

# **2020 Annual Report**

**(44<sup>th</sup> Fiscal Year: January 1, 2020 – December 31, 2020)**



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## **Greetings from the President**

### **Dear Shareholders,**

I would like to express my sincere gratitude to you for attending the 44th General Meeting of Shareholders of Hyundai Mobis today despite your busy schedule. I wish a year full of happiness and health to you and your family.

Since the early days of COVID-19, we have prepared a code of conduct for all workplaces for prevention and have followed the quarantine rules thoroughly. We will do our best for the prevention of COVID-19 to prevent any disruptions to our management activities.

At a time of global crisis caused by COVID-19, our sales and operating profit significantly declined in the first half of the year, however, it has been gradually recovering from the second half due to the efforts of all executives and employees.

As a result, we are pleased to inform you that we achieved KRW 36,626.5 billion in sales and KRW 1,830.3 billion in operating profit on a consolidated basis as of the last year.

We would like to thank our shareholders for supporting us so we can dedicate ourselves to our work.

We also promise to do our best this year as well based on your support and encouragement.

### **Honorable shareholders,**

We are now facing a critical time not only to respond to uncertain global market environment in a flexible manner, but also to create momentum for a new leap in the post-COVID-19 era.

Only companies that lead the market with new standards and strategies that match the New Normal Era and preempt future business opportunities can survive.

In the global automobile industry, technology innovation and digitalization are also rapidly progressing, focusing on cutting-edge technologies such as electrification, autonomous driving, and connectivity. Through these changes, it is evolving from a traditional

manufacturing industry to a comprehensive mobility industry.

Global competition is getting more intense as market demand for cutting-edge technology increases and new business opportunities open. In addition, there is also a growing tendency among businesses to find a new business partner and secure a partnership.

**Our dear shareholders,**

To respond flexibly and efficiently to this rapidly changing market environment, □  
we are preparing a 'Transformation' this year.

To this end, we plan to focus on the following initiatives.

**First, we will secure differentiated high technology to have growth momentum  
in the post-COVID-19 era.**

We will ensure differentiated global product competitiveness based on accurate analysis of current and future markets.

In order to obtain high-tech competitiveness in the future car industry, we will strengthen our independent R&D capabilities while continuing to expand open innovation such as strategic investment in promising technology and cooperation with promising start-ups at the same time.

We will transform our existing business models and operating systems to ensure execution and agility in this process.

**Second, we will create new growth engines to ensure global competitiveness in the future mobility era.**

Based on the differentiated advanced technologies that were emphasized earlier, we will diversify our core product portfolio to expand our business in global market.

In addition, we will create new business opportunities in the future mobility industry, which will evolve into a variety of forms, and move forward with new businesses based on innovative technologies.

By doing so, we will enhance our global status as a tech company that provides people with free mobility and a rich life through the most innovative and reliable technologies.

**Finally, we will continue to implement transparent and consistent Shareholder Value Maximization Policy.**

We implement transparent and consistent Shareholder Value Maximization Policy based on a board of directors with diversity, expertise and independence. To that end, last year, we appointed an independent director recommended by our shareholders to be in charge of protecting shareholders' rights and interests.

The most important principle of a company that communicates with shareholders is continuous trust'. We will maintain a consistent stance in the first mid- to long-term Shareholder Value Maximization Policy, which marks the third year of its implementation this year. In particular, regarding shareholder returns such as dividends and purchases of treasury stocks, we will formulate a second mid- to long-term Shareholder Value Maximization Policy in order to maximize shareholder value next year after a faithful preparation this year.

Going forward, we plan to communicate more actively with our shareholders based on mutual trust, and we will seek a range of plans to maximize the shareholder value.

We hereby ask you, our shareholders, for unwavering support and encouragement for us to further focus on securing Hyundai Mobis's future competitiveness.  
Thank you.

**Sung Hwan Cho**  
**President of Hyundai Mobis Co., Ltd.**

# **Business Report**

## **1. Company Overview**

### **A. Purpose**

- 1) Manufacturing and sales of automotive parts
- 2) Services related to system integration business and software
- 3) E-commerce and Internet-related businesses
- 4) Export and import trade
- 5) Technical services
- 6) Lease of real estate
- 7) Issuance of offer sheets
- 8) Operation of professional basketball team
- 9) Eco-friendly and energy-related business
- 10) Electricity and electronics-related business
- 11) All ancillary and profit businesses which are related to the foregoing

### **B. Key Business**

- 1) Manufacturing and sales of automotive parts

### C. Status of Each Place of Business

Name of Place of Business	Details of Key Businesses or Products	Address
Headquarters	Operation and management	203, Teheran-ro, Gangnam-gu, Seoul
Research Center	Technical/production technology research center	Five places, including 17-2, 240-beongil, Mabuk-ro, Giheung-gu, Yongin-si, Gyeonggi-do
Manufacturing Facilities	Manufacture of automotive parts, etc.	15 places, including 8, Jangsaengpogorae-ro, Nam-gu, Ulsan-si
Parts Retailer	Sale of automotive parts for A/S business	65 places, including 45, Chukhyeonsandan-ro, Tanhyeon-myeon, Paju-si, Gyeonggi-do

### D. Status of Employees

(Unit: Persons)

Gender	Office	Production	R&D	Total
Male	4,413	1,781	2,902	9,096
Female	523	336	289	1,148
Total	4,936	2,117	3,191	10,244

### E. Matters Concerning Shares

#### 1) Type and Number of Shares Issued

Type of Shares	Number of Shares (in units of shares)	Amount (in KRW million)	Percentage <sup>(%)</sup>
Common Stock	95,054,694	490,969	100.0
Preferred Stock	3,974	127	0.0
Total	95,058,668	491,096	100.0

※ Above amount is the total amount of Capital Stock

#### 2) Status of Changes in Equity

There has been no change in equity in the recent five years.

