

Hanwha Total Petrochemical Co., Ltd. and its subsidiaries

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



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

(Korean won in units)

	2021-09-30		2020-12-31
Assets			
Current assets:			
Cash and cash equivalents	₩ 289,096,067,653	₩	231,451,124,896
Short-term investment securities	915,150,000		90,834,800,000
Trade and other accounts receivables, net	980,058,951,587		606,333,255,566
Prepaid expenses	25,136,021,372		16,640,694,136
Other current assets	704,866,532		2,508,006,515
Inventories, net	1,723,945,883,452		1,061,699,446,067
Total current assets	<u>3,019,856,940,596</u>		<u>2,009,467,327,180</u>
Non-current assets:			
Long-term investment securities	14,800,363,890		16,870,305,966
Long-term loans	908,371,356		949,384,680
Long-term accounts receivables, net	52,527,476,918		3,538,133,847
Long-term prepaid expenses	62,134,299,202		54,402,395,386
Property, plant and equipment, net	4,413,255,080,798		4,530,968,329,898
Intangible assets, net	28,034,878,815		31,510,628,005
Defined benefit assets, net	-		4,725,934,016
Other non-current assets	14,500,000		15,500,000
Deferred tax assets	12,172,438,850		9,032,216,704
Total non-current assets	<u>4,583,847,409,829</u>		<u>4,652,012,828,502</u>
Total assets	<u>₩ 7,603,704,350,425</u>	<u>₩</u>	<u>6,661,480,155,682</u>

(Continued)

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

	2021-09-30	2020-12-31
Liabilities and equity		
Liabilities		
Current liabilities:		
Trade and other		
accounts payable	₩ 856,419,603,725	₩ 592,264,516,317
Short-term borrowings	194,142,577,033	94,768,700,797
Current portion of bonds payable		
and long-term borrowings	344,027,404,477	603,994,382,294
Income tax payable	203,599,793,713	20,013,674,145
Other current liabilities	55,618,915,223	33,883,695,449
Total current liabilities	<u>1,653,808,294,171</u>	<u>1,344,924,969,002</u>
Non-current liabilities:		
Bonds payable, net	1,200,922,027,381	1,340,919,474,134
Long-term borrowings	738,909,986,498	508,678,257,589
Long-term other accounts payable	89,530,997	78,199,855
Defined benefit obligation, net	7,774,344,465	-
Other non-current liabilities	11,040,489,890	10,099,605,540
Total non-current liabilities	<u>1,958,736,379,231</u>	<u>1,859,775,537,118</u>
Total liabilities	3,612,544,673,402	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	8,790,605,739	5,078,280,408
Retained earnings	3,021,644,184,617	2,490,976,482,487
	<u>3,991,159,677,023</u>	<u>3,456,779,649,562</u>
Non-controlling interests	-	-
Total equity	3,991,159,677,023	3,456,779,649,562
Total liabilities and equity	₩ 7,603,704,350,425	₩ 6,661,480,155,682

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

	2021 Q3 YTD	2020 Q3 YTD
Revenue	₩ 6,914,822,602,645	₩ 5,050,874,004,277
Cost of sales	5,872,869,204,184	4,956,467,737,792
Gross profit	1,041,953,398,461	94,406,266,485
Selling and administrative expenses	205,992,144,501	178,388,858,598
Operating profit (loss)	835,961,253,960	(83,982,592,113)
Finance income	208,551,878,551	232,899,688,213
Finance costs	235,460,132,441	178,757,459,402
Other non-operating income	12,980,961,454	11,352,630,351
Other non-operating expenses	20,223,109,334	8,855,732,882
Profit (loss) before income tax	801,810,852,190	(27,343,465,833)
Income tax expense (recovery)	212,263,984,772	(5,587,833,854)
Profit (loss) for the period	₩ 589,546,867,418	₩ (21,755,631,979)
Other comprehensive income		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Net gain on valuation of interest rate swaps	2,927,620,744	614,631,249
Exchange differences on translation of foreign operations	2,274,063,101	901,258,927
Net other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods	₩ 5,201,683,845	₩ 1,515,890,176
<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 loss on defined benefit plan	(1,420,165,288)	(1,189,238,771)
Net other comprehensive loss not to be reclassified to profit or loss in subsequent periods	₩ (2,909,523,802)	₩ (1,142,521,815)
Other comprehensive income for the period, net of tax	2,292,160,043	373,368,361
Total comprehensive income (loss) for the period, net of tax	₩ 591,839,027,461	₩ (21,382,263,618)
Profit (loss) attributable to:		
Equity holders of the Company	589,546,867,418	(21,755,631,979)
Non-controlling interests	-	-
	<u>₩ 589,546,867,418</u>	<u>₩ (21,755,631,979)</u>
Total comprehensive income (loss) attributable to:		
Owners of the parent	591,839,027,461	(21,382,263,618)
Non-controlling interests	-	-
	<u>₩ 591,839,027,461</u>	<u>₩ (21,382,263,618)</u>
Earnings per share:		
Basic and diluted, profit (loss) for the period	₩ 30,761	₩ (1,135)

