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2021 Financial Statements

HYOSUNG

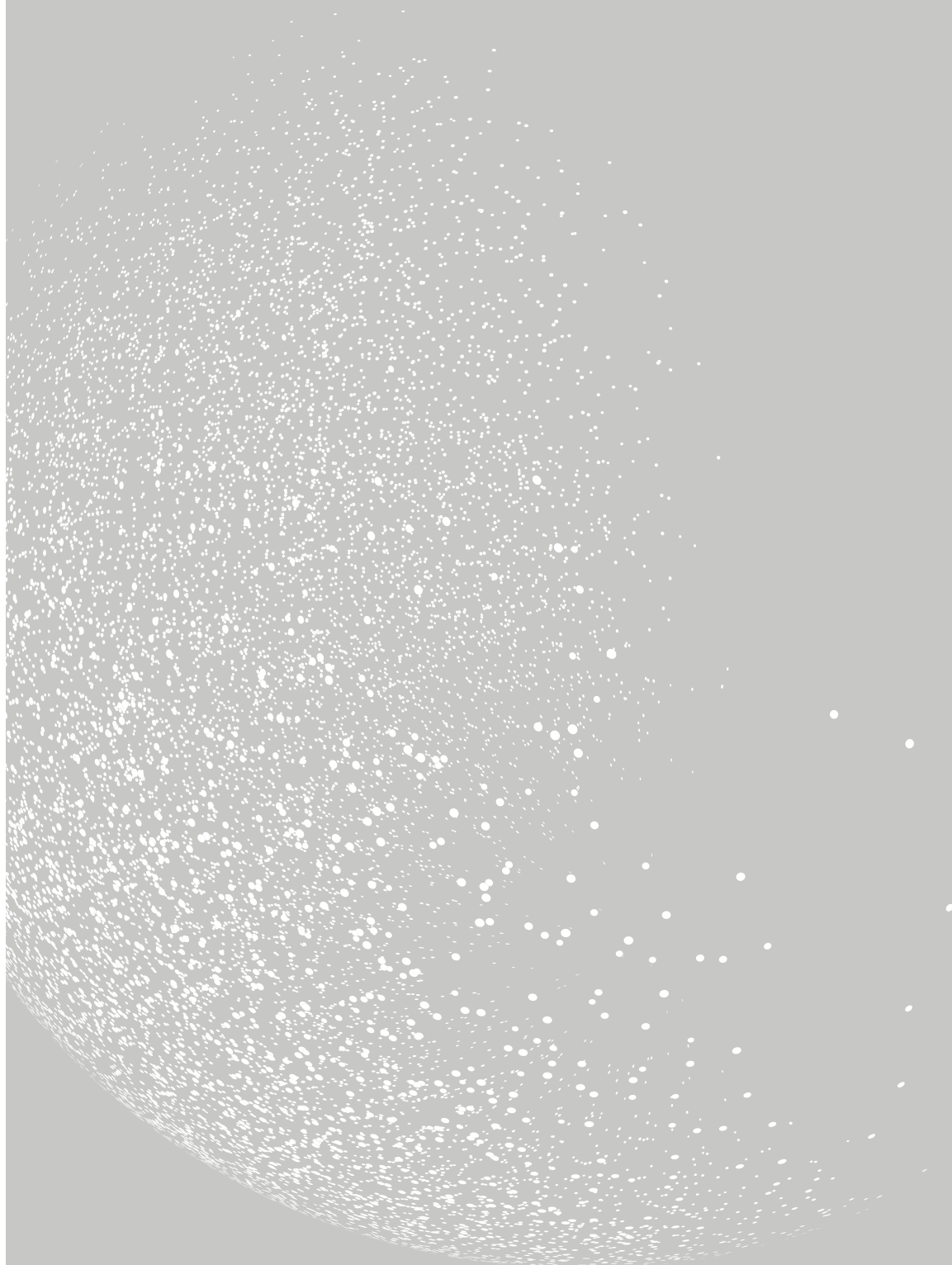


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Independent Auditor's Report

The Shareholders and Board of Directors Hyosung Corporation

Opinion

We have audited the separate financial statements of Hyosung Corporation (the "Company"), which comprise the separate statement of financial position as of December 31, 2021 and 2020, and the separate statements of profit or loss, separate statements of other 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, 2021 and 2020, and its separate financial performance and its separate cash flows for the years then ended in accordance with Korean International Financial Reporting Standards ("KIFRS").

