

Hanwha TotalEnergies Petrochemical Co., Ltd. and its subsidiaries

Consolidated financial statements
for the period ended September 30, 2022
(Unaudited)



Hanwha TotalEnergies Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of financial position
as of September 30, 2022 and December 31, 2021

(Korean won in units)

	2022-09-30	2021-12-31
Assets		
Current assets:		
Cash and cash equivalents	₩ 625,011,292,282	₩ 181,015,315,864
Trade and other accounts receivables, net	1,197,024,993,395	794,291,436,567
Prepaid expenses	14,993,124,680	20,851,736,570
Current tax assets	35,598,040,127	-
Other current assets	4,908,169,030	1,212,667,071
Inventories, net	2,106,619,169,831	1,856,113,596,189
Total current assets	3,984,154,789,345	2,853,484,752,261
Non-current assets:		
Long-term investment securities	8,445,874,466	8,458,871,766
Long-term loans	553,891,372	1,183,333,360
Long-term accounts receivables, net	121,575,278,077	42,088,244,197
Long-term prepaid expenses	579,126,294	801,723,057
Property, plant and equipment, net	4,246,573,267,751	4,474,108,177,289
Intangible assets, net	27,330,359,485	30,667,998,330
Defined benefit assets, net	1,082,455,219	6,470,790,095
Other non-current assets	14,500,000	14,500,000
Deferred tax assets	9,331,739,358	18,313,012,727
Total non-current assets	4,415,486,492,022	4,582,106,650,821
Total assets	₩ 8,399,641,281,367	₩ 7,435,591,403,082

(Continued)

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Consolidated statements of financial position
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(Korean won in units)

	<u>2022-09-30</u>	<u>2021-12-31</u>
Liabilities and equity		
Liabilities		
Current liabilities:		
Trade and other		
accounts payable	₩ 1,813,488,172,944	₩ 997,068,571,045
Short-term borrowings	676,555,348,302	520,880,396,330
Current portion of bonds payable		
and long-term borrowings	633,860,786,383	324,144,876,464
Income tax payable	5,360,455,546	224,536,618,366
Other current liabilities	23,438,743,182	42,686,899,701
Total current liabilities	<u>3,152,703,506,357</u>	<u>2,109,317,361,906</u>
Non-current liabilities:		
Bonds payable, net	1,461,357,762,821	1,061,630,636,013
Long-term borrowings	186,203,216,146	410,080,778,963
Long-term other accounts payable	1,329,083,693	180,772,009
Other non-current liabilities	11,380,258,740	10,435,273,405
Total non-current liabilities	<u>1,660,270,321,400</u>	<u>1,482,327,460,390</u>
Total liabilities	4,812,973,827,757	3,591,644,822,296
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	12,552,025,659	4,528,011,728
Retained earnings	2,613,390,541,284	2,878,693,682,391
	<u>3,586,667,453,610</u>	<u>3,843,946,580,786</u>
Non-controlling interests	-	-
Total equity	3,586,667,453,610	3,843,946,580,786
Total liabilities and equity	<u>₩ 8,399,641,281,367</u>	<u>₩ 7,435,591,403,082</u>

Hanwha TotalEnergies Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of comprehensive income
for the period ended September 30, 2022 and 2021
(Korean won in units)

	2022 Q3 YTD	2021 Q3 YTD
Revenue	₩ 10,762,976,507,677	₩ 6,914,822,602,645
Cost of sales	10,161,921,713,346	5,872,869,204,184
Gross profit	601,054,794,331	1,041,953,398,461
Selling and administrative expenses	245,177,069,750	205,992,144,501
Operating profit	355,877,724,581	835,961,253,960
Finance income	469,333,792,077	208,551,878,551
Finance costs	578,750,308,772	235,460,132,441
Other non-operating income	6,862,812,959	12,980,961,454
Other non-operating expenses	16,114,816,293	20,223,109,334
Profit before income tax	237,209,204,552	801,810,852,190
Income tax expense	61,482,345,659	212,263,984,772
Profit for the period	₩ 175,726,858,893	₩ 589,546,867,418
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	6,094,714,048	2,927,620,744
Exchange differences on translation of foreign operations	1,929,299,883	2,274,063,101
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	₩ 8,024,013,931	₩ 5,201,683,845
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>		
Remeasurement loss on defined benefit plan	-	(1,420,165,288)
OCI-net loss on valuation of financial instruments measured at FVOCI	-	(1,489,358,514)
Net other comprehensive loss not to be reclassified to profit or loss in subsequent periods	₩ -	₩ (2,909,523,802)
Other comprehensive income for the period, net of tax	8,024,013,931	2,292,160,043
Total comprehensive income for the period, net of tax	₩ 183,750,872,824	₩ 591,839,027,461
Profit attributable to:		
Equity holders of the Company	175,726,858,893	589,546,867,418
Non-controlling interests	-	-
	₩ 175,726,858,893	₩ 589,546,867,418
Total comprehensive income attributable to:		
Owners of the parent	183,750,872,824	591,839,027,461
Non-controlling interests	-	-
	₩ 183,750,872,824	₩ 591,839,027,461
Earnings per share:		
Basic and diluted, profit for the period	₩ 9,169	₩ 30,761

