

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD.
and Subsidiaries
Consolidated Financial Statements
December 31, 2020 and 2019

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries
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December 31, 2020 and 2019

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Independent Auditor's Report

(English Translation of a Report Originally Issued in Korean)

To the Board of Directors and Shareholders of
Daewoo Engineering & Construction Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Daewoo Engineering & Construction Co., Ltd. and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of profit or loss, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Daewoo Engineering & Construction Co., Ltd. and its subsidiaries as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS).

Basis for Opinion

We conducted our audits in accordance with Korean Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements of the Republic of Korea that are relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with the ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

A. Accuracy of revenue recognition using input method

Key Audit Matter

As explained in Note 2.6 (Revenue Recognition) to the consolidated financial statements, the Group recognizes revenue over the period of time as the control of asset is transferred to the customer, and buildings, road, bridge, plant and others are developed, and the value of asset is increased. And, the percentage of completion is measured using input method based on the costs incurred. In addition, for those housing contracts which would meet the criteria listed on the board of Question and Answer (Q&A) numbered 2017-I-KQA015 by Korea Accounting Institute, revenue from sales of construction is recognized over the period of time as the control is transferred. And, revenue is recognized at the point in time when the real estate is transferred for those housing contracts that would not fulfill the criteria.

As explained in Note 3.1 (Uncertainty of the Estimated Total Contract Revenue and Contract Cost) to the consolidated financial statements, total contract revenue is affected by the uncertainty of the occurrence of future events such as additional contract work, claims, incentives and penalty. Total construction cost may vary based on future estimates of material and labor costs and outsourcing expenses and construction period due to variations in design change.

We considered that the main contracts determined to have high uncertainty in the accuracy of revenue recognition using the input method is a key audit matter given the Group's accounting policy that the Group recognizes revenue using percentage of completion by input method based on total contract revenue, total contract costs and accumulated cost incurred and the management's accounting estimates and judgements are involved in the revenue recognition that may result in significant impacts on the consolidated financial statements.

How our audit addressed the Key Audit Matter

We have conducted the following audit procedures regarding the accuracy of revenue recognition by the input method:

(i) Audit procedures for appropriateness of accounting policy of revenue recognition by the input method

- We obtained an understanding of the accounting policy for revenue recognition by the input method.
- We obtained an understanding of and evaluated the control over review on accounting policy of revenue recognition for construction contracts, and reviewed related controls.
- We obtained an understanding of and evaluated the control over review on accounting policy of revenue recognition for housing contracts for sale, and reviewed related controls.
- We reviewed the appropriateness of application of revenue recognition by the input method for major construction contracts.
- We reviewed contracts to determine that the major housing contract for sale fulfills the criteria listed on 2017-I-KQA015 of Q&A, and percentage of completion for the first intermediate payment date.

(ii) Audit procedures for appropriateness of total contract revenue

- We obtained an understanding of and evaluated internal control regarding entering into or changes in construction contracts.
- We reviewed input control of construction information on the construction management system.
- We reviewed input control of changing contracts information on construction management system.
- We reviewed control of contract revenue recognition for variable consideration.
- We reviewed control on migration of contract information from construction management systems to accounting system.
- We reviewed construction contracts to confirm the contractual amounts and terms of major construction contracts.
- We inquired on events for additional contract works, which would affect the total contract revenue of the major construction contracts, and reviewed validity of the contractual amount of change.
- We inquired and reviewed relevant documents to check validity for potential delay penalties in relation to overseas construction sites.
- We inquired and reviewed relevant document regarding potential changes in total contract revenue after the end of the reporting period.

(iii) Audit procedures for uncertainty of the estimated contract costs

- We obtained understanding and evaluated internal control regarding establishment, change and review of total contract costs.
- We reviewed control on calculation of total contract costs such as materials, outsourcing expenses and project expenses.
- We reviewed control on completeness of design drawing (calculation of quantities on design).
- We reviewed control regarding input of construction management system of total construction costs.
- We reviewed control regarding monitoring on total contract costs of monitoring department of the headquarters.
- We reviewed control regarding transfer of information on total contract costs between construction management system and accounting system.
- We inquired and reviewed relevant document regarding whether impacts on total contract costs in the customer's report, report for construction sites and discussion report of project management council are reflected in total contract costs appropriately.
- We inquired and reviewed relevant document regarding appropriateness of differences between the percentage of completion for accounting purpose and the percentage of completion reported to the customer.
- We compared total contract costs on construction management system with total contract costs on the accounting system for consistency.
- We inquired and reviewed relevant document regarding possibility of changes in total contract revenue after the end of the reporting period.
- We compared and reviewed total contract costs of major construction contracts with business plan for the subsequent year.

(iv) Audit procedures for accuracy of calculation of percentage of completion considering incurred costs and calculation of sales

- We obtained understanding and evaluated internal control regarding the slips for material costs, outsourcing expenses, labor costs, and other expenses.
- We reviewed control regarding purchase and issue of materials, outsourcing expenses and other expenses.
- We reviewed control regarding labor costs and labor costs from the construction site.
- We reviewed control regarding settlement and burden costs of joint contract work costs.
- We reviewed control regarding transfer of information on incurred costs between construction management system and accounting system.
- We reviewed the appropriateness of reclassification of other costs from the construction site.
- We reviewed relevant documents including external evidences for accuracy of cut-off of costs incurred for the sites and the amounts.
- We performed recalculation for accuracy of percentage of completion and calculation of sales based on the percentage of completion.

B. Assessment of recoverability of trade and other receivables for developmental construction contracts

Key Audit Matter

As explained in Note 3.3 (Impairment of Financial Assets) to the consolidated financial statements, the Group considered that that financial assets are impaired based on the estimates of expected business revenue and expenses of the customer in relation to construction contracts for the customer's development business such as apartment, high-rise apartment and industrial complex. The expected business revenue and expenses are affected by the uncertainty of the occurrence of future events such as future schedule of development business, real estate economy outlook and others.

We considered that the assessment of trade and other receivables for the main developmental construction contracts determined to have high uncertainty in relation to valuation on recoverability is a key audit matter given management's accounting estimates and judgements involved in the assessment that result in significant impacts on the consolidated financial statements.

How our audit addressed the Key Audit Matter

We have conducted the following audit procedures to address the risks for valuation on recoverability of trade and other receivables for developmental construction contracts:

- (i) We obtained understanding of the accounting policy in relation to the assessment of recoverability of trade and other receivables for developmental construction contracts.
- (ii) We obtained understanding and evaluated internal control regarding the provision for impairment.
- (iii) We reviewed control of business development plan.
- (iv) We reviewed control of monitoring on business development plan of headquarter.

(v) We reviewed appropriateness of the assessment of the recoverability of trade and other receivables for developmental construction contracts considering the customer's creditworthiness and business profitability estimated by the Group.

- We inquired and reviewed the customer's creditworthiness.
- We inquired, performed analytical review procedures and reviewed relevant document for the appropriateness of basis of calculation for the expected business revenue and expenses of business profitability.
- We reviewed appropriateness of the assessment of the recoverability of trade and other receivables based on the customer's credit and business profitability estimated by the Group.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 3 to the consolidated financial statements of the Group. Note 3 to the consolidated financial statements describes management's plans and action taken to resolve uncertainty relating to the impact of Coronavirus disease 2019 (COVID-19) on the Group's productivity and ability to satisfy customer's orders, and to solve these events or circumstances. These matters do not affect our opinion.

Other Matters

The accompanying consolidated financial statements as of and for the years ended December 31, 2020 and 2019, have been translated into the U.S. dollars solely for the convenience of the reader and have been translated on the basis set forth in Note 4 to the consolidated financial statements.

Auditing standards and their application in practice vary among countries. The procedures and practices used in the Republic of Korea to audit such financial statements may differ from those generally accepted and applied in other countries.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Korean IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Korean Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Korean Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jae-Sang Han, Certified Public Accountant.

Seoul, Korea
March 12, 2021

<p>This report is effective as of March 12, 2021, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.</p>

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries
Consolidated Statements of Financial Position
December 31, 2020 and 2019

(in millions of Korean won and thousands of US dollars (Note 4))

	Notes	2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	5,6,9,37	₩ 806,485	₩ 756,756	\$ 741,255	\$ 695,549
Financial instrument assets	5,6,12,13,25,37	428,535	470,000	393,874	431,985
Trade receivables	5,6,8,10,37	1,000,878	1,353,498	919,925	1,244,024
Other receivables	5,6,10,37	539,442	605,189	495,811	556,240
Due from customers for contract work	8,37	859,754	908,403	790,215	834,929
Advance payments		661,159	695,482	607,683	639,230
Prepaid expenses	8	130,221	249,685	119,688	229,490
Inventories	11	1,479,345	872,887	1,359,692	802,286
Assets held for sale	14,25	36,794	100,611	33,818	92,473
Current tax assets		30,530	36,882	28,061	33,899
		<u>5,973,143</u>	<u>6,049,393</u>	<u>5,490,022</u>	<u>5,560,105</u>
Non-current assets					
Investments in associates	15,25	112,397	96,859	103,306	89,025
Financial instrument assets	5,6,13,25,37	7,546	15,190	6,936	13,961
Investments in securities	5,6,12,25,37	247,228	232,778	227,232	213,950
Other receivables	5,6,8,10,37	1,084,675	1,158,146	996,944	1,064,472
Prepaid expenses		33,155	33,895	30,474	31,154
Investment property	18,25	378,903	386,646	348,256	355,373
Property, plant and equipment	16,25	350,603	511,932	322,245	470,526
Intangible assets	17,25	97,145	69,461	89,288	63,843
Deferred tax assets	34	776,335	848,546	713,543	779,914
Leased right-of-use assets	19	244,786	294,851	224,987	271,003
		<u>3,332,773</u>	<u>3,648,304</u>	<u>3,063,211</u>	<u>3,353,221</u>
Total assets		<u>₩ 9,305,916</u>	<u>₩ 9,697,697</u>	<u>\$ 8,553,233</u>	<u>\$ 8,913,326</u>

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries
Consolidated Statements of Financial Position
December 31, 2020 and 2019

(in millions of Korean won and thousands of US dollars (Note 4))

	Notes	2020	2019	2020	2019
Liabilities					
Current liabilities					
Financial instrument liabilities	5,6,13,21,37	₩ 1,303,300	₩ 1,413,998	\$ 1,197,886	\$ 1,299,631
Trade payables	5,6,37	119,421	314,070	109,762	288,667
Other payables	5,6,20,37	1,628,409	1,686,798	1,496,699	1,550,366
Advances received	8,20	456,144	335,416	419,250	308,287
Due to customers for contract work	8	868,262	822,037	798,035	755,549
Withholdings		120,370	120,922	110,634	111,142
Guarantee deposits received	5,6,37	200,108	110,275	183,923	101,356
Income tax payable		9,123	3,728	8,385	3,426
Short-term lease liabilities	6,19,37	64,346	72,268	59,142	66,423
Current portion of provisions	23	166,896	205,199	153,397	188,602
		<u>4,936,379</u>	<u>5,084,711</u>	<u>4,537,113</u>	<u>4,673,449</u>
Non-current liabilities					
Financial instrument liabilities	5,6,13,21,37	740,724	979,259	680,813	900,054
Other payables	5,6,20,37	1,894	-	1,741	-
Advances received	8,20	93,794	94,637	86,208	86,983
Provisions	23	225,479	253,734	207,242	233,211
Guarantee deposits received	5,6,37	25,731	104,833	23,650	96,354
Net defined benefit liabilities	22	176,706	208,749	162,414	191,865
Long-term employee benefits liabilities		4,697	2,885	4,317	2,652
Long-term lease liabilities	6,9,37	409,157	442,361	376,063	406,582
Deferred tax liabilities		14,359	38,279	13,198	35,183
		<u>1,692,541</u>	<u>2,124,737</u>	<u>1,555,646</u>	<u>1,952,884</u>
Total liabilities		<u>6,628,920</u>	<u>7,209,448</u>	<u>6,092,759</u>	<u>6,626,333</u>
Equity attributable to owners of the Parent Company					
Share capital	1,26	2,078,113	2,078,113	1,910,030	1,910,030
Capital surplus	26	549,538	549,538	505,090	505,090
Other components of equity	27	(99,174)	(99,174)	(91,153)	(91,153)
Accumulated other comprehensive loss	27	(361,849)	(258,391)	(332,582)	(237,492)
Retained earnings	28	507,805	188,593	466,733	173,339
		<u>2,674,433</u>	<u>2,458,679</u>	<u>2,458,118</u>	<u>2,259,814</u>
Non-controlling interest		<u>2,563</u>	<u>29,570</u>	<u>2,356</u>	<u>27,179</u>
Total equity		<u>2,676,996</u>	<u>2,488,249</u>	<u>2,460,474</u>	<u>2,286,993</u>
Total liabilities and equity		<u>₩ 9,305,916</u>	<u>₩ 9,697,697</u>	<u>\$ 8,553,233</u>	<u>\$ 8,913,326</u>

The U.S. dollars figures are provided for information purpose only and do not form part of the audited consolidated financial statements. Refer to Note 4.

The above consolidated statements of financial position should be read in conjunction with the accompanying notes.

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries
Consolidated Statements of Profit or Loss
Years Ended December 31, 2020 and 2019

(in millions of Korean won and thousands of
US dollars (Note 4), except per share amounts)

	Notes	2020		2019						
Sales	7,8	₩	8,136,706	₩	8,651,852	\$	7,478,590	\$	7,952,070	
Cost of sales	8,30		<u>7,136,415</u>		<u>7,796,798</u>		<u>6,559,205</u>		<u>7,166,175</u>	
Gross profit			1,000,291		855,054		919,385		785,895	
Selling and administrative expenses	30,31		442,033		490,993		406,280		451,280	
Operating profit	7		<u>558,258</u>		<u>364,061</u>		<u>513,105</u>		<u>334,615</u>	
Share of gain (loss) of associates	15		(9,143)		27,263		(8,403)		25,058	
Other income	32		255,273		311,947		234,626		286,716	
Other expenses	32		367,527		323,984		337,801		297,779	
Financial income	33		45,081		59,363		41,435		54,562	
Financial costs	33		<u>104,536</u>		<u>131,375</u>		<u>96,081</u>		<u>120,749</u>	
Profit before income tax			377,406		307,275		346,881		282,423	
Income tax expense	34		<u>94,802</u>		<u>106,035</u>		<u>87,135</u>		<u>97,460</u>	
Profit for the year			<u>₩</u>	<u>282,604</u>	<u>₩</u>	<u>201,240</u>	<u>\$</u>	<u>259,746</u>	<u>\$</u>	<u>184,963</u>
Profit for the year attributable to:										
Owners of the Parent Company		₩	283,812	₩	208,615	\$	260,856	\$	191,742	
Non-controlling interest			(1,208)		(7,375)		(1,110)		(6,779)	
Earnings per share attributable										
to the owners of the Parent Company										
Basic earnings per share	29	₩	691	₩	508	\$	0.64	\$	0.47	
Diluted earnings per share	29		690		507		0.63		0.47	

The U.S. dollars figures are provided for information purpose only and do not form part of the audited consolidated financial statements. Refer to Note 4.

The above consolidated statements of profit or loss should be read in conjunction with the accompanying notes.

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries
Consolidated Statements of Comprehensive Income
Years Ended December 31, 2020 and 2019

(in millions of Korean won and thousands of US dollars (Note 4))

	Notes	2020	2019	2020	2019
Profit for the year		₩ 282,604	₩ 201,240	\$ 259,746	\$ 184,963
Other comprehensive loss, net of tax		(93,857)	(30,713)	(86,265)	(28,229)
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurements of net defined benefit liabilities	22	35,386	(5,683)	32,524	(5,223)
Gain on valuation of financial instruments					
at fair value through other comprehensive income	12,27	19	4	17	3
<i>Items that may be subsequently reclassified to profit or loss</i>					
Gain (loss) on valuation of financial instruments					
at fair value through other comprehensive income	12,27	(56)	27	(51)	25
Loss on overseas operations translation	27	(109,281)	(21,345)	(100,442)	(19,619)
Share of other comprehensive loss of associates	15,27	(19,925)	(3,716)	(18,313)	(3,415)
Total comprehensive income for the year		₩ 188,747	₩ 170,527	\$ 173,481	\$ 156,734
Owners of the Parent Company		₩ 215,754	₩ 176,773	\$ 198,303	\$ 162,475
Non-controlling interest		(27,007)	(6,246)	(24,822)	(5,741)

The U.S. dollars figures are provided for information purpose only and do not form part of the audited consolidated financial statements. Refer to Note 4.

The above consolidated statements of comprehensive income should be read in conjunction with the accompanying notes.

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries

Consolidated Statements of Changes in Equity

Years Ended December 31, 2020 and 2019

(in millions of Korean won)

Notes	Attributable to owners of the Parent Company							Non-controlling interest	Total						
	Share capital	Capital surplus	Other components of equity	Accumulated other comprehensive loss	Retained earnings (Accumulated deficit)										
Balance at January 1, 2019	₩	2,078,113	₩	549,538	₩	(99,174)	₩	(232,784)	₩	(13,787)	₩	35,816	₩	2,317,722	
Total comprehensive income (loss)															
Profit (loss) for the year		-		-		-		-		208,615		(7,375)		201,240	
Gain (loss) on valuation of financial instruments at fair value through other comprehensive income	12,27	-		-		-		583		(552)		-		31	
Gain (loss) on overseas operations translation	27	-		-		-		(22,474)		-		1,129		(21,345)	
Remeasurements of net defined benefit liabilities	22	-		-		-		-		(5,683)		-		(5,683)	
Share of other comprehensive income of associates		-		-		-		(3,716)		-		-		(3,716)	
Total comprehensive income (loss)		-		-		-		(25,607)		202,380		(6,246)		170,527	
Balance at December 31, 2019	26,27,28	₩	2,078,113	₩	549,538	₩	(99,174)	₩	(258,391)	₩	188,593	₩	29,570	₩	2,488,249
Balance at January 1, 2020	26,27,28	₩	2,078,113	₩	549,538	₩	(99,174)	₩	(258,391)	₩	188,593	₩	29,570	₩	2,488,249
Total comprehensive income (loss)															
Profit (loss) for the year		-		-		-		-		283,812		(1,208)		282,604	
Gain (loss) on valuation of financial instruments at fair value through other comprehensive income	12,27	-		-		-		(51)		14		-		(37)	
Loss on overseas operations translation	27	-		-		-		(83,482)		-		(25,799)		(109,281)	
Remeasurements of net defined benefit liabilities	22	-		-		-		-		35,386		-		35,386	
Share of other comprehensive income of associates		-		-		-		(19,925)		-		-		(19,925)	
Total comprehensive income (loss)		-		-		-		(103,458)		319,212		(27,007)		188,747	
Transactions with owners of the Parent Company :															
Increase in paid-in capital of the subsidiaries		-		-		-		-		-		-		-	
Total transactions with owners of the Parent Company		-		-		-		-		-		-		-	
Balance at December 31, 2020	26,27,28	₩	2,078,113	₩	549,538	₩	(99,174)	₩	(361,849)	₩	507,805	₩	2,563	₩	2,676,996

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries

Consolidated Statements of Changes in Equity

Years Ended December 31, 2020 and 2019

(in thousands of US dollars (Note 4))

Notes	Attributable to owners of the Parent Company						Non-controlling interest	Total
	Share capital	Capital surplus	Other components of equity	Accumulated other comprehensive loss	Retained earnings (Accumulated deficit)			
Balance at January 1, 2019	\$ 1,910,030	\$ 505,090	\$ (91,153)	\$ (213,956)	\$ (12,671)	\$ 32,919	\$ 2,130,259	
Total comprehensive income (loss)								
Profit (loss) for the year	-	-	-	-	191,742	(6,779)	184,963	
Gain (loss) on valuation of financial instruments at fair value through other comprehensive income	12,27	-	-	536	(508)	-	28	
Gain (loss) on overseas operations translation	27	-	-	(20,657)	-	1,038	(19,619)	
Remeasurements of net defined benefit liabilities	22	-	-	-	(5,223)	-	(5,223)	
Share of other comprehensive income of associates	-	-	-	(3,415)	-	-	(3,415)	
Total comprehensive income (loss)	-	-	-	(23,536)	186,011	(5,741)	156,734	
Balance at December 31, 2019	<u>\$ 1,910,030</u>	<u>\$ 505,090</u>	<u>\$ (91,153)</u>	<u>\$ (237,492)</u>	<u>\$ 173,340</u>	<u>\$ 27,178</u>	<u>\$ 2,286,993</u>	
Balance at January 1, 2020	\$ 1,910,030	\$ 505,090	\$ (91,153)	\$ (237,492)	\$ 173,340	\$ 27,178	\$ 2,286,993	
Total comprehensive income (loss)								
Profit (loss) for the year	-	-	-	-	260,856	(1,110)	259,746	
Gain (loss) on valuation of financial instruments at fair value through other comprehensive income	12,27	-	-	(47)	13	-	(34)	
Loss on overseas operations translation	27	-	-	(76,730)	-	(23,712)	(100,442)	
Remeasurements of net defined benefit liabilities	22	-	-	-	32,524	-	32,524	
Share of other comprehensive income of associates	-	-	-	(18,313)	-	-	(18,313)	
Total comprehensive income (loss)	-	-	-	(95,090)	293,393	(24,822)	173,481	
Transactions with owners of the Parent Company :								
Increase in paid-in capital of the subsidiaries	-	-	-	-	-	-	-	
Total transactions with owners of the Parent Company	-	-	-	-	-	-	-	
Balance at December 31, 2020	<u>\$ 1,910,030</u>	<u>\$ 505,090</u>	<u>\$ (91,153)</u>	<u>\$ (332,582)</u>	<u>\$ 466,733</u>	<u>\$ 2,356</u>	<u>\$ 2,460,474</u>	

The U.S. dollars figures are provided for information purpose only and do not form part of the audited consolidated financial statements. Refer to Note 4.

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries

Consolidated Statements of Cash Flows

Years Ended December 31, 2020 and 2019

(in millions of Korean won and thousands of US dollars (Note 4))

	Notes	2020	2019	2020	2019
Cash flows from operating activities					
Cash generated from (used in) operations	36	₩ 499,648	₩ (201,652)	\$ 459,235	\$ (185,342)
Interest received		39,885	52,288	36,659	48,059
Interest paid		(105,092)	(128,302)	(96,592)	(117,925)
Income tax paid		(31,457)	(70,091)	(28,913)	(64,422)
Dividends received		5,400	38,011	4,963	34,937
Net cash inflow (outflow) from operating activities		<u>408,384</u>	<u>(309,746)</u>	<u>375,352</u>	<u>(284,693)</u>
Cash flows from investing activities					
Decrease in current financial instrument assets		1,488,593	810,123	1,368,192	744,598
Increase in current financial instrument liabilities (derivatives)		18,547	29,947	17,047	27,525
Decrease in current other receivables		106,297	29,626	97,699	27,230
Disposal of assets held for sale		67,699	53,215	62,223	48,911
Decrease in investments in securities		13,691	12,185	12,584	11,199
Disposal of investments in associates		1,544	2,601	1,419	2,391
Decrease in non-current other receivables		149,370	289,290	137,289	265,892
Disposal of investment property		210	90,497	193	83,177
Disposal of property, plant and equipment		8,625	8,648	7,927	7,949
Disposal of intangible assets		4,575	900	4,205	827
Increase in current financial instrument assets		(1,494,387)	(830,002)	(1,373,517)	(762,869)
Decrease in current financial instrument liabilities (derivatives)		(11,048)	(5,387)	(10,154)	(4,951)
Increase in current other receivables		(83,911)	(36,013)	(77,124)	(33,100)
Acquisition of investments in securities		(27,125)	(13,894)	(24,931)	(12,770)
Acquisition of investments in associates		(50,316)	(3,020)	(46,246)	(2,776)
Increase in non-current other receivables		(122,770)	(156,570)	(112,840)	(143,906)
Acquisition of property, plant and equipment		(11,679)	(23,529)	(10,734)	(21,626)
Acquisition of intangible assets		(10,777)	(4,422)	(9,905)	(4,064)
Net cash inflow from investing activities		<u>47,138</u>	<u>254,195</u>	<u>43,327</u>	<u>233,637</u>
Cash flows from financing activities					
Increase in current financial instrument liabilities		973,991	1,117,594	895,212	1,027,200
Increase in non-current financial instrument liabilities		991,869	1,147,202	911,644	1,054,414
Decrease in current financial instrument liabilities		(2,208,668)	(1,880,469)	(2,030,026)	(1,728,372)
Decrease in non-current financial instrument liabilities		(105,000)	(200,905)	(96,507)	(184,655)
Decrease in lease liabilities		(71,225)	(75,792)	(65,464)	(69,662)
Net cash inflow (outflow) from financing activities		<u>(419,033)</u>	<u>107,630</u>	<u>(385,141)</u>	<u>98,925</u>
Effects of exchange rate changes on cash and cash equivalents		13,240	(1,273)	12,168	(1,170)
Net increase in cash and cash equivalents		49,729	50,806	45,706	46,699
Cash and cash equivalents at the beginning of the year	9	756,756	705,950	695,549	648,850
Cash and cash equivalents at the end of the year	9	<u>₩ 806,485</u>	<u>₩ 756,756</u>	<u>\$ 741,255</u>	<u>\$ 695,549</u>

The U.S. dollars figures are provided for information purpose only and do not form part of the audited consolidated financial statements. Refer to Note 4.

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes.

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2020 and 2019

1. General Information

General information about Daewoo Engineering & Construction Co., Ltd. (the “Parent Company”) and its subsidiaries (collectively referred to as the “Group”) is as follows.

1.1 General Information of the Parent Company

The Parent Company was incorporated on December 27, 2000 upon split-off of the former Daewoo Corporation. The Parent Company is engaged in the engineering and construction business including civil works (construction of infrastructures such as roads and railroads), architectural (construction of office and commercial buildings), housing (construction of residential buildings), plants (construction of petrochemical and gas plants), and power plants (construction of energy-related plants).

As at December 31, 2020, the balance of share capital of the Parent Company is ₩ 2,078,113 million (equivalent to \$ 1,910,030 thousand) and the largest shareholder is KDB INVESTMENT No.1 Limited. (percentage of ownership: 50.75%), which a subsidiary of Korea Development Bank.

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
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1.2 General Information of the Subsidiaries

The Parent Company's consolidated subsidiaries as at December 31, 2020 and 2019, are as follows:

	Location	Type of business	Percentage of ownership (%)		Year end
			2020	2019	
DW Steel Tech Co., Ltd.	Korea	Construction	100	100	December 31
Daewoo Songdo Hotel Co., Ltd.	Korea	Hotel	100	100	December 31
Prugio Service Co., Ltd. ¹	Korea	Construction warranties	-	100	December 31
Korea Infrastructure Management Co., Ltd.	Korea	Management	100	100	December 31
Pruwell	Korea	Food service	100	100	December 31
Daewoo Power Co., Ltd.	Korea	Service	100	100	December 31
Central Chuncheon First Co., Ltd. ²	Korea	Other financial	-	-	December 31
Planup Tangjeong First Co., Ltd. ^{2,3}	Korea	Other financial	-	-	December 31
DW Ruwon First Co., Ltd. ^{2,3}	Korea	Other financial	-	-	December 31
Bluevillagetech ^{2,3}	Korea	Other financial	-	-	December 31
East Seoul Underground-road Co., Ltd. ³	Korea	Construction	100	-	December 31
DW AMERICA DEVEL'T INC.	U.S.A.	Real estate	100	100	December 31
Daewoo Tripoli Investment & Development Co.	Libya	Hotel	60	60	December 31
SAIPAN LAULAU DEVELOPMENT, INC.	Saipan	Golf resort	100	100	December 31
THT DEVELOPMENT CO., LTD.	Vietnam	Real estate	100	100	December 31
Daewoo E&C Nigeria Limited ⁴	Nigeria	Construction	49	49	December 31
Daewoo E&C Vietnam Co., Ltd.	Vietnam	Construction	100	100	December 31
Daewoo E&C DUQM LLC	Oman	Construction	100	100	December 31
DAEWOOOST INDIA PVT LTD ³	India	Construction	100	-	December 31

¹ It is excluded from subsidiaries since it was merged with DW Steel Tech Co., Ltd.

² It is included in subsidiaries since the Group satisfies the requirements of substantive power which is established for the purpose of trade receivables securitization of the Parent Company.

³ It is newly established for the year ended December 31, 2020.

⁴ It is included in subsidiaries since the Group satisfies the requirements for substantive power in that the Group has voting right to appoint directors and has a call option to purchase the shares held by non-controlling interests.

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries
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Summarized financial information of consolidated subsidiaries as at and for the years ended December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

	2020					
	Assets	Liabilities	Equity	Sales	Profit (loss) for the year	Total comprehensive income (loss)
DW Steel Tech Co., Ltd.	₩ 125,793	₩ 38,999	₩ 86,794	₩ 148,574	₩ 1,579	₩ 1,349
Daewoo Songdo Hotel Co., Ltd.	139,000	126,351	12,649	18,326	(5,395)	(5,170)
Prugio Service Co., Ltd.	-	-	-	65,182	1,877	1,877
Korea Infrastructure Management Co., Ltd.	197,179	169,498	27,681	57,388	4,232	4,386
Pruwell	5,496	2,480	3,016	14,237	437	322
Daewoo Power Co., Ltd.	26,929	14,183	12,746	38,733	(2,193)	(2,166)
Central Chuncheon First Co., Ltd.	56,504	56,504	-	-	-	-
Planup Tangjeong First Co., Ltd.	130,394	130,394	-	-	-	-
DW Ruwon First Co., Ltd.	60,003	60,003	-	-	-	-
Bluevillagetechn	60,001	60,001	-	-	-	-
East Seoul Underground-road Co., Ltd.	5	-	5	-	-	-
DW AMERICA DEVELT INC.	595	3,334	(2,739)	-	429	621
Daewoo Tripoli Investment & Development Co.	32,447	26,890	5,557	-	(17,056)	(67,646)
SAIPAN LAULAU DEVELOPMENT, INC.	52,067	29,423	22,644	3,399	(5,311)	(6,904)
THT DEVELOPMENT CO., LTD.	652,995	231,479	421,516	260,194	133,399	111,968
Daewoo E&C Nigeria Limited	30,933	26,759	4,174	28,155	2,256	1,047
Daewoo E&C Vietnam Co., Ltd.	21,961	8,194	13,767	64,779	7,027	6,293
Daewoo E&C DUQM LLC	9,673	1,284	8,389	17,773	7,896	7,237
DAEWOOOST INDIA PVT LTD	199	-	199	-	-	-

(in thousands of US dollars (Note 4))

	2020					
	Assets	Liabilities	Equity	Sales	Profit (loss) for the year	Total comprehensive income (loss)
DW Steel Tech Co., Ltd.	\$ 115,619	\$ 35,845	\$ 79,774	\$ 136,557	\$ 1,451	\$ 1,240
Daewoo Songdo Hotel Co., Ltd.	127,757	116,131	11,626	16,844	(4,959)	(4,752)
Prugio Service Co., Ltd.	-	-	-	59,910	1,725	1,725
Korea Infrastructure Management Co., Ltd.	181,231	155,789	25,442	52,746	3,890	4,031
Pruwell	5,051	2,279	2,772	13,085	402	296
Daewoo Power Co., Ltd.	24,751	13,036	11,715	35,600	(2,016)	(1,991)
Central Chuncheon First Co., Ltd.	51,934	51,934	-	-	-	-
Planup Tangjeong First Co., Ltd.	119,847	119,847	-	-	-	-
DW Ruwon First Co., Ltd.	55,150	55,150	-	-	-	-
Bluevillagetechn	55,148	55,148	-	-	-	-
East Seoul Underground-road Co., Ltd.	5	-	5	-	-	-
DW AMERICA DEVELT INC.	547	3,064	(2,517)	-	394	571
Daewoo Tripoli Investment & Development Co.	29,823	24,715	5,108	-	(15,676)	(62,175)
SAIPAN LAULAU DEVELOPMENT, INC.	47,856	27,043	20,813	3,124	(4,881)	(6,346)
THT DEVELOPMENT CO., LTD.	600,179	212,756	387,423	239,149	122,609	102,912
Daewoo E&C Nigeria Limited	28,431	24,595	3,836	25,878	2,074	962
Daewoo E&C Vietnam Co., Ltd.	20,185	7,532	12,653	59,540	6,459	5,784
Daewoo E&C DUQM LLC	8,891	1,180	7,710	16,335	7,257	6,652
DAEWOOOST INDIA PVT LTD	183	-	183	-	-	-

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(in millions of Korean won)

	2019					
	Assets	Liabilities	Equity	Sales	Profit (loss) for the year	Total comprehensive income (loss)
DW Steel Tech Co., Ltd.	₩ 80,892	₩ 20,005	₩ 60,887	₩ 87,290	₩ 1,206	₩ 1,114
Daewoo Songdo Hotel Co., Ltd.	139,978	151,159	(11,181)	27,503	(21,036)	(21,122)
Prugio Service Co., Ltd.	41,503	18,799	22,704	135,236	6,486	6,816
Korea Infrastructure Management Co., Ltd.	189,733	164,438	25,295	46,410	4,572	4,640
Pruwell	4,969	2,276	2,693	11,999	(307)	(372)
Daewoo Power Co., Ltd.	37,967	23,055	14,912	22,282	4,087	4,064
Central Chuncheon First Co., Ltd.	82,710	82,710	-	-	-	-
DW AMERICA DEVELT INC.	188	3,548	(3,360)	-	23	(93)
Daewoo Tripoli Investment & Development Co.	107,928	34,723	73,205	-	(18,836)	(16,007)
SAIPAN LAULAU DEVELOPMENT, INC.	58,942	32,470	26,472	6,580	(3,094)	(2,040)
THT DEVELOPMENT CO., LTD.	557,768	248,221	309,547	346,324	145,853	149,579
Daewoo E&C Nigeria Limited	18,214	15,086	3,128	9,905	3,172	3,121
Daewoo E&C Vietnam Co., Ltd.	25,618	12,056	13,562	62,429	5,249	5,509
Daewoo E&C DUQM LLC	2,651	12	2,639	5,813	1,962	1,932

(in thousands of US dollars (Note 4))

	2019					
	Assets	Liabilities	Equity	Sales	Profit (loss) for the year	Total comprehensive income (loss)
DW Steel Tech Co., Ltd.	\$ 74,349	\$ 18,387	\$ 55,962	\$ 80,230	\$ 1,108	\$ 1,024
Daewoo Songdo Hotel Co., Ltd.	128,656	138,933	(10,277)	25,278	(19,335)	(19,414)
Prugio Service Co., Ltd.	38,146	17,278	20,868	124,298	5,961	6,265
Korea Infrastructure Management Co., Ltd.	174,387	151,138	23,249	42,656	4,202	4,265
Pruwell	4,567	2,092	2,475	11,028	(282)	(342)
Daewoo Power Co., Ltd.	34,896	21,190	13,706	20,480	3,756	3,735
Central Chuncheon First Co., Ltd.	76,020	76,020	-	-	-	-
DW AMERICA DEVELT INC.	173	3,261	(3,088)	-	21	(85)
Daewoo Tripoli Investment & Development Co.	99,199	31,915	67,284	-	(17,313)	(14,712)
SAIPAN LAULAU DEVELOPMENT, INC.	54,175	29,844	24,331	6,048	(2,844)	(1,875)
THT DEVELOPMENT CO., LTD.	512,654	228,144	284,510	318,313	134,056	137,481
Daewoo E&C Nigeria Limited	16,741	13,866	2,875	9,104	2,915	2,869
Daewoo E&C Vietnam Co., Ltd.	23,546	11,081	12,465	57,380	4,824	5,063
Daewoo E&C DUQM LLC	2,437	11	2,426	5,343	1,803	1,776

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries

Notes to the Consolidated Financial Statements

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2. Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

The Group maintains its accounting records in Korean won and prepares statutory financial statements in the Korean language (Hangul) in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS). The accompanying consolidated financial statements have been condensed, restructured and translated into English from the Korean language financial statements.

Certain information attached to the Korean language financial statements, but not required for a fair presentation of the Group's financial position, financial performance or cash flows, is not presented in the accompanying consolidated financial statements.

The consolidated financial statements of the Group have been prepared in accordance with Korean IFRS. These are the standards, subsequent amendments and related interpretations issued by the International Accounting Standards Board (IASB) that have been adopted by the Republic of Korea.

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments), certain classes of property, plant and equipment and investment property – measured at fair value
- assets held for sale – measured at fair value less costs to sell, and
- defined benefit pension plans – plan assets measured at fair value.

The preparation of financial statements requires the use of critical accounting estimates. Management also needs to exercise judgement in applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

2.2 Changes in Accounting Policies and Disclosures

2.2.1 New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing January 1, 2020.

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(a) Amendments to Korean IFRS 1001 *Presentation of Financial Statements* and Korean IFRS 1008 *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*

The amendments clarify the definition of material. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The amendments do not have a significant impact on the financial statements.

(b) Amendments to Korean IFRS 1103 *Business Combination – Definition of a Business*

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs and the definition of output excludes the returns in the form of lower costs and other economic benefits. If substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets, an entity may elect to apply an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The amendments do not have a significant impact on the financial statements.

(c) Amendments to Korean IFRS 1109 *Financial Instruments*, Korean IFRS 1039 *Financial Instruments: Recognition and Measurement* and Korean IFRS 1107 *Financial Instruments: Disclosure – Interest Rate Benchmark Reform*

The amendments allow to apply the exceptions in relation the application of hedge accounting while uncertainties arising from interest rate benchmark reform exist. The exceptions require the Group assumes that the interest rate benchmark on which the hedged items and the hedging instruments are based on is not altered as a result of interest rate benchmark reform, when determining whether the expected cash flows are highly probable, whether an economic relationship between the hedged item and the hedging instrument exists, and when assessing the hedging relationship is highly effective. The amendments do not have a significant impact on the financial statements.

2.2.2 New standards and interpretations not yet adopted by the Group

The following new accounting standards and interpretations have been published that are not mandatory for December 31, 2020 reporting period and have not been early adopted by the Group.

(a) Amendments to Korean IFRS 1116 *Lease – Practical expedient for COVID-19 - Related Rent Exemption, Concessions, Suspension*

As a practical expedient, a lessee may elect not to assess whether a rent concession occurring as a direct consequence of the COVID-19 pandemic is a lease modification, and the amounts recognized in profit or loss as a result of applying this exemption should be disclosed. The amendments should be applied for annual periods beginning on or after June 1, 2020, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

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(b) Amendments to Korean IFRS 1109 Financial Instruments, Korean IFRS 1039 Financial Instruments: Recognition and Measurement, Korean IFRS 1107 Financial Instruments: Disclosure, Korean IFRS 1104 Insurance Contracts and Korean IFRS 1116 Lease – Interest Rate Benchmark Reform

In relation to interest rate benchmark reform, the amendments provide exceptions including adjust effective interest rate instead of book amounts when interest rate benchmark of financial instruments at amortized costs is replaced, and apply hedge accounting without discontinuance although the interest rate benchmark is replaced in hedging relationship. The amendments should be applied for annual periods beginning on or after January 1, 2021, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

(c) Amendments to Korean IFRS 1103 Business Combination – Reference to the Conceptual Framework

The amendments update a reference of definition of assets and liabilities qualify for recognition in revised Conceptual Framework for Financial Reporting. However, the amendments add an exception for the recognition of liabilities and contingent liabilities within the scope of Korea IFRS 1037 Provisions, Contingent Liabilities and Contingent Assets, and Korean IFRS 2121 Levies. The amendments also confirm that contingent assets should not be recognized at the acquisition date. The amendments should be applied for annual periods beginning on or after January 1, 2022, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

(d) Amendments to Korean IFRS 1016 Property, Plant and Equipment - Proceeds before intended use

The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while the entity is preparing the asset for its intended use. Instead, the entity will recognize the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendments should be applied for annual periods beginning on or after January 1, 2022, and earlier application is permitted. The Group is in review for the impact of these amendments on the financial statements.

(e) Amendments to Korean IFRS 1037 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts : Cost of Fulfilling a Contract

The amendments clarify that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts when assessing whether the contract is onerous. The amendments should be applied for annual periods beginning on or after January 1, 2022, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

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(f) Annual improvements to Korean IFRS 2018-2020

Annual improvements of Korean IFRS 2018-2020 Cycle should be applied for annual periods beginning on or after January 1, 2022, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

(g) Amendments to Korean IFRS 1001 *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current*

The amendments clarify that liabilities are classified as either current or non-current, depending on the substantive rights that exist at the end of the reporting period. Classification is unaffected by the likelihood that an entity will exercise right to defer settlement of the liability or the expectations of management. Also, the settlement of liability include the transfer of the entity's own equity instruments, however, it would be excluded if an option to settle them by the entity's own equity instruments if compound financial instruments is met the definition of equity instruments and recognized separately from the liability. The amendments should be applied for annual periods beginning on or after January 1, 2023, and earlier application is permitted. The Group is in review for the impact of these amendments on the financial statements.

2.3 Consolidation

The consolidated financial statements have been prepared in accordance with Korean IFRS 1110 *Consolidated financial statements*.

(a) *Subsidiaries*

Subsidiaries are all entities over which the Group has control. The Group controls the corresponding investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Consolidation of a subsidiary begins from the date the Group obtains control of a subsidiary and ceases when the Group loses control of the subsidiary.

The Group applies the acquisition method to account for business combinations. The consideration transferred is measured at the fair values of the assets transferred, and identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis in the event of liquidation, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets. All other non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by IFRS. Acquisition-related costs are expensed as incurred.

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Goodwill is recognized as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree over the identifiable net assets acquired. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

Balances of receivables and payables, income and expenses and unrealized gains on transactions between the Group subsidiaries are eliminated. Adjustments to subsidiaries, financial statements have been made where necessary to ensure consistency with the policies adopted by the Group.

(b) Associates

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. If there is an objective evidence of impairment for the investment in the associate, the Group recognizes the difference between the recoverable amount of the associate and its book amount as impairment loss.

(c) Joint arrangements

A joint arrangement of which two or more parties have joint control is classified as either a joint operation or a joint venture. A joint operator has rights to the assets, and obligations for the liabilities, relating to the joint operation and recognizes the assets, liabilities, revenues and expenses relating to its interest in a joint operation. A joint venturer has rights to the net assets relating to the joint venture and accounts for that investment using the equity method.

2.4 Foreign Currency Translation

(a) Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Korean won, which is the Parent Company (except for foreign branches)'s functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss. They are deferred in other comprehensive income if they are attributable to monetary part of the net investment in a foreign operation.

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2.5 Financial Assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss
- those to be measured at fair value through other comprehensive income, and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For financial assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(b) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Hybrid (combined) contracts with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into one of the following three measurement categories:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in 'financial income' using the effective interest rate method.

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- Fair value through other comprehensive income: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment loss (and reversal of impairment loss), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'financial income' using the effective interest rate method. Foreign exchange gains and losses are presented in 'other income or other expenses' and impairment loss in 'other expenses'.
- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit or loss within 'other income or other expenses' in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as 'other income' when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in 'other income or other expenses' in the statement of profit or loss as applicable. Impairment loss (and reversal of impairment loss) on equity investments measured at fair value through other comprehensive income are not reported separately from other changes in fair value.

(c) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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(d) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized or derecognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

If a transfer does not result in derecognition because the Group has retained substantially all the risks and rewards of ownership of the transferred asset, the Group continues to recognize the transferred asset in its entirety and recognizes a financial liability for the consideration received. The related financial liability is classified as 'financial instrument liabilities' in the statement of financial position.