### 3) Stock Administration

Closing Date	December 31	
General Meeting of Shareholders	Within three months	
Closure Period of Shareholders' Registry	January 1 <sup>st</sup> to January 31 <sup>st</sup>	
Disclosure	www.mobis.co.kr	
Agent for Stock Administration	Name of Agent	Korea Securities Depository
	Place of Administration	23, Yeouinaru-ro 4-gil, Yeongdeungpo-gu, Seoul
Special Privileges to Shareholders	None	

### F. Matters Concerning Bond

Not applicable



## 2. Business Performance

### A. Overview of Business

Please refer to the President's letter of greetings.

### B. Production Status of Major Businesses

Business \ Period	Production Result <sup>(in KRW million)</sup>	
	44th	43rd
Module and Part Manufacture Business	16,063,152	14,336,264
Total	16,063,152	14,336,264

### C. Sales Result by Major Business

Business \ Period		Sales Result <sup>(in KRW million)</sup>	
		44th	43rd
Module and Part Manufacture Business	Export	10,877,394	11,659,131
	Domestic	7,538,846	5,840,401
	Total	18,416,240	17,499,532
A/S Parts Business	Export	1,892,384	2,424,781
	Domestic	2,645,859	2,700,428
	Total	4,538,243	5,125,209
Total	Export	12,769,778	14,083,912
	Domestic	10,184,705	8,540,829
	Total	22,954,483	22,624,741

# **D. Status of Major Facility Construction and Expansion, and Financing**

(Unit: KRW million)

Business	Investment	Financing	
		Borrowing	Internal Fund
Module and Part Manufacture Business	657,615	-	834,027
R&D Facility	176,412		
Total	834,027	-	834,027

### 3. Ownership Structure of Hyundai Mobis and Affiliates

#### A. Status of the Parent Company

Not applicable

#### B. Status of the Subsidiaries

Status of the Subsidiaries				Relationship with Hyundai Mobis			Remarks
Name of Company	Address	Capital	Major Line of Business	Number of Shares (shares)	Share-holding Ratio (%)	Business Relationship	
Beijing Hyundai Mobis Automotive Parts Co., Ltd.	Shuanghe Avenue 59 Number, Shunyi District, Beijing, CHINA	CNY 513,693 thousand	Manufacture and sale of module/part		100.00	Export and sale of module/part	
Shanghai Hyundai Mobis Automotive Parts Co., Ltd.	NO.1011 JIUJING ROAD SONGJIANG HI-TECH PARK JIUTING, Shanghai, CHINA	CNY 250,450 thousand	Manufacture and sale of automotive parts		100.00	Export and sale of automotive parts	
Jiangsu Mobis Automotive Parts Co., Ltd.	NO.12 Hope Road South, Economic Developing Zone, Yancheng City, Jiangsu, CHINA	CNY 574,707 thousand	Manufacture and sale of module/part		100.00	Export and sale of module/part	
Tianjin Mobis Automotive Parts Co., Ltd.	No.12, 9th street, Teda, Tianjin, CHINA	CNY 186,418 thousand	Manufacture and sale of automotive parts		100.00	Export and sale of automotive parts	
Cangzhou Hyundai Mobis Automotive Parts Co., Ltd.	No.16, Hyundai Road, Economic Development Zone, Cangzhou City, Hebei Provinces, CHINA	CNY 361,259 thousand	Manufacture and sale of module/part		90.00	Export and sale of module/part	Chinese holding company, 10.00%
ChongQing Hyundai Mobis Automotive Parts Co., Ltd	No. 18-1 Xiandai Road, Yuzui Town,Jiangbei District, Chongqing, CHINA	CNY 819,469 thousand	Manufacture and sale of module/part		90.00	Export and sale of module/part	Chinese holding company, 10.00%
Mobis America Inc.	1395 Mitchell Young Road, Montgomery, Alabama, 36108, U.S.A	USD 236,150 thousand	Manufacture and sale of module/part		100.00	Export and sale of module/part	
American Autoparts, Inc.	3900 Stickney Avenue, Toledo, Ohio, 43608, U.S.A	USD 18,600 thousand	Manufacture and sale of module/part		100.00	Export and sale of module/part	
Mobis Brasil Fabricacao De Auto Pecas Ltda	Avenida Hyundai 585, Agua Santa, Piracicaba, SP-Brasil (CEP : 13413-500)	BRL 363,062 thousand	Manufacture and sale of module/part		100.00	Export and sale of module/part	