We also have audited, in accordance with Korean Auditing Standards ("KGAAS"), the Company's internal control over financial reporting ("ICFR") as of December 31, 2021, based on criteria established in Conceptual Framework for designing and operating ICFR established by the Operating Committee of ICFR (the "ICFR Committee"), and our report dated March 10, 2022 expressed an unqualified opinion thereon.

Basis for opinion

We conducted our audit in accordance with 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.

Key audit matter

Key audit matters are those matters that, in our professional

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

(1) Impairment test on investments in an associate of Hyosung Heavy Industries Corporation

As described in Note 15 to the separate financial statements, the book value of investments in associates of Hyosung Heavy Industries Corporation is KRW 401,792 million as of December 31, 2021.

The Company assesses whether there is an indication that an associate may be impaired on annual basis. As of December 31, 2021, there is an indication of impairment on investments in associates due to the continuous decline of stock prices in active markets. Accordingly, the Company identified an indication of the impairment and performed impairment test on the investments in associates. The Company performs the impairment test on the investments in associates with indication of impairment. The impairment amount of the investments in associates with indication of impairment is determined as the difference between the investments in associates' book value and the higher of value in use and fair value. The determination of key assumptions used in estimating the value in use of investments in associates involves management's judgment, such as long-term business plans, discount rate, and permanent growth rate. Therefore, considering the involvement of management's judgments for assumptions on valuation of investments in associates and its bias that may exist, we determined impairment test on the investments in an associate of Hyosung Heavy Industries Corporation for which the investments are significant as a key audit matter.

We performed the following audit procedures regarding the key audit matter:

- Reviewed the qualification and independence of the external specialists involved by management of the Company.
- Involved our internal valuation specialists to evaluate the appropriateness of the valuation model and discount

Independent Auditor's Report

rate used by the Company for estimating the value in use.

- Reviewed the business plan approved by management in order to assess the rationality of key inputs such as estimated sales, operating expenses and growth rate of the investee used in calculating the value in use by the Company and compared them with information from observable market data.
- Performed an independent recalculation to assess the accuracy of the value in use by involving our internal valuation specialists.
- Compared the estimated cash flows in prior year to the actual result in current year to evaluate the accuracy of the management's estimates.

(2) Occurrence and cut-off test for the sales from transportation services

As described in Note 24 to the separate financial statements, the Company is performing transportation services, and the sales from transport services is KRW 352,526 million for the years ended December 31, 2021. Transportation services occur mainly depending on exports or imports between countries, and there are various performance obligations depending on contracts with customers, and management's judgment on the timing of revenue recognition is required because the timing of the transfer of services varies depending on the terms of the contract. In particular, the Company's transportation services include important transactions with related parties. Therefore, considering the involvement of the management's intention and the Company's judgement errors on the sales recognition, we determined the occurrence and cut-off of sales from transportation services as a key audit matter.

We performed the following audit procedures regarding the key audit matter:

- Understood and evaluated of revenue recognition accounting policies for the transportation services.
- Tested the effectiveness of the design and operation of controls related to the transportation services.
- Compared the evidence of occurrence and the timing of revenue recognition using a sampling method for sales transactions that occurred during the current period.
- Inspected relevant documents for the samples selected

for the cut-off tests and assessed appropriateness of the revenue recognition timing.

- Performed recalculation for the revenue recognized in connection with the ongoing transport contract services at the end of the reporting period.

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

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with KIFRS, and for such internal control as management determines is necessary to enable the preparation of 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 separate 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 separate 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.
- 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 separate 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 separate financial statements, including the

disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yong Soo Jung.