(e) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statements of financial position where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.6 Revenue Recognition

The Group recognizes revenue in accordance with Korean IFRS 1115 *Revenue from Contracts with Customers*.

(a) Identify performance obligation

The Group identifies goods or services as a separate performance obligation if both of the following criteria are met: (a) the customer can benefit from the goods or services either on its own or together with other resources that are readily available to the customer; and (b) the entity's promise to transfer the goods or services to the customer is separately identifiable from other promises in the contract.

(b) A performance obligation is satisfied over time

The Group recognizes revenue over the period of time as the control of asset is transferred to the customer, and buildings, road, bridge, plant and others are developed, and the value of asset is increased. And, the progress towards completion is measured using input method based on the costs incurred.

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In addition, for those housing contracts which would meet the criteria listed on the board of Q&A numbered 2017-I-KQA015 by Korea Accounting Institute, from sales of construction is recognized over the period of time as the control is transferred. And, revenue is recognized at the point in time when the real estate is transferred for those housing contracts that would not fulfil the criteria. The accounting treatment is allowed only for Korean IFRS in accordance with Section 1, Paragraph 1 of Article 5 of the Act on External Audit of Stock Companies.

(c) Variable consideration

The Group estimates an amount of variable consideration by using the expected value which the Group expects to better predict the amount of consideration. The Group recognizes revenue with transaction price including variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the refund period has lapsed. The refund liability is measured at the amount of consideration received for which the Group does not expect to be entitled.

(d) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, Korean IFRS 1002 *Inventories*, Korean IFRS 1016 *Property, Plant and Equipment* or Korean IFRS 1038 *Intangible Assets*), the Group recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- the costs generate or enhance resources of the entity that will be used in satisfying performance obligations in the future; and
- the costs are expected to be recovered.

(e) Significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer.

As a practical expedient, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if the entity expects, at contract inception, that the period between when the entity transfers promised goods or services to a customer and when the customer pays for that goods or services will be one year or less.

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2.7 Derivatives

Derivatives are initially recognized at fair value on the date when a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of the derivatives that are not qualified for hedge accounting are recognized in the statement of profit or loss within 'other income (expenses)' according to the nature of transactions.

2.8 Inventories

Inventories are stated at the lower of cost and net realizable value. Raw materials and supplies are valued at cost using first-in, first-out method (FIFO) and temporary materials are measured at cost less accumulated depreciation.

2.9 Trade Receivables

Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognized at fair value. Trade receivables are subsequently measured at amortized cost using the effective interest method, less loss allowance.

2.10 Non-current Assets (or Disposal Group) Held for sale

Non-current assets (or disposal group) are classified as assets held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The assets are measured at the lower amount of their carrying amount and the fair value less costs to sell.

2.11 Property, Plant and Equipment

Property, plant and equipment are stated at its cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition of the asset.

Depreciation on others except for land is calculated using the straight-line method to depreciate the difference between their cost and their residual values over their estimated useful lives, as follows:

	Estimated Useful life
Buildings	18 - 60 years
Structures	4 - 40
Ships	5 - 12
Machinery	4 - 8
Vehicles	4 - 5
Tools	4
Furniture and fixtures	4

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2.12 Intangible Assets

Intangible assets are initially recognized at its historical cost and carried at its cost less accumulated amortization. Intangible assets with definite useful life are amortized using the straight-line method over the following estimated useful lives when the asset is available for use:

	Estimated Useful life
Usage rights	Stipulated terms of usage
Software	4 years
Membership right	Duration of membership

Membership rights and trademarks are regarded as intangible assets with indefinite useful life and not amortized because there is no foreseeable limit to the period over which the asset is expected to be utilized.

2.13 Investment Property

Property held to earn rentals or for capital appreciation or both is classified as investment property. Investment property is measured initially at its cost. After recognition as an asset, investment property is carried at cost less accumulated depreciation and impairment losses. Investment property, except for land, is depreciated using the straight-line method over their useful lives of 40 years.

2.14 Borrowing Costs

Borrowing costs incurred in the acquisition or construction of a qualifying asset are capitalized in the period when it is prepared for its intended use, and investment income earned on the temporary investment of borrowings made specifically for the purpose obtaining a qualifying asset is deducted from the borrowing costs eligible for capitalization during the period. Other borrowing costs are recognized as expenses for the period in which they are incurred.

2.15 Impairment of Non-financial Assets

Intangible assets with indefinite useful lives are not subject to amortization and are tested annually for impairment. Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets, other than goodwill, that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

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2.16 Financial Liabilities

(a) Classification and measurement

Financial liabilities at fair value through profit or loss are financial instruments held for trading. Financial liabilities are classified in this category if incurred principally for the purpose of repurchasing them in the near term. Derivatives that are not designated as hedges or bifurcated from financial instruments containing embedded derivatives are also categorized as held-for-trading.

The Group classifies non-derivative financial liabilities, except for financial liabilities at fair value through profit or loss, financial guarantee contracts and financial liabilities that arise when a transfer of financial assets does not qualify for derecognition, as financial liabilities carried at amortized cost and presented as 'trade payables', 'financial instrument liabilities' and 'other payables' in the statement of financial position.

(b) Derecognition

Financial liabilities are removed from the statement of financial position when it is extinguished, for example, when the obligation specified in the contract is discharged, cancelled or expired or when the terms of an existing financial liability are substantially modified. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

2.17 Financial Guarantee Contracts

Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value, subsequently at the higher of following and recognized in the statement of financial position within 'financial instrument liabilities'.

- the amount determined in accordance with the expected credit loss model under Korean IFRS 1109 *Financial Instruments*; and
- the amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with Korean IFRS 1115 *Revenue from Contracts with Customers*.

2.18 Provisions

Provisions are measured as the best estimated amount, where there are obligations resulted by past events, high possibilities to cost resources with financial benefits and the amount is reliably estimated for fulfill the obligations.

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2.19 Current and Deferred Tax

The tax expense for the period consists of current and deferred tax. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax expense is measured at the amount expected to be paid to the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. The Group recognizes current income tax on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

The Group recognizes a deferred tax liability all taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint arrangements, except to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. In addition, The Group recognizes a deferred tax asset for all deductible temporary differences arising from such investments to the extent that it is probable the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset when the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the assets and settle the liability simultaneously.

2.20 Employee Benefits

The Group operates both defined contribution and defined benefit pension plans.

For defined contribution plans, the Group pays contribution to publicly or privately administered pension insurance plans on mandatory, contractual or voluntary basis. The Group has no further payment obligation once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

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A defined benefit plan is a pension plan that is not a defined contribution plan. Generally, post-employment benefits are payable after the completion of employment, and the benefit amount depended on the employee's age, periods of service or salary levels. The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs.

2.21 Leases

(a) Lessor

The Group classifies leases as operating leases or finance leases. Leases in which a significant portion of the risks and rewards of ownership of underlying assets were transferred to the Group were classified as finance leases. Leases in which a significant portion of the risks and rewards of ownership of underlying assets were not transferred to the Group were classified as operating leases.

Lease income from leases where the Group is a lessor is recognized in income on a straight-line basis over the lease term or other systematic basis. Initial direct costs incurred in obtaining an lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature. Also, if the Group is a lessor of a finance lease, finance lease receivable is recognized with application of the discount rate used for measuring lease liabilities.

(b) Lessee

The Group leases various construction equipment, vehicles and buildings. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and financial cost. The financial cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

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Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Payments associated with short-term leases or leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee uses the lessee's incremental borrowing rate, the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Group applied credit-rating AAA non-guaranteed public bond interest rate as lessee's incremental borrowing rate, considering the credit rating and security of right-of-use asset of the Group.

2.22 Segment Reporting

Information of each operating segment is reported in a manner consistent with the business segment reporting provided to the chief operating decision-maker. The chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments has been identified as the board of director that makes strategic decisions.

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2.23 Approval of Issuance of the Financial Statements

The issuance of the December 31, 2020 consolidated financial statements was approved by the Board of Directors on February 4, 2021 and will be approved at the annual shareholders' meeting on March 26, 2021.

3. Critical Accounting Estimates and Assumptions

The preparation of financial statements requires the Group to make estimates and assumptions concerning the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

During 2020, the spread of Coronavirus disease 2019 ("COVID-19") has a material impact on the global economy. It may have a negative impact; such as, decrease in productivity, decrease in sales, delay of completion period and others. Accordingly, it may have a negative impact on the financial position and financial performance of the Group.

Significant accounting estimates and assumptions applied in the preparation of the consolidated financial statements can be adjusted depending on changes in the uncertainty from COVID-19. Also, the ultimate effect of COVID-19 to the Group's business, financial position and financial performance cannot presently be determined.

3.1 Uncertainty of the Estimated Total Contract Revenue and Contract Cost

Total contract revenue is measured based on contractual amount initially agreed. The contract revenue can be increased by additional contract work, claims and incentive payments in the course of construction, or decreased by the penalty when the completion of contract is delayed due to the Group's fault. Therefore, this measurement of contract revenue is affected by the uncertainty of the occurrence of future events.

Also, if the completion is delayed due to the reasons attributable to the Group, the contract revenue amount may be reduced if the delay compensation is charged. As at December 31, 2020, for certain sites where the completion period is expected to be delayed, the estimated delay compensation based on the reasons for the Group's misconduct and past experiences is reflected in the consolidated financial statements. These delay compensation costs are subject to uncertainty that may be changed depending on the claim of extension of construction period with the client and the result of catch-up plan for process delay. Accordingly, the Group plans to minimize the burden of delay compensation through various countermeasures.

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The amount of construction revenues is influenced by the stage of completion that is measured based on the contract costs incurred up to the end of the reporting period. There are uncertainties that total construction cost may vary based on future estimates of material costs, labor costs, outsourcing expenses and construction period due to variations in design change and contract period.

The Group reviews periodically whether there is a significant variation in estimated total contract revenue and costs.

3.2 Fair Value of Financial Assets

For the fair value of financial instruments that are not traded in an active market, the Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

3.3 Impairment of Financial Assets

The provision for impairment for financial assets is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Group considered that financial assets are impaired based on the estimates of expected business revenue and expenses of the customer in relation to construction contracts for the customer's development business such as apartment, high-rise apartment and industrial complex. The expected business revenue and expenses are affected by the uncertainty of future occurrence such as project schedule for business development, real estate economy outlook and others.

3.4 Provisions

The Group recognized provisions related to construction warranty, litigations and payment guarantee. Provisions are determined based on historical experience and forecasts of future events. However, future events can be different significantly with historical experience and expectation and there is uncertainty that may cause the significant differences with actual amount.

3.5 Net Defined Benefit Liability

The present value of net defined benefit liability depends on a number of factors that are determined on an actuarial basis, especially the discount rate.

3.6 Income Tax

The Group recognizes for the future taxable amounts resulted from the operating business as current and deferred tax based on its best estimates. However, the amount of the actual future tax may not be exactly equal to the amount of relating assets and liabilities, and such differences may impact on the current and deferred income tax assets and liabilities in the period in which it is determined.

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3.7 Lease

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

4. United States Dollar Amounts

The Group operates primarily in Korea and its accounting records are maintained in Korean won. The U.S. dollar amounts, provided herein, represent supplementary information, solely for the convenience of the reader. All won amounts are expressed in the U.S.dollars at \$ 1: ₩ 1,088, the exchange rate in effect on December 31, 2020. Such presentation is not in accordance with Korean IFRS, and should not be considered as a representation that the won amounts shown could be readily converted, realized or settled in the U.S. dollars at this or any other rate.

The 2019 U.S. dollar amounts, which were previously expressed at \$ 1: ₩ 1,157.8, the rate in effect on December 31, 2019 have been restated to reflect the exchange rate in effect on December 31, 2020.

5. Fair Value

5.1 Fair Value of Financial Instruments by Category

Carrying amount and fair value of financial instruments by category as at December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

	2020		2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	₩ 806,485	₩ 806,485	₩ 756,756	₩ 756,756
Short-term financial instrument assets ¹	428,535	428,535	470,000	470,000
Trade receivables	1,000,878	1,000,878	1,353,498	1,353,498
Short-term other receivables	539,442	539,442	605,189	605,189
Long-term financial instrument assets	7,546	7,546	15,190	15,190
Long-term other receivables	1,084,675	1,084,675	1,158,146	1,158,146
Investment in securities	247,228	247,228	232,778	232,778
	<u>₩ 4,114,789</u>	<u>₩ 4,114,789</u>	<u>₩ 4,591,557</u>	<u>₩ 4,591,557</u>

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(in millions of Korean won)

	2020		2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Short-term financial instrument liabilities	₩ 1,303,300	₩ 1,303,300	₩ 1,413,998	₩ 1,413,998
Trade payables	119,421	119,421	314,070	314,070
Short-term other payables	1,628,409	1,628,409	1,686,798	1,686,798
Guarantee deposits received	200,108	200,108	110,275	110,275
Long-term financial instrument liabilities	740,724	740,724	979,259	979,259
Long-term guarantee deposits received	25,731	25,731	104,833	104,833
Long-term other payables	1,894	1,894	-	-
	<u>₩ 4,019,587</u>	<u>₩ 4,019,587</u>	<u>₩ 4,609,233</u>	<u>₩ 4,609,233</u>

(in thousands of US dollars (Note 4))

	2020		2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	\$ 741,255	\$ 741,255	\$ 695,549	\$ 695,549
Short-term financial instrument assets ¹	393,874	393,874	431,985	431,985
Trade receivables	919,925	919,925	1,244,024	1,244,024
Short-term other receivables	495,811	495,811	556,240	556,240
Long-term financial instrument assets	6,936	6,936	13,961	13,961
Long-term other receivables	996,944	996,944	1,064,472	1,064,472
Investment in securities	227,232	227,232	213,950	213,950
	<u>\$ 3,781,977</u>	<u>\$ 3,781,977</u>	<u>\$ 4,220,181</u>	<u>\$ 4,220,181</u>
Financial liabilities				
Short-term financial instrument liabilities	\$ 1,197,886	\$ 1,197,886	\$ 1,299,631	\$ 1,299,631
Trade payables	109,762	109,762	288,667	288,667
Short-term other payables	1,496,699	1,496,699	1,550,366	1,550,366
Guarantee deposits received	183,923	183,923	101,356	101,356
Long-term financial instrument liabilities	680,813	680,813	900,054	900,054
Long-term guarantee deposits received	23,650	23,650	96,354	96,354
Long-term other payables	1,741	1,741	-	-
	<u>\$ 3,694,474</u>	<u>\$ 3,694,474</u>	<u>\$ 4,236,428</u>	<u>\$ 4,236,428</u>

¹ Restricted deposits amounting to ₩ 171,919 million (equivalent to \$ 158,014 thousand) (2019: ₩ 197,350 million (equivalent to \$ 181,388 thousand)) under the joint agreements are included.

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5.2 Fair Value Hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards. Assets measured at fair value are categorized within the fair value hierarchy, and the defined levels are as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date (Level 1).
- All inputs other than quoted prices included in level 1 that are observable (either directly that is, prices, or indirectly that is, derived from prices) for the asset or liability (Level 2).
- Unobservable inputs for the asset or liability (Level 3).

Fair value hierarchy classifications of the financial instruments that are measured at fair value or its fair value is disclosed as at December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

	2020			
	Level 1	Level 2	Level 3	Total
Financial assets that are measured at fair value				
Debt instruments at fair value through profit or loss	₩ -	₩ -	₩ 231,671	₩ 231,671
Debt instruments at fair value through other comprehensive income	-	5,177	257	5,434
Equity instruments at fair value through other comprehensive income	5	-	10,218	10,223
Current derivative instruments assets	-	1,305	-	1,305
Non-current derivative instruments assets	-	-	-	-
Financial liabilities that are measured at fair value				
Current derivative instruments liabilities	-	9,163	-	9,163
Non-current derivative instruments liabilities	-	9,942	-	9,942

(in thousands of US dollars (Note 4))

	2020			
	Level 1	Level 2	Level 3	Total
Financial assets that are measured at fair value				
Debt instruments at fair value through profit or loss	\$ -	\$ -	\$ 212,933	\$ 212,933
Debt instruments at fair value through other comprehensive income	-	4,758	236	4,994
Equity instruments at fair value through other comprehensive income	5	-	9,391	9,396
Current derivative instruments assets	-	1,199	-	1,199
Non-current derivative instruments assets	-	-	-	-
Financial liabilities that are measured at fair value				
Current derivative instruments liabilities	-	8,422	-	8,422
Non-current derivative instruments liabilities	-	9,138	-	9,138

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Fair value hierarchy of financial assets and liabilities that are not measured at their fair value but whose fair value are disclosed are classified as Level 3.

(in millions of Korean won)

	2019			
	Level 1	Level 2	Level 3	Total
Financial assets that are measured at fair value				
Debt instruments at fair value through profit or loss	₩ -	₩ -	₩ 215,302	₩ 215,302
Debt instruments at fair value through other comprehensive income	-	4,265	257	4,522
Equity instruments at fair value through other comprehensive income	2,756	-	10,216	12,972
Current derivative instruments assets	-	12,562	-	12,562
Non-current derivative instruments assets	-	7,645	-	7,645
Financial liabilities that are measured at fair value				
Current derivative instruments liabilities	-	5,236	-	5,236
Non-current derivative instruments liabilities	-	127	-	127

(in thousands of US dollars (Note 4))

	2019			
	Level 1	Level 2	Level 3	Total
Financial assets that are measured at fair value				
Debt instruments at fair value through profit or loss	\$ -	\$ -	\$ 197,888	\$ 197,888
Debt instruments at fair value through other comprehensive income	-	3,920	236	4,156
Equity instruments at fair value through other comprehensive income	2,533	-	9,390	11,923
Current derivative instruments assets	-	11,546	-	11,546
Non-current derivative instruments assets	-	7,027	-	7,027
Financial liabilities that are measured at fair value				
Current derivative instruments liabilities	-	4,813	-	4,813
Non-current derivative instruments liabilities	-	117	-	117

Fair value hierarchy of financial assets and liabilities that are not measured at their fair value but whose fair value are disclosed are classified as Level 3.

5.3 Transfers between Fair Value Hierarchy Levels of Recurring Fair Value Measurements

The Group recognizes transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. There are no transfers of recurring measurements between Level 1 and Level 2 of the fair value hierarchy.

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Changes in the financial instrument included in level 3 for the years ended December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

	2020		
	Financial assets at fair value through profit or loss	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income
Beginning balance	₩ 215,302	₩ 257	₩ 10,216
Acquisition	18,569	-	-
Disposal	(63)	-	-
Reclassification	(6,529)	-	2
Amount recognized in profit or loss	4,392	-	-
Ending balance	₩ 231,671	₩ 257	₩ 10,218

(in thousands of US dollars (Note 4))

	2020		
	Financial assets at fair value through profit or loss	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income
Beginning balance	\$ 197,888	\$ 236	\$ 9,390
Acquisition	17,067	-	-
Disposal	(58)	-	-
Reclassification	(6,001)	-	2
Amount recognized in profit or loss	4,037	-	-
Ending balance	\$ 212,933	\$ 236	\$ 9,392

(in millions of Korean won)

	2019		
	Financial assets at fair value through profit or loss	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income
Beginning balance	₩ 224,532	₩ 257	₩ 726
Acquisition	3,200	-	9,491
Disposal	(845)	-	(1)
Amount recognized in profit or loss	(11,585)	-	-
Ending balance	₩ 215,302	₩ 257	₩ 10,216

(in thousands of US dollars (Note 4))

	2019		
	Financial assets at fair value through profit or loss	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income
Beginning balance	\$ 206,371	\$ 236	\$ 667
Acquisition	2,941	-	8,724
Disposal	(777)	-	(1)
Amount recognized in profit or loss	(10,647)	-	-
Ending balance	\$ 197,888	\$ 236	\$ 9,390

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5.4 Valuation Technique and the Inputs

The Group uses valuation techniques, such as discounted cash flows and net asset approach, and variable inputs to fair values subject to disclosure, recurring and non-recurring fair value measurements categorized within Level 2 and Level 3 of the fair value hierarchy.

5.5 Valuation Processes for Fair Value Measurements Categorized within Level 3

The Group performs the fair value measurements on major equity securities, including Level 3 fair values, using reputable external rating agencies.

5.6 Sensitivity Analysis for Recurring Fair Value Measurements Categorized within Level 3

The Group believes that changes in inputs for each financial instrument will not have a significant effect on the equity.

6. Financial Instruments by Category

6.1 Carrying Amounts of Financial Assets by Category

Categorizations of financial assets as at December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

	2020			
	Financial assets at fair value through profit or loss	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Total
Current				
Cash and cash equivalents	₩ -	₩ 806,485	₩ -	₩ 806,485
Financial instrument assets	1,305	427,130	100	428,535
Trade receivables	-	1,000,878	-	1,000,878
Other receivables	-	539,442	-	539,442
	<u>1,305</u>	<u>2,773,935</u>	<u>100</u>	<u>2,775,340</u>
Non-current				
Financial instrument assets	-	7,546	-	7,546
Investment in securities	231,671	-	15,557	247,228
Other receivables	-	1,084,675	-	1,084,675
	<u>231,671</u>	<u>1,092,221</u>	<u>15,557</u>	<u>1,339,449</u>
Total	<u>₩ 232,976</u>	<u>₩ 3,866,156</u>	<u>₩ 15,657</u>	<u>₩ 4,114,789</u>

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	2020			
	Financial assets at fair value through profit or loss	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Total
Current				
Cash and cash equivalents	\$ -	\$ 741,255	\$ -	\$ 741,255
Financial instrument assets	1,199	392,583	92	393,874
Trade receivables	-	919,925	-	919,925
Other receivables	-	495,811	-	495,811
	<u>1,199</u>	<u>2,549,574</u>	<u>92</u>	<u>2,550,865</u>
Non-current				
Financial instrument assets	-	6,936	-	6,936
Investment in securities	212,933	-	14,299	227,232
Other receivables	-	996,944	-	996,944
	<u>212,933</u>	<u>1,003,880</u>	<u>14,299</u>	<u>1,231,112</u>
Total	\$ 214,132	\$ 3,553,454	\$ 14,391	\$ 3,781,977

(in millions of Korean won)

	2019			
	Financial assets at fair value through profit or loss	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Total
Current				
Cash and cash equivalents	₩ -	₩ 756,756	₩ -	₩ 756,756
Financial instrument assets	12,562	457,421	17	470,000
Trade receivables	-	1,353,498	-	1,353,498
Other receivables	-	605,189	-	605,189
	<u>12,562</u>	<u>3,172,864</u>	<u>17</u>	<u>3,185,443</u>
Non-current				
Financial instrument assets	7,645	7,545	-	15,190
Investment in securities	215,302	-	17,476	232,778
Other receivables	-	1,158,146	-	1,158,146
	<u>222,947</u>	<u>1,165,691</u>	<u>17,476</u>	<u>1,406,114</u>
Total	₩ 235,509	₩ 4,338,555	₩ 17,493	₩ 4,591,557

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	2019			
	Financial assets at fair value through profit or loss	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Total
Current				
Cash and cash equivalents	\$ -	\$ 695,549	\$ -	\$ 695,549
Financial instrument assets	11,546	420,423	16	431,985
Trade receivables	-	1,244,024	-	1,244,024
Other receivables	-	556,240	-	556,240
	<u>11,546</u>	<u>2,916,236</u>	<u>16</u>	<u>2,927,798</u>
Non-current				
Financial instrument assets	7,026	6,935	-	13,961
Investment in securities	197,888	-	16,062	213,950
Other receivables	-	1,064,472	-	1,064,472
	<u>204,914</u>	<u>1,071,407</u>	<u>16,062</u>	<u>1,292,383</u>
Total	\$ 216,460	\$ 3,987,643	\$ 16,078	\$ 4,220,181

6.2 Carrying Amounts of Financial Liabilities by Category

Categorizations of financial liabilities as at December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

	2020			
	Financial liabilities at fair value through profit or loss	Financial liabilities carried at amortized cost	Other financial liabilities	Total
Current				
Financial instrument liabilities	₩ 9,163	₩ 1,292,510	₩ 1,627	₩ 1,303,300
Trade payables	-	119,421	-	119,421
Other payables	-	1,628,409	-	1,628,409
Guarantee deposits received	-	200,108	-	200,108
Short-term lease liabilities	-	-	64,346	64,346
	<u>9,163</u>	<u>3,240,448</u>	<u>65,973</u>	<u>3,315,584</u>
Non-current				
Financial instrument liabilities	9,942	697,627	33,155	740,724
Guarantee deposits received	-	25,731	-	25,731
Other payables	-	1,894	-	1,894
Long-term lease liabilities	-	-	409,157	409,157
	<u>9,942</u>	<u>725,252</u>	<u>442,312</u>	<u>1,177,506</u>
Total	₩ 19,105	₩ 3,965,700	₩ 508,285	₩ 4,493,090

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(in thousands of US dollars (Note 4))

	2020			
	Financial liabilities at fair value through profit or loss	Financial liabilities carried at amortized cost	Other financial liabilities	Total
Current				
Financial instrument liabilities	\$ 8,422	\$ 1,187,969	\$ 1,495	\$ 1,197,886
Trade payables	-	109,762	-	109,762
Other payables	-	1,496,699	-	1,496,699
Guarantee deposits received	-	183,923	-	183,923
Short-term lease liabilities	-	-	59,142	59,142
	<u>8,422</u>	<u>2,978,353</u>	<u>60,637</u>	<u>3,047,412</u>
Non-current				
Financial instrument liabilities	9,138	641,201	30,474	680,813
Guarantee deposits received	-	23,650	-	23,650
Other payables	-	1,741	-	1,741
Long-term lease liabilities	-	-	376,063	376,063
	<u>9,138</u>	<u>666,592</u>	<u>406,537</u>	<u>1,082,267</u>
Total	<u>\$ 17,560</u>	<u>\$ 3,644,945</u>	<u>\$ 467,174</u>	<u>\$ 4,129,679</u>

(in millions of Korean won)

	2019			
	Financial liabilities at fair value through profit or loss	Financial liabilities carried at amortized cost	Other financial liabilities	Total
Current				
Financial instrument liabilities	₩ 5,236	₩ 1,406,789	₩ 1,973	₩ 1,413,998
Trade payables	-	314,070	-	314,070
Other payables	-	1,686,798	-	1,686,798
Guarantee deposits received	-	110,275	-	110,275
Short-term lease liabilities	-	-	72,268	72,268
	<u>5,236</u>	<u>3,517,932</u>	<u>74,241</u>	<u>3,597,409</u>
Non-current				
Financial instrument liabilities	127	945,283	33,849	979,259
Guarantee deposits received	-	104,833	-	104,833
Long-term lease liabilities	-	-	442,361	442,361
	<u>127</u>	<u>1,050,116</u>	<u>476,210</u>	<u>1,526,453</u>
Total	<u>₩ 5,363</u>	<u>₩ 4,568,048</u>	<u>₩ 550,451</u>	<u>₩ 5,123,862</u>

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2019

	Financial liabilities at fair value through profit or loss	Financial liabilities carried at amortized cost	Other financial liabilities	Total
Current				
Financial instrument liabilities	\$ 4,813	\$ 1,293,005	\$ 1,813	\$ 1,299,631
Trade payables	-	288,667	-	288,667
Other payables	-	1,550,366	-	1,550,366
Guarantee deposits received	-	101,356	-	101,356
Short-term lease liabilities	-	-	66,423	66,423
	4,813	3,233,394	68,236	3,306,443
Non-current				
Financial instrument liabilities	117	868,826	31,111	900,054
Guarantee deposits received	-	96,354	-	96,354
Long-term lease liabilities	-	-	406,582	406,582
	117	965,180	437,693	1,402,990
Total	\$ 4,930	\$ 4,198,574	\$ 505,929	\$ 4,709,433

6.3 Net Gain or Loss of Financial Instruments

Gain or loss of financial instruments by category for the years ended December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

2020

Assets/liabilities	Assets/liabilities at fair value through profit or loss		Financial assets at fair value through other comprehensive income		Financial liabilities carried at amortized cost		Leased asset/lease liabilities		Total
	at fair value through profit or loss	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Derivatives	Financial liabilities carried at amortized cost	Leased asset/lease liabilities			
Dividend income	₩ 4,944	₩ -	₩ 456	₩ -	₩ -	₩ -	₩ -	₩ 5,400	
Impairment gain	-	25,926	-	-	-	-	-	25,926	
Gain (loss) on valuation of investments in securities	4,392	-	(49)	-	-	-	-	4,343	
Gain (loss) on disposal of investments in securities	3,343	-	(78)	-	-	-	-	3,265	
Interest expenses	-	-	-	-	(92,915)	(9,920)	-	(102,835)	
Interest income	-	44,909	49	-	-	123	-	45,081	
Gain (loss) on foreign currency translation	-	36,139	-	-	(3,867)	-	-	32,272	
Loss on transactions of derivatives	-	-	-	(30,619)	-	-	-	(30,619)	
Gain on transactions of derivatives	-	-	-	23,500	-	-	-	23,500	
Loss on valuation of derivatives	-	-	-	(19,519)	-	-	-	(19,519)	
Gain on valuation of derivatives	-	-	-	1,495	-	-	-	1,495	

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US dollars (Note 4))

	2020						
	Assets/liabilities at fair value through profit or loss	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Derivatives	Financial liabilities carried at amortized cost	Leased assets/lease liabilities	Total
	Dividend income	\$ 4,544	\$ -	\$ 419	\$ -	\$ -	\$ -
Impairment gain	-	23,829	-	-	-	-	23,829
Gain (loss) on valuation of investments in securities	4,037	-	(45)	-	-	-	3,992
Gain (loss) on disposal of investments in securities	3,073	-	(72)	-	-	-	3,001
Interest expenses	-	-	-	-	(85,400)	(9,117)	(94,517)
Interest income	-	41,277	45	-	-	113	41,435
Gain (loss) on foreign currency translation	-	33,216	-	-	(3,554)	-	29,662
Loss on transactions of derivatives	-	-	-	(28,142)	-	-	(28,142)
Gain on transactions of derivatives	-	-	-	21,599	-	-	21,599
Loss on valuation of derivatives	-	-	-	(17,940)	-	-	(17,940)
Gain on valuation of derivatives	-	-	-	1,374	-	-	1,374

(in millions of
Korean won)

	2019						
	Assets/liabilities at fair value through profit or loss	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Derivatives	Financial liabilities carried at amortized cost	Leased asset/lease liabilities	Total
	Dividend income	₩ 2,527	₩ -	₩ -	₩ -	₩ -	₩ -
Impairment gain	-	22,434	-	-	-	-	22,434
Gain (loss) on valuation of investments in securities	(11,584)	-	41	-	-	-	(11,543)
Gain on disposal of investments in securities	7,443	-	-	-	-	-	7,443
Interest expenses	-	-	-	-	(117,565)	(8,389)	(125,954)
Interest income	-	59,011	57	-	-	294	59,362
Gain (loss) on foreign currency translation	-	4,199	-	-	(18,974)	-	(14,775)
Loss on transactions of derivatives	-	-	-	(6,180)	-	-	(6,180)
Gain on transactions of derivatives	-	-	-	30,319	-	-	30,319
Loss on valuation of derivatives	-	-	-	(5,282)	-	-	(5,282)
Gain on valuation of derivatives	-	-	-	21,747	-	-	21,747

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(in thousands of
US dollars (Note 4))

	2019						
	Assets/liabilities at fair value through profit or loss	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Derivatives	Financial liabilities carried at amortized cost	Leased assets/lease liabilities	Total
	Dividend income	\$ 2,323	\$ -	\$ -	\$ -	\$ -	\$ -
Impairment gain	-	20,619	-	-	-	-	20,619
Gain (loss) on valuation of investments in securities	(10,647)	-	38	-	-	-	(10,609)
Gain on disposal of investments in securities	6,841	-	-	-	-	-	6,841
Interest expenses	-	-	-	-	(108,056)	(7,711)	(115,767)
Interest income	-	54,238	52	-	-	270	54,560
Gain (loss) on foreign currency translation	-	3,859	-	-	(17,439)	-	(13,580)
Loss on transactions of derivatives	-	-	-	(5,680)	-	-	(5,680)
Gain on transactions of derivatives	-	-	-	27,867	-	-	27,867
Loss on valuation of derivatives	-	-	-	(4,855)	-	-	(4,855)
Gain on valuation of derivatives	-	-	-	19,988	-	-	19,988

7. Segment Information

7.1 The Group has five reportable segments: civil works, housing and architectural construction, plants, new business and others.

The Group has separately classified new business segment from the current period and, the comparative information was restated to reflect these changes.

General information about the Group's reportable segments is as follows:

Segment	Business
Civil works	Road, bridge, harbor, reclamation landfill, high-speed railroad construction and others
Housing and architectural construction	Apartments, shopping complex, business building construction and others
Plants	Oil & gas, LNG, refinery, petro-chemical, steam & nuclear power generation, IPP, renewable energy and others
New business	Domestic and foreign investments development (real estate, IPP, PPP), purchase and operation of investments assets
Others	Real estate rental, product sales, operating hotel and others

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7.2 The segment information for sales and operating profit (loss) for the years ended December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

	2020					Total
	Civil works	Housing and architectural construction	Plants	New business	Others	
Sales	₩ 1,482,652	₩ 5,083,095	₩ 1,092,743	₩ 463,621	₩ 14,595	₩ 8,136,706
Operating profit (loss)	(49,037)	539,030	(78,515)	152,201	(5,421)	558,258
- Depreciation	35,954	373	4,193	12,776	8,061	61,357
- Amortization	2,461	1,568	951	1,270	2,277	8,527

(in thousands of US dollars (Note 4))

	2020					Total
	Civil works	Housing and architectural construction	Plants	New business	Others	
Sales	\$ 1,362,732	\$ 4,671,962	\$ 1,004,359	\$ 426,122	\$ 13,415	\$ 7,478,590
Operating profit (loss)	(45,071)	495,432	(72,165)	139,891	(4,983)	513,104
- Depreciation	33,046	343	3,854	11,743	7,408	56,394
- Amortization	2,262	1,441	874	1,167	2,093	7,837

(in millions of Korean won)

	2019					Total
	Civil works	Housing and architectural construction	Plants	New business	Others	
Sales	₩ 1,372,050	₩ 5,120,807	₩ 1,595,316	₩ 546,959	₩ 16,720	₩ 8,651,852
Operating profit (loss)	(179,658)	505,715	(144,156)	202,617	(20,457)	364,061
- Depreciation	45,620	324	6,525	14,056	6,489	73,014
- Amortization	1,902	1,292	1,253	1,125	1,727	7,299

(in thousands of US dollars (Note 4))

	2019					Total
	Civil works	Housing and architectural construction	Plants	New business	Others	
Sales	\$ 1,261,075	\$ 4,706,624	\$ 1,466,283	\$ 502,720	\$ 15,368	\$ 7,952,070
Operating profit (loss)	(165,127)	464,812	(132,496)	186,229	(18,802)	334,616
- Depreciation	41,930	298	5,997	12,919	5,964	67,108
- Amortization	1,748	1,188	1,152	1,034	1,587	6,709

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7.3. The Group does not report the segment information for assets and liabilities to the chief operating decision-maker.

7.4 Sales by geographic areas for the years ended December 31, 2020 and 2019, are as follows:

(in millions of Korean won and thousands of US dollars (Note 4))

	2020	2019	2020	2019
Korea	₩ 6,332,032	₩ 6,306,247	\$ 5,819,882	\$ 5,796,183
Middle East	901,132	1,275,002	828,246	1,171,877
Asia	510,014	603,108	468,763	554,327
Africa	393,390	467,285	361,572	429,490
Others	138	210	127	193
Total	₩ 8,136,706	₩ 8,651,852	\$ 7,478,590	\$ 7,952,070

7.5 There is no external customer that contributes more than 10% of sales for the years ended December 31, 2020 and 2019.

7.6 Details of sales for the years ended December 31, 2020 and 2019, are as follows:

(in millions of Korean won and thousands of US dollars (Note 4))

	2020	2019	2020	2019
Construction contracts revenue	₩ 6,784,645	₩ 7,382,508	\$ 6,235,887	\$ 6,785,393
Sales of real estate	1,143,023	1,074,280	1,050,572	987,390
Other revenue	209,038	195,064	192,131	179,287
Total	₩ 8,136,706	₩ 8,651,852	\$ 7,478,590	\$ 7,952,070

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8. Construction Contracts

8.1 The Group's contract balances and the related sales recognized for the years ended December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

	2020			
	Beginning	Net contract increase¹	Sales recognized	Ending²
Civil works	₩ 5,195,924	₩ 3,595,506	₩ 1,445,386	₩ 7,346,044
Housing and architectural construction	23,640,576	7,035,100	5,012,236	25,663,440
Plant	2,827,392	2,228,299	1,068,521	3,987,170
New business	34,223	33,763	47,710	20,276
Total	₩ 31,698,115	₩ 12,892,668	₩ 7,573,853	₩ 37,016,930

(in thousands of US dollars (Note 4))

	2020			
	Beginning	Net contract increase¹	Sales recognized	Ending²
Civil works	\$ 4,775,665	\$ 3,304,693	\$ 1,328,480	\$ 6,751,878
Housing and architectural construction	21,728,471	6,466,085	4,606,835	23,587,721
Plant	2,598,706	2,048,069	982,097	3,664,678
New business	31,455	31,032	43,851	18,636
Total	\$ 29,134,297	\$ 11,849,879	\$ 6,961,263	\$ 34,022,913

¹ The amount of increase from new contracts is ₩ 13,474,776 million (equivalent to \$ 12,384,904 thousand) and the decrease due to changes in scope of the construction work is ₩ 582,108 million (equivalent to \$ 535,026 thousand).

² As at December 31, 2020, the balance related to the contract in which the revenue is recognized upon delivery amounts to ₩ 1,096,262 million (equivalent to \$ 1,007,594 thousand).

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<i>(in millions of Korean won)</i>	2019			
	Beginning	Net contract increase¹	Sales recognized	Ending²
	₩	₩	₩	₩
Civil works	4,993,587	1,557,250	1,354,913	5,195,924
Housing and architectural construction	21,814,111	6,730,117	4,903,652	23,640,576
Plant	2,486,643	1,921,638	1,580,889	2,827,392
New business	41,374	39,895	47,046	34,223
Total	₩ 29,335,715	₩ 10,248,900	₩ 7,886,500	₩ 31,698,115

<i>(in thousands of US dollars (Note 4))</i>	2019			
	Beginning	Net contract increase¹	Sales recognized	Ending²
	\$	\$	\$	\$
Civil works	4,589,694	1,431,296	1,245,325	4,775,665
Housing and architectural construction	20,049,734	6,185,769	4,507,032	21,728,471
Plant	2,285,517	1,766,211	1,453,022	2,598,706
New business	38,028	36,668	43,241	31,455
Total	\$ 26,962,973	\$ 9,419,944	\$ 7,248,620	\$ 29,134,297

¹ The amount of increase from new contracts is ₩ 11,172,050 million (equivalent to \$ 10,268,428 thousand) and the decrease due to changes in scope of the construction work is ₩ 923,150 million (equivalent to \$ 848,483 thousand).

² As at December 31, 2019, the balance related to the contract in which the revenue is recognized upon delivery amounts to ₩ 1,184,528 million (equivalent to \$ 1,088,721 thousand).

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8.2 Details of cumulative sales, income and others for ongoing projects in major reportable segment for the years ended December 31, 2020 and 2019, are as follows:

<i>(in millions of Korean won)</i>	2020				
	<u>Cumulative sales</u>	<u>Cumulative cost</u>	<u>Cumulative income (loss)</u>	<u>Advances Received¹</u>	<u>Construction deposits²</u>
Civil works	₩ 5,009,727	₩ 4,903,799	₩ 105,928	₩ 94,448	₩ 56,230
Housing and architectural construction	6,290,155	5,386,260	903,895	3,404	-
Plant	7,116,033	7,593,844	(477,811)	80,509	325,760
New business	108,846	107,050	1,796	139	-
Total	<u>₩ 18,524,761</u>	<u>₩ 17,990,953</u>	<u>₩ 533,808</u>	<u>₩ 178,500</u>	<u>₩ 381,990</u>

<i>(in thousands of US dollars (Note 4))</i>	2020				
	<u>Cumulative sales</u>	<u>Cumulative cost</u>	<u>Cumulative income (loss)</u>	<u>Advances Received¹</u>	<u>Construction deposits²</u>
Civil works	\$ 4,604,528	\$ 4,507,168	\$ 97,360	\$ 86,809	\$ 51,682
Housing and architectural construction	5,781,392	4,950,606	830,786	3,129	-
Plant	6,540,472	6,979,636	(439,164)	73,997	299,412
New business	100,042	98,392	1,650	128	-
Total	<u>\$ 17,026,434</u>	<u>\$ 16,535,802</u>	<u>\$ 490,632</u>	<u>\$ 164,063</u>	<u>\$ 351,094</u>

¹ The amounts related to unstarted construction sites are included, and those amounts are after offsetting contract assets and liabilities.

² Construction deposits are recorded as short-term and long-term other receivables.

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<i>(in millions of Korean won)</i>	2019				
	Cumulative sales	Cumulative cost	Cumulative income (loss)	Advances Received¹	Construction deposits²
Civil works	₩ 5,459,391	₩ 5,548,897	₩ (89,506)	₩ 162,989	₩ 57,092
Housing and architectural construction	5,230,376	4,690,264	540,112	3,307	-
Plant	8,098,303	8,440,419	(342,116)	41,720	389,492
New business	146,907	146,213	694	38	-
Total	₩ 18,934,977	₩ 18,825,793	₩ 109,184	₩ 208,054	₩ 446,584

<i>(in thousands of US dollars (Note 4))</i>	2019				
	Cumulative sales	Cumulative cost	Cumulative income (loss)	Advances Received¹	Construction deposits²
Civil works	\$ 5,017,822	\$ 5,100,089	\$ (82,267)	\$ 149,806	\$ 52,474
Housing and architectural construction	4,807,331	4,310,904	496,427	3,040	-
Plant	7,443,293	7,757,738	(314,445)	38,345	357,989
New business	135,025	134,387	638	35	-
Total	\$ 17,403,471	\$ 17,303,118	\$ 100,353	\$ 191,226	\$ 410,463

¹ The amounts related to unstarted construction sites are included, and those amounts are after offsetting contract assets and liabilities.

² Construction deposits are recorded as long-term other receivables.

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8.3 Details of contract assets and liabilities as at December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

	2020			2019		
	Contract assets	Contract liabilities		Contract assets	Contract liabilities	
	Due from customers ²	Due to customers ²	Advances received ³	Due from customers ²	Due to customers ²	Advances received ³
¹						
Civil works	₩ 210,212	₩ 111,702	₩ 101,986	₩ 260,836	₩ 94,137	₩ 175,582
Housing and architectural construction	513,520	689,677	218,842	463,038	482,105	83,044
Plant	128,625	65,592	83,033	176,656	244,903	49,730
New business	7,397	1,291	123,832	7,873	892	88,513
Total	₩ 859,754	₩ 868,262	₩ 527,693	₩ 908,403	₩ 822,037	₩ 396,869

(in thousands of US dollars (Note 4))

	2020			2019		
	Contract assets	Contract liabilities		Contract assets	Contract liabilities	
	Due from customers ²	Due to customers ²	Advances received ³	Due from customers ²	Due to customers ²	Advances received ³
¹						
Civil works	\$ 193,209	\$ 102,667	\$ 93,737	\$ 239,739	\$ 86,523	\$ 161,380
Housing and architectural construction	471,985	633,894	201,142	425,586	443,111	76,327
Plant	118,222	60,287	76,317	162,368	225,095	45,708
New business	6,799	1,187	113,816	7,236	820	81,354
Total	\$ 790,215	\$ 798,035	\$ 485,012	\$ 834,929	\$ 755,549	\$ 364,769

¹ Costs incurred to fulfil contracts of ₩ 98,463 million (equivalent to \$ 90,499 thousand) (2019: ₩ 168,134 million (equivalent to \$ 154,535 thousand)) are recognized as prepaid expenses in the statements of financial position.