Status of the Subsidiaries				Relationship with Hyundai Mobis			Remarks
Name of Company	Address	Capital	Major Line of Business	Number of Shares (in units of shares)	Share-holding Ratio (%)	Business Relationship	
Hyundai Mobis Mexico, S. DE R.L. DE C.V.	Carretera Libre Estatal Pesqueria Los Ramones KM 13-15, Pesqueria, Nuevo Leon C.P. 66679, MEXICO	USD 152,140 thousand	Manufacture and sale of module/part		98.37	Export and sale of module/part	Mobis America, Inc. 1.63%
Mobis Slovakia s.r.o.	Mobis Ulica 1,013 02 Gbel'any, Zilina, SLOVAKIA	EUR 68,000 thousand	Manufacture and sale of module/part		100.00	Export and sale of module/part	
Mobis Automotive Czech s.r.o.	Hyundai 171/2, 739 51 Nosovice, CZECH REPUBLIC	EUR 17,377 thousand	Manufacture and sale of module/part		100.00	Export and sale of module/part	
Mobis Automotive System Czech s.r.o.	C.P. 375, 742 51 Mosnov, CZECH REPUBLIC	EUR 40,000 thousand	Manufacture and sale of automotive parts		100.00	Export and sale of automotive parts	
Mobis Module CIS, LLC	197704, Kurortny district, Sestroretsk, Levashovskoe road, house 20, building Ts., ST.Petersburg, RUSSIA	RUB 3,712,525 thousand	Manufacture and sale of module/part		99.00	Export and sale of module/part	Mobis Parts CIS, LLC 1%
Mobis Automotive and Module Industry Trade Co.-Joint Stock Company	Asim Kibar Organize Sanayi Bolgesi 2, cadde No:4 41310, Izmit, Kocaeli, TURKEY	EUR 21,355 thousand	Manufacture and sale of module/part		100.00	Export and sale of module/part	
Mobis Hungary Kft.	2030 Erd, Fiastyuk utca 5 Budapest, Hungary	EUR 3,000 thousand	Manufacture and sale of module/part		100.00	Export and sale of module/part	Liquidate in Jan, 2020
Mobis India, Ltd	Plot No.G1,Sipcot Industrial Park, Irrungattukottai, Sriperumbudur Taluk, Kancheepuram Dist., Tamil Nadu, INDIA	INR 2,561,042 thousand	Manufacture and sale of module/part	2,561,042	100.00	Export and sale of module/part	
Mobis India Module Private Limited	Survey No.142 Part, 143 Part, 194 Part, Erramanchi Village, Penukonda Revenue Mandal Anantapur, Andra Pradesh, INDIA	INR 925,572 thousand	Manufacture and sale of module/part	9,255,720	100.00	Export and sale of module/part	
Hyundai Motor (Shanghai) Co., Ltd.	Room 2505,2/F,No.2001 North Yang High Road, Waigaoqiao Bonded Zone, Shanghai, CHINA	CNY 30,894 thousand	Sale of automotive parts		100.00	Export and sale of automotive parts	
Mobis Parts Canada Corporation	10 Mobis Drive, Markham, Ontario, L6C 0Y3, CANADA	CAD 7,370 thousand	Sale of automotive parts		100.00	Export and sale of automotive parts	

Status of the Subsidiaries				Relationship with Hyundai Mobis			Remarks
Company Name	Address	Capital	Major Line of Business	Number of Shares (in units of shares)	Shareholding Ratio (%)	Business Relationship	
Mobis Parts Europe N.V.	Neusenberg 2, 3583 Beringen, BELGIUM	EUR 72,727 thousand	Sale of automotive parts	2,931	100.00	Export and sale of automotive parts	
Mobis Parts Middle East FZE	P.O.Box : 17337, Jebel Ali Free Zone, Dubai, U.A.E	AED 10,950 thousand	Sale of automotive parts		100.00	Export and sale of automotive parts	
Mobis Parts Australia PTY., Ltd.	77 Peter Brock Drive, Eastern Creek, NSW, 2766, AUSTRALIA	AUD 16,330 thousand	Sale of automotive parts		100.00	Export and sale of automotive parts	
Hyundai IHL	215, Munsan Gongdan-gil, Oedong-eup, Gyeongju-si, Gyeongbuk	KRW 96 billion	Sale of automotive parts	19,080,000	99.38	Purchase of automotive parts	
HL Green Power	69, Gieopdosi 1-ro, Daesowon-myeon, Chungju-si, Chungbuk	KRW 29 billion	Manufacture of batteries	2,958,000	51.00	Purchase of automotive parts	

※ The companies above are the companies in which Hyundai Mobis or it's affiliates holds a shareholding ratio of more than 50%.

### C. Status of Officers Holding Concurrent Offices in the Parent Company or Subsidiary

Officer Holding Concurrent Office		Company of Concurrent Office	
Name	Title	Company Name	Duty
Chung Kook Park	CEO	Mobis Slovakia s.r.o.	Director

#### 4. Performance Results and Financial Status in the Recent Three Years

##### A. Performance Results

###### Summarized Income Statement

(Unit: KRW million)

Accounts	44th	43rd	42nd
Revenue	22,954,483	22,624,741	20,517,169
Cost of sales	(19,577,982)	(18,989,061)	(17,212,649)
Gross profit	3,376,501	3,635,680	3,304,520
Selling, general and administrative expenses	(2,002,671)	(1,956,063)	(1,756,110)
Operating profit	1,373,830	1,679,617	1,548,410
Other income	167,560	156,020	104,599
Other expenses	(193,864)	(124,685)	(138,680)
Finance income	641,183	774,000	708,317
Finance costs	(285,112)	(124,587)	(78,716)
Profit(Loss) on disposal of investments in associates and subsidiaries	(169,731)	165,715	(179,195)
Profit before income taxes	1,533,866	2,526,080	1,964,735
Income tax expenses	(368,402)	(619,712)	(404,886)
Profit for the year	1,165,464	1,906,368	1,559,849

## B. Financial Status

### Summarized Balance Sheet (Statement of Financial Position)

(Unit: KRW million)

Accounts	44th	43rd	42nd
Current assets	15,076,207	14,767,262	13,407,569
Non-current assets	15,867,280	15,033,036	13,770,188
Total assets	30,943,487	29,800,298	27,177,757
Current liabilities	5,726,896	5,276,521	4,452,892
Non-current liabilities	1,125,340	1,117,475	412,632
Total liabilities	6,852,236	6,393,996	4,865,524
Capital stock	491,096	491,096	491,096
Capital surplus	1,398,434	1,398,305	1,396,434
Treasury stock	(559,886)	(393,029)	(338,831)
Other equity	(87,762)	(83,630)	(72,648)
Retained earnings	22,849,369	21,993,560	20,836,182
Total equity	24,091,251	23,406,302	22,312,233
Total liabilities and equity	30,943,487	29,800,298	27,177,757