March 10, 2022
Seoul, Korea

This audit report is effective as of March 10, 2022, the independent auditor's report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the independent auditor's report date to the time this report is used. Such events and circumstances could significantly affect the accompanying separate 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, 2021 and 2020 (Korean won in millions)

	Dec 31, 2021	Dec 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	32,894	4,007
Trade and other receivables	138,977	51,007
Due from customers for contract work	656	104
Other current financial assets	205,596	335,388
Other current assets	34,413	13,523
Inventories	8,645	6,382
	421,181	410,411
Non-current assets:		
Long-term trade and other receivables	35,668	27,827
Property, plant and equipment	543,457	545,272
Investment property	6,743	6,447
Intangible assets	42,392	44,084
Investments in subsidiaries	851,354	652,883
Investments in associates and joint ventures	1,159,303	911,020
Other non-current financial assets	30,183	34,696
Other non-current assets	24,000	24,020
	2,693,100	2,246,249
Total assets	3,114,281	2,656,660
Liabilities		
Current liabilities:		
Trade and other payables	107,712	51,586
Due to customers for contract work	37	47
Short-term borrowings and current portion of long term borrowing	828	21,040
Other current financial liabilities	9,740	10,757
Current tax liabilities	4,138	14,606
Other current liabilities	36,352	13,421
	158,807	111,457
Non-current liabilities:		
Long-term trade and other payables	21,893	13,097
Long-term borrowings	627	763
Net defined benefit liabilities	1,493	5,741
Deferred tax liabilities	253,244	226,964
Other non-current financial liabilities	23,075	30,331
Other non-current liabilities	185	368
	300,517	277,264
Total liabilities	459,324	388,721
Equity		
Share capital	105,355	105,355
Share Premium	451,188	451,188
Retained earnings	6,573,695	6,261,075
Other components of equity	(4,475,281)	(4,549,679)
Total equity	2,654,957	2,267,939
Total liabilities and equity	3,114,281	2,656,660

Hyosung Corporation
**Separate Statements of
 Profit or Loss**

For the years ended December 31, 2021 and 2020 (Korean won in millions, except for earnings (loss) per share)

	2021	2020
Revenue	1,053,086	295,491
Cost of sales	536,116	185,061
Gross profit	516,970	110,430
Selling and administrative expenses	74,392	53,495
Operating profit	442,578	56,935
Other income	13,036	10,624
Other expenses	2,805	122,668
Finance income	12,705	6,819
Finance costs	8,567	7,825
Profit (loss) before income tax	456,947	(56,115)
Income tax expenses	23,654	2,870
Profit (loss) for the year	433,293	(58,985)
Earnings (loss) per share (in Korean won)	21,763	(2,942)

Hyosung Corporation

Separate Statements of Other Comprehensive Income (Loss)

For the years ended December 31, 2021 and 2020 (Korean won in millions)

	2021	2020
Profit (loss) for the year	433,293	(58,985)
Other comprehensive loss	53,272	(24,397)
Items that will not be subsequently reclassified to profit or loss (net of tax):	-	-
Net gain on equity instruments at fair value through OCI	489	272
Remeasurements loss on net defined benefit liabilities	(15,222)	(1,351)
Shares of remeasurement loss of subsidiaries and associates	(5,904)	(825)
Items that may be subsequently reclassified to profit or loss (net of tax):	-	-
Net gain (loss) on valuation of investments in subsidiaries and associates	73,909	(22,493)
Other comprehensive income (loss) for the year, net of tax	53,272	(24,397)
Total comprehensive income (loss) for the year	486,565	(83,382)

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

For the years ended December 31, 2021 and 2020 (Korean won in millions)