² The above gross amounts include amounts due from customers for projects for the Group's own contact work, which amount to ₩ 53,176 million (equivalent to \$ 48,875 thousand) (2019: ₩ 21,307 million (equivalent to \$ 19,584 thousand)) and amounts due to customers for the Group's own contract work which amount to ₩ 207,835 million (equivalent to \$ 191,025 thousand) (2019: ₩ 223,420 million (equivalent to \$ 205,349 thousand)) as at December 31, 2020.

³ The amounts related to unstarted construction sites are included.

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8.4 The estimated gross contract costs for on-going contracts as at December 31, 2020, are changed and details of its effects on profit and loss for the current and future years and gross amount due from customers for contract work are as follows:

(in millions of Korean won)

	Constructi- on loss provisions	Estimated increase in contract revenue (A)	Estimated increase (decrease) in contract cost (B)	Increase (decrease) in construction profit or loss (A-B)	Influence on current profit or loss	Influence on future profit or loss	Increase (decrease) in due from customers for contract work
Civil works	₩ 77,511	₩ 9,296	₩ 21,077	₩ (11,781)	₩ (49,917)	₩ 38,136	₩ (49,917)
Housing and architectural construction	24,619	84,346	(134,950)	219,296	157,323	61,973	157,323
Plant	27,801	19,388	81,084	(61,696)	(64,661)	2,965	(64,661)
New business	581	6,623	8,155	(1,532)	(2,332)	800	(2,332)
Total	₩ 130,512	₩ 119,653	₩ (24,634)	₩ 144,287	₩ 40,413	₩ 103,874	₩ 40,413

*(in thousands of
US dollars (Note 4))*

	Constructi- on loss provisions	Estimated increase in contract revenue (A)	Estimated increase (decrease) in contract cost (B)	Increase (decrease) in construction profit or loss (A-B)	Influence on current profit or loss	Influence on future profit or loss	Increase (decrease) in due from customers for contract work
Civil works	\$ 71,242	\$ 8,544	\$ 19,372	\$ (10,828)	\$ (45,880)	\$ 35,052	\$ (45,880)
Housing and architectural construction	22,628	77,524	(124,035)	201,559	144,598	56,961	144,598
Plant	25,552	17,820	74,526	(56,706)	(59,431)	2,725	(59,431)
New business	534	6,087	7,495	(1,408)	(2,143)	735	(2,143)
Total	\$ 119,956	\$ 109,975	\$ (22,642)	\$ 132,617	\$ 37,144	\$ 95,473	\$ 37,144

The effects on profit and loss for the current and future periods are calculated on the basis of (i) gross contract cost estimated based on circumstances that occurred between the date of contract commencement and the current period-end and (ii) an estimate of contract revenue as at December 31, 2020. Contract revenue and contract costs can be changed in the future.

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8.5 As at December 31, 2020, details of contract revenue, which attributes more than 5% of sales for the year ended December 31, 2019, are as follows and construction contracts which do not generate profits are excluded. There is no undisclosed contract due to the confidential or private reasons in relevant law or contract:

(in millions of Korean won)

	2020						
	Date of contract	Construction deadline in contract	The stage of completion	Due from customers		Receivables from construction	
				Total	Impairment loss	Total	Less: allowance for doubtful accounts
BOUGHZOUL NEW TOWN	2008.09.10	2021.04.23	71.0%	₩ 13,581	₩ -	₩ 25,753	₩ -
Qatar E-RING way ¹	2017.02.01	2020.08.14	94.0%	-	-	29,525	-
Al Faw Grand Port	2014.02.12	2020.12.30	Completed	16,175	-	55,351	-
Hwaseo Station Park Prugio Project	2017.07.10	2021.08.23	70.4%	-	-	44,120	-
Geomdan Park Prugio Project	2019.02.13	2021.08.31	60.5%	-	-	-	-
CFP ¹	2014.04.13	2018.10.18	99.2%	-	-	19,370	-
JAZAN REFINERY&TERMINAL ¹	2012.12.01	2018.04.30	99.8%	14,875	-	26,209	-
AL ZOUR REFINERY ¹	2015.10.28	2019.07.28	91.5%	15,544	-	190,434	-
OMAN DUQM REFINERY PJ	2018.06.03	2022.05.01	66.5%	-	-	1,614	-
RDPP ¹	2012.10.24	2020.11.24	97.6%	9,746	-	91,684	-
LIBYA ZWITINA POWER PLANT PJ ²	2013.01.28	2018.12.31	35.6%	-	-	14,435	-
MUMBAI TRANS-HARBOR LINK PJ	2018.01.19	2022.09.22	28.4%	-	-	9,418	-
NIGERIA GBARAN INFILL PJ	2014.05.01	2022.02.27	84.6%	24,080	-	7,017	-
GTX-A	2019.03.20	2024.06.29	14.5%	21,848	-	5,407	-
Maegyo Station Prugio SK VIEW Project	2012.05.30	2022.06.01	23.1%	-	-	-	-
Geomam Station Royal Park Citi Prugio Complex 2 Business	2019.01.21	2023.05.31	5.8%	611	-	10,126	-
Dunchon Jugong Rebuild Project	2016.10.31	2023.08.31	9.1%	69,157	-	-	-
MOZAMBIQUE LNG AREA 1	2020.12.22	2024.02.24	0.3%	1,680	-	-	-
NIGERIA NLNG T7 OFFSHORE PJ	2020.05.13	2025.11.13	6.6%	-	-	8,822	-
NIGERIA NLNG T7 ONSHORE PJ	2020.05.13	2025.11.13	0.8%	3,423	-	-	-

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US dollars (Note 4))

	2020						
	Date of contract	Construction deadline in contract	The stage of completion	Due from customers		Receivables from construction	
				Total	Impairment loss	Total	Less: allowance for doubtful accounts
BOUGHZOUL NEW TOWN	2008.09.10	2021.04.23	71.0%	\$ 12,483	\$ -	\$ 23,670	\$ -
Qatar E-RING way ¹	2017.02.01	2020.08.14	94.0%	-	-	27,137	-
Al Faw Grand Port	2014.02.12	2020.12.30	Completed	14,867	-	50,874	-
Hwaseo Station Park Prugio Project	2017.07.10	2021.08.23	70.4%	-	-	40,551	-
Geomdan Park Prugio Project	2019.02.13	2021.08.31	60.5%	-	-	-	-
CFP ¹	2014.04.13	2018.10.18	99.2%	-	-	17,803	-
JAZAN REFINERY&TERMINAL ¹	2012.12.01	2018.04.30	99.8%	13,672	-	24,089	-
AL ZOUR REFINERY ¹	2015.10.28	2019.07.28	91.5%	14,287	-	175,031	-
OMAN DUQM REFINERY PJ	2018.06.03	2022.05.01	66.5%	-	-	1,483	-
RDPP ¹	2012.10.24	2020.11.24	97.6%	8,958	-	84,268	-
LIBYA ZWITINA POWER PLANT PJ ²	2013.01.28	2018.12.31	35.6%	-	-	13,267	-
MUMBAI TRANS-HARBOR LINK PJ	2018.01.19	2022.09.22	28.4%	-	-	8,656	-
NIGERIA GBARAN INFILL PJ	2014.05.01	2022.02.27	84.6%	22,132	-	6,449	-
GTX-A	2019.03.20	2024.06.29	14.5%	20,081	-	4,970	-
Maegyo Station Prugio SK VIEW Project	2012.05.30	2022.06.01	23.1%	-	-	-	-
Geomam Station Royal Park Citi Prugio Complex 2 Business	2019.01.21	2023.05.31	5.8%	562	-	9,307	-
Dunchon Jugong Rebuild Project	2016.10.31	2023.08.31	9.1%	63,563	-	-	-
MOZAMBIQUE LNG AREA 1	2020.12.22	2024.02.24	0.3%	1,544	-	-	-
NIGERIA NLNG T7 OFFSHORE PJ	2020.05.13	2025.11.13	6.6%	-	-	8,108	-
NIGERIA NLNG T7 ONSHORE PJ	2020.05.13	2025.11.13	0.8%	3,146	-	-	-

¹ The Group is in negotiations with the client to extend the construction period and the extension of the construction period is scheduled to be contracted.

² As a site for which the construction work has been suspended due to Libyan Civil War, the Group is in negotiations with the client to extend the construction period and the extension of the construction period is scheduled to be contracted.

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8.6 Major contents of joint contract work as at December 31, 2020.

<i>(in millions of Korean won and thousands of US dollars (Note 4))</i>	Contract amount of the Group share		Share ratio (%)	Leading Company
AL ZOUR REFINERY	₩ 2,102,470	\$ 1,932,417	35.0%	FLUOR
NIGERIA NLNG T7 ONSHORE PJ	1,403,634	1,290,105	40.0%	Saipem S.p.A.
CFP	1,302,330	1,196,994	33.3%	FLUOR
OMAN DUQM REFINERY PJ	1,102,031	1,012,896	35.0%	TR
Dunchon Jugong Rebuild Project	758,876	697,496	23.5%	Hyundai E&C Co., Ltd.
Jazan Refinery & Terminal	650,692	598,063	50.0%	JGC Corporation
GTX-A	503,357	462,644	20.0%	Daelim Industrial Co., Ltd.
MUMBAI TRANS-HARBOR LINK PJ	478,227	439,547	60.0%	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD.
NIGERIA NLNG T7 OFFSHORE PJ	460,417	423,177	39.5%	Saipem S.p.A.
Maegyo Station Prugio SK VIEW Project	452,893	416,262	60.0%	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD.

9. Cash and Cash Equivalents

Details of cash and cash equivalents as at December 31, 2020 and 2019, are as follows:

<i>(in millions of Korean won and thousands of US dollars (Note 4))</i>	2020		2019	
Cash	₩ 2,677	₩ 2,557	\$ 2,461	\$ 2,350
Cash equivalents	803,808	754,199	738,794	693,198
Total	₩ 806,485	₩ 756,756	\$ 741,255	\$ 695,548

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10. Trade and Other Receivables

10.1 Trade and other receivables, net of allowance for doubtful accounts, as at December 31, 2020 and 2019, are as follows:

<i>(in millions of Korean won)</i>	2020			2019		
	Original amount ¹	Less : allowance for doubtful accounts	Carrying amount	Original amount ¹	Less : allowance for doubtful accounts	Carrying amount
Current						
Trade receivables	₩ 1,338,758	₩ (337,880)	₩ 1,000,878	₩ 1,716,578	₩ (363,080)	₩ 1,353,498
Other receivables						
Non-trade receivables	878,945	(413,853)	465,092	948,343	(409,777)	538,566
Accrued income	25,805	(2,296)	23,509	23,840	(943)	22,897
Loans	64,553	(16,790)	47,763	59,256	(17,708)	41,548
Finance lease receivables	3,078	-	3,078	2,178	-	2,178
	<u>972,381</u>	<u>(432,939)</u>	<u>539,442</u>	<u>1,033,617</u>	<u>(428,428)</u>	<u>605,189</u>
Total	<u>₩ 2,311,139</u>	<u>₩ (770,819)</u>	<u>₩ 1,540,320</u>	<u>₩ 2,750,195</u>	<u>₩ (791,508)</u>	<u>₩ 1,958,687</u>
Non-current						
Other receivables						
Long-term non-trade receivables	₩ 442,102	₩ (19,287)	₩ 422,815	₩ 522,976	₩ (30,197)	₩ 492,779
Long-term loans	619,497	(244,195)	375,302	665,090	(226,415)	438,675
Long-term accrued income	38	-	38	71	-	71
Deposits	271,126	(8,016)	263,110	231,853	(11,070)	220,783
Finance lease receivables	23,410	-	23,410	5,838	-	5,838
Total	<u>₩ 1,356,173</u>	<u>₩ (271,498)</u>	<u>₩ 1,084,675</u>	<u>₩ 1,425,828</u>	<u>₩ (267,682)</u>	<u>₩ 1,158,146</u>

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(in thousands of US dollars (Note 4))	2020			2019		
	Original amount ¹	Less : allowance for doubtful accounts	Carrying amount	Original amount ¹	Less : allowance for doubtful accounts	Carrying amount
Current						
Trade receivables	\$ 1,230,476	\$ (310,551)	\$ 919,925	\$ 1,577,737	\$ (333,713)	\$ 1,244,024
Other receivables						
Non-trade receivables	807,854	(380,380)	427,474	871,639	(376,633)	495,006
Accrued income	23,718	(2,110)	21,608	21,912	(867)	21,045
Loans	59,332	(15,432)	43,900	54,463	(16,276)	38,187
Finance lease receivables	2,829	-	2,829	2,002	-	2,002
	893,733	(397,922)	495,811	950,016	(393,776)	556,240
Total	\$ 2,124,209	\$ (708,473)	\$ 1,415,736	\$ 2,527,753	\$ (727,489)	\$ 1,800,264
Non-current						
Other receivables						
Long-term non-trade receivables	\$ 406,344	\$ (17,727)	\$ 388,617	\$ 480,676	\$ (27,755)	\$ 452,921
Long-term loans	569,390	(224,444)	344,946	611,296	(208,102)	403,194
Long-term accrued income	35	-	35	65	-	65
Deposits	249,197	(7,368)	241,829	213,101	(10,175)	202,926
Finance lease receivables	21,517	-	21,517	5,366	-	5,366
Total	\$ 1,246,483	\$ (249,539)	\$ 996,944	\$ 1,310,504	\$ (246,032)	\$ 1,064,472

¹ Net of present value discount.

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10.2 Age analysis of trade and other receivables as of December 31, 2020 and 2019, are as follows:

<i>(in millions of Korean won)</i>	2020			2019		
	Trade receivables	Other receivables		Trade receivables	Other receivables	
		Short-term ¹	Long-term ¹		Short-term ¹	Long-term ¹
Collectively assessed for impairment						
Up to 1 year	₩ 573,767	₩ 210,463	₩ 109,724	₩ 1,151,038	₩ 444,156	₩ 189,061
1 year to 2 years	90,797	172,817	132,666	74,679	59,715	199,026
More than 2 years	81,080	113,333	419,513	65,719	84,839	440,504
Subtotal	745,644	496,613	661,903	1,291,436	588,710	828,591
Allowance ^{2,3}	(1,887)	(17,235)	(903)	(3,968)	(29,430)	(1,728)
Individually assessed for impairment						
Receivables	593,114	472,690	403,362	425,142	442,729	365,127
Allowance	(335,993)	(415,704)	(262,579)	(359,112)	(398,998)	(254,884)
Present value discount	-	-	(3,628)	-	-	(5,581)
Total	₩ 1,000,878	₩ 536,364	₩ 798,155	₩ 1,353,498	₩ 603,011	₩ 931,525

<i>(in thousands of US dollars (Note 4))</i>	2020			2019		
	Trade receivables	Other receivables		Trade receivables	Other receivables	
		Short-term ¹	Long-term ¹		Short-term ¹	Long-term ¹
Collectively assessed for impairment						
Up to 1 year	\$ 527,359	\$ 193,440	\$ 100,849	\$ 1,057,939	\$ 408,232	\$ 173,769
1 year to 2 years	83,453	158,839	121,936	68,639	54,885	182,928
More than 2 years	74,522	104,166	385,582	60,403	77,977	404,875
Subtotal	685,334	456,445	608,367	1,186,981	541,094	761,572
Allowance ^{2,3}	(1,734)	(15,841)	(830)	(3,647)	(27,050)	(1,588)
Individually assessed for impairment						
Receivables	545,142	434,458	370,737	390,756	406,920	335,595
Allowance	(308,817)	(382,081)	(241,341)	(330,066)	(366,726)	(234,268)
Present value discount	-	-	(3,335)	-	-	(5,130)
Total	\$ 919,925	\$ 492,981	\$ 733,598	\$ 1,244,024	\$ 554,238	\$ 856,181

¹ Finance lease receivables and deposits were excluded from the age analysis of other receivables.

² External default rates are used for expected credit loss rates of trade receivables, financial assets at amortized cost (excluding non-trade receivables) and others.

³ The characteristics of credit risk and overdue dates are considered for the expected credit loss rate of non-trade receivables.

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10.3 Changes in the bad debts allowance for the years ended December 31, 2020 and 2019, are as follows:

<i>(in millions of Korean won and thousands of US dollars (Note 4))</i>	2020					
	Trade receivables	Other receivables		Trade receivables	Other receivables	
		Short-term	Long-term		Short-term	Long-term
Beginning balance	₩ 363,080	₩ 428,428	₩ 267,682	\$ 333,713	\$ 393,776	\$ 246,031
Additions	2,105	13,194	315	1,935	12,127	290
Reversals	(3,889)	(19,686)	(17,965)	(3,574)	(18,094)	(16,512)
Write-off	(22,804)	(5,736)	-	(20,960)	(5,272)	-
Others ¹	(612)	16,739	21,466	(563)	15,385	19,730
Ending balance	<u>₩ 337,880</u>	<u>₩ 432,939</u>	<u>₩ 271,498</u>	<u>\$ 310,551</u>	<u>\$ 397,922</u>	<u>\$ 249,539</u>

¹ Others consist of reclassification between accounts and the gain (loss) on foreign exchange translation.

<i>(in millions of Korean won and thousands of US dollars (Note 4))</i>	2019					
	Trade receivables	Other receivables		Trade receivables	Other receivables	
		Short-term	Long-term		Short-term	Long-term
Beginning balance	₩ 462,152	₩ 438,701	₩ 314,644	\$ 424,772	\$ 403,218	\$ 289,195
Additions	27,717	21,167	2,548	25,475	19,455	2,342
Reversals	(6,665)	(26,809)	(40,392)	(6,126)	(24,641)	(37,125)
Write-off	(108,700)	(19,815)	(12,998)	(99,908)	(18,212)	(11,947)
Others ¹	(11,424)	15,184	3,880	(10,500)	13,956	3,566
Ending balance	<u>₩ 363,080</u>	<u>₩ 428,428</u>	<u>₩ 267,682</u>	<u>\$ 333,713</u>	<u>\$ 393,776</u>	<u>\$ 246,031</u>

¹ Others consist of reclassification between accounts and the gain (loss) on foreign exchange translation.

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11. Inventories

Inventories as at December 31, 2020 and 2019, are as follows:

<i>(in millions of Korean won and thousands of US dollars (Note 4))</i>	2020		2019	
Land held for development	₩	782,693	₩	387,324
Unfinished construction		535,411		264,411
Finished housing		119,358		131,495
Raw materials		24,189		47,979
Supplies		5,217		13,788
Materials-in-transit		8,760		18,823
Temporary materials		3,595		8,985
Merchandise		122		82
Total	₩	1,479,345	₩	872,887

Cost of Inventories recognized as expense and included in the amount of cost of goods sold is ₩ 2,024,092 million (equivalent to \$ 1,860,379 thousand) (2019: ₩ 2,433,514 million (equivalent to \$ 2,236,686 thousand)) for the year ended December 31, 2020. Reversal on valuation of inventories for the year ended December 31, 2020 amounted to ₩ 1,726 million (equivalent to \$ 1,586 thousand) (2019: ₩ 8,731 million (equivalent to \$ 8,025 thousand)).

12. Investments in Securities

12.1 Investments in securities as at December 31, 2020 and 2019, are as follows:

<i>(in millions of Korean won and thousands of US dollars (Note 4))</i>	2020		2019	
Debt instruments at fair value through profit or loss	₩	231,671	₩	215,302
Debt investments at fair value through other comprehensive income		5,434		4,522
Equity investments at fair value through other comprehensive income		10,223		12,972
		247,328		232,796
Less : current portion (short-term financial instrument assets)		(100)		(18)
Non-current portion	₩	247,228	₩	232,778

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12.2 Changes in investments in securities for the years ended December 31, 2020 and 2019, are as follows:

(in millions of Korean won and thousands of US dollars (Note 4))

	2020	2019	2020	2019
Beginning balance	₩ 232,796	₩ 228,322	\$ 213,967	\$ 209,855
Additions	27,125	13,894	24,931	12,770
Disposals	(10,428)	(4,742)	(9,585)	(4,358)
Reclassification ¹	(6,508)	6,867	(5,982)	6,312
Amount recognized in other comprehensive income	(49)	41	(45)	38
Amount recognized in profit or loss ²	4,392	(11,586)	4,037	(10,649)
Ending balance	₩ 247,328	₩ 232,796	\$ 227,323	\$ 213,968

¹ Details of reclassification of investments in securities for the years ended December 31, 2020 and 2019, are as follows:

<i>(in millions of Korean won)</i>	2020	2019	Remarks
The Second Seohaean Expressway	₩ (6,626)	₩ -	Reclassification to assets held for sale and others
Dongbu Construction Co., Ltd.	118	6,867	Reclassification from other receivables and others
Total	₩ (6,508)	₩ 6,867	

<i>(in thousands of US dollars (Note 4))</i>	2020	2019	Remarks
The Second Seohaean Expressway	\$ (6,090)	\$ -	Reclassification to assets held for sale and others
Dongbu Construction Co., Ltd.	108	6,312	Reclassification from other receivables and others
Total	\$ (5,982)	\$ 6,312	

² Details of amount recognized in profit or loss for the years ended December 31, 2020 and 2019, are as follows:

<i>(in millions of Korean won)</i>	2020	2019	Remarks
West Wide Railroad Co., Ltd. and others	₩ (1,511)	₩ (13,240)	Decrease in fair value
Cheonnyun Suwon and others	5,903	1,654	Increase in fair value
Total	₩ 4,392	₩ (11,586)	

<i>(in thousands of US dollars (Note 4))</i>	2020	2019	Remarks
West Wide Railroad Co., Ltd. and others	\$ (1,389)	\$ (12,169)	Decrease in fair value
Cheonnyun Suwon and others	5,426	1,520	Increase in fair value
Total	\$ 4,037	\$ (10,649)	

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12.3 Details of debt instruments at fair value through profit or loss as at December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

	2020			2019	
	Number of shares	Percentage of ownership (%)	Acquisition cost	Book amount	Book amount
I PARK MALL CO., LTD	320,000	0.88%	₩ 1	₩ 1	₩ 1
Jeju International Convention Center	1,089,522	2.80%	4,788	4,788	4,788
Shinbundang Railroad Co., Ltd.	4,122,000	9.71%	20,610	1	1
Green Kimhae Enviro Co., Ltd.	100,775	5.00%	504	280	280
Chungjung Sangju Co., Ltd.	70,552	4.00%	353	-	-
Green Asan Enviro Co., Ltd.	69,390	3.70%	347	159	159
Green Yeosu Enviro Co., Ltd.	84,567	9.00%	423	82	82
Green Dangjin Enviro Co., Ltd.	27,505	2.80%	138	1	1
Green Jeju Enviro Co., Ltd.	30,626	3.01%	153	1	1
Green Gunsan Enviro Co., Ltd.	59,842	3.49%	299	119	119
Sangzhou Yeongcheon Expressway Co., Ltd.	3,553,284	5.25%	17,766	1	1
Second Seohaean Expressway Co., Ltd. ⁴	-	-	-	-	6,123
Garorim Tidal Power Plant Co., Ltd. ³	-	-	-	-	1
Yonsei International Student Residence Hall Management Co., Ltd.	5,600	1.01%	28	1	1
Seoul North Highway Co., Ltd.	6,826,400	14.00%	34,132	34,132	34,132
Seoul-Moonsan Highway Co., Ltd. ¹	3,059,712	11.52%	15,299	13,460	14,065
Gayah Railroad Co., Ltd.	305,490	2.30%	1,527	1	1
Green Han River Town Co., Ltd.	9,116	0.44%	46	24	24
E RAIL Co., Ltd.	1,044,488	3.43%	5,222	-	-
Ocean Culture Co., Ltd.	442,431	11.68%	2,212	685	685
The Green Town Co., Ltd.	124,564	12.82%	623	1	1
New Seoul Railroad Co., Ltd.	384,000	3.00%	1,920	1,920	1,920
Gyeonggi rail Co., Ltd.	495,000	2.45%	2,475	1	1
Wonju Green Co., Ltd.	226,376	11.03%	1,132	1	1
P-Waters Co., Ltd.	72,288	4.00%	361	361	361
Ulsan clean environment Co., Ltd.	376,752	7.20%	1,884	1,231	1,231
Neulpureun Paju-Yangju Co., Ltd.	52,662	4.62%	263	1	1
Metropolitan West Highway Co., Ltd.	472,920	0.97%	2,365	2,365	2,365
Neulpureun Goyang Co., Ltd.	49,885	3.62%	249	1	1
Gyeryong Greenville Co., Ltd.	5,744	0.30%	29	1	1
West Inland Highway Co., Ltd.	3,177,780	9.94%	15,889	15,889	1,807
Busan Container Terminal Co., Ltd.	4,500,000	15.00%	22,500	22,500	22,500
West Wide Railroad Co., Ltd. ¹	762,441	8.79%	3,812	1,134	2,041
Gangnam Metro Co., Ltd.	900	9.00%	5	5	-
Smart City Asset Management Co., Ltd.	10,200	17.00%	7	1	1
Smart City Co., Ltd.	1,819,625	19.23%	8,395	1	1
Gwangmyeong Terminal Complex Co., Ltd.	98,000	16.33%	490	490	490
Bichae-Nuri Development Co., Ltd. ³	-	-	-	-	1
Bichae-Nuri Co., Ltd. ³	-	-	-	-	1

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	2020			2019	
	Number of shares	Percentage of ownership (%)	Acquisition cost	Book amount	Book amount
Chung-Ju Technopolis Co., Ltd.	225,000	15.00%	1,500	1,500	1,500
Pyeongtaek, South Korea and China Tech Valley Co., Ltd.	191,000	19.10%	955	1	1
Flossom Co., Ltd.	429,000	5.00%	2,145	1	1
Seoul Lite Tower Co., Ltd.	2,027,431	12.66%	8,429	1	1
Gimpo Golden Valley 4 PFV	100,000	10.00%	500	1	1
EIGHTCITY Co., Ltd. ²	300,000	23.81%	1,500	1	1
Songsan Industrial Complex Development Inc. ⁴	-	-	-	-	1
Incheon Art Center Co., Ltd.	78,000	19.50%	390	390	390
KOCREF SEOMYUN REITs CO., LTD.	125,000	7.69%	2,500	2,500	2,500
Kooksa Industrial Complex Co., Ltd. ³	-	-	-	-	60
Uiwang Changan Project Financial Investment.	10,000	1.00%	50	50	50
Cheonnyun Suwon ²	1,700,000	85.00%	8,500	12,325	8,500
Seoul National University Medical Hub Co., Ltd.	3,000	0.36%	15	1	1
Pungmu Station area Development Co., Ltd.	140,000	14.00%	700	700	700
Oryong PFV Co., Ltd.	39,900	3.99%	200	200	200
Jeju Citrus Sunlight Co., Ltd. ⁴	-	-	-	-	403
Paju PFV Co., Ltd	350,000	13.46%	1,750	1,750	1,750
Gyeongang RiverCity Development Asset Management. Co., Ltd	50,000	5.00%	250	250	250
Gochon Development AMC Co, Ltd	86,000	8.60%	430	430	-
ASTROX ²	7,372	28.88%	990	990	-
Humax EV Co., Ltd	191,350	9.99%	1,436	1,436	-
DCAM PFV Co.,Ltd ²	250,000	25.00%	1,250	1,250	-
Maxerve consortium Co., Ltd ²	30,000	30.00%	300	300	-
Construction Guarantee Cooperative	46,146	-	46,860	70,044	68,946
Electric Contractors Financial Cooperative	500	-	150	251	213
Information&Communication Financial Cooperative	604	-	96	373	358
Fire Guarantee	40	-	20	20	-
Engineering Guarantee Insurance	25,115	-	12,901	17,207	16,233
Korea Electric Engineers Association	200	-	20	20	20
Korea Specialty Contractor Financial Cooperative	1,455	-	1,286	1,359	1,351
4S Structure Safety Group Cooperative	5	14.29%	5	5	5
Key Environment Engineering Professional COOP	50	19.61%	5	5	5
KB Sosa Wonsi Railroad Project Private Special Assets	2,858	14.29%	66,740	7,296	7,296
KIAMCO Road Investment Fund No. 1	-	-	11,373	11,374	11,374
KIAMCO Gyeonggi Railroad Private Equity Investment Fund No. 1	-	-	8,107	1	1
Total			₩ 347,600	₩ 231,671	₩ 215,302

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	2020			2019	
	Number of shares	Percentage of ownership (%)	Acquisition cost	Book amount	Book amount
I PARK MALL CO., LTD	320,000	0.88%	\$ 1	\$ 1	\$ 1
Jeju International Convention Center	1,089,522	2.80%	4,401	4,401	4,401
Shinbundang Railroad Co., Ltd.	4,122,000	9.71%	18,943	1	1
Green Kimhae Enviro Co., Ltd.	100,775	5.00%	463	257	257
Chungjung Sangju Co., Ltd.	70,552	4.00%	324	-	-
Green Asan Enviro Co., Ltd.	69,390	3.70%	319	146	146
Green Yeosu Enviro Co., Ltd.	84,567	9.00%	389	75	75
Green Dangjin Enviro Co., Ltd.	27,505	2.80%	127	1	1
Green Jeju Enviro Co., Ltd.	30,626	3.01%	141	1	1
Green Gunsan Enviro Co., Ltd.	59,842	3.49%	275	109	109
Sangzhou Yeongcheon Expressway Co., Ltd.	3,553,284	5.25%	16,329	1	1
Second Seohaean Expressway Co., Ltd. ⁴	-	-	-	-	5,628
Garorim Tidal Power Plant Co., Ltd. ³	-	-	-	-	1
Yonsei International Student Residence Hall Management Co., Ltd.	5,600	1.01%	26	1	1
Seoul North Highway Co., Ltd.	6,826,400	14.00%	31,371	31,371	31,371
Seoul-Moonsan Highway Co., Ltd. ¹	3,059,712	11.52%	14,062	12,371	12,927
Gayah Railroad Co., Ltd.	305,490	2.30%	1,403	1	1
Green Han River Town Co., Ltd.	9,116	0.44%	42	22	22
E RAIL Co., Ltd.	1,044,488	3.43%	4,800	-	-
Ocean Culture Co., Ltd.	442,431	11.68%	2,033	630	630
The Green Town Co., Ltd.	124,564	12.82%	573	1	1
New Seoul Railroad Co., Ltd.	384,000	3.00%	1,765	1,765	1,765
Gyeonggi rail Co., Ltd.	495,000	2.45%	2,275	1	1
Wonju Green Co., Ltd.	226,376	11.03%	1,040	1	1
P-Waters Co., Ltd.	72,288	4.00%	332	332	332
Ulsan clean environment Co., Ltd.	376,752	7.20%	1,732	1,131	1,131
Neulpureun Paju-Yangju Co., Ltd.	52,662	4.62%	242	1	1
Metropolitan West Highway Co., Ltd.	472,920	0.97%	2,174	2,174	2,174
Neulpureun Goyang Co., Ltd.	49,885	3.62%	229	1	1
Gyeryong Greenville Co., Ltd.	5,744	0.30%	27	1	1
West Inland Highway Co., Ltd.	3,177,780	9.94%	14,604	14,604	1,661
Busan Container Terminal Co., Ltd.	4,500,000	15.00%	20,680	20,680	20,680
West Wide Railroad Co., Ltd. ¹	762,441	8.79%	3,504	1,042	1,876
Gangnam Metro Co., Ltd.	900	9.00%	5	5	-
Smart City Asset Management Co., Ltd.	10,200	17.00%	6	1	1
Smart City Co., Ltd.	1,819,625	19.23%	7,716	1	1
Gwangmyeong Terminal Complex Co., Ltd.	98,000	16.33%	450	450	450
Bichae-Nuri Development Co., Ltd. ³	-	-	-	-	1
Bichae-Nuri Co., Ltd. ³	-	-	-	-	1
Chung-Ju Technopolis Co., Ltd.	225,000	15.00%	1,379	1,379	1,379
Pyeongtaek, South Korea and China Tech Valley Co., Ltd.	191,000	19.10%	878	1	1
Flossom Co., Ltd.	429,000	5.00%	1,972	1	1

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	2020			2019	
	Number of shares	Percentage of ownership (%)	Acquisition cost	Book amount	Book amount
Seoul Lite Tower Co., Ltd.	2,027,431	12.66%	7,747	1	1
Gimpo Golden Valley 4 PFV	100,000	10.00%	460	1	1
EIGHTCITY Co., Ltd. ²	300,000	23.81%	1,379	1	1
Songsan Industrial Complex Development Inc ⁴	-	-	-	-	1
Incheon Art Center Co., Ltd.	78,000	19.50%	358	358	358
KOCREF SEOMYUN REITs CO., LTD.	125,000	7.69%	2,298	2,298	2,298
Kooksa Industrial Complex Co., Ltd. ³	-	-	-	-	55
Uiwang Changan Project Financial Investment.	10,000	1.00%	46	46	46
Cheonnyun Suwon ²	1,700,000	85.00%	7,813	11,328	7,813
Seoul National University Medical Hub Co., Ltd.	3,000	0.36%	14	1	1
Pungmu Station area Development Co., Ltd.	140,000	14.00%	643	643	643
Oryong PFV Co., Ltd.	39,900	3.99%	184	184	184
Jeju Citrus Sunlight Co., Ltd. ⁴	-	-	-	-	370
Paju PFV Co., Ltd	350,000	13.46%	1,608	1,608	1,608
Gyeongang RiverCity Development Asset Management. Co., Ltd	50,000	5.00%	230	230	230
Gochon Development AMC Co, Ltd	86,000	8.60%	395	395	-
ASTROX ²	7,372	28.88%	910	910	-
Humax EV Co., Ltd	191,350	9.99%	1,320	1,320	-
DCAM PFV Co.,Ltd ²	250,000	25.00%	1,149	1,149	-
Maxerve consortium Co., Ltd ²	30,000	30.00%	276	276	-
Construction Guarantee Cooperative	46,146	-	43,070	64,379	63,368
Electric Contractors Financial Cooperative	500	-	138	231	196
Information&Communication Financial Cooperative	604	-	88	343	329
Fire Guarantee	40	-	18	18	-
Engineering Guarantee Insurance	25,115	-	11,858	15,815	14,920
Korea Electric Engineers Association	200	-	18	18	18
Korea Specialty Contractor Financial Cooperative	1,455	-	1,182	1,249	1,242
4S Structure Safety Group Cooperative	5	14.29%	5	5	5
Key Environment Engineering Professional COOP	50	19.61%	5	5	5
KB Sosa Wonsi Railroad Project Private Special Assets	2,858	14.29%	61,342	6,706	6,706
KIAMCO Road Investment Fund No. 1	-	-	10,453	10,454	10,454
KIAMCO Gyeonggi Railroad Private Equity Investment Fund No. 1	-	-	7,451	1	1
Total			\$ 319,490	\$ 212,934	\$ 197,888

¹ During 2020, the Group recognized loss on valuation due to significant decrease in fair value.

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² Although the Group's ownership is more than 20%, it is classified as investments in securities with consideration for significant influence in investment agreement and materiality of value amount.

³ During 2020, the Group eliminated the item due to disposal by a third party.

⁴ During 2020, it was classified as assets held for sale and equity-method investments.

12.4 Details of equity instruments at fair value through other comprehensive income as at December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

	2020			2019	
	Number of shares	Percentage of ownership (%)	Acquisition cost	Book amount	Book amount
Woobang Co., Ltd.	1,305	0.02%	₩ 7	₩ 7	₩ 7
Pumyang Assetmanagement Co., Ltd.	5,874	1.00%	29	1	1
Woorim Construction Co., Ltd.	3,888	0.23%	778	1	1
KD Construction Co., Ltd.	42,601	4.11%	1,278	1	1
Techno Village Co., Ltd.	56,000	3.38%	280	280	280
Ssangyong E&C Co., Ltd.	13,621	0.07%	384	15	14
SHINSUNG Engineering & Construction Co., Ltd.	2,642	0.02%	13	-	-
Smart Power Co., Ltd.	108,608	7.39%	54	1	1
Neo Trans Co., Ltd.	2,858	14.29%	14	14	14
HEEKYUNG E&C Co., Ltd.	6,163	5.06%	14	2	2
DONGYANG E&C Co., Ltd.	77	0.00%	88	-	-
Hyodong Development Co., Ltd.	520	0.00%	104	1	1
Kyungnam Enterprise Co., Ltd.	36	0.01%	1,042	2	2
Nam Kwang Construction Co., Ltd.	-	0.00%	12	-	-
Samwoo EMC Co.,LTD.	-	0.00%	2	-	-
SEOWOO Engineering & Construction Co., Ltd.	39,785	29.66%	1,989	398	398
Kyoungdong E & C Co., Ltd.	445	0.04%	4	2	2
HWANAM CONSTRUCTION CO.,LTD.	23,097	15.25%	231	231	231
STX Heavy Industries Co., Ltd. ¹	-	-	-	-	26
K-Realty X Co.,Ltd.	363,000	3.46%	7,260	7,260	7,260
Dongbu Construction Co., Ltd.	345	0.00%	5	5	2,731
SG Safety Corporation	30,400	5.00%	2,000	2,000	2,000
HIC corporation	181	0.02%	-	-	-
SEWON CONSTRUCTION CO.,LTD.	182	0.06%	2	2	-
Total			<u>₩ 15,590</u>	<u>₩ 10,223</u>	<u>₩ 12,972</u>

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(in thousands of US dollars (Note 4))

	2020				2019
	Number of shares	Percentage of ownership (%)	Acquisition cost	Book amount	Book amount
Woobang Co., Ltd.	1,305	0.02%	\$ 6	\$ 6	\$ 6
Pumyang Assetmanagement Co., Ltd.	5,874	1.00%	27	1	1
Woorim Construction Co., Ltd.	3,888	0.23%	715	1	1
KD Construction Co., Ltd.	42,601	4.11%	1,175	1	1
Techno Village Co., Ltd.	56,000	3.38%	257	257	257
Ssangyong E&C Co., Ltd.	13,621	0.07%	353	14	13
SHINSUNG Engineering & Construction Co., Ltd.	2,642	0.02%	12	-	-
Smart Power Co., Ltd.	108,608	7.39%	50	1	1
Neo Trans Co., Ltd.	2,858	14.29%	13	13	13
HEEKYUNG E&C Co., Ltd.	6,163	5.06%	13	2	2
DONGYANG E&C Co., Ltd.	77	0.00%	81	-	-
Hyodong Development Co., Ltd.	520	0.00%	96	1	1
Kyungnam Enterprise Co., Ltd.	36	0.01%	958	2	2
Nam Kwang Construction Co., Ltd.	-	0.00%	11	-	-
Samwoo EMC Co.,LTD.	-	0.00%	2	-	-
SEOWOO Engineering & Construction Co., Ltd.	39,785	29.66%	1,828	366	366
Kyoungdong E & C Co., Ltd.	445	0.04%	4	2	2
HWANAM CONSTRUCTION CO.,LTD.	23,097	15.25%	212	212	212
STX Heavy Industries Co., Ltd. ¹	-	-	-	-	24
K-Realty X Co.,Ltd.	363,000	3.46%	6,673	6,673	6,673
Dongbu Construction Co., Ltd.	345	0.00%	5	5	2,510
SG Safety Corporation	30,400	5.00%	1,838	1,838	1,838
HIC corporation	181	0.02%	-	-	-
SEWON CONSTRUCTION CO.,LTD.	182	0.06%	2	2	-
Total			\$ 14,331	\$ 9,397	\$ 11,923

¹ During 2020, the Group sold the equity instruments to a third party.

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12.5 Details of debt instruments at fair value through other comprehensive income as at December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

		2020		2019	
		<u>Maturity</u>	<u>Nominal value</u>	<u>Book amount</u>	<u>Book amount</u>
Government bonds	National housing bonds and others	Up to 1 year	₩ 100	₩ 100	₩ 16
		1 year to 5 years	5,158	5,077	4,249
			5,258	5,177	4,265
Corporate bonds	SACC Co., Ltd. Namyang Construction Co., Ltd. ¹	1 year to 5 years	200	1	1
		2032	256	256	256
			456	257	257
Total		₩ 5,714	₩ 5,434	₩ 4,522	

(in thousands of US dollars (Note 4))

		2020		2019	
		<u>Maturity</u>	<u>Nominal value</u>	<u>Book amount</u>	<u>Book amount</u>
Government bonds	National housing bonds and others	Up to 1 year	\$ 92	\$ 92	\$ 15
		1 year to 5 years	4,741	4,666	3,905
			4,833	4,758	3,920
Corporate bonds	SACC Co., Ltd. Namyang Construction Co., Ltd. ¹	1 year to 5 years	184	1	1
		2032	235	235	235
			419	236	236
Total		\$ 5,252	\$ 4,994	\$ 4,156	

¹ The above debt instruments, which are subordinated bonds, are stated at cost because they do not have reliably estimable fair value.

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13. Derivative Instruments

13.1 The Group enters into derivative contracts for trading purposes with Woori Bank and others. Changes in derivative instruments for the years ended December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

	2020			
	Amount		Gain (loss) on transaction / valuation	
	Assets	Liabilities	Gain	Loss
Trading purpose				
Forward foreign currency contracts	₩ 1,305	₩ 9,163	₩ 21,766	₩ 25,363
Swap foreign currency contracts	-	9,942	3,229	24,775
Total	₩ 1,305	₩ 19,105	₩ 24,995	₩ 50,138

*(in thousands of US dollars
(Note 4))*

	2020			
	Amount		Gain (loss) on transaction / valuation	
	Assets	Liabilities	Gain	Loss
Trading purpose				
Forward foreign currency contracts	\$ 1,199	\$ 8,422	\$ 20,005	\$ 23,312
Swap foreign currency contracts	-	9,138	2,968	22,771
Total	\$ 1,199	\$ 17,560	\$ 22,973	\$ 46,083

(in millions of Korean won)

	2019			
	Amount		Gain (loss) on transaction / valuation	
	Assets	Liabilities	Gain	Loss
Trading purpose				
Forward foreign currency contracts	₩ 11,990	₩ 4,687	₩ 35,903	₩ 9,800
Swap foreign currency contracts	8,217	676	16,163	1,662
Total	₩ 20,207	₩ 5,363	₩ 52,066	₩ 11,462

*(in thousands of US dollars
(Note 4))*

	2019			
	Amount		Gain (loss) on transaction / valuation	
	Assets	Liabilities	Gain	Loss
Trading purpose				
Forward foreign currency contracts	\$ 11,021	\$ 4,308	\$ 32,999	\$ 9,007
Swap foreign currency contracts	7,552	621	14,856	1,528
Total	\$ 18,573	\$ 4,929	\$ 47,855	\$ 10,535

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13.2 Gain (loss) on valuation of derivatives and gain (loss) on transactions of derivatives are recognized as other income (expenses) (Note 32).

