

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD.
and Subsidiaries
Consolidated Financial Statements
December 31, 2021 and 2020

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries
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December 31, 2021 and 2020

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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, 2021 and 2020, 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, 2021 and 2020, 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

How our audit addressed the 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

How our audit addressed the 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 made inquiries and reviewed the customer's creditworthiness.
- We made inquiries, 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 the 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, 2021 and 2020, 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 SeongPill Hwang, Certified Public Accountant.

Seoul, Korea
March 16, 2022

This report is effective as of March 16, 2022, 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.

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries
Consolidated Statements of Financial Position
December 31, 2021 and 2020

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

	Notes	2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	5,6,9,37	₩ 1,061,038	₩ 806,485	\$ 895,013	\$ 680,291
Financial instrument assets	5,6,12,13,25,37	1,199,782	428,535	1,012,047	361,480
Trade receivables	5,6,8,10,37	737,138	1,000,878	621,795	844,267
Other receivables	5,6,10,37	514,858	539,442	434,296	455,033
Due from customers for contract work	8,37	953,999	859,754	804,723	725,225
Advance payments		857,236	661,160	723,101	557,706
Prepaid expenses	8	161,593	130,221	136,308	109,845
Inventories	11	1,603,790	1,479,345	1,352,838	1,247,866
Assets held for sale	14,25	28,522	36,794	24,059	31,037
Current tax assets		30,934	30,530	26,094	25,753
		<u>7,148,890</u>	<u>5,973,144</u>	<u>6,030,274</u>	<u>5,038,503</u>
Non-current assets					
Investments in associates	15,25	122,307	112,397	103,169	94,810
Financial instrument assets	5,6,13,25,37	13,781	7,546	11,625	6,365
Investments in securities	5,6,12,25,37	211,246	247,228	178,191	208,543
Other receivables	5,6,8,10,37	1,173,114	1,084,675	989,552	914,951
Prepaid expenses		59,032	33,155	49,795	27,967
Investment property	18,25	324,956	378,903	274,109	319,615
Property, plant and equipment	16,25	363,980	350,603	307,027	295,743
Intangible assets	17,25	93,368	97,145	78,758	81,944
Deferred tax assets	34	702,943	776,334	592,951	654,858
Leased right-of-use assets	19	244,360	244,786	206,124	206,483
		<u>3,309,087</u>	<u>3,332,772</u>	<u>2,791,301</u>	<u>2,811,279</u>
Total assets		<u>₩ 10,457,977</u>	<u>₩ 9,305,916</u>	<u>\$ 8,821,575</u>	<u>\$ 7,849,782</u>

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries
Consolidated Statements of Financial Position
December 31, 2021 and 2020

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

	Notes	2021	2020	2021	2020
Liabilities					
Current liabilities					
Financial instrument liabilities	5,6,13,21,37	₩ 607,783	₩ 1,303,300	\$ 512,681	\$ 1,099,367
Trade payables	5,6,37	246,987	119,421	208,340	100,735
Other payables	5,6,20,37	1,956,278	1,628,409	1,650,171	1,373,605
Advances received	8,20	488,198	456,144	411,808	384,769
Due to customers for contract work	8	1,262,433	868,262	1,064,895	732,402
Withholdings		120,771	120,370	101,874	101,535
Guarantee deposits received	5,6,37	94,071	200,108	79,351	168,796
Income tax payable		28,463	9,123	24,010	7,695
Short-term lease liabilities	6,19,37	75,040	64,346	63,298	54,278
Current portion of provisions	23	168,940	166,896	142,505	140,781
		<u>5,048,964</u>	<u>4,936,379</u>	<u>4,258,933</u>	<u>4,163,963</u>
Non-current liabilities					
Financial instrument liabilities	5,6,13,21,37	945,683	740,724	797,708	624,820
Other payables	5,6,20,37	1,831	1,894	1,544	1,598
Advances received	8,20	282,551	93,794	238,339	79,118
Provisions	23	292,353	225,479	246,607	190,197
Guarantee deposits received	5,6,37	109,787	25,731	92,608	21,705
Net defined benefit liabilities	22	168,741	176,706	142,337	149,056
Long-term employee benefits liabilities		7,663	4,696	6,465	3,961
Long-term lease liabilities	6,9,37	369,426	409,157	311,620	345,135
Deferred tax liabilities		14,600	14,360	12,316	12,113
		<u>2,192,635</u>	<u>1,692,541</u>	<u>1,849,544</u>	<u>1,427,703</u>
Total liabilities		<u>7,241,599</u>	<u>6,628,920</u>	<u>6,108,477</u>	<u>5,591,666</u>
Equity attributable to owners of the Parent Company					
Share capital	1,26	2,078,113	2,078,113	1,752,942	1,752,942
Capital surplus	26	549,538	549,538	463,550	463,550
Other components of equity	27	(99,174)	(99,174)	(83,656)	(83,656)
Accumulated other comprehensive loss	27	(291,268)	(361,850)	(245,692)	(305,230)
Retained earnings	28	974,690	507,805	822,176	428,347
		<u>3,211,899</u>	<u>2,674,432</u>	<u>2,709,320</u>	<u>2,255,953</u>
Non-controlling interest		<u>4,479</u>	<u>2,564</u>	<u>3,778</u>	<u>2,163</u>
Total equity		<u>3,216,378</u>	<u>2,676,996</u>	<u>2,713,098</u>	<u>2,258,116</u>
Total liabilities and equity		<u>₩ 10,457,977</u>	<u>₩ 9,305,916</u>	<u>\$ 8,821,575</u>	<u>\$ 7,849,782</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 Financial Position
December 31, 2021 and 2020

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

	Notes	2021		2020					
Sales	7,8	₩	8,685,208	₩	8,136,706	\$	7,326,198	\$	6,863,523
Cost of sales	8,30		<u>7,446,343</u>		<u>7,136,415</u>		<u>6,281,183</u>		<u>6,019,751</u>
Gross profit			1,238,865		1,000,291		1,045,015		843,772
Selling and administrative expenses	30,31		500,551		442,033		422,228		372,866
Operating profit	7		<u>738,314</u>		<u>558,258</u>		<u>622,787</u>		<u>470,906</u>
Share of loss of associates	15		(18,285)		(9,143)		(15,424)		(7,712)
Other income	32		236,896		255,273		199,828		215,329
Other expenses	32		347,423		367,527		293,060		310,019
Financial income	33		50,260		45,081		42,396		38,027
Financial costs	33		<u>61,368</u>		<u>104,536</u>		<u>51,765</u>		<u>88,179</u>
Profit before income tax			598,394		377,406		504,762		318,352
Income tax expense	34		<u>113,467</u>		<u>94,802</u>		<u>95,714</u>		<u>79,968</u>
Profit for the year		₩	<u>484,927</u>	₩	<u>282,604</u>	\$	<u>409,048</u>	\$	<u>238,384</u>
Profit for the year attributable to:									
Owners of the Parent Company		₩	484,685	₩	283,812	\$	408,844	\$	239,403
Non-controlling interest			242		(1,208)		204		(1,019)
Earnings per share attributable to the owners of the Parent Company									
Basic earnings per share	29	₩	1,180	₩	691	\$	1.00	\$	0.58
Diluted earnings per share	29		1,178		690		0.99		0.58

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, 2021 and 2020

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

	Notes	2021	2020	2021	2020
Profit for the year		₩ 484,927	₩ 282,604	\$ 409,048	\$ 238,384
Other comprehensive income (loss), net of tax		53,319	(93,857)	44,976	(79,170)
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurements of net defined benefit liabilities	22	(17,000)	35,386	(14,340)	29,849
Gain (loss) on valuation of financial instruments at fair value through other comprehensive income	12,27	(3)	19	(3)	16
<i>Items that may be subsequently reclassified to profit or loss</i>					
Loss on valuation of financial instruments at fair value through other comprehensive income	12,27	(357)	(56)	(301)	(47)
Gain (loss) on overseas operations translation	27	55,724	(109,281)	47,005	(92,181)
Share of other comprehensive profit (loss) of associates	15,27	14,955	(19,925)	12,615	(16,807)
Total comprehensive income for the year		₩ 538,246	₩ 188,747	\$ 454,024	\$ 159,214
Owners of the Parent Company		₩ 537,466	₩ 215,754	\$ 453,366	\$ 181,995
Non-controlling interest		780	(27,007)	658	(22,781)

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, 2021 and 2020

(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, 2020	₩ 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	₩ 2,078,113	₩ 549,538	₩ (99,174)	₩ (361,849)	₩ 507,805	₩ 2,563	₩ 2,676,996		
Balance at January 1, 2021	₩ 2,078,113	₩ 549,538	₩ (99,174)	₩ (361,849)	₩ 507,805	₩ 2,563	₩ 2,676,996		
Total comprehensive income (loss)									
Profit for the year	-	-	-	-	484,685	242	484,927		
Gain (loss) on valuation of financial instruments at fair value through other comprehensive income	12,27	-	-	440	(800)	-	(360)		
Gain on overseas operations translation	27	-	-	55,186	-	538	55,724		
Remeasurements of net defined benefit liabilities	22	-	-	-	(17,000)	-	(17,000)		
Share of other comprehensive income of associates	-	-	-	14,955	-	-	14,955		
Total comprehensive income	-	-	-	70,581	466,885	780	538,246		
Transactions with owners of the Parent Company :									
Increase in paid-in capital of the subsidiaries	-	-	-	-	-	1,136	1,136		
Total transactions with owners of the Parent Company	-	-	-	-	-	1,136	1,136		
Balance at December 31, 2021	₩ 2,078,113	₩ 549,538	₩ (99,174)	₩ (291,268)	₩ 974,690	₩ 4,479	₩ 3,216,378		

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries

Consolidated Statements of Changes in Equity

Years Ended December 31, 2021 and 2020

(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, 2020	\$ 1,752,942	\$ 463,550	\$ (83,656)	\$ (217,960)	\$ 159,083	\$ 24,943	\$ 2,098,902	
Total comprehensive income (loss)								
Profit (loss) for the year	-	-	-	-	239,403	(1,019)	238,384	
Gain (loss) on valuation of financial instruments at fair value through other comprehensive income	12,27	-	-	(43)	12	-	(31)	
Loss on overseas operations translation	27	-	-	(70,419)	-	(21,762)	(92,181)	
Remeasurements of net defined benefit liabilities	22	-	-	-	29,849	-	29,849	
Share of other comprehensive income of associates	-	-	-	(16,807)	-	-	(16,807)	
Total comprehensive income (loss)	-	-	-	(87,269)	269,264	(22,781)	159,214	
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	\$ 1,752,942	\$ 463,550	\$ (83,656)	\$ (305,229)	\$ 428,347	\$ 2,162	\$ 2,258,116
Balance at January 1, 2021	26,27,28	\$ 1,752,942	\$ 463,550	\$ (83,656)	\$ (305,229)	\$ 428,347	\$ 2,162	\$ 2,258,116
Total comprehensive income (loss)								
Profit for the year	-	-	-	-	408,844	204	409,048	
Gain (loss) on valuation of financial instruments at fair value through other comprehensive income	12,27	-	-	371	(675)	-	(304)	
Gain on overseas operations translation	27	-	-	46,551	-	454	47,005	
Remeasurements of net defined benefit liabilities	22	-	-	-	(14,340)	-	(14,340)	
Share of other comprehensive income of associates	-	-	-	12,615	-	-	12,615	
Total comprehensive income	-	-	-	59,537	393,829	658	454,024	
Transactions with owners of the Parent Company :								
Increase in paid-in capital of the subsidiaries	-	-	-	-	-	958	958	
Total transactions with owners of the Parent Company	-	-	-	-	-	958	958	
Balance at December 31, 2021	26,27,28	\$ 1,752,942	\$ 463,550	\$ (83,656)	\$ (245,692)	\$ 822,176	\$ 3,778	\$ 2,713,098

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, 2021 and 2020

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

	Notes	2021	2020	2021	2020
Cash flows from operating activities					
Cash generated from operations	36	₩ 1,825,919	₩ 499,648	\$ 1,540,210	\$ 421,466
Interest received		49,885	39,885	42,079	33,644
Interest paid		(60,410)	(105,092)	(50,957)	(88,648)
Income tax paid		(70,469)	(31,457)	(59,442)	(26,535)
Dividends received		1,919	5,400	1,619	4,555
Net cash inflow from operating activities		<u>1,746,844</u>	<u>408,384</u>	<u>1,473,509</u>	<u>344,482</u>
Cash flows from investing activities					
Decrease in current financial instrument assets		2,331,280	1,488,593	1,966,495	1,255,667
Increase in current financial instrument liabilities (derivatives)		9,201	18,547	7,761	15,645
Decrease in current other receivables		115,758	106,297	97,645	89,664
Disposal of assets held for sale		61,974	67,699	52,277	57,106
Decrease in investments in securities		10,336	13,691	8,719	11,549
Disposal of investments in subsidiaries and associates		5,203	1,544	4,389	1,302
Decrease in non-current other receivables		139,905	149,370	118,013	125,997
Disposal of investment property		25,180	210	21,240	177
Disposal of property, plant and equipment		7,066	8,625	5,960	7,275
Disposal of intangible assets		2,788	4,575	2,352	3,859
Increase in current financial instrument assets		(3,099,230)	(1,494,387)	(2,614,281)	(1,260,554)
Decrease in current financial instrument liabilities (derivatives)		(22,532)	(11,048)	(19,006)	(9,319)
Increase in current other receivables		(162,338)	(83,911)	(136,936)	(70,781)
Acquisition of investments in securities		(20,889)	(27,125)	(17,620)	(22,881)
Acquisition of investments in associates		(6,400)	(50,316)	(5,399)	(42,443)
Increase in non-current financial instrument assets		(50)	-	(42)	-
Increase in non-current other receivables		(249,145)	(122,770)	(210,160)	(103,560)
Acquisition of investment property		(3,387)	-	(2,857)	-
Acquisition of property, plant and equipment		(49,562)	(11,679)	(41,807)	(9,852)
Acquisition of intangible assets		(11,619)	(10,777)	(9,801)	(9,091)
Net cash inflow (outflow) from investing activities		<u>(916,461)</u>	<u>47,138</u>	<u>(773,058)</u>	<u>39,760</u>
Cash flows from financing activities					
Increase in current financial instrument liabilities		324,094	973,991	273,382	821,587
Increase in non-current financial instrument liabilities		656,819	991,869	554,044	836,667
Decrease in current financial instrument liabilities		(1,370,045)	(2,208,668)	(1,155,668)	(1,863,069)
Decrease in non-current financial instrument liabilities		(123,280)	(105,000)	(103,990)	(88,570)
Decrease in lease liabilities		(69,069)	(71,225)	(58,261)	(60,080)
Net cash outflow from financing activities		<u>(581,481)</u>	<u>(419,033)</u>	<u>(490,493)</u>	<u>(353,465)</u>
Effects of exchange rate changes on cash and cash equivalents		5,651	13,240	4,767	11,168
Net increase in cash and cash equivalents		254,553	49,729	214,725	41,945
Cash and cash equivalents at the beginning of the year	9	806,485	756,756	680,288	638,343
Cash and cash equivalents at the end of the year	9	<u>₩ 1,061,038</u>	<u>₩ 806,485</u>	<u>\$ 895,013</u>	<u>\$ 680,288</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, 2021 and 2020

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 2 infrastructures such as roads and railroads), housing construction (apartments, efficiency apartment and offices), plants (construction related to Oil&Gas and power plants), and new business for domestic and foreign investments development (real estate, IPP, PPP, investment for future promising business) with purchase of investments assets.

As at December 31, 2021, the balance of share capital of the Parent Company is ₩ 2,078,113 million (equivalent to \$ 1,752,942 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, 2021 and 2020, are as follows:

	Location	Type of business	Percentage of ownership (%)		Closing Month
			2021	2020	
DW Steel Tech Co., Ltd.	Korea	Construction	100	100	December
Daewoo Songdo Hotel Co., Ltd.	Korea	Hotel	100	100	December
Korea Infrastructure Management Co., Ltd.	Korea	Management	100	100	December
Pruwell	Korea	Food service	100	100	December
Daewoo Power Co., Ltd. ¹	Korea	Service	-	100	December
Mastern No.141 Yongin Baegam PFV Co., Ltd. ²	Korea	Real estate	77	-	December
Central Chuncheon First Co., Ltd. ^{3,4}	Korea	Other financial	-	-	December
Planup Tangjeong First Co., Ltd. ^{3,4}	Korea	Other financial	-	-	December
DW Ruwon First Co., Ltd. ^{3,4}	Korea	Other financial	-	-	December
Bluevillagetech ³	Korea	Other financial	-	-	December
East Seoul Underground-road Co., Ltd.	Korea	Construction	100	100	December
DW AMERICA DEVEL'T INC.	U.S.A.	Real estate	100	100	December
Daewoo Tripoli Investment & Development Co.	Libya	Hotel	60	60	December
SAIPAN LAULAU DEVELOPMENT,INC.	Saipan	Golf resort	100	100	December
THT DEVELOPMENT Co.,LTD	Vietnam	Real estate	100	100	December
Daewoo Engineering & Construction Nigeria Limited ⁵	Nigeria	Construction	49	49	December
Daewoo Engineering & Construction VIETNAM CO.,LTD	Vietnam	Construction	100	100	December
Daewoo Engineering & Construction DUQM LLC	Oman	Construction	100	100	December
DAEWOOOST INDIA PVT LTD	India	Construction	100	100	December

¹ It is excluded from subsidiaries since all of the equity shares held by the Group were disposed.

² It is included in subsidiaries since it was newly established.

³ 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.

⁴ It is excluded from subsidiaries since the Group lost substantive power in the SPC.

⁵ 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
Notes to the Consolidated Financial Statements
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Summarized financial information of consolidated subsidiaries as at and for the years ended December 31, 2021 and 2020, are as follows:

(in millions of Korean won)

	2021					
	Assets	Liabilities	Equity	Sales	Profit (loss) for the year	Total comprehensive income (loss)
DW Steel Tech Co., Ltd.	₩ 142,508	₩ 53,700	₩ 88,808	₩ 242,362	₩ 3,463	₩ 2,038
Daewoo Songdo Hotel Co., Ltd.	134,326	125,113	9,213	25,731	(3,305)	(3,436)
Korea Infrastructure Management Co., Ltd.	182,995	152,326	30,669	47,224	5,054	4,988
Pruwell	12,645	9,512	3,133	20,877	99	117
Mastern No.141 Yongin Baegam PFV Co., Ltd.	38,847	34,160	4,687	48	(313)	(313)
Bluevillagetechnology	28,079	28,079	-	-	-	-
East Seoul Underground-road Co., Ltd.	5	-	5	-	-	-
DW AMERICA DEVEL'T INC.	658	3,633	(2,975)	-	9	(236)
Daewoo Tripoli Investment & Development Co.	34,066	27,847	6,219	-	356	662
SAIPAN LAULAU DEVELOPMENT, INC.	55,263	28,271	26,992	1,591	(3,528)	(1,460)
THT DEVELOPMENT Co.,LTD	800,385	240,779	559,606	281,927	95,219	143,485
Daewoo Engineering & Construction Nigeria Limited	249,786	234,150	15,636	103,242	11,376	11,462
Daewoo Engineering & Construction VIETNAM CO.,LTD	26,624	6,171	20,453	37,101	5,075	6,686
Daewoo Engineering & Construction DUQM LLC	18,665	993	17,672	25,287	15,747	16,605
DAEWOOST INDIA PVT LTD	7,025	6,634	391	9,020	507	168

(in thousands of US dollars (Note 4))

	2021					
	Assets	Liabilities	Equity	Sales	Profit (loss) for the year	Total comprehensive income (loss)
DW Steel Tech Co., Ltd.	\$ 120,209	\$ 45,297	\$ 74,912	\$ 204,439	\$ 2,921	\$ 1,719
Daewoo Songdo Hotel Co., Ltd.	113,307	105,536	7,771	21,705	(2,788)	(2,898)
Korea Infrastructure Management Co., Ltd.	154,361	128,491	25,870	39,835	4,263	4,208
Pruwell	10,667	8,024	2,643	17,610	84	99
Mastern No.141 Yongin Baegam PFV Co., Ltd.	32,769	28,815	3,954	40	(264)	(264)
Bluevillagetechnology	23,685	23,685	-	-	-	-
East Seoul Underground-road Co., Ltd.	4	-	4	-	-	-
DW AMERICA DEVEL'T INC.	556	3,065	(2,509)	-	8	(199)
Daewoo Tripoli Investment & Development Co.	28,736	23,490	5,246	-	300	558
SAIPAN LAULAU DEVELOPMENT, INC.	46,615	23,847	22,768	1,342	(2,976)	(1,232)
THT DEVELOPMENT Co.,LTD	675,145	203,103	472,042	237,813	80,320	121,033
Daewoo Engineering & Construction Nigeria Limited	210,701	197,512	13,189	87,087	9,596	9,668
Daewoo Engineering & Construction VIETNAM CO.,LTD	22,458	5,205	17,253	31,296	4,281	5,640
Daewoo Engineering & Construction DUQM LLC	15,745	838	14,907	21,330	13,283	14,007
DAEWOOST INDIA PVT LTD	5,926	5,596	330	7,609	428	142

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(in millions of Korean won)

	2020					
	Assets	Liabilities	Equity	Sales	Profit (loss) for the year	Total comprehensive income (loss)
DW Steel Tech Co., Ltd.	₩ 122,258	₩ 35,488	₩ 86,770	₩ 147,869	₩ 1,531	₩ 1,349
Daewoo Songdo Hotel Co., Ltd.	139,000	126,351	12,649	18,326	(5,395)	(5,170)
Prugio Service Co., Ltd. ¹	-	-	-	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 Tangeong 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 Engineering & Construction Nigeria Limited	30,933	26,759	4,174	28,155	2,256	1,047
Daewoo Engineering & Construction VIETNAM CO., LTD	21,961	8,194	13,767	64,779	7,027	6,293
Daewoo Engineering & Construction DUQM LLC	9,673	1,284	8,389	17,773	7,896	7,237
DAEWOOST INDIA PVT LTD	3,734	3,511	223	705	48	24

(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.	\$ 103,128	\$ 29,935	\$ 73,193	\$ 124,731	\$ 1,291	\$ 1,138
Daewoo Songdo Hotel Co., Ltd.	117,250	106,580	10,670	15,458	(4,551)	(4,361)
Prugio Service Co., Ltd. ¹	-	-	-	54,983	1,583	1,583
Korea Infrastructure Management Co., Ltd.	166,326	142,976	23,350	48,408	3,570	3,700
Pruwell	4,636	2,092	2,544	12,009	369	272
Daewoo Power Co., Ltd.	22,716	11,964	10,752	32,672	(1,850)	(1,827)
Central Chuncheon First Co., Ltd.	47,663	47,663	-	-	-	-
Planup Tangeong First Co., Ltd.	109,991	109,991	-	-	-	-
DW Ruwon First Co., Ltd.	50,614	50,614	-	-	-	-
Bluevillagetechn	50,612	50,612	-	-	-	-
East Seoul Underground-road Co., Ltd.	4	-	4	-	-	-
DW AMERICA DEVELT INC.	502	2,812	(2,310)	-	362	524
Daewoo Tripoli Investment & Development Co.	27,369	22,682	4,687	-	(14,387)	(57,061)
SAIPAN LAULAU DEVELOPMENT, INC.	43,920	24,819	19,101	2,867	(4,480)	(5,824)
THT DEVELOPMENT Co., LTD	550,819	195,259	355,560	219,480	112,526	94,448
Daewoo Engineering & Construction Nigeria Limited	26,093	22,572	3,521	23,749	1,903	883
Daewoo Engineering & Construction VIETNAM CO., LTD	18,525	6,912	11,613	54,643	5,927	5,308
Daewoo Engineering & Construction DUQM LLC	8,159	1,083	7,076	14,992	6,660	6,105
DAEWOOST INDIA PVT LTD	3,150	2,962	188	595	40	20

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

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2021 and 2020

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, 2021.

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

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries
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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. A lessee that makes this election shall account for any change in lease payments resulting from the rent concession the same way it would account for the change applying this Standard if the change were not a lease modification. The amendment does not have a significant impact on the financial statements.

(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 (Phase 2 amendments)

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 amendment does 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, 2021 reporting periods and have not been early adopted by the Group.

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

The amendments update a reference of definition of assets and liabilities to be recognized in a business combination 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 clarify 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.

(b) 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.

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(c) 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.