	Share capital	Share premium	Retained earnings	Other components of equity	Total
As of January 1, 2020	105,355	451,188	6,423,890	(4,499,562)	2,480,871
Total comprehensive income:					
Loss for the year	-	-	(58,985)	-	(58,985)
Net gain on equity instruments at fair value through OCI	-	-	-	273	273
Remeasurements loss on net defined benefit liabilities	-	-	(1,351)	-	(1,351)
Share of remeasurement loss of subsidiaries, associates and joint venture	-	-	(825)	-	(825)
Net loss on valuation of investments in subsidiaries, associates and joint venture	-	-	-	(22,493)	(22,493)
Transactions with owners of the parent:					
Dividend (Note 32)	-	-	(101,654)	-	(101,654)
Purchase of treasury shares	-	-	-	(27,897)	(27,897)
As of December 31, 2020	105,355	451,188	6,261,075	(4,549,679)	2,267,939
As of January 1, 2021	105,355	451,188	6,261,075	(4,549,679)	2,267,939
Total comprehensive income:					
Gain for the year	-	-	433,293	-	433,293
Net gain on equity instruments at fair value through OCI	-	-	-	489	489
Remeasurements loss on net defined benefit liabilities	-	-	(15,222)	-	(15,222)
Share of remeasurement loss of subsidiaries, associates and joint venture	-	-	(5,904)	-	(5,904)
Net gain on valuation of investments in subsidiaries, associates and joint venture	-	-	-	73,909	73,909
Transactions with owners of the parent:					
Dividend (Note 32)	-	-	(99,547)	-	(99,547)
As of December 31, 2021	105,355	451,188	6,573,695	(4,475,281)	2,654,957

Hyosung Corporation

Separate Statements of Cash Flows

For the years ended December 31, 2021 and 2020 (Korean won in millions)

	2021	2020
Cash flows from operating activities:		
Profit (loss) for the year	433,293	(58,985)
Cash generated from operations	(404,545)	71,393
Working capital adjustments	84,682	(5,412)
Income taxes paid	(9,438)	(9,243)
Interest paid	(942)	(2,342)
Interest received	4,020	7,818
Dividend received	62,130	81,185
Net cash flows provided by operating activities:	169,200	84,414
Cash flows from investing activities:		
Collection of short-term loans	-	5,016
Proceeds from sales of FVOCI	3,904	670
Proceeds from sales of FVPL	3,008	14,007
Collection of long-term loans	-	18,000
Proceeds from disposal of property, plant and equipment	5	1,475
Proceeds from disposal of intangible assets	2,430	-
Proceeds from disposal of investments in subsidiaries	-	383,983
Proceeds from disposal of investments in associates	15,318	-
Liquidation of subsidiaries	3,233	-
Proceeds from disposal of long-term financial instruments	802	-
Increase in merger	18	-
Increase in long-term loans	(20,050)	-
Acquisition of other FVOCI	(1,850)	-
Acquisition of other FVPL	(207)	(335,063)
Increase in long-term deposits	(548)	(586)
Acquisition of property, plant and equipment	(11,855)	(5,446)
Acquisition of intangible assets	(4,850)	(6,063)
Acquisition of investments in subsidiaries	(108)	(801)
Net cash flows provided by (used in) investing activities	(10,750)	75,192
Cash flows from financing activities:		
Proceeds from short-term borrowings	1,163	198,747
Government grants received	2,613	3,221
Repayment of short-term borrowings	(21,400)	(212,200)
Repayment of current portion of long-term borrowings	(136)	(136)
Payments of lease liabilities	(11,322)	(14,087)
Dividends paid	(99,547)	(101,654)
Repayment of government grants	(934)	(4,557)
Purchase of treasury shares	-	(27,897)
Net cash used in financing activities	(129,563)	(158,563)
Net increase in cash and cash equivalents	28,887	1,043
Cash and cash equivalents at the beginning of the year	4,007	2,964
Cash and cash equivalents at the end of the year	32,894	4,007

Independent Auditor's Report

The Shareholders and Board of Directors Hyosung Corporation

Opinion

We have audited the consolidated financial statements of Hyosung Corporation (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as of December 31, 2021 and 2020, and the consolidated statements of profit or loss, consolidated statements of other 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, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with Korean International Financial Reporting Standards ("KIFRS").

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 matter

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.

(1) Impairment test on investments in an associate of Hyosung Heavy Industries Corporation

As described in Note 14 to the consolidated financial statements, the book value of investments in associates of Hyosung Heavy Industries Corporation is KRW 401,792 million as of December 31, 2021.