## 5. Company Issues

Please refer to the Representative Director's letter of greetings

## 6. Board of Directors and Auditors

Category	Name	Title	Responsible Duty or Main Role	Remarks
Director	Mong Koo Chung	Honorary Chairman (Internal Director)	Management and strategy (General Administration)	
	Eui Sun Chung	Representative Director (Internal Director)	Representative Director and Chairman (General Administration)	
	Chung Kook Park	Representative Director (Internal Director)	Representative Director and President (General Administration)	
	Hyungkeun Bae	Vice President (Internal Director)	Head of Finance Division	
Independent directors	Young Chang	Audit Committee Chairperson (Independent Director)	Finance advisor (Expert at accounting or finance)	Currently CIO/CEO of Young&Co
	Ji Soo Yu	Audit Committee Member (Independent Director)	Management and strategy advisor	Former President of Kookmin University
	Dae Soo Kim	Audit Committee Member (Independent Director)	Management and strategy advisor	Currently Professor at Korea University Business School
	Brian D. Jones	Audit Committee Member (Independent Director)	Finance advisor (Expert at accounting or finance)	Currently Co-President of Archegos Capital Management(US)
	Karl Thomas Neumann	Audit Committee Member (Independent Director)	Management and technology advisor	Currently Chairman of KTN GmbH (Germany)

## 7. Major Shareholders

Name of Shareholder	Number of Shares Held	Shareholding Ratio (%)	Business Relationship with Hyundai Mobis	Remarks
Kia Motors Corporation	16,427,074	17.24	Supply of automobile modules, etc.	Largest shareholder
Mong Koo Chung	6,778,966	7.11		Specially connected party of the largest shareholder
Hyundai Steel Company	5,504,846	5.78		Specially connected party of the largest shareholder
Hyundai Glovis Co., Ltd.	656,293	0.69	Delivery of products, etc.	Specially connected party of the largest shareholder
Eui Sun Chung	303,759	0.32		Specially connected party of the largest shareholder
Chung Kook Park	626	0		Specially connected party of the largest shareholder
Hyung Keun Bae	460	0		Specially connected party of the largest shareholder
National Pension Service	11,201,108	11.78		

※ The above number of shares held ratio were calculated based on common shares.  
These figures reflect the year-end shareholding status of the shareholders who submitted the "Large scale shareholding status report."



## 8. Shares held by Hyundai Mobis and it's Subsidiaries

Name of Other Companies	Investor and Contributor	Contributions made by Hyundai Mobis		Contributions made to Hyundai Mobis	
		Number of Shares Held	Shareholding Ratio(%)	Number of Shares Held	Shareholding Ratio(%)
Hyundai Motor Co., Ltd.	Hyundai Mobis	45,782,023	21.43		
Hyundai Autoever Corp.	"	4,000,000	19.05		
Hyundai Partecs Company Ltd.	"	1,040,000	13.00		
Haevichi Country Club Co., Ltd.	"	450,000	15.00		
Hyundai Transys Co., Ltd.	"	12,893,176	15.74		
Hyundai IHL Corporation	"	19,080,000	99.38		
Hyundai Autron Co., Ltd.	"	3,465,900	20.00		
Hyundai Motor Investment & Securities Co., Ltd.	"	4,983,200	16.99		
Hyundai Mnsoft, Inc.	"	1,063,952	25.67		
GIT Co., Ltd.	"	4,231,386	45.87		
HL Green Power, Inc.	"	2,958,000	51.00		
Fubon Hyundai Life Insurance Co., Ltd.	"	23,051,301	16.96		
Beijing Hyundai Mobis Automotive Parts Co., Ltd.	"		100.00		
Shanghai Hyundai Mobis Automotive Parts Co., Ltd.	"		100.00		
Jiangsu Mobis Automotive Parts Co., Ltd.	"		100.00		
Wuxi Mobis Automotive Parts Co., Ltd.	"		33.75		
	Shanghai Hyundai Mobis Automotive Parts Co., Ltd		66.25		
Tianjin Mobis Automotive Parts Co., Ltd.	Hyundai Mobis		100.00		
ChongQing Hyundai Mobis Automotive Parts Co., Ltd.	"		90.00		
Cangzhou Hyundai Mobis Automotive Parts Co., Ltd.	"		90.00		
Mobis America Inc.	"		100.00		
Mobis Alabama, LLC	Mobis America, Inc.		100.00		
American Autoparts, Inc.	Hyundai Mobis		100.00		

Name of Other Companies	Investor and Contributor	Contributions made by Hyundai Mobis		Contributions made to Hyundai Mobis	
		Number of Shares Held	Shareholding Ratio(%)	Number of Shares Held	Shareholding Ratio(%)
Mobis North America, LLC	American Autoparts, Inc.		100.00		
Hyundai Mobis Mexico, S. DE R.L. DE C.V.	Hyundai Mobis		98.37		
	Mobis America, Inc.		1.63		
Mobis Brasil Fabricacao De Auto Pecas Ltda	Hyundai Mobis		100.00		
Mobis Slovakia s.r.o.	"		100.00		
Mobis Automotive Czech s.r.o.	"		100.00		
Mobis Automotive System Czech s.r.o.	"		100.00		
Mobis Module CIS, LLC	"		99.00		
	Mobis Parts CIS, LLC		1.00		
Mobis Automotive and Module Industry Trade Co.-Joint Stock Company	Hyundai Mobis		100.00		
Mobis India, Ltd.	"	2,561,042	100.00		
Mobis India Module Private Limited	"	9,255,720	100.00		
Beijing Hyundai Mobis Parts Co., Ltd.	"		50.00		
Mobis Parts Jiangsu Yueda Trading Co., Ltd.	"		50.00		
Hyundai Motor (Shanghai) Co., Ltd.	"		100.00		
Mobis Parts America, LLC	Mobis America, Inc.		100.00		
Mobis Parts Miami, LLC	"		100.00		
Mobis Parts Canada Corporation	Hyundai Mobis		100.00		
Mobis Parts Europe N.V.	"	2,931	100.00		
Mobis Parts CIS, LLC	Mobis Parts Europe N.V		100.00		
Mobis Parts Middle East FZE	Hyundai Mobis		100.00		
Mobis Auto Parts Middle East Egypt	Mobis Parts Middle East FZE		100.00		
Mobis Parts Australia PTY., Ltd.	Hyundai Mobis		100.00		
Hyundai Motor Group (China) Ltd.	"		20.00		
Jiangsu Yueda New Energy Battery Co., Ltd.	"		50.00		
China Millennium Corporation I, Ltd.	"		10.10		
China Millennium Corporation II, Ltd.	"		10.10		
China Millennium Corporation III, Ltd.	"		10.10		
ZF Lemforder Chassis Technology Korea Co., Ltd.	"	533,600	27.34		
Hyundai Venture Investment Corp. Hydrogen Energy Fund	"	220(unit)	13.66		
Mtcom Co., Ltd.	"	26,668	17.58		
ACVC PARTNERS FUND I, LP	"		49.30		
Smart World Innovation Fund LP	"		38.00		
Motional AD LLC	"	399,999	10.00		
HYUNDAI MOTOR SINGAPORE PTE. L	"	304,402	20.00		