(d) 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 includes 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 does not expect that these amendments have a significant impact on the financial statements.

(e) Amendment to Korean IFRS 1116 - Covid-19 - Related Rent Concessions beyond June 30, 2021

The application of the 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, is extended to lease payments originally due on or before June 30, 2022. A lessee shall apply the practical expedient consistently to eligible contracts with similar characteristics and in similar circumstances. The amendment should be applied for annual periods beginning on or after April 1, 2021, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

(f) Korean IFRS 1001 Presentation of Financial Statements - Disclosure of Accounting Policies

The amendments to Korean IFRS 1001 define and require entities to disclose their material accounting policies. The IASB amended IFRS Practice Statement 2 *Disclosure of Accounting Policies* to provide guidance on how to apply the concept of materiality to accounting policy disclosures. 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.

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(g) Korean IFRS 1008 Accounting policies, changes in accounting estimates and errors - Definition of Accounting Estimates

The amendments define accounting estimates and clarify how to distinguish them from changes in accounting policies. The amendments should be applied for annual periods beginning on or after January 1, 2023, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

(h) Korean IFRS 1012 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments include an additional condition to the exemption to initial recognition of an asset or liability that a transaction does not give rise to equal taxable and deductible temporary differences at the time of the transaction. 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.

(i) 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.

- Korean IFRS 1101 *First time Adoption of Korean International Financial Reporting Standards* – Subsidiaries that are first-time adopters
- Korean IFRS 1109 *Financial Instruments* – Fees related to the 10% test for derecognition of financial liabilities
- Korean IFRS 1116 *Leases* – Lease incentives
- Korean IFRS 1041 *Agriculture* – Measuring fair value

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

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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.

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.

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(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.

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

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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.
- **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

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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.

(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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The assets' depreciation method, residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Investment property is property (including right-of-use assets) held to earn rentals or for capital appreciation or both. An investment property is measured initially at its cost. An investment property is measured after initial measurement at depreciated cost (less any accumulated impairment losses). After recognition as an asset, investment property is carried at cost less accumulated depreciation and impairment losses. The Group depreciates investment properties, except for land, using the straight-line method over their useful lives.

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. Non-financial 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 Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of reporting period which are unpaid. The amounts are unsecured and are usually paid in accordance with applicable laws and contracts. Trade and other payables are presented as current liabilities, unless payment is not due within 12 months (or the normal operating cycle of the Group) after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.17 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.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(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.

2.18 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

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- the amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with Korean IFRS 1115 *Revenue from Contracts with Customers*.

2.19 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.

2.20 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 used to calculate taxable income of assets and liabilities and their carrying amounts in the 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.

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2.21 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.

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.

2.22 Leases

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.

(a) Lessor

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

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negotiated on an individual basis and contain a wide range of different terms and conditions.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The Group determines the lease term as the non-cancellable period of a lease, together with both (a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and (b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. When the lessee and the lessor each has the right to terminate the lease without permission from the other party, the Group should consider a termination penalty in determining the period for which the contract is enforceable.

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, initially measured using the index or rate as at the commencement date
- 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

Measurement of lease liability also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease.

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.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged

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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.

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

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. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and 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 and others.

Extension and termination options are included in various construction equipment, vehicles and buildings leases across the Group. These terms are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

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.

2.23 Approval of Issuance of the Financial Statements

The issuance of the December 31, 2021 consolidated financial statements was approved by the Board of Directors on February 10, 2022 and will be approved at the annual shareholders' meeting on March 29, 2022.

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

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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 2021, 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, 2021, 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.

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.

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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's taxable income generated from these operations are subject to income taxes based on tax laws and interpretations of tax authorities in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain.

If certain portion of the taxable income is not used for investments or increase in wages or dividends in accordance with the Tax System for Recirculation of Corporate Income, the Group is liable to pay additional income tax calculated based on the tax laws. Accordingly, the measurement of current and deferred income tax is affected by the tax effects from the new tax system. As the Group's income tax is dependent on the investments, increase in wages and dividends, there is an uncertainty measuring the final tax effects.

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

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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: ₩ 1185.5, the exchange rate in effect on December 31, 2021. 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 2020 U.S. dollar amounts, which were previously expressed at \$ 1: ₩ 1,088, the rate in effect on December 31, 2020 have been restated to reflect the exchange rate in effect on December 31, 2021.

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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, 2021 and 2020, are as follows:

(in millions of Korean won)

	2021		2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	₩ 1,061,038	₩ 1,061,038	₩ 806,485	₩ 806,485
Short-term financial instrument assets ¹	1,199,782	1,199,782	428,535	428,535
Trade receivables	737,138	737,138	1,000,878	1,000,878
Short-term other receivables	514,858	514,858	539,442	539,442
Long-term financial instrument assets	13,781	13,781	7,546	7,546
Long-term other receivables	1,173,114	1,173,114	1,084,675	1,084,675
Investment in securities	211,246	211,246	247,228	247,228
	<u>₩ 4,910,957</u>	<u>₩ 4,910,957</u>	<u>₩ 4,114,789</u>	<u>₩ 4,114,789</u>
Financial liabilities				
Short-term financial instrument liabilities	₩ 607,783	₩ 607,783	₩ 1,303,300	₩ 1,303,300
Trade payables	246,987	246,987	119,421	119,421
Short-term other payables	1,956,278	1,956,278	1,628,409	1,628,409
Guarantee deposits received	94,071	94,071	200,108	200,108
Short-term lease liabilities	75,040	75,040	64,346	64,346
Long-term financial instrument liabilities	945,683	945,683	740,724	740,724
Long-term guarantee deposits received	109,787	109,787	25,731	25,731
Long-term other payables	1,831	1,831	1,894	1,894
Long-term lease liabilities	369,426	369,426	409,157	409,157
	<u>₩ 4,406,886</u>	<u>₩ 4,406,886</u>	<u>₩ 4,493,090</u>	<u>₩ 4,493,090</u>

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<i>(in thousands of US dollars (Note 4))</i>	2021		2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	\$ 895,013	\$ 895,013	\$ 680,291	\$ 680,291
Short-term financial instrument assets ¹	1,012,047	1,012,047	361,480	361,480
Trade receivables	621,795	621,795	844,267	844,267
Short-term other receivables	434,296	434,296	455,033	455,033
Long-term financial instrument assets	11,625	11,625	6,365	6,365
Long-term other receivables	989,552	989,552	914,951	914,951
Investment in securities	178,191	178,191	208,543	208,543
	<u>\$ 4,142,519</u>	<u>\$ 4,142,519</u>	<u>\$ 3,470,930</u>	<u>\$ 3,470,930</u>
Financial liabilities				
Short-term financial instrument liabilities	\$ 512,681	\$ 512,681	\$ 1,099,367	\$ 1,099,367
Trade payables	208,340	208,340	100,735	100,735
Short-term other payables	1,650,171	1,650,171	1,373,605	1,373,605
Guarantee deposits received	79,351	79,351	168,796	168,796
Short-term lease liabilities	63,298	63,298	54,278	54,278
Long-term financial instrument liabilities	797,708	797,708	624,820	624,820
Long-term guarantee deposits received	92,608	92,608	21,705	21,705
Long-term other payables	1,544	1,544	1,598	1,598
Long-term lease liabilities	311,620	311,620	345,135	345,135
	<u>\$ 3,717,321</u>	<u>\$ 3,717,321</u>	<u>\$ 3,790,039</u>	<u>\$ 3,790,039</u>

¹ Restricted deposits amounting to ₩ 158,334million (equivalent to \$ 133,559 thousand) (2020: ₩ 171,919 million (equivalent to \$ 145,018 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, 2021 and 2020, are as follows:

(in millions of Korean won)

	2021			
	Level 1	Level 2	Level 3	Total
Financial assets that are measured at fair value				
Debt instruments at fair value through profit or loss	₩ -	₩ -	₩ 192,542	₩ 192,542
Debt instruments at fair value through other comprehensive income	-	8,230	256	8,486
Equity instruments at fair value through other comprehensive income	-	-	10,218	10,218
Short-term financial instruments	-	766,792	-	766,792
Current derivative instruments assets	-	3,174	-	3,174
Non-current derivative instruments assets	-	6,185	-	6,185
Financial liabilities that are measured at fair value				
Current derivative instruments liabilities	-	8,006	-	8,006
Non-current derivative instruments liabilities	-	9,848	-	9,848

(in thousands of US dollars (Note 4))

	2021			
	Level 1	Level 2	Level 3	Total
Financial assets that are measured at fair value				
Debt instruments at fair value through profit or loss	\$ -	\$ -	\$ 162,414	\$ 162,414
Debt instruments at fair value through other comprehensive income	-	6,941	217	7,158
Equity instruments at fair value through other comprehensive income	-	-	8,619	8,619
Short-term financial instruments	-	646,809	-	646,809
Current derivative instruments assets	-	2,677	-	2,677
Non-current derivative instruments assets	-	5,217	-	5,217
Financial liabilities that are measured at fair value				
Current derivative instruments liabilities	-	6,753	-	6,753

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Non-current derivative instruments liabilities	-	8,307	-	8,307
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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)

	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
Short-term financial instruments	-	-	-	-
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	\$ -	\$ -	\$ 195,420	\$ 195,420
Debt instruments at fair value through other comprehensive income	-	4,367	217	4,584
Equity instruments at fair value through other comprehensive income	4	-	8,619	8,623
Short-term financial instruments	-	-	-	-
Current derivative instruments assets	-	1,101	-	1,101
Non-current derivative instruments assets	-	-	-	-
Financial liabilities that are measured at fair value				
Current derivative instruments liabilities	-	7,729	-	7,729
Non-current derivative instruments liabilities	-	8,386	-	8,386

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, 2021 and 2020, are as follows:

(in millions of Korean won)

	2021		
	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	₩ 231,671	₩ 257	₩ 10,218
Acquisition	6,593	-	12
Disposal	-	(1)	(8)
Reclassification	(1,793)	-	-
Amount recognized in profit or loss	(43,929)	-	-
Amount recognized in other comprehensive income	-	-	(4)
Ending balance	₩ 192,542	₩ 256	₩ 10,218

(in thousands of US dollars (Note 4))

	2021		
	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	\$ 195,420	\$ 217	\$ 8,619
Acquisition	5,561	-	10
Disposal	-	(1)	(7)
Reclassification	(1,512)	-	-
Amount recognized in profit or loss	(37,055)	-	-
Amount recognized in other comprehensive income	-	-	(3)
Ending balance	\$ 162,414	\$ 216	\$ 8,619

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	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		-		-
Amount recognized in other comprehensive income		-		-		-
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	\$	181,613	\$	217	\$	8,617
Acquisition		15,663		-		-
Disposal		(53)		-		-
Reclassification		(5,507)		-		2
Amount recognized in profit or loss		3,705		-		-
Amount recognized in other comprehensive income		-		-		-
Ending balance	\$	195,421	\$	217	\$	8,619

5.4 Valuation Technique and the Inputs

The Group uses a present value technique to discount future cash flows using a proper interest rate for corporate bonds, government bonds, derivatives categorized within Level 2 of the fair value hierarchy. The fair value valuation techniques and inputs used for financial instruments classified as Level 3 of the fair value hierarchy as at December 31, 2021 are as follows:

(in millions of Korean won)

	2021					
	Fair value	Level	Valuation techniques	Inputs	Range of inputs	
Financial assets at fair value through profit or loss						
- Jeju International Convention Center	₩	1,667	3	Use of past transactions	-	
- Seoul North Highway Co., Ltd.		1	3	Dividend discount model	Discount rate	
- Seoul-Moonsan Highway Co., Ltd.		13,352	3	Evaluation of stock trading agreement mutatis mutandis	-	
- Cheonnyun Suwon		13,175	3	Evaluation of shareholder agreement mutatis mutandis	-	
- Other debt securities		73,587	3	Use of past transactions and others	-	

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- Equity investments	90,760	3	Net asset value Method and others	-	-
	₩ 192,542				

Financial assets at fair value through other comprehensive income

- Equity securities and others	₩ 10,474	3	Net asset value Method and others	-	-
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(in thousands of US dollars (Note 4))

2021					
	Fair value	Level	Valuation techniques	Inputs	Range of inputs
Financial assets at fair value through profit or loss					
- Jeju International Convention Center	\$ 1,406	3	Use of past transactions	-	-
- Seoul North Highway Co., Ltd.	1	3	Dividend discount model	Discount rate	7.34%
- Seoul-Moonsan Highway Co., Ltd.	11,263	3	Evaluation of stock trading agreement mutatis mutandis	-	-
- Cheonnyun Suwon	11,113	3	Evaluation of shareholder agreement mutatis mutandis	-	-
- Other debt securities	62,073	3	Use of past transactions and others	-	-
- Equity investments	76,558	3	Net asset value Method and others	-	-
	\$ 162,414				
Financial assets at fair value through other comprehensive income					
- Equity securities and others	\$ 8,835	3	Net asset value Method and others	-	-

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.

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6. Financial Instruments by Category

6.1 Carrying Amounts of Financial Assets by Category

Categorizations of financial assets as at December 31, 2021 and 2020, are as follows:

(in millions of Korean won)

	2021			
	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	₩ -	₩ 1,061,038	₩ -	₩ 1,061,038
Financial instrument assets	769,966	429,816	-	1,199,782
Trade receivables	-	737,138	-	737,138
Other receivables	-	514,858	-	514,858
	<u>769,966</u>	<u>2,742,850</u>	<u>-</u>	<u>3,512,816</u>
Non-current				
Financial instrument assets	6,185	7,596	-	13,781
Investment in securities	192,542	-	18,704	211,246
Other receivables	-	1,173,114	-	1,173,114
	<u>198,727</u>	<u>1,180,710</u>	<u>18,704</u>	<u>1,398,141</u>
Total	<u>₩ 968,693</u>	<u>₩ 3,923,560</u>	<u>₩ 18,704</u>	<u>₩ 4,910,957</u>

(in thousands of
US dollars (Note 4))

	2021			
	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	\$ -	\$ 895,013	\$ -	\$ 895,013
Financial instrument assets	649,486	362,561	-	1,012,047
Trade receivables	-	621,795	-	621,795
Other receivables	-	434,296	-	434,296
	<u>649,486</u>	<u>2,313,665</u>	<u>-</u>	<u>2,963,151</u>
Non-current				
Financial instrument assets	5,217	6,407	-	11,625
Investment in securities	162,414	-	15,777	178,191
Other receivables	-	989,552	-	989,552
	<u>167,631</u>	<u>995,959</u>	<u>15,777</u>	<u>1,179,368</u>
Total	<u>\$ 817,117</u>	<u>\$ 3,309,624</u>	<u>\$ 15,777</u>	<u>\$ 4,142,519</u>

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(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>

(in thousands of
US dollars (Note 4))

	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	\$ -	\$ 680,291	\$ -	\$ 680,291
Financial instrument assets	1,101	360,295	84	361,480
Trade receivables	-	844,267	-	844,267
Other receivables	-	455,033	-	455,033
	<u>1,101</u>	<u>2,339,886</u>	<u>84</u>	<u>2,341,071</u>
Non-current				
Financial instrument assets	-	6,365	-	6,365
Investment in securities	195,420	-	13,123	208,543
Other receivables	-	914,951	-	914,951
	<u>195,420</u>	<u>921,316</u>	<u>13,123</u>	<u>1,129,859</u>
Total	<u>\$ 196,521</u>	<u>\$ 3,261,202</u>	<u>\$ 13,207</u>	<u>\$ 3,470,930</u>

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6.2 Carrying Amounts of Financial Liabilities by Category

Categorizations of financial liabilities as at December 31, 2021 and 2020, are as follows:

(in millions of Korean won)

	2021			
	Financial liabilities at fair value through profit or loss	Financial liabilities carried at amortized cost	Other financial liabilities	Total
Current				
Financial instrument liabilities	₩ 8,006	₩ 598,265	₩ 1,512	₩ 607,783
Trade payables	-	246,987	-	246,987
Other payables	-	1,956,278	-	1,956,278
Guarantee deposits received	-	94,071	-	94,071
Lease liabilities	-	-	75,040	75,040
	<u>8,006</u>	<u>2,895,601</u>	<u>76,552</u>	<u>2,980,159</u>
Non-current				
Financial instrument liabilities	9,848	906,391	29,444	945,683
Guarantee deposits received	-	109,787	-	109,787
Other payables	-	1,831	-	1,831
Lease liabilities	-	-	369,426	369,426
	<u>9,848</u>	<u>1,018,009</u>	<u>398,870</u>	<u>1,426,727</u>
Total	<u>₩ 17,854</u>	<u>₩ 3,913,610</u>	<u>₩ 475,422</u>	<u>₩ 4,406,886</u>

(in thousands of US dollars (Note 4))

	2021			
	Financial liabilities at fair value through profit or loss	Financial liabilities carried at amortized cost	Other financial liabilities	Total
Current				
Financial instrument liabilities	\$ 6,753	\$ 504,652	\$ 1,275	\$ 512,681
Trade payables	-	208,340	-	208,340
Other payables	-	1,650,171	-	1,650,171
Guarantee deposits received	-	79,351	-	79,351
Lease liabilities	-	-	63,298	63,298
	<u>6,753</u>	<u>2,442,514</u>	<u>64,573</u>	<u>2,513,841</u>
Non-current				
Financial instrument liabilities	8,307	764,564	24,837	797,708
Guarantee deposits received	-	92,608	-	92,608
Other payables	-	1,544	-	1,544
Lease liabilities	-	-	311,620	311,620
	<u>8,307</u>	<u>858,716</u>	<u>336,457</u>	<u>1,203,480</u>
Total	<u>\$ 15,060</u>	<u>\$ 3,301,232</u>	<u>\$ 401,031</u>	<u>\$ 3,717,323</u>

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	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
Lease liabilities		-		-		64,346		64,346
		9,163		3,240,448		65,973		3,315,584
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
Lease liabilities		-		-		409,157		409,157
		9,942		725,252		442,312		1,177,506
Total	₩	19,105	₩	3,965,700	₩	508,285	₩	4,493,090

(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	\$	7,729	\$	1,090,266	\$	1,372	\$	1,099,367
Trade payables		-		100,735		-		100,735
Other payables		-		1,373,605		-		1,373,605
Guarantee deposits received		-		168,796		-		168,796
Lease liabilities		-		-		54,278		54,278
		7,729		2,733,402		55,650		2,796,781
Non-current								
Financial instrument liabilities		8,386		588,466		27,967		624,820
Guarantee deposits received		-		21,705		-		21,705
Other payables		-		1,598		-		1,598
Lease liabilities		-		-		345,135		345,135
		8,386		611,769		373,102		993,258
Total	\$	16,115	\$	3,345,171	\$	428,752	\$	3,790,039

6.3 Net Gain or Loss of Financial Instruments

Gain or loss of financial instruments by category for the years ended December 31, 2021 and 2020, are as follows:

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	2021												
	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	₩	1,336	₩	-	₩	583	₩	-	₩	-	₩	-	₩ 1,919
Impairment gain		-		13,591		-		-		-		-	13,591
Loss on valuation of investments in securities		(43,930)		-		(474)		-		-		-	(44,404)
Loss on disposal of investments in securities		(1)		-		(437)		-		-		-	(438)
Interest expenses		-		-		-		-	(50,794)		(8,757)		(59,551)
Interest income		96		49,337		79		-		-		748	50,260
Gain (loss) on foreign currency translation		-		14,295		-		-	(19,491)		(4)		(5,200)
Loss on transactions of derivatives		-		-		-		(19,221)		-		-	(19,221)
Gain on transactions of derivatives		-		-		-		20,376		-		-	20,376
Loss on valuation of derivatives		-		-		-		(17,036)		-		-	(17,036)
Gain on valuation of derivatives		-		-		-		11,856		-		-	11,856

(in thousands of
US dollars (Note 4))

	2021												
	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	\$	1,127	\$	-	\$	492	\$	-	\$	-	\$	-	\$ 1,619
Impairment gain		-		11,464		-		-		-		-	11,464
Loss on valuation of investments in securities		(37,056)		-		(400)		-		-		-	(37,456)
Loss on disposal of investments in securities		(1)		-		(369)		-		-		-	(370)
Interest expenses		-		-		-		-	(42,846)		(7,387)		(50,233)
Interest income		81		41,617		67		-		-		631	42,396
Gain (loss) on foreign currency translation		-		12,058		-		-	(16,441)		(3)		(4,386)
Loss on transactions of derivatives		-		-		-		(16,213)		-		-	(16,213)
Gain on transactions of derivatives		-		-		-		17,188		-		-	17,188
Loss on valuation of derivatives		-		-		-		(14,370)		-		-	(14,370)
Gain on valuation of derivatives		-		-		-		10,001		-		-	10,001

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(in millions of
Korean won)

	2020											
	Assets/liabilities		Financial assets			Financial		Leased		Total		
	at fair value		at fair value			liabilities carried		asset/lease		Total		
	through profit or		through other			at amortized		liabilities		Total		
	loss	cost	income	Derivatives	cost	liabilities	liabilities	Total				
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

(in thousands of
US dollars (Note 4))

	2020											
	Assets/liabilities		Financial assets			Financial		Leased		Total		
	at fair value		at fair value			liabilities carried		assets/lease		Total		
	through profit or		through other			at amortized		liabilities		Total		
	loss	cost	income	Derivatives	cost	liabilities	liabilities	Total				
Dividend income	\$	4,170	\$	-	\$	385	\$	-	\$	-	\$	4,555
Impairment gain		-	21,869	-		-		-		-		21,869
Gain (loss) on valuation of investments in securities		3,705	-	(41)		-		-		-		3,664
Gain (loss) on disposal of investments in securities		2,820	-	(66)		-		-		-		2,754
Interest expenses		-	-	-		-	(78,376)	(8,368)		-		(86,744)
Interest income		-	37,882	41		-	-	104		-		38,027
Gain (loss) on foreign currency translation		-	30,484	-		-	(3,262)	-		-		27,222
Loss on transactions of derivatives		-	-	-		(25,828)	-	-		-		(25,828)
Gain on transactions of derivatives		-	-	-		19,823	-	-		-		19,823
Loss on valuation of derivatives		-	-	-		(16,465)	-	-		-		(16,465)
Gain on valuation of derivatives		-	-	-		1,261	-	-		-		1,261

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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:

<u>Segment</u>	<u>Business</u>
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, management of investment companies and others
Others	Real estate rental, product sales, operating hotel and others

7.2 The segment information for sales and operating profit (loss) for the years ended December 31, 2021 and 2020, are as follows:

(in millions of Korean won)

	<u>2021</u>						
	<u>Civil works</u>	<u>Housing and architectural construction</u>	<u>Plants</u>	<u>New business</u>	<u>Others</u>	<u>Adjustments and derecognition</u>	<u>Total</u>
Sales	₩ 1,423,824	₩ 5,901,601	₩ 867,207	₩ 679,288	₩ 19,728	₩ (206,440)	₩ 8,685,208
Operating profit (loss)	(58,735)	721,766	(15,772)	109,004	(29,894)	11,944	738,313
- Depreciation	21,347	272	2,709	10,091	8,615	1,856	44,890
- Amortization	1,615	2,171	1,128	802	2,364	512	8,592

(in thousands of US dollars (Note 4))

	<u>2021</u>						
	<u>Civil works</u>	<u>Housing and architectural construction</u>	<u>Plants</u>	<u>New business</u>	<u>Others</u>	<u>Adjustments and derecognition</u>	<u>Total</u>
Sales	\$ 1,201,032	\$ 4,978,154	\$ 731,512	\$ 572,997	\$ 16,640	\$ (174,137)	\$ 7,326,198
Operating profit (loss)	(49,544)	608,828	(13,304)	91,948	(25,216)	10,075	622,787
- Depreciation	18,007	229	2,285	8,512	7,267	1,566	37,866
- Amortization	1,362	1,831	951	677	1,994	432	7,247

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(in millions of Korean won)

	2020						
	Civil works	Housing and architectural construction	Plants	New business	Others	Adjustments and derecognition	Total
Sales	₩ 1,482,652	₩ 5,083,095	₩ 1,100,120	₩ 670,134	₩ 17,995	₩ (217,290)	₩ 8,136,706
Operating profit (loss)	(49,037)	539,030	(78,516)	153,127	(10,524)	4,178	558,258
- Depreciation	35,954	373	4,193	10,893	9,201	743	61,357
- Amortization	2,461	1,568	951	576	2,482	489	8,527

(in thousands of US dollars (Note 4))

	2020						
	Civil works	Housing and architectural construction	Plants	New business	Others	Adjustments and derecognition	Total
Sales	\$ 1,250,655	\$ 4,287,722	\$ 927,980	\$ 565,275	\$ 15,180	\$ (183,289)	\$ 6,863,523
Operating profit (loss)	(41,364)	454,686	(66,230)	129,167	(8,877)	3,524	470,906
- Depreciation	30,328	315	3,537	9,189	7,761	627	51,757
- Amortization	2,076	1,323	802	486	2,094	412	7,193

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, 2021 and 2020, are as follows:

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

	2021		2020	
	₩	\$	₩	\$
Korea	7,118,967	6,005,033	6,476,188	5,462,833
Middle East	677,852	571,786	908,011	765,931
Asia	707,132	596,484	575,771	485,678
Africa	387,573	326,928	393,888	332,255
Others	124	104	138	116
Adjustments and derecognition	(206,440)	(174,137)	(217,290)	(183,290)
Total	₩ 8,685,208	\$ 7,326,198	₩ 8,136,706	\$ 6,863,523

7.5 There is no external customer that contributes more than 10% of sales for the years ended December 31, 2021 and 2020.

