

2020
Financial Statements



HYOSUNG

Table of Contents

01	Independent Auditor's Report
04	Separate Statements of Financial Position
05	Separate Statements of income
06	Separate Statements of Comprehensive Income
07	Separate Statements of Changes in Equity
08	Separate Statements of Cash Flows
09	Independent Auditor's Report
12	Consolidated Statements of Financial Position
13	Consolidated Statements of income
14	Consolidated Statements of Comprehensive Income
15	Consolidated Statements of Changes in Equity
16	Consolidated Statements of Cash Flows

Independent Auditor's Report

The Shareholder and Board of Directors Hyosung Corporation

Opinion

We have audited the accompanying separate financial statements of Hyosung Corporation (the "Company"), which comprise the separate statements of financial position as of December 31, 2020 and the separate statements of income, separate statement of comprehensive income, separate statements of changes in equity and separate statements of cash flows for the years then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Company as of December 31, 2020 and its separate financial performance and its separate cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (KIFRS). ("KGAAP").

We also have audited, in accordance with Korean Auditing Standards ("KGAAS"), the Company's internal control over financial reporting ("ICFR") as of December 31, 2020, based on criteria established in Conceptual Framework for designing and operating ICFR in accordance with Korean Auditing Standards ("KGAAS") established by the Operating Committee of ICFR (the "ICFR Committee"), and our report dated March 11, 2021 expressed "an unqualified opinion thereon".

Basis for Opinion

We conducted our audit in accordance with Korean Auditing Standards ("KGAAS"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the separate financial statements in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with

these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

As a matter that does not affect the audit opinion, the reader of this report may need to draw attention to the matters explained in Note 2.2 to the financial statements. As stated in Note 2.2 to the financial statements, the Company has changed its accounting policy for the investments in subsidiaries and associates from the cost method in accordance with KIFRS No.1027 'Separate Financial Statements' to the equity method in accordance with KIFRS No.1028 and revised the financial statements for the previous year.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

► **Valuation of investments in associates of Hyosung Heavy Industries Corporation**

As described in Note 14 to the consolidated financial statements, the book value of investment in associates of Hyosung Heavy Industries Corporation is KRW 400,510 million as of December 31, 2020.

The Company assesses annually whether there is an indication that an associate may be impaired, and investment in associates of Hyosung Heavy Industries Corporation exists such indication as a significant and continuous decline in prices in active markets as of December 31, 2020. The Company determined that there is an indication that the investment in associate of Hyosung Heavy Industries may be impaired and performed impairment test.

The Company determines the amount of impairment as the difference between the recoverable amount of the associate

Independent Auditor's Report

and its carrying value, The determination of key assumptions used in estimating the value in use of investment in associate involves management's judgment, such as long-term business plans, discount rate, permanent growth rate. Accordingly, there are uncertainties in accounting estimates as such measures may significantly change depending on which input variables are used. Therefore, considering the involvement of management's judgments and assumptions on valuation of investments in associate and its significant impact on the consolidated financial statements, we determined this as a key audit matter.

The main audit procedures we have performed in relation to the key audit matter are as follows:

- Reviewed the qualification and independence of the external valuers involved by management of the Company.
- Using internal specialists of valuation to evaluate the appropriateness of the valuation model and discount rate implemented by the Company to estimate the value in use.
- Performed an independent review of value in use assessment performed by the Company and its results, including major input variables and others.
- Review of business plan approved by the management in order to assess and compare the rationality of key inputs such as estimated sales, operating expenses and growth rate of the investee used by the Company in calculating the value in use and with information that can be obtained from observable market data.
- Compared the differences between the estimates used in the valuation process in the past and the Company's performances for the current reporting year.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with KGAAP, and for such internal control as management determines is necessary to enable the preparation of the separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management

is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with KGAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with KGAAS we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness

of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying

transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the separate financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

The separate financial statements of the Company for the year ended December 31, 2019, were audited by another auditor who expressed an unmodified opinion on those statements on March 12, 2020.