The Group assesses whether there is an indication that an associate may be impaired on annual basis. As of December 31, 2021, there is an indication of impairment on investments in associates due to the continuous decline of stock prices in active markets. Accordingly, the Group identified an indication of the impairment and performed impairment test on the investments in associates. The Group performs the impairment test on the investments in associates with indication of impairment. The impairment amount of the investments in associates with indication of impairment is determined as the difference between the investments in associates' book value and the higher of value in use and fair value. The determination of key assumptions used in estimating the value in use of investments in associates involves management's judgment, such as long-term business plans, discount rate, and permanent growth rate. Therefore, considering the involvement of management's judgments for assumptions on valuation of investments in associates and its bias that may exist, we determined impairment test on the investments in an associate of Hyosung Heavy Industries Corporation for which the investments are significant as a key audit matter.

We performed the following audit procedures regarding the key audit matter:

- Reviewed the qualification and independence of the external specialists involved by management of the Group.
- Involved our internal valuation specialists to evaluate the appropriateness of the valuation model and discount rate used by the Group for estimating the value in use.
- Reviewed the business plan approved by management in order to assess the rationality of key inputs such as estimated sales, operating expenses and growth rate of the investee used in calculating the value in use by the Group and compared them with information from

Independent Auditor's Report

observable market data.

- Performed an independent recalculation to assess the accuracy of the value in use by involving our internal valuation specialists.
- Compared the estimated cash flows in prior year to the actual result in current year to evaluate the accuracy of the management's estimates.

(2) Occurrence and cut-off test for the sales from transportation services

As described in Note 23 to the consolidated financial statements, the Group is performing transportation services, and the sales from transport services is KRW 337,756 million for the years ended December 31, 2021. Transportation services occur mainly depending on exports or imports between countries, and there are various performance obligations depending on contracts with customers, and management's judgment on the timing of revenue recognition is required because the timing of the transfer of services varies depending on the terms of the contract. In particular, the Group's transportation services include important transactions with related parties. Therefore, considering the involvement of the management's intention and the Group's judgement errors on the sales recognition, we determined the occurrence and cut-off of sales from transportation services them as a key audit matter.

We performed the following audit procedures regarding the key audit matter:

- Understood and evaluated of revenue recognition accounting policies for the transportation services.
- Tested the effectiveness of the design and operation of controls related to the transportation services.
- Compared the evidence of occurrence and the timing of revenue recognition using a sampling method for sales transactions that occurred during the current period.
- Inspected relevant documents for the samples selected for the cut-off tests and assessed appropriateness of the revenue recognition timing.
- Performed recalculation for the revenue recognized in connection with the ongoing transport contract services at the end of the reporting period.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with KIFRS, and for such internal control as management determines is necessary to enable the preparation of 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yong Soo Jung.

March 10, 2022
Seoul, Korea

This audit report is effective as of March 10, 2022, the independent auditor's report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the independent auditor's report date to the time this report is used. Such events and circumstances could significantly affect the accompanying consolidated 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, 2021 and 2020 (Korean won in millions)

	Dec 31, 2021	Dec 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	181,960	222,015
Trade and other receivables	738,947	493,060
Due from customers for contract work	696	3,073
Other current financial assets	206,962	338,119
Other current assets	65,775	91,114
Inventories	696,362	463,206
Current tax assets	15,810	16,208
	1,906,512	1,626,795
Non-current assets:		
Long-term trade and other receivables	29,792	41,676
Property, plant and equipment	1,000,116	930,909
Investment property	263,733	278,154
Intangible assets	67,740	73,081
Investments in associates and joint ventures	1,785,826	1,257,906
Other non-current financial assets	149,785	161,608
Other non-current assets	32,271	30,918
Deferred tax assets	22,099	28,703
	3,351,362	2,802,955
Total assets	5,257,874	4,429,750
Liabilities		
Current liabilities:		
Trade and other payables	538,403	404,628
Due to customers for contract work	356	1,329
Short-term borrowings and current portion of long term borrowings	837,517	392,008
Other current financial liabilities	23,426	19,446
Current tax liabilities	27,852	31,214
Other current liabilities	133,685	241,713
	1,561,239	1,090,338
Non-current liabilities:		
Long-term trade and other payables	15,070	20,751
Long-term borrowings	270,436	448,281
Net defined benefit liabilities	2,094	6,673
Deferred tax liabilities	308,954	252,420
Other non-current financial liabilities	95,845	86,069
Other non-current liabilities	11,962	10,895
	704,361	825,089
Total liabilities	2,265,600	1,915,427
Equity		
Equity attributable to owners of the Parent Company		
Share capital	105,355	105,355
Share Premium	451,188	451,188
Retained earnings	6,498,302	6,180,531
Other components of equity	(4,429,596)	(4,503,806)
	2,625,249	2,233,268
Non-controlling interest	367,025	281,055
Total equity	2,992,274	2,514,323
Total liabilities and equity	5,257,874	4,429,750

