

Hanon Systems 2017 Q4 Disclosure

Financial Consolidated Statement Information

The Company maintains its accounting records in Korean won and prepares statutory financial statements in Korean language (Hangul) in conformity with K-IFRS.

<u>Income Statement</u>	For the years ended	
	Dec 31	
	2017	2016
	(KRW in Billions)	(KRW in Billions)
Sales	5,585.7	5,703.7
Cost of sales	4,639.5	4,804.8
Gross profit	946.2	898.9
Selling, general and administrative expenses	477.8	476.3
Operating profit	468.4	422.6
Other non-operating income/expenses	(41.8)	6.1
Financial income/expenses	(13.6)	(22.0)
Share of profit in associates	8.5	9.0
Profit before income taxes	421.5	415.7
Income tax expense	123.1	111.9
Net income	298.4	303.8
Profit for the year attributable to:		
Equity holders of the parent company	288.6	292.2
Non-controlling interest	9.8	11.6

<u>Balance Sheet</u>	Dec 31	Dec 31
	2017	2016
	(KRW in Billions)	(KRW in Billions)
Cash and cash equivalents	567.3	425.2
Trade receivables	883.1	930.9
Inventories	468.6	429.7
Investments in associates	96.6	95.0
Property, plant and equipment	1,262.0	1,178.1
Intangible assets	437.7	350.3
Other assets	404.3	450.5
Total assets	4,119.6	3,859.7
Trade payables	732.9	700.3
Net defined benefit liabilities	62.8	60.2
Debt	756.9	646.2
Other liabilities	535.5	568.1
Total liabilities	2,088.1	1,974.8
Equity attributable to owners of the Parent company	1,978.7	1,827.6
Non-controlling interests	52.8	57.3
Total stockholders' equity	2,031.5	1,884.9
Total liabilities and equity	4,119.6	3,859.7

<u>Cash Flow Statement</u>	For the years ended	
	Dec 31	
	2017	2016
	(KRW in Billions)	(KRW in Billions)
Net cash inflow from operating activities	566.7	389.2
Investing activities		
Acquisition of property, plant, and equipment	(322.1)	(249.7)
Acquisition of intangible assets	(105.1)	(85.7)
Decrease in net assets held-for-sale	51.8	-
Cash outflow from business combination	-	(123.1)
Other	28.9	6.6
Net cash outflow from investing activities	(346.5)	(451.9)
Financing activities		
Net decrease of borrowings	(184.0)	(51.1)
Proceeds from issuance of bond	299.2	299.0
Dividends paid	(160.1)	(183.6)
Dividends paid to non-controlling interests	(11.3)	(19.7)
Other	-	3.7
Net cash inflow from financing activities	(56.2)	48.3
Net increase in cash and equivalents	164.0	(14.4)
Cash and cash equivalents at the beginning of year	425.2	447.1
Net foreign exchange differences	(19.2)	(5.1)
Cash and cash equivalents classified as assets held-for-sale	(2.7)	(2.4)
Cash and cash equivalents at the end of year	567.3	425.2