※ The companies above are the companies in which Hyundai Mobis or it's subsidiaries holds a shareholding ratio of at least 10%

**9. Key creditors, etc.**

No particular matters

**10. Major Events after the Reporting Period**

No particular matters

**11. Other Important Business Matters**

No particular matters

## **Report on Operational Status of Internal Accounting Control System**

To the Shareholders, Board of Directors, and Audit Committee of Hyundai Mobis Co., Ltd.

The Representative Director and the Internal Accounting Control Officer have evaluated the design and operational status of the Company's Internal Accounting Control System as of December 31, 2020 for the financial year then ended.

The Company's management, including the Representative Director and the Internal Accounting Control Officer, is responsible for the design and operation of the Internal Accounting Control System. The Representative Director and the Internal Accounting Control Officer have evaluated whether the Company's Internal Accounting Control System is effectively designed and operating for preparation and disclosure of reliable financial statements to prevent and detect any error or fraud that may result in misstatements. The Representative Director and the Internal Accounting Control Officer have used the "Design and Operational Concept of Internal Accounting Control System" published by the Internal Accounting Control System Operation Committee for design and operation of the Internal Accounting Control System as the basic standard. In addition, in evaluating the design and operation status of the Internal Accounting Control System, we used the "Guidelines for Evaluation and Report of Internal Accounting Control System" published by the Internal Accounting Control System Operation Committee as the evaluation standard.

According to the result of evaluation of the operational status of the Internal Accounting Control System by the Representative Director and the Internal Accounting Control Officer, the Internal Accounting Control System as of December 31, 2020 is effectively designed and operating in all material respects, considering the system's "Design and Operational Concept."

The Representative Director and the Internal Accounting Control Officer have confirmed that details in the report are not falsely stated or presented, and that it does not omit any items required to be stated or presented. In addition, the Representative Director and the Internal Accounting Control Officer have confirmed that no statement or presentation that may lead to material misunderstanding has been made in the report, and checked and reviewed the foregoing in person with due care.

Representative Director Chung Kook Park

Internal Accounting Control Officer Hyungkeun Bae

# Balance Sheet(Statement of Financial Position)

43th : December 31, 2020

43rd : December 31, 2019

(In millions of won)

Accounts	44th	43rd
<b>Assets</b>		
I . Current assets	15,076,207	14,767,262
Cash and equivalents	715,860	672,069
Other financial instruments	7,155,879	7,681,092
Trade and other receivables	5,742,236	5,056,871
Inventories, net	1,387,370	1,256,277
Other current assets	74,862	100,953
II. Non-current assets	15,867,280	15,033,036
Property, plant and equipment, net	6,703,285	6,295,697
Intangible assets, net	772,680	778,141
Investment property, net	29,210	29,674
Right of use asset	123,727	136,443
Investments in associates and joint ventures	7,563,732	7,171,817
Non-current financial assets	501,045	465,987
Other non-current assets	173,601	155,277
<b>Total assets</b>	<b>30,943,487</b>	<b>29,800,298</b>
<b>Liabilities</b>		
I . Current liabilities	5,726,896	5,276,521
Trade and other payables	3,636,269	3,284,915
Current portion of long-term debt and short-term borrowings	1,114,503	1,005,293
Current lease liabilities	29,478	25,819
Income taxes payable	228,743	292,188
Provisions for warranties	546,849	493,831
Other current liabilities	171,054	174,475
II. Non-current liabilities	1,125,340	1,117,475
Long-term borrowings		39,643
Non-current lease liabilities	90,737	104,040
Non-current provision for warranties	166,352	176,195
Deferred tax liabilities	372,358	273,404
Other Non-current liabilities	495,893	524,193
<b>Total liabilities</b>	<b>6,852,236</b>	<b>6,393,996</b>
<b>Equity</b>		
I . Capital stock	491,096	491,096
II. Capital surplus	1,398,434	1,398,305
III. Treasury stock	(559,886)	(393,029)
IV. Other equity	(87,762)	(83,630)
V . Retained earnings	22,849,369	21,993,560
<b>Total equity</b>	<b>24,091,251</b>	<b>23,406,302</b>
<b>Total liabilities and equity</b>	<b>30,943,487</b>	<b>29,800,298</b>

# Income Statement

44th : January 1, 2020 ~ December 31, 2020

43rd : January 1, 2019 ~ December 31, 2019

(In millions of won)

