

Hanwha Total Petrochemical Co., Ltd. and its subsidiaries

Consolidated financial statements
for the period ended September 30, 2020
(Unaudited)



Hanwha Total Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of financial position
as of September 30, 2020 and December 31, 2019

(Korean won in units)

	<u>2020-09-30</u>	<u>2019-12-31</u>
Assets		
Current assets:		
Cash and cash equivalents	₩ 114,451,259,530	₩ 368,644,459,888
Short-term investment securities	141,916,000,000	-
Trade and other receivables	640,484,396,677	828,016,299,699
Prepaid expenses	24,057,067,938	13,165,106,658
Other current assets	2,588,372,832	3,522,632,866
Inventories	1,004,842,101,263	1,232,322,655,434
Total current assets	<u>1,928,339,198,240</u>	<u>2,445,671,154,545</u>
Non-current assets:		
Long-term investment securities	12,132,297,678	12,167,615,478
Long-term loans	594,793,077	262,975,703
Long-term other receivables	3,589,613,412	3,788,023,385
Long-term prepaid expenses	59,523,561,433	54,588,551,372
Property, plant and equipment	4,585,955,790,350	4,517,823,813,389
Intangible assets	30,545,140,733	32,963,059,867
Other non-current assets	15,500,000	15,500,000
Deferred income tax assets	13,032,254,231	9,929,433,794
Total non-current assets	<u>4,705,388,950,914</u>	<u>4,631,538,972,988</u>
Total assets	<u>₩ 6,633,728,149,154</u>	<u>₩ 7,077,210,127,533</u>

(Continued)

Hanwha Total Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of financial position
as of September 30, 2020 and December 31, 2019

(Korean won in units)

	<u>2020-09-30</u>	<u>2019-12-31</u>
Liabilities and equity		
Liabilities		
Current liabilities:		
Trade and other		
accounts payable	₩ 527,173,988,056	₩ 830,246,977,710
Short-term borrowings	223,483,077,051	134,025,576,583
Current portion of bonds payable		
and long-term borrowings	444,650,397,041	424,291,143,279
Income tax payable	296,997,050	41,998,213,264
Other current liabilities	15,797,760,335	11,113,333,623
Total current liabilities	<u>1,211,402,219,533</u>	<u>1,441,675,244,459</u>
Non-current liabilities:		
Bonds payable, net	1,534,565,137,362	1,736,815,858,250
Long-term borrowings	508,669,110,016	290,137,225,646
Long-term other accounts payable	3,511,051	-
Employee benefit liability, net	10,581,683,284	2,069,809,182
Other non-current liabilities	9,025,622,918	8,298,176,411
Total non-current liabilities	<u>2,062,845,064,631</u>	<u>2,037,321,069,489</u>
Total liabilities	3,274,247,284,164	3,478,996,313,948
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	488,347,247	(1,074,259,885)
Retained earnings	2,398,267,631,076	2,638,563,186,803
	<u>3,359,480,864,990</u>	<u>3,598,213,813,585</u>
Non-controlling interests	-	-
Total equity	3,359,480,864,990	3,598,213,813,585
Total liabilities and equity	₩ 6,633,728,149,154	₩ 7,077,210,127,533

Hanwha Total Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of comprehensive income
for the period ended September 30, 2020 and 2019

(Korean won in units)

	2020 Q3 YTD	2019 Q3 YTD
Revenue	₩ 5,001,466,577,114	₩ 7,375,730,394,519
Cost of sales	4,899,887,237,743	6,857,812,763,033
Gross profit (loss)	101,579,339,371	517,917,631,486
Selling and administrative expenses	178,279,781,094	181,374,283,077
Operating profit (loss)	(76,700,441,723)	336,543,348,409
Finance income	232,899,688,213	217,825,072,789
Finance costs	178,757,459,402	215,449,885,495
Other non-operating income	11,352,630,351	26,992,914,098
Other non-operating expenses	8,695,515,168	25,346,193,809
Profit (loss) before income tax	(19,901,097,729)	340,565,255,992
Income tax expense (recovery)	(3,786,780,773)	87,625,834,013
Profit (loss) for the period	₩ (16,114,316,956)	₩ 252,939,421,979
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	614,631,249	(1,782,113,939)
Exchange differences on translation of foreign operations	901,258,927	767,190,600
Net other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods	₩ 1,515,890,176	₩ (1,014,923,339)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>		
Remeasurement of defined benefit plan	(1,189,238,771)	-
Net gain on valuation of financial instruments measured at FVOCI	46,716,956	-
Net other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods	₩ (1,142,521,815)	₩ -
Other comprehensive income (loss) for the period, net of tax	373,368,361	(1,014,923,339)
Total comprehensive income (loss) for the period, net of tax	₩ (15,740,948,595)	₩ 251,924,498,640
Profit (loss) attributable to:		
Equity holders of the Company	(16,114,316,956)	252,939,421,979
Non-controlling interests	-	-
	₩ (16,114,316,956)	₩ 252,939,421,979
Total comprehensive income (loss) attributable to:		
Owners of the parent	(15,740,948,595)	251,924,498,640
Non-controlling interests	-	-
	₩ (15,740,948,595)	₩ 251,924,498,640
Earnings per share:		
Basic and diluted, profit (loss) for the period	₩ (841)	₩ 13,198

