

Hanwha Total Petrochemical Co., Ltd. and its subsidiaries

Consolidated financial statements
for the period ended June 30, 2021
(Unaudited)



Hanwha Total Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of financial position
as of June 30, 2021 and December 31, 2020
(Korean won in units)

	2021-06-30	2020-12-31
Assets		
Current assets:		
Cash and cash equivalents	₩ 274,010,160,269	₩ 231,451,124,896
Short-term investment securities	220,874,200,000	90,834,800,000
Trade and other accounts receivables, net	891,264,415,671	606,333,255,566
Prepaid expenses	9,382,168,522	16,640,694,136
Other current assets	664,105,850	2,508,006,515
Inventories, net	1,413,976,445,396	1,061,699,446,067
Total current assets	<u>2,810,171,495,708</u>	<u>2,009,467,327,180</u>
Non-current assets:		
Long-term investment securities	14,843,908,890	16,870,305,966
Long-term loans	923,369,352	949,384,680
Long-term accounts receivables, net	30,713,361,431	3,538,133,847
Long-term prepaid expenses	71,133,340,807	54,402,395,386
Property, plant and equipment, net	4,478,399,317,399	4,530,968,329,898
Intangible assets, net	29,191,374,454	31,510,628,005
Defined benefit assets, net	-	4,725,934,016
Other non-current assets	15,500,000	15,500,000
Deferred tax assets	8,685,686,724	9,032,216,704
Total non-current assets	<u>4,633,905,859,057</u>	<u>4,652,012,828,502</u>
Total assets	<u>₩ 7,444,077,354,765</u>	<u>₩ 6,661,480,155,682</u>

(Continued)

Hanwha Total Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of financial position
as of June 30, 2021 and December 31, 2020

(Korean won in units)

	<u>2021-06-30</u>	<u>2020-12-31</u>
Liabilities and equity		
Liabilities		
Current liabilities:		
Trade and other		
accounts payable	₩ 909,393,800,295	₩ 592,264,516,317
Short-term borrowings	118,989,015,581	94,768,700,797
Current portion of bonds payable		
and long-term borrowings	474,063,806,566	603,994,382,294
Income tax payable	160,887,043,071	20,013,674,145
Other current liabilities	33,718,679,110	33,883,695,449
Total current liabilities	<u>1,697,052,344,623</u>	<u>1,344,924,969,002</u>
Non-current liabilities:		
Bonds payable, net	1,278,508,732,677	1,340,919,474,134
Long-term borrowings	608,556,890,840	508,678,257,589
Long-term other accounts payable	83,100,539	78,199,855
Defined benefit obligation, net	3,558,079,011	-
Other non-current liabilities	10,727,414,410	10,099,605,540
Total non-current liabilities	<u>1,901,434,217,477</u>	<u>1,859,775,537,118</u>
Total liabilities	3,598,486,562,100	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	6,655,646,905	5,078,280,408
Retained earnings	2,878,210,259,093	2,490,976,482,487
	<u>3,845,590,792,665</u>	<u>3,456,779,649,562</u>
Non-controlling interests	-	-
Total equity	3,845,590,792,665	3,456,779,649,562
Total liabilities and equity	₩ 7,444,077,354,765	₩ 6,661,480,155,682

Hanwha Total Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of comprehensive income
for the period ended June 30, 2021 and 2020
(Korean won in units)

	2021 Q2 YTD	2020 Q2 YTD
Revenue	₩ 4,367,337,983,603	₩ 3,461,726,216,025
Cost of sales	3,593,979,687,159	3,572,293,047,024
Gross profit (loss)	773,358,296,444	(110,566,830,999)
Selling and administrative expenses	122,315,176,658	118,937,889,460
Operating profit (loss)	651,043,119,786	(229,504,720,459)
Finance income	88,952,146,439	217,984,445,998
Finance costs	126,757,341,484	154,594,909,342
Other non-operating income	9,884,913,498	6,941,657,315
Other non-operating expenses	16,842,372,724	6,369,442,508
Profit (loss) before income tax	606,280,465,515	(165,542,968,996)
Income tax expense (recovery)	160,414,221,339	(40,611,428,447)
Profit (loss) for the period	₩ 445,866,244,176	₩ (124,931,540,549)
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	1,972,027,816	565,606,876
Exchange differences on translation of foreign operations	1,094,697,195	557,941,084
Net other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods	₩ 3,066,725,011	₩ 1,123,547,960
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>		
OCI-Net gain (loss) on valuation of financial instruments measured at FVOCI	(1,489,358,514)	46,716,956
Remeasurement of defined benefit plan	(1,173,467,570)	(1,189,238,771)
Net other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods	₩ (2,662,826,084)	₩ (1,142,521,815)
Other comprehensive income (loss) for the period, net of tax	403,898,927	(18,973,855)
Total comprehensive income (loss) for the period, net of tax	₩ 446,270,143,103	₩ (124,950,514,404)
Profit (loss) attributable to:		
Equity holders of the Company	445,866,244,176	(124,931,540,549)
Non-controlling interests	-	-
	₩ 445,866,244,176	₩ (124,931,540,549)
Total comprehensive income (loss) attributable to:		
Owners of the parent	446,270,143,103	(124,950,514,404)
Non-controlling interests	-	-
	₩ 446,270,143,103	₩ (124,950,514,404)
Earnings per share:		
Basic and diluted, profit (loss) for the period	₩ 23,264	₩ (6,519)