13.3 All the Group's derivative financial assets are financial assets at fair value through profit or loss.

14. Assets Held for Sale

14.1 Changes in assets held for sale for the years ended December 31, 2020 and 2019, are as follows:

(in millions of Korean won and thousands of US dollars (Note 4))

	2020		2019	
	₩		₩	
Beginning balance	100,611		129,225	
Increase	9,189		31,810	
Decrease ¹	(73,006)		(60,424)	
Ending balance²	36,794		100,611	

¹ The Group recognized ₩ 2,233 million (equivalent to \$ 2,052 thousand) (2019: ₩ 4,678 million (equivalent to \$ 4,300 thousand)) of gain on disposal of assets held for sale relating to disposal of an asset group for the year ended December 31, 2020, and ₩ 276 million (equivalent to \$ 254 thousand) (2019: ₩ 314 million (equivalent to \$ 289 thousand)) of loss on disposal of assets held for sale for the year ended December 31, 2020, as other income and expenses (Note 32).

² It consists of real estate held for sale of ₩ 34,284 million (equivalent to \$ 31,511 thousand) (2019: ₩ 89,383 million (equivalent to \$ 82,153 thousand)), and securities held for sale of ₩ 2,510 million, (equivalent to \$ 2,307 thousand) (2019: ₩ 11,228 million (equivalent to \$ 10,320 thousand)) as at December 31, 2020.

14.2 In relation to the recovery and decline of fair value against book value of assets held for sale for the year ended December 31, 2020, impairment losses on assets held for sale of ₩ 7,265 million, equivalent to \$ 6,677 thousand (2019: ₩ 11,574 million, equivalent to \$ 10,638 thousand) was recognized as other expenses (Note 32).

14.3 None of accumulated income or expense is directly recognized in other comprehensive income (loss) in relation to assets held for sale as at December 31, 2020 and 2019.

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15. Investments in Associates

15.1 Details of investments in associates as at December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

	Location	Year end	Percentage of ownership (%)	2020		2019	
				Acquisition cost	Net asset value	Book amount	Book amount
Investments accounted for under the equity method							
BEIJING LUFTHANSA CENTER CO.	China	December	25.0	₩ 27,193	₩ 27,954	₩ 27,954	₩ 25,124
KDS Hydro Pte.Ltd	Singapore	December	20.0	26,219	18,292	18,292	31,494
DINAMICO CONST,INC	Philippines	December	40.0	16	778	778	30
Yulchon 2 Industrial Complex Development Inc.	Korea	December	40.0	1,600	26	1	1
Dongtan 2 Daewoo Corporation Real Estate Investment Company	Korea	December	30.0	22,500	10,700	1,061	4,516
Hanam Marbling City Development	Korea	December	44.0	2,200	3,602	3,602	2,968
Pyeongsung Industry Co., Ltd.	Korea	December	27.0	1,350	818	818	905
Yangju Development PFV Co, Ltd	Korea	December	22.0	1,100	(6,598)	1	1
Ganghwa Tidal Power Plant Co., Ltd.	Korea	December	46.0	23	21	21	21
Bugok Environment Co., Ltd. ³	Korea	December	-	-	-	-	1,020
Chonmasan Tunnel Co.	Korea	December	36.0	9,720	1,008	1,000	3,828
Sahwa City Development Co., Ltd. ³	Korea	December	-	-	-	-	72
Harbor City Development Co., Ltd.	Korea	December	29.9	1,794	(6,712)	1	1
Incheon Airport Yeongjong REIT Co., Ltd.	Korea	December	24.0	24,380	23,961	16,649	23,273
Pocheon IPP Co., Ltd.	Korea	December	42.0	81,800	15,294	1	1
Changwon Innovation Industrial Development Co., Ltd. PFV	Korea	December	29.0	1,450	(2,244)	1	1
Gyeongsan Knowledge Industry Development Co., Ltd.	Korea	December	29.0	1,450	5,310	1	1
Skyland Co., Ltd.	Korea	December	25.0	1	(1,483)	1	1
Jinwi 3 Industrial Complex Development Inc.	Korea	December	20.0	1,000	755	1	1
Kyungnam Masan Robotland Co., Ltd.	Korea	December	25.0	918	(3,550)	1	1
UI trans LRT Co.	Korea	December	20.3	20,513	(17,187)	1	1
GreenJC Co.	Korea	December	21.4	1,765	1,291	1	1
Eunpyeong new road Corp.	Korea	December	33.0	1,304	(76)	1	1
GWIC Co., Ltd.	Korea	December	20.0	60	(132)	1	1
Tangjeong Technopark Co., Ltd.	Korea	December	20.0	400	(4,781)	1	400
Together Investment Management Co., Ltd.	Korea	December	37.1	2,600	2,062	2,062	2,600
JR Qualified Investor Private Placement Real Estate Fund Investment Trust No.22 ¹	Korea	December	35.2	39,896	39,896	27,871	-
SUWON Youth Housing Daewoo K1 No.9 Reits ¹	Korea	December	20.2	5,798	5,704	5,422	-
Mastern No.83 Cheongryang PFV Co., Ltd., ¹	Korea	December	30.3	1,514	1,498	1,498	-
Daechi 176 PFV Co., Ltd. ¹	Korea	December	33.3	2,000	1,748	1,748	-
Zayang 5 PFV Co., Ltd ¹	Korea	December	30.0	1,500	1,464	1,464	-
Humax EV Co., Ltd ⁴	Korea	December	10.0	1,437	1,376	1,376	-
Songsan Industrial Complex Development Inc. ⁶	Korea	December	20.9	380	(84)	1	-
				<u>283,881</u>	<u>120,711</u>	<u>111,631</u>	<u>96,264</u>
Investments not accounted for under the equity method ⁵							
DW POWER(INDIA) LTD. ²	India	December	69.5	2,440	-	1	1

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	Location	Year end	Percentage of ownership (%)	2020		2019	
				Acquisition	Net asset	Book	Book
				cost	value	amount	amount
Gyeongang Rivercity AMC Co., Ltd.	Korea	December	40.0	20	24	20	20
Hanam Marbling City Co., Ltd	Korea	December	44.0	44	59	44	44
Skyland Asset Management Co., Ltd.	Korea	December	25.0	13	(7)	13	13
Cheongju Technopolis Asset Management Co., Ltd.	Korea	December	35.0	105	126	105	105
S-ACC Co., Ltd.	Korea	December	27.3	300	-	1	1
Pyeongsung Industrial Asset Management ²	Korea	December	70.0	70	50	70	70
Gyeongnam Masan Robot Land Asset Management Co., Ltd.	Korea	December	25.0	55	53	55	55
Changwon Innovation Industrial Development Asset Management Co., Ltd. ²	Korea	December	80.0	240	255	240	240
Pungmoo Station Area development asset management Co.	Korea	December	41.0	41	75	41	41
Gochon Development AMC Co, Ltd ¹	Korea	December	49.0	49	73	49	-
UNION DW ENG & CON LTD.	Thailand	December	49.0	-	-	-	-
MEGAWORLD-DW CO.	Philippines	December	40.0	1	-	1	1
GULF ENG.CONST. & CONTRACT	Libya	December	49.0	31,226	-	1	1
Daewoo Arabia Ltd. ²	Saudi Arabia	December	60.0	-	-	-	-
Daewoo Nigeria Ltd. ²	Nigeria	December	90.0	124	-	123	1
Daewoo-Hannel Corp. ²	Vietnam	December	60.0	-	-	-	-
DAEWOO E & C IRAN ²	Iran	December	100.0	-	-	-	-
V-CITY 21 JOINT STOCK COMPANY	Vietnam	December	40.0	48	-	1	1
Daewoo E&C LLC ²	Oman	December	70.0	510	-	1	1
				<u>35,286</u>	<u>708</u>	<u>766</u>	<u>595</u>
Total				<u>₩ 319,167</u>	<u>₩ 121,419</u>	<u>₩ 112,397</u>	<u>₩ 96,859</u>

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	Location	Year end	Percentage of ownership (%)	2020			2019
				Acquisition cost	Net asset value	Book amount	Book amount
Investments accounted for under the equity method							
BEIJING LUFTHANSA CENTER CO.	China	December	25.0	\$ 24,994	\$ 25,693	\$ 25,692	\$ 23,092
KDS Hydro Pte.Ltd	Singapore	December	20.0	24,098	16,813	16,813	28,947
DINAMICO CONST,INC	Philippines	December	40.0	15	715	715	28
Yulchon 2 Industrial Complex Development Inc.	Korea	December	40.0	1,471	24	1	1
Dongtan 2 Daewoo Corporation Real Estate Investment Company	Korea	December	30.0	20,680	9,835	975	4,151
Hanam Marbling City Development	Korea	December	44.0	2,022	3,311	3,311	2,728
Pyeongsung Industry Co., Ltd.	Korea	December	27.0	1,241	752	752	832
Yangju Development PFV Co, Ltd	Korea	December	22.0	1,011	(6,064)	1	1
Ganghwa Tidal Power Plant Co., Ltd.	Korea	December	46.0	21	19	19	19
Bugok Environment Co., Ltd. ³	Korea	December	-	-	-	-	938
Chonmasan Tunnel Co.	Korea	December	36.0	8,934	926	919	3,518
Sahwa City Development Co., Ltd. ³	Korea	December	-	-	-	-	66
Harbor City Development Co., Ltd.	Korea	December	29.9	1,649	(6,169)	1	1
Incheon Airport Yeongjong REIT Co., Ltd.	Korea	December	24.0	22,408	22,023	15,302	21,391
Pocheon IPP Co., Ltd.	Korea	December	42.0	75,184	14,057	1	1
Changwon Innovation Industrial Development Co., Ltd. PFV	Korea	December	29.0	1,333	(2,063)	1	1
Gyeongsan Knowledge Industry Development Co., Ltd.	Korea	December	29.0	1,333	4,881	1	1
Skyland Co., Ltd.	Korea	December	25.0	1	(1,363)	1	1
Jinwi 3 Industrial Complex Development Inc.	Korea	December	20.0	919	694	1	1
Kyungnam Masan Robotland Co., Ltd.	Korea	December	25.0	844	(3,263)	1	1
UI trans LRT Co.	Korea	December	20.3	18,854	(15,797)	1	1
GreenJC Co.	Korea	December	21.4	1,622	1,187	1	1
Eunpyeong new road Corp.	Korea	December	33.0	1,199	(70)	1	1
GWIC Co., Ltd.	Korea	December	20.0	55	(121)	1	1
Tangjeong Technopark Co., Ltd.	Korea	December	20.0	368	(4,394)	1	368
Together Investment Management Co., Ltd.	Korea	December	37.1	2,390	1,895	1,895	2,390
JR Qualified Investor Private Placement Real Estate Fund Investment Trust No.22 ¹	Korea	December	35.2	36,669	36,669	25,617	-
SUWON Youth Housing Daewoo K1 No.9 Reits ¹	Korea	December	20.2	5,329	5,243	4,983	-
Mastern No.83 Cheongryang PFV Co., Ltd., ¹	Korea	December	30.3	1,392	1,377	1,377	-
Daechi 176 PFV Co., Ltd. ¹	Korea	December	33.3	1,838	1,607	1,607	-
Zayang 5 PFV Co., Ltd ¹	Korea	December	30.0	1,379	1,346	1,346	-
Humax EV Co., Ltd ⁴	Korea	December	10.0	1,321	1,265	1,265	-
Songsan Industrial Complex Development Inc. ⁶	Korea	December	20.9	349	(77)	1	-
				<u>260,923</u>	<u>110,951</u>	<u>102,603</u>	<u>88,481</u>
Investments not accounted for under the equity method ⁵							
DW POWER(INDIA) LTD. ²	India	December	69.5	2,243	-	1	1
Gyeongang Rivercity AMC Co., Ltd.	Korea	December	40.0	18	22	18	18
Hanam Marbling City Co., Ltd	Korea	December	44.0	40	54	40	40
Skyland Asset Management Co., Ltd.	Korea	December	25.0	12	(6)	12	12
Cheongju Technopolis Asset Management Co., Ltd.	Korea	December	35.0	97	116	97	97

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	Location	Year end	Percentage of ownership (%)	2020		2019	
				Acquisition cost	Net asset value	Book amount	Book amount
S-ACC Co., Ltd.	Korea	December	27.3	276	-	1	1
Pyeongsung Industrial Asset Management ²	Korea	December	70.0	64	46	64	64
Gyeongnam Masan Robot Land Asset Management Co., Ltd.	Korea	December	25.0	51	49	51	51
Changwon Innovation Industrial Development Asset Management Co., Ltd. ²	Korea	December	80.0	221	234	221	221
Pungmoo Station Area development asset management Co.	Korea	December	41.0	38	69	38	38
Gochon Development AMC Co., Ltd ¹	Korea	December	49.0	45	67	45	-
UNION DW ENG & CON LTD.	Thailand	December	49.0	-	-	-	-
MEGAWORLD-DW CO.	Philippines	December	40.0	1	-	1	1
GULF ENG.CONST. & CONTRACT	Libya	December	49.0	28,700	-	1	1
Daewoo Arabia Ltd. ²	Saudi Arabia	December	60.0	-	-	-	-
Daewoo Nigeria Ltd. ²	Nigeria	December	90.0	114	-	113	1
Daewoo-Hannel Corp. ²	Vietnam	December	60.0	-	-	-	-
DAEWOO E & C IRAN ²	Iran	December	100.0	-	-	-	-
V-CITY 21 JOINT STOCK COMPANY	Vietnam	December	40.0	44	-	1	1
Daewoo E&C LLC ²	Oman	December	70.0	469	-	1	1
Total				<u>32,433</u>	<u>651</u>	<u>705</u>	<u>548</u>
				<u>\$ 293,356</u>	<u>\$ 111,602</u>	<u>\$ 103,308</u>	<u>\$ 89,029</u>

¹ It is classified to investments in associates since the Group acquired more than 20% of shares issued during 2020.

² Although the Group's ownership exceeds 50%, it is classified as investments in associates since the Group does not have the ability to influence substantive operating activities and the impact on the financial statements of the Group is not significant.

³ It has been sold and liquidated, therefore, excluded from the investments in associates during 2020.

⁴ Although the Group's ownership is less than 20%, it is classified as investments in associates since the Group has a significant influence over the entity.

⁵ The equity method is not applied because the equity change of the investment is not significant. However, when net asset value declined significantly and are not expected to recover, it is written down to recoverable amount. Net asset value is measured by using associates' provisional financial statements as of December 31, 2020 or recent financial statements.

⁶ It is reclassified from debt instruments at fair value through profit or loss to investments in associates during 2020.

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15.2 Changes in the investments in associates for the years ended December 31, 2020 and 2019, are as follows:

(in millions of Korean won and thousands of US dollars (Note 4))

	2020	2019	2020	2019
Beginning Balance	₩ 96,859	₩ 102,449	\$ 89,025	\$ 94,163
Acquisition	50,316	3,020	46,247	2,778
Reclassification ¹	2,001	(244)	1,840	(223)
Share of income (loss)	(9,143)	27,262	(8,403)	25,057
Share of other comprehensive income (loss)	(26,285)	258	(24,159)	237
Dividends	(74)	(35,484)	(68)	(32,614)
Disposal	(1,277)	(402)	(1,174)	(369)
Ending Balance	₩ 112,397	₩ 96,859	\$ 103,308	\$ 89,029

¹ Reclassification of investments in associates:

<i>(in millions of Korean won)</i>	2020	2019	Remark
Tecnicas Reunidas Daewoo LLC	₩ -	₩ (244)	Reclassification from investments in associates to joint operations
Daechi 176 PFV Co., Ltd and others	2,001	-	Reclassification from loans and others to investments in associates
	₩ 2,001	₩ (244)	

<i>(in thousands of US dollars (Note 4))</i>	2020	2019	Remark
Tecnicas Reunidas Daewoo LLC	\$ -	\$ (224)	Reclassification from investments in associates to joint operations
Daechi 176 PFV Co., Ltd and others	1,839	-	Reclassification from loans and others to investments in associates
	\$ 1,839	\$ (224)	

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15.3 Details of valuation of investments in associates that are accounted for using the equity method for the years ended December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

	2020						
	Beginning balance	Acquisition (disposal)	Share of profit or loss of associates	Share of other comprehensive income of associates	Dividends	Impairment loss	Ending balance
Investments accounted for under the equity method¹							
BEIJING LUFTHANSA CENTER CO.	₩ 25,124	₩ -	₩ 2,707	₩ 123	₩ -	₩ -	₩ 27,954
KDS Hydro Pte.Ltd	31,494	-	13,206	(26,408)	-	-	18,292
DINAMICO CONST,INC	30	-	785	(37)	-	-	778
Yulchon 2 Industrial Complex Development Inc.	1	-	-	-	-	-	1
Dongtan 2 Daewoo Corporation Real Estate Investment Company	4,516	-	(3,455)	-	-	-	1,061
Hanam Marbling City Development	2,968	-	709	-	(75)	-	3,602
Pyeongsung Industry Co., Ltd.	905	-	(87)	-	-	-	818
Yangju Development PFV Co, Ltd	1	-	-	-	-	-	1
Ganghwa Tidal Power Plant Co., Ltd.	21	-	-	-	-	-	21
Bugok Environment Co., Ltd.	1,020	(1,007)	(13)	-	-	-	-
Chonmasan Tunnel Co.	3,828	-	(2,828)	-	-	-	1,000
Sahwa City Development Co., Ltd.	72	(270)	198	-	-	-	-
Harbor City Development Co., Ltd.	1	-	-	-	-	-	1
Incheon Airport Yeongjong REIT Co., Ltd.	23,273	-	(6,624)	-	-	-	16,649
Pocheon IPP Co., Ltd.	1	-	-	-	-	-	1
Changwon Innovation Industrial Development Co., Ltd. PFV	1	-	-	-	-	-	1
Gyeongsan Knowledge Industry Development Co., Ltd.	1	-	-	-	-	-	1
Skyland Co., Ltd.	1	-	-	-	-	-	1
Jinwi 3 Industrial Complex Development Inc.	1	-	-	-	-	-	1
Kyungnam Masan Robotland Co., Ltd.	1	-	-	-	-	-	1
UI trans LRT Co.	1	-	-	-	-	-	1
GreenJC Co.	1	-	-	-	-	-	1
Eunpyeong new road Corp.	1	-	-	-	-	-	1
GWIC Co., Ltd.	1	-	-	-	-	-	1
Tangeong Technopark Co., Ltd.	400	-	(399)	-	-	-	1
Together Investment Management Co., Ltd.	2,600	-	(538)	-	-	-	2,062
JR Qualified Investor Private Placement Real Estate Fund Investment Trust No.22	-	39,896	(12,025)	-	-	-	27,871
SUWON Youth Housing Daewoo K1 No.9 Reits	-	5,798	(346)	(30)	-	-	5,422

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	2020						
	Beginning balance	Acquisition (disposal)	Share of profit or loss of associates	Share of other comprehensive income of associates	Dividends	Impairment loss	Ending balance
Mastern No.83 Cheongryang PFV Co., Ltd.,	-	1,514	(16)	-	-	-	1,498
Daechi 176 PFV Co., Ltd	-	2,000	(252)	-	-	-	1,748
Zayang 5 PFV Co., Ltd	-	1,500	(36)	-	-	-	1,464
Humax EV Co., Ltd	-	1,437	(128)	67	-	-	1,376
Songsan Industrial Complex Development Inc.	-	1	-	-	-	-	1
	<u>96,264</u>	<u>50,869</u>	<u>(9,142)</u>	<u>(26,285)</u>	<u>(75)</u>	<u>-</u>	<u>111,631</u>
Investments not accounted for under the equity method							
DW POWER(INDIA) LTD.	1	-	-	-	-	-	1
Tecnicas Reunidas Daewoo LCC	-	-	-	-	-	-	-
Gyeongang Rivercity AMC Co., Ltd.	20	-	-	-	-	-	20
Hanam Marbling City Co., Ltd	44	-	-	-	-	-	44
Skyland Asset Management Co., Ltd.	13	-	-	-	-	-	13
Cheongju Technopolis Asset Management Co., Ltd.	105	-	-	-	-	-	105
S-ACC Co., Ltd.	1	-	-	-	-	-	1
Pyeongsung Industrial Asset Management	70	-	-	-	-	-	70
Gyeongnam Masan Robot Land Asset Management Co., Ltd.	55	-	-	-	-	-	55
Changwon Innovation Industrial Development Asset Management Co., Ltd.	240	-	-	-	-	-	240
Pungmoo Station Area development asset management Co.	41	-	-	-	-	-	41
Gochon Development AMC Co., Ltd	-	49	-	-	-	-	49
UNION DW ENG & CON LTD.	-	-	-	-	-	-	-
MEGAWORLD-DW CO.	1	-	-	-	-	-	1
GULF ENG.CONST. & CONTRACT	1	-	-	-	-	-	1
Daewoo Arabia Ltd.	-	-	-	-	-	-	-
Daewoo Nigeria Ltd.	1	122	-	-	-	-	123
Daewoo-Hannel Corp.	-	-	-	-	-	-	-
DAEWOO E & C IRAN	-	-	-	-	-	-	-
V-CITY 21 JOINT STOCK COMPANY	1	-	-	-	-	-	1
Daewoo E&C LLC	1	-	-	-	-	-	1
	<u>595</u>	<u>171</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>766</u>
Total	<u>₩ 96,859</u>	<u>₩ 51,040</u>	<u>₩ (9,142)</u>	<u>₩ (26,285)</u>	<u>₩ (75)</u>	<u>₩ -</u>	<u>₩ 112,397</u>

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(Note 4))

	2020						Ending balance
	Beginning balance	Acquisition (disposal)	Share of profit or loss of associates	Share of other comprehensive income of associates	Dividends	Impairment loss	
Investments accounted for under the equity method¹							
BEIJING LUFTHANSA CENTER							
CO.	\$ 23,092	\$ -	\$ 2,488	\$ 113	\$ -	\$ -	\$ 25,693
KDS Hydro Pte.Ltd	28,947	-	12,138	(24,272)	-	-	16,813
DINAMICO CONST,INC	27	-	722	(34)	-	-	715
Yulchon 2 Industrial Complex Development Inc.	1	-	-	-	-	-	1
Dongtan 2 Daewoo Corporation							
Real Estate Investment Company	4,151	-	(3,176)	-	-	-	975
Hanam Marbling City Development	2,728	-	652	-	(69)	-	3,311
Pyeongsung Industry Co., Ltd.	832	-	(80)	-	-	-	752
Yangju Development PFV Co, Ltd	1	-	-	-	-	-	1
Ganghwa Tidal Power Plant Co., Ltd.	19	-	-	-	-	-	19
Bugok Environment Co., Ltd.	938	(926)	(12)	-	-	-	-
Chonmasan Tunnel Co.	3,518	-	(2,599)	-	-	-	919
Sahwa City Development Co., Ltd.	66	(248)	182	-	-	-	-
Harbor City Development Co., Ltd.	1	-	-	-	-	-	1
Incheon Airport Yeongjong REIT Co., Ltd.	21,390	-	(6,088)	-	-	-	15,302
Pocheon IPP Co., Ltd.	1	-	-	-	-	-	1
Changwon Innovation Industrial Development Co., Ltd. PFV	1	-	-	-	-	-	1
Gyeongsan Knowledge Industry Development Co., Ltd.	1	-	-	-	-	-	1
Skyland Co., Ltd.	1	-	-	-	-	-	1
Jinwi 3 Industrial Complex Development Inc.	1	-	-	-	-	-	1
Kyungnam Masan Robotland Co., Ltd.	1	-	-	-	-	-	1
Ul trans LRT Co.	1	-	-	-	-	-	1
GreenJC Co.	1	-	-	-	-	-	1
Eunpyeong new road Corp.	1	-	-	-	-	-	1
GWIC Co., Ltd.	1	-	-	-	-	-	1
Tangeong Technopark Co., Ltd.	368	-	(367)	-	-	-	1
Together Investment Management Co., Ltd.	2,389	-	(494)	-	-	-	1,895
JR Qualified Investor Private Placement Real Estate Fund Investment Trust No.22	-	36,669	(11,052)	-	-	-	25,617
SUWON Youth Housing Daewoo K1 No.9 Reits	-	5,329	(318)	(28)	-	-	4,983
Mastern No.83 Cheongryang PFV Co., Ltd	-	1,392	(15)	-	-	-	1,377
Daechi 176 PFV Co., Ltd.	-	1,838	(232)	-	-	-	1,606
Zayang 5 PFV Co., Ltd	-	1,379	(33)	-	-	-	1,346

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	2020						
	Beginning balance	Acquisition (disposal)	Share of profit or loss of associates	Share of other comprehensive income of associates	Dividends	Impairment loss	Ending balance
Humax EV Co., Ltd	-	1,321	(118)	62	-	-	1,265
Songsan Industrial Complex Development Inc.	-	1	-	-	-	-	1
	<u>88,478</u>	<u>46,755</u>	<u>(8,402)</u>	<u>(24,159)</u>	<u>(69)</u>	<u>-</u>	<u>102,603</u>
Investments not accounted for under the equity method							
DW POWER(INDIA) LTD.	1	-	-	-	-	-	1
Tecnicas Reunidas Daewoo LCC	-	-	-	-	-	-	-
Gyeongang Rivercity AMC Co., Ltd.	18	-	-	-	-	-	18
Hanam Marbling City Co., Ltd	40	-	-	-	-	-	40
Skyland Asset Management Co., Ltd.	12	-	-	-	-	-	12
Cheongju Technopolis Asset Management Co., Ltd.	97	-	-	-	-	-	97
S-ACC Co., Ltd.	1	-	-	-	-	-	1
Pyeongsung Industrial Asset Management	64	-	-	-	-	-	64
Gyeongnam Masan Robot Land Asset Management Co., Ltd.	51	-	-	-	-	-	51
Changwon Innovation Industrial Development Asset Management Co., Ltd.	220	-	-	-	-	-	220
Pungmoo Station Area development asset management Co.	38	-	-	-	-	-	38
Gochon Development AMC Co., Ltd	-	45	-	-	-	-	45
UNION DW ENG & CON LTD.	-	-	-	-	-	-	-
MEGAWORLD-DW CO.	1	-	-	-	-	-	1
GULF ENG.CONST. & CONTRACT	1	-	-	-	-	-	1
Daewoo Arabia Ltd.	-	-	-	-	-	-	-
Daewoo Nigeria Ltd.	1	112	-	-	-	-	113
Daewoo-Hannel Corp.	-	-	-	-	-	-	-
DAEWOO E & C IRAN	-	-	-	-	-	-	-
V-CITY 21 JOINT STOCK COMPANY	1	-	-	-	-	-	1
Daewoo E&C LLC	1	-	-	-	-	-	1
	<u>547</u>	<u>157</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>704</u>
Total	<u>\$ 89,025</u>	<u>\$ 46,912</u>	<u>\$ (8,402)</u>	<u>\$ (24,159)</u>	<u>\$ (69)</u>	<u>\$ -</u>	<u>\$ 103,307</u>

¹ Equity method was applied using provisional financial statements on some of investments. The reliability of provisional financial statements was reviewed by the Group's management.

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	2019						
	Beginning balance	Acquisition (disposal)	Share of profit or loss of associates	Share of other comprehensive income of associates	Dividends	Impairment loss	Ending balance
Investments accounted for under the equity method¹							
BEIJING LUFTHANSA CENTER							
CO.	₩ 19,031	₩ -	₩ 5,842	₩ 251	₩ -	₩ -	₩ 25,124
KDS Hydro Pte.Ltd	28,341	-	3,028	125	-	-	31,494
DINAMICO CONST,INC	24	-	4	2	-	-	30
Yulchon 2 Industrial Complex Development Inc.	1,301	-	(1,300)	-	-	-	1
Dongtan 2 Daewoo Corporation							
Real Estate Investment Company	7,353	-	(2,837)	-	-	-	4,516
Hanam Marbling City Development	8,278	-	(1,126)	-	(4,184)	-	2,968
Pyeongsung Industry Co., Ltd.	968	-	(63)	-	-	-	905
Yangju Development PFV Co, Ltd	533	-	(532)	-	-	-	1
Ganghwa Tidal Power Plant Co., Ltd.							
	21	-	-	-	-	-	21
Bugok Environment Co., Ltd.	1,005	-	15	-	-	-	1,020
Chonmasan Tunnel Co.	7,449	-	(3,621)	-	-	-	3,828
Myeong-dong urban environment maintenance business							
	999	(1)	(998)	-	-	-	-
J&Tech	1	(400)	399	-	-	-	-
Sahwa City Development Co., Ltd.	141	-	(69)	-	-	-	72
Harbor City Development Co., Ltd.	1,794	-	(1,793)	-	-	-	1
Incheon Airport Yeongjong REIT Co., Ltd.							
	24,380	-	(987)	(120)	-	-	23,273
Pocheon IPP Co., Ltd.	1	-	-	-	-	-	1
Changwon Innovation Industrial Development Co., Ltd. PFV							
	1	-	-	-	-	-	1
Gyeongsan Knowledge Industry Development Co., Ltd.							
	1	-	-	-	-	-	1
Skyland Co., Ltd.	1	-	-	-	-	-	1
Jinwi 3 Industrial Complex Development Inc.							
	1	-	-	-	-	-	1
Kyungnam Masan Robotland Co., Ltd.							
	1	-	-	-	-	-	1
Ul trans LRT Co.	1	-	-	-	-	-	1
GreenJC Co.	1	-	-	-	-	-	1
Eunpyeong new road Corp.	1	-	-	-	-	-	1
GWIC Co., Ltd.	1	-	-	-	-	-	1
The Uni-Star Co., Ltd.	1	(1)	31,300	-	(31,300)	-	-
Tangeong Technopark Co., Ltd.	-	400	-	-	-	-	400
Together Investment Management Co., Ltd.							
	-	2,600	-	-	-	-	2,600
	<u>101,630</u>	<u>2,598</u>	<u>27,262</u>	<u>258</u>	<u>(35,484)</u>	<u>-</u>	<u>96,264</u>
Investments not accounted for under the equity method							
DW POWER(INDIA) LTD.	1	-	-	-	-	-	1
Tecnicas Reunidas Daewoo LCC	244	(244)	-	-	-	-	-
Gyeongang Rivercity AMC Co., Ltd.	-	20	-	-	-	-	20

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	2019						
	Beginning balance	Acquisition (disposal)	Share of profit or loss of associates	Share of other comprehensive income of associates	Dividends	Impairment loss	Ending balance
Hanam Marbling City Co., Ltd	44	-	-	-	-	-	44
Skyland Asset Management Co., Ltd.	13	-	-	-	-	-	13
Cheongju Technopolis Asset Management Co., Ltd.	105	-	-	-	-	-	105
S-ACC Co., Ltd.	1	-	-	-	-	-	1
Pyeongsung Industrial Asset Management	70	-	-	-	-	-	70
Gyeongnam Masan Robot Land Asset Management Co., Ltd.	55	-	-	-	-	-	55
Changwon Innovation Industrial Development Asset Management Co., Ltd.	240	-	-	-	-	-	240
Pungmoo Station Area development asset management Co.	41	-	-	-	-	-	41
UNION DW ENG & CON LTD.	-	-	-	-	-	-	-
MEGAWORLD-DW CO.	1	-	-	-	-	-	1
GULF ENG.CONST. & CONTRACT	1	-	-	-	-	-	1
Daewoo Arabia Ltd.	-	-	-	-	-	-	-
Daewoo Nigeria Ltd.	1	-	-	-	-	-	1
Daewoo-Hannel Corp.	-	-	-	-	-	-	-
DAEWOO E & C IRAN	-	-	-	-	-	-	-
V-CITY 21 JOINT STOCK COMPANY	1	-	-	-	-	-	1
Daewoo E&C LLC	1	-	-	-	-	-	1
	819	(224)	-	-	-	-	595
Total	₩ 102,449	₩ 2,374	₩ 27,262	₩ 258	₩ (35,484)	₩ -	₩ 96,859

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries
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(Note 4))

	2019						
	Beginning balance	Acquisition (disposal)	Share of profit or loss of associates	Share of other comprehensive income of associates	Dividends	Impairment loss	Ending balance
Investments accounted for under the equity method¹							
BEIJING LUFTHANSA CENTER							
CO.	\$ 17,492	\$ -	\$ 5,369	\$ 231	\$ -	\$ -	\$ 23,092
KDS Hydro Pte.Ltd	26,049	-	2,783	115	-	-	28,947
DINAMICO CONST,INC	21	-	4	2	-	-	27
Yulchon 2 Industrial Complex Development Inc.	1,196	-	(1,195)	-	-	-	1
Dongtan 2 Daewoo Corporation							
Real Estate Investment Company	6,758	-	(2,607)	-	-	-	4,151
Hanam Marbling City Development	7,608	-	(1,034)	-	(3,846)	-	2,728
Pyeongsung Industry Co., Ltd.	890	-	(58)	-	-	-	832
Yangju Development PFV Co, Ltd	490	-	(489)	-	-	-	1
Ganghwa Tidal Power Plant Co., Ltd.	19	-	-	-	-	-	19
Bugok Environment Co., Ltd.	924	-	14	-	-	-	938
Chonmasan Tunnel Co.	6,847	-	(3,329)	-	-	-	3,518
Myeong-dong urban environment maintenance business	918	(1)	(917)	-	-	-	-
J&Tech	1	(368)	367	-	-	-	-
Sahwa City Development Co., Ltd.	130	-	(64)	-	-	-	66
Harbor City Development Co., Ltd.	1,649	-	(1,648)	-	-	-	1
Incheon Airport Yeongjong REIT Co., Ltd.	22,407	-	(907)	(110)	-	-	21,390
Pocheon IPP Co., Ltd.	1	-	-	-	-	-	1
Changwon Innovation Industrial Development Co., Ltd. PFV	1	-	-	-	-	-	1
Gyeongsan Knowledge Industry Development Co., Ltd.	1	-	-	-	-	-	1
Skyland Co., Ltd.	1	-	-	-	-	-	1
Jinwi 3 Industrial Complex Development Inc.	1	-	-	-	-	-	1
Kyungnam Masan Robotland Co., Ltd.	1	-	-	-	-	-	1
UI trans LRT Co.	1	-	-	-	-	-	1
GreenJC Co.	1	-	-	-	-	-	1
Eunpyeong new road Corp.	1	-	-	-	-	-	1
GWIC Co., Ltd.	1	-	-	-	-	-	1
The Uni-Star Co., Ltd.	1	(1)	28,768	-	(28,768)	-	-
Tangeong Technopark Co., Ltd.	-	368	-	-	-	-	368
Together Investment Management Co., Ltd.	-	2,389	-	-	-	-	2,389
	<u>93,410</u>	<u>2,387</u>	<u>25,057</u>	<u>238</u>	<u>(32,614)</u>	<u>-</u>	<u>88,478</u>
Investments not accounted for under the equity method							
DW POWER(INDIA) LTD.	1	-	-	-	-	-	1
Tecnicas Reunidas Daewoo LCC	224	(224)	-	-	-	-	-

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(Note 4))

	2019						
	Beginning balance	Acquisition (disposal)	Share of profit or loss of associates	Share of other comprehensive income of associates	Dividends	Impairment loss	Ending balance
Gyeongan Rivercity AMC Co., Ltd.	-	18	-	-	-	-	18
Hanam Marbling City Co., Ltd	40	-	-	-	-	-	40
Skyland Asset Management Co., Ltd.	12	-	-	-	-	-	12
Cheongju Technopolis Asset Management Co., Ltd.	97	-	-	-	-	-	97
S-ACC Co., Ltd.	1	-	-	-	-	-	1
Pyeongsung Industrial Asset Management	64	-	-	-	-	-	64
Gyeongnam Masan Robot Land Asset Management Co., Ltd.	51	-	-	-	-	-	51
Changwon Innovation Industrial Development Asset Management Co., Ltd.	220	-	-	-	-	-	220
Pungmoo Station Area development asset management Co.	38	-	-	-	-	-	38
UNION DW ENG & CON LTD.	-	-	-	-	-	-	-
MEGAWORLD-DW CO.	1	-	-	-	-	-	1
GULF ENG.CONST. & CONTRACT	1	-	-	-	-	-	1
Daewoo Arabia Ltd.	-	-	-	-	-	-	-
Daewoo Nigeria Ltd.	1	-	-	-	-	-	1
Daewoo-Hannel Corp.	-	-	-	-	-	-	-
DAEWOO E & C IRAN	-	-	-	-	-	-	-
V-CITY 21 JOINT STOCK COMPANY	1	-	-	-	-	-	1
Daewoo E&C LLC	1	-	-	-	-	-	1
	<u>753</u>	<u>(206)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>547</u>
Total	\$ 94,163	\$ 2,181	\$ 25,057	\$ 238	\$ (32,614)	\$ -	\$ 89,025

¹ Equity method was applied using provisional financial statements on some of investments. The reliability of provisional financial statements was reviewed by the Group's management.

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15.4 Summarized information of investees accounted for under the equity method as at and for the years ended December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

	2020									
	Assets		Liabilities		Sales	Profit (loss) for the year	Comprehensive income (loss)			
BEIJING LUFTHANSA CENTER CO.	₩	137,890	₩	26,077	₩	64,027	₩	10,828	₩	11,319
KDS Hydro Pte.Ltd		408,507		317,047		11,185		157,532		25,489
DINAMICO CONST,INC		6,786		4,840		28,333		1,964		1,871
Yulchon 2 Industrial Complex Development Inc.		64		-		-		(5)		(5)
Dongtan 2 Daewoo Corporation Real Estate Investment Company		398,415		362,749		1,114		(12,331)		(12,331)
Hanam Marbling City Development		12,607		4,418		19,478		1,462		1,462
Pyeongsung Industry Co., Ltd.		3,202		171		-		(319)		(319)
Yangju Development PFV Co, Ltd		223,429		253,422		-		(22,897)		(22,897)
Ganghwa Tidal Power Plant Co., Ltd.		45		-		-		-		-
Chonmasan Tunnel Co.		164,601		161,802		8,873		(10,423)		(10,423)
Harbor City Development Co., Ltd.		245,938		268,387		-		(7,723)		(7,723)
Incheon Airport Yeongjong REIT Co., Ltd.		331,980		232,393		-		(950)		(950)
Pocheon IPP Co., Ltd.		932,401		896,014		328,075		(52,160)		(52,160)
Changwon Innovation Industrial Development Co., Ltd. PFV		226,187		233,927		-		(2,705)		(2,705)
Gyeongsan Knowledge Industry Development Co., Ltd.		221,857		203,548		79,542		(13,634)		(13,634)
Skyland Co., Ltd.		23,018		28,952		3		(505)		(505)
Jinwi 3 Industrial Complex Development Inc.		89,126		85,350		-		(1,114)		(1,114)
Kyungnam Masan Robotland Co., Ltd.		91,067		105,267		131		(6,686)		(6,686)
UI trans LRT Co.		373,647		458,312		13,383		(31,794)		(31,794)
GreenJC Co.		59,363		53,331		2,995		(341)		(341)
Eunpyeong new road Corp.		74		306		-		(20)		(20)
GWIC Co., Ltd.		69,647		70,308		34,524		5,026		5,026
Tangjeong Technopark Co., Ltd.		101,196		125,100		-		(9,459)		(9,459)
Together Investment Management Co., Ltd.		5,625		74		458		(1,178)		(1,178)
JR Qualified Investor Private Placement Real Estate Fund Investment Trust No.22		113,341		-		-		(257)		(257)
SUWON Youth Housing Daewoo K1 No.9 Reits		60,735		32,499		-		(317)		(464)
Mastern No.83 Cheongryang PFV Co., Ltd		40,734		35,786		820		(52)		(52)
Daechi 176 PFV Co., Ltd.		63,682		58,439		-		(756)		(756)
Zayang 5 PFV Co., Ltd		145,837		140,958		119		(121)		(121)
Humax EV Co., Ltd		5,386		1,238		1		(1,631)		(958)
Songsan Industrial Complex Development Inc.		153,392		153,794		17,658		(3,021)		(3,021)

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	2020				
	Assets	Liabilities	Sales	Profit (loss) for the year	Comprehensive income (loss)
BEIJING LUFTHANSA CENTER CO.	\$ 126,737	\$ 23,968	\$ 58,848	\$ 9,952	\$ 10,403
KDS Hydro Pte.Ltd	375,466	291,403	10,280	144,790	23,427
DINAMICO CONST,INC	6,237	4,449	26,041	1,805	1,720
Yulchon 2 Industrial Complex Development Inc.	59	-	-	(5)	(5)
Dongtan 2 Daewoo Corporation Real Estate Investment Company	366,190	333,409	1,024	(11,334)	(11,334)
Hanam Marbling City Development	11,587	4,061	17,903	1,344	1,344
Pyeongsung Industry Co., Ltd.	2,943	157	-	(293)	(293)
Yangju Development PFV Co, Ltd	205,358	232,925	-	(21,045)	(21,045)
Ganghwa Tidal Power Plant Co., Ltd.	41	-	-	-	-
Chonmasan Tunnel Co.	151,288	148,715	8,155	(9,580)	(9,580)
Harbor City Development Co., Ltd.	226,046	246,679	-	(7,098)	(7,098)
Incheon Airport Yeongjong REIT Co., Ltd.	305,129	213,597	-	(873)	(873)
Pocheon IPP Co., Ltd.	856,986	823,542	301,540	(47,941)	(47,941)
Changwon Innovation Industrial Development Co., Ltd. PFV	207,892	215,006	-	(2,486)	(2,486)
Gyeongsan Knowledge Industry Development Co., Ltd.	203,913	187,085	73,108	(12,531)	(12,531)
Skyland Co., Ltd.	21,156	26,610	3	(464)	(464)
Jinwi 3 Industrial Complex Development Inc.	81,917	78,447	-	(1,024)	(1,024)
Kyungnam Masan Robotland Co., Ltd.	83,701	96,753	120	(6,145)	(6,145)
UI trans LRT Co.	343,426	421,243	12,301	(29,222)	(29,222)
GreenJC Co.	54,562	49,017	2,753	(313)	(313)
Eunpyeong new road Corp.	68	281	-	(18)	(18)
GWIC Co., Ltd.	64,014	64,621	31,732	4,619	4,619
Tangjeong Technopark Co., Ltd.	93,011	114,982	-	(8,694)	(8,694)
Together Investment Management Co., Ltd.	5,170	68	421	(1,083)	(1,083)
JR Qualified Investor Private Placement Real Estate Fund Investment Trust No.22	104,174	-	-	(236)	(236)
SUWON Youth Housing Daewoo K1 No.9 Reits	55,823	29,870	-	(291)	(426)
Mastern No.83 Cheongryang PFV Co., Ltd	37,439	32,892	754	(48)	(48)
Daechi 176 PFV Co., Ltd.	58,531	53,712	-	(695)	(695)
Zayang 5 PFV Co., Ltd	134,041	129,557	109	(111)	(111)
Humax EV Co., Ltd	4,950	1,138	1	(1,499)	(881)
Songsan Industrial Complex Development Inc.	140,985	141,355	16,230	(2,777)	(2,777)