Hyosung Corporation and its Subsidiaries

Consolidated Statements of Profit or Loss

For the years ended December 31, 2021 and 2020 (Korean won in millions, except for earnings (loss) per share)

	2021	2020
Revenue	3,538,943	2,596,176
Cost of sales	2,601,583	2,199,348
Gross profit	937,360	396,828
Selling and administrative expenses	277,362	239,904
Research and development expenses	19,435	19,783
Operating profit	640,563	137,141
Other income	29,657	57,852
Other expenses	16,794	35,384
Finance income	63,896	46,951
Finance costs	78,412	98,324
Profit before tax from continuing operations	638,910	108,236
Income tax expenses	95,905	14,109
Profit for the year from continuing operations	543,005	94,127
Loss for the year from discontinued operation	(2,418)	(92,907)
Profit for the year	540,587	1,220
Profit for the year attributable to:		
Owners of the Parent Company	438,235	(52,770)
Non-controlling interests	102,352	53,990
	540,587	1,220
Earnings (loss) per share attributable to owners of the Parent Company (in Korean won):		
Basic earnings per share from continuing operations	22,133	2,027
Basic loss per share from discontinued operation	(121)	(4,659)

Hyosung Corporation and its Subsidiaries

Consolidated Statements of Other Comprehensive Income (Loss)

For the years ended December 31, 2021 and 2020 (Korean won in millions)

	2021	2020
Profit for the year	540,587	1,220
Other comprehensive Income (loss)	74,710	(28,658)
Items that will not be subsequently reclassified to profit or loss (net of tax):		
Net gain on equity instruments at fair value through OCI	(2,108)	2,432
Remeasurements loss on net defined benefit liabilities	(16,088)	(1,525)
Shares of remeasurement loss of associates	(5,317)	(730)
Items that may be subsequently reclassified to profit or loss (net of tax):		
Net gain (loss) on valuation of investments in associates	83,911	(18,646)
Exchange difference of translation of foreign operations	14,312	(10,189)
Other comprehensive loss for the year, net of tax	74,710	(28,658)
Total comprehensive income (loss) for the year	615,297	(27,438)
Total comprehensive income (loss) for the year attributable to:	490,800	(77,568)
Owners of the Parent Company	124,497	50,130
Non-controlling interests	615,297	(27,438)

Hyosung Corporation and its Subsidiaries

Consolidated Statements of Changes in Equity

For the years ended December 31, 2021 and 2020 (Korean won in millions)

