

## Hanon Systems 2018 Q2 Disclosure

### Financial Consolidated Statement Information

The accompanying financial statements are expressed in Korean won, and for solely for the convenience of the reader, have been translated into United States dollars at the rate of Korea Exchange Bank's US dollars quarter ending exchange rates for the Income Statements, Cash Flow Statements and Balance Sheets. Such translation should not be construed as a representation that the Korean won amounts can actually be converted into United States dollars at the exchange rate used for the purpose of such translation.

#### Income Statement

	For the six months ended	
	June 30	
	2018	2017
	(USD in Millions)	(USD in Millions)
Sales	\$ 2,590.1	\$ 2,516.1
Cost of sales	2,204.6	2,109.9
<b>Gross profit</b>	<b>385.5</b>	<b>406.2</b>
Selling, general and administrative expenses	210.8	201.2
<b>Operating profit</b>	<b>174.7</b>	<b>205.0</b>
Other non-operating income/expenses	(3.7)	(24.1)
Financial income/expenses	(6.8)	(5.1)
Share of profit in associates	2.9	3.9
<b>Profit before income taxes</b>	<b>167.1</b>	<b>179.7</b>
Income tax expense	43.7	51.8
<b>Net income</b>	<b>123.4</b>	<b>127.9</b>
<b>Profit for the year attributable to:</b>		
Equity holders of the parent company	\$ 119.1	\$ 123.4
Non-controlling interest	4.3	4.5

#### Balance Sheet

	June 30		Dec 31	
	2018		2017	
	(USD in Millions)		(USD in Millions)	
Cash and cash equivalents	\$ 357.6	\$ 505.8		
Trade receivables	846.7	787.3		
Inventories	447.2	417.8		
Investments in associates	86.5	86.1		
Property, plant and equipment	1,164.5	1,125.1		
Intangible assets	433.4	390.2		
Lease assets	151.8	-		
Other assets	413.0	360.3		
<b>Total assets</b>	<b>\$ 3,900.7</b>	<b>\$ 3,672.6</b>		
Trade payables	\$ 623.0	\$ 653.4		
Net defined benefit liabilities	67.5	56.0		
Borrowings	325.0	140.9		
Debentures	534.1	533.9		
Other liabilities	480.6	477.3		
<b>Total liabilities</b>	<b>\$ 2,030.2</b>	<b>\$ 1,861.5</b>		
Equity attributable to owners of the Parent company	\$ 1,799.2	\$ 1,764.0		
Non-controlling interests	71.3	47.1		
Total stockholders' equity	\$ 1,870.5	\$ 1,811.1		
<b>Total liabilities and equity</b>	<b>\$ 3,900.7</b>	<b>\$ 3,672.6</b>		

#### Cash Flow Statement

	For the six months ended	
	June 30	
	2018	2017
	(USD in Millions)	(USD in Millions)
<b>Net cash inflow from operating activities</b>	<b>\$ 117.5</b>	<b>\$ 212.4</b>
<b>Investing activities</b>		
Acquisition of property, plant, and equipment	(162.6)	(128.8)
Acquisition of intangible assets	(50.4)	(33.9)
Decrease in net assets held-for-sale	-	46.2
Other	(1.1)	(2.2)
<b>Net cash outflow from investing activities</b>	<b>(214.1)</b>	<b>(118.7)</b>
<b>Financing activities</b>		
Net decrease of borrowings	39.6	(163.7)
Proceeds from issuance of bond	-	266.7
Repayment of lease liabilities	(18.6)	-
Dividends paid	(76.1)	(71.4)
Capital inflow from non-controlling interests	3.2	-
<b>Net cash inflow from financing activities</b>	<b>(51.9)</b>	<b>31.6</b>
<b>Net increase in cash and equivalents</b>	<b>(148.5)</b>	<b>125.3</b>
<b>Cash and cash equivalents at the beginning of year</b>	<b>505.8</b>	<b>379.1</b>
<b>Net foreign exchange differences</b>	<b>2.8</b>	<b>(4.2)</b>
<b>Cash and cash equivalents classified as assets held-for-sale</b>	<b>(2.5)</b>	<b>-</b>
<b>Cash and cash equivalents at the end of year</b>	<b>357.6</b>	<b>500.2</b>