

Hanwha Total Petrochemical Co., Ltd. and its subsidiaries

Consolidated financial statements
for the period ended September 30, 2019
(Unaudited)



Hanwha Total Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of financial position
as at September 30, 2019 and December 31, 2018

(Korean won in units)

	2019-09-30		2018-12-31
Assets			
Current assets:			
Cash and cash equivalents	₩ 165,691,148,742	₩	259,217,545,462
Trade and other accounts receivable, net	884,116,626,131		955,880,335,491
Prepaid expenses	20,027,042,187		14,391,785,190
Other current assets	1,179,558,344		3,468,879,811
Inventories, net	1,253,249,569,151		1,410,443,126,039
Total current assets	<u>2,324,263,944,555</u>		<u>2,643,401,671,993</u>
Non-current assets:			
Long-term investment securities	12,199,884,478		12,209,886,880
Long-term loans, net	283,394,517		454,040,479
Long-term accounts receivable, net	3,114,338,178		3,181,509,850
Long-term prepaid expenses	58,349,303,019		42,636,055,187
Property, plant and equipment, net	4,407,492,376,453		4,079,911,969,362
Intangible assets, net	55,714,587,069		59,744,665,824
Other non-current assets	15,500,000		15,500,000
Deferred income tax assets	7,720,828,571		2,936,621,085
Total non-current assets	<u>4,544,890,212,285</u>		<u>4,201,090,248,667</u>
Total assets	<u>₩ 6,869,154,156,840</u>	<u>₩</u>	<u>6,844,491,920,660</u>

(Continued)

Hanwha Total Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of financial position
as at September 30, 2019 and December 31, 2018

(Korean won in units)

	2019-09-30	2018-12-31
Liabilities and equity		
Liabilities		
Current liabilities:		
Trade and other accounts payable	₩ 583,370,588,606	₩ 676,350,423,324
Short-term borrowings	398,433,721,099	122,334,401,888
Current portion of bonds payable and long-term borrowings	323,996,469,792	544,849,221,136
Income tax payable	56,862,103,445	125,449,149,692
Other current liabilities	11,949,807,368	14,627,199,761
Total current liabilities	1,374,612,690,310	1,483,610,395,801
Non-current liabilities:		
Bonds payable, net	1,454,905,159,942	937,293,714,712
Long-term borrowings	389,696,656,846	640,000,000,000
Long-term accounts payable	-	382,412,562
Employee benefit liability, net	19,241,873,493	8,099,546,289
Other non-current liabilities	7,881,031,096	7,307,604,783
Total non-current liabilities	1,871,724,721,377	1,593,083,278,346
Total liabilities	3,246,337,411,687	3,076,693,674,147
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	(1,408,366,921)	(393,443,582)
Retained earnings	2,663,500,225,407	2,807,466,803,428
	3,622,816,745,153	3,767,798,246,513
Non-controlling interests	-	-
Total equity	3,622,816,745,153	3,767,798,246,513
Total liabilities and equity	₩ 6,869,154,156,840	₩ 6,844,491,920,660

Hanwha Total Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of comprehensive income
for the nine months period ended September 30, 2019 and September 30, 2018

(Korean won in units)

	FY19 Q3 YTD	FY18 Q3 YTD
Sales	₩ 7,375,730,394,519	₩ 8,407,971,888,119
Cost of goods sold	6,857,812,763,033	7,212,398,523,874
Gross profit	517,917,631,486	1,195,573,364,245
Selling and administrative expenses	181,374,283,077	199,322,132,441
Operating profit	336,543,348,409	996,251,231,804
Finance income	217,825,072,789	142,700,988,093
Finance costs	215,449,885,495	230,404,991,524
Other income	26,992,914,098	31,458,476,493
Other expenses	25,346,193,809	13,507,222,253
Profit before tax	340,565,255,992	926,498,482,613
Income tax expense	87,625,834,013	220,625,956,801
Profit for the period	₩ 252,939,421,979	₩ 705,872,525,812
Other comprehensive income		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Net gain (loss) on interest rate swaps	(1,782,113,939)	(1,097,410,362)
Exchange differences on translation of foreign operations	767,190,600	(275,846,527)
Net other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods	₩ (1,014,923,339)	₩ (1,373,256,889)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>		
Net gain on valuation of financial instruments measured at FVOCI	-	1,562,894,528
Net other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods	₩ -	₩ 1,562,894,528
Other comprehensive income (loss) for the period, net of tax	(1,014,923,339)	189,637,639
Total comprehensive income for the period, net of tax	₩ 251,924,498,640	₩ 706,062,163,451
Profit attributable to:		
Equity holders of the Company	252,939,421,979	705,872,525,812
Non-controlling interests	-	-
	₩ 252,939,421,979	₩ 705,872,525,812
Total comprehensive income attributable to:		
Owners of the parent	251,924,498,640	706,062,163,451
Non-controlling interests	-	-
	₩ 251,924,498,640	₩ 706,062,163,451
Earnings per share:		
Basic and diluted, profit for the period	₩ 13,198	₩ 36,831

