

# **Hanwha Total Petrochemical Co., Ltd. and its subsidiaries**

Consolidated financial statements  
for the period ended March 31, 2020  
(Unaudited)



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

(Korean won in units)

	<u>2020-03-31</u>	<u>2019-12-31</u>
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	₩ 220,456,353,707	₩ 368,644,459,888
Trade and other accounts receivable, net	774,736,793,475	828,016,299,699
Prepaid expenses	13,794,064,673	13,165,106,658
Other current assets	4,589,963,377	3,522,632,866
Inventories, net	989,011,101,053	1,232,322,655,434
Total current assets	<u>2,002,588,276,285</u>	<u>2,445,671,154,545</u>
<b>Non-current assets:</b>		
Long-term investment securities	12,160,250,478	12,167,615,478
Long-term loans, net	633,268,797	262,975,703
Long-term accounts receivable, net	3,612,748,796	3,788,023,385
Long-term prepaid expenses	50,264,088,816	54,588,551,372
Property, plant and equipment, net	4,520,912,221,017	4,517,823,813,389
Intangible assets, net	31,089,028,654	32,963,059,867
Other non-current assets	15,500,000	15,500,000
Deferred income tax assets	52,033,027,700	9,929,433,794
Total non-current assets	<u>4,670,720,134,258</u>	<u>4,631,538,972,988</u>
<b>Total assets</b>	<u>₩ 6,673,308,410,543</u>	<u>₩ 7,077,210,127,533</u>

(Continued)

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

(Korean won in units)

	<u>2020-03-31</u>	<u>2019-12-31</u>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Trade and other		
accounts payable	₩ 349,208,448,726	₩ 830,246,977,710
Short-term borrowings	381,265,280,553	134,025,576,583
Current portion of bonds payable		
and long-term borrowings	374,689,589,191	424,291,143,279
Income tax payable	26,344,117,309	41,998,213,264
Other current liabilities	235,185,516,461	11,113,333,623
Total current liabilities	<u>1,366,692,952,240</u>	<u>1,441,675,244,459</u>
<b>Non-current liabilities:</b>		
Bonds payable, net	1,653,326,337,497	1,736,815,858,250
Long-term borrowings	390,861,628,477	290,137,225,646
Employee benefit liability, net	4,630,837,842	2,069,809,182
Other non-current liabilities	8,538,607,720	8,298,176,411
Total non-current liabilities	<u>2,057,357,411,536</u>	<u>2,037,321,069,489</u>
<b>Total liabilities</b>	<b>3,424,050,363,776</b>	<b>3,478,996,313,948</b>
<b>Equity</b>		
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	665,571,669	(1,074,259,885)
Retained earnings	2,287,867,588,431	2,638,563,186,803
	<u>3,249,258,046,767</u>	<u>3,598,213,813,585</u>
Non-controlling interests	-	-
<b>Total equity</b>	<b>3,249,258,046,767</b>	<b>3,598,213,813,585</b>
<b>Total liabilities and equity</b>	<b>₩ 6,673,308,410,543</b>	<b>₩ 7,077,210,127,533</b>

**Hanwha Total Petrochemical Co., Ltd. and its subsidiaries**  
**Consolidated statements of comprehensive income**  
**for the period ended March 31, 2020 and 2019**

(Korean won in units)

	<b>2020 Q1 YTD</b>	<b>2019 Q1 YTD</b>
Sales	₩ 2,046,762,612,804	₩ 2,585,324,356,153
Cost of goods sold	2,247,213,275,314	2,269,460,788,114
<b>Gross profit (loss)</b>	<b>(200,450,662,510)</b>	<b>315,863,568,039</b>
Selling and administrative expenses	62,967,186,114	57,978,920,626
<b>Operating profit (loss)</b>	<b>(263,417,848,624)</b>	<b>257,884,647,413</b>
Finance income	193,393,327,340	44,507,159,874
Finance costs	100,121,259,910	51,674,624,519
Other income	2,896,874,114	13,580,994,647
Other expenses	2,330,945,084	6,297,168,942
<b>Profit (loss) before tax</b>	<b>(169,579,852,164)</b>	<b>258,001,008,473</b>
Income tax expense	(41,876,253,792)	68,220,392,633
<b>Profit (loss) for the period</b>	<b>₩ (127,703,598,372)</b>	<b>₩ 189,780,615,840</b>
<b>Other comprehensive income</b>		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Net gain (loss) on interest rate swaps	761,698,782	(845,380,470)
Exchange differences on translation of foreign operations	978,132,772	809,224,012
<b>Net other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods</b>	<b>₩ 1,739,831,554</b>	<b>₩ (36,156,458)</b>
<b>Other comprehensive income (loss) for the period, net of tax</b>	<b>1,739,831,554</b>	<b>(36,156,458)</b>
<b>Total comprehensive income (loss) for the period, net of tax</b>	<b>₩ (125,963,766,818)</b>	<b>₩ 189,744,459,382</b>
Profit (loss) attributable to:		
Equity holders of the Company	<b>(127,703,598,372)</b>	189,780,615,840
Non-controlling interests	-	-
	<b>₩ (127,703,598,372)</b>	<b>₩ 189,780,615,840</b>
Total comprehensive income (loss) attributable to:		
Owners of the parent	(125,963,766,818)	189,744,459,382
Non-controlling interests	-	-
	<b>₩ (125,963,766,818)</b>	<b>₩ 189,744,459,382</b>
<b>Earnings per share:</b>		
Basic and diluted, profit (loss) for the period	₩ (6,663)	₩ 9,902