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	2019									
	Assets		Liabilities		Sales		Profit (loss) for the year	Comprehensive income (loss)		
BEIJING LUFTHANSA CENTER CO.	₩	136,481	₩	35,986	₩	91,002	₩	24,074	₩	25,080
KDS Hydro Pte.Ltd		514,691		357,222		22,963		74,138		74,762
DINAMICO CONST,INC		19,149		19,074		9,654		3		7
Yulchon 2 Industrial Complex Development Inc.		68		-		-		(3,183)		(3,183)
Dongtan 2 Daewoo Corporation Real Estate Investment Company		307,602		259,546		1,677		(10,487)		(10,487)
Hanam Marbling City Development		63,752		57,005		84,175		37		37
Pyeongsung Industry Co., Ltd.		3,350		-		-		(237)		(237)
Yangju Development PFV Co, Ltd		141,818		154,537		-		(15,143)		(15,143)
Ganghwa Tidal Power Plant Co., Ltd.		45		-		-		(1)		(1)
Bugok Environment Co., Ltd.		1,205		185		2,730		15		15
Chonmasan Tunnel Co.		172,998		162,243		5,920		(10,041)		(10,041)
Sahwa City Development Co., Ltd.		265		-		-		(255)		(255)
Harbor City Development Co., Ltd.		139,944		154,671		-		(14,699)		(14,699)
Incheon Airport Yeongjong REIT Co., Ltd.		190,063		89,525		-		(303)		(803)
Pocheon IPP Co., Ltd.		956,855		868,308		471,006		(34,863)		(34,863)
Changwon Innovation Industrial Development Co., Ltd. PFV		192,434		196,596		-		(2,189)		(2,189)
Gyeongsan Knowledge Industry Development Co., Ltd.		272,946		240,985		241,076		51,172		51,172
Skyland Co., Ltd.		29,828		62,521		236		16,601		16,601
Jinwi 3 Industrial Complex Development Inc.		183,059		179,779		393		(1,682)		(1,682)
Kyungnam Masan Robotland Co., Ltd.		100,552		108,153		3,347		(7,121)		(7,121)
UI trans LRT Co.		397,332		450,204		15,021		(47,080)		(47,080)
GreenJC Co.		63,082		56,709		3,109		(345)		(345)
Eunpyeong new road Corp.		80		292		-		(19)		(19)
GWIC Co., Ltd.		67,671		63,598		48,396		11,227		11,227
The Uni-Star Co., Ltd.		-		-		858,994		300,788		300,788
Tangjeong Technopark Co., Ltd.		2,000		-		-		-		-
Together Investment Management Co., Ltd.		7,000		-		-		-		-

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	2019				
	Assets	Liabilities	Sales	Profit (loss) for the year	Comprehensive income (loss)
BEIJING LUFTHANSA CENTER CO.	\$ 125,442	\$ 33,075	\$ 83,642	\$ 22,127	\$ 23,051
KDS Hydro Pte.Ltd	473,062	328,329	21,106	68,142	68,715
DINAMICO CONST,INC	17,600	17,531	8,873	3	6
Yulchon 2 Industrial Complex Development Inc.	63	-	-	(2,926)	(2,926)
Dongtan 2 Daewoo Corporation Real Estate Investment Company	282,722	238,553	1,541	(9,639)	(9,639)
Hanam Marbling City Development	58,596	52,394	77,367	34	34
Pyeongsung Industry Co., Ltd.	3,079	-	-	(218)	(218)
Yangju Development PFV Co, Ltd	130,347	142,038	-	(13,918)	(13,918)
Ganghwa Tidal Power Plant Co., Ltd.	41	-	-	(1)	(1)
Bugok Environment Co., Ltd.	1,108	170	2,509	14	14
Chonmasan Tunnel Co.	159,006	149,120	5,441	(9,229)	(9,229)
Sahwa City Development Co., Ltd.	244	-	-	(234)	(234)
Harbor City Development Co., Ltd.	128,625	142,161	-	(13,510)	(13,510)
Incheon Airport Yeongjong REIT Co., Ltd.	174,690	82,284	-	(278)	(738)
Pocheon IPP Co., Ltd.	879,462	798,077	432,910	(32,043)	(32,043)
Changwon Innovation Industrial Development Co., Ltd. PFV	176,869	180,695	-	(2,012)	(2,012)
Gyeongsan Knowledge Industry Development Co., Ltd.	250,869	221,494	221,577	47,033	47,033
Skyland Co., Ltd.	27,415	57,464	217	15,258	15,258
Jinwi 3 Industrial Complex Development Inc.	168,253	165,238	361	(1,546)	(1,546)
Kyungnam Masan Robotland Co., Ltd.	92,419	99,405	3,076	(6,545)	(6,545)
UI trans LRT Co.	365,195	413,790	13,806	(43,272)	(43,272)
GreenJC Co.	57,980	52,122	2,858	(317)	(317)
Eunpyeong new road Corp.	74	268	-	(17)	(17)
GWIC Co., Ltd.	62,198	58,454	44,482	10,319	10,319
The Uni-Star Co., Ltd.	-	-	789,517	276,460	276,460
Tangjeong Technopark Co., Ltd.	1,838	-	-	-	-
Together Investment Management Co., Ltd.	6,434	-	-	-	-

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15.5 Details of adjustments from financial information to the book amount of investments in associates for the years ended December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

	2020				
	Net assets at the end of the year (a)	Group's share in % (b)	Book amount (c=a*b)	Eliminated transactions of intercompany transactions (d)	Book amount (c-d)
BEIJING LUFTHANSA CENTER CO.	₩ 111,813	25.0%	₩ 27,954	₩ -	₩ 27,954
KDS Hydro Pte.Ltd	91,460	20.0%	18,292	-	18,292
DINAMICO CONST,INC	1,946	40.0%	778	-	778
Yulchon 2 Industrial Complex Development Inc.	64	40.0%	26	25	1
Dongtan 2 Daewoo Corporation Real Estate Investment Company	35,666	30.0%	10,700	9,639	1,061
Hanam Marbling City Development	8,189	44.0%	3,603	1	3,602
Pyeongsung Industry Co., Ltd.	3,031	27.0%	818	-	818
Yangju Development PFV Co, Ltd	(29,993)	22.0%	-	(1)	1
Ganghwa Tidal Power Plant Co., Ltd.	45	46.0%	21	-	21
Chonmasan Tunnel Co.	2,799	36.0%	1,008	8	1,000
Harbor City Development Co., Ltd.	(22,449)	29.9%	-	(1)	1
Incheon Airport Yeongjong REIT Co., Ltd.	99,587	24.1%	23,961	7,312	16,649
Pocheon IPP Co., Ltd.	36,387	42.0%	15,293	15,292	1
Changwon Innovation Industrial Development Co., Ltd. PFV	(7,740)	29.0%	-	(1)	1
Gyeongsan Knowledge Industry Development Co., Ltd.	18,309	29.0%	5,310	5,309	1
Skyland Co., Ltd.	(5,934)	25.0%	-	(1)	1
Jinwi 3 Industrial Complex Development Inc.	3,776	20.0%	755	754	1
Kyungnam Masan Robotland Co., Ltd.	(14,200)	25.0%	-	(1)	1
UI trans LRT Co.	(84,665)	20.3%	-	(1)	1
GreenJC Co.	6,032	21.4%	1,291	1,290	1
Eunpyeong new road Corp.	(232)	33.0%	-	(1)	1
GWIC Co., Ltd.	(661)	20.0%	-	(1)	1
Tangjeong Technopark Co., Ltd.	(23,904)	20.0%	-	(1)	1
Together Investment Management Co., Ltd.	5,551	37.1%	2,062	-	2,062
JR Qualified Investor Private Placement Real Estate Fund Investment Trust No.22	113,341	35.2%	39,896	12,025	27,871
SUWON Youth Housing Daewoo K1 No.9 Reits	28,236	20.2%	5,704	282	5,422
Mastern No.83 Cheongryang PFV Co., Ltd	4,948	30.3%	1,499	1	1,498
Daechi 176 PFV Co., Ltd.	5,243	33.3%	1,747	(1)	1,748
Zayang 5 PFV Co., Ltd	4,879	30.0%	1,464	-	1,464

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	2020				
	Net assets at the end of the year	Group's share in %	Book amount	Eliminated transactions of intercompany transactions	Book amount
	(a)	(b)	(c=a*b)	(d)	(c-d)
Humax EV Co., Ltd	4,148	10.0%	414	(962)	1,376
Songsan Industrial Complex Development Inc.	(402)	20.9%	-	(1)	1

(in thousands of US dollars
(Note 4))

	2020				
	Net assets at the end of the year	Group's share in %	Book amount	Eliminated transactions of intercompany transactions	Book amount
	(a)	(b)	(c=a*b)	(d)	(c-d)
BEIJING LUFTHANSA CENTER CO.	\$ 102,769	25.0%	\$ 25,693	\$ -	\$ 25,693
KDS Hydro Pte.Ltd	84,063	20.0%	16,813	-	16,813
DINAMICO CONST,INC	1,789	40.0%	715	-	715
Yulchon 2 Industrial Complex Development Inc.	59	40.0%	24	23	1
Dongtan 2 Daewoo Corporation Real Estate Investment Company	32,781	30.0%	9,835	8,859	976
Hanam Marbling City Development	7,527	44.0%	3,312	1	3,311
Pyeongsung Industry Co., Ltd.	2,786	27.0%	752	-	752
Yangju Development PFV Co, Ltd	(27,567)	22.0%	-	(1)	1
Ganghwa Tidal Power Plant Co., Ltd.	41	46.0%	19	-	19
Chonmasan Tunnel Co.	2,573	36.0%	926	7	919
Harbor City Development Co., Ltd.	(20,633)	29.9%	-	(1)	1
Incheon Airport Yeongjong REIT Co., Ltd.	91,532	24.1%	22,023	6,721	15,302
Pocheon IPP Co., Ltd.	33,444	42.0%	14,056	14,055	1
Changwon Innovation Industrial Development Co., Ltd. PFV	(7,114)	29.0%	-	(1)	1
Gyeongsan Knowledge Industry Development Co., Ltd.	16,828	29.0%	4,881	4,880	1
Skyland Co., Ltd.	(5,454)	25.0%	-	(1)	1
Jinwi 3 Industrial Complex Development Inc.	3,471	20.0%	694	693	1
Kyungnam Masan Robotland Co., Ltd.	(13,051)	25.0%	-	(1)	1
UI trans LRT Co.	(77,817)	20.3%	-	(1)	1
GreenJC Co.	5,544	21.4%	1,187	1,186	1
Eunpyeong new road Corp.	(213)	33.0%	-	(1)	1

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	2020				
	Net assets at the end of the year (a)	Group's share in % (b)	Book amount (c=a*b)	Eliminated transactions of intercompany transactions (d)	Book amount (c-d)
GWIC Co., Ltd.	(608)	20.0%	-	(1)	1
Tangeong Technopark Co., Ltd.	(21,971)	20.0%	-	(1)	1
Together Investment Management Co., Ltd.	5,102	37.1%	1,895	-	1,895
JR Qualified Investor Private Placement Real Estate Fund Investment Trust No.22	104,174	35.2%	36,669	11,052	25,617
SUWON Youth Housing Daewoo K1 No.9 Reits	25,952	20.2%	5,243	259	4,984
Mastern No.83 Cheongryang PFV Co., Ltd	4,548	30.3%	1,378	1	1,377
Daechi 176 PFV Co., Ltd.	4,819	33.3%	1,606	(1)	1,607
Zayang 5 PFV Co., Ltd	4,484	30.0%	1,346	-	1,346
Humax EV Co., Ltd	3,813	10.0%	381	(884)	1,265
Songsan Industrial Complex Development Inc.	(369)	20.9%	-	(1)	1

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	2019				
	Net assets at the end of the year	Group's share in %	Book amount (c=a*b)	Eliminated transactions of intercompany transactions	
				Book amount (c-d)	
(a)	(b)	(c=a*b)	(d)	(c-d)	
BEIJING LUFTHANSA CENTER CO.	₩ 100,495	25.0%	₩ 25,124	₩ -	₩ 25,124
KDS Hydro Pte.Ltd	157,469	20.0%	31,494	-	31,494
DINAMICO CONST,INC	75	40.0%	30	-	30
Yulchon 2 Industrial Complex Development Inc.	68	40.0%	27	26	1
Dongtan 2 Daewoo Corporation Real Estate Investment Company	48,056	30.0%	14,417	9,901	4,516
Hanam Marbling City Development	6,747	44.0%	2,968	-	2,968
Pyeongsung Industry Co., Ltd.	3,350	27.0%	905	-	905
Yangju Development PFV Co, Ltd	(12,719)	22.0%	-	(1)	1
Ganghwa Tidal Power Plant Co., Ltd.	45	46.0%	21	-	21
Bugok Environment Co., Ltd.	1,020	100.0%	1,020	-	1,020
Chonmasan Tunnel Co.	10,755	36.0%	3,873	45	3,828
Myeong-dong urban environment maintenance business	-	44.0%	-	-	-
J&Tech	-	40.0%	-	-	-
Sahwa City Development Co., Ltd.	265	27.0%	72	-	72
Harbor City Development Co., Ltd.	(14,727)	29.9%	-	(1)	1
Incheon Airport Yeongjong REIT Co., Ltd.	100,538	24.1%	24,189	916	23,273
Pocheon IPP Co., Ltd.	88,547	42.0%	37,216	37,215	1
Changwon Innovation Industrial Development Co., Ltd. PFV	(4,162)	29.0%	-	(1)	1
Gyeongsan Knowledge Industry Development Co., Ltd.	31,961	29.0%	9,269	9,268	1
Skyland Co., Ltd.	(32,693)	25.0%	-	(1)	1
Jinwi 3 Industrial Complex Development Inc.	3,280	20.0%	656	655	1
Kyungnam Masan Robotland Co., Ltd.	(7,601)	25.0%	-	(1)	1
UI trans LRT Co.	(52,872)	20.3%	-	(1)	1
GreenJC Co.	6,373	21.4%	1,364	1,363	1
Eunpyeong new road Corp.	(212)	33.0%	-	(1)	1
GWIC Co., Ltd.	4,073	20.0%	815	814	1
The Uni-Star Co., Ltd.	-	33.0%	-	-	-
Tangeong Technopark Co., Ltd.	2,000	20.0%	400	-	400

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	2019				
	Net assets at the end of the year	Group's share in %	Book amount	Eliminated transactions of intercompany transactions	Book amount
	(a)	(b)	(c=a*b)	(d)	(c-d)
Together Investment Management Co., Ltd.	7,000	37.1%	2,600	-	2,600

(in thousands of US dollars
(Note 4))

	2019				
	Net assets at the end of the year	Group's share in %	Book amount	Eliminated transactions of intercompany transactions	Book amount
	(a)	(b)	(c=a*b)	(d)	(c-d)
BEIJING LUFTHANSA CENTER CO.	\$ 92,367	25.0%	\$ 23,092	\$ -	\$ 23,092
KDS Hydro Pte.Ltd	144,733	20.0%	28,947	-	28,947
DINAMICO CONST,INC	69	40.0%	28	-	28
Yulchon 2 Industrial Complex Development Inc.	63	40.0%	25	24	1
Dongtan 2 Daewoo Corporation Real Estate Investment Company	44,169	30.0%	13,251	9,100	4,151
Hanam Marbling City Development	6,201	44.0%	2,728	-	2,728
Pyeongsung Industry Co., Ltd.	3,079	27.0%	832	-	832
Yangju Development PFV Co, Ltd	(11,690)	22.0%	-	(1)	1
Ganghwa Tidal Power Plant Co., Ltd.	41	46.0%	19	-	19
Bugok Environment Co., Ltd.	938	100.0%	938	-	938
Chonmasan Tunnel Co.	9,885	36.0%	3,560	41	3,519
Myeong-dong urban environment maintenance business	-	44.0%	-	-	-
J&Tech	-	40.0%	-	-	-
Sahwa City Development Co., Ltd.	244	27.0%	66	-	66
Harbor City Development Co., Ltd.	(13,536)	29.9%	-	(1)	1
Incheon Airport Yeongjong REIT Co., Ltd.	92,406	24.1%	22,233	842	21,391
Pocheon IPP Co., Ltd.	81,385	42.0%	34,206	34,205	1
Changwon Innovation Industrial Development Co., Ltd. PFV	(3,825)	29.0%	-	(1)	1
Gyeongsan Knowledge Industry Development Co., Ltd.	29,376	29.0%	8,519	8,518	1
Skyland Co., Ltd.	(30,049)	25.0%	-	(1)	1
Jinwi 3 Industrial Complex Development Inc.	3,015	20.0%	603	602	1

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	2019				
	Net assets at the end of the year (a)	Group's share in % (b)	Book amount (c=a*b)	Eliminated transactions of intercompany transactions (d)	Book amount (c-d)
Kyungnam Masan Robotland Co., Ltd.	(6,986)	25.0%	-	(1)	1
UI trans LRT Co.	(48,596)	20.3%	-	(1)	1
GreenJC Co.	5,858	21.4%	1,254	1,253	1
Eunpyeong new road Corp.	(195)	33.0%	-	(1)	1
GWIC Co., Ltd.	3,744	20.0%	749	748	1
The Uni-Star Co., Ltd.	-	33.0%	-	-	-
Tangeong Technopark Co., Ltd.	1,838	20.0%	368	-	368
Together Investment Management Co., Ltd.	6,434	37.1%	2,390	-	2,390

Loss on investments in associates amounting to ₩ 39,859 million (equivalent to \$ 36,635 thousand) (accumulated loss: ₩ 88,284 million (equivalent to \$ 81,143 thousand)) was not recognized.

15.6 All investments in associates are unlisted equity securities and these investments are not traded in an active market.

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16. Property, Plant and Equipment

Changes in property, plant and equipment for the years ended December 31, 2020 and 2019, are as follows:

(in millions of
Korean won)

	2020									
	Land	Buildings	Structures	Machinery	Ships	Vehicles	Tools	Equipment	Construction in progress	Total
Beginning balance	₩ 124,859	₩ 130,369	₩ 2,846	₩ 58,516	₩ 30,770	₩ 15,190	₩ 1,200	₩ 15,966	₩ 132,216	₩ 511,932
Acquisition	-	40	183	2,185	207	3,015	737	3,867	1,445	11,679
Disposal	(1,908)	(365)	(249)	(1,164)	(205)	(736)	-	(195)	-	(4,822)
Depreciation	-	(6,289)	(440)	(19,446)	(12,420)	(7,297)	(639)	(5,863)	-	(52,394)
Others ¹	(13,793)	8,193	-	(4,914)	(4,190)	(428)	5	(437)	(100,228)	(115,792)
Ending balance	109,158	131,948	2,340	35,177	14,162	9,744	1,303	13,338	33,433	350,603
Acquisition cost	₩ 117,855	₩ 222,541	₩ 10,705	₩ 244,437	₩ 88,745	₩ 87,933	₩ 17,414	₩ 52,750	₩ 57,858	₩ 900,238
Accumulated depreciation	-	(83,390)	(8,365)	(209,260)	(74,583)	(78,189)	(16,111)	(39,412)	-	(509,310)
Accumulated impairment	(8,697)	(7,203)	-	-	-	-	-	-	(24,425)	(40,325)

(in thousands of
US dollars
(Note 4))

	2020									
	Land	Buildings	Structures	Machinery	Ships	Vehicles	Tools	Equipment	Construction in progress	Total
Beginning balance	\$ 114,760	\$ 119,824	\$ 2,616	\$ 53,784	\$ 28,281	\$ 13,961	\$ 1,103	\$ 14,675	\$ 121,522	\$ 470,526
Acquisition	-	37	168	2,009	190	2,771	677	3,554	1,328	10,734
Disposal	(1,754)	(335)	(229)	(1,071)	(188)	(676)	-	(179)	-	(4,432)
Depreciation	-	(5,780)	(404)	(17,873)	(11,415)	(6,707)	(588)	(5,389)	-	(48,156)
Others ¹	(12,677)	7,530	-	(4,517)	(3,851)	(393)	5	(402)	(92,121)	(106,426)
Ending balance	\$ 100,329	\$ 121,276	\$ 2,151	\$ 32,332	\$ 13,017	\$ 8,956	\$ 1,197	\$ 12,259	\$ 30,729	\$ 322,246
Acquisition cost	\$ 108,323	\$ 204,541	\$ 9,839	\$ 224,667	\$ 81,568	\$ 80,821	\$ 16,005	\$ 48,483	\$ 53,178	\$ 827,425
Accumulated depreciation	-	(76,645)	(7,688)	(192,335)	(68,551)	(71,865)	(14,808)	(36,224)	-	(468,116)
Accumulated impairment	(7,994)	(6,620)	-	-	-	-	-	-	(22,449)	(37,063)

¹ Others consist of the reclassification, the gain (loss) on foreign exchange translation in overseas operations.

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(in millions of
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	2019									
	Land	Buildings	Structures	Machinery	Ships	Vehicles	Tools	Equipment	Construction in progress	Total
Beginning balance	₩ 133,556	₩ 141,274	₩ 3,269	₩ 87,825	₩ 42,763	₩ 26,001	₩ 1,938	₩ 6,855	₩ 130,056	₩ 573,537
Acquisition	-	-	27	4,942	-	2,574	621	14,199	1,166	23,529
Disposal	-	-	-	(1,772)	(709)	(787)	(58)	(388)	-	(3,714)
Depreciation	-	(6,669)	(450)	(25,693)	(12,758)	(13,223)	(1,353)	(4,777)	-	(64,923)
Impairment loss	(8,697)	(7,203)	-	(1,736)	-	-	-	-	(17,784)	(35,420)
Others ¹	-	2,967	-	(5,050)	1,474	625	52	77	18,778	18,923
Ending balance	₩ 124,859	₩ 130,369	₩ 2,846	₩ 58,516	₩ 30,770	₩ 15,190	₩ 1,200	₩ 15,966	₩ 132,216	₩ 511,932
Acquisition cost	₩ 133,556	₩ 224,124	₩ 10,934	₩ 317,987	₩ 116,482	₩ 116,417	₩ 20,922	₩ 52,967	₩ 215,140	₩ 1,208,529
Accumulated depreciation	-	(86,552)	(8,088)	(259,471)	(85,712)	(101,227)	(19,722)	(37,001)	-	(597,773)
Accumulated impairment	(8,697)	(7,203)	-	-	-	-	-	-	(82,924)	(98,824)

(in thousands of
US dollars
(Note 4))

	2019									
	Land	Buildings	Structures	Machinery	Ships	Vehicles	Tools	Equipment	Construction in progress	Total
Beginning balance	\$ 122,754	\$ 129,847	\$ 3,005	\$ 80,722	\$ 39,304	\$ 23,897	\$ 1,781	\$ 6,301	\$ 119,537	\$ 527,148
Acquisition	-	-	25	4,542	-	2,366	571	13,051	1,072	21,627
Disposal	-	-	-	(1,629)	(652)	(723)	(53)	(357)	-	(3,414)
Depreciation	-	(6,130)	(414)	(23,614)	(11,726)	(12,153)	(1,244)	(4,391)	-	(59,672)
Impairment loss	(7,994)	(6,619)	-	(1,596)	-	-	-	-	(16,346)	(32,555)
Others ¹	-	2,727	-	(4,642)	1,355	574	48	71	17,259	17,392
Ending balance	\$ 114,760	\$ 119,825	\$ 2,616	\$ 53,783	\$ 28,281	\$ 13,961	\$ 1,103	\$ 14,675	\$ 121,522	\$ 470,526
Acquisition cost	\$ 122,754	\$ 205,996	\$ 10,050	\$ 292,267	\$ 107,060	\$ 107,001	\$ 19,230	\$ 48,683	\$ 197,739	\$ 1,110,780
Accumulated depreciation	-	(79,551)	(7,434)	(238,484)	(78,779)	(93,040)	(18,127)	(34,008)	-	(549,423)
Accumulated impairment	(7,994)	(6,620)	-	-	-	-	-	-	(76,217)	(90,831)

¹ Others consist of the reclassification, the gain (loss) on foreign exchange translation in overseas operations, and reclassification to assets held for sale.

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17. Intangible Assets

Changes in intangible assets for the years ended December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

	2020				
	Usage rights	Membership rights	Goodwill	Software	Total
Beginning balance	₩ 45,916	₩ 15,444	₩ 542	₩ 7,559	₩ 69,461
Acquisition (disposal)	-	1,092	-	6,893	7,985
Impairment loss	(2,033)	-	-	-	(2,033)
Others ¹	29,729	(2)	-	533	30,260
Amortization	(2,249)	(1,434)	-	(4,844)	(8,527)
Ending balance	₩ 71,363	₩ 15,100	₩ 542	₩ 10,141	₩ 97,146
Acquisition cost	₩ 154,209	₩ 31,111	₩ 542	₩ 72,742	₩ 258,604
Accumulated depreciation	(66,085)	(6,153)	-	(62,601)	(134,839)
Accumulated impairment	(16,761)	(9,858)	-	-	(26,619)

(in thousands of US dollars
(Note 4))

	2020				
	Usage rights	Membership rights	Goodwill	Software	Total
Beginning balance	\$ 42,202	\$ 14,195	\$ 498	\$ 6,948	\$ 63,843
Acquisition (disposal)	-	1,004	-	6,335	7,339
Impairment loss	(1,869)	-	-	-	(1,869)
Others ¹	27,325	(2)	-	490	27,813
Amortization	(2,067)	(1,318)	-	(4,452)	(7,837)
Ending balance	\$ 65,591	\$ 13,879	\$ 498	\$ 9,321	\$ 89,289
Acquisition cost	\$ 141,737	\$ 28,595	\$ 498	\$ 66,858	\$ 237,688
Accumulated depreciation	(60,741)	(5,655)	-	(57,537)	(123,933)
Accumulated impairment	(15,405)	(9,061)	-	-	(24,466)

¹ Others consist of the reclassification and the gain (loss) on foreign exchange translation in overseas operations.

(in millions of Korean won)

	2019				
	Usage rights	Membership rights	Goodwill	Software	Total
Beginning balance	₩ 45,520	₩ 17,376	₩ 542	₩ 7,694	₩ 71,132
Acquisition (disposal)	-	(497)	-	4,420	3,923
Others ¹	1,624	-	-	81	1,705
Amortization	(1,228)	(1,435)	-	(4,636)	(7,299)
Ending balance	₩ 45,916	₩ 15,444	₩ 542	₩ 7,559	₩ 69,461
Acquisition cost	₩ 124,480	₩ 30,021	₩ 542	₩ 65,315	₩ 220,358
Accumulated depreciation	(63,836)	(4,719)	-	(57,756)	(126,311)
Accumulated impairment	(14,728)	(9,858)	-	-	(24,586)

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 (Note 4))

	2019				
	Usage rights	Membership rights	Goodwill	Software	Total
Beginning balance	\$ 41,838	\$ 15,971	\$ 498	\$ 7,072	\$ 65,379
Acquisition (disposal)	-	(457)	-	4,063	3,606
Others ¹	1,493	-	-	74	1,567
Amortization	(1,129)	(1,319)	-	(4,261)	(6,709)
Ending balance	\$ 42,202	\$ 14,195	\$ 498	\$ 6,948	\$ 63,843
Acquisition cost	\$ 114,412	\$ 27,593	\$ 498	\$ 60,032	\$ 202,535
Accumulated depreciation	(58,673)	(4,338)	-	(53,084)	(116,095)
Accumulated impairment	(13,537)	(9,060)	-	-	(22,597)

¹ Others consist of the reclassification and the gain (loss) on foreign exchange translation in overseas operations.

18. Investment Property

18.1 Changes in investment property for the years ended December 31, 2020 and 2019, are as follows:

(in millions of
 Korean won)

	2020					
	Beginning balance	Disposal	Depreciation	Impairment loss	Reclassification ¹	Ending balance
Rental property ²	₩ 373,847	₩ (237)	₩ (8,963)	₩ (14,878)	₩ 16,335	₩ 366,104
Other property	12,799	-	-	-	-	12,799
Total	₩ 386,646	₩ (237)	₩ (8,963)	₩ (14,878)	₩ 16,335	₩ 378,903

(in thousands
 of US dollars
 (Note 4))

	2020					
	Beginning balance	Disposal	Depreciation	Impairment loss	Reclassification ¹	Ending balance
Rental property ²	\$ 343,609	\$ (218)	\$ (8,238)	\$ (13,675)	\$ 15,014	\$ 336,492
Other property	11,764	-	-	-	-	11,764
Total	\$ 355,373	\$ (218)	\$ (8,238)	\$ (13,675)	\$ 15,014	\$ 348,256

¹ Included the amount of reclassification to the account of an asset held for sales and others.

² As at December 31, 2020, the Group (lessor) entered into a property lease contract, and minimum lease payments in relation to the contract amounts to ₩ 182,069 million (equivalent to \$ 167,343 thousand) in total, which comprise ₩ 8,860 million (equivalent to \$ 8,143 thousand) for within one year, ₩ 38,090 million (equivalent to \$ 35,009 thousand) for between 1 and 5 years and ₩ 135,119 million (equivalent to \$ 124,190 thousand) for later than five years. The minimum lease payments may change in accordance with the agreement made with the lessee.

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Korean won)

	2019							
	Beginning balance	Effect on changes in accounting policy	After restatement	Disposal	Depreciation	Impairment loss	Reclassification ¹	Ending balance
Rental property ²	₩ 228,594	₩ 156,798	₩ 385,392	₩ (87,575)	₩ (8,091)	₩ (3,413)	₩ 87,534	₩ 373,847
Other property	15,928	-	15,928	(2,923)	-	(114)	(92)	12,799
Total	₩ 244,522	₩ 156,798	₩ 401,320	₩ (90,498)	₩ (8,091)	₩ (3,527)	₩ 87,442	₩ 386,646

(in thousands of
US dollars
(Note 4))

	2019							
	Beginning balance	Effect on changes in accounting policy	After restatement	Disposal	Depreciation	Impairment loss	Reclassification ¹	Ending balance
Rental property ²	\$ 210,105	\$ 144,116	\$ 354,221	\$ (80,492)	\$ (7,437)	\$ (3,137)	\$ 80,454	\$ 343,609
Other property	14,640	-	14,640	(2,686)	-	(105)	(85)	11,764
Total	\$ 224,745	\$ 144,116	\$ 368,861	\$ (83,178)	\$ (7,437)	\$ (3,242)	\$ 80,369	\$ 355,373

¹ Included the amount of reclassification to the account of an asset held for sales and others.

² As at December 31, 2019, the Group (lessor) entered into property lease contract, and minimum lease payments in relation to the contract amounts to ₩ 189,524 million (equivalent to \$ 174,195 thousand) in total, which comprise ₩ 8,729 million (equivalent to \$ 8,023 thousand) for within one year, ₩ 38,511 million (equivalent to \$ 35,396 thousand) for between 1 and 5 years and ₩ 142,284 million (equivalent to \$ 130,776 thousand) for later than five years. The minimum lease payments may change in accordance with the agreement made with the lessee.

18.2 There is no significant difference between the fair value and the book amount of the investment property as at December 31, 2020 and 2019.

19. Leases

19.1 Amounts recognized in the consolidated statement of financial position

(1) Right-of-use assets and lease liabilities relating to leases of the consolidated statement of financial position are as follows:

(in millions of Korean won and
thousands of US dollars (Note 4))

	2020		2019	
Right-of-use assets				
Properties	₩ 207,499	₩ 256,963	\$ 190,716	\$ 236,179
Construction equipment	37,287	37,888	34,271	34,824
Total	₩ 244,786	₩ 294,851	\$ 224,987	\$ 271,003
Lease liabilities				
Short-term	₩ 64,346	₩ 72,268	\$ 59,142	\$ 66,423
Long-term	409,157	442,361	376,063	406,582
Total	₩ 473,503	₩ 514,629	\$ 435,205	\$ 473,005

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Additions to the right-of-use assets during the 2020 financial year were ₩ 32,372 million (equivalent to \$ 29,754 thousand).

In addition to the above, the amount measured at lease liabilities but classified as investment property is ₩ 147,499 million (equivalent to \$ 135,569 million) as at December 31, 2020 (December 31, 2019: ₩ 151,334 million (equivalent to \$ 139,094 thousand)).

(2) Finance lease receivables relating to leases of the statement of financial position are as follows:

(in millions of Korean won and thousands of US dollars (Note 4))

	2020		2019	
Finance lease receivables ^{1,2}				
Short-term	₩ 3,078	₩ 2,178	\$ 2,829	\$ 2,002
Long-term	23,410	5,838	21,517	5,366
Total	₩ 26,488	₩ 8,016	\$ 24,346	\$ 7,368

¹ The total and net investments of the finance leases as at December 31, 2020 and 2019, are as follow:

(in millions of Korean won)

	2020			2019		
	Minimum lease payments	Unearned interest	Net lease investment	Minimum lease payments	Unearned interest	Net lease investment
Short-term finance lease receivables	₩ 3,498	₩ (420)	₩ 3,078	₩ 2,197	₩ (19)	₩ 2,178
Long-term finance lease receivables	25,035	(1,625)	23,410	6,061	(223)	5,838
Total	₩ 28,533	₩ (2,045)	₩ 26,488	₩ 8,258	₩ (242)	₩ 8,016

(in thousands of US dollars (Note 4))

	2020			2019		
	Minimum lease payments	Unearned interest	Net lease investment	Minimum lease payments	Unearned interest	Net lease investment
Short-term finance lease receivables	\$ 3,215	\$ (386)	\$ 2,829	\$ 2,019	\$ (17)	\$ 2,002
Long-term finance lease receivables	23,010	(1,493)	21,517	5,571	(205)	5,366
Total	\$ 26,225	\$ (1,879)	\$ 24,346	\$ 7,590	\$ (222)	\$ 7,368

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² Details of maturities of the finance lease receivables as at December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

	2020			2019		
	Songdo IBS Building	Eulji Twin Tower B	Total	Songdo IBS Building	Eulji Twin Tower B	Total
Less than 1 year	₩ 883	₩ 2,616	₩ 3,499	₩ 2,197	₩ -	₩ 2,197
Between 1-5 years	3,350	11,695	15,045	6,061	-	6,061
Over 5 years	-	9,989	9,989	-	-	-
Undiscounted total lease payments	₩ 4,233	₩ 24,300	₩ 28,533	₩ 8,258	₩ -	₩ 8,258
Unrealized finance income	(140)	(1,905)	(2,045)	(242)	-	(242)
Net lease investment	₩ 4,093	₩ 22,395	₩ 26,488	₩ 8,016	₩ -	₩ 8,016

(in thousands of US dollars
(Note 4))

	2020			2019		
	Songdo IBS Building	Eulji Twin Tower B	Total	Songdo IBS Building	Eulji Twin Tower B	Total
Less than 1 year	\$ 812	\$ 2,404	\$ 3,216	\$ 2,019	\$ -	\$ 2,019
Between 1-5 years	3,079	10,749	13,828	5,571	-	5,571
Over 5 years	-	9,181	9,181	-	-	-
Undiscounted total lease payments	\$ 3,891	\$ 22,334	\$ 26,225	\$ 7,590	\$ -	\$ 7,590
Unrealized finance income	(129)	(1,750)	(1,879)	(222)	-	(222)
Net lease investment	\$ 3,762	\$ 20,584	\$ 24,346	\$ 7,368	\$ -	\$ 7,368

19.2 Amounts recognized in the consolidated statement of profit or loss

The amounts relating to leases of the consolidated statement of profit or loss are as follows:

(in millions of Korean won and
thousands of US dollars (Note 4))

	2020		2019	
Depreciation of right-of-use assets				
Properties	₩ 27,069	₩ 28,843	\$ 24,880	\$ 26,510
Construction equipment	29,900	27,410	27,481	25,193
	₩ 56,969	₩ 56,253	\$ 52,361	\$ 51,703
Interest expense relating to lease liabilities (included in financial cost)	₩ 9,920	₩ 8,391	\$ 9,118	\$ 7,712
Interest income relating to sub-lease of right-of-use assets (included in financial income)	123	132	113	121
Expense relating to leases of low-value assets (included in cost of sales and selling and administrative expenses)	5,166	13,277	4,748	12,203
Expenses relating to short-term assets (included in cost of sales and selling and administrative expenses)	11,719	21,658	10,771	19,906

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The total cash outflow for leases in 2020 was ₩ 98,030 million (equivalent to \$ 90,101 thousand) (2019: ₩ 119,118 million (equivalent to \$ 109,483 thousand)).

20. Other Payables and Advances Received

Other payables and advances received as at December 31, 2020 and 2019, are as follows:

*(in millions of Korean won and
thousands of US dollars (Note 4))*

		<u>2020</u>		<u>2019</u>		<u>2020</u>		<u>2019</u>	
Current									
Other payables	Non-trade payables	₩	945,621	₩	1,072,944	\$	869,137	\$	986,162
	Accrued expenses ¹		682,788		613,854		627,562		564,204
	Total	₩	<u>1,628,409</u>	₩	<u>1,686,798</u>	\$	<u>1,496,699</u>	\$	<u>1,550,366</u>
Advances received	Advances from construction contracts	₩	101,704	₩	142,624	\$	93,478	\$	131,089
	Advances from sales of real estate		342,156		163,853		314,482		150,600
	Other advances received		10,938		27,827		10,053		25,576
	Advanced income		1,346		1,112		1,237		1,022
	Total	₩	<u>456,144</u>	₩	<u>335,416</u>	\$	<u>419,250</u>	\$	<u>308,287</u>
Non-current									
Other payables	Non-trade payables	₩	1,894	₩	-	\$	1,741	\$	-
Advances received	Advances from construction contracts		83,834		90,392		77,054		83,081
	Other advances received		9,960		4,245		9,154		3,902
	Total	₩	<u>93,794</u>	₩	<u>94,637</u>	\$	<u>86,208</u>	\$	<u>86,983</u>

¹ Includes purchasing card usage for materials and others amounting ₩ 215,767 million (equivalent to \$ 198,315 thousand) (2019: ₩ 105,871 million (equivalent to \$ 97,308 thousand)). The amount paid to the credit card company is expressed as cash flows from operating activities because the original nature is to purchase goods or services in the normal course of business.

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21. Financial Instrument Liabilities

21.1 Financial instrument liabilities

Details of Financial instrument liabilities as at December 31, 2020 and 2019, are as follows:

(in millions of Korean won and thousands of US dollars (Note 4))

	2020		2019		2020		2019	
Current								
Short-term borrowings	₩	399,779	₩	843,622	\$	367,444	\$	775,388
Current portion of long-term borrowings and debentures		892,731		563,166		820,525		517,616
Financial guarantee liabilities		1,627		1,974		1,495		1,814
Derivative liabilities		9,163		5,236		8,422		4,813
		<u>1,303,300</u>		<u>1,413,998</u>		<u>1,197,886</u>		<u>1,299,631</u>
Non-current								
Long-term borrowings		435,961		605,283		400,699		556,326
Debentures		261,667		340,000		240,503		312,500
Financial guarantee liabilities		33,154		33,849		30,473		31,111
Derivative liabilities		9,942		127		9,138		117
		<u>740,724</u>		<u>979,259</u>		<u>680,813</u>		<u>900,054</u>
Total	₩	<u>2,044,024</u>	₩	<u>2,393,257</u>	\$	<u>1,878,699</u>	\$	<u>2,199,685</u>

21.2 Borrowings

(1) Details of short-term borrowings as of December 31, 2020 and 2019, are as follows:

(in millions of Korean won and thousands of US dollars (Note 4))

Lending institution	Annual interest rate (%)	2020		2019		2020		2019	
Short-term borrowings in Korean won									
Construction Guarantee Cooperative	-	₩	-	₩	50,244	\$	-	\$	46,180
Standard Chartered Bank Korea Ltd.	CD(3M)+2.35		2,000		60,000		1,838		55,147
Korea Development Bank	IFD(1Y)+2.29		200,000		200,000		183,824		183,824
The Export-Import Bank of Korea	1.53~2.23		13,906		225,210		12,781		206,994
National Credit Union Federation of Korea and others	3.75		15,000		-		13,787		-
National Credit Union Federation of Korea	3.4		13,889		-		12,766		-
Standard Chartered Bank Korea Ltd. and others	CD(3M)+2.61		11,111		-		10,212		-
STARBRIDGE HOLDINGS	-		300		-		276		-
IBK Capital and others	-		-		17,000		-		15,625
City core 2nd Co., Ltd.	-		-		5,000		-		4,596
Commercial paper	-		-		132,000		-		121,324
Daewoo Songdo IBD L.L.C	CD(3M)+3.11		106,000		116,000		97,426		106,617
Short-term borrowings in foreign currencies									

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Lending institution	Annual interest rate (%)	2020		2019	
		2020	2019	2020	2019
	USD				
KDB Singapore	SWAP(1Y)+2.31	32,640	34,734	30,000	31,925
UOB	UOB Swap Rate+1.50	4,933	3,434	4,534	3,156
		₩ 399,779	₩ 843,622	\$ 367,444	\$ 775,388

(2) Details of long-term borrowings as of December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

Lending institution	Annual interest rate (%)	2020		2019	
		Current	Non-current	Current	Non-current
Long-term borrowings in Korean won					
Korea Housing & Urban Guarantee Corporation	-	₩ 225	₩ 5,397	₩ 225	₩ 5,622
China Construction Bank	CD(3M)+2.0	-	30,000	-	-
Standard Chartered Bank Korea Ltd.	CD(3M)+1.9	-	58,000	-	-
National Credit Union Federation of Korea and others	4.10	56,000	-	-	56,000
Planup Foil 1 st	-	-	-	-	25,000
YBCHUNCHEON CO., LTD.	-	-	-	26,000	-
KEB Hana Bank	-	-	-	-	25,000
IBK Insurance	-	-	-	-	20,000
IBK Capital and others	3.96	10,000	50,000	48,000	25,000
Heungkuk Life Insurance Co., Ltd.	3.25	70,000	-	-	-
BANK OF CHINA	CD(3M)+1.82	40,000	-	-	-
Planup Tangeong The Second Co., Ltd.	CD(A1)+2.32	-	20,000	-	-
FM Geomdan 1 st	-	-	-	50,000	-
FM Geomdan 1 st	2.73	50,000	-	-	50,000
FM Geomdan 1 st	2.78	40,000	-	-	40,000
Samsung Life Insurance co., Ltd and others	2.80	172,306	-	-	-
Industrial and Commercial Bank of China Limited, etc	3.75	15,000	95,000	-	-
National Credit Union Federation of Korea	3.40	13,889	22,222	-	-
Standard Chartered Bank Korea Ltd. and others	CD(3M)+ 2.61	11,111	17,778	-	-
Industrial and Commercial Bank of China Limited	3.20	16,000	14,000	-	-
TONGYANG LIFE INSURANCE CO.,LTD.	3.60	16,000	14,000	-	-
STARBRIDGE HOLDINGS	-	-	300	-	-
NH Investment & Securities Co., Ltd.	-	-	-	-	10,000
NH Investment & Securities Co., Ltd.	-	-	-	-	50,000
NH Investment & Securities Co., Ltd. and others	-	-	-	58,944	-
Commercial paper	3.10	15,000	-	-	15,000
Long-term borrowings in foreign currencies					
Arab Bank	Libor(3M)+2.90	-	38,080	40,523	-
Korea Development Bank	-	-	-	57,890	-
The Export-Import Bank of Korea	Libor(3M)+2.50	-	43,520	57,890	-
First Hawaiian Bank	1.00%	-	464	-	-

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(in millions of Korean won)

Lending institution	Annual interest rate (%)	2020		2019	
		Current	Non-current	Current	Non-current
CBK	Libor(3M)+2.75	27,200	27,200	156,303	-
FAB	-	-	-	-	52,101
ENBD	-	-	-	-	231,560
QIB	-	-	-	18,027	-
		552,731	435,961	513,802	605,283
Less: discounts		-	-	-636	-
		₩ 552,731	₩ 435,961	₩ 513,166	₩ 605,283

(in thousands of US dollars
(Note 4))

Lending institution	Annual interest rate (%)	2020		2019	
		Current	Non-current	Current	Non-current
Long-term borrowings in Korean won					
Korea Housing & Urban Guarantee Corporation	-	\$ 207	\$ 4,960	\$ 207	\$ 5,167
China Construction Bank	CD(3M)+2.0	-	27,574	-	-
Standard Chartered Bank Korea Ltd.	CD(3M)+1.9	-	53,309	-	-
National Credit Union Federation of Korea and others	4.10	51,471	-	-	51,470
Planup Foil 1 st	-	-	-	-	22,978
YBCHUNCHEON CO., LTD.	-	-	-	23,897	-
KEB Hana Bank	-	-	-	-	22,978
IBK Insurance	-	-	-	-	18,382
IBK Capital and others	3.96	9,191	45,956	44,118	22,978
Heungkuk Life Insurance Co., Ltd.	3.25	64,338	-	-	-
BANK OF CHINA	CD(3M)+1.82	36,765	-	-	-
Planup Tangjeong The Second Co., Ltd.	CD(A1)+2.32	-	18,382	-	-
FM Geomdan 1 st	-	-	-	45,956	-
FM Geomdan 1 st	2.73	45,956	-	-	45,956
FM Geomdan 1 st	2.78	36,765	-	-	36,765
Samsung Life Insurance co., Ltd and others	2.80	158,368	-	-	-
Industrial and Commercial Bank of China Limited, etc	3.75	13,787	87,315	-	-
National Credit Union Federation of Korea	3.40	12,766	20,425	-	-
Standard Chartered Bank Korea Ltd. and others	CD(3M)+ 2.61	10,212	16,340	-	-
Industrial and Commercial Bank of China Limited	3.20	14,706	12,868	-	-
TONGYANG LIFE INSURANCE CO.,LTD.	3.60	14,706	12,868	-	-
STARBRIDGE HOLDINGS	-	-	276	-	-
NH Investment & Securities Co., Ltd.	-	-	-	-	9,191
NH Investment & Securities Co., Ltd.	-	-	-	-	45,956
NH Investment & Securities Co., Ltd. and others	-	-	-	54,175	-
Commercial paper	3.10	13,787	-	-	13,787
Long-term borrowings in foreign currencies					
Arab Bank	Libor(3M)+2.90	-	35,000	37,245	-
Korea Development Bank	-	-	-	53,208	-

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(in thousands of US dollars
 (Note 4))

Lending institution	Annual interest rate (%)	2020		2019	
		Current	Non-current	Current	Non-current
The Export-Import Bank of Korea	Libor(3M)+2.50	-	40,000	53,208	-
First Hawaiian Bank	1.00%	-	426	-	-
CBK	Libor(3M)+2.75	25,000	25,000	143,661	-
FAB	-	-	-	-	47,887
ENBD	-	-	-	-	212,831
QIB	-	-	-	16,569	-
		508,025	400,699	472,244	556,326
Less: discounts		-	-	-584	-
		<u>\$ 508,025</u>	<u>\$ 400,699</u>	<u>\$ 471,660</u>	<u>\$ 556,326</u>

(3) Details of debentures as of December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

	Annual interest rate (%)	2020		2019	
		Current	Non-current	Current	Non-current
40th private bond	-	₩ -	₩ -	₩ 20,000	₩ -
41st private bond	-	-	-	10,000	-
42nd private bond	-	-	-	10,000	-
43rd private bond	-	-	-	10,000	-
44th private bond	4.65	240,000	-	-	240,000
45th public bond	2.65	100,000	-	-	100,000
46-1st public bond	3.60	-	60,000	-	-
46-2nd public bond	3.80	-	40,000	-	-
47th public bond	3.80	-	100,000	-	-
48th foreign currency bond	SGD SOR(3M) +2.85	-	61,667	-	-
		<u>₩ 340,000</u>	<u>₩ 261,667</u>	<u>₩ 50,000</u>	<u>₩ 340,000</u>

(in thousands of US dollars
 (Note 4))

	Annual interest rate (%)	2020		2019	
		Current	Non-current	Current	Non-current
40th private bond	-	\$ -	\$ -	\$ 18,383	\$ -
41st private bond	-	-	-	9,191	-
42nd private bond	-	-	-	9,191	-
43rd private bond	-	-	-	9,191	-
44th private bond	4.65	220,588	-	-	220,588
45th public bond	2.65	91,912	-	-	91,912
46-1st public bond	3.60	-	55,147	-	-
46-2nd public bond	3.80	-	36,765	-	-
47th public bond	3.80	-	91,912	-	-
48th foreign currency bond	SGD SOR(3M) +2.85	-	56,679	-	-
		<u>\$ 312,500</u>	<u>\$ 240,503</u>	<u>\$ 45,956</u>	<u>\$ 312,500</u>

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22. Net Defined Benefit Liability

22.1 Defined Benefit Plan

The Group operates defined benefit plan for qualified employees. Actuarial valuation on plan assets and defined benefit obligations were performed by Mirae Asset Life Insurance Co., Ltd., an independent actuary on an annual basis. The present value of defined benefit and current service cost were measured using the projected unit credit method.