March 11, 2021
Seoul, Korea

This audit report is effective as of March 11, 2021, the independent auditor's report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's report to the time this report is used. Such events and circumstances could significantly affect the accompanying financial statements and may result in modifications to this report.

※ You can find the notes from Audit Report on HYOSUNG website (<http://www.hyosung.com>).

Hyosung Corporation
**Separate Statements of
 Financial position**

As of December 31, 2020 and 2019
 (Korean million won)

	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	4,007	2,964
Trade and other receivables	51,007	50,908
Due from customers for contract work	104	2
Other financial assets	335,388	-
Other current assets	13,522	18,673
Inventories	6,382	8,172
	410,410	80,719
Non-current assets:		
Long-term trade and other receivables	27,827	51,476
Property, plant and equipment	545,272	536,004
Investment property	6,447	8,694
Intangible assets	44,084	40,419
Investments in subsidiaries and associates	1,563,903	2,094,484
Other non-current financial assets	34,696	49,836
Other non-current assets	24,020	23,999
	2,246,249	2,804,912
Total assets	2,656,659	2,885,631
Liabilities		
Current liabilities:		
Trade and other payables	51,586	60,923
Due to customers for contract work	47	97
Borrowings and liquidity borrowings	21,040	34,507
Other financial liabilities	10,757	12,295
Current tax liabilities	14,606	6,737
Other current liabilities	13,421	18,254
	111,457	132,813
Non-current liabilities:		
Long-term trade and other payables	13,097	10,386
Long-term borrowings	763	899
Post-employment benefit obligation	5,741	7,316
Deferred tax liabilities	226,964	243,542
Other non-current financial liabilities	30,331	9,373
Other non-current liabilities	368	429
	277,264	271,945
Total liabilities	388,721	404,758
Equity		
Share capital	105,355	105,355
Share Premium	451,188	451,188
Retained earnings	6,261,075	6,423,890
Other components of equity	(4,549,680)	(4,499,562)
Total equity	2,267,938	2,480,871
Total liabilities and equity	2,656,659	2,885,629

Hyosung Corporation
**Separate Statements of
 Income**

For the years ended December 31, 2020 and 2019
 (Korean million won)

	2020	2019
Revenue	295,491	397,940
Cost of sales	185,061	233,743
Gross profit	110,430	164,197
Selling and administrative expenses	53,495	54,742
Operating profit	56,935	109,455
Other income	10,624	2,844
Other expenses	122,668	3,787
Finance income	6,819	6,339
Finance expenses	7,826	8,784
Profit before income tax (loss)	(56,116)	106,067
Income tax benefit expense	2,870	5,524
Net income	(58,986)	100,543
Earnings per share	-	-

Hyosung Corporation

Separate Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019
(Korean million won)

	2020	2019
Net income (loss) for the period	(58,985)	100,543
Other comprehensive income	(24,396)	(3,199)
Items that will not be reclassified to profit or loss:	(1,903)	(18,660)
Financial assets measured at fair value through other comprehensive income	273	129
Remeasurements of net defined benefit liability	(1,351)	(5,180)
Shares of subsidiaries and associates in remeasurements	(825)	(13,609)
Items that may be subsequently reclassified to profit or loss:	(22,493)	15,461
Gain/loss on valuation of investment securities in subsidiaries and associates	(22,493)	15,461
Other comprehensive income for the period, net of tax	(24,396)	(3,199)
Total comprehensive income for the year	(83,381)	97,344

Hyosung Corporation
**Separate Statements of
 Changes in Equity**

For the years ended December 31, 2020 and 2019
 (Korean million won)

