts from government subsidies	-	69,000,000
Settlement of derivatives	26,080,271,620	(61,049,923,538)
Dividends received	845,797,615	538,438,800
Increase in guarantee deposits	-	(2,536,143)
Decrease in guarantee deposits	51,868,224	-
Net cash flows used in investing activities	(249,736,179,170)	(145,855,758,890)
Cash flows from financing activities		
Issuance of bonds	308,808,040,000	488,864,540,000
Net increase (decrease) in short-term borrowings	(23,517,041,681)	91,705,744,003
Repayment of current portion of long-term bonds and long-term borrowings	(493,030,273,142)	(83,568,890,870)
Increase in long-term borrowings	150,000,000,000	75,961,300,000
Increase in deposit received	-	1,200,000
Decrease in deposit received	(20,994,113)	(2,308,986)
Interest paid	(37,416,516,995)	(24,288,010,840)
Dividends paid	(68,548,000,000)	(441,030,000,000)
Net cash flows used in financing activities	(163,724,785,931)	107,643,573,307
Net increase in cash and cash equivalents	112,487,532,880	493,951,846,309
Cash and cash equivalents at the beginning of the period	100,254,868,640	181,015,315,864
Net foreign exchange difference	(35,436,909)	164,369,990
Cash and cash equivalents at the end of the period	₩ 212,706,964,611	₩ 675,131,532,163