Accounts	44th		43rd	
I . Revenue		22,954,483		22,624,741
II . Cost of sales		(19,577,982)		(18,989,061)
III . Gross profit		3,376,501		3,635,680
Selling, general and administrative expenses	(2,002,671)		(1,956,063)	
IV . Operating profit		1,373,830		1,679,617
Other income	167,560		156,020	
Other expenses	(193,864)		(124,685)	
Finance income	641,183		774,000	
Finance costs	(285,112)		(124,587)	
Share of profit of associates and joint ventures	(169,731)		165,715	
V . Profit before income taxes		1,533,866		2,526,080
Income tax expense	(368,402)		(619,712)	
VI . Profit for the year		1,165,464		1,906,368
VII . Earnings per share		12,491 won		20,168 won

# Comprehensive Income Statement

44th : January 1, 2020 ~ December 31, 2020

43rd : January 1, 2019 ~ December 31, 2019

(In millions of won)

Accounts	43rd		42nd	
I . Profit for the year		1,165,464		1,906,368
II . Other comprehensive loss		19,514		(25,304)
Items that will never be reclassified to profit or loss:		19,602		(24,703)
1. Remeasurements of defined benefit liabilities	23,646		(14,322)	
2. Gain on a financial assets at FVOCI	(4,044)		(10,380)	
Items that are or may be reclassified to profit or loss:		(88)		(602)
1. Effective portion of changes in fair value of cash flow hedges	(88)		(602)	
III . Total comprehensive income for the year		1,184,978		1,881,064

# (Proposed) Statement of Appropriation of Retained Earnings

44th : January 1, 2020 ~ December 31, 2020

Date of Appropriation(planned) : March 24, 2020

43rd : January 1, 2019 ~ December 31, 2019

Date of Appropriation(planned) : March 18, 2020

(In millions of won)

Accounts	44th		43rd	
I. Unappropriated retained earnings		1,042,445		1,442,637
Balance at beginning of year	(93,687)		(93,560)	
Quarterly Dividend			(94,705)	
Remeasurements of defined benefit liabilities	23,646		(14,322)	
Cancellation of treasury stocks	(52,978)		(261,145)	
Profit for the year	1,165,464		1,906,368	
II. Transfers from voluntary reserves		-		-
Reserve for research and human resource development	-		-	
III. Appropriated of retained earnings		1,042,104		1,536,324
Dividends	370,104		280,324	
(Cash Dividend : Dividends per share(%))				
Common stock : 44th 4,000 won (80.0%) 43rd 3,000 won (60.0%)				
Preferred stock : 43th, 4,050 won (81.0%) 43rd, 3,050 won (61.0%)				
Technological Development Reserves	470,500		879,000	
Business Expansion Reserves	201,500		377,000	
IV. Unappropriated retained earnings to be carried over to subsequent year		341		(93,687)



# Statement of Changes in Equity

44th : January 1, 2020 ~ December 31, 2020

43rd : January 1, 2019 ~ December 31, 2019

(In millions of won)

Accounts	Capital stock	Capital surplus	Treasury stock	Other equity	Retained earnings	Total equity
Balance at January 1, 2019	491,096	1,396,434	(338,831)	(72,648)	20,930,306	22,406,357
Effect of account policy	0	0	0	0	(94,124)	(94,124)
Balance after adjustment	491,096	1,396,434	(338,831)	(72,648)	20,836,182	22,312,233
Comprehensive income :						
Profit(loss) for the year	0	0	0	0	1,906,368	1,906,368
Gain(loss) on a financial assets at FVOCI	0	0	0	(10,380)	0	(10,380)
Effective portion of changes in fair value of cash flow hedges	0	0	0	(602)	0	(602)
Remeasurements of defined benefit liabilities	0	0	0	0	(14,322)	(14,322)
Total comprehensive income for the year	0	0	0	(10,982)	1,892,046	1,881,064
Transactions with owners of the company, recognized directly in equity:						
Dividends	0	0	0	0	(473,523)	(473,523)
Acquisition and cancellation of treasury stock	0	1,871	(54,198)	0	(261,145)	(313,472)
Total transactions with owners of the company	0	1,871	(54,198)	0	(734,668)	(786,995)
Balance at december 31, 2019	491,096	1,398,305	(393,029)	(83,630)	21,993,560	23,406,302
Balance at January 1, 2020	491,096	1,398,305	(393,029)	(83,630)	21,993,560	23,406,302
Comprehensive income :						
Profit(loss) for the year	0	0	0	0	1,165,464	1,165,464
Gain(loss) on a financial assets at FVOCI	0	0	0	(4,044)	0	(4,044)
Effective portion of changes in fair value of cash flow hedges	0	0	0	(88)	0	(88)
Remeasurements of defined benefit liabilities	0	0	0	0	23,646	23,646
Total comprehensive income for the year	0	0	0	(4,132)	1,189,110	1,184,978
Transactions with owners of the company, recognized directly in equity:						
Dividends	0	0	0	0	(280,323)	(280,323)
Acquisition and cancellation of treasury stock	0	129	(166,857)	0	(52,978)	(219,706)
Total transactions with owners of the company	0	129	(166,857)	0	(333,301)	(500,029)
Balance at December 31, 2020	491,096	1,398,434	(559,886)	(87,762)	22,849,369	24,091,251

# Cash Flow Statement

44th : January 1, 2020 ~ December 31, 2020

43rd : January 1, 2019 ~ December 31, 2019

(In millions of won)