Hanwha Total Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of changes in equity
for the period ended September 30, 2020 and 2019

(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, 2019	₩ 95,826,580,000	₩ 864,898,306,667	₩ (393,443,582)	₩ 2,807,466,803,428	₩ 3,767,798,246,513	₩ -	₩ 3,767,798,246,513
Profit for the period	-	-	-	252,939,421,979	252,939,421,979	-	252,939,421,979
Net loss on valuation of interest rate swaps	-	-	(1,782,113,939)	-	(1,782,113,939)	-	(1,782,113,939)
Exchange differences on translation of foreign operations	-	-	767,190,600	-	767,190,600	-	767,190,600
Total comprehensive income for the period	-	-	(1,014,923,339)	252,939,421,979	251,924,498,640	-	251,924,498,640
Dividend	-	-	-	(396,906,000,000)	(396,906,000,000)	-	(396,906,000,000)
As of September 30, 2019	₩ 95,826,580,000	₩ 864,898,306,667	₩ (1,408,366,921)	₩ 2,663,500,225,407	₩ 3,622,816,745,153	₩ -	₩ 3,622,816,745,153
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	-	-	-	(16,114,316,956)	(16,114,316,956)	-	(16,114,316,956)
Net gain on valuation of interest rate swaps	-	-	614,631,249	-	614,631,249	-	614,631,249
Exchange differences on translation of foreign operations	-	-	901,258,927	-	901,258,927	-	901,258,927
Net gain on valuation of financial instruments measured at FVOCI	-	-	46,716,956	-	46,716,956	-	46,716,956
Remeasurement of defined benefit plan	-	-	-	(1,189,238,771)	(1,189,238,771)	-	(1,189,238,771)
Total comprehensive loss for the period	-	-	1,562,607,132	(17,303,555,727)	(15,740,948,595)	-	(15,740,948,595)
Dividend	-	-	-	(222,992,000,000)	(222,992,000,000)	-	(222,992,000,000)
As of September 30, 2020	₩ 95,826,580,000	₩ 864,898,306,667	₩ 488,347,247	₩ 2,398,267,631,076	₩ 3,359,480,864,990	₩ -	₩ 3,359,480,864,990

Hanwha Total Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of cash flows
for the period ended September 30, 2020 and 2019
(Korean won in units)

	2020 Q3 YTD	2019 Q3 YTD
Cash flows from operating activities		
Profit (loss) for the period	₩ (16,114,316,954)	₩ 252,939,421,979
Non-cash adjustments to reconcile profit for the period to net cash flows	269,700,066,715	397,831,095,034
Working capital adjustments	200,015,009,996	136,755,444,654
Interest received	1,680,227,247	3,644,995,094
Income taxes paid	(47,638,559,497)	(160,559,559,462)
Net cash inflow from operating activities	407,642,427,507	630,611,397,299
Cash flows from investing activities		
Increase in short-term investment securities	(141,910,000,000)	-
Decrease in long-term loans	58,182,626	170,645,962
Increase in long-term loans	(390,000,000)	-
Decrease in long-term accounts receivable	466,375,956	71,621,858
Increase in long-term accounts receivable	(250,186,000)	(60,000,000)
Decrease in long-term investment securities	35,325,000	10,015,000
Increase in long-term investment securities	(7,200)	(12,598)
Proceeds from disposal of property, plant and equipment	3,138,998,290	3,694,725,950
Acquisition of property, plant and equipment	(439,644,536,988)	(571,960,266,596)
Proceeds from disposal of intangible assets	1,664,090,905	-
Acquisition of intangible assets	(450,714,960)	(3,832,991,275)
Settlement of derivatives	70,133,860,309	17,796,380,706
Dividends received	175,767,495	241,998,725
Net cash outflow from investing activities	(506,972,844,567)	(553,867,882,268)
Cash flows from financing activities		
Net increase in short-term borrowings	90,768,169,139	274,832,210,487
Repayment of current portion of long-term bonds and long-term borrowings	(420,000,000,000)	(545,000,000,000)
Increase in long-term borrowings	500,000,000,000	-
Repayment of long-term borrowings	(50,265,000,000)	-
Repayment of lease liabilities	(4,130,991,486)	(4,004,007,921)
Increase in bonds payable	-	552,080,000,000
Interest paid	(48,587,630,880)	(51,511,483,853)
Dividends paid to shareholders	(222,992,000,000)	(396,906,000,000)
Net cash outflow from financing activities	(155,207,453,227)	(170,509,281,287)
Net increase (decrease) in cash and cash equivalents	(254,537,870,287)	(93,765,766,256)
Cash and cash equivalents at the beginning of the period	368,644,459,888	259,217,545,462
Net foreign exchange difference	344,669,929	239,369,536
Cash and cash equivalents at the end of the period	₩ 114,451,259,530	₩ 165,691,148,742