	Share capital	Share premium	Retained earnings	Other components of Equity	Total
As of January 1, 2019	105,355	451,188	6,434,014	(4,515,152)	2,475,405
Effect from change in accounting policy (equity method)	-	-	9,777	-	9,777
Effect from change in accounting policy (lease)	105,355	451,188	6,443,790	(4,515,152)	2,485,182
Adjusted balance	-	-	-	-	-
Total comprehensive income:					
Net income	-	-	100,543	-	100,543
Gain(loss) on valuation of financial assets measured at FVOCI	-	-	-	129	129
Remeasurements of net defined benefit liability	-	-	(5,180)	-	(5,180)
Shares of subsidiaries and associates in remeasurements	-	-	(13,609)	-	(13,609)
Gain/loss on valuation of investment securities in subsidiaries and associates	-	-	-	15,461	15,461
Transactions with owners:					
Dividend	-	-	(101,654)	-	(101,654)
As of December 31, 2019	105,355	451,188	6,423,890	(4,499,562)	2,480,871
As of January 1, 2020	105,355	451,188	6,423,890	(4,499,562)	2,480,871
Total comprehensive income:					
Net income	-	-	(58,985)	-	(58,985)
Gain(loss) on valuation of financial assets measured at FVOCI	-	-	-	273	273
Remeasurements of net defined benefit liability	-	-	(1,351)	-	(1,351)
Shares of subsidiaries and associates in remeasurements	-	-	(825)	-	(825)
Gain/loss on valuation of investment securities in subsidiaries and associates	-	-	-	(22,493)	(22,493)
Transactions with owners:					
Dividend	-	-	(101,654)	-	(101,654)
Purchase of treasury stock	-	-	-	(27,897)	(27,897)
As of December 31, 2020	105,355	451,188	6,261,075	(4,549,679)	2,267,939

Hyosung Corporation

Separate Statements of Cash Flows

For the years ended December 31, 2020 and 2019
(Korean million won)

	2020	2019
Cash flows from operating activities:		
Net income	(58,985)	100,543
Non-cash expense (profit) adjustment	71,393	(93,464)
Working capital adjustment	(5,412)	(2,395)
Income taxes paid	(9,243)	(9,264)
Interest paid	(2,342)	(801)
Interest received	7,818	1,635
Dividend received	81,185	69,143
Net cash flows from operating activities:	84,414	65,397
Cash flows from investing activities:		
Collection of short-term loans	5,016	4,610
Proceeds from sales of other financial assets	14,677	14,108
Collection of long-term loans	18,000	5
Collection of long-term deposits	-	438
Proceeds from sales of property, plant and equipment	1,475	751
Government grants received	-	342
Proceeds from sales of intangible assets	-	177
Proceeds from sales of subsidiaries and associates	383,983	-
Proceeds from sales of long-term financial instrument	-	2,732
Increase in short-term loans	-	(704)
Acquisition of other financial assets	(335,063)	(977)
Increase in long-term deposits	(586)	(220)
Acquisition of property, plant and equipment	(5,446)	(10,458)
Acquisition of intangible assets	(6,063)	(5,851)
Acquisition of subsidiaries and associates	(801)	(146)
Acquisition of long-term financial instrument	-	(585)
Net cash used in investing activities	75,192	4,222
Cash flows from financing activities:		
Issuance of debentures	-	20,000
Proceeds from short-term borrowings	198,747	102,123
Government grants received	3,221	1,104
Repayment of short-term borrowings	(212,200)	(68,454)
Redemption of debenture	-	(20,000)
Repayment of current portion of long-term borrowings	(136)	(136)
Payments of lease liabilities	(14,087)	(11,227)
Dividends paid	(101,654)	(101,654)
Repayment of government grants	(4,557)	(330)
Acquisition of treasury shares	(27,897)	-
Net cash provided by (used in) financing activities	(158,563)	(78,574)
Net increase in cash and cash equivalents	1,043	(8,955)
Cash and cash equivalents at the beginning of the year	2,964	11,916
Cash and cash equivalents at the end of the year	4,007	2,961

Independent Auditor's Report

The Shareholder and Board of Directors Hyosung Corporation

Opinion

We have audited the accompanying consolidated financial statements of Hyosung Corporation (the "Company"), and its subsidiaries (collectively, the "Group"), which comprise the consolidated statements of financial position as of December 31, 2020 and the consolidated statements of income, consolidated statement of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (KIFRS). ("KGAAP").