Accounts	44th	43rd
I . Cash flows from operating activities	1,517,205	1,641,352
Cash generated from operations	1,501,868	1,547,478
Interest received	126,262	174,776
Interest paid	(7,717)	(15,360)
Dividends received	239,344	516,259
Income tax paid	(342,552)	(581,801)
II . Cash flows from investing activities	(1,054,062)	(643,503)
Increase(decrease) in financial assets at amortized cost	430,942	125,358
Increase(decrease) in short-term loans		3,148
Increase(decrease) in long-term loans		
Disposal of financial assets at FVPL	845	84
Acquisition of financial assets at FVPL		(880)
Other comprehensive profit(loss) from disposal of financial assets at FVPL	31	
Other comprehensive profit(loss) from acquisition of financial assets at FVPL	(29,558)	(67,150)
Disposal of investments in associates and subsidiaries	3,032	
Acquisition of investments in associates and subsidiaries	(576,088)	(42,707)
Disposal of property, plant and equipment	27,223	16,382
Acquisition of property, plant and equipment	(884,038)	(643,331)
Disposal of intangible assets		1,430
Acquisition of intangible assets	(18,414)	(30,951)
Increase (decrease) in deposits provided	(8,037)	(4,886)
III . Cash flows from financing activities	(418,004)	(462,547)
Proceeds from (of) short-term borrowings	3,603,582	4,309,656
Repayment from (of) short-term borrowings	(3,469,757)	(3,943,823)
Dividends paid	(280,323)	(473,523)
Acquisition of treasury stock	(234,853)	(322,534)
Repayment of lease liabilities	(36,653)	(32,323)
IV . Effect of currency exchange rates fluctuation on cash and cash equivalents	(1,348)	(5,462)
V . Net increase (decrease) in cash and cash equivalents ( I + II + III + IV)	43,791	529,840
VI . Cash and cash equivalents at the beginning of year	672,069	142,229
VII . Cash and cash equivalents at the end of year	715,860	672,069

# Consolidated Balance Sheet (Statement of Financial Position)

44th : December 31, 2020

43rd : December 31, 2019

(In millions of won)

Accounts	44th	43rd
<b>Assets</b>		
I . Current assets	22,604,997	21,504,648
Cash and equivalents	4,202,436	3,341,977
Other financial instruments	7,296,096	7,769,131
Trade and other receivables	7,813,408	7,125,380
Inventories, net	3,057,206	3,034,170
Other current assets	235,851	233,990
II . Non-current assets	25,628,731	25,101,416
Property, plant and equipment, net	8,721,109	8,605,375
Intangible assets, net	881,287	913,970
Investment property, net	58,410	63,533
Right of use asset	319,964	365,659
Investments in associates and joint ventures	14,551,982	14,087,769
Non-current financial assets	501,172	466,032
Deferred tax assets	258,796	289,948
Other non-current assets	336,011	309,130
<b>Total assets</b>	<b>48,233,728</b>	<b>46,606,064</b>
<b>Liabilities</b>		
I . Current liabilities	9,784,243	8,962,268
Trade and other payables	6,141,183	5,685,109
Current portion of long-term debt and short-term borrowings	1,859,454	1,514,373
Current lease liabilities	80,575	77,458
Income taxes payable	258,425	374,044
Provisions for warranties	727,764	650,958
Other current liabilities	716,842	660,326
II . Non-current liabilities	5,093,909	5,234,174
Long-term borrowings	1,135,522	1,152,506
Defined benefit liabilities	12,242	52,723
Non-current lease liabilities	213,995	256,883
Non-current provision for warranties	212,605	247,481
Deferred tax liabilities	3,012,322	2,992,415
Other Non-current liabilities	507,223	532,166
<b>Total liabilities</b>	<b>14,878,152</b>	<b>14,196,442</b>
<b>Equity</b>		
Owners equity	33,280,121	32,330,018
I . Capital stock	491,096	491,096
II . Capital surplus	1,398,027	1,397,897
III . Treasury stock	(559,886)	(393,029)
IV . Other equity	(927,848)	(822,750)
V . Retained earnings	32,878,732	31,656,804
Non-controlling interests	75,455	79,604
<b>Total equity</b>	<b>33,355,576</b>	<b>32,409,622</b>
<b>Total liabilities and equity</b>	<b>48,233,728</b>	<b>46,606,064</b>

# Consolidated Income Statement

44th : January 1, 2020 ~ December 31, 2020

43rd : January 1, 2019 ~ December 31, 2019

(In millions of won)

Accounts	44th		43rd	
I . Revenue		36,626,504		38,048,768
II . Cost of sales		(31,922,266)		(32,819,599)
III . Gross profit		4,704,238		5,229,169
Selling, general and administrative expenses	(2,873,946)		(2,869,912)	
IV . Operating profit		1,830,292		2,359,257
Other income	257,949		243,458	
Other expenses	(367,029)		(240,640)	
Finance income	457,421		358,902	
Finance costs	(438,658)		(215,577)	
Share of profit of associates and joint ventures	412,000		708,894	
V . Profit before income taxes		2,151,975		3,214,294
Income tax expense	(597,674)		(919,983)	
VI . Profit for the year		1,554,301		2,294,311
Profit(loss) attributable to:				
Owners of the company		1,556,597		2,290,670
Non-controlling interests		(2,296)		3,641
VII . Earnings per share				
Basic earnings per share		16,683 won		24,234 won

# Consolidated Comprehensive Income Statement

44th : January 1, 2020 ~ December 31, 2020

43rd : January 1, 2019 ~ December 31, 2019

(In millions of won)

Accounts	44th		43rd	
I . Profit for the year		1,554,301		2,294,311
II. Other comprehensive profit(loss)		(106,571)		195,631
Items that will never be reclassified to profit or loss:		(30,758)		(20,073)
1. Remeasurements of defined benefit liabilities	23,614		(16,164)	
2. Change in retained earnings of equity method investments	(50,392)		21,060	
3. Gain on a financial assets at FVOCI	(3,980)		(10,385)	
4. Change in equity of equity method investments			(14,584)	
Items that are or may be reclassified to profit or loss:		(75,813)		215,704
1. Foreign currency translation difference for foreign operations	147,102		128,703	
2. Effective portion of changes in fair value of cash flow hedges	548		(1,061)	
3. Change in equity of equity method investments	(223,463)		88,062	
III. Total comprehensive income for the year		1,447,730		2,489,942
IV. Total comprehensive income(loss) attributable to:				
Owners of the company		1,450,131		2,486,518
Non-controlling interests		(2,401)		3,424