7.6 Details of sales for the years ended December 31, 2021 and 2020, are as follows:

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

	2021		2020	
	₩	\$	₩	\$
Construction contracts revenue	7,008,338	5,911,715	6,784,645	5,723,024
Sales of real estate	1,489,317	1,256,278	1,143,023	964,170
Other revenue	187,553	158,205	209,038	176,329
Total	₩ 8,685,208	\$ 7,326,198	₩ 8,136,706	\$ 6,863,523

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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, 2021 and 2020, are as follows:

(in millions of Korean won)

	2021			
	Beginning	Net contract increase¹	Sales recognized	Ending²
Civil works	₩ 7,346,044	₩ 1,738,350	₩ 1,384,877	₩ 7,699,517
Housing and architectural construction	25,663,440	8,888,242	5,502,597	29,049,085
Plant	3,987,170	420,767	847,202	3,560,735
New business	20,276	182,590	53,717	149,149
Total	₩ 37,016,930	₩ 11,229,949	₩ 7,788,393	₩ 40,458,486

(in thousands of US dollars (Note 4))

	2021			
	Beginning	Net contract increase¹	Sales recognized	Ending²
Civil works	\$ 6,196,579	\$ 1,466,343	\$ 1,168,180	\$ 6,494,742
Housing and architectural construction	21,647,777	7,497,463	4,641,583	24,503,657
Plant	3,363,281	354,928	714,637	3,003,572
New business	17,103	154,019	45,312	125,811
Total	\$ 31,224,740	\$ 9,472,753	\$ 6,569,712	\$ 34,127,782

¹ The amount of increase from new contracts is ₩ 11,686,523 million (equivalent to \$ 9,857,885 thousand) and the decrease due to changes in scope of the construction work is ₩ 456,574 million (equivalent to \$ 385,132 thousand).

² As at December 31, 2021, the balance related to the contract in which the revenue is recognized upon delivery amounts to ₩ 1,141,544 million (equivalent to \$ 962,922 thousand).

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<i>(in millions of Korean won)</i>	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

<i>(in thousands of US dollars (Note 4))</i>	2020			
	Beginning	Net contract increase¹	Sales recognized	Ending²
	\$	\$	\$	\$
Civil works	4,382,897	3,032,903	1,219,221	6,196,579
Housing and architectural construction	19,941,439	5,934,289	4,227,951	21,647,777
Plant	2,384,978	1,879,628	901,325	3,363,281
New business	28,868	28,480	40,245	17,103
Total	\$ 26,738,182	\$ 10,875,300	\$ 6,388,742	\$ 31,224,740

¹ The amount of increase from new contracts is ₩ 13,474,776 million (equivalent to \$ 11,366,323 thousand) and the decrease due to changes in scope of the construction work is ₩ 582,108 million (equivalent to \$ 491,023 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 \$ 924,725 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, 2021 and 2020, are as follows:

<i>(in millions of Korean won)</i>	2021				
	<u>Cumulative sales</u>	<u>Cumulative cost</u>	<u>Cumulative income (loss)</u>	<u>Advances Received¹</u>	<u>Construction deposits²</u>
Civil works	₩ 5,909,735	₩ 5,652,805	₩ 256,930	₩ 144,964	₩ 80,334
Housing and architectural construction	6,630,851	5,868,770	762,081	3,631	-
Plant	7,782,644	8,245,527	(462,883)	284,021	308,204
New business	115,609	113,158	2,451	4,274	-
Total	<u>₩ 20,438,839</u>	<u>₩ 19,880,260</u>	<u>₩ 558,579</u>	<u>₩ 436,890</u>	<u>₩ 388,538</u>

<i>(in thousands of US dollars (Note 4))</i>	2021				
	<u>Cumulative sales</u>	<u>Cumulative cost</u>	<u>Cumulative income (loss)</u>	<u>Advances Received¹</u>	<u>Construction deposits²</u>
Civil works	\$ 4,985,015	\$ 4,768,288	\$ 216,727	\$ 122,281	\$ 67,764
Housing and architectural construction	5,593,295	4,950,460	642,835	3,063	-
Plant	6,564,862	6,955,316	(390,454)	239,579	259,978
New business	97,519	95,452	2,067	3,605	-
Total	<u>\$ 17,240,691</u>	<u>\$ 16,769,516</u>	<u>\$ 471,175</u>	<u>\$ 368,528</u>	<u>\$ 327,742</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>	2020				
	Cumulative sales	Cumulative cost	Cumulative income (loss)	Advances Received¹	Construction deposits²
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	₩ 18,524,761	₩ 17,990,953	₩ 533,808	₩ 178,500	₩ 381,990

<i>(in thousands of US dollars (Note 4))</i>	2020				
	Cumulative sales	Cumulative cost	Cumulative income (loss)	Advances Received¹	Construction deposits²
Civil works	\$ 4,225,835	\$ 4,136,482	\$ 89,353	\$ 79,669	\$ 47,431
Housing and architectural construction	5,305,909	4,543,450	762,459	2,871	-
Plant	6,002,558	6,405,604	(403,046)	67,911	274,787
New business	91,814	90,299	1,515	117	-
Total	\$ 15,626,116	\$ 15,175,835	\$ 450,281	\$ 150,568	\$ 322,218

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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8.3 Details of contract assets and liabilities as at December 31, 2021 and 2020, are as follows:

(in millions of Korean won)

	2021			2020		
	Contract assets	Contract liabilities²		Contract assets	Contract liabilities²	
	Due from customers³	Due to customers³	Advances received⁴	Due from customers³	Due to customers³	Advances received⁴
1						
Civil works	₩ 301,235	₩ 95,506	₩ 149,198	₩ 210,212	₩ 111,702	₩ 101,986
Housing and architectural construction	528,964	879,308	183,387	513,520	689,677	218,842
Plant	109,703	286,657	286,705	128,625	65,592	83,033
New business	14,097	962	119,662	7,397	1,291	123,832
Total	₩ 953,999	₩ 1,262,433	₩ 738,952	₩ 859,754	₩ 868,262	₩ 527,693

(in thousands of US dollars (Note 4))

	2021			2020		
	Contract assets	Contract liabilities²		Contract assets	Contract liabilities²	
	Due from customers³	Due to customers³	Advances received⁴	Due from customers³	Due to customers³	Advances received⁴
1						
Civil works	\$ 254,100	\$ 80,562	\$ 125,852	\$ 177,319	\$ 94,224	\$ 86,028
Housing and architectural construction	446,195	741,719	154,692	433,167	581,760	184,599
Plant	92,537	241,803	241,843	108,499	55,329	70,040
New business	11,891	811	100,938	6,240	1,089	104,456
Total	\$ 804,723	\$ 1,064,895	\$ 623,325	\$ 725,225	\$ 732,402	\$ 445,123

¹ Costs incurred to fulfil contracts of ₩ 119,340 million (equivalent to \$ 100,666 thousand) (2020: ₩ 98,463 million (equivalent to \$ 83,056 thousand)) are recognized as prepaid expenses in the statements of financial position.

² Revenue recognized during the year from the balance of contract liabilities as at December 31, 2020 amounts to ₩ 1,089,028 million (equivalent to \$ 918,623 thousand).

³ The above gross amounts include amounts due from customers for projects for the Group's own contact work, which amount to ₩ 9,201 million (equivalent to \$ 7,761 thousand) (2020: ₩ 53,176 million (equivalent to \$ 44,855 thousand)) and amounts due to customers for the Group's own contract work which amount to ₩ 128,540 million (equivalent to \$ 108,427 thousand) (2020: ₩ 207,835 million (equivalent to \$ 175,314 thousand)) as at December 31, 2021.

⁴ 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, 2021, 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	₩ 129,904	₩ 232,266	₩ 280,492	₩ (48,226)	₩ (79,160)	₩ 30,934	₩ (79,160)
Housing and architectural construction	30,774	252,739	54,509	198,230	182,064	16,166	182,064
Plant	18,399	342,982	108,445	234,537	(19,939)	254,476	(19,939)
New business	83	(1,898)	(932)	(966)	(1,021)	55	(1,021)
Total	₩ 179,160	₩ 826,089	₩ 442,514	₩ 383,575	₩ 81,944	₩ 301,631	₩ 81,944

*(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	\$ 109,577	\$ 195,922	\$ 236,602	\$ (40,680)	\$ (66,774)	\$ 26,094	\$ (66,774)
Housing and architectural construction	25,959	213,192	45,980	167,212	153,576	13,636	153,576
Plant	15,520	289,314	91,476	197,838	(16,819)	214,657	(16,819)
New business	70	(1,601)	(786)	(815)	(861)	46	(861)
Total	\$ 151,126	\$ 696,827	\$ 373,272	\$ 323,555	\$ 69,122	\$ 254,433	\$ 69,122

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, 2021. Contract revenue and contract costs can be changed in the future.

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8.5 As at December 31, 2021, details of contract revenue, which attributes more than 5% of sales for the year ended December 31, 2020, 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)

	2021						
	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 ¹	2008.09.01	2021.04.23	73.1%	₩ 23,253	₩ -	₩ -	₩ -
Qatar E-RING way ¹	2017.02.01	2021.06.20	96.9%	6,155	-	40,734	-
CFP ¹	2014.04.13	2018.10.18	99.2%	-	-	21,581	-
JAZAN REFINERY&TERMINAL ¹	2012.12.01	2018.04.30	99.8%	6,119	-	16,389	-
AL ZOUR REFINERY ¹	2015.10.28	2019.07.28	96.1%	-	-	169,658	-
OMAN DUQM REFINERY PJ	2018.06.03	2022.11.01	78.9%	-	-	69	-
RDPP ¹	2012.10.24	2020.11.24	98.3%	3,439	-	98,767	-
LIBYA ZWITINA POWER PLANT PJ ²	2013.01.28	2018.12.31	36.3%	-	-	15,303	-
MUMBAI TRANS-HARBOR LINK PJ	2018.03.23	2023.09.27	60.3%	-	-	9,902	-
NIGERIA GBARAN INFILL PJ	2014.05.01	2023.02.26	91.0%	16,723	-	8,343	-
GTX-A	2019.03.20	2024.06.29	28.9%	30,269	-	9,582	-
Maegyo Station Prugio SK VIEW Project	2012.05.30	2022.07.31	68.3%	-	-	-	-
Chuncheon Centralpark Prugio Business	2018.04.10	2022.03.30	83.0%	-	-	-	-
Geomam Station Royal Park Citi Prugio Complex 1 Business	2019.01.21	2023.05.31	31.8%	-	-	-	-
Geomam Station Royal Park Citi Prugio Complex 2 Business	2019.01.21	2023.05.31	30.8%	-	-	-	-
Thomson Line MRT Project T216/ Singapore ¹	2014.04.21	2021.06.19	99.3%	16,828	-	762	-
Dunchon Jugong Rebuild Project	2016.10.31	2023.08.31	26.5%	201,424	-	-	-
SANSUNG STATION XI&PRUGIO SITE	2015.08.28	2023.01.15	22.7%	-	-	-	-
SINGAPORE MRT CR108 PJ	2021.04.27	2029.12.31	0.6%	-	-	-	-
IRAQ AL-FAW GRAND PORT 1ST	2021.08.15	2025.12.24	5.0%	21,670	-	8,973	-
IRAQ IMMERSIED TUNNEL	2021.08.15	2025.08.14	2.8%	-	-	-	-
IRAQ AL-FAW UM QASR CONNECTING ROAD	2021.08.15	2025.05.14	9.2%	-	-	1,707	-
NIGERIA INDORAMA FERTILIZER II	2018.05.03	2023.01.26	77.8%	-	-	11,488	-
MOZAMBIQUE LNG AREA 1	2020.12.22	2024.02.24	2.3%	8,391	-	-	-

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NIGERIA NLNG T7 PJ	2020.05.13	2025.11.13	12.6%	-	-	2,058	-
<i>(in thousands of U.S. dollars (Note 4))</i>				2021			
				Due from customers		Receivables from construction	
					Impairment loss		Less: allowance for doubtful accounts
	Date of contract	Construction deadline in contract	The stage of completion	Total	loss	Total	accounts
BOUGHZOUL NEW TOWN ¹	2008.09.01	2021.04.23	73.1%	\$ 19,615	\$ -	\$ -	\$ -
Qatar E-RING way ¹	2017.02.01	2021.06.20	96.9%	5,192	-	34,360	-
CFP ¹	2014.04.13	2018.10.18	99.2%	-	-	18,204	-
JAZAN REFINERY&TERMINAL ¹	2012.12.01	2018.04.30	99.8%	5,162	-	13,825	-
AL ZOUR REFINERY ¹	2015.10.28	2019.07.28	96.1%	-	-	143,111	-
OMAN DUQM REFINERY PJ	2018.06.03	2022.11.01	78.9%	-	-	58	-
RDPP ¹	2012.10.24	2020.11.24	98.3%	2,901	-	83,313	-
LIBYA ZWITINA POWER PLANT PJ ²	2013.01.28	2018.12.31	36.3%	-	-	12,908	-
MUMBAI TRANS-HARBOR LINK PJ	2018.03.23	2023.09.27	60.3%	-	-	8,353	-
NIGERIA GBARAN INFILL PJ	2014.05.01	2023.02.26	91.0%	14,106	-	7,038	-
GTX-A	2019.03.20	2024.06.29	28.9%	25,533	-	8,083	-
Maegyo Station Prugio SK VIEW Project	2012.05.30	2022.07.31	68.3%	-	-	-	-
Chuncheon Centralpark Prugio Business	2018.04.10	2022.03.30	83.0%	-	-	-	-
Geomam Station Royal Park Citi Prugio Complex 1 Business	2019.01.21	2023.05.31	31.8%	-	-	-	-
Geomam Station Royal Park Citi Prugio Complex 2 Business	2019.01.21	2023.05.31	30.8%	-	-	-	-
Thomson Line MRT Project T216/ Singapore ¹	2014.04.21	2021.06.19	99.3%	14,195	-	643	-
Dunchon Jugong Rebuild Project	2016.10.31	2023.08.31	26.5%	169,906	-	-	-
SANSUNG STATION XI&PRUGIO SITE	2015.08.28	2023.01.15	22.7%	-	-	-	-
SINGAPORE MRT CR108 PJ	2021.04.27	2029.12.31	0.6%	-	-	-	-
IRAQ AL-FAW GRAND PORT 1ST	2021.08.15	2025.12.24	5.0%	18,279	-	7,569	-
IRAQ IMMERSSED TUNNEL	2021.08.15	2025.08.14	2.8%	-	-	-	-
IRAQ AL-FAW UM QASR CONNECTING ROAD	2021.08.15	2025.05.14	9.2%	-	-	1,440	-
NIGERIA INDORAMA FERTILIZER II	2018.05.03	2023.01.26	77.8%	-	-	9,690	-
MOZAMBIQUE LNG AREA 1	2020.12.22	2024.02.24	2.3%	7,078	-	-	-
NIGERIA NLNG T7 PJ	2020.05.13	2025.11.13	12.6%	-	-	1,736	-

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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.

8.6 Major contents of joint contract work as at December 31, 2021.

<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 PJ	₩ 2,197,645	\$ 1,853,771	35.0%	FLUOR
NIGERIA NLNG T7 PJ	1,974,352	1,665,417	40.0%	SAIPEM
CFP PJ	1,242,778	1,048,315	33.3%	FLUOR
OMAN DUQM REFINERY PJ	1,127,743	951,280	35.0%	TR
Dunchon Jugong Rebuild Project	758,876	640,132	23.5%	Hyundai E&C Co., Ltd.
Jazan Refinery & Terminal PJ	651,031	549,162	50.0%	JGC Corporation
SINGAPORE MRT CR108 PJ	538,913	454,587	70.0%	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD.
GTX-A	505,747	426,611	20.0%	Daelim Industrial Co., Ltd.
MUMBAI TRANS-HARBOR LINK PJ	497,802	419,909	60.0%	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD.
Maegyo Station Prugio SK VIEW Project	458,243	386,540	60.0%	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD.

9. Cash and Cash Equivalents

Details of cash and cash equivalents as at December 31, 2021 and 2020, are as follows:

<i>(in millions of Korean won and thousands of US dollars (Note 4))</i>	2021		2020	
Cash	₩ 2,405	₩ 2,677	\$ 2,029	\$ 2,258
Cash equivalents	1,058,633	803,808	892,984	678,033
Total	₩ 1,061,038	₩ 806,485	\$ 895,013	\$ 680,291

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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, 2021 and 2020, are as follows:

<i>(in millions of Korean won)</i>	2021			2020		
	Original amount ¹	Less : allowance for doubtful accounts	Carrying amount	Original amount ¹	Less : allowance for doubtful accounts	Carrying amount
Current						
Trade receivables	₩ 964,865	₩ (227,727)	₩ 737,138	₩ 1,338,758	₩ (337,880)	₩ 1,000,878
Other receivables						
Non-trade receivables	747,360	(351,457)	395,903	878,945	(413,853)	465,092
Accrued income	8,200	(1,518)	6,682	25,805	(2,296)	23,509
Loans	115,199	(7,936)	107,263	64,553	(16,790)	47,763
Finance lease receivables	5,010	-	5,010	3,078	-	3,078
	<u>875,769</u>	<u>(360,911)</u>	<u>514,858</u>	<u>972,381</u>	<u>(432,939)</u>	<u>539,442</u>
Total	<u>₩ 1,840,634</u>	<u>₩ (588,638)</u>	<u>₩ 1,251,996</u>	<u>₩ 2,311,139</u>	<u>₩ (770,819)</u>	<u>₩ 1,540,320</u>
Non-current						
Other receivables						
Long-term non-trade receivables	₩ 419,838	₩ (20,666)	₩ 399,172	₩ 442,102	₩ (19,287)	₩ 422,815
Long-term loans	664,700	(244,007)	420,693	619,497	(244,195)	375,302
Long-term accrued income	14,290	(215)	14,075	38	-	38
Deposits	317,316	(2,839)	314,477	271,126	(8,016)	263,110
Finance lease receivables	24,697	-	24,697	23,410	-	23,410
Total	<u>₩ 1,440,841</u>	<u>₩ (267,727)</u>	<u>₩ 1,173,114</u>	<u>₩ 1,356,173</u>	<u>₩ (271,498)</u>	<u>₩ 1,084,675</u>

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(in thousands of US dollars (Note 4))	2021			2020		
	Original amount ¹	Less : allowance for doubtful accounts	Carrying amount	Original amount ¹	Less : allowance for doubtful accounts	Carrying amount
Current						
Trade receivables	\$ 813,889	\$ (192,094)	\$ 621,795	\$ 1,129,277	\$ (285,009)	\$ 844,267
Other receivables						
Non-trade receivables	630,418	(296,463)	333,955	741,413	(349,096)	392,317
Accrued income	6,917	(1,280)	5,637	21,767	(1,937)	19,830
Loans	97,173	(6,694)	90,479	54,452	(14,163)	40,289
Finance lease receivables	4,225	-	4,225	2,597	-	2,597
	738,733	(304,437)	434,296	820,228	(365,196)	455,033
Total	\$ 1,552,622	\$ (496,531)	\$ 1,056,091	\$ 1,949,505	\$ (650,205)	\$ 1,299,300
Non-current						
Other receivables						
Long-term non-trade receivables	\$ 354,144	\$ (17,432)	\$ 336,712	\$ 372,925	\$ (16,270)	\$ 356,655
Long-term loans	560,692	(205,826)	354,866	522,562	(205,985)	316,577
Long-term accrued income	12,054	(181)	11,873	32	-	32
Deposits	267,664	(2,396)	265,268	228,702	(6,762)	221,940
Finance lease receivables	20,833	-	20,833	19,747	-	19,747
Total	\$ 1,215,387	\$ (225,835)	\$ 989,552	\$ 1,143,968	\$ (229,017)	\$ 914,951

¹ Net of present value discount.

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10.2 Age analysis of trade and other receivables as at December 31, 2021 and 2020, are as follows:

<i>(in millions of Korean won)</i>	2021			2020		
	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	₩ 561,938	₩ 338,942	₩ 155,967	₩ 742,627	₩ 292,138	₩ 113,723
1 year to 2 years	57,309	46,910	119,979	122,106	104,780	162,427
More than 2 years	93,096	72,443	492,371	91,854	75,200	407,934
Subtotal of receivables	712,343	458,295	768,317	956,587	472,118	684,084
Allowance ^{2,3}	(1,719)	(7,231)	(972)	(1,887)	(17,235)	(903)
Individually assessed for impairment						
Receivables	252,522	412,464	362,526	382,171	497,185	381,181
Allowance	(226,008)	(353,680)	(263,916)	(335,993)	(415,704)	(262,579)
Subtotal of receivables	964,865	870,759	1,130,843	1,338,758	969,303	1,065,265
Subtotal of allowance	(227,727)	(360,911)	(264,888)	(337,880)	(432,939)	(263,482)
Present value discount	-	-	(32,015)	-	-	(3,628)
Total	₩ 737,138	₩ 509,848	₩ 833,940	₩ 1,000,878	₩ 536,364	₩ 798,155

<i>(in thousands of US dollars (Note 4))</i>	2021			2020		
	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	\$ 474,009	\$ 285,906	\$ 131,562	\$ 626,425	\$ 246,426	\$ 95,928
1 year to 2 years	48,342	39,570	101,205	103,000	88,385	137,011
More than 2 years	78,529	61,108	415,328	77,481	63,433	344,103
Subtotal of receivables	600,880	386,584	648,095	806,906	398,244	577,042
Allowance ^{2,3}	(1,450)	(6,100)	(820)	(1,592)	(14,538)	(762)
Individually assessed for impairment						
Receivables	213,009	347,924	305,800	322,372	419,388	321,536
Allowance	(190,644)	(298,338)	(222,620)	(283,419)	(350,657)	(221,492)
Subtotal of receivables	813,889	734,508	953,895	1,129,278	817,632	898,578
Subtotal of allowance	(192,094)	(304,438)	(223,440)	(285,011)	(365,195)	(222,254)
Present value discount	-	-	(27,005)	-	-	(3,060)
Total	\$ 621,795	\$ 430,070	\$ 703,450	\$ 844,267	\$ 452,437	\$ 673,264

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.