**Hanwha Total Petrochemical Co., Ltd. and its subsidiaries**  
**Consolidated statements of changes in equity**  
**for the period ended March 31, 2020 and 2019**

(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 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	-	-	-	189,780,615,840	189,780,615,840	-	189,780,615,840
Net loss on valuation of interest rate swaps	-	-	(845,380,470)	-	(845,380,470)	-	(845,380,470)
Exchange differences on translation of foreign operations	-	-	809,224,012	-	809,224,012	-	809,224,012
Total comprehensive income for the period	-	-	(36,156,458)	189,780,615,840	189,744,459,382	-	189,744,459,382
Dividend	-	-	-	(396,906,000,000)	(396,906,000,000)	-	(396,906,000,000)
<b>As of March 31, 2019</b>	<b>₩ 95,826,580,000</b>	<b>₩ 864,898,306,667</b>	<b>₩ (429,600,040)</b>	<b>₩ 2,600,341,419,268</b>	<b>₩ 3,560,636,705,895</b>	<b>₩ -</b>	<b>₩ 3,560,636,705,895</b>
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	-	-	-	(127,703,598,372)	(127,703,598,372)	-	(127,703,598,372)
Net gain on valuation of interest rate swaps	-	-	761,698,782	-	761,698,782	-	761,698,782
Exchange differences on translation of foreign operations	-	-	978,132,772	-	978,132,772	-	978,132,772
Total comprehensive loss for the period	-	-	1,739,831,554	(127,703,598,372)	(125,963,766,818)	-	(125,963,766,818)
Dividend	-	-	-	(222,992,000,000)	(222,992,000,000)	-	(222,992,000,000)
<b>As of March 31, 2020</b>	<b>₩ 95,826,580,000</b>	<b>₩ 864,898,306,667</b>	<b>₩ 665,571,669</b>	<b>₩ 2,287,867,588,431</b>	<b>₩ 3,249,258,046,767</b>	<b>₩ -</b>	<b>₩ 3,249,258,046,767</b>

**Hanwha Total Petrochemical Co., Ltd. and its subsidiaries**  
**Consolidated statements of cash flows**  
**for the period ended March 31, 2020 and 2019**

(Korean won in units)

	<b>2020 Q1 YTD</b>	<b>2019 Q1 YTD</b>
<b>Cash flows from operating activities</b>		
Profit (loss) for the period	₩ (127,703,598,372)	₩ 189,780,615,840
Non-cash adjustments to reconcile profit for the period to net cash flows	(35,427,322,212)	176,420,356,063
Working capital adjustments	(88,026,099,664)	136,117,107,568
Interest received	538,992,451	2,276,170,887
Income tax paid	(15,894,736,040)	(418,753,132)
<b>Net cash flows from operating activities</b>	<b>(266,512,763,837)</b>	<b>504,175,497,226</b>
<b>Cash flows from investing activities</b>		
Decrease in long-term loans	19,706,906	39,569,908
Increase in long-term loans	(390,000,000)	-
Proceed from disposal of long-term investment securities	7,365,000	3,450,000
Increase in long-term investment securities	-	(12,598)
Decrease in long-term accounts receivable	193,401,000	-
Increase in long-term accounts receivable	(3,000,000)	(60,000,000)
Proceeds from disposal of property, plant and equipment	2,711,402,547	84,499,884
Acquisition of property, plant and equipment	(142,680,270,204)	(187,967,426,460)
Acquisition of intangible assets	(274,221,420)	(307,939,118)
Settlement of derivatives	90,290,129,263	(5,589,932,996)
<b>Net cash flows used in investing activities</b>	<b>(50,125,486,908)</b>	<b>(193,797,791,380)</b>
<b>Cash flows from financing activities</b>		
Increase in bonds	-	452,080,000,000
Net increase (decrease) in short-term borrowings	247,235,375,622	(499,026,895)
Repayment of current portion of long-term bonds and long-term borrowings	(210,000,000,000)	(345,044,756,730)
Repayment of lease liabilities	(1,083,324,216)	-
Increase in long-term borrowings	150,000,000,000	2,157,201,122
Interest paid	(18,090,245,735)	(17,326,203,215)
Dividends paid to shareholders	-	(396,906,000,000)
<b>Net cash flows from (used in) financing activities</b>	<b>168,061,805,671</b>	<b>(305,538,785,718)</b>
Net increase (decrease) in cash and cash equivalents	(148,576,445,074)	4,838,920,128
Cash and cash equivalents as at January 1	368,644,459,888	259,217,545,462
Net foreign exchange difference	388,338,893	255,270,829
<b>Cash and cash equivalents as at the period end</b>	<b>₩ 220,456,353,707</b>	<b>₩ 264,311,736,419</b>