Hanwha TotalEnergies Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of changes in equity
for the period ended September 30, 2022 and 2021
(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, 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
As of January 1, 2022	₩ 95,826,580,000	₩ 864,898,306,667	₩ 4,528,011,728	₩ 2,878,693,682,391	₩ 3,843,946,580,786	₩ -	₩ 3,843,946,580,786
Profit for the period	-	-	-	175,726,858,893	175,726,858,893	-	175,726,858,893
Net gain on valuation of interest rate swaps	-	-	6,094,714,048	-	6,094,714,048	-	6,094,714,048
Exchange differences on translation of foreign operations	-	-	1,929,299,883	-	1,929,299,883	-	1,929,299,883
Total comprehensive income for the period	-	-	8,024,013,931	175,726,858,893	183,750,872,824	-	183,750,872,824
Dividend	-	-	-	(441,030,000,000)	(441,030,000,000)	-	(441,030,000,000)
As of September 30, 2022	₩ 95,826,580,000	₩ 864,898,306,667	₩ 12,552,025,659	₩ 2,613,390,541,284	₩ 3,586,667,453,610	₩ -	₩ 3,586,667,453,610

Hanwha TotalEnergies Petrochemical Co., Ltd. and its subsidiaries
Consolidated statements of cash flows
for the period ended September 30, 2022 and 2021
(Korean won in units)

	2022 Q3 YTD	2021 Q3 YTD
Cash flows from operating activities		
Profit for the period	₩ 175,726,858,893	₩ 589,546,867,418
Non-cash adjustments to reconcile profit for the period to net cash flows	540,335,525,570	599,296,147,114
Changes in assets and liabilities arising from operating activities	183,386,762,776	(743,229,393,071)
Interest received	2,699,766,009	742,020,712
Income taxes paid	(309,009,512,170)	(31,504,281,715)
Net cash flows provided by operating activities	593,139,401,078	414,851,360,458
Cash flows from investing activities		
Increase in short-term investment securities	-	90,000,000,000
Decrease in long-term loans	709,999,988	41,013,324
Increase in long-term loans	(80,558,000)	-
Decrease in long-term accounts receivable	306,510,753	91,030,000
Increase in long-term accounts receivable	(54,220,000)	(24,713,768)
Proceeds from disposal of long-term investment securities	13,005,000	105,089,155
Acquisition of long-term investment securities	(7,700)	-
Decrease in long-term financial instruments	-	1,000,000
Proceeds from disposal of property, plant and equipment	150,464,309	5,057,520,538
Acquisition of property, plant and equipment	(150,165,298,889)	(240,995,266,215)
Proceeds from disposal of intangible assets	1,705,000,000	-
Acquisition of intangible assets	(30,409,660)	-
Receipts from government subsidies	115,000,000	-
Settlement of derivatives	(12,827,956,453)	4,566,175,113
Dividends received	538,438,800	242,297,460
Increase in guarantee deposits	(810,000)	-
Net cash flows used in investing activities	(159,620,841,852)	(140,915,854,393)
Cash flows from financing activities		
Issuance of bonds	488,864,540,000	-
Net increase in short-term borrowings	114,932,853,820	98,353,924,870
Repayment of current portion of long-term bonds and long-term borrowings	(184,716,740,090)	(444,077,487,054)
Increase in long-term borrowings	76,641,645,755	230,000,000,000
Increase in deposit received	1,200,000	-
Decrease in deposit received	(1,887,897)	(122,618,329)
Interest paid	(45,274,625,930)	(43,858,198,742)
Dividends paid	(441,030,000,000)	(57,459,000,000)
Net cash flows used in financing activities	9,416,985,658	(217,163,379,255)
Net increase in cash and cash equivalents	442,935,544,884	56,772,126,810
Cash and cash equivalents at the beginning of the period	181,015,315,864	231,451,124,896
Net foreign exchange difference	1,060,431,534	872,815,947
Cash and cash equivalents at the end of the period	₩ 625,011,292,282	₩ 289,096,067,653