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

10.3 Changes in the bad debts allowance for the years ended December 31, 2021 and 2020, are as follows:

<i>(in millions of Korean won and thousands of US dollars (Note 4))</i>	2021			2021		
	Trade	Other receivables		Trade	Other receivables	
	receivables	Short-term	Long-term	receivables	Short-term	Long-term
Beginning balance	₩ 337,880	₩ 432,939	₩ 271,498	\$ 285,011	\$ 365,195	\$ 229,016
Additions	19,864	3,577	782	16,756	3,017	660
Reversals	(1,472)	(16,634)	(19,708)	(1,242)	(14,031)	(16,624)
Write-off	(130,925)	(65,694)	(11,817)	(110,439)	(55,415)	(9,968)
Others ¹	2,380	6,723	26,972	2,008	5,672	22,751
Ending balance	₩ 227,727	₩ 360,911	₩ 267,727	\$ 192,094	\$ 304,438	\$ 225,835

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>	2020			2020		
	Trade	Other receivables		Trade	Other receivables	
	receivables	Short-term	Long-term	receivables	Short-term	Long-term
Beginning balance	₩ 363,080	₩ 428,428	₩ 267,682	\$ 306,267	\$ 361,390	\$ 225,797
Additions	2,105	13,194	315	1,776	11,129	266
Reversals	(3,889)	(19,686)	(17,965)	(3,280)	(16,606)	(15,154)
Write-off	(22,804)	(5,736)	-	(19,236)	(4,838)	-
Others ¹	(612)	16,739	21,466	(516)	14,120	18,108
Ending balance	₩ 337,880	₩ 432,939	₩ 271,498	\$ 285,011	\$ 365,195	\$ 229,017

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, 2021 and 2020, are as follows:

<i>(in millions of Korean won and thousands of US dollars (Note 4))</i>	2021		2020	
Land held for development	₩	822,485	₩	782,693
Unfinished construction		522,464		535,411
Finished housing		172,772		119,358
Raw materials		28,703		24,189
Supplies		8,307		5,217
Materials-in-transit		44,097		8,760
Temporary materials		4,527		3,595
Merchandise		435		122
Total	₩	1,603,790	₩	1,479,345

Cost of Inventories recognized as expense and included in the amount of cost of goods sold is ₩ 2,531,279 million (equivalent to \$ 2,135,199 thousand) (2020: ₩ 2,024,092 million (equivalent to \$ 1,707,374 thousand)) for the year ended December 31, 2021. Reversal on valuation of inventories for the year ended December 31, 2021 amounted to ₩ 270 million (equivalent to \$ 228 thousand) (2020: ₩ 1,726 million (equivalent to \$ 1,456 thousand)).

12. Investments in Securities

12.1 Investments in securities as at December 31, 2021 and 2020, are as follows:

<i>(in millions of Korean won and thousands of US dollars (Note 4))</i>	2021		2020	
Debt instruments at fair value through profit or loss	₩	192,542	₩	231,671
Debt instruments at fair value through other comprehensive income		8,486		5,434
Equity instruments at fair value through other comprehensive income		10,218		10,223
		211,246		247,328
Less : current portion (short-term financial instrument assets)		-		(100)
Non-current portion	₩	211,246	₩	247,228

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12.2 Changes in investments in securities for the years ended December 31, 2021 and 2020, are as follows:

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

	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Beginning balance	₩ 247,328	₩ 232,796	\$ 208,627	\$ 196,368
Additions	20,889	27,125	17,620	22,881
Disposals	(10,774)	(10,428)	(9,088)	(8,796)
Reclassification ¹	(1,793)	(6,508)	(1,512)	(5,490)
Amount recognized in other comprehensive income	(474)	(49)	(400)	(41)
Amount recognized in profit or loss ²	(43,930)	4,392	(37,056)	3,705
Ending balance	<u>₩ 211,246</u>	<u>₩ 247,328</u>	<u>\$ 178,191</u>	<u>\$ 208,627</u>

¹ Details of reclassification of investments in securities for the years ended December 31, 2021 and 2020, are as follows:

(in millions of Korean won)

	<u>2021</u>	<u>2020</u>	<u>Remarks</u>
WONJU GREEN CORP.	₩ (1,793)	₩ -	Reclassification to investment in associates and others
The Second Seohaean Expressway and others	-	(6,626)	Reclassification to assets held for sale and others
Dongbu Construction Co., Ltd. and others	-	118	Reclassification from other receivables and others
Total	<u>₩ (1,793)</u>	<u>₩ (6,508)</u>	

(in thousands of US dollars (Note 4))

	<u>2021</u>	<u>2020</u>	<u>Remarks</u>
WONJU GREEN CORP.	\$ (1,512)	\$ -	Reclassification to investment in associates and others
The Second Seohaean Expressway and others	-	(5,590)	Reclassification to assets held for sale and others
Dongbu Construction Co., Ltd. and others	-	100	Reclassification from other receivables and others
Total	<u>\$ (1,512)</u>	<u>\$ (5,490)</u>	Reclassification to investment in associates and others

² Details of amount recognized in profit or loss for the years ended December 31, 2021 and 2020, are as follows:

(in millions of Korean won)

	<u>2021</u>	<u>2020</u>	<u>Remarks</u>
Seoul North Highway Co., Ltd.	₩ (34,131)	₩ -	Decrease in fair value
KB Sosa Wonsi Railroad Project Private Special Assets	(7,295)	-	Decrease in fair value
Jeju International Convention Center	(3,121)	-	Decrease in fair value
West Wide Railroad Co., Ltd. and others	(1,887)	(1,511)	Decrease in fair value
Engineering Financial Cooperative and others	2,504	5,903	Increase in fair value
Total	<u>₩ (43,930)</u>	<u>₩ 4,392</u>	

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<i>(in thousands of US dollars (Note 4))</i>	2021	2020	Remarks
Seoul North Highway Co., Ltd.	\$ (28,789)	\$ -	Decrease in fair value
KB Sosa Wonsi Railroad Project Private Special Assets	(6,154)	-	Decrease in fair value
Jeju International Convention Center	(2,633)	-	Decrease in fair value
West Wide Railroad Co., Ltd. and others	(1,592)	(1,275)	Decrease in fair value
Engineering Financial Cooperative and others	2,112	4,980	Increase in fair value
Total	\$ (37,056)	\$ 3,705	

12.3 Details of debt instruments at fair value through profit or loss as at December 31, 2021 and 2020, are as follows:

	2021			2020	
	Number of shares	Percentage of ownership (%)	Acquisition cost	Book amount	Book amount
I PARK MALL CO., LTD	320,000	0.88%	W 1	W 1	W 1
Jeju International Convention Center ¹	1,089,522	2.80%	4,788	1,667	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
Yonsei International Student Residence Hall Management Co., Ltd.	5,600	1.01%	28	1	1
Seoul North Highway Co., Ltd. ¹	6,826,400	14.00%	34,132	1	34,132
Seoul-Moonsan Highway Co., Ltd. ¹	3,059,712	11.52%	15,299	13,352	13,460
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 CORP. ^{1,2}	-	-	-	-	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.	3,429,412	6.36%	17,147	17,147	15,889
Busan Container Terminal Co., Ltd.	4,500,000	15.00%	22,500	22,500	22,500
West Wide Railroad Co., Ltd. ¹	762,441	2.85%	3,812	540	1,134

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	2021			2020	
	Number of shares	Percentage of ownership (%)	Acquisition cost	Book amount	Book amount
Gangnam Metro Co., Ltd.	900	9.00%	5	5	5
HYUMEON ECO LAND CO.,LTD.	17,600	13.66%	88	88	-
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
Chung-Ju Technopolis Co., Ltd.	225,000	15.00%	1,500	1,500	1,500
Pyeongtaek, South Korea and China Tech Valley Co., Ltd. ³	-	-	954	-	1
somesevrit Corporation	429,000	5.00%	2,145	1	1
Seoul Lite Tower Co., Ltd.	547,407	12.66%	8,429	1	1
Gimpo Golden Valley 4 PFV	100,000	10.00%	500	1	1
EIGHTCITY Co., Ltd. ⁴	300,000	23.81%	1,500	1	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
Uiwang Changan Project Financial Investment.	10,000	1.00%	50	50	50
Cheonnyun Suwon ^{1,4}	1,700,000	85.00%	8,500	13,175	12,325
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
Paju Unjeong A13 Block Project 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	430
ASTROX ⁴	7,372	28.88%	990	990	990
Humax EV Co., Ltd	191,350	9.99%	1,436	1,436	1,436
DCAM PFV Co.,Ltd ⁴	250,000	25.00%	1,250	1,250	1,250
Maxerve consortium Co., Ltd ⁴	30,000	30.00%	300	300	300
ITRO Co., Ltd.	8,570	15.00%	450	450	-
Bugok Development, Inc.	-	-	2,000	2,000	-
Construction Guarantee Cooperative ¹	46,146	-	46,860	70,590	70,044
Electric Contractors Financial Cooperative ¹	500	-	150	206	251
Information&Communication Financial Cooperative ¹	604	-	97	250	373
Fire Guarantee	40	-	20	20	20
Engineering Financial Cooperative ¹	25,115	-	12,902	18,275	17,207
Korea Electric Engineers Association ¹	200	-	20	44	20
Korea Specialty Contractor Financial Cooperative ¹	1,455	-	1,286	1,365	1,359
4S Structure Safety Group Cooperative Key Environment Engineering Professional COOP	5	14.29%	5	5	5
KB Sosa Wonsi Railroad Project Private Special Assets ¹	2,858	14.29%	66,739	1	7,296
KIAMCO Road Investment Fund No. 1	-	-	11,373	11,374	11,374

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	2021			2020	
	Number of shares	Percentage of ownership (%)	Acquisition cost	Book amount	Book amount
KIAMCO Gyeonggi Railroad Private Equity Investment Fund No. 1	-	-	8,107	1	1
Total			<u>₩ 350,264</u>	<u>₩ 192,542</u>	<u>₩ 231,671</u>

(in thousands of US dollars (Note 4))

	2021			2020	
	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	1,089,522	2.80%	4,039	1,406	4,039
Shinbundang Railroad Co., Ltd.	4,122,000	9.71%	17,385	1	1
Green Kimhae Enviro Co., Ltd.	100,775	5.00%	425	236	236
Chungjung Sangju Co., Ltd.	70,552	4.00%	298	-	-
Green Asan Enviro Co., Ltd.	69,390	3.70%	293	134	134
Green Yeosu Enviro Co., Ltd.	84,567	9.00%	357	69	69
Green Dangjin Enviro Co., Ltd.	27,505	2.80%	116	1	1
Green Jeju Enviro Co., Ltd.	30,626	3.01%	129	1	1
Green Gunsan Enviro Co., Ltd.	59,842	3.49%	252	100	100
Sangzhou Yeongcheon Expressway Co., Ltd.	3,553,284	5.25%	14,986	1	1
Yonsei International Student Residence Hall Management Co., Ltd.	5,600	1.01%	24	1	1
Seoul North Highway Co., Ltd. ¹	6,826,400	14.00%	28,791	1	28,791
Seoul-Moonsan Highway Co., Ltd. ¹	3,059,712	11.52%	12,905	11,263	11,353
Gayah Railroad Co., Ltd.	305,490	2.30%	1,288	1	1
Green Han River Town Co., Ltd.	9,116	0.44%	39	20	20
E RAIL Co., Ltd.	1,044,488	3.43%	4,405	-	-
Ocean Culture Co., Ltd.	442,431	11.68%	1,866	578	578
The Green Town Co., Ltd.	124,564	12.82%	526	1	1
New Seoul Railroad Co., Ltd.	384,000	3.00%	1,620	1,620	1,620
Gyeonggi rail Co., Ltd.	495,000	2.45%	2,088	1	1
WONJU GREEN CORP. ^{1,2}	-	-	-	-	1
P-Waters Co., Ltd.	72,288	4.00%	305	305	305
Ulsan clean environment Co., Ltd.	376,752	7.20%	1,589	1,038	1,038
Neulpureun Paju-Yangju Co., Ltd.	52,662	4.62%	222	1	1
Metropolitan West Highway Co., Ltd.	472,920	0.97%	1,995	1,995	1,995
Neulpureun Goyang Co., Ltd.	49,885	3.62%	210	1	1
Gyeryong Greenville Co., Ltd.	5,744	0.30%	24	1	1
West Inland Highway Co., Ltd.	3,429,412	6.36%	14,464	14,464	13,403
Busan Container Terminal Co., Ltd.	4,500,000	15.00%	18,979	18,979	18,979
West Wide Railroad Co., Ltd. ¹	762,441	2.85%	3,216	456	957
Gangnam Metro Co., Ltd.	900	9.00%	4	4	4
HYUMEON ECO LAND CO.,LTD.	17,600	13.66%	74	74	-
Smart City Asset Management Co., Ltd.	10,200	17.00%	6	1	1
Smart City Co., Ltd.	1,819,625	19.23%	7,081	1	1

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	2021			2020	
	Number of shares	Percentage of ownership (%)	Acquisition cost	Book amount	Book amount
Gwangmyeong Terminal Complex Co., Ltd.	98,000	16.33%	413	413	413
Chung-Ju Technopolis Co., Ltd. Pyeongtaek, South Korea and China Tech Valley Co., Ltd. ³	225,000	15.00%	1,265	1,265	1,265
somesevrit Corporation	-	-	805	-	1
Seoul Lite Tower Co., Ltd.	429,000	5.00%	1,809	1	1
Gimpo Golden Valley 4 PFV	547,407	12.66%	7,110	1	1
EIGHTCITY Co., Ltd. ⁴	100,000	10.00%	422	1	1
Incheon Art Center Co., Ltd.	300,000	23.81%	1,265	1	1
KOCREF SEOMYUN REITs CO., LTD.	78,000	19.50%	329	329	329
Uiwang Changan Project Financial Investment.	125,000	7.69%	2,109	2,109	2,109
Cheonnyun Suwon ^{1,4}	10,000	1.00%	42	42	42
Seoul National University Medical Hub Co., Ltd.	1,700,000	85.00%	7,170	11,113	10,396
Pungmu Station area Development Co., Ltd.	3,000	0.36%	13	1	1
Oryong PFV Co., Ltd.	140,000	14.00%	590	590	590
Paju Unjeong A13 Block Project Gyeongan RiverCity Development Asset Management. Co., Ltd	39,900	3.99%	169	169	169
Gochon Development AMC Co, Ltd	350,000	13.46%	1,476	1,476	1,476
ASTROX ⁴	50,000	5.00%	211	211	211
Humax EV Co., Ltd	86,000	8.60%	363	363	363
DCAM PFV Co.,Ltd ⁴	7,372	28.88%	835	835	835
Maxerve consortium Co., Ltd ⁴	191,350	9.99%	1,211	1,211	1,211
ITRO Co., Ltd.	250,000	25.00%	1,054	1,054	1,054
Bugok Development, Inc.	30,000	30.00%	253	253	253
Construction Guarantee Cooperative ¹	8,570	15.00%	380	380	-
Electric Contractors Financial Cooperative ¹	-	-	1,687	1,687	-
Information&Communication Financial Cooperative ¹	46,146	-	39,528	59,544	59,084
Fire Guarantee	500	-	127	174	212
Engineering Financial Cooperative ¹	604	-	82	211	315
Korea Electric Engineers Association ¹	40	-	17	17	17
Korea Specialty Contractor Financial Cooperative ¹	25,115	-	10,883	15,415	14,515
4S Structure Safety Group Cooperative	200	-	17	37	17
Key Environment Engineering Professional COOP	1,455	-	1,085	1,151	1,146
KB Sosa Wonsi Railroad Project Private Special Assets ¹	5	14.29%	4	4	4
KIAMCO Road Investment Fund No. 1	50	19.61%	4	4	4
KIAMCO Gyeonggi Railroad Private Equity Investment Fund No. 1	2,858	14.29%	56,296	1	6,153
	-	-	9,593	9,594	9,594
	-	-	6,838	1	1
Total			\$ 295,457	\$ 162,414	\$ 195,420

¹ During 2021, the Group recognized gain (loss) on valuation due to significant changes in fair

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value.

² During 2021, it was classified as investment in associates.

³ During 2021, it was eliminated due to liquidation.

⁴ During 2021, 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, 2021 and 2020, are as follows:

(in millions of Korean won)

	2021		2020	
	Number of shares	Percentage of ownership (%)	Acquisition cost	Book amount
Woobang Co., Ltd.	1,305	0.02%	₩ 7	₩ 7
Pumyang Assetmanagement Co., Ltd.	5,874	1.00%	29	1
Woorim Construction Co., Ltd.	3,888	0.23%	778	1
KD Construction Co., Ltd.	42,601	4.11%	1,278	1
Techno Village Co., Ltd.	56,000	3.38%	280	280
Ssangyong E&C Co., Ltd.	13,621	0.07%	384	15
Smart Power Co., Ltd.	108,608	7.39%	54	1
Neo Trans Co., Ltd.	2,858	14.29%	14	14
HEEKYUNG E&C Co., Ltd.	6,163	5.06%	14	2
DONGYANG E&C Co., Ltd.	77	0.00%	88	-
Hyodong Development Co., Ltd.	520	-	104	1
Kyungnam Enterprise Co., Ltd.	-	-	-	-
Nam Kwang Construction Co., Ltd.	-	-	12	-
Samwoo EMC Co.,LTD.	-	-	2	-
SEOWOO Engineering & Construction Co., Ltd.	39,785	29.66%	1,989	398
Kyoungdong E & C Co., Ltd.	445	0.04%	4	2
Hoban Engineering Co., Ltd.	-	-	17	-
HWANAM CONSTRUCTION CO.,LTD.	23,097	15.25%	231	231
K-Realty X Co.,Ltd.	363,000	3.46%	7,260	7,260
Dongbu Construction Co., Ltd.	-	-	-	-
SG Safety Corporation	30,400	5.00%	2,000	2,000
HIC corporation	181	0.02%	-	-
SEWON CONSTRUCTION CO.,LTD.	182	0.06%	2	2
Daewoo Development Co., Ltd.- Engineering&Construction	308	0.00%	2	-
Total			₩ 14,549	₩ 10,218
				₩ 10,223

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(in thousands of US dollars (Note 4))

	2021			2020	
	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%	24	1	1
Woorim Construction Co., Ltd.	3,888	0.23%	655	1	1
KD Construction Co., Ltd.	42,601	4.11%	1,078	1	1
Techno Village Co., Ltd.	56,000	3.38%	236	236	236
Ssangyong E&C Co., Ltd.	13,621	0.07%	324	12	12
Smart Power Co., Ltd.	108,608	7.39%	46	1	1
Neo Trans Co., Ltd.	2,858	14.29%	12	12	12
HEEKYUNG E&C Co., Ltd.	6,163	5.06%	12	2	2
DONGYANG E&C Co., Ltd.	77	0.00%	74	-	-
Hyodong Development Co., Ltd.	520	-	88	1	1
Kyungnam Enterprise Co., Ltd.	-	-	-	-	2
Nam Kwang Construction Co., Ltd.	-	-	10	-	-
Samwoo EMC Co.,LTD.	-	-	2	-	-
SEOWOO Engineering & Construction Co., Ltd.	39,785	29.66%	1,678	335	335
Kyoungdong E & C Co., Ltd.	445	0.04%	3	1	1
Hoban Engineering Co., Ltd.	-	-	14	-	-
HWANAM CONSTRUCTION CO.,LTD.	23,097	15.25%	195	195	195
K-Realty X Co.,Ltd.	363,000	3.46%	6,124	6,124	6,124
Dongbu Construction Co., Ltd.	-	-	-	-	4
SG Safety Corporation	30,400	5.00%	1,687	1,687	1,687
HIC corporation	181	0.02%	-	-	-
SEWON CONSTRUCTION CO.,LTD.	182	0.06%	2	2	2
Daewoo Development Co., Ltd.- Engineering&Construction	308	0.00%	2	2	-
Total			\$ 12,272	\$ 8,619	\$ 8,623

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12.5 Details of debt instruments at fair value through other comprehensive income as at December 31, 2021 and 2020, are as follows:

(in millions of Korean won)

		2021		2020
		Maturity	Nominal value	Book amount
Government bonds	National housing bonds and others	Up to 1 year	₩ -	₩ -
		1 year to 5 years	4,367	4,093
		5 year to 10 years	4,413	4,136
			8,780	8,229
Corporate bonds	SACC Co., Ltd. Namyang Construction Co., Ltd. ¹	1 year to 5 years	200	1
		2032	256	256
			456	257
Total		₩ 9,236	₩ 8,486	₩ 5,434

(in thousands of US dollars (Note 4))

		2021		2020
		Maturity	Nominal value	Book amount
Government bonds	National housing bonds and others	Up to 1 year	\$ -	\$ -
		1 year to 5 years	3,684	3,453
		5 year to 10 years	3,722	3,488
			7,406	6,941
Corporate bonds	SACC Co., Ltd. Namyang Construction Co., Ltd. ¹	1 year to 5 years	169	1
		2032	216	216
			385	217
Total		\$ 7,791	\$ 7,158	\$ 4,584

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, 2021 and 2020, are as follows:

(in millions of Korean won)

	2021			
	Amount		Gain (loss) on transaction / valuation	
	Assets	Liabilities	Gain	Loss
Trading purpose				
Forward foreign currency contracts	₩ 3,178	₩ 17,854	₩ 17,258	₩ 35,504
Swap foreign currency contracts	6,181	-	14,974	753
Total	₩ 9,359	₩ 17,854	₩ 32,232	₩ 36,257

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

	2021			
	Amount		Gain (loss) on transaction / valuation	
	Assets	Liabilities	Gain	Loss
Trading purpose				
Forward foreign currency contracts	\$ 2,681	\$ 15,060	\$ 14,558	\$ 29,949
Swap foreign currency contracts	5,214	-	12,631	635
Total	\$ 7,895	\$ 15,060	\$ 27,189	\$ 30,584

(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	\$ 1,101	\$ 7,729	\$ 18,360	\$ 21,394
Swap foreign currency contracts	-	8,386	2,724	20,898
Total	\$ 1,101	\$ 16,115	\$ 21,084	\$ 42,292

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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, 2021 and 2020, are as follows:

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

	2021		2020		2021		2020	
Beginning balance	₩	36,794	₩	100,611	\$	31,037	\$	84,868
Increase		27,600		9,189		23,281		7,751
Decrease ¹		(35,872)		(73,006)		(30,259)		(61,582)
Ending balance²	₩	28,522	₩	36,794	\$	24,059	\$	31,037

¹ The Group recognized ₩ 32,673 million (equivalent to \$ 27,561 thousand) (2020: ₩ 2,233 million (equivalent to \$ 1,884 thousand)) of gain on disposal of assets held for sale relating to disposal of an asset group for the year ended December 31, 2021, and ₩ 32 million (equivalent to \$ 27 thousand) (2020: ₩ 276 million (equivalent to \$ 233 thousand)) of loss on disposal of assets held for sale for the year ended December 31, 2021, as other income and expenses (Note 32).

² It consists of real estate held for sale of ₩ 24,223 million (equivalent to \$ 20,433 thousand) (2020: ₩ 34,284 million (equivalent to \$ 28,919 thousand)), and securities held for sale of ₩ 4,299 million, (equivalent to \$ 3,626 thousand) (2020: ₩ 2,510 million (equivalent to \$ 2,117 thousand)) as at December 31, 2021.

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, 2021, impairment losses on assets held for sale of ₩ 1,336 million, equivalent to \$ 1,127 thousand (2020: ₩ 7,265 million, equivalent to \$ 6,128 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, 2021 and 2020.