Hanwha Total Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of changes in equity
for the period ended September 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
Loss for the period	-	-	-	(21,755,631,979)	(21,755,631,979)	-	(21,755,631,979)
Net gain on valuation of interest rate swaps	-	-	614,631,249	-	614,631,249	-	614,631,249
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	-	-	901,258,927	-	901,258,927	-	901,258,927
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	-	-	1,562,607,132	(22,944,870,750)	(21,382,263,618)	-	(21,382,263,618)
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	₩ 2,392,626,316,053	₩ 3,353,839,549,967	₩ -	₩ 3,353,839,549,967
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	-	-	-	589,546,867,418	589,546,867,418	-	589,546,867,418
Net gain on valuation of interest rate swaps	-	-	2,927,620,744	-	2,927,620,744	-	2,927,620,744
Re-measurement loss on defined benefit plan	-	-	-	(1,420,165,288)	(1,420,165,288)	-	(1,420,165,288)
Exchange differences on translation of foreign operations	-	-	2,274,063,101	-	2,274,063,101	-	2,274,063,101
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	-	-	3,712,325,331	588,126,702,130	591,839,027,461	-	591,839,027,461
Dividend	-	-	-	(57,459,000,000)	(57,459,000,000)	-	(57,459,000,000)
As of September 30, 2021	₩ 95,826,580,000	₩ 864,898,306,667	₩ 8,790,605,739	₩ 3,021,644,184,617	₩ 3,991,159,677,023	₩ -	₩ 3,991,159,677,023

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

	2021 Q3 YTD	2020 Q3 YTD
Cash flows from operating activities		
Profit (loss) for the period	₩ 589,546,867,418	₩ (21,755,631,979)
Non-cash adjustments to reconcile profit (loss) for the period to net cash flows	599,296,147,114	267,668,669,542
Changes in assets and liabilities arising from operating activities	(743,229,393,071)	200,965,778,939
Interest received	742,020,712	1,680,227,249
Income taxes paid	(31,504,281,715)	(47,638,559,497)
Net cash flows provided by operating activities	414,851,360,458	400,920,484,254
Cash flows from investing activities		
Increase in short-term investment securities	90,000,000,000	(141,910,000,000)
Decrease in long-term loans	41,013,324	58,182,626
Increase in long-term loans	-	(390,000,000)
Decrease in long-term accounts receivable	91,030,000	466,375,956
Increase in long-term accounts receivable	(24,713,768)	(250,186,000)
Proceeds from disposal of long-term investment securities	105,089,155	35,325,000
Acquisition of long-term investment securities	-	(7,200)
Decrease in long-term finance instruments	1,000,000	-
Proceeds from disposal of property, plant and equipment	5,057,520,538	3,138,998,290
Acquisition of property, plant and equipment	(240,995,266,215)	(432,922,593,735)
Proceeds from disposal of intangible assets	-	1,664,090,905
Acquisition of intangible assets	-	(450,714,960)
Settlement of derivatives	4,566,175,113	70,133,860,309
Dividends received	242,297,460	175,767,495
Decrease in deposits received	(122,618,329)	-
Net cash flows used in investing activities	(141,038,472,722)	(500,250,901,314)
Cash flows from financing activities		
Net increase in short-term borrowings	98,353,924,870	90,768,169,139
Repayment of current portion of long-term bonds and long-term borrowings	(440,000,000,000)	(420,000,000,000)
Increase in long-term borrowings	230,000,000,000	500,000,000,000
Repayment of long-term borrowings	-	(50,265,000,000)
Repayment of lease liabilities	(4,077,487,054)	(4,130,991,486)
Interest paid	(43,858,198,742)	(48,587,630,880)
Dividends paid to shareholders	(57,459,000,000)	(222,992,000,000)
Net cash flows used in financing activities	(217,040,760,926)	(155,207,453,227)
Net increase (decrease) in cash and cash equivalents	56,772,126,810	(254,537,870,287)
Cash and cash equivalents at the beginning of the period	231,451,124,896	368,644,459,888
Net foreign exchange difference	872,815,947	344,669,929
Cash and cash equivalents at the end of the period	₩ 289,096,067,653	₩ 114,451,259,530