Basis for Opinion

We conducted our audit in accordance with Korean Auditing Standards ("KGAAS"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit

of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

► **Valuation of investments in associates of Hyosung Heavy Industries Corporation**

As described in Note 14 to the consolidated financial statements, the book value of investment in associates of Hyosung Heavy Industries Corporation is KRW 400,510 million as of December 31, 2020.

The Group assesses annually whether there is an indication that an associate may be impaired, and investment in associates of Hyosung Heavy Industries Corporation exists such indication as a significant and continuous decline in prices in active markets as of December 31, 2020. The Group determined that there is an indication that the investment in associate of Hyosung Heavy Industries may be impaired and performed impairment test.

The Group determines the amount of impairment as the difference between the recoverable amount of the associate and its carrying value. The determination of key assumptions used in estimating the value in use of investment in associate involves management's judgment, such as long-term business plans, discount rate, permanent growth rate. Accordingly, there are uncertainties in accounting estimates as such measures may significantly change depending on which input variables are used. Therefore, considering the involvement of management's judgments and assumptions on valuation of investments in associate and its significant impact on the consolidated financial statements, we determined this as a key audit matter.

The main audit procedures we have performed in relation to the key audit matter are as follows:

- Reviewed the qualification and independence of the external valuers involved by management of the Group.
- Using internal specialists of valuation to evaluate the appropriateness of the valuation model and discount rate implemented by the Group to estimate the value in use.
- Performed an independent review of value in use assessment

Independent Auditor's Report

performed by the Group and its results, including major input variables and others.

- Review of business plan approved by the management in order to assess and compare the rationality of key inputs such as estimated sales, operating expenses and growth rate of the investee used by the Group in calculating the value in use and with information that can be obtained from observable market data.
- Compared the differences between the estimates used in the valuation process in the past and the Group's performances for the current reporting year.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with KGAAP, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with KGAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or

error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with KGAAS we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that

achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope

and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

The consolidated financial statements of the Group for the year ended December 31, 2019, were audited by another auditor who expressed an unmodified opinion on those statements on March 12, 2020.

March 11, 2021
Seoul, Korea

This audit report is effective as of March 11, 2021, the independent auditor's report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's report to the time this report is used. Such events and circumstances could significantly affect the accompanying financial statements and may result in modifications to this report.

※ You can find the notes from Audit Report on HYOSUNG website (<http://www.hyosung.com>).

Hyosung Corporation and its Subsidiaries

Consolidated Statements of Financial Position

As of December 31, 2020 and 2019
(Korean million won)

	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	222,015	189,328
Trade and other receivables	493,060	403,089
Due from customers for contract work	3,073	2,114
Other financial assets	338,119	9,838
Other current assets	91,114	118,216
Inventories	463,206	573,742
Current income tax assets	16,209	15,711
	1,626,796	1,312,038.0
Non-current assets:		
Long-term trade and other receivables	41,676	48,054
Property, plant and equipment	930,909	918,325
Investment property	278,154	300,262
Intangible assets	73,081	160,511
Investments in subsidiaries and associates	1,257,906	1,280,661
Other financial business assets	-	1,931,519
Other non-current financial assets	161,608	508,930
Other non-current assets	30,918	37,445
Deferred tax assets	28,702	29,308
	2,802,954	5,215,015
Total assets	4,429,750	6,527,053
Liabilities		
Current liabilities:		
Trade and other payables	404,628	431,206
Due to customers for contract work	1,329	3,047
Borrowings and liquidity borrowings	392,008	1,513,215
Other financial liabilities	19,446	22,435
Current tax liabilities	31,212	30,774
Other current liabilities	241,713	237,726
	1,090,336	2,238,403
Non-current liabilities:		
Long-term trade and other payables	20,751	206,091
Long-term borrowings	448,281	988,378
Post-employment benefit obligation	6,673	12,301
Deferred tax liabilities	252,420	274,226
Other non-current financial liabilities	86,069	91,362
Other non-current liabilities	10,896	6,053
	825,090	1,578,411
Total liabilities	1,915,426	3,816,814
Equity		
Equity attributable to owners of the Parent Company		
Share capital	105,355	105,355
Share Premium	451,188	451,188
Retained earnings	6,180,531	6,336,611
Other components of equity	(4,503,806)	(4,452,767)
	2,233,268	2,440,387
Non-controlling interest	281,055	269,855
Total equity	2,514,323	2,710,242
Total liabilities and equity	4,429,749	6,527,056