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15. Investments in Associates

15.1 Details of investments in associates as at December 31, 2021 and 2020, are as follows:

(in millions of Korean won)

	Location	Year end	Percentage of ownership (%)	2021		2020	
				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	₩ 34,790	₩ 34,790	₩ 27,954
KDS Hydro Pte.Ltd	Singapore	December	20.0	26,219	25,922	25,922	18,292
DINAMICO CONST,INC	Philippines	December	40.0	16	277	277	778
Yulchon 2 Industrial Complex Development Inc.	Korea	December	40.0	1,600	22	1	1
Dongtan 2 Daewoo Corporation Real Estate Investment Company	Korea	December	30.0	22,500	8,124	1	1,061
Hanam Marbling City Development	Korea	December	44.0	2,200	2,965	2,965	3,602
Pyeongsung Industry Co., Ltd.	Korea	December	27.0	1,350	802	1	818
Yangju Development PFV Co, Ltd	Korea	December	22.0	1,100	(3,121)	1	1
Ganghwa Tidal Power Plant Co., Ltd.	Korea	December	46.0	23	21	21	21
Chonmasan Tunnel Co.	Korea	December	36.0	9,720	(939)	1	1,000
Harbor City Development Co., Ltd.	Korea	December	29.9	1,794	(10,297)	1	1
Incheon Airport Yeongjong REIT Co., Ltd.	Korea	December	24.1	24,380	22,003	10,831	16,649
Pocheon IPP Co., Ltd. ¹	Korea	December	-	-	-	-	1
Changwon Innovation Industrial Development Co., Ltd. PFV	Korea	December	29.0	1,450	(2,892)	1	1
Gyeongsan Knowledge Industry Development Co., Ltd.	Korea	December	29.0	1,450	(313)	1	1
Skyland Co., Ltd.	Korea	December	25.0	1	396	1	1
Jinwi 3 Industrial Complex Development Inc.	Korea	December	20.0	1,000	772	1	1
Kyungnam Masan Robotland Co., Ltd.	Korea	December	25.0	918	(11,610)	1	1
UI trans LRT Co.	Korea	December	20.3	20,513	(21,327)	1	1
GreenJC Co.	Korea	December	21.4	1,765	1,222	1	1
Eunpyeong new road Corp.	Korea	December	33.0	1,304	(83)	1	1
GWIC Co., Ltd.	Korea	December	20.0	60	(1,362)	1	1
Tangjeong Technopark Co., Ltd.	Korea	December	20.0	400	(8,242)	1	1
Together Investment Management Co., Ltd.	Korea	December	37.1	2,600	2,556	2,556	2,062
JR Qualified Investor Private Placement Real Estate Fund Investment Trust No.22	Korea	December	35.2	39,896	41,918	29,893	27,871
SUWON Youth Housing Daewoo K1 No.9 Reits	Korea	December	20.2	5,798	5,618	3,851	5,422
Mastern No.83 Cheongryang PFV Co., Ltd.,	Korea	December	30.3	1,514	1,503	1,503	1,498
Daechi 176 PFV Co., Ltd.	Korea	December	33.3	2,000	(956)	1	1,748
Zayang 5 PFV Co., Ltd	Korea	December	30.0	1,500	940	903	1,464
Humax EV Co., Ltd ⁴	Korea	December	10.0	1,437	(19)	941	1,376
Songsan Industrial Complex Development Inc.	Korea	December	20.9	1	(720)	1	1
Wonju Green Co., Ltd. ²	Korea	December	24.5	615	1,434	615	-
ITRO Co., Ltd. ^{3,4}	Korea	December	15.0	450	231	485	-
Daegu Dong-gu Complex No.1 Co., Ltd. ³	Korea	December	29.0	1,450	1,450	1,450	-
Banpo Central No.1 Co., Ltd. ^{3,5}	Korea	December	52.9	4,500	1,971	2,589	-
Gulup Wind Power Development Corp. ^{3,4}	Korea	December	6.7	2,000	2,000	2,000	-
				<u>210,717</u>	<u>95,056</u>	<u>121,610</u>	<u>111,631</u>

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	Location	Year end	Percentage of ownership (%)	2021		2020	
				Acquisition cost	Net asset value	Book amount	Book amount
Investments not accounted for under the equity method ⁶							
DW POWER(INDIA) LTD. ⁷	India	December	69.5	2,440	-	1	1
Gyeongang Rivercity AMC Co., Ltd.	Korea	December	40.0	20	35	20	20
Hanam Marbling City Co., Ltd	Korea	December	44.0	44	62	44	44
Skyland Asset Management Co., Ltd.	Korea	December	25.0	13	(37)	13	13
Cheongju Technopolis Asset Management Co., Ltd.	Korea	December	35.0	105	124	105	105
S-ACC Co., Ltd.	Korea	December	27.3	300	-	1	1
Pyeongnung Industrial Asset Management ⁷	Korea	December	70.0	70	61	1	70
Gyeongnam Masan Robot Land Asset Management Co., Ltd.	Korea	December	25.0	55	42	55	55
Changwon Innovation Industrial Development Asset Management Co., Ltd. ⁷	Korea	December	80.0	240	241	240	240
Pungmoo Station Area development asset management Co.	Korea	December	41.0	41	65	41	41
Gochon Development AMC Co, Ltd	Korea	December	49.0	49	70	49	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
DW ARABIA LTD. ⁷	Saudi Arabia	December	60.0	-	-	-	-
DW NIGERIA LTD. ⁷	Nigeria	December	90.0	124	-	123	123
DAEWOO-HANEL CORP ⁷	Vietnam	December	60.0	-	-	-	-
DAEWOO E & C IRAN ⁷	Iran	December	100.0	-	-	-	-
V-CITY 21 JOINT STOCK COMPANY	Vietnam	December	40.0	48	-	1	1
Daewoo E&C LLC ⁷	Oman	December	70.0	510	-	1	1
				<u>35,286</u>	<u>663</u>	<u>697</u>	<u>766</u>
Total				<u>₩ 246,003</u>	<u>₩ 95,719</u>	<u>₩ 122,307</u>	<u>₩ 112,397</u>

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	Location	Year end	Percentage of ownership (%)	2021		2020	
				Acquisition cost	Net asset value	Book amount	Book amount
Investments accounted for under the equity method							
BEIJING LUFTHANSA CENTER CO.	China	December	25.0	\$ 22,938	\$ 29,346	\$ 29,346	\$ 23,580
KDS Hydro Pte.Ltd	Singapore	December	20.0	22,116	21,866	21,866	15,430
DINAMICO CONST,INC	Philippines	December	40.0	13	234	234	656
Yulchon 2 Industrial Complex Development Inc.	Korea	December	40.0	1,350	19	1	1
Dongtan 2 Daewoo Corporation Real Estate Investment Company	Korea	December	30.0	18,979	6,853	1	895
Hanam Marbling City Development	Korea	December	44.0	1,856	2,501	2,501	3,038
Pyeongsung Industry Co., Ltd.	Korea	December	27.0	1,139	677	1	690
Yangju Development PFV Co, Ltd	Korea	December	22.0	928	(2,633)	1	1
Ganghwa Tidal Power Plant Co., Ltd.	Korea	December	46.0	19	18	18	18
Chonmasan Tunnel Co.	Korea	December	36.0	8,199	(792)	1	843
Harbor City Development Co., Ltd.	Korea	December	29.9	1,513	(8,686)	1	1
Incheon Airport Yeongjong REIT Co., Ltd.	Korea	December	24.1	20,565	18,560	9,136	14,044
Pocheon IPP Co., Ltd. ¹	Korea	December	-	-	-	-	1
Changwon Innovation Industrial Development Co., Ltd. PFV	Korea	December	29.0	1,223	(2,439)	1	1
Gyeongsan Knowledge Industry Development Co., Ltd.	Korea	December	29.0	1,223	(264)	1	1
Skyland Co., Ltd.	Korea	December	25.0	1	334	1	1
Jinwi 3 Industrial Complex Development Inc.	Korea	December	20.0	844	651	1	1
Kyungnam Masan Robotland Co., Ltd.	Korea	December	25.0	774	(9,793)	1	1
UI trans LRT Co.	Korea	December	20.3	17,303	(17,990)	1	1
GreenJC Co.	Korea	December	21.4	1,489	1,031	1	1
Eunpyeong new road Corp.	Korea	December	33.0	1,100	(70)	1	1
GWIC Co., Ltd.	Korea	December	20.0	51	(1,149)	1	1
Tangjeong Technopark Co., Ltd.	Korea	December	20.0	337	(6,952)	1	1
Together Investment Management Co., Ltd.	Korea	December	37.1	2,193	2,156	2,156	1,739
JR Qualified Investor Private Placement Real Estate Fund Investment Trust No.22	Korea	December	35.2	33,653	35,359	25,215	23,509
SUWON Youth Housing Daewoo K1 No.9 Reits	Korea	December	20.2	4,891	4,739	3,247	4,573
Master No.83 Cheongryang PFV Co., Ltd.,	Korea	December	30.3	1,277	1,268	1,268	1,264
Daechi 176 PFV Co., Ltd.	Korea	December	33.3	1,687	(806)	1	1,474
Zayang 5 PFV Co., Ltd	Korea	December	30.0	1,265	793	762	1,235
Humax EV Co., Ltd. ⁴	Korea	December	10.0	1,212	(16)	792	1,161
Songsan Industrial Complex Development Inc.	Korea	December	20.9	1	(607)	1	1
Wonju Green Co., Ltd. ²	Korea	December	24.5	519	1,210	519	-
ITRO Co., Ltd. ^{3,4}	Korea	December	15.0	380	195	409	-
Daegu Dong-gu Complex No.1 Co., Ltd. ³	Korea	December	29.0	1,223	1,223	1,223	-
Banpo Central No.1 Co., Ltd. ^{3,5}	Korea	December	52.9	3,796	1,663	2,184	-
Gulup Wind Power Development Corp. ^{3,4}	Korea	December	6.7	1,687	1,687	1,687	-
				<u>177,744</u>	<u>80,186</u>	<u>102,581</u>	<u>94,164</u>
Investments not accounted for under the equity method ⁶							
DW POWER(INDIA) LTD. ⁷	India	December	69.5	2,058	-	1	1
Gyeongang Rivercity AMC Co., Ltd.	Korea	December	40.0	17	30	17	17
Hanam Marbling City Co., Ltd	Korea	December	44.0	37	52	37	37

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	Location	Year end	Percentage of ownership (%)	2021		2020	
				Acquisition	Net asset	Book	Book
				cost	value	amount	amount
Skyland Asset Management Co., Ltd.	Korea	December	25.0	11	(31)	11	11
Cheongju Technopolis Asset Management Co., Ltd.	Korea	December	35.0	89	105	89	89
S-ACC Co., Ltd.	Korea	December	27.3	253	-	1	1
Pyeongsung Industrial Asset Management ⁷	Korea	December	70.0	59	51	1	59
Gyeongnam Masan Robot Land Asset Management Co., Ltd.	Korea	December	25.0	46	35	46	46
Changwon Innovation Industrial Development Asset Management Co., Ltd. ⁷	Korea	December	80.0	202	203	202	202
Pungmoo Station Area development asset management Co.	Korea	December	41.0	35	55	35	35
Gochon Development AMC Co, Ltd	Korea	December	49.0	41	59	41	41
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	26,340	-	1	1
DW ARABIA LTD. ⁷	Saudi Arabia	December	60.0	-	-	-	-
DW NIGERIA LTD. ⁷	Nigeria	December	90.0	105	-	103	103
DAEWOO-HANEL CORP ⁷	Vietnam	December	60.0	-	-	-	-
DAEWOO E & C IRAN ⁷	Iran	December	100.0	-	-	-	-
V-CITY 21 JOINT STOCK COMPANY	Vietnam	December	40.0	40	-	1	1
Daewoo E&C LLC ⁷	Oman	December	70.0	430	-	1	1
				29,764	559	588	646
Total				\$ 207,508	\$ 80,745	\$ 103,169	\$ 94,810

¹ It has been sold and liquidated, therefore, excluded from the investments in associates during 2021.

² It is reclassified from debt instruments at fair value through profit or loss to investments in associates during 2021.

³ It is newly acquired during 2021.

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 Although the Group's ownership is more than 50%, it is classified to investments in associates since the Group does not have substantive power over the entity.

⁶ 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 at December 31, 2021 or recent financial statements.

⁷ 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

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the financial statements of the Group is not significant.

15.2 Changes in the investments in associates for the years ended December 31, 2021 and 2020, are as follows:

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

	2021		2020	
Beginning Balance	₩	112,397	₩	96,859
Acquisition		6,400		50,316
Disposal		-		(1,277)
Reclassification ¹		2,614		2,001
Share of income (loss)		(18,285)		(9,143)
Impairment loss		(69)		-
Share of other comprehensive income (loss)		19,730		(26,285)
Dividends		(480)		(74)
Ending Balance	₩	122,307	₩	112,397

¹ Reclassification of investments in associates:

<i>(in millions of Korean won)</i>	2021		2020		Remark
Banpo Central No.1 Co., Ltd. and others	₩	2,614	₩	2,001	Reclassification from short-term loans

<i>(in thousands of US dollars (Note 4))</i>	2021		2020		Remark
Banpo Central No.1 Co., Ltd. and others	\$	2,205	\$	1,688	Reclassification from short-term loans

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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, 2021 and 2020, are as follows:

(in millions of Korean won)

	2021						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.	₩ 27,954	₩ -	₩ 3,432	₩ 3,404	₩ -	₩ -	₩ 34,790
KDS Hydro Pte.Ltd	18,292	-	(4,898)	12,528	-	-	25,922
DINAMICO CONST,INC	778	-	(612)	111	-	-	277
Yulchon 2 Industrial Complex Development Inc.	1	-	-	-	-	-	1
Dongtan 2 Daewoo Corporation Real Estate Investment Company	1,061	-	(1,060)	-	-	-	1
Hanam Marbling City Development	3,602	-	(157)	-	(480)	-	2,965
Pyeongsung Industry Co., Ltd.	818	-	(817)	-	-	-	1
Yangju Development PFV Co, Ltd	1	-	-	-	-	-	1
Ganghwa Tidal Power Plant Co., Ltd.	21	-	-	-	-	-	21
Chonmasan Tunnel Co.	1,000	-	(999)	-	-	-	1
Harbor City Development Co., Ltd.	1	-	-	-	-	-	1
Incheon Airport Yeongjong REIT Co., Ltd.	16,649	-	(5,818)	-	-	-	10,831
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.	1	-	-	-	-	-	1
Together Investment Management Co., Ltd.	2,062	-	494	-	-	-	2,556
JR Qualified Investor Private Placement Real Estate Fund Investment Trust No.22	27,871	-	(1,693)	3,715	-	-	29,893
SUWON Youth Housing Daewoo K1 No.9 Reits	5,422	-	(1,571)	-	-	-	3,851
Mastern No.83 Cheongryang PFV Co., Ltd.,	1,498	-	5	-	-	-	1,503
Daechi 176 PFV Co., Ltd	1,748	-	(1,734)	(13)	-	-	1

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	2021						
	Beginning balance	Acquisition (disposal)	Share of profit or loss of associates	Share of other comprehensive income of associates	Dividends	Impairment loss	Ending balance
Zayang 5 PFV Co., Ltd	1,464	-	(561)	-	-	-	903
Humax EV Co., Ltd	1,376	-	(439)	4	-	-	941
Songsan Industrial Complex Development Inc.	1	-	-	-	-	-	1
WONJU GREEN CORP.	-	615	-	-	-	-	615
ITRO Co., Ltd.	-	450	35	-	-	-	485
Daegu Dong-gu Complex No.1 Co., Ltd.	-	1,450	-	-	-	-	1,450
Banpo Central No.1 Co., Ltd.	-	4,500	(1,892)	(19)	-	-	2,589
Gulup Wind Power Development Corp.	-	2,000	-	-	-	-	2,000
	<u>111,631</u>	<u>9,014</u>	<u>(18,285)</u>	<u>19,730</u>	<u>(480)</u>	<u>-</u>	<u>121,610</u>
Investments not accounted for under the equity method							
DW POWER(INDIA) LTD.	1	-	-	-	-	-	1
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	-	-	-	-	(69)	1
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
DW ARABIA LTD.	-	-	-	-	-	-	-
DW NIGERIA LTD.	123	-	-	-	-	-	123
DAEWOO-HANEL CORP	-	-	-	-	-	-	-
DAEWOO E & C IRAN	-	-	-	-	-	-	-
V-CITY 21 JOINT STOCK COMPANY	1	-	-	-	-	-	1
Daewoo E&C LLC	1	-	-	-	-	-	1
	<u>766</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(69)</u>	<u>697</u>
Total	<u>₩ 112,397</u>	<u>₩ 9,014</u>	<u>₩ (18,285)</u>	<u>₩ 19,730</u>	<u>₩ (480)</u>	<u>₩ (69)</u>	<u>₩ 122,307</u>

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	2021						
	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.	\$ 23,580	\$ -	\$ 2,895	\$ 2,871	\$ -	\$ -	\$ 29,346
KDS Hydro Pte.Ltd	15,430	-	(4,132)	10,568	-	-	21,866
DINAMICO CONST,INC	656	-	(516)	94	-	-	234
Yulchon 2 Industrial Complex Development Inc.	1	-	-	-	-	-	1
Dongtan 2 Daewoo Corporation Real Estate Investment Company	895	-	(894)	-	-	-	1
Hanam Marbling City Development	3,038	-	(131)	-	(406)	-	2,501
Pyeongsung Industry Co., Ltd.	690	-	(689)	-	-	-	1
Yangju Development PFV Co, Ltd	1	-	-	-	-	-	1
Ganghwa Tidal Power Plant Co., Ltd.	18	-	-	-	-	-	18
Chonmasan Tunnel Co.	843	-	(842)	-	-	-	1
Harbor City Development Co., Ltd.	1	-	-	-	-	-	1
Incheon Airport Yeongjong REIT Co., Ltd.	14,044	-	(4,908)	-	-	-	9,136
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
Tangjeong Technopark Co., Ltd.	1	-	-	-	-	-	1
Together Investment Management Co., Ltd.	1,739	-	417	-	-	-	2,156
JR Qualified Investor Private Placement Real Estate Fund Investment Trust No.22	23,509	-	(1,428)	3,134	-	-	25,215
SUWON Youth Housing Daewoo K1 No.9 Reits	4,573	-	(1,326)	-	-	-	3,247
Mastern No.83 Cheongryang PFV Co., Ltd.,	1,264	-	4	-	-	-	1,268
Daechi 176 PFV Co., Ltd	1,474	-	(1,462)	(11)	-	-	1
Zayang 5 PFV Co., Ltd	1,235	-	(473)	-	-	-	762
Humax EV Co., Ltd	1,161	-	(371)	2	-	-	792

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	2021						Ending balance
	Beginning balance	Acquisition (disposal)	Share of profit or loss of associates	Share of other comprehensive income of associates	Dividends	Impairment loss	
Songsan Industrial Complex Development Inc.	1	-	-	-	-	-	1
WONJU GREEN CORP.	-	519	-	-	-	-	519
ITRO Co., Ltd.	-	380	29	-	-	-	409
Daegu Dong-gu Complex No.1 Co., Ltd.	-	1,223	-	-	-	-	1,223
Banpo Central No.1 Co., Ltd.	-	3,796	(1,597)	(15)	-	-	2,184
Gulup Wind Power Development Corp.	-	1,687	-	-	-	-	1,687
	<u>94,164</u>	<u>7,604</u>	<u>(15,424)</u>	<u>16,643</u>	<u>(406)</u>	<u>-</u>	<u>102,581</u>
Investments not accounted for under the equity method							
DW POWER(INDIA) LTD.	1	-	-	-	-	-	1
Gyeongang Rivercity AMC Co., Ltd.	17	-	-	-	-	-	17
Hanam Marbling City Co., Ltd	37	-	-	-	-	-	37
Skyland Asset Management Co., Ltd.	11	-	-	-	-	-	11
Cheongju Technopolis Asset Management Co., Ltd.	89	-	-	-	-	-	89
S-ACC Co., Ltd.	1	-	-	-	-	-	1
Pyeongsung Industrial Asset Management	59	-	-	-	-	(58)	1
Gyeongnam Masan Robot Land Asset Management Co., Ltd.	46	-	-	-	-	-	46
Changwon Innovation Industrial Development Asset Management Co., Ltd.	202	-	-	-	-	-	202
Pungmoo Station Area development asset management Co.	35	-	-	-	-	-	35
Gochon Development AMC Co., Ltd	41	-	-	-	-	-	41
UNION DW ENG & CON LTD.	-	-	-	-	-	-	-
MEGAWORLD-DW CO.	1	-	-	-	-	-	1
GULF ENG.CONST. & CONTRACT	1	-	-	-	-	-	1
DW ARABIA LTD.	-	-	-	-	-	-	-
DW NIGERIA LTD.	103	-	-	-	-	-	103
DAEWOO-HANEL CORP	-	-	-	-	-	-	-
DAEWOO E & C IRAN	-	-	-	-	-	-	-
V-CITY 21 JOINT STOCK COMPANY	1	-	-	-	-	-	1
Daewoo E&C LLC	1	-	-	-	-	-	1
	<u>646</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(58)</u>	<u>588</u>
Total	<u>\$ 94,810</u>	<u>\$ 7,604</u>	<u>\$ (15,424)</u>	<u>\$ 16,643</u>	<u>\$ (406)</u>	<u>\$ (58)</u>	<u>\$ 103,169</u>

¹ Equity method was applied using provisional financial statements on some of investments. The

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reliability of provisional financial statements was reviewed by the Group's management.

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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
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
Tangjeong 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
Mastern No.83 Cheongryang PFV Co., Ltd.,	-	1,514	(16)	-	-	-	1,498

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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
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
DW ARABIA LTD.	-	-	-	-	-	-	-
DW NIGERIA LTD.	1	122	-	-	-	-	123
DAEWOO-HANEL 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>

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries
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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
Investments accounted for under the equity method¹							
BEIJING LUFTHANSA CENTER CO.	\$ 21,193	\$ -	\$ 2,283	\$ 104	\$ -	\$ -	\$ 23,580
KDS Hydro Pte.Ltd	26,566	-	11,140	(22,276)	-	-	15,430
DINAMICO CONST,INC	25	-	662	(31)	-	-	656
Yulchon 2 Industrial Complex Development Inc.	1	-	-	-	-	-	1
Dongtan 2 Daewoo Corporation Real Estate Investment Company	3,809	-	(2,914)	-	-	-	895
Hanam Marbling City Development	2,504	-	597	-	(63)	-	3,038
Pyeongsung Industry Co., Ltd.	763	-	(73)	-	-	-	690
Yangju Development PFV Co, Ltd	1	-	-	-	-	-	1
Ganghwa Tidal Power Plant Co., Ltd.	18	-	-	-	-	-	18
Bugok Environment Co., Ltd.	859	(848)	(11)	-	-	-	-
Chonmasan Tunnel Co.	3,229	-	(2,386)	-	-	-	843
Sahwa City Development Co., Ltd.	61	(228)	167	-	-	-	-
Harbor City Development Co., Ltd.	1	-	-	-	-	-	1
Incheon Airport Yeongjong REIT Co., Ltd.	19,631	-	(5,587)	-	-	-	14,044
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.	337	-	(336)	-	-	-	1
Together Investment Management Co., Ltd.	2,193	-	(454)	-	-	-	1,739
JR Qualified Investor Private Placement Real Estate Fund Investment Trust No.22	-	33,653	(10,144)	-	-	-	23,509
SUWON Youth Housing Daewoo K1 No.9 Reits	-	4,891	(292)	(26)	-	-	4,573
Mastern No.83 Cheongryang PFV Co., Ltd.,	-	1,277	(13)	-	-	-	1,264
Daechi 176 PFV Co., Ltd	-	1,687	(213)	-	-	-	1,474
Zayang 5 PFV Co., Ltd	-	1,265	(30)	-	-	-	1,235

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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	-	1,212	(108)	57	-	-	1,161
Songsan Industrial Complex Development Inc.	-	1	-	-	-	-	1
	<u>81,201</u>	<u>42,910</u>	<u>(7,712)</u>	<u>(22,172)</u>	<u>(63)</u>	<u>-</u>	<u>94,164</u>
Investments not accounted for under the equity method							
DW POWER(INDIA) LTD.	1	-	-	-	-	-	1
Tecnicas Reunidas Daewoo LCC	-	-	-	-	-	-	-
Gyeongang Rivercity AMC Co., Ltd.	17	-	-	-	-	-	17
Hanam Marbling City Co., Ltd	37	-	-	-	-	-	37
Skyland Asset Management Co., Ltd.	11	-	-	-	-	-	11
Cheongju Technopolis Asset Management Co., Ltd.	89	-	-	-	-	-	89
S-ACC Co., Ltd.	1	-	-	-	-	-	1
Pyeongsung Industrial Asset Management	59	-	-	-	-	-	59
Gyeongnam Masan Robot Land Asset Management Co., Ltd.	46	-	-	-	-	-	46
Changwon Innovation Industrial Development Asset Management Co., Ltd.	202	-	-	-	-	-	202
Pungmoo Station Area development asset management Co.	35	-	-	-	-	-	35
Gochon Development AMC Co., Ltd	-	41	-	-	-	-	41
UNION DW ENG & CON LTD.	-	-	-	-	-	-	-
MEGAWORLD-DW CO.	1	-	-	-	-	-	1
GULF ENG.CONST. & CONTRACT	1	-	-	-	-	-	1
DW ARABIA LTD.	-	-	-	-	-	-	-
DW NIGERIA LTD.	-	103	-	-	-	-	103
DAEWOO-HANEL CORP	-	-	-	-	-	-	-
DAEWOO E & C IRAN	-	-	-	-	-	-	-
V-CITY 21 JOINT STOCK COMPANY	1	-	-	-	-	-	1
Daewoo E&C LLC	1	-	-	-	-	-	1
	<u>502</u>	<u>144</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>646</u>
Total	<u>\$ 81,703</u>	<u>\$ 43,054</u>	<u>\$ (7,712)</u>	<u>\$ (22,172)</u>	<u>\$ (63)</u>	<u>\$ -</u>	<u>\$ 94,810</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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15.4 Summarized information of investees accounted for under the equity method as at and for the years ended December 31, 2021 and 2020, are as follows:

(in millions of Korean won)