22.1.1 Net defined benefit liability recognized in the statements of financial position as at December 31, 2020 and 2019, are as follows:

(in millions of Korean won and thousands of US dollars (Note 4))

	2020		2019		2020		2019	
Present value of funded defined benefit obligations	₩	444,348	₩	464,997	\$	408,408	\$	427,387
Present value of unfunded defined benefit obligations		2,203		2,316		2,025		2,129
		446,551		467,313		410,433		429,516
Fair value of plan assets ¹		(269,845)		(258,564)		(248,019)		(237,651)
Liability in the statement of financial position	₩	176,706	₩	208,749	\$	162,414	\$	191,865

¹ The contributions to the National Pension Fund of ₩ 1,670 million (equivalent to \$ 1,535 thousand) are included in the fair value of plan assets as at December 31, 2020 (2019: ₩ 1,790 million (equivalent to \$ 1,645 thousand)).

22.1.2 Changes in the carrying amount of defined benefit obligations for the years ended December 31, 2020 and 2019, are as follows

(in millions of Korean won and thousands of US dollars (Note 4))

	2020		2019		2020		2019	
Beginning balance	₩	467,313	₩	440,091	\$	429,516	\$	404,495
Current service cost		41,400		41,556		38,051		38,195
Interest expense		9,405		10,871		8,644		9,992
Remeasurements:						-		-
Changes in financial assumptions		(53,721)		12,097		(49,376)		11,119
Experience adjustments		(2,445)		(6,004)		(2,247)		(5,518)
Change in demographic assumptions		9,232		-		8,485		-
Effect from business combination		598		-		550		-
Effect from foreign exchange rate changes		(21)		-		(19)		-
Payments from plans:						-		-
Benefit payments		(25,210)		(31,298)		(23,171)		(28,767)
Ending balance	₩	446,551	₩	467,313	\$	410,433	\$	429,516

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22.1.3 Changes in fair value of plan assets for the years ended December 31, 2020 and 2019, are as follows:

(in millions of Korean won and thousands of US dollars (Note 4))

	2020		2019	
Beginning balance	₩	258,564	₩	255,176
Interest income		5,158		6,249
Remeasurements:				
Return on plan assets		(377)		(1,271)
Contributions:				
Employers		22,146		15,217
Payments from plans:				
Benefit payments		(15,527)		(16,594)
Contribution to national pension plan		(119)		(213)
Ending balance	₩	269,845	₩	258,564

22.1.4 The principal actuarial assumptions used are as follows:

- 1) The Group determined the estimate of discount rate and others for assessing the present value of the defined benefit obligations by the reference to the market yields on high-quality corporate bonds whose currency and term are consistent with the currency and estimated term of the postemployment benefit obligations.

(in percentage, %)

	2020	2019
Discount rate	2.20%	2.16%
Inflation rate	3.23%	4.93%

- 2) The 9th retirement pension mortality rate announced by the Insurance Development Institute to the Insurance Business Act was used.

22.1.5 The sensitivity analysis for changes in key actuarial assumptions is as follows:

(in percentage, %)

	Effects on defined benefit obligation	
	Increase of 1%p	Decrease of 1% p
Discount rate	6.16% decrease	6.94% increase
Inflation rate	7.00% increase	6.32% decrease

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. The sensitivity of the defined benefit obligation to changes in principal actuarial assumptions is calculated using the projected unit credit method, the same method applied when calculating the defined benefit obligations recognized in the consolidated statements of financial position.

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22.1.6 Details of plan assets as at December 31, 2020 and 2019, consist of following:

(in millions of Korean won)

	2020		2019	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)
Cash equivalents	₩ 15,378	5.70%	₩ 14,532	5.62%
Fixed deposits	79,334	29.40%	77,147	29.84%
Contribution to national pension plan	1,671	0.62%	1,790	0.69%
Others	173,462	64.28%	165,095	63.85%
	₩ 269,845	100.00%	₩ 258,564	100.00%

(in thousands of US dollars (Note 4))

	2020		2019	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)
Cash equivalents	14,134	5.70%	13,357	5.62%
Fixed deposits	72,917	29.40%	70,907	29.84%
Contribution to national pension plan	1,536	0.62%	1,645	0.69%
Others	159,432	64.28%	151,742	63.85%
	248,019	100.00%	237,651	100.00%

22.1.7 Expected contributions to post employment benefit plans for the year ending December 31, 2020 are ₩ 32,763 million (equivalent to \$ 30,113 thousand).

22.1.8 The weighted-average duration of the defined benefit obligations is 6.73 years, and expected maturity analysis of undiscounted pension benefits as at December 31, 2020, is as follows:

(in millions of Korean won)

	Less than 1 year		Between 1 year and 2 years		Between 2 years and 4 years		More than 4 years		Total
	₩		₩		₩		₩		
Pension benefits	₩	49,280	₩	47,023	₩	85,092	₩	353,976	₩ 535,371

(in thousands of US dollars (Note 4))

	Less than 1 year		Between 1 year and 2 years		Between 2 years and 4 years		More than 4 years		Total
	\$		\$		\$		\$		
Pension benefits	\$	45,294	\$	43,220	\$	78,210	\$	325,346	\$ 492,070

22.2 Defined Contribution Plan

The expense recognized in the current period in relation to defined contribution plan was ₩ 233 million (equivalent to \$ 214 thousand) (2019: ₩ 132 million (equivalent to \$ 121 thousand)).

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23. Provisions

23.1 Provisions consist of provisions for construction warranty, construction loss provisions, provision for others related with lawsuits, PF (project financing) payment guarantee and others.

23.2 Changes in provisions for the years ended December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

	2020			
	Provisions for construction warranty	Construction loss provisions	Provisions for others	Total
Beginning balance	₩ 160,474	₩ 157,059	₩ 141,400	₩ 458,933
Additions	42,577	77,121	59,937	179,635
Reversal	(4,343)	(97,380)	(1,594)	(103,317)
Payments and others	(66,215)	(6,288)	(70,373)	(142,876)
Ending balance	₩ 132,493	₩ 130,512	₩ 129,370	₩ 392,375
Current	₩ 41,468	₩ 74,069	₩ 51,359	₩ 166,896
Non-current	91,025	56,443	78,011	225,479

*(in thousands of U.S. dollars
(Note 4))*

	2020			
	Provisions for construction warranty	Construction loss provisions	Provisions for others	Total
Beginning balance	\$ 147,494	\$ 144,356	\$ 129,963	\$ 421,813
Additions	39,134	70,883	55,089	165,106
Reversal	(3,992)	(89,504)	(1,465)	(94,961)
Payments and others	(60,859)	(5,779)	(64,681)	(131,319)
Ending balance	\$ 121,777	\$ 119,956	\$ 118,906	\$ 360,639
Current	\$ 38,114	\$ 68,078	\$ 47,205	\$ 153,397
Non-current	83,663	51,878	71,701	207,242

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(in millions of Korean won)

	2019			
	Provisions for construction warranty	Construction loss provisions	Provisions for others	Total
Beginning balance	₩ 173,197	₩ 173,286	₩ 141,357	₩ 487,840
Effects of changes in accounting policy	-	-	(42,839)	(42,839)
After adjustments	173,197	173,286	98,518	445,001
Additions	69,477	75,748	98,162	243,387
Reversal	(1,240)	(96,197)	(2,594)	(100,031)
Payments and others	(80,960)	4,223	(52,687)	(129,424)
Ending balance	₩ 160,474	₩ 157,060	₩ 141,399	₩ 458,933
Current	₩ 28,422	₩ 129,003	₩ 47,774	₩ 205,199
Non-current	132,052	28,057	93,625	253,734

(in thousands of U.S. dollars
(Note 4))

	2019			
	Provisions for construction warranty	Construction loss provisions	Provisions for others	Total
Beginning balance	\$ 159,188	\$ 159,270	\$ 129,924	\$ 448,382
Effects of changes in accounting policy	-	-	(39,374)	(39,374)
After adjustments	159,188	159,270	90,550	409,008
Additions	63,858	69,621	90,222	223,701
Reversal	(1,140)	(88,416)	(2,384)	(91,940)
Payments and others	(74,412)	3,882	(48,426)	(118,956)
Ending balance	\$ 147,494	\$ 144,357	\$ 129,962	\$ 421,813
Current	\$ 26,123	\$ 118,569	\$ 43,910	\$ 188,602
Non-current	121,371	25,788	86,052	233,211

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24. Commitments and Contingencies

24.1 Notes and Checks as Collaterals

As at December 31, 2020, the Group provided 22 blank checks and 3 notes in the aggregate amount of ₩ 1,500 million (equivalent to \$ 1,379 thousand) as collaterals for its borrowings, guarantees for construction performance and warranties, and guarantees on capital commitments.

24.2 Involved Lawsuits

The Group has filed 76 lawsuits (2019: 89 lawsuits), as the plaintiff, involving aggregate amounts of ₩ 255,743 million (equivalent to \$ 235,050 thousand) (2019: ₩ 468,889 million (equivalent to \$ 430,964 thousand)) and faces 249 lawsuits (2019: 220 lawsuits), as the defendant involving aggregate damages of ₩ 990,423 million (equivalent to \$ 910,315 thousand) (2019: ₩ 864,803 million (equivalent to \$ 794,856 thousand)) as at December 31, 2020. Meanwhile, the arbitration in progress as an applicant is 7 cases, involving aggregate amounts of ₩ 381,915 million (equivalent to \$ 351,025 thousand) (2019: 6 cases, ₩ 397,777 million (equivalent to \$ 365,604 thousand)) and arbitration in progress as a respondent is 6 cases, involving amounts of ₩ 52,909 million (equivalent to \$ 48,630 thousand) (2019: 5 cases, ₩ 43,205 million (equivalent to \$ 39,710 thousand)).

Details of major litigations that the Group is involved in as a defendant as at December 31, 2020, are as follows:

(in millions of Korean won and thousands of US dollars (Note 4))

Plaintiff	Defendants	Details	Amount¹	
Korea Gas Corporation	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and 12 others	Compensation for damages	₩ 200,000	\$ 183,824
Incheon-si	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and 20 others	Compensation for damages	132,714	121,980
Korea Gas Corporation	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and 18 others	Compensation for damages	108,000	99,265
Korea Rail Network Authority	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and 27 others	Compensation for damages	104,511	96,058
Korea Water Resource Corporation	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and 16 others	Compensation for damages	70,252	64,570
Korea Water Resource Corporation	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and 5 others	Compensation for damages	59,748	54,915
Seoul-si	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and 11 others	Compensation for damages	27,128	24,934
Republic of Korea	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and 3 others	Compensation for damages	21,920	20,147
Changwon-si	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and 10 others	Compensation for damages	10,519	9,668

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Mapo Raemian Prugio Resident Representative Committee	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and 4 others	Construction warranty	10,254	9,425
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¹ Total claim amount against all the defendants including the Group is presented if the claim amount is not yet allocated to the Group.

As the timing and the amount of economic benefits/costs are uncertain, management recognized provisions at the best estimation for any impact on the Group's financial position arising from the lawsuits. The final litigation amount is subject to change from the estimated amount depending on the outcome of the lawsuits.

24.3 Commitment with financial institutions

As at December 31, 2020, the Group entered into an agreement to open an import letter of credit with the Korea Development Bank, KB Kookmin Bank and others of up to \$ 233,825 thousand, (2019: \$ 272,075 thousand). In addition, the Parent Company entered into short-term loan agreements with Korea Development Bank and others of up to ₩ 358,298 million (equivalent to \$ 329,318 thousand) (2019: ₩ 360,469 million (equivalent to \$ 331,313 thousand)). Also, the Group entered into structured finance loan and cooperative loan agreements with Export-Import Bank of Korea of up to ₩ 515,210 million (equivalent to \$ 473,539 thousand) (₩ 600,298 million at the end of previous year (equivalent to \$ 551,744 thousand)). In addition, the Group entered into the agreements related to financial liabilities (borrowings).

24.4 Other Commitments

- 1) The Group granted put options that give financial investors who participated in the Guri-Pocheon Expressway project and a few other projects the right to sell the shares amounting to ₩ 108,194 million (equivalent to \$ 99,443 thousand) (2019: ₩ 117,111 million (equivalent to \$ 107,639 thousand)).
- 2) As at December 31, 2020, the Group has agreed on a rental operating lease contract of Songdo IBS Building (the "rental subject") with the trust bank of the Hyundai Youfirst Private Real Estate Trust XII, Korea Standard Chartered Bank, until December 28, 2025. The Group has the preemption right to purchase leased premise between March 6, 2017 and August 25, 2025. In relation to the contract, the Group recognizes ₩ 52,997 million (equivalent to \$ 48,710 thousand) of lease liabilities as at December 31, 2020 (2019: ₩ 67,775 million (equivalent to \$ 62,293 thousand)).
- 3) As at December 31, 2020, the Group has agreed on a rental operating lease contract of Eulji Twin Tower (A 3rd~20th floor and B 4th~6th, 7th floor (portion of)) with K-Realty 10 Co., Ltd. and BC Card Co., Ltd. for 10 years since June 1, 2019. In relation to the contract, the Group recognizes ₩ 229,593 million (equivalent to \$ 211,023 thousand) of lease liabilities as at December 31, 2020 (2019: ₩ 254,485 million (equivalent to \$ 233,902 thousand)).

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- 4) In relation to development project in Gyeongsan knowledge industry, the Group has submitted the commitment of obligation to return construction fee. Detailed conditions of the commitment are: when the date of repayment of related loan comes a borrower or a determined buyer (the city of Gyeongsan) can notify for a request on return of construction fee to the Group for deficient amount of repayment, the Group should reimburse back to the borrower or determined buyer (the city of Gyeongsan) in the amount limited to received construction fee which is financed by sales price of industrial and research facility land (December 31, 2020: ₩ 167,152 million (equivalent to \$ 153,632 thousand), December 31, 2019: ₩ 152,113 million (equivalent to \$ 139,810 thousand)) within a month.
- 5) The Group entered into a contract with Sheraton Overseas Management Corporation ("SOMC") on February 5, 2008 in relation to development of hotel, introduction of management skills and hotel management. In accordance with the hotel management contract, SOMC will manage Sheraton-Incheon Hotel for 15 years from the opening date, and the Group will pay fees as stipulated in the contract. The Group paid ₩ 466 million (equivalent to \$ 428 thousand) (2019: ₩ 904 million (equivalent to \$ 831 thousand)) for the year ended December 31, 2020. The Group recognized the fee as cost of sales.
- 6) The Group has established share purchase arrangement with private equity fund related to Sosa Wonsi Railroad Project to purchase shares up to ₩ 83,570 million (equivalent to \$ 76,811 thousand) (2019: ₩ 83,570 million (equivalent to \$ 76,811 thousand)) and purchased shares amounting to ₩ 66,740 million (equivalent to \$ 61,342 thousand) as at December 31, 2020 (2019: ₩ 66,740 million (equivalent to \$ 61,342 thousand)). As at the end of the reporting period, the Group expects that additional shares will not be purchased.
- 7) There are trigger clauses for repayment of borrowings of ₩ 54,400 million (equivalent to \$ 50,000 thousand) (2019: ₩ 68,026 million (equivalent to \$ 62,524 thousand)) when the Group's credit rating falls to BBB0 included in the contracts related to corporate bonds, borrowings and real estate PF guarantees.
- 8) As at December 31, 2020, certain borrowing agreements entered with financial institutions include clauses to maintain debt ratio (330%, 350%), interest coverage ratio (180%, 200%) and the asset size excluding intangible assets from net assets (₩ 1,650,000 million (equivalent to \$ 1,516,544 thousand), ₩ 1,800,000 million (equivalent to \$ 1,654,412 thousand)) based on consolidated financial statements. The above borrowings amount to ₩ 154,147 million (equivalent to \$ 141,679 thousand) and there are trigger clauses for repayment of borrowings if the above clauses are violated. As at December 31, 2019, certain borrowing agreements entered with foreign financial institutions include clauses to maintain debt ratio (330%, 350%), interest coverage ratio (180%, 200%, 250%), the asset size excluding intangible assets from net assets (₩ 1,650,000 million (equivalent to \$ 1,516,544 thousand), ₩ 1,800,000 million (equivalent to \$ 1,654,412 thousand)) and current ratio (100%) based on the consolidated financial statements. Borrowings applicable to the above clauses amount to ₩ 498,513 million (equivalent to \$ 458,192 thousand), and there are trigger clauses for repayment of borrowings if the above clauses are violated. However, repayment obligation arises only when there is a request from the lender upon occurrence of triggering event.

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- 9) Certain debentures agreements include clauses to maintain the deposit balance of the Group, which is equivalent to 120% of the balance of debenture issued, and if the above clauses are violated, the holder may exercise a put option. Debentures applicable to the above clauses amount to ₩ 61,667 million (equivalent to \$ 56,679 thousand).
- 10) In relation to the Oman Duqm Refinery EPC-1 project performed by Tecnicas Reunidas Daewoo LLC, the Group is jointly and severally liable for the guarantees regarding the obligations of Tecnicas Reunidas Daewoo LLC assumed for the customer under EPC contract as at December 31, 2020.
- 11) In relation to the Nigeria LNG Train 7 project perform by Saipem Contracting Nigeria Limited, JV of Daewoo Engineering & Construction Nigeria Limited, and SCD JV SCARL, the Group is jointly and severally liable for the guarantees regarding the obligations of SCD JV SCARL assumed for the customer under EPC contract as at December 31, 2020.

25. Pledged Assets and Payment Guarantees

25.1 Pledged Assets

- 1) Restricted financial instruments asset as at December 31, 2020 and 2019, are as follows:

(in millions of Korean won and thousands of US dollars (Note 4))

	Detailed	Financial institutions	2020		Remark
			Amount		
Short-term financial instruments and others	Ordinary deposit	Woori Bank	₩ 3,032	\$ 2,787	Securitization trust account of accounts receivables from construction/ real estate contracts
	Ordinary deposit	NongHyup Bank	508	467	Securitization trust account of accounts receivables from construction/ real estate contracts
	Ordinary deposit	NH Investment & Securities	13,187	12,120	Securitization trust account of accounts receivables from construction/ real estate contracts
	Ordinary deposit	Woori Bank	4,220	3,879	Contract fee for disposal of property, plant and equipment
	CMA	KB Securities Co., Ltd.	274	252	Deposits for transfer of business rights
	Ordinary deposit	Mirae Asset Daewoo Co.,Ltd.	27	25	Leasehold deposits provided for commercial facilities
	Fixed deposit	Korea Development Bank	4,000	3,676	Win-win Growth Fund
	Foreign currency fixed deposit	KEB Hana Bank	9,530	8,759	Deposits related to retention repayment guarantee
	Foreign currency fixed deposit	Banco Bilbao Vizcaya	9,890	9,090	Deposit provided for performance guarantee

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(in millions of Korean won and thousands of US dollars (Note 4))

	Detailed	Financial institutions	2020		Remark
			Amount		
Long-term financial instruments	Fixed deposit	SHINHANVINA BANK, HANOI BR	13,874	12,752	Deposit for land purchase
	Fixed deposit	SHINHANVINA BANK, HANOI BR	7,703	7,080	Deposit for land purchase
	Fixed deposit	Standard Chartered Bank Korea Limited	2,300	2,114	Pledging of borrowings (₩ 2 billion)
		Subtotal	68,545	63,001	
	Bank account deposit	Bank for account deposit	22	20	Bank for account deposit
	Ordinary deposit	Woori Bank	3,000	2,758	Long-term deposits
	Monetary receivables trust	NongHyup Bank	7,524	6,915	Deposits for providing supplemental funding
		Subtotal	10,546	9,693	
	Total		₩ 79,091	\$ 72,694	

(in millions of Korean won and thousands of US dollars (Note 4))

	Detailed	Financial institutions	2019		Remark
			Amount		
Short-term financial instruments and others	Ordinary deposit	Woori Bank	₩ 12,679	\$ 11,653	Securitization trust account of accounts receivables from construction/ real estate contracts
	CMA	KB Securities Co., Ltd.	273	251	Deposits for transfer of business rights
	Ordinary deposit	Mirae Asset Daewoo Co.,Ltd.	14	13	Leasehold deposits provided for commercial facilities
	Ordinary deposit	Woori Bank	909	835	Levying the account for a judgment
	Ordinary deposit	Kookmin Bank	909	835	Levying the account for a judgment
	Ordinary deposit	Shinhan Bank	909	835	Levying the account for a judgment
	Ordinary deposit	KEB Hana Bank Korea	17,145	15,758	Trust account of borrowings for own contract work
	Fixed deposit	Development Bank	8,000	7,353	Win-win Growth Fund
	Fixed deposit	KEB Hana Bank	1,665	1,530	Deposits related to retention repayment guarantee
	Foreign currency fixed deposit	KEB Hana Bank	26,092	23,982	Deposits related to retention repayment guarantee

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Detailed	Financial institutions	2019		Remark	
		Amount			
Foreign currency fixed deposit	Banco Bilbao Vizcaya SHINHANVINA	10,668	9,805	Deposit provided for performance guarantee	
Fixed deposit	BANK, HANOI BR SHINHANVINA	224,751	206,573	Pledged as collateral by loan agreement	
Ordinary deposit	BANK, HANOI BR	35,041	32,207	Pledged as collateral by loan agreement	
Ordinary deposit	VIETINBANK	4	4	Pledged as collateral by loan agreement	
Ordinary deposit	VIETNAM INTERNATIONAL BANK BANK FOR INVESTMENT AND DEVELOPMENT OF VIETNAM Standard	45	41	Pledged as collateral by loan agreement	
Ordinary deposit	Chartered Bank Korea Limited	-	-	Pledged as collateral by loan agreement	
Fixed deposit	Woori Bank	2,300	2,114	Pledging of borrowings	
Fixed deposit	Woori Bank	86	79	Deposit provided for performance guarantee	
	Subtotal	341,490	313,868		
Long-term financial instruments	Bank account deposit	Bank for account deposit	22	20	Bank for account deposit
	Monetary receivables trust	NongHyup Bank	7,524	6,915	Deposits for providing supplemental funding
		Subtotal	7,546	6,935	
Total		₩ 349,036	\$ 320,803		

2) Details of pledged other assets as at December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

	2020				
	Book amount		Total limits ¹		
Property, plant and equipment, intangible assets, investment property, real estate held for sale ²	₩	651,580	₩	557,799	Korea Standard Chartered Bank and others
Investments in securities, investments in associates		202,346		5,372,119	Korea Development Bank and others
Total	₩	853,926	₩	5,929,918	

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	2020		
	Book amount	Total limits ¹	
Property, plant and equipment, intangible assets, investment property, real estate held for sale ²	\$ 598,879	\$ 512,683	Korea Standard Chartered Bank and others
Investments in securities, investments in associates	185,980	4,937,609	Korea Development Bank and others
Total	\$ 784,859	\$ 5,450,292	

¹ In relation to the obligations jointly liable with the third parties, the Parent Company measured the amount by multiplying the Parent Company's proportionate share of liability. Without consideration of the Parent Company's proportionate share of liability in relation to investments in securities and investments in associates, the amount of total limit is up to ₩ 20,415,614 million (equivalent to \$ 18,764,351 thousand).

² The amount includes the pledged property, plant and equipment and others of ₩ 437,324 million (equivalent to \$ 401,952 thousand) for loan, which amounts to ₩ 336,306 million (equivalent to \$ 309,105 thousand) (Total limits are ₩ 431,398 million, equivalent to \$ 396,506 thousand).

	2019		
	Book amount	Total limits ¹	
Property, plant and equipment, intangible assets, investment property, real estate held for sale ²	₩ 612,467	₩ 540,615	Korea Standard Chartered Bank and others
Investments in securities, investments in associates	227,452	5,856,241	Korea Development Bank and others
Total	₩ 839,919	₩ 6,396,856	

	2019		
	Book amount	Total limits ¹	
Property, plant and equipment, intangible assets, investment property, real estate held for sale ²	\$ 562,929	\$ 496,889	Korea Standard Chartered Bank and others
Investments in securities, investments in associates	209,055	5,382,574	Korea Development Bank and others
Total	\$ 771,984	\$ 5,879,463	

¹ In relation to the obligations jointly liable with the third parties, the Parent Company measured the amount by multiplying the Parent Company's proportionate share of liability. Without consideration of the Parent Company's proportionate share of liability in relation to investments in securities and investments in associates, the amount of total limit is up to ₩ 22,019,341 million (equivalent to \$ 20,238,365 thousand).

² The amount includes the pledged property, plant and equipment and others of ₩ 237,595 million (equivalent to \$ 218,378 thousand) for loan, which amounts to ₩ 232,944 million (equivalent to \$ 214,103 thousand) (Total limits are ₩ 297,028 million, equivalent to \$ 273,004 thousand).

25.2 Guarantees Provided by the Group

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1) The payment guarantees that the Group provided for developers' debts as at December 31, 2020 and 2019, are as follows:

(in millions of Korean won and thousands of US dollars (Note 4))

	2020		2019		2020		2019	
ABCP/ABSTB ¹	₩	264,807	₩	211,099	\$	243,389	\$	194,025
Other loan ¹		63,674		82,488		58,524		75,816
Total	₩	328,481	₩	293,587	\$	301,913	\$	269,841

¹ It includes the amount of payment guarantees provided for the debts of Changwon Innovation Industrial Development Asset Management Co., Ltd. and others which amount to ₩ 91,693 million (equivalent to \$ 84,277 thousand) (2019: ₩ 9,914 million (equivalent to \$ 9,112 thousand)) (guarantee limits ₩ 97,693 million, equivalent to \$ 89,791 thousand (2019: ₩ 9,914 million, equivalent to \$ 9,112 thousand)).

² In relation to the payment guarantees, the limits the Group provided are ₩ 344,481 million (equivalent to \$ 316,619 thousand) (2019: ₩ 293,587 million (equivalent to \$ 269,841 thousand)).

Details of payment guarantees due to project financing as at December 31, 2020 and 2019, are as follows:

(in millions of Korean won and thousands of US dollars (Note 4))

Business Area	Types of bond institutions	2020				Warranty history	Period	Type		
		Debt		Debt Guarantee					Debt Guarantee limits	
Incheon	Capital and others	₩ 240,000	\$ 220,588	₩ 150,000	\$ 137,868	₩ 150,000	\$ 137,868	Acceptances for debt	2020.08~2021.08	Loan, ABCP/ABSTB
Seoul	Securities and others	210,000	193,015	86,788	79,768	96,788	88,960	Acceptances for debt and others	2020.03~2021.03	Loan, ABCP/ABSTB
Dangjin, Chungcheong nam-do	Securities and others	75,500	69,393	43,000	39,522	49,000	45,037	Acceptances for debt	2020.09~2021.09	Loan, ABCP/ABSTB
Seoul	Securities and others	123,490	113,502	46,000	42,279	46,000	42,279	Acceptances for debt	2020.06~2022.06	Loan, ABCP/ABSTB
Changwon, Gyeongsangn am-do	Bank and others	135,600	124,632	2,693	2,475	2,693	2,475	Guarantees for interest payment	2019.03~2021.06	Loan, ABCP/ABSTB

(in millions of Korean won and thousands of US dollars (Note 4))

Business Area	Types of bond institutions	2019				Warranty history	Period	Type		
		Debt		Debt Guarantee					Debt Guarantee limits	
Incheon	Capital and others	₩ 240,000	\$ 220,588	₩ 150,000	\$ 137,868	₩ 150,000	\$ 137,868	Acceptances for debt	2019.08~2020.08	Loan, ABCP/ABSTB
Seoul	Securities and others	200,000	183,824	84,673	77,824	84,673	77,824	Acceptances for debt and others	2019.03~2020.03	Loan, ABCP/ABSTB

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Dangjin, Chungcheong nam-do	Securities and others	78,500	72,151	49,000	45,037	49,000	45,037	Acceptances for debt	2019.09- 2020.09	Loan, ABCP/ABSTB
Changwon, Gyeongsangn am-do	Bank and others	139,000	127,757	9,914	9,112	9,914	9,112	Guarantees for interest payment	2019.03- 2021.06	Loan, ABCP/ABSTB

- 2) The Group is jointly and severally liable for the guarantees of ₩ 680,455 million (equivalent to \$ 625,418 thousand) (2019: ₩ 737,537 million (equivalent to \$ 677,883 thousand)) (the limits of guarantees ₩ 1,110,950 million, equivalent to \$ 1,021,094 thousand (2019: the limits of guarantees ₩ 974,740 million, equivalent to \$ 895,901 thousand)) for the borrowing of a housing cooperative for redevelopment and reconstruction.
- 3) The Group has entered into city maintenance related non-interest bearing loan agreement (the Group's portion is ₩ 1,693,833 million (equivalent to \$ 1,556,832 thousand) (2019: ₩ 1,618,733 million (equivalent to \$ 1,487,806 thousand)), among total loan of ₩ 2,633,526 million (equivalent to \$ 2,420,520 thousand) (2019: ₩ 2,555,826 million (equivalent to \$ 2,349,105 thousand)) and interest bearing loan agreement (the Group's portion is ₩ 45,000 million (equivalent to \$ 41,360 thousand) (2019: ₩ 45,000 million (equivalent to \$ 41,360 thousand)), among total loan of ₩ 90,000 million (equivalent to \$ 82,721 thousand) (2019: ₩ 90,000 million (equivalent to \$ 82,721 thousand)). In addition, the Group has 52 (2019: 51) loan agreements without limit. In relation to the loan agreement, the Group provides non-interest bearing loan of ₩ 131,860 million (equivalent to \$ 121,195 thousand) (2019: ₩ 172,817 million (equivalent to \$ 158,839 thousand)) and interest bearing loan of ₩ 86,018 million (equivalent to \$ 79,061 thousand) (2019: ₩ 79,804 million (equivalent to \$ 73,349 thousand)).
- 4) The Group has been provided with guarantees of ₩ 15,386,988 million (equivalent to \$ 14,142,452 thousand) (2019: ₩ 14,526,841 million (equivalent to \$ 13,351,876 thousand)) by the Construction Financial Cooperative and others in relation to execution of contracts with clients and others, and provides the guarantee issued by Seoul Guarantee Insurance and others as collateral.
- 5) The Group has provided a performance guarantee of ₩ 10,217,284 million (equivalent to \$ 9,390,886 thousand) (2019: ₩ 8,825,238 million (equivalent to \$ 8,111,432 thousand)) for the execution of contracts, sales guarantees and warranty guarantees.
- 6) The Group provides conditional assumption of obligations in relation to a number of development and cooperative businesses (the Group's portion of the limits is ₩ 9,462,139 million (equivalent to \$ 8,696,819 thousand) (2019: ₩ 6,688,276 million (equivalent to \$ 6,147,313 thousand)), among total limits of ₩ 10,331,509 million, equivalent to \$ 9,495,872 thousand) (2019: ₩ 7,420,236 million, equivalent to \$ 6,820,070 thousand)). The Group's portion of obligation is ₩ 12,688,556 million (equivalent to \$ 11,662,276 thousand) (2019: ₩ 9,986,147 million (equivalent to \$ 9,178,444 thousand)) (total ₩ 13,705,996 million, equivalent to \$ 12,597,423 thousand (2019: total ₩ 11,004,947 million, equivalent to \$ 10,114,841 thousand)) and the obligation will arise when it fails to complete construction.

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- 7) If the Group violates the payment obligation as defined in the purchase commitment of preferential rights in relation to the development of Yangju Station Area Development the Group automatically provides debt acquisition agreements to acquire unperformed securitized loan principal and interest amounting to ₩ 51,200 million (equivalent to \$ 47,059 thousand) (2019: ₩ 46,800 million (equivalent to \$ 43,015 thousand)) and the limit of ₩ 67,800 million (equivalent to \$ 62,316 thousand) (2019: ₩ 67,800 million (equivalent to \$ 62,316 thousand)) without additional intentions or procedures made by the seller.
- 8) The Group is jointly and severally liable for ₩ 2,095,286 million (equivalent to \$ 1,925,814 thousand) (2019: ₩ 1,827,723 million (equivalent to \$ 1,679,892 thousand)) (the limits of guarantees ₩ 5,142,777 million, equivalent to \$ 4,726,817 thousand (2019: the limits of guarantees ₩ 4,925,862 million, equivalent to \$ 4,527,447 thousand)) in connection with the sale-in-lot instalment payments.
- 9) The Group has provided supplemental funding agreement of ₩ 288,830 million (equivalent to \$ 265,469 thousand) (2019: ₩ 294,278 million (equivalent to \$ 270,476 thousand)) (Total amount is ₩ 2,795,940 million, equivalent to \$ 2,569,798 thousand (2019: Total amount is ₩ 1,860,538 million, equivalent to \$ 1,710,053 thousand)) on borrowings to Shinbundang Railroad Co., Ltd. and other SOC companies. Also, the Group has supplemental funding obligation for the deficit of project expenses of SOC companies.
- 10) The Group and other construction companies have provided performance guarantees on their construction projects on a reciprocal basis. The Group has provided no guarantees to other construction companies as at December 31, 2020 (2019: ₩ 722,212 million (equivalent to \$ 663,798 thousand)). Also, the Group has been provided with guarantees by other construction companies of up to ₩ 42,860 million (equivalent to \$ 39,393 thousand) (2019: ₩ 42,860 million (equivalent to \$ 39,393 thousand)) as at December 31, 2020.
- 11) Following the development of the Songdo International City of Incheon City, the Group entered into a contract for sale and development of a business site of Songdo International City Development Co., Ltd., which develops an international business complex. The preferential rights of land and buildings (book amount: ₩ 124,178 million, equivalent to \$ 114,134 thousand) trusted according to the sales and development contract are provided as collateral for borrowings from Standard Chartered Bank Korea Limited and others (book amount: ₩ 106,000 million, equivalent to \$ 97,426 thousand).
- 12) The Group has provided payment guarantees of \$ 300 million (total \$ 750 million) to SAIPEM in relation to the Nigeria LGN Train 7 project performed by Saipem Contracting Nigeria Limited, JV of Daewoo Engineering & Construction Nigeria Limited, and SCD JV SCARL, for the conditional debt acceptance agreement that Saipem has entered into with SACE (Italian export financing institution), the shareholder of customer.

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26. Share Capital and Capital Surplus

26.1 The Parent Company is authorized to issue 700 million shares with the par value per share of ₩ 5,000. As at December 31, 2020, the Parent Company has issued 415,622,638 shares of ordinary shares.

26.2 Capital surplus as at December 31, 2020 and 2019, mainly consists of paid-in capital in excess of par value and others.

27. Other Component of Equity and Accumulated Other Comprehensive Income

27.1 Details of other components of equity as at December 31, 2020 and 2019, are as follows:

(in millions of Korean won and thousands of US dollars (Note 4))

	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Treasury shares ¹	₩ (101,723)	₩ (101,723)	\$ (93,496)	\$ (93,496)
Debt to be swapped for equity ²	<u>2,549</u>	<u>2,549</u>	<u>2,343</u>	<u>2,343</u>
Total	<u>₩ (99,174)</u>	<u>₩ (99,174)</u>	<u>\$ (91,153)</u>	<u>\$ (91,153)</u>

¹ As at December 31, 2020, the Group holds 4,736,918 treasury shares acquired at prevailing market price for stock price stabilization and the disposition of losses resulting from capital reduction.

² In 2000 and 2001, the Group agreed to the conversion of its debt into equity in accordance with the Corporate Workout Plan with the Creditors' Association. The conversion required the exemption of interest liability incurred until equity conversion or the issuance of mandatory convertible bonds. Accordingly, the debt to be converted to equity that is scheduled to be converted into the Group's ordinary shares is recorded as a capital adjustment. As at December 31, 2020, the debt to be swapped for equity amounts to ₩ 2,549 million (equivalent to \$ 2,343 thousand), and there have been no changes in debt to be converted to equity for the year ended December 31, 2020. The number of issuable shares is 509,868 shares.

27.2 Details of accumulated other comprehensive loss after tax effect as at December 31, 2020 and 2019, are as follows:

(in millions of Korean won and thousands of US dollars (Note 4))

	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Loss on valuation of financial instruments at fair value through other comprehensive income	₩ (4,141)	₩ (4,090)	\$ (3,806)	\$ (3,759)
Loss on overseas operations translation	(338,089)	(254,607)	(310,744)	(234,014)
Share of other comprehensive income of associates	(19,620)	305	(18,033)	280
Total	<u>₩ (361,850)</u>	<u>₩ (258,392)</u>	<u>\$ (332,583)</u>	<u>\$ (237,493)</u>

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28. Retained Earnings

Details of retained earnings as at December 31, 2020 and 2019, are as follows:

(in millions of Korean won and thousands of US dollars (Note 4))

	2020		2019		2020		2019	
Statutory reserves ¹	₩	61,835	₩	61,685	\$	56,834	\$	56,696
Discretionary reserves ²		15,700		15,700		14,430		14,430
Unappropriated retained earnings (undisposed accumulated deficit)		430,270		111,208		395,469		102,213
Total	₩	507,805	₩	188,593	\$	466,733	\$	173,339

¹ The Commercial Code of the Republic of Korea requires the Parent Company to appropriate for each financial period, as a legal reserve, an amount equal to a minimum of 10% of cash dividends paid until such reserve equals 50% of its issued share capital. The reserve is not available for cash dividend payments, but may be transferred to share capital or used to reduce accumulated deficit. When the accumulated legal reserves (the sum of capital reserves and earned profit reserves) are greater than 1.5 times the paid-in capital amount, the excess legal reserves may be distributed in accordance with a resolution of the shareholders' meeting.

² The Group appropriates a certain portion of its retained earnings as reserves for financial structure improvement.

29. Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group by the weighted-average number of ordinary shares in issue during the period excluding ordinary shares purchased by the Group and held as treasury shares.

