

The announcement of the spin-off from Hanwha Techwin

June 30th, 2017

Dear Sirs and Madams,

We would like to inform you that Hanwha Techwin will spin off its three core business divisions: Energy Equipment, Defense, and Industrial Equipment effective July 1, 2017. Thus, we will launch a new corporation, named **Hanwha Power Systems**, for the Energy Equipment business, Related Integral Geared Compressor.

The decision was made to strengthen our business expertise and competitiveness by proactively responding to rapidly changing market environments. We promise that we will continuously expand our business and pull together to enhance customers' value with our expertise in technology, quality, delivery, and service. The process shall be finalized by July 1st according to shareholders' approval on June 15th for the spin-off. All contracts signed before the spin-off will be succeeded by the new company.

If you have any questions, please feel free to contact us. Thank you as always and wish you all the best.

Sincerely,



Hyun-Woo Shin

President & CEO

Hanwha Techwin Co., Ltd. /Hanwha Power Systems Co., Ltd.