	2021									
	Assets		Liabilities		Sales	Profit (loss) for the year	Comprehensive income (loss)			
BEIJING LUFTHANSA CENTER CO.	₩	164,472	₩	25,313	₩	72,439	₩	14,268	₩	27,883
KDS Hydro Pte.Ltd		452,592		322,983		8,798		14,894		77,533
DINAMICO CONST,INC		1,405		712		1,583		(476)		(198)
Yulchon 2 Industrial Complex Development Inc.		55		-		-		(5)		(5)
Dongtan 2 Daewoo Corporation Real Estate Investment Company		369,183		342,103		2,468		(8,676)		(8,676)
Hanam Marbling City Development		9,448		2,709		2,609		(96)		(96)
Pyeongsung Industry Co., Ltd.		3,182		211		-		(97)		(97)
Yangju Development PFV Co, Ltd		267,651		281,837		17,225		(616)		(616)
Ganghwa Tidal Power Plant Co., Ltd.		45		-		-		-		-
Chonmasan Tunnel Co.		159,250		161,857		9,843		(7,091)		(7,091)
Harbor City Development Co., Ltd.		338,799		373,236		-		(11,111)		(11,111)
Incheon Airport Yeongjong REIT Co., Ltd.		467,423		375,974		2,083		(8,139)		(8,139)
Changwon Innovation Industrial Development Co., Ltd. PFV		191,484		201,455		39,168		(4,092)		(4,092)
Gyeongsan Knowledge Industry Development Co., Ltd.		206,858		207,938		31,295		(15,737)		(15,737)
Skyland Co., Ltd.		28,363		26,778		154		7,184		7,184
Jinwi 3 Industrial Complex Development Inc.		53,600		49,742		-		(1,177)		(1,177)
Kyungnam Masan Robotland Co., Ltd.		87,782		134,220		-		(17,307)		(17,307)
UI trans LRT Co.		350,778		455,786		29,622		(20,343)		(20,343)
GreenJC Co.		55,600		49,889		2,889		(321)		(321)
Eunpyeong new road Corp.		68		319		-		(19)		(19)
GWIC Co., Ltd.		69,081		75,892		27,340		3,090		3,090
Tangjeong Technopark Co., Ltd.		170,543		211,755		-		(9,354)		(9,354)
Together Investment Management Co., Ltd.		7,010		127		3,580		1,351		1,351
JR Qualified Investor Private Placement Real Estate Fund Investment Trust No.22		124,665		5,581		-		(1,680)		8,873
SUWON Youth Housing Daewoo K1 No.9 Reits		103,130		75,320		-		(419)		(419)
Mastern No.83 Cheongryang PFV Co., Ltd		45,554		40,595		1,973		24		24
Daechi 176 PFV Co., Ltd.		64,859		67,728		-		(8,179)		(8,179)
Zayang 5 PFV Co., Ltd		140,760		137,626		152		(1,743)		(1,743)
Humax EV Co., Ltd		11,168		11,363		865		(4,079)		(4,036)
Songsan Industrial Complex Development Inc.		136,474		139,923		12,798		(1,538)		(1,538)
WONJU GREEN CORP.		28,264		22,401		14,095		(221)		(221)
ITRO Co., Ltd.		3,061		1,521		2,490		233		233
Daegu Dong-gu Complex No.1 Co., Ltd.		5,000		-		-		-		-
Banpo Central No.1 Co., Ltd.		83,152		79,427		723		(4,728)		(4,764)
Gulup Wind Power Development Corp.		30,000		-		-		-		-

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	2021				
	Assets	Liabilities	Sales	Profit (loss) for the year	Comprehensive income (loss)
BEIJING LUFTHANSA CENTER CO.	\$ 138,736	\$ 21,352	\$ 61,104	\$ 12,035	\$ 23,520
KDS Hydro Pte.Ltd	381,773	272,445	7,421	12,563	65,401
DINAMICO CONST,INC	1,185	601	1,335	(402)	(167)
Yulchon 2 Industrial Complex Development Inc.	46	-	-	(4)	(4)
Dongtan 2 Daewoo Corporation Real Estate Investment Company	311,415	288,573	2,082	(7,318)	(7,318)
Hanam Marbling City Development	7,970	2,285	2,201	(81)	(81)
Pyeongsung Industry Co., Ltd.	2,684	178	-	(82)	(82)
Yangju Development PFV Co, Ltd	225,771	237,737	14,530	(520)	(520)
Ganghwa Tidal Power Plant Co., Ltd.	38	-	-	-	-
Chonmasan Tunnel Co.	134,332	136,531	8,303	(5,981)	(5,981)
Harbor City Development Co., Ltd.	285,786	314,834	-	(9,372)	(9,372)
Incheon Airport Yeongjong REIT Co., Ltd.	394,283	317,144	1,757	(6,865)	(6,865)
Changwon Innovation Industrial Development Co., Ltd. PFV	161,522	169,933	33,039	(3,452)	(3,452)
Gyeongsan Knowledge Industry Development Co., Ltd.	174,490	175,401	26,398	(13,275)	(13,275)
Skyland Co., Ltd.	23,925	22,588	130	6,060	6,060
Jinwi 3 Industrial Complex Development Inc.	45,213	41,959	-	(993)	(993)
Kyungnam Masan Robotland Co., Ltd.	74,046	113,218	-	(14,599)	(14,599)
UI trans LRT Co.	295,890	384,467	24,987	(17,160)	(17,160)
GreenJC Co.	46,900	42,083	2,437	(271)	(271)
Eunpyeong new road Corp.	57	269	-	(16)	(16)
GWIC Co., Ltd.	58,272	64,017	23,062	2,606	2,606
Tangjeong Technopark Co., Ltd.	143,857	178,621	-	(7,890)	(7,890)
Together Investment Management Co., Ltd.	5,913	107	3,020	1,140	1,140
JR Qualified Investor Private Placement Real Estate Fund Investment Trust No.22	105,158	4,708	-	(1,417)	7,485
SUWON Youth Housing Daewoo K1 No.9 Reits	86,993	63,534	-	(353)	(353)
Mastern No.83 Cheongryang PFV Co., Ltd	38,426	34,243	1,664	20	20
Daechi 176 PFV Co., Ltd.	54,710	57,130	-	(6,899)	(6,899)
Zayang 5 PFV Co., Ltd	118,735	116,091	128	(1,470)	(1,470)
Humax EV Co., Ltd	9,420	9,585	730	(3,441)	(3,404)
Songsan Industrial Complex Development Inc.	115,119	118,029	10,795	(1,297)	(1,297)
WONJU GREEN CORP.	23,841	18,896	11,889	(186)	(186)
ITRO Co., Ltd.	2,582	1,283	2,100	197	197
Daegu Dong-gu Complex No.1 Co., Ltd.	4,218	-	-	-	-
Banpo Central No.1 Co., Ltd.	70,141	66,999	610	(3,988)	(4,019)
Gulup Wind Power Development Corp.	25,306	-	-	-	-

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	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.	\$ 116,314	\$ 21,997	\$ 54,008	\$ 9,134	\$ 9,548	
KDS Hydro Pte.Ltd	344,586	267,437	9,435	132,882	21,501	
DINAMICO CONST,INC	5,724	4,083	23,900	1,657	1,578	
Yulchon 2 Industrial Complex Development Inc.	54	-	-	(4)	(4)	
Dongtan 2 Daewoo Corporation Real Estate Investment Company	336,073	305,988	940	(10,402)	(10,402)	
Hanam Marbling City Development	10,634	3,727	16,430	1,233	1,233	
Pyeongsung Industry Co., Ltd.	2,701	144	-	(269)	(269)	
Yangju Development PFV Co, Ltd	188,468	213,768	-	(19,314)	(19,314)	
Ganghwa Tidal Power Plant Co., Ltd.	38	-	-	-	-	
Chonmasan Tunnel Co.	138,845	136,484	7,485	(8,792)	(8,792)	
Harbor City Development Co., Ltd.	207,455	226,391	-	(6,515)	(6,515)	
Incheon Airport Yeongjong REIT Co., Ltd.	280,034	196,030	-	(801)	(801)	
Pocheon IPP Co., Ltd.	786,504	755,811	276,740	(43,998)	(43,998)	
Changwon Innovation Industrial Development Co., Ltd. PFV	190,795	197,323	-	(2,282)	(2,282)	
Gyeongsan Knowledge Industry Development Co., Ltd.	187,142	171,698	67,096	(11,501)	(11,501)	
Skyland Co., Ltd.	19,416	24,422	3	(426)	(426)	
Jinwi 3 Industrial Complex Development Inc.	75,180	71,995	-	(940)	(940)	
Kyungnam Masan Robotland Co., Ltd.	76,817	88,795	111	(5,640)	(5,640)	
UI trans LRT Co.	315,181	386,598	11,289	(26,819)	(26,819)	
GreenJC Co.	50,074	44,986	2,526	(288)	(288)	
Eunpyeong new road Corp.	62	258	-	(17)	(17)	
GWIC Co., Ltd.	58,749	59,307	29,122	4,240	4,240	
Tangjeong Technopark Co., Ltd.	85,361	105,525	-	(7,979)	(7,979)	
Together Investment Management Co., Ltd.	4,745	62	386	(994)	(994)	
JR Qualified Investor Private Placement Real Estate Fund Investment Trust No.22	95,606	-	-	(217)	(217)	
SUWON Youth Housing Daewoo K1 No.9 Reits	51,232	27,414	-	(267)	(391)	
Mastern No.83 Cheongryang PFV Co., Ltd	34,360	30,186	692	(44)	(44)	
Daechi 176 PFV Co., Ltd.	53,717	49,295	-	(638)	(638)	
Zayang 5 PFV Co., Ltd	123,017	118,902	100	(102)	(102)	
Humax EV Co., Ltd	4,543	1,044	1	(1,376)	(808)	
Songsan Industrial Complex Development Inc.	129,390	129,729	14,895	(2,548)	(2,548)	

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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, 2021 and 2020, are as follows:

(in millions of Korean won)

	2021					
	Net assets at the end of the year		Group's share	Book amount	Eliminated transactions of intercompany transactions	Book amount
	(a)	(b)	(c=a*b)	(d)	(c-d)	
BEIJING LUFTHANSA CENTER CO.	₩ 139,159	25.0%	₩ 34,790	₩ -	₩ 34,790	
KDS Hydro Pte.Ltd	129,609	20.0%	25,922	-	25,922	
DINAMICO CONST,INC	693	40.0%	277	-	277	
Yulchon 2 Industrial Complex Development Inc.	55	40.0%	22	21	1	
Dongtan 2 Daewoo Corporation Real Estate Investment Company	27,080	30.0%	8,124	8,123	1	
Hanam Marbling City Development	6,739	44.0%	2,965	-	2,965	
Pyeongsung Industry Co., Ltd.	2,971	27.0%	802	801	1	
Yangju Development PFV Co, Ltd	(14,186)	22.0%	-	(1)	1	
Ganghwa Tidal Power Plant Co., Ltd.	45	46.0%	21	-	21	
Chonmasan Tunnel Co.	(2,607)	36.0%	-	(1)	1	
Harbor City Development Co., Ltd.	(34,437)	29.9%	-	(1)	1	
Incheon Airport Yeongjong REIT Co., Ltd.	91,449	24.1%	22,003	11,172	10,831	
Changwon Innovation Industrial Development Co., Ltd. PFV	(9,971)	29.0%	-	(1)	1	
Gyeongsan Knowledge Industry Development Co., Ltd.	(1,080)	29.0%	-	(1)	1	
Skyland Co., Ltd.	1,585	25.0%	396	395	1	
Jinwi 3 Industrial Complex Development Inc.	3,858	20.0%	772	771	1	
Kyungnam Masan Robotland Co., Ltd.	(46,438)	25.0%	-	(1)	1	
UI trans LRT Co.	(105,008)	20.3%	-	(1)	1	
GreenJC Co.	5,711	21.4%	1,222	1,221	1	
Eunpyeong new road Corp.	(251)	33.0%	-	(1)	1	
GWIC Co., Ltd.	(6,811)	20.0%	-	(1)	1	
Tangjeong Technopark Co., Ltd.	(41,212)	20.0%	-	(1)	1	
Together Investment Management Co., Ltd.	6,883	37.1%	2,556	-	2,556	
JR Qualified Investor Private Placement Real Estate Fund Investment Trust No.22	119,085	35.2%	41,918	12,025	29,893	
SUWON Youth Housing Daewoo K1 No.9 Reits	27,810	20.2%	5,618	1,767	3,851	
Mastern No.83 Cheongryang PFV Co., Ltd	4,959	30.3%	1,503	-	1,503	
Daechi 176 PFV Co., Ltd.	(2,869)	33.3%	-	(1)	1	
Zayang 5 PFV Co., Ltd	3,134	30.0%	940	37	903	
Humax EV Co., Ltd	(195)	10.0%	-	(941)	941	

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(in millions of Korean won)

	2021				
	Net assets at	Group's share	Book amount	Eliminated	Book amount
	the end of the				
year	in %	(c=a*b)	intercompany	transactions of	(c-d)
(a)	(b)		(d)		
Songsan Industrial Complex Development Inc.	(3,449)	20.9%	-	(1)	1
WONJU GREEN CORP.	5,863	24.5%	1,434	819	615
ITRO Co., Ltd.	1,540	15.0%	231	(254)	485
Daegu Dong-gu Complex No.1 Co., Ltd.	5,000	29.0%	1,450	-	1,450
Banpo Central No.1 Co., Ltd.	3,725	52.9%	1,971	(618)	2,589
Gulup Wind Power Development Corp.	30,000	6.7%	2,000	-	2,000

(in thousands of US dollars (Note 4))

	2021				
	Net assets at	Group's share	Book amount	Eliminated	Book amount
	the end of the				
year	in %	(c=a*b)	intercompany	transactions of	(c-d)
(a)	(b)		(d)		
BEIJING LUFTHANSA CENTER CO.	\$ 117,384	25.0%	\$ 29,346	\$ -	\$ 29,346
KDS Hydro Pte.Ltd	109,329	20.0%	21,866	-	21,866
DINAMICO CONST,INC	585	40.0%	234	-	234
Yulchon 2 Industrial Complex Development Inc.	46	40.0%	19	18	1
Dongtan 2 Daewoo Corporation Real Estate Investment Company	22,843	30.0%	6,853	6,852	1
Hanam Marbling City Development	5,685	44.0%	2,501	-	2,501
Pyeongsung Industry Co., Ltd.	2,506	27.0%	677	676	1
Yangju Development PFV Co, Ltd	(11,966)	22.0%	-	(1)	1
Ganghwa Tidal Power Plant Co., Ltd.	38	46.0%	18	-	18
Chonmasan Tunnel Co.	(2,199)	36.0%	-	(1)	1
Harbor City Development Co., Ltd.	(29,049)	29.9%	-	(1)	1
Incheon Airport Yeongjong REIT Co., Ltd.	77,140	24.1%	18,560	9,424	9,136
Changwon Innovation Industrial Development Co., Ltd. PFV	(8,411)	29.0%	-	(1)	1
Gyeongsan Knowledge Industry Development Co., Ltd.	(911)	29.0%	-	(1)	1
Skyland Co., Ltd.	1,337	25.0%	334	333	1
Jinwi 3 Industrial Complex Development Inc.	3,254	20.0%	651	650	1
Kyungnam Masan Robotland Co., Ltd.	(39,172)	25.0%	-	(1)	1
UI trans LRT Co.	(88,577)	20.3%	-	(1)	1
GreenJC Co.	4,817	21.4%	1,031	1,030	1
Eunpyeong new road Corp.	(212)	33.0%	-	(1)	1
GWIC Co., Ltd.	(5,745)	20.0%	-	(1)	1
Tangjeong Technopark Co., Ltd.	(34,763)	20.0%	-	(1)	1

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	2021				
	Net assets at	Group's share	Eliminated		Book amount
	the end of the	in %	Book amount	transactions of	Book amount
	year	(b)	(c=a*b)	intercompany	(c-d)
	(a)			transactions (d)	
Together Investment Management Co., Ltd.	5,806	37.1%	2,156	-	2,156
JR Qualified Investor Private Placement Real Estate Fund Investment Trust No.22	100,451	35.2%	35,359	10,143	25,216
SUWON Youth Housing Daewoo K1 No.9 Reits	23,458	20.2%	4,739	1,491	3,248
Mastern No.83 Cheongryang PFV Co., Ltd	4,183	30.3%	1,268	-	1,268
Daechi 176 PFV Co., Ltd.	(2,420)	33.3%	-	(1)	1
Zayang 5 PFV Co., Ltd	2,644	30.0%	793	31	762
Humax EV Co., Ltd	(164)	10.0%	-	(794)	794
Songsan Industrial Complex Development Inc.	(2,909)	20.9%	-	(1)	1
WONJU GREEN CORP.	4,946	24.5%	1,210	691	519
ITRO Co., Ltd.	1,299	15.0%	195	(214)	409
Daegu Dong-gu Complex No.1 Co., Ltd.	4,218	29.0%	1,223	-	1,223
Banpo Central No.1 Co., Ltd.	3,142	52.9%	1,663	(521)	2,184
Gulup Wind Power Development Corp.	25,306	6.7%	1,687	-	1,687

(in millions of Korean won)

	2020				
	Net assets at	Group's share	Eliminated		Book amount
	the end of the	in %	Book amount	transactions of	Book amount
	year	(b)	(c=a*b)	intercompany	(c-d)
	(a)			transactions (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

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	2020				
	Net assets at	Group's share	Eliminated		
	the end of the		Book amount	transactions of	Book amount
year	in %	intercompany	Book amount	Book amount	
(a)	(b)	(c=a*b)	transactions (d)	(c-d)	
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
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	Group's share	Eliminated		
	the end of the		Book amount	transactions of	Book amount
year	in %	intercompany	Book amount	Book amount	
(a)	(b)	(c=a*b)	transactions (d)	(c-d)	
BEIJING LUFTHANSA CENTER CO.	\$ 94,317	25.0%	\$ 23,580	\$ -	\$ 23,580
KDS Hydro Pte.Ltd	77,149	20.0%	15,430	-	15,430
DINAMICO CONST,INC	1,642	40.0%	656	-	656
Yulchon 2 Industrial Complex Development Inc.	54	40.0%	22	21	1
Dongtan 2 Daewoo Corporation Real Estate Investment Company	30,085	30.0%	9,026	8,131	895
Hanam Marbling City Development	6,908	44.0%	3,039	1	3,038
Pyeongsung Industry Co., Ltd.	2,557	27.0%	690	-	690
Yangju Development PFV Co, Ltd	(25,300)	22.0%	-	(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)
Ganghwa Tidal Power Plant Co., Ltd.	38	46.0%	18	-	18
Chonmasan Tunnel Co.	2,361	36.0%	850	7	843
Harbor City Development Co., Ltd.	(18,936)	29.9%	-	(1)	1
Incheon Airport Yeongjong REIT Co., Ltd.	84,004	24.1%	20,212	6,168	14,044
Pocheon IPP Co., Ltd.	30,693	42.0%	12,900	12,899	1
Changwon Innovation Industrial Development Co., Ltd. PFV	(6,529)	29.0%	-	(1)	1
Gyeongsan Knowledge Industry Development Co., Ltd.	15,444	29.0%	4,479	4,478	1
Skyland Co., Ltd.	(5,005)	25.0%	-	(1)	1
Jinwi 3 Industrial Complex Development Inc.	3,185	20.0%	637	636	1
Kyungnam Masan Robotland Co., Ltd.	(11,978)	25.0%	-	(1)	1
UI trans LRT Co.	(71,417)	20.3%	-	(1)	1
GreenJC Co.	5,088	21.4%	1,089	1,088	1
Eunpyeong new road Corp.	(196)	33.0%	-	(1)	1
GWIC Co., Ltd.	(558)	20.0%	-	(1)	1
Tangjeong Technopark Co., Ltd.	(20,164)	20.0%	-	(1)	1
Together Investment Management Co., Ltd.	4,682	37.1%	1,739	-	1,739
JR Qualified Investor Private Placement Real Estate Fund Investment Trust No.22	95,606	35.2%	33,653	10,143	23,510
SUWON Youth Housing Daewoo K1 No.9 Reits	23,818	20.2%	4,811	238	4,574
Mastern No.83 Cheongryang PFV Co., Ltd	4,174	30.3%	1,264	1	1,263
Daechi 176 PFV Co., Ltd.	4,423	33.3%	1,474	(1)	1,475
Zayang 5 PFV Co., Ltd	4,116	30.0%	1,235	-	1,235
Humax EV Co., Ltd	3,499	10.0%	349	(811)	1,160
Songsan Industrial Complex Development Inc.	(339)	20.9%	-	(1)	1

Loss on investments in associates amounting to ₩ 21,546 million (equivalent to \$ 18,175 thousand) (accumulated loss: ₩ 70,122 million (equivalent to \$ 59,150 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, 2021 and 2020, are as follows:

(in millions of
Korean won)

	2021									
	Land	Buildings	Structures	Machinery	Ships	Vehicles	Tools	Equipment	Construction in progress	Total
Beginning balance	₩ 109,158	₩ 131,948	₩ 2,340	₩ 35,177	₩ 14,162	₩ 9,744	₩ 1,303	₩ 13,338	₩ 33,433	₩ 350,603
Acquisition	15,317	9,798	628	4,449	2,122	2,930	605	3,397	10,316	49,562
Disposal	-	(1)	(296)	(3,992)	(30)	(428)	(3)	(82)	-	(4,832)
Depreciation	-	(6,251)	(287)	(11,813)	(8,395)	(3,698)	(630)	(5,469)	-	(36,543)
Others ¹	-	5,252	(159)	(1,485)	828	(769)	62	216	1,245	5,190
Ending balance	₩ 124,475	₩ 140,746	₩ 2,226	₩ 22,336	₩ 8,687	₩ 7,779	₩ 1,337	₩ 11,400	₩ 44,994	₩ 363,980
Acquisition cost	₩ 133,172	₩ 241,065	₩ 10,690	₩ 218,214	₩ 98,396	₩ 77,558	₩ 14,985	₩ 55,076	₩ 70,785	₩ 919,941
Accumulated depreciation	-	(93,116)	(8,464)	(195,878)	(89,709)	(69,779)	(13,648)	(43,676)	-	(514,270)
Accumulated impairment	(8,697)	(7,203)	-	-	-	-	-	-	(25,791)	(41,691)

(in thousands of
US dollars
(Note 4))

	2021									
	Land	Buildings	Structures	Machinery	Ships	Vehicles	Tools	Equipment	Construction in progress	Total
Beginning balance	\$ 92,078	\$ 111,301	\$ 1,974	\$ 29,673	\$ 11,946	\$ 8,219	\$ 1,099	\$ 11,251	\$ 28,202	\$ 295,743
Acquisition	12,920	8,265	530	3,753	1,790	2,472	510	2,865	8,702	41,807
Disposal	-	(1)	(250)	(3,367)	(25)	(361)	(3)	(69)	-	(4,076)
Depreciation	-	(5,273)	(242)	(9,966)	(7,081)	(3,119)	(531)	(4,613)	-	(30,825)
Others ¹	-	4,431	(134)	(1,252)	698	(649)	52	182	1,050	4,378
Ending balance	\$ 104,998	\$ 118,723	\$ 1,878	\$ 18,841	\$ 7,328	\$ 6,562	\$ 1,127	\$ 9,616	\$ 37,954	\$ 307,027
Acquisition cost	\$ 112,334	\$ 203,345	\$ 9,017	\$ 184,069	\$ 83,000	\$ 65,422	\$ 12,640	\$ 46,458	\$ 59,709	\$ 775,994
Accumulated depreciation	-	(78,546)	(7,139)	(165,228)	(75,672)	(58,860)	(11,513)	(36,842)	-	(433,800)
Accumulated impairment	(7,336)	(6,076)	-	-	-	-	-	-	(21,755)	(35,167)

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

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	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	\$ 105,322	\$ 109,969	\$ 2,401	\$ 49,360	\$ 25,955	\$ 12,813	\$ 1,012	\$ 13,468	\$ 111,528	\$ 431,828
Acquisition	-	34	154	1,843	175	2,543	622	3,262	1,219	9,852
Disposal	(1,609)	(308)	(210)	(982)	(173)	(621)	-	(164)	-	(4,067)
Depreciation	-	(5,305)	(371)	(16,403)	(10,477)	(6,155)	(539)	(4,946)	-	(44,196)
Others ¹	(11,635)	6,911	-	(4,145)	(3,534)	(361)	4	(369)	(84,545)	(97,674)
Ending balance	\$ 92,078	\$ 111,301	\$ 1,974	\$ 29,673	\$ 11,946	\$ 8,219	\$ 1,099	\$ 11,251	\$ 28,202	\$ 295,743
Acquisition cost	\$ 99,414	\$ 187,719	\$ 9,030	\$ 206,189	\$ 74,859	\$ 74,173	\$ 14,689	\$ 44,496	\$ 48,805	\$ 759,374
Accumulated depreciation	-	(70,342)	(7,056)	(176,516)	(62,913)	(65,954)	(13,590)	(33,245)	-	(429,616)
Accumulated impairment	(7,336)	(6,076)	-	-	-	-	-	-	(20,603)	(34,015)