Hanwha Total Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of changes in equity
for the nine months period ended September 30, 2019 and September 30, 2018

(Korean won in units)

	Issued capital	Share premium	Other components of equity	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
As at January 1, 2018	₩ 95,826,580,000	₩ 864,898,306,667	₩ 158,169,780	₩ 2,760,691,908,942	₩ 3,721,574,965,389	₩ -	₩ 3,721,574,965,389
Profit for the period	-	-	-	705,872,525,812	705,872,525,812	-	705,872,525,812
Net loss on valuation of interest rate swaps	-	-	(1,097,410,362)	-	(1,097,410,362)	-	(1,097,410,362)
Exchange differences on translation of foreign operations	-	-	(275,846,527)	-	(275,846,527)	-	(275,846,527)
Net gain on valuation of financial instruments measured at FVOCI	-	-	1,562,894,528	-	1,562,894,528	-	1,562,894,528
Total comprehensive income for the period	-	-	189,637,639	705,872,525,812	706,062,163,451	-	706,062,163,451
Dividend	-	-	-	(548,615,000,000)	(548,615,000,000)	-	(548,615,000,000)
As at September 30, 2018	₩ 95,826,580,000	₩ 864,898,306,667	₩ 347,807,419	₩ 2,917,949,434,754	₩ 3,879,022,128,840	₩ -	₩ 3,879,022,128,840
As at 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 at 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

Hanwha Total Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of cash flows
for the nine months period ended September 30, 2019 and September 30, 2018

(Korean won in units)

	FY19 Q3 YTD	FY18 Q3 YTD
Cash flows from operating activities		
Profit for the period	₩ 252,939,421,979	₩ 705,872,525,812
Non-cash adjustments to reconcile profit for the period to net cash flows	397,831,095,034	591,612,097,796
Working capital adjustments	136,755,444,654	(350,026,420,042)
Interest received	3,644,995,094	2,590,564,834
Income tax paid	(160,559,559,462)	(238,385,453,039)
Net cash flows from operating activities	630,611,397,299	711,663,315,361
Cash flows from investing activities		
Decrease in long-term loans	170,645,962	136,947,632
Increase in long-term loans	-	(100,000,000)
Proceed from disposal of long-term investment securities	10,015,000	160,890,000
Increase in long-term investment securities	(12,598)	(3,200)
Decrease in long-term financial instruments	-	500,000
Decrease in long-term accounts receivable	71,621,858	55,931,938
Increase in long-term accounts receivable	(60,000,000)	(3,562,225)
Proceeds from disposal of property, plant and equipment	3,694,725,950	164,022,057
Acquisition of property, plant and equipment	(571,960,266,596)	(412,219,464,342)
Acquisition of intangible assets	(3,832,991,275)	(81,214,440)
Settlement of derivatives	17,796,380,706	(32,409,974,283)
Dividends received	241,998,725	264,924,920
Net cash flows used in investing activities	(553,867,882,268)	(444,031,001,943)
Cash flows from financing activities		
Increase in bonds	552,080,000,000	300,000,000,000
Net increase (decrease) in short-term borrowings	274,832,210,487	140,217,839,074
Repayment of current portion of long-term bonds and long-term borrowings	(545,000,000,000)	(280,000,000,000)
Repayment of lease liabilities	(4,004,007,921)	
Increase in long-term borrowings	-	150,000,000,000
Interest paid	(51,511,483,853)	(42,170,815,727)
Dividends paid to shareholders	(396,906,000,000)	(548,615,000,000)
Net cash flows from (used in) financing activities	(170,509,281,287)	(280,567,976,653)
Net increase (decrease) in cash and cash equivalents	(93,765,766,256)	(12,935,663,235)
Cash and cash equivalents as at January 1	259,217,545,462	294,905,675,197
Net foreign exchange difference	239,369,536	(121,395,549)
Cash and cash equivalents as at the period end	₩ 165,691,148,742	₩ 281,848,616,413