Hyosung Corporation and its Subsidiaries

Consolidated Statements of Income

for the years ended December 31, 2020 and 2019
(Korean million won)

	2020	2019
Revenue	2,782,555	3,175,624
Cost of sales	2,366,561	2,699,399
Gross profit	415,994	476,226
Selling and administrative expenses	257,417	255,937
Research and development expenses	19,783	18,203
Operating profit(loss)	138,793	202,085
Other income	57,869	12,553
Other expenses	35,517	20,727
Finance income	47,411	40,505
Finance expenses	98,787	68,628
Profit before income tax	109,770	165,788
Income tax benefit expense	14,057	43,227
Profit for the year from continuing operation	95,713	122,561
Profit for the year from discontinued operation	(94,493)	27,449
Net income	1,220	150,009
Profit attributable to:		
Owners of the Parent Company	(52,770)	103,683
Non-controlling interests	53,990	46,326
	1,220	150,009
Earnings per share attributable to the equity holders of the Parent Company:		
Basic earnings per share from continuing operation	2,106	3,784
Basic earnings per share from discontinued operation	(4,738)	1,316

Hyosung Corporation and its Subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019
(Korean million won)

	2020	2019
Net income (loss) for the period	1,220	150,009
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Financial assets measured at fair value through other comprehensive income	2,432	2,098
Remeasurements of net defined benefit liability	(1,525)	(11,561)
Shares of subsidiaries and associates in remeasurements	(730)	(8,742)
Items that may be subsequently reclassified to profit or loss:		
Gain/loss on valuation of investment securities in subsidiaries and associates	(18,646)	9,776
Exchange difference of translation of foreign operations	(10,189)	4,526
Other comprehensive income for the period, net of tax	(28,658)	(3,904)
Total comprehensive income for the year	(27,438)	146,105
Total comprehensive income for the year	(77,568)	99,384
Owners of the Parent Company	50,130	46,721
Non-controlling interest	(27,438)	146,105

Hyosung Corporation and its Subsidiaries

Consolidated Statements of Changes in Equity

For the years ended
December 31, 2020 and 2019
(Korean million won)

	Attributable to Owners of the Parent Company				Total	Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Other component of Equity			
As of January 1, 2019	105,355	451,188	63,534,265	(4,467,327)	2,442,642	259,504	2,702,147
Total comprehensive income:							
Net income	-	-	103,683	-	103,683	46,326	150,009
Remeasurements of net defined benefit liability	-	-	(10,102)	-	(10,102)	(1,460)	(11,561)
Shares of associates in remeasurements	-	-	(8,742)	-	(8,742)	-	(8,742)
Gain(loss) on valuation of financial assets measured at FVOCI	-	-	-	1,314	1,314	784	2,098
Gain/loss on valuation of investment securities in subsidiaries and associates	-	-	-	8,111	8,111	1,665	9,776
Exchange differences on translation of foreign operations	-	-	-	5,120	5,120	(594)	4,526
Transactions with owners:							
Dividend	-	-	(101,654)	-	(101,654)	(36,054)	(137,708)
Others	-	-	-	15	15	(318)	(302)
As of December 31, 2019	105,355	451,188	6,336,611	(4,452,767)	2,440,387	269,855	2,710,242
As of January 1, 2020	105,355	451,188	6,336,611	(4,452,767)	2,440,387	269,855	2,710,242
Total comprehensive income:							
Net income	-	-	(52,770)	-	(52,770)	53,990	1,220
Remeasurements of net defined benefit liability	-	-	(926)	-	(926)	(599)	(1,525)
Shares of associates in remeasurements	-	-	(730)	-	(730)	-	(730)
Gain(loss) on valuation of financial assets measured at FVOCI	-	-	-	1,552	1,552	880	2,432
Gain/loss on valuation of investment securities in subsidiaries and associates	-	-	-	(15,633)	(15,633)	(3,012)	(18,646)
Exchange differences on translation of foreign operations	-	-	-	(9,060)	(9,060)	(1,129)	(10,189)
Transactions with owners:							
Dividend	-	-	(101,654)	-	(101,654)	(27,921)	(129,576)
Purchase of treasury stock	-	-	-	(27,897)	(27,897)	-	(27,897)
Change in scope of consolidation	-	-	-	-	-	(11,009)	(11,009)
Others	-	-	-	-	-	-	-
As of December 31, 2020	105,355	451,188	6,180,531	(4,503,806)	2,233,268	281,055	2,514,323