Hanwha Total Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of changes in equity
for the period ended June 30, 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	-	-	-	(124,931,540,549)	(124,931,540,549)	-	(124,931,540,549)
Net gain on valuation of interest rate swaps	-	-	565,606,876	-	565,606,876	-	565,606,876
Re-measurement loss on defined benefit plan	-	-	-	(1,189,238,771)	(1,189,238,771)	-	(1,189,238,771)
Exchange differences on translation of foreign operations	-	-	557,941,084	-	557,941,084	-	557,941,084
OCI-Net gain on valuation of financial instruments measured at FVOCI	-	-	46,716,956	-	46,716,956	-	46,716,956
Total comprehensive loss for the period	-	-	1,170,264,916	(126,120,779,320)	(124,950,514,404)	-	(124,950,514,404)
Dividend	-	-	-	(222,992,000,000)	(222,992,000,000)	-	(222,992,000,000)
As of June 30, 2020	₩ 95,826,580,000	₩ 864,898,306,667	₩ 96,005,031	₩ 2,289,450,407,483	₩ 3,250,271,299,181	₩ -	₩ 3,250,271,299,181
As of January 1, 2021	₩ 95,826,580,000	₩ 864,898,306,667	₩ 5,078,280,408	₩ 2,490,976,482,487	₩ 3,456,779,649,562	₩ -	₩ 3,456,779,649,562
Profit for the period	-	-	-	445,866,244,176	445,866,244,176	-	445,866,244,176
Net gain on valuation of interest rate swaps	-	-	1,972,027,816	-	1,972,027,816	-	1,972,027,816
Re-measurement loss on defined benefit plan	-	-	-	(1,173,467,570)	(1,173,467,570)	-	(1,173,467,570)
Exchange differences on translation of foreign operations	-	-	1,094,697,195	-	1,094,697,195	-	1,094,697,195
OCI-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	-	-	1,577,366,497	444,692,776,606	446,270,143,103	-	446,270,143,103
Dividend	-	-	-	(57,459,000,000)	(57,459,000,000)	-	(57,459,000,000)
As of June 30, 2021	₩ 95,826,580,000	₩ 864,898,306,667	₩ 6,655,646,905	₩ 2,878,210,259,093	₩ 3,845,590,792,665	₩ -	₩ 3,845,590,792,665

Hanwha Total Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of cash flows
for the period ended June 30, 2021 and 2020
(Korean won in units)

	2021 Q2 YTD	2020 Q2 YTD
Cash flows from operating activities		
Profit (loss) for the period	₩ 445,866,244,176	₩ (124,931,540,549)
Non-cash adjustments to reconcile profit (loss) for the period to net cash flows	440,653,895,844	106,395,702,931
Changes in assets and liabilities arising from operating activities	(362,996,732,165)	401,669,918,171
Interest received	449,652,219	1,190,231,502
Income taxes paid	(18,988,772,942)	(42,201,859,845)
Net cash flows from (used in) operating activities	504,984,287,132	342,122,452,210
Cash flows from investing activities		
Increase in short-term investment securities	(130,000,000,000)	(134,285,250,000)
Decrease in long-term loans	26,015,328	39,769,766
Increase in long-term loans	-	(390,000,000)
Decrease in long-term accounts receivable	90,509,449	363,325,788
Increase in long-term accounts receivable	-	(163,705,000)
Proceeds from disposal of long-term investment securities	61,544,155	40,142,800
Proceeds from disposal of property, plant and equipment	4,917,180,994	2,480,645,580
Acquisition of property, plant and equipment	(157,463,334,510)	(241,377,415,670)
Proceeds from disposal of intangible assets	-	1,082,727,268
Acquisition of intangible assets	-	(350,714,960)
Settlement of derivatives	(6,158,785,306)	73,646,070,684
Dividends received	242,297,460	175,767,495
Decrease in deposits received	(122,587,622)	-
Net cash flows used in investing activities	(288,407,160,052)	(298,738,636,249)
Cash flows from financing activities		
Net increase in short-term borrowings	23,911,762,404	319,729,016,678
Repayment of current portion of long-term bonds and long-term borrowings	(210,000,000,000)	(220,000,000,000)
Increase in long-term borrowings	100,000,000,000	300,000,000,000
Repayment of long-term borrowings	-	(50,265,000,000)
Repayment of lease liabilities	(3,152,976,360)	(3,247,677,915)
Interest paid	(27,705,825,475)	(31,639,839,857)
Dividends paid to shareholders	(57,459,000,000)	(222,992,000,000)
Net cash flows from (used in) financing activities	(174,406,039,431)	91,584,498,906
Net increase (decrease) in cash and cash equivalents	42,171,087,649	134,968,314,867
Cash and cash equivalents at the beginning of the period	231,451,124,896	368,644,459,888
Net foreign exchange difference	387,947,724	(789,814,126)
Cash and cash equivalents at the end of the period	₩ 274,010,160,269	₩ 502,822,960,629