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, 2021 and 2020, are as follows:

(in millions of Korean won)

	2021				
	Usage rights	Membership rights	Goodwill	Software	Total
Beginning balance	₩ 71,363	₩ 15,100	₩ 542	₩ 10,141	₩ 97,146
Acquisition (disposal)	-	(815)	-	10,128	9,313
Impairment loss	(8,772)	-	-	-	(8,772)
Others ¹	3,533	356	-	384	4,273
Amortization	(2,562)	(100)	-	(5,930)	(8,592)
Ending balance	₩ 63,562	₩ 14,541	₩ 542	₩ 14,723	₩ 93,368
Acquisition cost	₩ 157,742	₩ 30,652	₩ 542	₩ 83,254	₩ 272,190
Accumulated depreciation	(68,647)	(6,253)	-	(68,531)	(143,431)
Accumulated impairment	(25,533)	(9,858)	-	-	(35,391)

(in thousands of US dollars
(Note 4))

	2021				
	Usage rights	Membership rights	Goodwill	Software	Total
Beginning balance	\$ 60,196	\$ 12,737	\$ 457	\$ 8,554	\$ 81,944
Acquisition (disposal)	-	(687)	-	8,543	7,856
Impairment loss	(7,399)	-	-	-	(7,399)
Others ¹	2,980	300	-	324	3,604
Amortization	(2,161)	(84)	-	(5,002)	(7,247)
Ending balance	\$ 53,616	\$ 12,266	\$ 457	\$ 12,419	\$ 78,758
Acquisition cost	\$ 133,059	\$ 25,856	\$ 457	\$ 70,227	\$ 229,599
Accumulated depreciation	(57,905)	(5,275)	-	(57,808)	(120,988)
Accumulated impairment	(21,538)	(8,315)	-	-	(29,853)

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

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	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
(Notes 4))

	2020									
	Usage rights		Membership rights		Goodwill	Software	Total			
Beginning balance	\$	38,731	\$	13,028	\$	457	\$	6,376	\$	58,592
Acquisition (disposal)		-		921		-		5,814		6,735
Impairment loss		(1,715)		-		-		-		(1,715)
Others ¹		25,077		(2)		-		450		25,525
Amortization		(1,897)		(1,210)		-		(4,086)		(7,193)
Ending balance	\$	60,196	\$	12,737	\$	457	\$	8,554	\$	81,944
Acquisition cost	\$	130,079	\$	26,243	\$	457	\$	61,360	\$	218,139
Accumulated depreciation		(55,744)		(5,190)		-		(52,806)		(113,740)
Accumulated impairment		(14,139)		(8,316)		-		-		(22,455)

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, 2021 and 2020, are as follows:

(in millions of Korean won)

	2021			2020								
	Rental property ²	Other property	Total	Rental property ²	Other property	Total						
Beginning balance	₩	366,104	₩	12,799	₩	378,903	₩	373,847	₩	12,799	₩	386,646
Acquisition		3,387		-		3,387		-		-		-
Disposal		(424)		(12,786)		(13,210)		(237)		-		(237)
Depreciation		(8,347)		-		(8,347)		(8,963)		-		(8,963)
Impairment loss		-		-		-		(14,878)		-		(14,878)
Reclassification ¹		(35,777)		-		(35,777)		16,335		-		16,335
Ending balance	₩	324,943	₩	13	₩	324,956	₩	366,104	₩	12,799	₩	378,903

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(in thousands of US dollars (Note 4))

	2021			2020		
	Rental property ²	Other property	Total	Rental property ²	Other property	Total
Beginning balance	\$ 308,818	\$ 10,797	\$ 319,615	\$ 315,350	\$ 10,797	\$ 326,147
Acquisition	2,857	-	2,857	-	-	-
Disposal	(358)	(10,785)	(11,143)	(200)	-	(200)
Depreciation	(7,041)	-	(7,041)	(7,561)	-	(7,561)
Impairment loss	-	-	-	(12,550)	-	(12,550)
Reclassification ¹	(30,179)	-	(30,179)	13,779	-	13,779
Ending balance	\$ 274,097	\$ 12	\$ 274,109	\$ 308,818	\$ 10,797	\$ 319,615

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

² As at December 31, 2021 and 2020, the Group (lessor) entered into a property lease contract, and minimum lease payments in relation to the contract are as follows. The minimum lease payments may change in accordance with the agreement made with the lessee.

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

	2021		2020	
	₩	₩	\$	\$
Less than 1 year	5,316	7,404	4,484	6,245
Between 1-5 years	22,476	25,532	18,959	21,537
Over 5 years	96,349	108,160	81,273	91,236
Total	₩ 124,141	₩ 141,096	\$ 104,716	\$ 119,018

18.2 There is no significant difference between the fair value and the book amount of the investment property as at December 31, 2021 and 2020.

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))

	2021		2020	
	₩	₩	\$	\$
Right-of-use assets				
Properties	₩ 182,845	₩ 207,499	\$ 154,235	\$ 175,030
Construction equipment and others	61,515	37,287	51,889	31,453
Total	₩ 244,360	₩ 244,786	\$ 206,124	\$ 206,483
Lease liabilities				
Short-term	₩ 75,040	₩ 64,346	63,298	54,278
Long-term	369,426	409,157	311,620	345,135
Total	₩ 444,466	₩ 473,503	\$ 374,918	\$ 399,413

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Additions to the right-of-use assets during the 2021 financial year were ₩ 44,092 million (equivalent to \$ 37,193 thousand) (2020: ₩ 32,372 million (equivalent to \$ 27,307 thousand))

In addition to the above, the amount measured at lease liabilities but classified as investment property is ₩ 127,633 million (equivalent to \$ 107,662 thousand) as at December 31, 2021 (December 31, 2020: ₩ 147,499 million (equivalent to \$ 124,419 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))

	2021		2020	
Finance lease receivables ^{1,2}				
Short-term	₩ 5,010	₩ 3,078	\$ 4,226	\$ 2,596
Long-term	24,697	23,410	20,833	19,747
Total	₩ 29,707	₩ 26,488	\$ 25,059	\$ 22,343

¹ The total and net investments of the finance leases as at December 31, 2021 and 2020, are as follow:

(in millions of Korean won)

	2021			2020		
	Minimum lease payments	Unearned interest	Net lease investment	Minimum lease payments	Unearned interest	Net lease investment
Short-term finance lease receivables	₩ 5,394	₩ (384)	₩ 5,010	₩ 3,498	₩ (420)	₩ 3,078
Long-term finance lease receivables	26,072	(1,375)	24,697	25,035	(1,625)	23,410
Total	₩ 31,466	₩ (1,759)	₩ 29,707	₩ 28,533	₩ (2,045)	₩ 26,488

(in thousands of US dollars (Note 4))

	2021			2020		
	Minimum lease payments	Unearned interest	Net lease investment	Minimum lease payments	Unearned interest	Net lease investment
Short-term finance lease receivables	\$ 4,550	\$ (324)	\$ 4,226	\$ 2,950	\$ (354)	\$ 2,596
Long-term finance lease receivables	21,992	(1,159)	20,833	21,118	(1,371)	19,747
Total	\$ 26,542	\$ (1,483)	\$ 25,059	\$ 24,068	\$ (1,725)	\$ 22,343

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² Details of maturities of the finance lease receivables as at December 31, 2021 and 2020, are as follows:

(in millions of Korean won)

	2021			2020		
	Songdo IBS Building	Eulji Twin Tower B	Total	Songdo IBS Building	Eulji Twin Tower B	Total
Less than 1 year	₩ 2,471	₩ 2,923	₩ 5,394	₩ 883	₩ 2,616	₩ 3,499
Between 1-5 years	7,311	11,695	19,006	3,350	11,695	15,045
Over 5 years	-	7,066	7,066	-	9,989	9,989
Undiscounted total lease payments	9,782	21,684	31,466	4,233	24,300	28,533
Unrealized finance income	(268)	(1,491)	(1,759)	(140)	(1,905)	(2,045)
Net lease investment	₩ 9,514	₩ 20,193	₩ 29,707	₩ 4,093	₩ 22,395	₩ 26,488

(in thousands of US dollars
(Note 4))

	2021			2020		
	Songdo IBS Building	Eulji Twin Tower B	Total	Songdo IBS Building	Eulji Twin Tower B	Total
Less than 1 year	\$ 2,084	\$ 2,466	\$ 4,550	\$ 745	\$ 2,207	\$ 2,952
Between 1-5 years	6,167	9,865	16,032	2,826	9,865	12,691
Over 5 years	-	5,960	5,960	-	8,426	8,426
Undiscounted total lease payments	8,251	18,291	26,542	3,571	20,498	24,069
Unrealized finance income	(226)	(1,258)	(1,484)	(118)	(1,607)	(1,725)
Net lease investment	\$ 8,025	\$ 17,033	\$ 25,058	\$ 3,453	\$ 18,891	\$ 22,344

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))

	2021		2020	
Depreciation of right-of-use assets				
Properties	₩ 24,653	₩ 27,069	\$ 20,795	\$ 22,833
Construction equipment	34,202	29,900	28,850	25,221
	₩ 58,855	₩ 56,969	\$ 49,645	\$ 48,054
Interest expense relating to lease liabilities (included in financial cost)	₩ 8,757	₩ 9,920	\$ 7,387	\$ 8,368
Interest income relating to sub-lease of right-of-use assets (included in financial income)	748	123	631	104
Expense relating to leases of low-value assets (included in cost of sales and selling and administrative expenses)	5,574	5,166	4,702	4,358
Expenses relating to short-term leases (included in cost of sales and selling and administrative expenses)	19,088	11,719	16,101	9,885

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The total cash outflow for leases in 2021 was ₩ 102,489 million (equivalent to \$ 86,452 thousand) (2020: ₩ 98,030 million (equivalent to \$ 82,691 thousand)).

20. Other Payables and Advances Received

Other payables and advances received as at December 31, 2021 and 2020, are as follows:

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

		2021	2020	2021	2020
Current					
Other payables	Non-trade payables	₩ 865,753	₩ 945,621	\$ 730,285	\$ 797,656
	Accrued expenses ¹	1,090,525	682,788	919,886	575,949
	Total	₩ 1,956,278	₩ 1,628,409	\$ 1,650,171	\$ 1,373,605
Advances received	Advances from construction contracts	160,811	101,704	\$ 135,648	\$ 85,790
	Advances from sales of real estate	295,886	342,156	249,588	288,617
	Other advances received	30,980	10,938	26,133	9,227
	Advanced income	521	1,346	439	1,135
	Total	₩ 488,198	₩ 456,144	\$ 411,808	\$ 384,769
Non-current					
Other payables	Non-trade payables	₩ 1,831	₩ 1,894	\$ 1,544	\$ 1,598
Advances received	Advances from construction contracts	282,256	83,834	238,090	70,716
	Other advances received	295	9,960	249	8,402
	Total	₩ 282,551	₩ 93,794	\$ 238,339	\$ 79,118

¹ Purchasing card usage for materials and others is included, and the Group makes payments to the credit card company at the end of the period of credit granting according to the credit card agreement. The Group has agreed with the supplier to use the purchasing card. Payment amounts to credit card company are classified as accrued expenses and expressed cash flows from operating activities since the original nature is to purchase goods or services in the normal course of business, the payment deadline for the credit card company is within the normal course of business of less than 6 months and no collateral is provided in relation to the agreement. Changes in liabilities related to the purchasing card for the years ended December 31, 2021 and 2020 are as follows:

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

	2021	2020	2021	2020
Beginning balance	₩ 215,767	₩ 105,871	\$ 182,005	\$ 89,305
Changes (Cash flows from operating activities)	434,243	109,896	366,295	92,700
Ending balance	₩ 650,010	₩ 215,767	\$ 548,300	\$ 182,005

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21. Financial Instrument Liabilities

21.1 Financial instrument liabilities

Details of Financial instrument liabilities as at December 31, 2021 and 2020, are as follows:

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

	2021	2020	2021	2020
Current				
Short-term borrowings	₩ 360,402	₩ 399,779	\$ 304,008	\$ 337,224
Current portion of long-term borrowings and debentures	237,863	892,731	200,644	753,042
Financial guarantee liabilities	1,512	1,627	1,275	1,372
Derivative liabilities	8,006	9,163	6,754	7,729
	<u>607,783</u>	<u>1,303,300</u>	<u>512,681</u>	<u>1,099,367</u>
Non-current				
Long-term borrowings	440,606	435,961	371,663	367,744
Debentures	465,785	261,667	392,902	220,723
Financial guarantee liabilities	29,444	33,154	24,837	27,966
Derivative liabilities	9,848	9,942	8,306	8,387
	<u>945,683</u>	<u>740,724</u>	<u>797,708</u>	<u>624,820</u>
Total	<u>₩ 1,553,466</u>	<u>₩ 2,044,024</u>	<u>\$ 1,310,389</u>	<u>\$ 1,724,187</u>

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21.2 Borrowings

(1) Details of short-term borrowings as at December 31, 2021 and 2020, are as follows:

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

Lending institution	Annual interest rate (%)	2021	2020	2021	2020
Short-term borrowings in Korean won					
Standard Chartered Bank Korea Ltd.	-	₩ -	₩ 2,000	\$ -	\$ 1,687
Korea Development Bank	IFD(1Y)+2.05	100,000	200,000	84,353	168,705
The Export-Import Bank of Korea	1.70 ~ 2.90	118,057	13,906	99,583	11,730
National Credit Union Federation of Korea and others	-	-	15,000	-	12,653
National Credit Union Federation of Korea	-	-	13,889	-	11,716
Standard Chartered Bank Korea Ltd. and others	-	-	11,111	-	9,372
STARBRIDGE HOLDINGS	-	-	300	-	253
Woori Bank	6.40	1,082	-	913	-
Daewoo Songdo IBD L.L.C	3MCD + 3.11	106,000	106,000	89,414	89,414
FN BAEKAM 1ST CO.,LTD.	3.50	15,000	-	12,653	-
FN BAEKAM 2ND CO.,LTD.	3.05	15,000	-	12,653	-
Short-term borrowings in foreign currencies					
KDB Singapore	-	-	32,640	-	27,533
UOB	Bank's Cost of funds + 1.50	5,263	4,933	4,439	4,161
		₩ 360,402	₩ 399,779	\$ 304,008	\$ 337,224

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(2) Details of long-term borrowings as at December 31, 2021 and 2020, are as follows:

<i>(in millions of Korean won)</i>		2021		2020	
Lending institution	Annual interest rate (%)	Current	Non-current	Current	Non-current
Long-term borrowings in Korean won					
Korea Housing & Urban Guarantee Corporation	-	₩ 225	₩ 5,172	₩ 225	₩ 5,397
China Construction Bank	CD(3M) + 2.00	30,000	-	-	30,000
Standard Chartered Bank Korea Ltd.	CD(3M) + 1.90	-	32,000	-	58,000
National Credit Union Federation of Korea and others	-	-	-	56,000	-
IBK Capital and others	-	-	-	10,000	50,000
Heungkuk Life Insurance Co., Ltd. and others	-	-	-	70,000	-
BANK OF CHINA	-	-	-	40,000	-
Planup Tangeong The Second Co., Ltd.	-	-	-	-	20,000
FM Geomdan 1 st	-	-	-	50,000	-
FM Geomdan 1 st	-	-	-	40,000	-
Samsung Life Insurance co., Ltd and others	-	-	-	172,306	-
Industrial and Commercial Bank of China Limited, and others	3.75	50,000	45,000	15,000	95,000
National Credit Union Federation of Korea	3.40	22,222	-	13,889	22,222
Standard Chartered Bank Korea Ltd. and others	CD(3M) + 2.61	17,778	-	11,111	17,778
Industrial and Commercial Bank of China Limited	3.20	14,000	-	16,000	14,000
TONGYANG LIFE INSURANCE CO.,LTD.	3.60	14,000	-	16,000	14,000
STARBRIDGE HOLDINGS	-	-	300	-	300
Commercial paper	-	-	-	15,000	-
Hanwha Hotels & Resorts CO.,LTD.	16.00	-	2,400	-	-
Mastern Investment Management	16.00	-	84	-	-
Long-term borrowings in foreign currencies					
Arab Bank	-	-	-	-	38,080
The Export-Import Bank of Korea	-	-	-	-	43,520
First Hawaiian Bank	-	-	-	-	464
CBK	Libor(3M) + 2.75	29,638	-	27,200	27,200
ABK/CB	Libor(3M) + 2.65	-	118,550	-	-
ENBD	Libor(3M) + 2.65	-	237,100	-	-
		<u>₩ 177,863</u>	<u>₩ 440,606</u>	<u>₩ 552,731</u>	<u>₩ 435,961</u>

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Lending institution	Annual interest rate (%)	2021		2020	
		Current	Non-current	Current	Non-current
Long-term borrowings in Korean won					
Korea Housing & Urban Guarantee Corporation	-	\$ 190	\$ 4,363	\$ 190	\$ 4,553
China Construction Bank	CD(3M) + 2.00	25,306	-	-	25,306
Standard Chartered Bank Korea Ltd.	CD(3M) + 1.90	-	26,993	-	48,925
National Credit Union Federation of Korea and others	-	-	-	47,237	-
IBK Capital and others	-	-	-	8,435	42,176
Heungkuk Life Insurance Co., Ltd. and others	-	-	-	59,047	-
BANK OF CHINA	-	-	-	33,741	-
Planup Tangjeong The Second Co., Ltd.	-	-	-	-	16,871
FM Geomdan 1 st	-	-	-	42,176	-
FM Geomdan 1 st	-	-	-	33,741	-
Samsung Life Insurance co., Ltd and others	-	-	-	145,345	-
Industrial and Commercial Bank of China Limited, and others	3.75	42,176	37,959	12,653	80,135
National Credit Union Federation of Korea	3.40	18,745	-	11,716	18,745
Standard Chartered Bank Korea Ltd. and others	CD(3M) + 2.61	14,996	-	9,372	14,996
Industrial and Commercial Bank of China Limited	3.20	11,809	-	13,496	11,809
TONGYANG LIFE INSURANCE CO.,LTD.	3.60	11,809	-	13,496	11,809
STARBRIDGE HOLDINGS	-	-	253	-	253
Commercial paper	-	-	-	12,653	-
Hanwha Hotels & Resorts CO.,LTD.	16.00	-	2,024	-	-
Mastern Investment Management	16.00	-	71	-	-
Long-term borrowings in foreign currencies					
Arab Bank	-	-	-	-	32,121
The Export-Import Bank of Korea	-	-	-	-	36,710
First Hawaiian Bank	-	-	-	-	391
CBK	Libor(3M) + 2.75	25,001	-	22,944	22,944
ABK/CB	Libor(3M) + 2.65	-	100,000	-	-
ENBD	Libor(3M) + 2.65	-	200,000	-	-
		<u>\$ 150,032</u>	<u>\$ 371,663</u>	<u>\$ 466,242</u>	<u>\$ 367,744</u>

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(3) Details of debentures as at December 31, 2021 and 2020, are as follows:

(in thousands of US dollars
(Note 4))

	Annual interest rate (%)	2021		2020	
		Current	Non-current	Current	Non-current
44th private bond	-	₩ -	₩ -	₩ 240,000	₩ -
45th public bond	-	-	-	100,000	-
46-1st public bond	3.60	60,000	-	-	60,000
46-2nd public bond	3.80	-	40,000	-	40,000
47th public bond	3.80	-	100,000	-	100,000
49-1st public bond	3.50	-	50,000	-	-
49-2nd public bond	3.65	-	30,000	-	-
49-3rd public bond	3.80	-	10,000	-	-
49-4th public bond	4.30	-	20,000	-	-
50th public bond	2.31	-	150,000	-	-
48th bond in foreign currency	SGD SOR + 2.85	-	65,785	-	61,667
		₩ 60,000	₩ 465,785	₩ 340,000	₩ 261,667

(in thousands of US dollars
(Note 4))

	Annual interest rate (%)	2021		2020	
		Current	Non-current	Current	Non-current
44th private bond	-	\$ -	\$ -	\$ 202,447	\$ -
45th public bond	-	-	-	84,353	-
46-1st public bond	3.60	50,612	-	-	50,612
46-2nd public bond	3.80	-	33,741	-	33,741
47th public bond	3.80	-	84,353	-	84,353
49-1st public bond	3.50	-	42,176	-	-
49-2nd public bond	3.65	-	25,306	-	-
49-3rd public bond	3.80	-	8,435	-	-
49-4th public bond	4.30	-	16,871	-	-
50th public bond	2.31	-	126,529	-	-
48th bond in foreign currency	SGD SOR + 2.85	-	55,491	-	52,017
		\$ 50,612	\$ 392,902	\$ 286,800	\$ 220,723

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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, 2021 and 2020, are as follows:

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

	2021	2020	2021	2020
Present value of funded defined benefit obligations	₩ 465,846	₩ 444,348	\$ 392,953	\$ 374,819
Present value of unfunded defined benefit obligations	1,966	2,203	1,658	1,858
	<u>467,812</u>	<u>446,551</u>	<u>394,611</u>	<u>376,677</u>
Fair value of plan assets ¹	(299,071)	(269,845)	(252,274)	(227,621)
Liability in the statement of financial position	<u>₩ 168,741</u>	<u>₩ 176,706</u>	<u>\$ 142,337</u>	<u>\$ 149,056</u>

¹ The contributions to the National Pension Fund of ₩ 1,582 million (equivalent to \$ 1,334 thousand) are included in the fair value of plan assets as at December 31, 2021 (2020: ₩ 1,670 million (equivalent to \$ 1,409 thousand)).

22.1.2 Changes in the carrying amount of defined benefit obligations for the years ended December 31, 2021 and 2020, are as follows

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

	2021	2020	2021	2020
Beginning balance	₩ 446,551	₩ 467,313	\$ 376,677	\$ 394,191
Current service cost	39,277	41,400	33,131	34,922
Interest expense	9,281	9,405	7,829	7,933
Remeasurements:				
Changes in financial assumptions	(14,541)	(53,721)	(12,266)	(45,315)
Experience adjustments	28,566	(2,445)	24,096	(2,062)
Change in demographic assumptions	6,948	9,232	5,861	7,787
Effect from business combination	-	598	-	504
Effect from foreign exchange rate changes	-	(21)	-	(18)
Payments from plans:				
Benefit payments	(47,904)	(25,210)	(40,408)	(21,265)
Settlement	(366)	-	(309)	-
Ending balance	<u>₩ 467,812</u>	<u>₩ 446,551</u>	<u>\$ 394,611</u>	<u>\$ 376,677</u>

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22.1.3 Changes in fair value of plan assets for the years ended December 31, 2021 and 2020, are as follows:

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

	2021		2020	
Beginning balance	₩	269,845	₩	258,564
Interest income		5,538		5,158
Remeasurements:				
Return on plan assets		(1,414)		(377)
Contributions:				
Employers		51,891		22,146
Payments from plans:				
Benefit payments		(26,506)		(15,527)
Contribution to national pension plan		(88)		(119)
Settlement		(195)		-
Ending balance	₩	299,071	₩	269,845

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, %)

	2021	2020
Discount rate	3.41%	2.20%
Inflation rate	3.83%	3.23%

- 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	8.34% decrease	9.63% increase
Inflation rate	9.73% increase	8.58% 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, 2021 and 2020, consist of following:

(in millions of Korean won)

	2021		2020	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)
Cash equivalents	₩ 29,801	9.96%	₩ 15,378	5.70%
Fixed deposits	45,843	15.33%	79,334	29.40%
Contribution to national pension plan	1,582	0.53%	1,671	0.62%
Others	221,845	74.18%	173,462	64.28%
	₩ 299,071	100.00%	₩ 269,845	100.00%

(in thousands of US dollars (Note 4))

	2021		2020	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)
Cash equivalents	\$ 25,138	9.96%	\$ 12,972	5.70%
Fixed deposits	38,670	15.33%	66,920	29.40%
Contribution to national pension plan	1,334	0.53%	1,410	0.62%
Others	187,132	74.18%	146,319	64.28%
	\$ 252,274	100.00%	\$ 227,621	100.00%

22.1.7 Expected contributions to post employment benefit plans for the year ending December 31, 2021 are ₩ 35,427 million (equivalent to \$ 29,884 thousand).

