

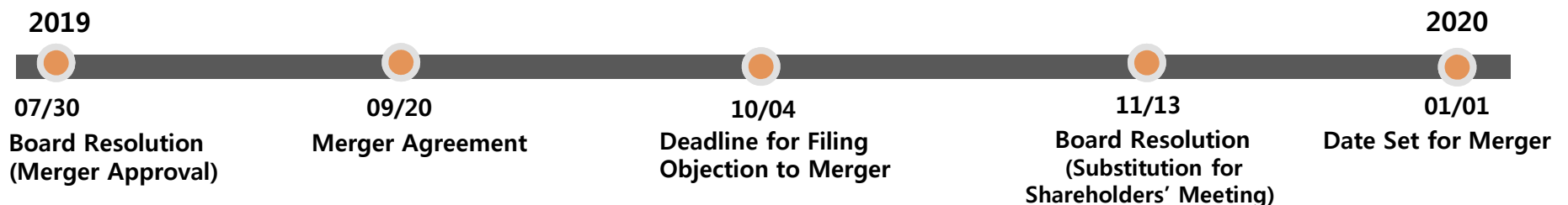
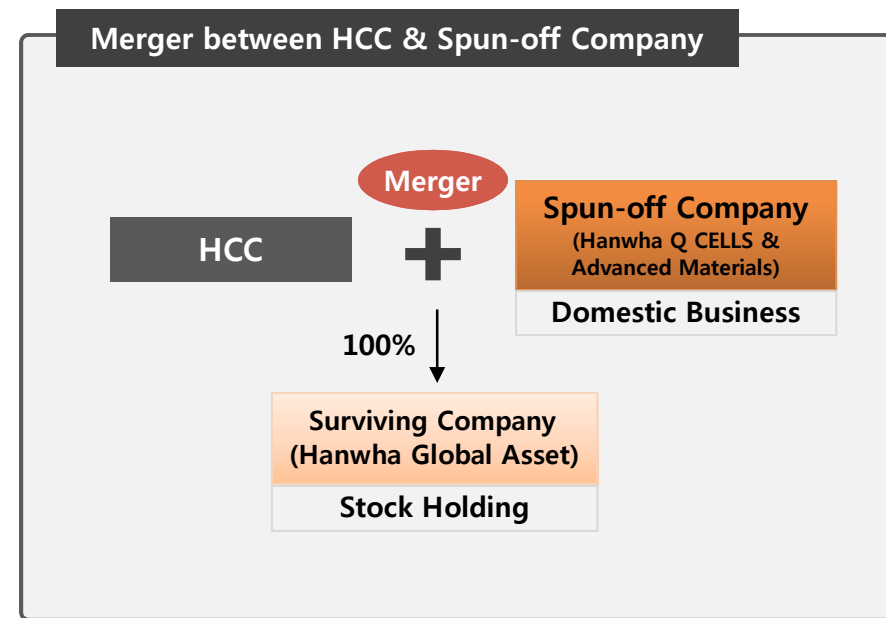
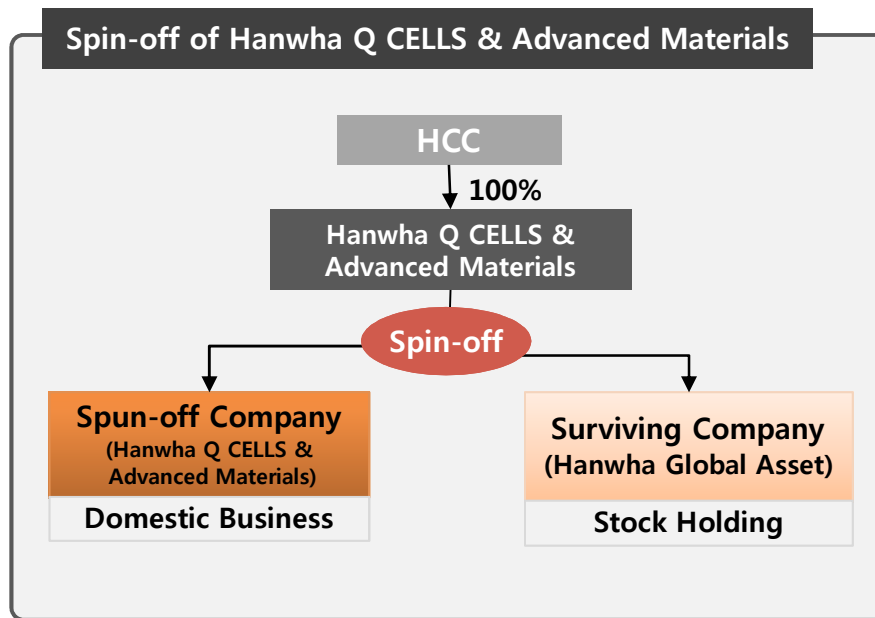
Hanwha Chemical

**A Merger between Hanwha Chemical and
Spun-off company of Hanwha Q CELLS & Advanced Materials**

2019.7.30

Summary

- ✓ **Hanwha Q CELLS & Advanced Materials(HQAM) spin off** domestic business. The spun-off company is tentatively named Hanwha Q CELLS & Advanced Materials. The existing company, tentatively named as Hanwha Global Asset, remain and hold the shares of the subsidiaries and associated companies (2019.7.30 board resolution)
- ✓ **Hanwha Chemical(HCC) will merge the spun-off company**, Hanwha Q CELLS & Advanced Materials.(2020.1.1)
👉 No change occurs on HCC's consolidated BS and IS



What we expect from Merger...

Purpose

- Down-cycle of petrochemical business
- Volatile external circumstances



- To secure **long-term sustainable growth** by integrating **petrochemical, advanced materials, and photovoltaic** business into **one company**

Synergy

1 Enhancing Management Efficiency

- Constructing effective decision-making structure(i.e. Unification of Board of Directors)
- Increasing efficiency of managing assets and resources of the company and optimizing operational excellence from integrated perspective as a single entity
- Sharing R&D capabilities to proceed interrelated research for long term growth

2 Synergy btw Basic Materials business(HCC) and Processing Technology(HQAM)

- Promoting high value added materials business (e.g. engineering plastics) as a key growth strategy
 - Forward & Backward integration leads to customized developments and flexible adjustments to market condition changes by reflecting end-customers' needs from the initial stage
 - Establish the basis of business expansion opportunities into key future materials business area such as aviation and defense with composite material technology

3 Improving Competitiveness of Photovoltaic Business

- Operational synergy from integration of 'polysilicon - cell/module - solar sub-components' value chain leads to in-depth business environment analysis, improvement in bargaining power and stronger customer relationship