Hyosung Corporation and its Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2020 and 2019
(Korean million won)

	2020	2019
Cash flows from operating activities:		
Profit for the year from continuing operation	95,713	122,561
Profit for the year from discontinued operation	(94,493)	27,449
Non-cash expense (profit) adjustment	246,100	110,018
Working capital adjustment	7,839	(177,103)
Income taxes paid	(44,812)	(48,223)
Interest paid	(83,101)	(77,606)
Interest received	110,805	147,958
Dividend received	40,143	35,781
Net cash flows from operating activities:	278,194	140,835
Cash flows from investing activities:		
Collection of financial lease receivables	1,173	5,448
Collection of short-term loans	74,213	6,023
Decrease in short-term deposit	1,072	190
Disposal of other financial assets	95,651	12,324
Collection of long-term loans	119	8
Decrease in long-term deposit	4,737	5,136
Disposal of long-term other financial assets	70,733	76,964
Proceeds from sales of property, plant and equipment	7,622	4,217
Proceeds from sales of intangible assets	7,491	427
Disposal of other non-current financial assets	173,107	599
Acquisition of financial lease receivables		(6,621)
Issuance of short-term loans	(72,561)	(1,311)
Increase in short-term loans	(52)	(747)
Acquisition of other financial assets	(429,461)	(11,176)
Issuance of long-term loans	(617)	(228)
Increase in long-term deposits	(5,829)	(2,483)
Acquisition of other non-current financial assets	(85,176)	(138,650)
Acquisition of property, plant and equipment	(60,628)	(66,122)
Acquisition of investment properties	-	(565)
Acquisition of intangible assets	(8,811)	(10,008)
Acquisition of investments in associates	(1,415)	(1,196)
Acquisition of other non-current assets	(74)	(65)
Net cash used in investing activities	(228,707)	(127,836)
Cash flows from financing activities:		
Issuance of debentures	594,222	648,445
Proceeds from short-term borrowings	1,191,272	1,025,246
Government grants received	3,221	1,104
Long-term deposit received	-	16
Repayment of short-term borrowings	(1,132,593)	(1,014,217)
Redemption of debenture	(16,901)	(6,112)
Repayment of current portion of long-term borrowings	(462,089)	(661,233)
Payments of lease liabilities	(27,283)	(25,833)
Dividends paid	(129,653)	(137,708)
Repayment of government grants	(4,557)	(201)
Acquisition of treasury shares	(27,897)	-
Repayment of other long-term borrowings	(84)	-
Net cash provided by (used in) financing activities	(12,342)	(170,493)
Net increase in cash and cash equivalents	37,145	(157,494)
Effects of exchange rate changes on cash and cash equivalents	(4,458)	5,614
Cash and cash equivalents at the beginning of the year	189,328	341,208
Cash and cash equivalents at the end of the year	222,015	189,328

HYOSUNG

HYOSUNG

www.hyosung.com

119 Mapo-daero, Mapo-gu,
Seoul, Republic of Korea

TEL 82-2-707-7000

FAX 82-2-707-6498



This eco-friendly paper is made from pulp bleached by chlorinated compounds like ClO_2 rather than elemental chlorine, so less dioxin is generated to reduce environmental impact.



This eco-friendly paper contains 30% regenerated pulp made from recycled paper.