	Attributable to owners of the Parent Company					Non-controlling interests	Total Equity
	Share capital	Share premium	Retained earnings	Other component of equity	Total		
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:							
Profit for the year	-	-	(52,770)	-	(52,770)	53,990	1,220
Remeasurements loss on net defined benefit liabilities	-	-	(926)	-	(926)	(599)	(1,525)
Share of remeasurement loss of associates and joint venture	-	-	(730)	-	(730)	-	(730)
Net gain on equity instruments at fair value through OCI	-	-	-	1,552	1,552	880	2,432
Net gain on valuation of investments in associates and joint venture	-	-	-	(15,634)	(15,634)	(3,012)	(18,646)
Exchange differences on translation of foreign operations	-	-	-	(9,060)	(9,060)	(1,129)	(10,189)
Transactions with owners of the parent company:							
Dividend (Note 32, 36)	-	-	(101,654)	-	(101,654)	(27,921)	(129,575)
Purchase of treasury shares	-	-	-	(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
As of January 1, 2021	105,355	451,188	6,180,531	(4,503,806)	2,233,268	281,055	2,514,323
Total comprehensive loss:							
Profit for the year	-	-	438,235	-	438,235	102,352	540,587
Remeasurements loss on net defined benefit liabilities	-	-	(15,613)	-	(15,613)	(475)	(16,088)
Share of remeasurement loss of associates and joint venture	-	-	(5,317)	-	(5,317)	-	(5,317)
Net gain on equity instruments at fair value through OCI	-	-	-	(1,021)	(1,021)	(1,087)	(2,108)
Net loss on valuation of investments in associates and joint venture	-	-	-	62,874	62,874	21,037	83,911
Exchange differences on translation of foreign operations	-	-	-	11,642	11,642	2,670	14,312
Transactions with owners of the parent company:							
Dividend (Note 32, 36)	-	-	(99,547)	-	(99,547)	(38,553)	(138,100)
Others	-	-	13	715	728	26	754
As of December 31, 2021	105,355	451,188	6,498,302	(4,429,596)	2,625,249	367,025	2,992,274

Hyosung Corporation and its Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2021 and 2020 (Korean won in millions)

	2021	2020
Cash flows from operating activities:		
Profit for the year from continuing operations	543,005	94,127
Loss for the year from discontinued operation	(2,418)	(92,907)
Cash generated from operations	(305,314)	246,100
Working capital adjustments	(280,456)	7,839
Income taxes paid	(47,370)	(44,812)
Interest paid	(18,696)	(83,101)
Interest received	3,986	110,805
Dividend received	35,972	40,143
Net cash flows provided by (used in) operating activities:	(71,291)	278,194
Cash flows from investing activities:		
Collection of finance lease receivables	-	1,173
Collection of short-term loans	21	74,213
Decrease in short-term deposits	4,391	1,072
Net decrease in financial instruments	5,651	-
Collection of long-term loans	-	118
Decrease in long-term deposits	6,480	4,737
Proceeds from disposal of property, plant and equipment	5,282	7,622
Proceeds from disposal of investment properties	1,500	-
Proceeds from disposal of intangible assets	5,259	7,491
Proceeds from disposal of subsidiaries	5,691	-
Proceeds from disposal of associates	15,318	-
Increase in short-term loans	(234)	(72,561)
Increase in short-term deposits	(93)	(52)
Net increase in financial instruments	-	(175,146)
Increase in long-term loans	(545)	(617)
Increase in long-term deposits	(9,694)	(5,830)
Acquisition of property, plant and equipment	(99,258)	(60,628)
Acquisition of investment properties	(3,933)	-
Acquisition of intangible assets	(7,260)	(8,811)
Acquisition of investments in associates	-	(1,415)
Acquisition of other non-current assets	(119)	(74)
Net cash flows used in investing activities	(71,543)	(228,708)
Cash flows from financing activities:		
Proceeds from long-term borrowings and issuance of debentures	45,097	594,222
Proceeds from short-term borrowings	487,997	1,191,272
Government grants received	2,613	3,221
Repayment of short-term borrowings	(244,997)	(1,132,593)
Redemption of long-term borrowings and debentures	(20,000)	(16,901)
Repayment of current portion of long-term borrowings	(8,136)	(462,089)
Payments of lease liabilities	(27,858)	(27,283)
Dividends paid	(138,100)	(129,653)
Repayment of government grants	(934)	(4,557)
Purchase of treasury shares	-	(27,897)
Repayment of other long-term liabilities	-	(84)
Net cash flows provided by (used in) financing activities	95,682	(12,342)
Effects of exchange rate changes on cash and cash equivalents	7,097	(4,458)
Net increase (decrease) in cash and cash equivalents	(40,055)	32,686
Cash and cash equivalents at the beginning of the year	222,015	189,328
Cash and cash equivalents at the end of the year	181,960	222,014

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