29.1 Details of basic earnings per share for the years ended December 31, 2020 and 2019, are as follows:

(in Korean won and in US dollars (Note 4))

	2020		2019		2020		2019	
Profit attributable to equity holders of the Parent Company	₩	283,811,374,506	₩	208,615,477,154	\$	260,856,043	\$	191,742,167
Weighted average number of ordinary shares in issue		410,885,720		410,885,720		410,885,720		410,885,720
Basic earnings per share	₩	691	₩	508	\$	0.63	\$	0.47

29.2 Diluted earnings per share are calculated by adjusting the weighted-average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

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29.3 Details of diluted earnings per share for the years ended December 31, 2020 and 2019, are as follows:

(in Korean won and in US dollars (Note 4))

	2020	2019	2020	2019
Profit used to determine diluted earnings per share	₩ 283,811,374,506	₩ 208,615,477,154	\$ 260,856,043	\$ 191,742,167
Weighted average number of ordinary shares for diluted earnings per share	411,395,588	411,395,588	411,395,588	411,395,588
Diluted earnings per share	₩ 690	₩ 507	\$ 0.63	\$ 0.47

29.4 The potential dilutive instruments as at December 31, 2020, are as follows:

(in millions of Korean won and thousands of US dollars (Note 4))

	Face value	Issuable ordinary shares	Note
Debt convertible to equity	₩ 2,549	\$ 2,343	509,868 Par value of ₩ 5,000 per share

30. Nature of Expense

The classification of expenses by nature for the years ended December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

	2020			2019		
	Cost of sales	Selling and administrative expenses	Total	Cost of sales	Selling and administrative expenses	Total
Changes in finished housing	₩ (246,025)	₩ -	₩ (246,025)	₩ 91,803	₩ -	₩ 91,803
Use of raw materials	1,912,488	-	1,912,488	2,192,086	-	2,192,086
Labor cost	512,593	196,901	709,494	526,629	215,702	742,331
Outsourcing	3,608,514	-	3,608,514	3,678,733	-	3,678,733
Consulting fees	278,715	67,754	346,469	329,675	69,747	399,422
Employee welfare	80,133	42,151	122,284	93,183	43,838	137,021
Rent	88,528	4,845	93,373	84,772	7,951	92,723
Commissions	168,834	16,017	184,851	224,359	23,974	248,333
Advertising	23,755	11,143	34,898	20,290	7,443	27,733
Development	1,122	13,905	15,027	1,338	13,768	15,106
Depreciation and others	45,209	24,675	69,884	61,183	19,130	80,313
Depreciation of leased right-of-use assets	26,399	30,570	56,969	24,585	26,252	50,837
Insurance premium	64,345	6,391	70,736	72,583	8,176	80,759
Taxes and dues	44,065	11,616	55,681	34,164	10,153	44,317
Others	527,740	16,066	543,806	361,415	44,859	406,274
Total	₩ 7,136,415	₩ 442,034	₩ 7,578,449	₩ 7,796,798	₩ 490,993	₩ 8,287,791

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	2020			2019		
	Cost of sales	Selling and administrative expenses	Total	Cost of sales	Selling and administrative expenses	Total
Changes in finished housing	\$ (226,126)	\$ -	\$ (226,126)	\$ 84,378	\$ -	\$ 84,378
Use of raw materials	1,757,801	-	1,757,801	2,014,785	-	2,014,785
Labor cost	471,133	180,975	652,108	484,034	198,256	682,290
Outsourcing	3,316,649	-	3,316,649	3,381,188	-	3,381,188
Consulting fees	256,172	62,274	318,446	303,010	64,106	367,116
Employee welfare	73,652	38,742	112,394	85,646	40,292	125,938
Rent	81,368	4,453	85,821	77,915	7,308	85,223
Commissions	155,178	14,722	169,900	206,212	22,035	228,247
Advertising	21,834	10,242	32,076	18,649	6,841	25,490
Development	1,031	12,780	13,811	1,230	12,654	13,884
Depreciation and others	41,552	22,679	64,231	56,235	17,581	73,816
Depreciation of leased right-of-use assets	24,264	28,097	52,361	22,597	24,129	46,726
Insurance premium	59,141	5,874	65,015	66,712	7,515	74,227
Taxes and dues	40,501	10,676	51,177	31,401	9,332	40,733
Others	485,055	14,767	499,822	332,183	41,231	373,414
Total	\$ 6,559,205	\$ 406,281	\$ 6,965,486	\$ 7,166,175	\$ 451,280	\$ 7,617,455

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31. Selling and Administrative Expenses

Selling and administrative expenses for the years ended December 31, 2020 and 2019, are as follows:

(in millions of Korean won and thousands of US dollars (Note 4))

	2020		2019	
	₩		₩	
Salaries	177,716		197,159	\$ 163,341
Consulting fees	67,754		69,747	62,274
Employee welfare	42,151		43,838	38,742
Rent	4,845		7,951	4,453
Development	13,905		13,768	12,780
Commissions	16,017		23,974	14,722
Retirement benefit	19,186		18,543	17,634
Insurance premium	6,391		8,176	5,874
Advertising	11,143		7,443	10,242
Travel expenses	2,992		7,236	2,750
Depreciation	19,063		13,796	17,521
Amortization	5,612		5,334	5,158
Bad debt expenses	2,182		27,717	2,006
Reversal of allowance for doubtful accounts	(4,546)		(8,248)	(4,178)
Depreciation of leased right-of-use assets	30,570		26,252	28,097
Others	27,053		28,307	24,865
Total	₩ 442,034		₩ 490,993	\$ 406,281
				\$ 451,280

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32. Other Income and Expenses

32.1 Other income for the years ended December 31, 2020 and 2019, are as follows:

(in millions of Korean won and thousands of US dollars (Note 4))

	<u>2020</u>		<u>2019</u>		<u>2020</u>		<u>2019</u>	
Reversal of other allowance for doubtful accounts	₩	37,866	₩	70,097	\$	34,803	\$	64,427
Gain on disposal of investments in securities		3,343		7,444		3,073		6,842
Gain on valuation of investments in securities		5,903		1,686		5,426		1,550
Gain on disposal of investment in associates		267		2,199		245		2,021
Gain on disposal of assets held for sale		2,233		4,678		2,052		4,300
Gain on disposal of property, plant and equipment		4,369		5,941		4,016		5,460
Gain on disposal of intangible assets		1,833		403		1,685		370
Reversal of other provision		1,594		2,594		1,465		2,384
Dividend income		5,400		2,527		4,963		2,323
Miscellaneous income		20,979		26,923		19,282		24,745
Gain on foreign currency transactions		60,657		42,199		55,751		38,786
Gain on foreign currency translation		85,829		14,787		78,887		13,591
Reversal of gain on overseas operations translation		4		78,403		4		72,062
Gain on valuation of derivatives		1,495		21,747		1,374		19,988
Gain on transactions of derivatives		23,500		30,319		21,599		27,867
Total	₩	<u>255,272</u>	₩	<u>311,947</u>	\$	<u>234,625</u>	\$	<u>286,716</u>

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32.2 Other expense for the years ended December 31, 2020 and 2019, are as follows:

(in millions of Korean won and thousands of US dollars (Note 4))

	2020		2019		2020		2019	
Other bad debts expense	₩	13,612	₩	23,854	\$	12,511	\$	21,925
Loss on disposal of investments in securities		78		1		72		1
Loss on valuation of investments in securities		1,511		13,270		1,389		12,197
Loss on disposal of investment property		27		-		25		-
Impairment loss on investment property		14,878		3,527		13,675		3,242
Loss on disposal of assets held for sale		276		314		254		289
Impairment loss on assets held for sale		7,265		11,574		6,677		10,638
Impairment loss on property, plant and equipment		-		35,420		-		32,555
Loss on disposal of property, plant and equipment		566		1,006		520		925
Impairment loss on intangible assets		2,033		-		1,869		-
Loss on disposal of intangible assets		50		2		46		2
Transfer to reserve for contingent liabilities		59,937		98,162		55,089		90,222
Donations		420		135		386		124
Miscellaneous losses		22,853		33,073		21,005		30,398
Reversal of loss on overseas operations translation		48,202		18,921		44,303		17,391
Loss on foreign currency transactions		81,191		37,301		74,624		34,284
Loss on foreign currency translation		53,557		29,574		49,225		27,182
Loss on valuation of derivatives		19,519		5,282		17,940		4,855
Loss on transactions of derivatives		30,619		6,180		28,142		5,680
Others		10,933		6,388		10,049		5,871
Total	₩	367,527	₩	323,984	\$	337,801	\$	297,781

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33. Financial Income and Costs

33.1 Financial income for the years ended December 31, 2020 and 2019, are as follows:

(in millions of Korean won and thousands of US dollars (Note 4))

	<u>2020</u>		<u>2019</u>		<u>2020</u>		<u>2019</u>	
Interest income on bank deposits	₩	21,067	₩	29,816	\$	19,363	\$	27,404
Interest income on securities		49		57		45		52
Other interest income		23,965		29,490		22,027		27,106
Total	₩	<u>45,081</u>	₩	<u>59,363</u>	\$	<u>41,435</u>	\$	<u>54,562</u>

33.2 Financial costs for the years ended December 31, 2020 and 2019, are as follows:

(in millions of Korean won and thousands of US dollars (Note 4))

	<u>2020</u>		<u>2019</u>		<u>2020</u>		<u>2019</u>	
Interest expenses on borrowings	₩	94,599	₩	119,488	\$	86,948	\$	109,824
Other interest expenses		9,937		11,887		9,133		10,925
Total	₩	<u>104,536</u>	₩	<u>131,375</u>	\$	<u>96,081</u>	\$	<u>120,749</u>

During 2020, the Group capitalized borrowing costs amounting to ₩ 3,964 million, (equivalent to \$ 3,643 thousand (2019: ₩ 6,203 million, equivalent to \$ 5,701 thousand)) on qualifying assets, inventories. Borrowing costs were capitalized at the weighted-average rate of its general borrowings of 3.42 ~ 5.87% (2019: 4.01 ~ 6.25%).

34. Income Tax and Deferred Tax

34.1 Income tax expense for the years ended December 31, 2020 and 2019, consists of:

(in millions of Korean won and thousands of US dollars (Note 4))

	<u>2020</u>		<u>2019</u>		<u>2020</u>		<u>2019</u>	
Current tax:								
Current tax on profits for the year		54,851		72,242		50,415		66,399
Adjustments in respect of prior years		(12,580)		(1,140)		(11,563)		(1,048)
Total current tax	₩	<u>42,271</u>	₩	<u>71,102</u>	\$	<u>38,852</u>	\$	<u>65,351</u>
Deferred tax:								
Origination and reversal of temporary differences		52,531		34,933		48,282		32,108
Total deferred tax		<u>52,531</u>		<u>34,933</u>		<u>48,282</u>		<u>32,108</u>
Income tax expense	₩	<u>94,802</u>	₩	<u>106,035</u>	\$	<u>87,134</u>	\$	<u>97,459</u>

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34.2 The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

(in millions of Korean won and thousands of US dollars (Note 4))

	2020		2019		2020		2019	
Profit before income tax expense	₩	377,406	₩	307,275	\$	346,881	\$	282,422
Tax calculated based on applicable tax rate		83,665		67,246		76,898		61,807
Tax effects of:		11,137		38,789		10,236		35,652
Effect of the tax system for recirculation of corporate income		2,125		3,073		1,953		2,825
Income not subject to tax		(1,373)		(3,340)		(1,262)		(3,070)
Expenses not deductible for tax purposes		2,589		8,143		2,379		7,484
Unrecognized deferred income tax for temporary differences		(6,061)		14,104		(5,571)		12,963
Additional payment (refund) of income taxes		(8,613)		(2,498)		(7,916)		(2,296)
Effect from subsidiaries and others		25,559		20,546		23,492		18,884
Others		(3,089)		(1,239)		(2,839)		(1,138)
Income tax expense	₩	94,802	₩	106,035	\$	87,134	\$	97,459

34.3 The aggregate current and deferred tax relating to items that are charged or credited directly to equity for the years ended December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

	2020			2019		
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
Remeasurements of net defined benefit liabilities	₩ 37,912	₩ (8,899)	₩ 29,013	₩ 84,469	₩ (20,070)	₩ 64,399
Gain (loss) on valuation of financial instruments at fair value through other comprehensive income	5,463	(1,322)	4,141	5,396	(1,306)	4,090
Loss on overseas operation translation	423,407	(85,318)	338,089	330,891	(76,284)	254,607
Equity method accumulated other comprehensive income	25,883	(6,264)	19,619	(402)	97	(305)
	₩ 492,665	₩ (101,803)	₩ 390,862	₩ 420,354	₩ (97,563)	₩ 322,791

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	2020			2019		
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
Remeasurements of net defined benefit liabilities	\$ 34,846	\$ (8,180)	\$ 26,666	\$ 77,637	\$ (18,447)	\$ 59,190
Gain on valuation of financial instruments at fair value through other comprehensive income	5,021	(1,215)	3,806	4,959	(1,200)	3,759
Loss on overseas operation translation	389,161	(78,417)	310,744	304,128	(70,114)	234,014
Equity method accumulated other comprehensive income	23,790	(5,757)	18,033	(369)	89	(280)
	<u>\$ 452,818</u>	<u>\$ (93,569)</u>	<u>\$ 359,249</u>	<u>\$ 386,355</u>	<u>\$ (89,672)</u>	<u>\$ 296,683</u>

34.4 The gross balances of deferred tax assets and liabilities as at December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

	2020			2019		
	Within 1 year	After 1 year	Total	Within 1 year	After 1 year	Total
Deferred tax assets	₩ 180,000	₩ 823,477	₩ 1,003,477	₩ 173,666	₩ 878,446	₩ 1,052,112
Deferred tax liabilities	(60,712)	(180,790)	(241,502)	(64,805)	(177,041)	(241,846)
	<u>₩ 119,288</u>	<u>₩ 642,687</u>	<u>₩ 761,975</u>	<u>₩ 108,861</u>	<u>₩ 701,405</u>	<u>₩ 810,266</u>

(in thousands of US dollars
(Notes 4))

	2020			2019		
	Within 1 year	After 1 year	Total	Within 1 year	After 1 year	Total
Deferred tax assets	\$ 165,441	\$ 756,872	\$ 922,313	\$ 159,619	\$ 807,396	\$ 967,015
Deferred tax liabilities	(55,801)	(166,167)	(221,968)	(59,563)	(162,722)	(222,285)
	<u>\$ 109,640</u>	<u>\$ 590,705</u>	<u>\$ 700,345</u>	<u>\$ 100,056</u>	<u>\$ 644,674</u>	<u>\$ 744,730</u>

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34.5 Changes in deferred tax assets and liabilities for the years ended December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

	2020			
	Beginning balance	Increase (decrease)		Ending balance
		Profit (loss) for the year	Other comprehensive income (loss)	
Defined benefit liability	₩ 50,926	₩ 3,101	₩ (11,171)	₩ 42,856
Allowance for doubtful accounts	213,516	21,247	-	234,763
Accrued income	(5,008)	(749)	-	(5,757)
Financial guarantee liabilities and provisions	122,665	(22,719)	-	99,946
Present value discount	496	152	-	648
Property, plant and equipment	11,120	5,371	-	16,491
Intangible assets	(266)	(126)	-	(392)
Securities	62,697	(21,611)	6,377	47,463
Impairment loss on investments property	4,779	(1,624)	-	3,155
Gain on foreign currency translation	(5,329)	(115)	-	(5,444)
Tax loss carryforwards	147,730	(11,563)	-	136,167
Undefined gain or loss	102,808	(17,508)	-	85,300
Others	104,132	(6,387)	9,034	106,779
	<u>₩ 810,266</u>	<u>₩ (52,531)</u>	<u>₩ 4,240</u>	<u>₩ 761,975</u>

(in thousands of US dollars (Note 4))

	2020			
	Beginning balance	Increase (decrease)		Ending balance
		Profit (loss) for the year	Other comprehensive income (loss)	
Defined benefit liability	\$ 46,807	\$ 2,850	\$ (10,267)	\$ 39,390
Allowance for doubtful accounts	196,246	19,529	-	215,775
Accrued income	(4,603)	(688)	-	(5,291)
Financial guarantee liabilities and provisions	112,744	(20,882)	-	91,862
Present value discount	456	140	-	596
Property, plant and equipment	10,220	4,937	-	15,157
Intangible assets	(244)	(116)	-	(360)
Securities	57,626	(19,863)	5,861	43,624
Impairment loss on investments property	4,392	(1,492)	-	2,900
Gain on foreign currency translation	(4,898)	(106)	-	(5,004)
Tax loss carryforwards	135,781	(10,628)	-	125,153
Undefined gain or loss	94,493	(16,092)	-	78,401
Others	95,710	(5,871)	8,303	98,142
	<u>\$ 744,730</u>	<u>\$ (48,282)</u>	<u>\$ 3,897</u>	<u>\$ 700,345</u>

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	2019			
	Beginning balance	Increase (decrease)		Ending balance
		Profit (loss) for the year	Other comprehensive income (loss)	
Defined benefit liability	₩ 44,780	₩ 4,189	₩ 1,957	₩ 50,926
Allowance for doubtful accounts	214,972	(1,456)	-	213,516
Accrued income	(4,682)	(326)	-	(5,008)
Financial guarantee liabilities and provisions	123,883	(1,218)	-	122,665
Present value discount	892	(396)	-	496
Property, plant and equipment	1,392	9,728	-	11,120
Intangible assets	(144)	(122)	-	(266)
Securities	111,949	(45,093)	(4,159)	62,697
Impairment loss on investments property	15,949	(11,170)	-	4,779
Gain on foreign currency translation	(4,447)	(882)	-	(5,329)
Tax loss carryforwards	187,379	(39,649)	-	147,730
Undefined gain or loss	87,664	15,144	-	102,808
Others	54,901	36,320	12,911	104,132
	<u>₩ 834,488</u>	<u>₩ (34,931)</u>	<u>₩ 10,709</u>	<u>₩ 810,266</u>

(in thousands of US dollars (Note 4))

	2019			
	Beginning balance	Increase (decrease)		Ending balance
		Profit (loss) for the year	Other comprehensive income (loss)	
Defined benefit liability	\$ 41,158	\$ 3,850	\$ 1,799	\$ 46,807
Allowance for doubtful accounts	197,585	(1,339)	-	196,246
Accrued income	(4,303)	(300)	-	(4,603)
Financial guarantee liabilities and provisions	113,863	(1,119)	-	112,744
Present value discount	820	(364)	-	456
Property, plant and equipment	1,279	8,941	-	10,220
Intangible assets	(132)	(112)	-	(244)
Securities	102,894	(41,445)	(3,823)	57,626
Impairment loss on investments property	14,659	(10,267)	-	4,392
Gain on foreign currency translation	(4,087)	(811)	-	(4,898)
Tax loss carryforwards	172,223	(36,442)	-	135,781
Undefined gain or loss	80,574	13,919	-	94,493
Others	50,460	33,383	11,867	95,710
	<u>\$ 766,993</u>	<u>\$ (32,106)</u>	<u>\$ 9,843</u>	<u>\$ 744,730</u>

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34.6 Details of unrecognized deductible (taxable) temporary differences as deferred tax assets (liabilities) as at December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

		<u>2020</u>	<u>2019</u>	<u>Remarks</u>
Investments in subsidiaries	Daewoo Tripoli Investment & Development Co. and others	₩ 408,533	₩ 378,816	No plan for disposal
		(3,452)	(14,873)	Permanent reinvestment plan of undistributed profit
Gain on overseas operations translation	Libya branch and others	15,248	15,667	No plan for disposal

(in thousands of US dollars (Note 4))

		<u>2020</u>	<u>2019</u>	<u>Remarks</u>
Investments in subsidiaries	Daewoo Tripoli Investment & Development Co. and others	\$ 375,490	\$ 348,176	No plan for disposal
		(3,173)	(13,670)	Permanent reinvestment plan of undistributed profit
Gain on overseas operations translation	Libya branch and others	14,015	14,400	No plan for disposal

34.7 Deferred taxes expected to reverse subsequent to December 31, 2020 have been measured using the average tax rate (24.2%) that will apply for the future period, when the temporary differences are expected to reverse.

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35. Related Party Transactions

35.1 Related parties as at December 31, 2020, are as follows:

<u>Relationship</u>	<u>Related parties</u>
Parent company and associates of the Group	Korea Development Bank and its subsidiaries and associates (Daewoo Shipbuilding & Marine Engineering, Korea Development Bank Capital, KDB Infra, KDB INVESTMENT No.1 Limited., KDB Life Insurance Co., Ltd. and others)
Associates and others ¹	Skyland Co., Ltd., Skyland Asset Management Co., Ltd., Chung-Ju Technopolis Assets Management Co., Ltd., Pocheon IPP Co., Ltd., HANAM Marbling City Development Co., Ltd., HANAM Marble City Co., Ltd., SACC Co., Ltd., Gyeongsan Knowledge Industry Development Co., Ltd., Yulchon 2 Industrial Complex Development Inc., Jinwi 3 Industrial Complex Development Inc., Dongtan2 Daewoo KOCREF New Stay Development REIT Co., Ltd., Pyeong Seong Industria Inc., Pyeong Seong Industria Asset Management Co., Ltd., Kyungnam Masan Robot Land Co., Ltd., Kyungnam Masan Robot Land Asset Management Co., Ltd., Changwon Innovation Industrial Development Asset Management Co., Ltd., Changwon Innovation Industrial Development Co., Ltd. PFV, Yangju Development PFV Co, Ltd, GWIC Co., Ltd., Cheonmasan Tunnel Corp, Bugok Environment Co., Ltd., Kanghwa Tidal Power Co., Ltd., UI trans LRT Co., GreenJC Co., Eunpyeong new road Corp., Pungmoo Station Area development asset management Co., Harbor City Development Co., Ltd., Incheon Airport Yeongjong REIT Co., Ltd., Tangjeong Technopark Co., Ltd., , Together Investment Management Co., Ltd., Gyeongan Rivercity AMC Co., Ltd. JR Asset Management Company, Gochon Development AMC Co, Ltd, Suwon Youth Housing Daewoo K1 NO. 9 Reits, Mastern No.83 Cheongryang PFV Co., Ltd., ASTROX, Ja-yang Five PFV Co., Ltd, Humax EV Co., Ltd., Daechi 176 PFV Co., Ltd., Songsan Industrial Complex Development Inc., UNION DW ENG & CON LTD., MEGAWORLD-DW CO., BEIJING LUFTHANSA CENTER CO., GULF ENG.CONST. & CONTRACT, DW ARABIA LTD., DW NIGERIA LTD., DAEWOO-HANEL CORP, DAEWOO E & C IRAN, V-CITY 21 JOINT STOCK COMPANY, DW POWER(INDIA) LTD., KDS Hydro Pte.Ltd, Daewoo E&C LLC, DINAMICO CONST,INC

¹ Affiliates defined by the Monopoly Regulation and Fair Trade Act are included.

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35.2 Details of significant transactions, which occurred in the normal course of business with related parties for the years ended December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

		2020													
		Transaction description		Sales and others			Purchases and others			Equity changes					
Related parties		Sales and others	Purchases and others	Sales	Other income	Total	Purchases	Other expenses	Total						
Parent company and others	Korea Development Bank	Others	Interest expenses and others	W	-	W 915	W	915	W	-	W 10,596	W	10,596	W	-
	Korea Development Bank Capital	-	Interest expenses and others	-	-	-	-	50	50	-	-	-	-	-	-
	HANAM Marbling City Development Co., Ltd.	Construction contracts and others	-	14,148	75	14,223	-	-	-	-	-	-	-	-	-
	Gyeongsan knowledge industry development Co., Ltd.	Construction contracts and others	-	12,457	-	12,457	-	-	-	-	-	-	-	-	-
	Jinwi 3 Industrial Complex Development Inc.	Construction contracts and others	-	3,214	424	3,638	-	-	-	-	-	-	-	-	-
	Pocheon IPP Co., Ltd.	-	Construction warranty and others	38,044	562	38,606	-	27	27	-	-	-	-	-	-
	Dongtan 2 Daewoo New Stay Cokelap Enterprise Rental Development Specialist Consignment Management Real Estate Investment Company	Consulting fees and others	-	39	-	39	-	-	-	-	-	-	-	-	-
	Pyeongseong Industrial Asset Management Co., Ltd.	Consulting fees and others	-	77	-	77	-	-	-	-	-	-	-	-	-
	Changwon Innovation Industrial Development Asset Management Co., Ltd.	Consulting fees and others	-	222	-	222	-	-	-	-	-	-	-	-	-
Associates and others	Changwon Innovation Industrial Development Co., Ltd. PFV	Construction contracts and others	-	12,563	836	13,399	-	-	-	-	-	-	-	-	
	Yangju Development PFV Co, Ltd	Construction contracts and others	-	1,224	-	1,224	-	-	-	-	-	-	-	-	
	GWIC Co., Ltd	Construction contracts and others	Electricity expense and others	13,940	-	13,940	-	5	5	-	-	-	-	-	
	Pungmoo Station Area development asset management Co.	Consulting fees and others	-	118	-	118	-	-	-	-	-	-	-	-	
	GreenJC Co.	Consulting fees and others	-	302	-	302	-	-	-	-	-	-	-	-	
	Chonmasan Tunnel Co.	Consulting fees and others	-	1,919	-	1,919	-	-	-	-	-	-	-	-	
	Harbor City Development Co., Ltd.	Construction contracts and others	Electricity expense and others	58,655	-	58,655	-	34	34	-	-	-	-	-	
Incheon Airport Yeongjong REIT Co., Ltd.	Construction contracts and others	-	142,247	-	142,247	-	-	-	-	-	-	-	-		
Tangjeong Technopark Co., Ltd.	Construction contracts and others	-	2,297	-	2,297	-	-	-	-	-	-	-	-		

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		2020								
Related parties		Transaction description		Sales and others			Purchases and others		Equity changes	
		Sales and others	Purchases and others	Sales	Other income	Total	Purchases	Other expenses		Total
	Gyeongang RiverCity Development Asset Management Co., Ltd.	Consulting fees and others	-	145	-	145	-	-	-	-
	SUWON Youth Housing Daewoo K1 No.9 Reits	Construction contracts and others	-	10,692	218	10,910	-	-	-	5,798
	Bugok Environment Co., Ltd. ¹	-	-	-	-	-	-	-	-	(1,007)
	JR Asset Management Company	-	-	-	-	-	-	-	-	39,896
	Gochon Development AMC Co.,Ltd.	-	-	-	-	-	-	-	-	49
	Mastern No.83 Cheongryang PFV Co., Ltd.	-	-	-	-	-	-	-	-	1,514
	Zayang 5 PFV Co., Ltd	-	-	-	-	-	-	-	-	1,500
	Humax EV Co., Ltd.	-	-	-	-	-	-	-	-	1,436
	Daechi 176 PFV Co., Ltd.	Others	-	-	16	16	-	-	-	2,000
	Songsan Industrial Complex Development Inc.	Consulting fees and others	-	179	-	179	-	-	-	1
	Sahwa City Development Co., Ltd ¹	-	-	-	-	-	-	-	-	(270)
	DW NIGERIA LTD.	-	-	-	-	-	-	-	-	123
	DINAMICO CONST,INC	Consulting fees and others	-	12,138	-	12,138	-	-	-	-
	BEIJING LUFTHANSA CENTER CO.	Consulting fees and others	-	82	-	82	-	-	-	-
				₩ 324,702	₩ 3,046	₩ 327,748	₩ -	₩ 10,712	₩ 10,712	₩ 51,040

(in thousands of US dollars (Note 4))

		2020								
Related parties		Transaction description		Sales and others			Purchases and others		Equity changes	
		Sales and others	Purchases and others	Sales	Other income	Total	Purchases	Other expenses		Total
Parent company and others	Korea Development Bank	Others	Interest expenses and others	\$ -	\$ 841	\$ 841	\$ -	\$ 9,739	\$ 9,739	\$ -
	Korea Development Bank Capital	-	Interest expenses and others	-	-	-	-	46	46	-
Associates and others	HANAM Marbling City Development Co., Ltd.	Construction contracts and others	-	13,004	69	13,073	-	-	-	-
	Gyeongsan knowledge industry development Co., Ltd.	Construction contracts and others	-	11,449	-	11,449	-	-	-	-
	Jinwi 3 Industrial Complex Development Inc.	Construction contracts and others	-	2,954	390	3,344	-	-	-	-
	Pocheon IPP Co., Ltd.	-	Construction warranty and others	34,966	517	35,483	-	25	25	-
	Dongtan 2 Daewoo New Stay Cokelap Enterprise Rental Development Specialist Consignment Management Real	Consulting fees and others	-	36	-	36	-	-	-	-

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		2020							
Related parties	Transaction description		Sales and others			Purchases and others			Equity changes
	Sales and others	Purchases and others	Sales	Other income	Total	Purchases	Other expenses	Total	
Estate Investment Company									
Pyeongseong Industrial Asset Management Co., Ltd.	Consulting fees and others	-	71	-	71	-	-	-	-
Changwon Innovation Industrial Development Asset Management Co., Ltd.	Consulting fees and others	-	204	-	204	-	-	-	-
Changwon Innovation Industrial Development Co., Ltd. PFV	Construction contracts and others	-	11,547	768	12,315	-	-	-	-
Yangju Development PFV Co, Ltd	Construction contracts and others	-	1,125	-	1,125	-	-	-	-
GWIC Co., Ltd	Construction contracts and others	Electricity expense and others	12,813	-	12,813	-	5	5	-
Pungmoo Station Area development asset management Co.	Consulting fees and others	-	108	-	108	-	-	-	-
GreenJC Co.	Consulting fees and others	-	278	-	278	-	-	-	-
Chonmasan Tunnel Co.	Consulting fees and others	-	1,764	-	1,764	-	-	-	-
Harbor City Development Co., Ltd.	Construction contracts and others	Electricity expense and others	53,911	-	53,911	-	31	31	-
Incheon Airport Yeongjong REIT Co., Ltd.	Construction contracts and others	-	130,742	-	130,742	-	-	-	-
Tangjeong Technopark Co., Ltd.	Construction contracts and others	-	2,111	-	2,111	-	-	-	-
Gyeongang RiverCity Development Asset Management. Co., Ltd.	Consulting fees and others	-	133	-	133	-	-	-	-
SUWON Youth Housing Daewoo K1 No.9 Reits	Construction contracts and others	-	9,827	200	10,027	-	-	-	5,329
Bugok Environment Co., Ltd. ¹	-	-	-	-	-	-	-	-	(926)
JR Asset Management Company	-	-	-	-	-	-	-	-	36,669
Gochon Development AMC Co.,Ltd.	-	-	-	-	-	-	-	-	45
Mastern No.83 Cheongryang PFV Co., Ltd.	-	-	-	-	-	-	-	-	1,392
Zayang 5 PFV Co., Ltd	-	-	-	-	-	-	-	-	1,379
Humax EV Co., Ltd.	-	-	-	-	-	-	-	-	1,320
Daechi 176 PFV Co., Ltd.	Others	-	-	15	15	-	-	-	1,838
Songsan Industrial Complex Development Inc.	Consulting fees and others	-	165	-	165	-	-	-	1
Sahwa City Development Co., Ltd ¹	-	-	-	-	-	-	-	-	(248)
DW NIGERIA LTD.	-	-	-	-	-	-	-	-	113
DINAMICO CONST,INC	Consulting fees and others	-	11,156	-	11,156	-	-	-	-

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		2020								
Related parties		Transaction description		Sales and others			Purchases and others			Equity changes
		Sales and others	Purchases and others	Sales	Other income	Total	Purchases	Other expenses	Total	
	BEIJING LUFTHANSA CENTER CO.	Consulting fees and others	-	75	-	75	-	-	-	-
				\$ 298,439	\$ 2,800	\$ 301,239	\$ -	\$ 9,846	\$ 9,846	\$ 46,912

¹ Due to liquidation and disposal, the entity is excluded from related parties.

(in millions of Korean won)

		2019									
Related parties		Transaction description		Sales and others			Purchases and others			Equity changes	
		Sales and others	Purchases and others	Sales	Other income	Total	Purchases	Other expenses	Total		
Parent company and others	Korea Development Bank	Others	Interest expenses and others	₩ 37	₩ 53	₩ 90	₩ -	₩ 11,922	₩ 11,922	₩ -	
	The Uni-Star Co., Ltd. ¹	Construction contracts and others	Commissions and others	63,488	31,557	95,045	-	3,301	3,301	(1)	
	HANAM Marbling City Development Co., Ltd.	Construction contracts and others	-	45,901	4,185	50,086	-	-	-	-	
	Gyeongsan knowledge industry development Co., Ltd.	Construction contracts and others	-	13,626	-	13,626	-	-	-	-	
	Jinwi 3 Industrial Complex Development Inc.	Construction contracts and others	-	30,463	-	30,463	-	-	-	-	
	Pocheon IPP Co., Ltd.	Consulting fees and others	Construction warranty and others	21,411	-	21,411	52	-	52	-	
	Dongtan 2 Daewoo New Stay Cokelap Enterprise Rental Development Specialist Consignment Management Real Estate Investment Company	Construction contracts and others	-	446	-	446	-	-	-	-	
Associates and others	Pyeongseong Industrial Asset Management Co., Ltd.	Consulting fees and others	-	13	-	13	-	-	-	-	
	Kyungnam Masan Robotland Co., Ltd.	Construction contracts and others	Electricity expense and others	17,488	-	17,488	23	-	23	-	
	Changwon Innovation Industrial Development Asset Management Co., Ltd.	Consulting fees and others	-	233	-	233	-	-	-	-	
	Changwon Innovation Industrial Development Co., Ltd. PFV	Construction contracts and others	-	9,787	352	10,139	-	-	-	-	
	GWIC Co., Ltd	Consulting fees and others	-	14,640	1,422	16,062	-	-	-	-	
	Pungmoo Station Area development asset management Co.	Consulting fees and others	-	118	-	118	-	-	-	-	
	Bugok Environment Co., Ltd.	Consulting fees and others	-	-	2	2	-	-	-	-	
	GreenJC Co.	Construction contracts and others	-	301	-	301	-	-	-	-	

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		2019							
Related parties	Transaction description		Sales and others			Purchases and others			Equity changes
	Sales and others	Purchases and others	Sales	Other income	Total	Purchases	Other expenses	Total	
Chonmasan Tunnel Co.	Construction contracts and others	Electricity expense and others	10,235	-	10,235	84	-	84	-
Harbor City Development Co., Ltd.	Construction contracts and others	Electricity expense and others	36,049	-	36,049	66	-	66	-
Incheon Airport Yeongjong REIT Co., Ltd.	Construction contracts and others	-	33,885	-	33,885	-	-	-	-
Tangeong Technopark Co., Ltd.	-	-	-	-	-	-	-	-	400
Together Investment Management Co., Ltd.	-	-	-	-	-	-	-	-	2,600
Gyeongang RiverCity Development Asset Management Co., Ltd.	-	-	-	-	-	-	-	-	20
J&Tech ¹	-	-	-	-	-	-	-	-	(400)
Myeong-dong City and Residential Environment Improvement Plans Co., Ltd. ¹	-	-	-	-	-	-	-	-	(1)
BEIJING LUFTHANSA CENTER CO.	Consulting fees and others	-	76	-	76	-	-	-	-
			<u>₩298,197</u>	<u>₩ 37,571</u>	<u>₩335,768</u>	<u>₩ 225</u>	<u>₩ 15,223</u>	<u>₩ 15,448</u>	<u>₩ 2,618</u>

(in thousands of US dollars (Note 4))

		2019								
Related parties	Transaction description		Sales and others			Purchases and others			Equity changes	
	Sales and others	Purchases and others	Sales	Other income	Total	Purchases	Other expenses	Total		
Parent company and others	Korea Development Bank	Others	Interest expenses and others	\$ 34	\$ 49	\$ 83	\$ -	\$ 10,958	\$ 10,958	\$ -
	The Uni-Star Co., Ltd. ¹	Construction contracts and others	Commissions and others	58,353	29,003	87,356	-	3,034	3,034	(1)
	HANAM Marbling City Development Co., Ltd.	Construction contracts and others	-	42,189	3,847	46,036	-	-	-	-
	Gyeongsan knowledge industry development Co., Ltd.	Construction contracts and others	-	12,524	-	12,524	-	-	-	-
	Jinwi 3 Industrial Complex Development Inc.	Construction contracts and others	-	27,999	-	27,999	-	-	-	-
Associates and others	Pocheon IPP Co., Ltd.	Consulting fees and others	Construction warranty and others	19,679	-	19,679	48	-	48	-
	Dongtan 2 Daewoo New Stay Cokelap Enterprise Rental Development Specialist Consignment Management Real Estate Investment Company	Construction contracts and others	-	410	-	410	-	-	-	-
	Pyeongseong Industrial Asset Management Co., Ltd.	Consulting fees and others	-	12	-	12	-	-	-	-
	Kyungnam Masan Robotland Co., Ltd.	Construction contracts and others	Electricity expense and others	16,074	-	16,074	21	-	21	-

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		2019							
Related parties	Transaction description	Sales and others			Purchases and others			Equity changes	
		Sales and others	Purchases and others	Sales	Other income	Total	Purchases		Other expenses
Changwon Innovation Industrial Development Asset Management Co., Ltd.	Consulting fees and others	-	214	-	214	-	-	-	-
Changwon Innovation Industrial Development Co., Ltd. PFV	Construction contracts and others	-	8,995	324	9,319	-	-	-	-
GWIC Co., Ltd	Consulting fees and others	-	13,456	1,307	14,763	-	-	-	-
Pungmoo Station Area development asset management Co.	Consulting fees and others	-	108	-	108	-	-	-	-
Bugok Environment Co., Ltd.	Consulting fees and others	-	-	2	2	-	-	-	-
GreenJC Co.	Construction contracts and others	-	277	-	277	-	-	-	-
Chonmasan Tunnel Co.	Construction contracts and others	Electricity expense and others	9,407	-	9,407	77	-	77	-
Harbor City Development Co., Ltd.	Construction contracts and others	Electricity expense and others	33,133	-	33,133	61	-	61	-
Incheon Airport Yeongjong REIT Co., Ltd.	Construction contracts and others	-	31,144	-	31,144	-	-	-	-
Tangjeong Technopark Co., Ltd.	-	-	-	-	-	-	-	-	368
Together Investment Management Co., Ltd.	-	-	-	-	-	-	-	-	2,390
Gyeongang Rivercity AMC Co., Ltd.	-	-	-	-	-	-	-	-	18
J&Tech ¹	-	-	-	-	-	-	-	-	(368)
Myeong-dong City and Residential Environment Improvement Plans Co., Ltd. ¹	-	-	-	-	-	-	-	-	(1)
BEIJING LUFTHANSA CENTER CO.	Consulting fees and others	-	70	-	70	-	-	-	-
			\$ 274,078	\$ 34,532	\$ 308,610	\$ 207	\$ 13,992	\$ 14,199	\$ 2,406

¹ Due to liquidation and disposal, the entity is excluded from related parties.

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35.3 Account balances with related parties as at December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

		2020						
		Receivables ¹			Payables			
		Trade receivables	Other receivables	Total	Trade payables	Other payables	Total	
	Related parties							
Parent company and others	Korea Development Bank	₩ -	₩ 105,714	₩ 105,714	₩ -	₩ 232,640	₩ 232,640	
	Skyland Co., Ltd.	27,041	397	27,438	-	-	-	
	HANAM Marbling City Development Co., Ltd.	-	-	-	-	1,250	1,250	
	Gyeongsan knowledge industry development Co., Ltd.	4,216	7	4,223	-	-	-	
	Jinwi 3 Industrial Complex Development Inc.	-	-	-	-	-	-	
	Pocheon IPP Co., Ltd.	21,871	22,150	44,021	-	-	-	
	Pyeong Seong Industria Aseet Management Co.,Ltd.	77	8	85	-	-	-	
	Kyungnam Masan Robotland Co., Ltd.	5,650	565	6,215	-	-	-	
	Changwon Innovation Industrial Development Co., Ltd. PFV	27,829	26,832	54,661	-	3,607	3,607	
	Yangju Development PFV Co, Ltd	1,126	-	1,126	-	-	-	
	Associates and others	GWIC Co., Ltd	33,810	2,860	36,670	-	-	-
		Pungmoo Station Area development asset management Co.	39	4	43	-	-	-
		UI trans LRT Co.	8,401	12,616	21,017	-	-	-
		Chonmasan Tunnel Co.	4,958	827	5,785	-	-	-
		Harbor City Development Co., Ltd.	-	-	-	-	8,664	8,664
Incheon Airport Yeongjong REIT Co., Ltd.		14,290	-	14,290	-	-	-	
Tangjeong Techno-park Co., Ltd.		2,297	-	2,297	-	-	-	
Gyeongan Rivercity AMC Co., Ltd		145	15	160	-	-	-	
SUWON Youth Housing Daewoo K1 No.9 Reits		195	-	195	-	-	-	
Mastern No.83 Cheongryang PFV Co., Ltd		-	2,486	2,486	-	-	-	
Daechi 176 PFV Co., Ltd	-	4,016	4,016	-	-	-		
Songsan Industrial Complex Development Inc.	417	15,100	15,517	-	-	-		

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		2020					
		Receivables ¹			Payables		
Related parties		Trade receivables	Other receivables	Total	Trade payables	Other payables	Total
V-CITY 21 JOINT STOCK COMPANY		-	40	40	-	-	-
KDS Hydro Pte.Ltd.		-	10,084	10,084	-	-	-
BEIJING LUFTHANSA CENTER CO.		-	-	-	-	-	-
GULF ENG.CONST. & CONTRACT		546	2,467	3,013	-	-	-
		<u>₩ 152,908</u>	<u>₩ 206,188</u>	<u>₩ 359,096</u>	<u>₩ -</u>	<u>₩ 246,161</u>	<u>₩ 246,161</u>

(in thousands of US dollars (Note 4))

		2020					
		Receivables ¹			Payables		
Related parties		Trade receivables	Other receivables	Total	Trade payables	Other payables	Total
Parent company and others	Korea Development Bank	\$ -	\$ 97,164	\$ 97,164	\$ -	\$ 213,824	\$ 213,824
	Skyland Co., Ltd.	24,854	365	25,219	-	-	-
	HANAM Marbling City Development Co., Ltd.	-	-	-	-	1,149	1,149
	Gyeongsan knowledge industry development Co., Ltd.	3,875	6	3,881	-	-	-
	Jinwi 3 Industrial Complex Development Inc.	-	-	-	-	-	-
	Pocheon IPP Co., Ltd.	20,102	20,358	40,460	-	-	-
	Pyeong Seong Industria Aseet Management Co.,Ltd.	71	7	78	-	-	-
	Kyungham Masan Robotland Co., Ltd.	5,193	519	5,712	-	-	-
Associates and others	Changwon Innovation Industrial Development Co., Ltd. PFV	25,578	24,662	50,240	-	3,315	3,315
	Yangju Development PFV Co, Ltd	1,035	-	1,035	-	-	-
	GWIC Co., Ltd	31,075	2,629	33,704	-	-	-
	Pungmoo Station Area development asset management Co.	36	4	40	-	-	-
	UI trans LRT Co.	7,722	11,596	19,318	-	-	-
	Chonmasan Tunnel Co.	4,557	760	5,317	-	-	-
	Harbor City Development Co., Ltd.	-	-	-	-	7,963	7,963
	Incheon Airport Yeongjong REIT Co., Ltd.	13,134	-	13,134	-	-	-

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		2020					
		Receivables ¹			Payables		
Related parties		Trade receivables	Other receivables	Total	Trade payables	Other payables	Total
Tangjeong Techno-park Co., Ltd.		2,111	-	2,111	-	-	-
Gyeongang Rivercity AMC Co., Ltd		133	14	147	-	-	-
SUWON Youth Housing Daewoo K1 No.9 Reits		179	-	179	-	-	-
Master No.83 Cheongryang PFV Co., Ltd		-	2,285	2,285	-	-	-
Daechi 176 PFV Co., Ltd.		-	3,691	3,691	-	-	-
Songsan Industrial Complex Development Inc.		383	13,879	14,262	-	-	-
V-CITY 21 JOINT STOCK COMPANY		-	37	37	-	-	-
KDS Hydro Pte.Ltd.		-	9,268	9,268	-	-	-
BEIJING LUFTHANSA CENTER CO.		-	-	-	-	-	-
GULF ENG.CONST. & CONTRACT		502	2,267	2,769	-	-	-
		<u>\$ 140,540</u>	<u>\$ 189,511</u>	<u>\$ 330,051</u>	<u>\$ -</u>	<u>\$ 226,251</u>	<u>\$ 226,251</u>

(in millions of Korean won)

		2019					
		Receivables ¹			Payables		
Related parties		Trade receivables	Other receivables	Total	Trade payables	Other payables	Total
Parent company and others	Korea Development Bank	₩ -	₩ 120,388	₩ 120,388	₩ -	₩ 249,217	₩ 249,217
	Skyland Co., Ltd.	31,973	466	32,439	-	-	-
	HANAM Marbling City Development Co., Ltd.	17,285	7,869	25,154	-	1,999	1,999
	Gyeongsan knowledge industry development Co., Ltd.	411	41	452	-	4,887	4,887
	Jinwi 3 Industrial Complex Development Inc.	10,155	1,016	11,171	-	1,021	1,021
Associates and others	Pocheon IPP Co., Ltd.	31,927	3,450	35,377	-	225	225
	Kyungnam Masan Robotland Co., Ltd.	5,650	565	6,215	-	-	-
	Changwon Innovation Industrial Development Co., Ltd. PFV	15,161	18,669	33,830	-	3,501	3,501
	GWIC Co., Ltd	22,757	2,276	25,033	-	614	614
	Pungmoo Station Area development asset management Co.	10	1	11	-	-	-
UI trans LRT Co.	8,747	5,793	14,540	-	-	-	

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Related parties	2019					
	Receivables ¹			Payables		
	Trade receivables	Other receivables	Total	Trade payables	Other payables	Total
Chonmasan Tunnel Co.	4,982	932	5,914	-	-	-
Harbor City Development Co., Ltd.	7,950	-	7,950	-	-	-
Incheon Airport Yeongjong REIT Co., Ltd.	4,529	-	4,529	-	-	-
V-CITY 21 JOINT STOCK COMPANY	-	43	43	-	-	-
KDS Hydro Pte.Ltd.	-	10,480	10,480	-	-	-
BEIJING LUFTHANSA CENTER CO.	26	-	26	-	-	-
GULF ENG.CONST. & CONTRACT	581	4,825	5,406	-	-	-
	<u>₩ 162,144</u>	<u>₩ 176,814</u>	<u>₩ 338,958</u>	<u>₩ -</u>	<u>₩ 261,464</u>	<u>₩ 261,464</u>

(in thousands of US dollars (Note 4))

Related parties	2019					
	Receivables ¹			Payables		
	Trade receivables	Other receivables	Total	Trade payables	Other payables	Total
Parent company and others						
Korea Development Bank	\$ -	\$ 110,651	\$ 110,651	\$ -	\$ 229,060	\$ 229,060
Skyland Co., Ltd.	29,387	428	29,815	-	-	-
HANAM Marbling City Development Co., Ltd.	15,886	7,233	23,119	-	1,837	1,837
Gyeongsan knowledge industry development Co., Ltd.	378	37	415	-	4,492	4,492
Jinwi 3 Industrial Complex Development Inc.	9,333	934	10,267	-	938	938
Pocheon IPP Co., Ltd.	29,345	3,171	32,516	-	207	207
Kyungnam Masan Robotland Co., Ltd.	5,193	519	5,712	-	-	-
Changwon Innovation						
Industrial Development Co., Ltd. PFV	13,935	17,159	31,094	-	3,218	3,218
GWIC Co., Ltd	20,916	2,092	23,008	-	564	564
Pungmoo Station Area development asset management Co.	9	1	10	-	-	-
UI trans LRT Co.	8,040	5,324	13,364	-	-	-
Chonmasan Tunnel Co.	4,579	857	5,436	-	-	-
Harbor City Development Co., Ltd.	7,307	-	7,307	-	-	-
Incheon Airport Yeongjong REIT Co., Ltd.	4,163	-	4,163	-	-	-
V-CITY 21 JOINT STOCK COMPANY	-	40	40	-	-	-
Associates and others						

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Related parties	2019					
	Receivables ¹			Payables		
	Trade receivables	Other receivables	Total	Trade payables	Other payables	Total
KDS Hydro Pte.Ltd.	-	9,632	9,632	-	-	-
BEIJING LUFTHANSA CENTER CO.	24	-	24	-	-	-
GULF ENG.CONST. & CONTRACT	534	4,435	4,969	-	-	-
	<u>\$ 149,029</u>	<u>\$ 162,513</u>	<u>\$ 311,542</u>	<u>\$ -</u>	<u>\$ 240,316</u>	<u>\$ 240,316</u>

¹ The Group established an allowance for bad debts amounting to ₩ 44,072 million (equivalent to \$ 40,507 thousand) (December 31, 2019: ₩ 20,015 million (equivalent to \$ 18,396 thousand)) for the receivables of related parties as at December 31, 2020.