# Consolidated Statements of Changes in Equity

44th : January 1, 2020 ~ December 31, 2020

43rd : January 1, 2019 ~ December 31, 2019

(In millions of won)

Accounts	Capital stock	Capital surplus	Treasury stock	Other equity	Retained earnings	Non-controlling interests	Total equity
Balance at January 1, 2019	491,096	1,396,026	(338,831)	(1,013,270)	30,095,474	72,933	30,703,428
Comprehensive income :							
Profit(loss) for the year	0	0	0	0	2,290,670	3,641	2,294,311
Gain(loss) on a financial assets at FVOCI	0	0	0	(10,383)	0	(2)	(10,385)
Foreign currency translation difference for foreign operations	0	0	0	128,486	0	217	128,703
Effective portion of changes in fair value of cash flow hedges	0	0	0	(1,061)	0	0	(1,061)
Net change of equity method accounted investments	0	0	0	73,478	21,060	0	94,538
Remeasurements of defined benefit liabilities	0	0	0	0	(15,732)	(432)	(16,164)
Total comprehensive income for the year				190,520	2,295,998	3,424	2,489,942
Transactions with owners of the company, recognized directly in equity:							
Paid-in capital increase of subsidiaries	0		0	0	0	4,745	4,745
Dividends	0	0	0	0	(473,523)	(1,498)	(475,021)
Changes in treasury stocks	0	1,871	(54,198)	0	(261,145)		(313,472)
Total transactions with owners of the company	0	1,871	(54,198)	0	(734,668)	3,247	(783,748)
Balance at December 31, 2019	491,096	1,397,897	(393,029)	(822,750)	31,656,804	79,604	32,409,622
Balance at January 1, 2020	491,096	1,397,897	(393,029)	(822,750)	31,656,804	79,604	32,409,622
Comprehensive income :							
Profit(loss) for the year	0	0	0	0	1,556,597	(2,296)	1,554,301
Gain(loss) on a financial assets at FVOCI	0	0	0	(4,015)	0	35	(3,980)
Foreign currency translation difference for foreign operations	0	0	0	147,180	0	(78)	147,102
Effective portion of changes in fair value of cash flow hedges	0	0	0	547	0	0	547
Net change of equity method accounted investments	0	0	0	(248,810)	(25,045)	0	(273,855)
Remeasurements of defined benefit liabilities	0	0	0	0	23,678	(62)	23,616
Total comprehensive income for the year	0	0	0	(105,098)	1,555,230	(2,401)	1,447,731
Transactions with owners of the company, recognized directly in equity:							
Retirement of treasury stocks	0	0	52,979	0	(52,979)	0	0
Paid-in capital increase of subsidiaries	0	0	0	0	(280,323)	(1,748)	(282,071)
Dividends	0	130	15,017	0	0	0	15,147
Cancellation of treasury stocks	0	0	(234,853)	0	0	0	(234,853)
Total transactions with owners of the company	0	130	(166,857)	0	(333,302)	(1,748)	(501,777)
Balance at december 31, 2020	491,096	1,398,027	(559,886)	(927,848)	32,878,732	75,455	33,355,576

# Consolidated Cash Flow Statement

44th : January 1, 2020 ~ December 31, 2020

43rd : January 1, 2019 ~ December 31, 2019

(In millions of won)

Accounts	44th		43rd	
I. Cash flows from operating activities		2,479,166		2,644,058
Cash generated from operations	2,624,084		3,016,761	
Interest received	169,918		225,083	
Interest paid	(46,966)		(62,933)	
Dividends received	237,863		277,494	
Income tax paid	(505,733)		(812,347)	
II. Cash flows from investing activities		(1,256,765)		(720,168)
Increase(decrease) in financial assets at amortized cost	375,406		139,476	
Disposal of financial assets at FVPL	845		84	
Acquisition of financial assets at FVPL	-		(880)	
Other comprehensive profit(loss) from disposal of financial assets at FVPL	31		(67,150)	
Other comprehensive profit(loss) from acquisition of financial assets at FVPL	(29,558)		-	
Increase in short-term loans	6,123		1,724	
Increase in long-term loans	7		(213)	
Disposal of property, plant and equipment	45,522		38,083	
Acquisition of property, plant and equipment	(1,095,909)		(789,449)	
Disposal of intangible assets	-		1,430	
Acquisition of intangible assets	(23,108)		(38,335)	
Increase (Decrease) in deposits provided	(8,723)		(4,938)	
Acquisition of investment property	(527,401)		-	
III. Cash flows from financing activities		(234,354)		(972,006)
Repayment of lease liabilities	(104,605)		(98,371)	
Proceeds from current portion of long-term debt and short-term borrowings	4,087,501		4,494,869	
Repayment of current portion of long-term debt and short-term borrowings	(4,077,245)		(4,934,388)	
Proceeds from bonds and long-term borrowings	376,919		522,168	
Repayment of bonds and long-term borrowings	-		(163,474)	
Dividends paid	(282,071)		(475,021)	
Acquisition of treasury stock	(234,853)		(322,534)	
Paid-in capital increase of subsidiaries	-		4,745	
IV. Effect of currency exchange rates fluctuation on cash and cash equivalents		(127,588)		55,033
V. Net increase (decrease) in cash and cash equivalents(I+II+III+IV)		860,459		1,006,917
VI. Cash and cash equivalents at the beginning of year		3,341,977		2,335,060
VII. Cash and cash equivalents at the end of year		4,202,436		3,341,977