35.4 Details of the payment guarantees on the borrowings of related parties as at December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

	Related parties	2020	2019	Provided by	Period	Remark
	Kyungnam Masan Robotland Co., Ltd.	₩ 7,677	₩ 7,677	Davi Hana Robotland Private property	2016.04.19~2035.10.19	Supplementary funds
	Ja-yang 5 PFV Co., Ltd	46,000	-	SAMSUNG SECURITIES CO.,LTD and others	2020.06.30~2022.06.28	Acceptances for debt
	Songsan Industrial Complex Development Inc. Changwon Innovation Industrial Development Co., Ltd. PFV	43,000	49,000	KIS Songsan The Second Co., Ltd	2020.09.22~2021.09.16	Acceptances for debt
Associates and others	GreenJC Co.	2,693	9,914	Kyongnam Bank Co., Ltd. and others	2019.03.15~2021.06.22	Guarantees for interest payment
	KDS Hydro Pte. Ltd.	1,531	1,624	kyobo life insurance Co., Ltd. and others	2009.05.18~2033.03.31	Supplementary funds
	Chonmasan Tunnel Co.	1,596	1,695	The Export-Import Bank of Korea and others	2012.11.22~2028.12.31	Supplementary funds
	Chonmasan Tunnel Co.	8,500	8,500	NH nonghyup and others	2015.09.25~2044.06.25	Supplementary funds
	UI trans LRT Co.	2,986	9,809	Kookmin bank and others	2017.03.31~2037.09.30	Supplementary funds
		<u>₩ 113,983</u>	<u>₩ 88,219</u>			

(in thousands of US dollars (Note 4))

	Related parties	2020	2019	Provided by	Period	Remark
Associates and others	Kyungnam Masan Robotland Co., Ltd.	\$ 7,056	\$ 7,056	Davi Hana Robotland Private property	2016.04.19~2035.10.19	Supplementary funds

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Ja-yang 5 PFV Co., Ltd	42,280	-	SAMSUNG SECURITIES CO.,LTD and others	2020.06.30~ 2022.06.28	Acceptances for debt
Songsan Industrial Complex Development Inc. Changwon Innovation Industrial Development Co., Ltd. PFV	39,522	45,036	KIS Songsan The Second Co., Ltd	2020.09.22~ 2021.09.16	Acceptances for debt
GreenJC Co.	1,407	1,493	Kyongnam Bank Co., Ltd. and others	2019.03.15~ 2021.06.22	Guarantees for interest payment
KDS Hydro Pte. Ltd.	1,467	1,558	kyobo life insurance Co., Ltd. and others	2009.05.18~ 2033.03.31	Supplementary funds
Chonmasan Tunnel Co.	7,813	7,813	The Export-Import Bank of Korea and others	2012.11.22~ 2028.12.31	Supplementary funds
UI trans LRT Co.	2,744	9,016	NH nonghyup and others	2015.09.25~ 2044.06.25	Supplementary funds
			Kookmin bank and others	2017.03.31~ 2037.09.30	Supplementary funds
	<u>\$ 104,764</u>	<u>\$ 81,084</u>			

Other than the above payment guarantees, in relation to Gyeongsan Knowledge Industry and others business project, the Group provided conditional debt acquisition agreements (the Group's portion of the limits is ₩ 799,460 million (equivalent to \$ 734,798 thousand) (2019: ₩ 658,400 million (equivalent to \$ 605,147 thousand)), among total limits of ₩ 853,700 million (equivalent to \$ 784,651 thousand) (2019: ₩ 714,000 million (equivalent to \$ 656,250 thousand)) when it fails to complete construction, which the Group's portion of ₩ 1,047,156 million (equivalent to \$ 962,460 thousand) (2019: ₩ 1,129,196 million (equivalent to \$ 1,037,864 thousand)) (total ₩ 1,101,396 million, equivalent to \$ 1,012,313 thousand (2019: total ₩ 1,184,796 million, equivalent to \$ 1,088,967 thousand)).

If the Group violates the payment obligation as defined in the purchase commitment of preferential rights in relation to the development of Yangju Station Area Development the Group automatically provides debt acquisition agreements to acquire unperformed securitized loan principal and interest amounting to ₩ 51,200 million (equivalent to \$ 47,059 thousand) (2019: ₩ 46,800 million (equivalent to \$ 43,015 thousand)) with the limit of ₩ 67,800 million (equivalent to \$ 62,316 thousand) (2019: ₩ 67,800 million (equivalent to \$ 62,316 thousand)) without additional intentions or procedures made by the seller.

Meanwhile, in relation to development project in Gyeongsan Knowledge Industry, the Group has submitted the commitment of obligation to return construction fee. Detail conditions of the commitment is that, when the date of repayment of related loan comes a borrower or a determined buyer (the city of Gyeongsan) can notify a request of return construction fee to the Group for deficient amount of repayment, the Group should give it back to a borrower or determined buyer (the city of Gyeongsan) within received construction fee which is financed by sales price of industrial and research facility land (December 31, 2020: ₩ 167,152 million (equivalent to \$ 153,632 thousand), December 31, 2019: ₩ 152,113 million (equivalent to \$ 139,810 thousand)) within a month.

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Also, in relation to Oman Duqm Refinery EPC-1 project performed by Tecnicas Reunidas Daewoo LLC, the Group is jointly and severally liable for the guarantees regarding the obligations of Tecnicas Reunidas Daewoo LLC assumed for the customer under EPC contract as at December 31, 2020.

In relation to the Nigeria LNG Train 7 project perform by Saipem Contracting Nigeria Limited, JV of Daewoo Engineering & Construction Nigeria Limited, and SCD JV SCARL, the Group is jointly and severally liable for the guarantees regarding the obligations of SCD JV SCARL assumed for the customer under EPC contract as at December 31, 2020.

The Group has provided payment guarantees of \$ 300 million (total \$ 750 million) to SAIPEM in relation to the Nigeria LGN Train 7 project performed by Saipem Contracting Nigeria Limited, JV of Daewoo Engineering & Construction Nigeria Limited, and SCD JV SCARL, for the conditional debt acceptance agreement that Saipem has entered into with SACE (Italian export financing institution), the shareholder of customer.

The Group entered into an agreement for lending ₩ 25,200 million (equivalent to \$ 23,162 thousand) (total ₩ 42,000 million (equivalent to \$ 38,603 thousand) with Changwon Innovation Industrial Development Co., Ltd. PFV to cover required business expenses in relation to Changwon Dongjeon industrial Complex Site development.

35.5 Details of collaterals provided for the related parties as at December 31, 2020, are as follows:

<i>(in millions of Korean won)</i>	Related parties	Book amount	Total limits¹	Financial Institutions
Associates and others	Tangjeong Technopark Co., Ltd.	₩ 1	₩ 47,268	TJ Tangjeong 1st Co.,Ltd.and others
	Ja-yang 5 PFV Co., Ltd	1,464	40,950	Shinhan Capital Co., Ltd. and others
	Gyeongsan Knowledge Industry Development Co., Ltd.	1	119,207	True Friend 2nd Co., Ltd.
	Harbor City Development Co., Ltd.	1	83,009	Busan Bank and others
	KDS Hydro Pte.Ltd	18,292	23,718	The Law Debenture Trust Corporation p.l.c
	Pocheon IPP Co., Ltd.	1	753,857	Korea Development Bank and others
	Changwon Innovation Industrial Development Co., Ltd. PFV	1	70,361	Kyongnam Bank and others
	Kyungnam Masan Robotland Co., Ltd.	1		Nonghyup Bank and others
	Kyungnam Masan Robot Land Asset Management Co., Ltd.	55	51,030	
	Chonmasan Tunnel Co.	1,000	112,591	Korea Development Bank
	GreenJC Co.	1	37,677	National Pension Service and others
	UI trans LRT Co.	1	101,652	Kookmin bank and others
	<u>₩ 20,819</u>	<u>₩ 1,441,320</u>		

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(in thousands of
US dollars (Note
4))

	Related parties	Book amount	Total limits ¹	Financial Institutions
Associates and others	Tangjeong Technopark Co., Ltd.	\$ 1	\$ 43,445	TJ Tangjeong 1st Co.,Ltd.and others
	Ja-yang 5 PFV Co., Ltd	1,346	37,638	Shinhan Capital Co., Ltd. and others
	Gyeongsan Knowledge Industry Development Co., Ltd.	1	109,565	True Friend 2nd Co., Ltd.
	Harbor City Development Co., Ltd.	1	76,295	Busan Bank and others
	KDS Hydro Pte.Ltd	16,813	21,800	The Law Debenture Trust Corporation p.l.c
	Pocheon IPP Co., Ltd.	1	692,883	Korea Development Bank and others
	Changwon Innovation Industrial Development Co., Ltd. PFV	1	64,670	Kyongnam Bank and others
	Kyungnam Masan Robotland Co., Ltd.	1		Nonghyup Bank and others
	Kyungnam Masan Robot Land Asset Management Co., Ltd.	51	46,903	
	Chonmasan Tunnel Co.	919	103,484	Korea Development Bank
	GreenJC Co.	1	34,630	National Pension Service and others
	UI trans LRT Co.	1	93,430	Kookmin bank and others
	<u>\$ 19,137</u>	<u>\$ 1,324,743</u>		

¹ In relation to the obligations jointly and severally liable with the third parties, the Group measured the amount by multiplying the Group's proportionate share of liability. Without consideration of the Group's proportionate share of liability, total limits are ₩ 2,913,436 million (equivalent to \$ 2,677,790 thousand).

35.6 Fund transactions with related parties for the years ended December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

		2020				
Related parties		Transaction	Beginning	Increase	Decrease	Ending
Parent company and others	Korea Development Bank	Debt	₩ 249,207	₩ 170,000	₩ 186,567	₩ 232,640
	Changwon Innovation Industrial Development Co., Ltd. PFV	Loans	16,800	6,060	-	22,860
	UI trans LRT Co.	Loans	5,626	6,824	-	12,450
	Pocheon IPP Co., Ltd.	Loans	-	20,000	-	20,000
Associates and others	Daechi 176 PFV Co., Ltd.	Loans	-	4,000	-	4,000
	Mastern No.83 Cheongryang PFV Co., Ltd.	Loans	-	2,486	-	2,486
	V-CITY 21 Joint Stock Company	Loans	35	-	2	33
	KDS Hydro Pte.Ltd.	Loans	9,968	-	166	9,802
			<u>₩ 281,636</u>	<u>₩ 209,370</u>	<u>₩ 186,735</u>	<u>₩ 304,271</u>

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		2020				
	Related parties	Transaction	Beginning	Increase	Decrease	Ending
Parent company and others	Korea Development Bank	Debt	\$ 229,051	\$ 156,250	\$ 171,477	\$ 213,824
	Changwon Innovation Industrial Development Co., Ltd. PFV	Loans	15,441	5,570	-	21,011
	UI trans LRT Co.	Loans	5,171	6,272	-	11,443
	Pocheon IPP Co., Ltd.	Loans	-	18,382	-	18,382
Associates and others	Daechi 176 PFV Co., Ltd.	Loans	-	3,676	-	3,676
	Mastern No.83 Cheongryang PFV Co., Ltd.	Loans	-	2,285	-	2,285
	V-CITY 21 Joint Stock Company	Loans	32	-	2	30
	KDS Hydro Pte.Ltd.	Loans	9,162	-	153	9,009
			<u>\$ 258,857</u>	<u>\$ 192,435</u>	<u>\$ 171,632</u>	<u>\$ 279,660</u>

(in millions of Korean won)

		2019				
	Related parties	Transaction	Beginning	Increase	Decrease	Ending
Parent company and others	Korea Development Bank	Debt	₩ 261,496	₩ 1,191	₩ 13,480	₩ 249,207
	SACC Co., Ltd.	Loans	1,039	-	1,039	-
	Changwon Innovation Industrial Development Co., Ltd. PFV	Loans	-	16,800	-	16,800
Associates and others	UI trans LRT Co.	Loans	2,803	2,823	-	5,626
	V-CITY 21 Joint Stock Company	Loans	33	2	-	35
	KDS Hydro Pte.Ltd.	Loans	8,164	1,804	-	9,968
	Bugok Environment Co., Ltd.	Loans	78	-	78	-
			<u>₩ 273,613</u>	<u>₩ 22,620</u>	<u>₩ 14,597</u>	<u>₩ 281,636</u>

(in thousands of US dollars (Note 4))

		2019				
	Related parties	Transaction	Beginning	Increase	Decrease	Ending
Parent company and others	Korea Development Bank	Debt	\$ 240,346	\$ 1,095	\$ 12,390	\$ 229,051
	SACC Co., Ltd.	Loans	955	-	955	-
	Changwon Innovation Industrial Development Co., Ltd. PFV	Loans	-	15,441	-	15,441
Associates and others	UI trans LRT Co.	Loans	2,576	2,595	-	5,171
	V-CITY 21 Joint Stock Company	Loans	30	2	-	32
	KDS Hydro Pte.Ltd.	Loans	7,504	1,658	-	9,162

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Bugok Environment Co., Ltd.	Loans	72	-	72	-
		<u>\$ 251,483</u>	<u>\$ 20,791</u>	<u>\$ 13,417</u>	<u>\$ 258,857</u>

35.7. As at December 31, 2020, the Group has provided guarantee for construction and performance to related parties, Daewoo Nigeria Ltd., DINAMICO CONST,INC and Cheonmasan Tunnel Corp.

35.8 Key management refers to the registered directors and non-registered directors who have the authority and responsibilities for planning, operation and control of the business of the Group. Compensation that was paid or payable to key management in return for employee services consists of:

(in millions of Korean won and thousands of US dollars (Note 4))

	<u>2020</u>		<u>2019</u>		<u>2020</u>		<u>2019</u>	
Short-term salaries	₩	3,472	₩	4,116	\$	3,191	\$	3,783
Post-employment benefits		<u>428</u>		<u>504</u>		<u>393</u>		<u>463</u>
Total	₩	<u>3,900</u>	₩	<u>4,620</u>	\$	<u>3,584</u>	\$	<u>4,246</u>

36. Cash Generated from (Used in) Operations

36.1 Cash Generated from (Used in) Operations

(in millions of Korean won)

	<u>2020</u>		<u>2019</u>	
Profit for the year	₩	<u>282,604</u>	₩	<u>201,240</u>
Adjustments				
Bad debts expense		2,182		27,717
Reversal of allowance for doubtful accounts		(4,546)		(8,248)
Depreciation		61,357		73,014
Amortization		8,527		7,299
Depreciation of leased right-of-use assets		56,969		50,837
Other bad debt expense		13,612		23,854
Loss on disposal of investments in securities		78		1
Loss on valuation of investments in securities		1,511		13,270
Loss on disposal of assets held for sale		276		314
Loss on disposal of property, plant and equipment		566		1,006
Loss on disposal of intangible assets		50		2
Impairment losses on intangible assets		2,033		-
Loss on disposal of investment property		27		-
Impairment losses on property, plant and equipment		-		35,420
Impairment losses on investment property		14,878		3,527
Impairment losses on assets held for sale		7,265		11,574
Share of profit on investments in associates		9,143		(27,263)
Loss on foreign currency translation		53,557		29,574
Loss on valuation of derivatives		19,519		5,282

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<i>(in millions of Korean won)</i>	2020	2019
Loss on transactions of derivatives	30,619	6,180
Transfer to reserve for contingent liabilities	59,937	98,162
Transfer to reserve for construction loss provision	77,121	75,748
Transfer to reserve for construction warranty	42,577	69,477
Employee benefits	1,812	232
Post-employment benefits	45,647	46,177
Interest expenses	104,536	131,375
Income tax expenses	94,802	106,035
Reversal of loss on overseas operation translation	48,202	18,921
Reversal of other allowance for doubtful accounts	(37,866)	(70,097)
Gain on disposal of investments in securities	(3,343)	(7,444)
Gain on valuation of investments in securities	(5,903)	(1,686)
Gain on disposal of investments in associates	(267)	(2,199)
Gain on disposal of assets held for sale	(2,233)	(4,678)
Gain on disposal of property, plant and equipment	(4,369)	(5,940)
)Gain on disposal of intangible assets	(1,833)	(403)
Dividend income	(5,400)	(2,527)
Gain on foreign currency translation	(85,829)	(14,787)
Gain on valuation of derivatives	(1,495)	(21,747)
Gain on transactions of derivatives	(23,500)	(30,319)
Reversal of other provision	(1,594)	(2,594)
Reversal of construction loss provision	(97,380)	(96,197)
Reversal of construction warranty provision	(4,343)	(1,240)
Interest income	(45,081)	(59,363)
Reversal of gain on overseas operation translation	(4)	(78,403)
	<u>431,817</u>	<u>399,863</u>
Changes in operating assets and liabilities		
Trade receivables	361,163	(571,409)
Short-term financial instruments	8,659	(173,895)
Short-term other receivables and others	80,083	(69,786)
Due from customers for contract work	82,932	79,272
Advance payments	(804,511)	(605,664)
Prepaid expenses	93,118	(79,525)
Inventories	92,395	275,505
Long-term other receivables	181,751	233,819
Long-term prepaid expenses	46	(1)
Trade payables	(194,659)	39,886
Short-term other payables	(90,605)	93,415
Advances received	123,806	73,258
Due to customers for contract work	46,224	74,194
Withholdings	(1,459)	(25,868)
Guarantee deposits received	(937)	64,010
Payment of retirement	(25,210)	(31,298)
Plan assets	(6,500)	1,591

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<i>(in millions of Korean won)</i>	<u>2020</u>	<u>2019</u>
Long-term payables	1,894	-
Long-term advances received	(37,624)	(96,973)
Long-term Provisions	(83,695)	(95,962)
Long-term guarantee deposits received	11,185	(2,224)
Overseas operations translation	(52,829)	14,900
	<u>(214,773)</u>	<u>(802,755)</u>
Cash generated from (used in) operations	₩ 499,648	₩ (201,652)

<i>(in thousands of US dollars (Note 4))</i>	<u>2020</u>	<u>2019</u>
Profit for the year	\$ 259,746	\$ 184,963
Adjustments	-	-
Bad debts expense	2,006	25,475
Reversal of allowance for doubtful accounts	(4,178)	(7,581)
Depreciation	56,394	67,108
Amortization	7,837	6,709
Depreciation of leased right-of-use assets	52,361	46,726
Other bad debt expense	12,511	21,925
Loss on disposal of investments in securities	72	1
Loss on valuation of investments in securities	1,389	12,197
Loss on disposal of assets held for sale	254	289
Loss on disposal of property, plant and equipment	520	925
Loss on disposal of intangible assets	46	2
Impairment losses on intangible assets	1,869	-
Loss on disposal of investment property	25	-
Impairment losses on property, plant and equipment	-	32,555
Impairment losses on investment property	13,675	3,242
Impairment losses on assets held for sale	6,677	10,638
Share of profit on investments in associates	8,403	(25,058)
Loss on foreign currency translation	49,225	27,182
Loss on valuation of derivatives	17,940	4,855
Loss on transactions of derivatives	28,142	5,680
Transfer to reserve for contingent liabilities	55,089	90,222
Transfer to reserve for construction loss provision	70,883	69,621
Transfer to reserve for construction warranty	39,134	63,858
Employee benefits	1,665	213
Post-employment benefits	41,957	42,442
Interest expenses	96,081	120,749
Income tax expenses	87,134	97,459
Reversal of loss on overseas operation translation	44,303	17,391
Reversal of other allowance for doubtful accounts	(34,803)	(64,427)
Gain on disposal of investments in securities	(3,073)	(6,842)
Gain on valuation of investments in securities	(5,426)	(1,550)
Gain on disposal of investments in associates	(245)	(2,021)
Gain on disposal of assets held for sale	(2,052)	(4,300)

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<i>(in thousands of US dollars (Note 4))</i>	2020	2019
Gain on disposal of property, plant and equipment	(4,016)	(5,460)
Gain on disposal of intangible assets	(1,685)	(370)
Dividend income	(4,963)	(2,323)
Gain on foreign currency translation	(78,887)	(13,591)
Gain on valuation of derivatives	(1,374)	(19,988)
Gain on transactions of derivatives	(21,599)	(27,867)
Reversal of other provision	(1,465)	(2,384)
Reversal of construction loss provision	(89,504)	(88,416)
Reversal of construction warranty provision	(3,992)	(1,140)
Interest income	(41,435)	(54,562)
Reversal of gain on overseas operation translation	(4)	(72,062)
	<u>396,891</u>	<u>367,522</u>
Changes in operating assets and liabilities	-	-
Trade receivables	331,951	(525,192)
Short-term financial instruments	7,959	(159,830)
Short-term other receivables and others	73,606	(64,142)
Due from customers for contract work	76,224	72,860
Advance payments	(739,439)	(556,676)
Prepaid expenses	85,586	(73,093)
Inventories	84,922	253,222
Long-term other receivables	167,051	214,907
Long-term prepaid expenses	42	(1)
Trade payables	(178,915)	36,660
Short-term other payables	(83,277)	85,859
Advances received	113,792	67,333
Due to customers for contract work	42,485	68,193
Withholdings	(1,341)	(23,776)
Guarantee deposits received	(861)	58,833
Payment of retirement	(23,171)	(28,767)
Plan assets	(5,974)	1,462
Long-term payables	1,741	-
Long-term advances received	(34,581)	(89,130)
Long-term Provisions	(76,926)	(88,200)
Long-term guarantee deposits received	10,280	(2,044)
Overseas operations translation	(48,556)	13,695
	<u>(197,402)</u>	<u>(737,827)</u>
Cash generated from (used in) operations	<u>\$ 459,235</u>	<u>\$ (185,342)</u>

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36.2 The principal non-cash transactions for the years ended December 31, 2020 and 2019, are as follows:

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and thousands of US dollars (Note 4))

	2020		2019	
Reclassification from advance payments to inventories	₩	861,335	₩	531,584
Reclassification of current maturities of borrowings		783,850		552,882
Reclassification of current maturities of debentures		340,000		75,000
Reclassification of current maturities of import deposits		90,752	-	-
Reclassification of lease liabilities		61,173	-	-
Reclassification from other provisions to allowance for doubtful accounts		51,517	2,823	47,350
Reclassification of current maturities of long-term provisions		33,767	205,199	31,036
Offsetting due from customers for contract work and long-term advances received for construction and others		33,704	47,418	30,978
Write-off of trade receivables		31,814	147,912	29,241
Reclassification of prepaid expenses to usage rights		26,000	-	23,897
Reclassification from property, plant and equipment to assets held for sale		21,844	-	20,077
Reclassification from construction-in-progress to building		20,909	832	19,218
Reclassification from assets held for sale to investment property		15,013	65,406	13,799
Reclassification of deposits to long-term loan		15,000	-	13,787
Reclassification from leased right-of-use assets and others to other provisions		4,360	56,878	4,007
Reversal of non-trade receivables written off		3,274	6,399	3,009
Offsetting due to customers for contract work and trade receivables and others		-	238,180	-
Reclassification from trade receivables to advance payments		-	117,846	-
Offsetting other provisions and assets held for sale		-	7,852	-
Reclassification of investment property to assets held for sale		-	92	-

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36.3 Changes in liabilities arising from financing activities

Changes in liabilities arising from financial activities for the year ended December 31, 2020 and 2019, are as follows:

(in millions of Korean won)

	2020							
	Short-term borrowings	Current portion of long-term borrowings	Current portion of long-term debentures	Short-term lease liabilities	Long-term borrowings	Debentures	Long-term lease liabilities	Total
Beginning balance	₩ 843,622	₩ 513,166	₩ 50,000	₩ 72,268	₩ 605,283	₩ 340,000	₩ 442,361	₩ 2,866,700
Cash flow	(383,526)	(801,151)	(50,000)	(71,225)	622,556	264,313	-	(419,033)
Reclassification and others ¹	(58,000)	841,850	340,000	63,304	(783,850)	(340,000)	(33,203)	30,101
Gain on foreign currency translation	(2,317)	(1,770)	-	-	(8,028)	(2,646)	-	(14,761)
Discount on present value	-	636	-	-	-	-	-	636
Ending balance	₩ 399,779	₩ 552,731	₩ 340,000	₩ 64,347	₩ 435,961	₩ 261,667	₩ 409,158	₩ 2,463,643

(in thousands of US dollars (Note 4))

	2020							
	Short-term borrowings	Current portion of long-term borrowings	Current portion of long-term debentures	Short-term lease liabilities	Long-term borrowings	Debentures	Long-term lease liabilities	Total
Beginning balance	\$ 775,388	\$ 471,660	\$ 45,956	\$ 66,423	\$ 556,326	\$ 312,500	\$ 406,582	\$ 2,634,835
Cash flow	(352,506)	(736,352)	(45,956)	(65,464)	572,202	242,935	-	(385,141)
Reclassification and others ¹	(53,309)	773,759	312,500	58,183	(720,450)	(312,500)	(30,517)	27,666
Gain on foreign currency translation	(2,129)	(1,627)	-	-	(7,379)	(2,432)	-	(13,567)
Discount on present value	-	585	-	-	-	-	-	585
Ending balance	\$ 367,444	\$ 508,025	\$ 312,500	\$ 59,142	\$ 400,699	\$ 240,503	\$ 376,065	\$ 2,264,378

¹ Includes reclassification of current maturities, interest payments and others.

(in millions of Korean won)

	2019							
	Short-term borrowings	Current portion of long-term borrowings	Current portion of long-term debentures	Short-term lease liabilities	Long-term borrowings	Debentures	Long-term lease liabilities	Total
Beginning balance	₩ 1,141,679	₩ 238,268	₩ 150,000	₩ -	₩ 542,024	₩ 75,000	₩ -	₩ 2,146,971
Changes in accounting policy	-	-	-	56,696	-	-	194,079	250,775
Cash flow	(299,292)	(288,583)	(175,000)	(36,526)	606,297	340,000	(39,266)	107,630

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Reclassification and others ¹	-	552,268	75,000	52,098	(552,268)	(75,000)	287,548	339,646
Gain on foreign currency translation	1,235	11,213	-	-	8,404	-	-	20,852
Discount on present value	-	-	-	-	826	-	-	826
Ending balance	₩ 843,622	₩ 513,166	₩ 50,000	₩ 72,268	₩ 605,283	₩ 340,000	₩ 442,361	₩ 2,866,700

(in thousands of US dollars (Note 4))

	2019							Total
	Short-term borrowings	Current portion of long-term borrowings	Current portion of long-term debentures	Short-term lease liabilities	Long-term borrowings	Debentures	Long-term lease liabilities	
	Beginning balance	\$ 1,049,337	\$ 218,996	\$ 137,868	\$ -	\$ 498,184	\$ 68,934	
Changes in accounting policy	-	-	-	52,111	-	-	178,381	230,492
Cash flow	(275,084)	(265,241)	(160,846)	(33,572)	557,258	312,500	(36,090)	98,925
Reclassification and others ¹	-	507,599	68,934	47,884	(507,599)	(68,934)	264,291	312,175
Gain on foreign currency translation	1,135	10,306	-	-	7,724	-	-	19,165
Discount on present value	-	-	-	-	759	-	-	759
Ending balance	\$ 775,388	\$ 471,660	\$ 45,956	\$ 66,423	\$ 556,326	\$ 312,500	\$ 406,582	\$ 2,634,835

¹ Includes reclassification of current maturities, interest payments and others.

37. Financial Risk Management

The Group is exposed to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

37.1 Financial Risk Factors

37.1.1 Market Risk

1) Foreign exchange risk

Due to its multinational operations, the Group is exposed to foreign exchange risk arising from various currency exposures. The purpose of foreign exchange risk management is to maximize the Group's value by minimizing the uncertainty and volatility of foreign exchange gains and losses from foreign exchange rate fluctuations. The Group hedges its foreign exchange risk with combination of currency forward and currency swap.

The Group's principal monetary assets and liabilities denominated in currencies other than its functional currency as at December 31, 2020 and 2019, are as follows:

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	2020			
	Assets		Liabilities	
	Foreign currency (thousands)	Korean won equivalent (millions)	Foreign currency (thousands)	Korean won equivalent (millions)
USD	412,931	449,269	172,557	187,741
EUR	106,308	142,265	90,660	121,324
SGD	-	-	75,000	61,667
LYD	1,477	361	2,176	532
JPY	1,193,082	12,578	3,285	35
NGN	1,103,464	3,164	49,352	141

	2019			
	Assets		Liabilities	
	Foreign currency (thousands)	Korean won equivalent (millions)	Foreign currency (thousands)	Korean won equivalent (millions)
USD	420,869	487,281	579,561	671,016
EUR	63,441	82,309	140,598	182,416
SGD	24	20	698	599
LYD	1,477	1,225	2,176	1,804
JPY	246,047	2,616	27,411	292
NGN	1,421,368	5,369	806,222	3,045
IQD	-	-	8,978,585	8,736

As at December 31, 2020 and 2019, if the Group's functional currency had weakened / strengthened by 10% with all other variables held constant, profit before income tax would have been affected as follows:

<i>(in millions of Korean won)</i>	2020		2019	
	10% Increase	10% Decrease	10% Increase	10% Decrease
USD	₩ 26,152	₩ (26,152)	₩ (18,372)	₩ 18,372
EUR	2,094	(2,094)	(10,009)	10,009
SGD	(6,167)	6,167	(58)	58
LYD	(17)	17	(58)	58
JPY	1,255	(1,255)	234	(234)
NGN	302	(302)	232	(232)
IQD	-	-	(874)	874

<i>(in thousands of US dollars (Note 4))</i>	2020		2019	
	10% Increase	10% Decrease	10% Increase	10% Decrease
USD	\$ 24,037	\$ (24,037)	\$ (16,886)	\$ 16,886
EUR	1,925	(1,925)	(9,199)	9,199
SGD	(5,668)	5,668	(53)	53
LYD	(16)	16	(53)	53

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JPY	1,153	(1,153)	215	(215)
NGN	278	(278)	213	(213)
IQD	-	-	(803)	803

2) Interest rate risk

The Group is exposed to interest rate risk related with variable price of financial assets or cash flow of interest income and interest expenses arising from financial deposits and borrowings with variable interest rates through changes in market interest rate in the future.

As at December 31, 2020 and 2019, if interest rates fluctuate by 10bp with all other variables held constant, interest expenses would have been affected as follows:

<i>(in millions of Korean won)</i>	2020		2019	
	10bp Increase	10bp Decrease	10bp Increase	10bp Decrease
Interest expenses	₩ 344	₩ (344)	₩ 458	₩ (458)

<i>(in thousands of US dollars (Note 4))</i>	2020		2019	
	10bp Increase	10bp Decrease	10bp Increase	10bp Decrease
Interest expenses	\$ 316	\$ (316)	\$ 421	\$ (421)

37.1.2 Credit Risk

Credit risk is managed on a collective basis by the Group. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The Group maintains business relationships with financial institutions with higher level of credibility to manage credit risk exposure.

Book amount of financial instruments represents the maximum degrees of credit exposures. The maximum degrees of credit exposures as at December 31, 2020 and 2019, are as follows:

<i>(in millions of Korean won)</i>	2020		2019	
Current assets				
Cash equivalents	₩	803,808	₩	754,199
Financial instruments assets		428,535		470,000
Trade receivables		1,000,878		1,353,498
Due from customers for contract work		859,754		908,403
Other receivables		539,442		605,189
Non-current assets				
Financial instruments assets		7,546		15,190
Investments in securities ¹		237,005		219,806
Long-term other receivables		1,084,675		1,158,146

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<i>(in thousands of US dollars (Note 4))</i>	<u>2020</u>	<u>2019</u>
Current assets		
Cash equivalents	\$ 738,794	\$ 693,198
Financial instruments assets	393,874	431,985
Trade receivables	919,925	1,244,024
Due from customers for contract work	790,215	834,929
Other receivables	495,811	556,240
Non-current assets		
Financial instruments assets	6,936	13,961
Investments in securities ¹	217,835	202,028
Long-term other receivables	996,944	1,064,472

¹ Among these investments in securities, only debt securities are subject to credit risk management.

In providing financial guarantees, the Group recognized financial guarantee liabilities amounting to ₩ 34,781 million (equivalent to \$ 31,968 thousand) and ₩ 35,822 million (equivalent to \$ 32,925 thousand) as at December 31, 2020 and 2019, respectively. As at December 31, 2020 and 2019, the related maximum credit exposures amount to ₩ 1,338,378 million (equivalent to \$ 1,230,127 thousand) with a limit up to ₩ 4,418,522 million (equivalent to \$ 4,061,142 thousand) and ₩ 1,342,962 million (equivalent to \$ 1,234,340 thousand) with a limit up to ₩ 3,280,978 million (equivalent to \$ 3,015,605 thousand), respectively.

Also, the Group provides commitments such as reciprocal guarantees on contract performance, housing sales and maintenance, joint payment guarantee for intermediate payment, loan agreement for city maintenance business and conditional takeover of debt guarantee for the completion of work for domestic construction companies, and its maximum exposure to credit risk is the amount of commitments provided (Notes 24 and 25).

37.1.3 Liquidity Risk

The Group is exposed to liquidity risk and may be unable to meet its short-term payment obligations on time due to deterioration of its business performance or inability to access financing. The Group forecasts its cash flow, liquidity status and sets action plans on a regular basis to manage liquidity risk proactively.

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The tables below analyse the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

(in millions of Korean won)

	2020					
	Book amount	Cash flow	Residual contractual maturity			
			Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
Borrowings ¹	₩ 1,990,138	₩ 2,055,962	₩ 1,335,292	₩ 402,664	₩ 312,278	₩ 5,728
Trade payables	119,421	119,421	119,421	-	-	-
Other payables	1,630,303	1,630,303	1,628,409	62	1,713	119
Guarantee deposits received	225,839	225,839	200,108	14,330	6,000	5,401
Lease liabilities	473,503	544,382	68,622	54,650	48,454	372,656
	<u>₩ 4,439,204</u>	<u>₩ 4,575,907</u>	<u>₩ 3,351,852</u>	<u>₩ 471,706</u>	<u>₩ 368,445</u>	<u>₩ 383,904</u>

(in thousands of US dollars (Note 4))

	2020					
	Book amount	Cash flow	Residual contractual maturity			
			Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
Borrowings ¹	\$ 1,829,171	\$ 1,889,671	\$ 1,227,290	\$ 370,096	\$ 287,020	\$ 5,265
Trade payables	109,762	109,762	109,762	-	-	-
Other payables	1,498,440	1,498,439	1,496,699	57	1,574	109
Guarantee deposits received	207,573	207,573	183,923	13,171	5,515	4,964
Lease liabilities	435,205	500,351	63,072	50,229	44,535	342,515
	<u>\$ 4,080,151</u>	<u>\$ 4,205,796</u>	<u>\$ 3,080,746</u>	<u>\$ 433,553</u>	<u>\$ 338,644</u>	<u>\$ 352,853</u>

¹ Borrowings include the amount of the coupon.

(in millions of Korean won)

	2019					
	Book amount	Cash flow	Residual contractual maturity			
			Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
Borrowings ¹	₩ 2,352,071	₩ 2,415,053	₩ 1,413,803	₩ 950,619	₩ 45,459	₩ 5,172
Trade payables	314,070	314,070	314,070	-	-	-
Other payables	1,686,798	1,686,798	1,686,798	-	-	-
Guarantee deposits received	215,108	215,108	110,275	2,896	869	101,068
Lease liabilities	514,629	600,596	77,965	62,346	55,000	405,285
	<u>₩ 5,082,676</u>	<u>₩ 5,231,625</u>	<u>₩ 3,602,911</u>	<u>₩ 1,015,861</u>	<u>₩ 101,328</u>	<u>₩ 511,525</u>

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(in thousands of US dollars (Note 4))

	2019					
	Book amount	Cash flow	Residual contractual maturity			
			Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
Borrowings ¹	\$ 2,161,830	\$ 2,219,718	\$ 1,299,451	\$ 873,731	\$ 41,782	\$ 4,754
Trade payables	288,667	288,667	288,667	-	-	-
Other payables	1,550,366	1,550,366	1,550,366	-	-	-
Guarantee deposits received	197,710	197,710	101,356	2,662	799	92,893
Lease liabilities	473,005	552,018	71,659	57,303	50,551	372,505
	<u>\$ 4,671,578</u>	<u>\$ 4,808,479</u>	<u>\$ 3,311,499</u>	<u>\$ 933,696</u>	<u>\$ 93,132</u>	<u>\$ 470,152</u>

¹ Borrowings include the amount of the coupon.

The maturity analysis is based on the earliest expiration date that the Parent Group will have to pay based on the undiscounted cash flows of the financial liability.

The guaranteed amount of financial guarantee contract as at December 31, 2020 is ₩ 1,338,378 million (equivalent to \$ 1,230,127 thousand) with a limit of ₩ 4,418,522 million (equivalent to \$ 4,061,142 thousand). The guaranteed amount of financial guarantee contract as at December 31, 2019 is ₩ 1,342,962 million (equivalent to \$ 1,234,340 thousand) with a limit of ₩ 3,280,978 million (equivalent to \$ 3,015,605 thousand).

Also, the Group provides commitments such as reciprocal guarantees on contract performance, housing sales and maintenance, joint payment guarantee for intermediate payment, loan agreement for city maintenance business and conditional takeover of debt guarantee for the completion of work for domestic construction companies, and its maximum exposure to credit risk is the amount of commitments provided (Notes 24 and 25).

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37.2 Capital Risk Management

The Group's objectives of capital risk management are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. Consistent with others in the industry, the Group monitors capital on the basis of gearing ratio and debt-to-equity ratio. Gearing ratio and debt-to-equity ratio of the Group are as follows:

(in millions of Korean won)

	2020	2019
Total borrowings (a)	₩ 1,990,138	₩ 2,352,071
Less: cash and cash equivalents (b)	806,485	756,756
Net debts (c=a-b)	1,183,653	1,595,315
Total liabilities (d)	6,628,920	7,209,448
Total equity (e)	2,676,996	2,488,249
Total capital (f=c+e)	₩ 3,860,649	₩ 4,083,564
Gearing ratio (g=c/f)	30.7%	39.1%
Debt-to-equity ratio (h=d/e)	247.6%	289.7%

(in thousands of US dollars (Note 4))

	2020	2019
Total borrowings (a)	\$ 1,829,171	\$ 2,161,830
Less: cash and cash equivalents (b)	741,255	695,548
Net debts (c=a-b)	1,087,916	1,466,282
Total liabilities (d)	6,092,757	6,626,331
Total equity (e)	2,460,474	2,286,994
Total capital (f=c+e)	\$ 3,548,390	\$ 3,753,276
Gearing ratio (g=c/f)	30.7%	39.1%
Debt-to-equity ratio (h=d/e)	247.6%	289.7%

38. Events After the Reporting Period

The Group declared debt guarantee related to YEONGHEUNG PARK PRUGIO PARKBIEN business amounting to ₩ 96,000 million (equivalent to \$ 88,235 thousand) on January 25, 2021 for intermediate payment loans.