22.1.8 The weighted-average duration of the defined benefit obligations is 9.28 years (2020: 6.73 years), and expected maturity analysis of undiscounted pension benefits as at December 31, 2021, is as follows:

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

	2021	2020	2021	2020
Less than 1 year	₩ 28,573	₩ 49,280	\$ 24,102	\$ 41,569
Between 1 year and 2 years	27,172	47,023	22,920	39,665
Between 2 years and 4 years	56,851	85,092	47,955	71,777
More than 4 years	556,465	353,976	469,393	298,588
Total	₩ 669,061	₩ 535,371	\$ 564,370	\$ 451,599

22.2 Defined Contribution Plan

The expense recognized in the current period in relation to defined contribution plan was ₩ 666 million (equivalent to \$ 562 thousand) (2020: ₩ 233 million (equivalent to \$ 197 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, 2021 and 2020, are as follows:

(in millions of Korean won)

	2021			
	Provisions for construction warranty	Construction loss provisions	Provisions for others	Total
Beginning balance	₩ 132,493	₩ 130,512	₩ 129,370	₩ 392,375
Additions	36,103	83,034	121,463	240,600
Reversal	(3,413)	(39,680)	(2,098)	(45,191)
Payments and others	(59,670)	5,862	(72,683)	(126,491)
Ending balance	₩ 105,513	₩ 179,728	₩ 176,052	₩ 461,293
Current	₩ 51,396	₩ 86,464	₩ 31,080	₩ 168,940
Non-current	54,117	93,264	144,972	292,353

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

	2021			
	Provisions for construction warranty	Construction loss provisions	Provisions for others	Total
Beginning balance	\$ 111,761	\$ 110,090	\$ 109,127	\$ 330,978
Additions	30,454	70,041	102,457	202,952
Reversal	(2,879)	(33,471)	(1,770)	(38,120)
Payments and others	(50,333)	4,945	(61,310)	(106,698)
Ending balance	\$ 89,003	\$ 151,605	\$ 148,504	\$ 389,112
Current	\$ 43,354	\$ 72,934	\$ 26,217	\$ 142,505
Non-current	45,649	78,671	122,287	246,607

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(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	\$ 135,364	\$ 132,483	\$ 119,275	\$ 387,122
Additions	35,915	65,054	50,558	151,527
Reversal	(3,663)	(82,143)	(1,345)	(87,151)
Payments and others	(55,855)	(5,304)	(59,361)	(120,520)
Ending balance	\$ 111,761	\$ 110,090	\$ 109,127	\$ 330,978
Current	\$ 34,979	\$ 62,479	\$ 43,323	\$ 140,781
Non-current	76,782	47,611	65,804	190,197

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24. Commitments and Contingencies

24.1 Notes and Checks as Collaterals

As at December 31, 2021, the Group provided 25 blank checks (December 31, 2020: 22 blank checks) and 3 notes in the aggregate amount of ₩ 1,500 million (equivalent to \$ 1,265 thousand) (December 31, 2020: 3 notes in the aggregate amount of ₩ 1,500 million (equivalent to \$ 1,265 thousand)) as collateral for its borrowings, guarantees for construction performance and warranties, and guarantees on capital commitments.

24.2 Involved Lawsuits

The Group has filed 66 lawsuits (2020: 76 lawsuits), as the plaintiff, involving aggregate amounts of ₩ 226,011 million (equivalent to \$ 190,646 thousand) (2020: ₩ 255,743 million (equivalent to \$ 215,726 thousand)) and faces 246 lawsuits (2020: 249 lawsuits), as the defendant involving aggregate damages of ₩ 1,149,920 million (equivalent to \$ 969,987 thousand) (2020: ₩ 990,423 million (equivalent to \$ 835,447 thousand)) as at December 31, 2021. Meanwhile, the arbitration in progress as an applicant is 5 cases, involving aggregate amounts of ₩ 400,751 million (equivalent to \$ 338,044 thousand) (2020: 7 cases, ₩ 381,915 million (equivalent to \$ 322,155 thousand)) and arbitration in progress as a respondent is 7 cases, involving amounts of ₩ 165,102 million (equivalent to \$ 139,268 thousand) (2020: 6 cases, ₩ 52,909 million (equivalent to \$ 44,630 thousand)).

Details of major litigations that the Group is involved in as a defendant as at December 31, 2021, 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	\$ 168,705
Korea Gas Corporation	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and 18 others	Compensation for damages	155,316	131,013
Korea Water Resource Corporation	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and 16 others	Compensation for damages	75,392	63,595
Incheon-si	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and 20 others	Compensation for damages	74,710	63,020
Korea National Railway	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and 27 others	Compensation for damages	67,935	57,305
Korea Water Resource Corporation	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and 5 others	Compensation for damages	59,748	50,399
Republic of Korea	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and 3 others	Compensation for damages	21,920	18,490
Changwon-si	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and 10 others	Compensation for damages	10,519	8,873

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Korea Rural Community Corporation	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and 3 others	Compensation for damages	7,286	6,146
KC Cottrell Co.,Ltd..	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD.	Amount for indemnity	6,453	5,443

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, 2021, 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 \$ 210,800 thousand (2020: \$ 233,825 thousand). In addition, the Group entered into short-term loan agreements with Korea Development Bank and others of up to ₩ 578,526 million (equivalent to \$ 488,002 thousand) (2020: ₩ 358,298 million (equivalent to \$ 302,234 thousand)). Also, the Group entered into structured finance loan and cooperative loan agreements with Export-Import Bank of Korea of up to ₩ 402,291 million (equivalent to \$ 339,343 thousand) (₩ 515,210 million at the end of previous year (equivalent to \$ 434,593 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 ₩ 116,635 million (equivalent to \$ 98,385 thousand) (2020: ₩ 108,194 million (equivalent to \$ 91,264 thousand)).
- 2) As at December 31, 2021, 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, 2023. In relation to the contract, the Group recognizes ₩ 42,677 million (equivalent to \$ 35,999 thousand) of lease liabilities as at December 31, 2021 (2020: ₩ 52,997 million (equivalent to \$ 44,704 thousand)).
- 3) As at December 31, 2021, 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 ₩ 204,219 million (equivalent to \$ 172,264 thousand) of lease liabilities as at December 31, 2021 (2020: ₩ 229,593 million (equivalent to \$ 193,668 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 (2021: ₩ 176,827 million (equivalent to \$ 149,158 thousand), December 31, 2020: ₩ 167,152 million (equivalent to \$ 140,997 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 ₩ 848 million (equivalent to \$ 715 thousand) (2020: ₩ 466 million (equivalent to \$ 393 thousand)) for the year ended December 31, 2021. 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 \$ 70,493 thousand) (2020: ₩ 83,570 million (equivalent to \$ 70,493 thousand)) and purchased shares amounting to ₩ 66,740 million (equivalent to \$ 56,297 thousand) as at December 31, 2021 (2020: ₩ 66,740 million (equivalent to \$ 56,297 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 or contracts that allow the Lender to exercise put options of ₩ 213,973 million (equivalent to \$ 180,492 thousand) (2020: ₩ 116,067 million (equivalent to \$ 97,906 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, 2021, certain borrowing agreements entered with financial institutions include clauses to maintain debt ratio (330%, 350%), interest coverage ratio (180%, 200%, 225%) and the asset size excluding intangible assets from net assets (₩ 1,650,000 million (equivalent to \$ 1,391,818 thousand), ₩ 1,800,000 million (equivalent to \$ 1,518,347 thousand), ₩ 2,000,000 million (equivalent to \$ 1,687,052 thousand)) based on consolidated financial statements. Borrowings applicable to the above clauses amount to ₩ 451,073 million (equivalent to \$ 380,492 thousand), and there are trigger clauses for repayment of borrowings if the above clauses are violated. As at December 31, 2020, certain borrowing agreements entered with foreign 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 \$ 1,391,818 thousand), ₩ 1,800,000 million (equivalent to \$ 1,518,347 thousand)) based on the consolidated financial statements. As at December 31, 2020, the above borrowings amount to ₩ 154,147 million (equivalent to

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\$ 130,027 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.

- 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 ₩ 65,786 million (equivalent to \$ 55,492 thousand) (2020: ₩ 61,667 million (equivalent to \$ 52,018 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, 2021.
- 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, 2021.

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25. Pledged Assets and Payment Guarantees

25.1 Pledged Assets

1) Restricted financial instruments asset as at December 31, 2021 and 2020, are as follows:

(in millions of Korean won and thousands of U.S. dollars (Note 4))

	Detailed	Financial institutions	2021		Remark
			Amount		
Short-term financial instruments and others	Ordinary deposit	Woori Bank	₩ 17,171	\$ 14,484	Securitization trust account of accounts receivables from construction/ real estate contracts
	Ordinary deposit	KEB Hana Bank	1,379	1,163	Securitization trust account of accounts receivables from construction/ real estate contracts
	Ordinary deposit	NH Investment & Securities	4,414	3,723	Securitization trust account of accounts receivables from construction/ real estate contracts
	CMA	KB Securities Co., Ltd. Korea	275	232	Deposits for transfer of business rights
	Fixed deposit	Development Bank	8,000	6,748	Win-win Growth Fund
	Foreign currency fixed deposit	State Bank of India	5	4	Deposits for business performance
	Foreign currency fixed deposit	Axis Bank Ltd	4	3	Deposits for business performance
	Foreign currency fixed deposit	Banco Bilbao Vizcaya	8,220	6,934	Deposit provided for performance guarantee
	Fixed deposit	Woori Bank	3,000	2,531	Pledged as collateral related to payment guarantees
	Fixed deposit	SHINHANVINA BANK, HANOI BR	34,630	29,211	Deposit for land purchase
	Subtotal		77,098	65,033	
Long-term financial instruments	Bank account deposit	Bank for account deposit	22	19	Bank for account deposit
	Deposits provided	Woori Bank	50	42	Leasehold deposits received
	Monetary receivables trust	NongHyup Bank	7,524	6,347	Deposits for providing supplemental funding
	Subtotal		7,596	6,408	
Total			₩ 84,694	\$ 71,441	

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	Detailed	Financial institutions	2020		Remark
			Amount		
Short-term financial instruments and others	Ordinary deposit	Woori Bank	₩ 3,032	\$ 2,558	Securitization trust account of accounts receivables from construction/ real estate contracts
	Ordinary deposit	NongHyup Bank	508	429	Securitization trust account of accounts receivables from construction/ real estate contracts
	Ordinary deposit	NH Investment & Securities	13,187	11,124	Securitization trust account of accounts receivables from construction/ real estate contracts
	Ordinary deposit	Woori Bank	4,220	3,560	Contract fee for disposal of property, plant and equipment
	CMA	KB Securities Co., Ltd.	274	231	Deposits for transfer of business rights
	Ordinary deposit	Mirae Asset Daewoo Co.,Ltd. Korea	27	23	Leasehold deposits provided for commercial facilities
	Fixed deposit	Development Bank	4,000	3,374	Win-win Growth Fund
	Foreign currency fixed deposit	KEB Hana Bank	9,530	8,039	Deposits related to retention repayment guarantee
	Foreign currency fixed deposit	Banco Bilbao Vizcaya SHINHANVINA	9,890	8,342	Deposit provided for performance guarantee
	Fixed deposit	BANK, HANOI BR SHINHANVINA	13,874	11,703	Deposit for land purchase
	Fixed deposit	BANK, HANOI BR Standard	7,703	6,498	Deposit for land purchase
	Fixed deposit	Chartered Bank Korea Limited	2,300	1,940	Pledging of borrowings (₩ 2 billion)
		Subtotal		68,545	57,821
Long-term financial instruments	Bank account deposit	Bank for account deposit	22	19	Bank for account deposit
	Ordinary deposit	Woori Bank	3,000	2,531	Long-term deposits
	Monetary receivables trust	NongHyup Bank	7,524	6,347	Deposits for providing supplemental funding
		Subtotal		10,546	8,897
Total			₩ 79,091	\$ 66,718	

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2) Details of pledged other assets as at December 31, 2021 and 2020, are as follows:

<i>(in millions of Korean won)</i>	2021		
	Book amount	Total limits ¹	
Property, plant and equipment, intangible assets, investment property, real estate held for sale ²	₩ 328,347	₩ 303,933	Korea Standard Chartered Bank and others
Investments in securities, investments in associates	178,584	4,522,776	Korea Development Bank and others
Total	₩ 506,931	₩ 4,826,709	

<i>(in thousands of US dollars (Note 4))</i>	2021		
	Book amount	Total limits ¹	
Property, plant and equipment, intangible assets, investment property, real estate held for sale ²	\$ 276,969	\$ 256,375	Korea Standard Chartered Bank and others
Investments in securities, investments in associates	150,640	3,815,079	Korea Development Bank and others
Total	\$ 427,609	\$ 4,071,454	

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 ₩ 19,352,314 million (equivalent to \$ 16,324,179 thousand).

² The amount includes the pledged property, plant and equipment and others of ₩ 161,675 million (equivalent to \$ 136,377 thousand) for loan, which amounts to ₩ 138,000 million (equivalent to \$ 116,407 thousand) (Total limits are ₩ 165,600 million, equivalent to \$ 139,688 thousand).

<i>(in millions of Korean won)</i>	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	

<i>(in thousands of US dollars (Note 4))</i>	2020		
	Book amount	Total limits ¹	
Property, plant and equipment, intangible assets, investment property, real estate held for sale ²	\$ 549,625	\$ 470,518	Korea Standard Chartered Bank and others
Investments in securities, investments in associates	170,684	4,531,522	Korea Development Bank and others
Total	\$ 720,309	\$ 5,002,040	

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

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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 \$ 17,221,100 thousand).

² The amount includes the pledged property, plant and equipment and others of ₩ 437,324 million (equivalent to \$ 368,894 thousand) for loan, which amounts to ₩ 336,306 million (equivalent to \$ 283,683 thousand) (Total limits are ₩ 431,398 million, equivalent to \$ 363,895 thousand).

25.2 Guarantees Provided by the Group

1) The payment guarantees that the Group provided for developers' debts as at December 31, 2021 and 2020, are as follows:

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

	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
ABCP/ABSTB ¹	₩ 408,000	₩ 264,807	\$ 344,159	\$ 223,372
Other loan ¹	11,099	63,674	9,362	53,711
Total	<u>₩ 419,099</u>	<u>₩ 328,481</u>	<u>\$ 353,521</u>	<u>\$ 277,083</u>

¹ It includes the amount of payment guarantees provided for the debts of Ja-yang 5 PFV Co., Ltd. and others which amount to ₩ 87,000 million (equivalent to \$ 73,387 thousand) (2020: ₩ 91,693 million (equivalent to \$ 77,345 thousand)) (guarantee limits ₩ 92,700 million, equivalent to \$ 78,195 thousand (2020: ₩ 97,693 million, equivalent to \$ 82,407 thousand)).

² In relation to the payment guarantees, the limits the Group provided are ₩ 424,799 million (equivalent to \$ 358,329 thousand) (2020: ₩ 344,481 million (equivalent to \$ 290,579 thousand)).

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Details of payment guarantees due to project financing as at December 31, 2021 and 2020, are as follows:

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

		2021								
Business Area	Types of bond institutions	Debt		Debt Guarantee		Debt Guarantee limits		Warranty history	Period	Type
Incheon	Capital and others	₩ 240,000	\$ 202,446	₩ 150,000	\$ 126,529	₩ 150,000	\$ 126,529	Acceptances for debt	2021.08~ 2022.08	Loan, ABCP/ABSTB
Seoul	Securities and others	227,000	191,480	133,099	112,272	133,099	112,272	Acceptances for debt and others	2021.03~ 2022.03	Loan, ABCP/ABSTB
Dangjin, Chungcheong nam-do	Securities and others	79,000	66,639	41,000	34,585	46,700	39,393	Acceptances for debt	2021.09~ 2022.09	Loan, ABCP/ABSTB
Seoul	Securities and others	127,471	107,525	46,000	38,802	46,000	38,802	Acceptances for debt	2020.06~ 2022.06	Loan, ABCP/ABSTB
Incheon	Capital and others	68,000	57,360	10,000	8,435	10,000	8,435	Acceptances for debt	2021.06~ 2022.06	Loan
Daejeon	Capital and others	58,000	48,925	39,000	32,898	39,000	32,898	Acceptances for debt	2021.07~ 2023.01	Loan, ABCP/ABSTB
		<u>₩ 799,471</u>	<u>\$ 674,375</u>	<u>₩ 419,099</u>	<u>\$ 353,521</u>	<u>₩ 424,799</u>	<u>\$ 358,329</u>			

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

		2020								
Business Area	Types of bond institutions	Debt		Debt Guarantee		Debt Guarantee limits		Warranty history	Period	Type
Incheon	Capital and others	₩ 240,000	\$ 202,446	₩ 150,000	\$ 126,529	₩ 150,000	\$ 126,529	Acceptances for debt	2020.08~ 2021.08	Loan, ABCP/ABSTB
Seoul	Securities and others	210,000	177,140	86,788	73,208	96,788	81,643	Acceptances for debt and others	2020.03~ 2021.03	Loan, ABCP/ABSTB
Dangjin, Chungcheong nam-do	Securities and others	75,500	63,686	43,000	36,272	49,000	41,333	Acceptances for debt	2020.09~ 2021.09	Loan, ABCP/ABSTB
Seoul	Securities and others	123,490	104,167	46,000	38,802	46,000	38,802	Acceptances for debt	2020.06~ 2022.06	Loan, ABCP/ABSTB
Changwon, Gyeongsangnam-do	Bank and others	135,600	114,382	2,693	2,272	2,693	2,272	Guarantees for interest payment	2019.03~ 2021.06	Loan, ABCP/ABSTB
		<u>₩ 784,590</u>	<u>\$ 661,821</u>	<u>₩ 328,481</u>	<u>\$ 277,082</u>	<u>₩ 344,481</u>	<u>\$ 290,579</u>			

- 2) The Group is jointly and severally liable for the guarantees of ₩ 571,917 million (equivalent to \$ 482,427 thousand) (2020: ₩ 680,455 million (equivalent to \$ 573,981 thousand)) (the limits of guarantees ₩ 895,200 million, equivalent to \$ 755,124 thousand (2020: the limits of guarantees ₩ 1,110,950 million, equivalent to \$ 937,115 thousand)) for the borrowing of a housing cooperative for redevelopment and reconstruction.

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- 3) The Group has entered into city maintenance related non-interest bearing loan agreement (the Group's portion is ₩ 1,808,843 million (equivalent to \$ 1,525,806 thousand) (2020: ₩ 1,693,833 million (equivalent to \$ 1,428,792 thousand)), among total loan of ₩ 2,867,806 million (equivalent to \$ 2,419,069 thousand) (2020: ₩ 2,633,526 million (equivalent to \$ 2,221,447 thousand)) and interest bearing loan agreement (the Group's portion is ₩ 379,022 million (equivalent to \$ 319,715 thousand) (2020: ₩ 45,000 million (equivalent to \$ 37,959 thousand)), among total loan of ₩ 624,100 million (equivalent to \$ 526,445 thousand) (2020: ₩ 90,000 million (equivalent to \$ 75,917 thousand)). In addition, the Group has 48 (2020: 52) loan agreements without limit. In relation to the loan agreement, the Group provides non-interest bearing loan of ₩ 203,856 million (equivalent to \$ 171,958 thousand) (2020: ₩ 131,860 million (equivalent to \$ 111,227 thousand)) and interest bearing loan of ₩ 109,790 million (equivalent to \$ 92,611 thousand) (2020: ₩ 86,018 million (equivalent to \$ 72,558 thousand)).
- 4) The Group has been provided with guarantees of ₩ 14,673,329 million (equivalent to \$ 12,377,334 thousand) (2020: ₩ 15,386,988 million (equivalent to \$ 12,979,323 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 ₩ 11,896,567 million (equivalent to \$ 10,035,063 thousand) (2020: ₩ 10,217,284 million (equivalent to \$ 8,618,544 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 ₩ 8,313,606 million (equivalent to \$ 7,012,742 thousand) (2020: ₩ 7,393,087 million (equivalent to \$ 6,236,261 thousand))), among total limits of ₩ 8,313,606 million, equivalent to \$ 7,012,742 thousand (2020: ₩ 8,371,327 million, equivalent to \$ 7,061,431 thousand). The Group's portion of obligation is ₩ 6,667,386 million (equivalent to \$ 5,624,113 thousand) (2020: ₩ 5,993,800 million, equivalent to \$ 5,055,926 thousand) (total ₩ 6,667,386 million, equivalent to \$ 5,624,113 thousand (2020: ₩ 6,851,290 million, equivalent to \$ 5,779,241 thousand)) and the obligation will arise when it fails to complete construction. In addition, the committed amount for compensation for damages through the guarantee from guarantee institutions when the Group fails to complete construction is as follows: The Group's portion is ₩ 3,912,440 million (equivalent to \$ 3,300,245 thousand) (2020: ₩ 3,468,339 million, equivalent to \$ 2,925,634 thousand) (total ₩ 3,798,340 million, equivalent to \$ 3,205,621 thousand (2020: ₩ 3,480,219 million, equivalent to \$ 2,935,655 thousand). The Group's portion of the limit is ₩ 5,817,213 million (equivalent to \$ 4,906,970 thousand) (2020: ₩ 5,295,470 million (equivalent to \$ 4,466,866 thousand))), among total limits of ₩ 5,817,213 million, equivalent to \$ 4,906,970 thousand (2020: ₩ 5,334,670 million, equivalent to \$ 4,499,933 thousand).

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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 ₩ 56,500 million (equivalent to \$ 47,659 thousand) (2020: ₩ 51,200 million (equivalent to \$ 43,189 thousand)) and the limit of ₩ 67,800 million (equivalent to \$ 57,191 thousand) (2020: ₩ 67,800 million (equivalent to \$ 57,191 thousand)) without additional intentions or procedures made by the seller.
- 8) The Group is jointly and severally liable for ₩ 2,636,414 million (equivalent to \$ 2,223,884 thousand) (2020: ₩ 2,095,286 million (equivalent to \$ 1,767,428 thousand)) (the limits of guarantees ₩ 5,169,391 million, equivalent to \$ 4,360,515 thousand (2020: the limits of guarantees ₩ 5,142,777 million, equivalent to \$ 4,338,066 thousand)) in connection with the sale-in-lot instalment payments.
- 9) The Group has provided supplemental funding agreement of ₩ 278,129 million (equivalent to \$ 234,609 thousand) (2020: ₩ 288,830 million (equivalent to \$ 243,636 thousand)) (Total amount is ₩ 2,631,004 million, equivalent to \$ 2,219,320 thousand (2020: Total amount is ₩ 2,795,940 million, equivalent to \$ 2,358,448 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, 2021 (2020: nil). Also, the Group has not been provided with guarantees by other construction companies (2020: ₩ 42,860 million (equivalent to \$ 36,154 thousand)) as at December 31, 2021.
- 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: ₩ 122,249 million (equivalent to \$ 103,120 thousand) (2020: ₩ 124,178 million, equivalent to \$ 104,747 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 \$ 89,414 thousand)(2020: ₩ 106,000 million, equivalent to \$ 89,414 thousand)).
- 12) The Group has provided payment guarantees of \$ 300 million (total \$ 750 million) (2020: \$ 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, 2021, the Parent Company has issued 415,622,638 shares of ordinary shares.

26.2 Capital surplus as at December 31, 2021 and 2020, 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, 2021 and 2020, are as follows:

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

	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Treasury shares ¹	₩ (101,723)	₩ (101,723)	\$ (85,806)	\$ (85,806)
Debt to be swapped for equity ²	2,549	2,549	2,150	2,150
Total	<u>₩ (99,174)</u>	<u>₩ (99,174)</u>	<u>\$ (83,656)</u>	<u>\$ (83,656)</u>

¹ As at December 31, 2021, 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, 2021, 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, 2021. The number of issuable shares is 509,868 shares.

27.2 Details of accumulated other comprehensive loss after tax effect as at December 31, 2021 and 2020, are as follows:

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

	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Loss on valuation of financial instruments at fair value through other comprehensive income	₩ (3,701)	₩ (4,141)	\$ (3,122)	\$ (3,493)
Loss on overseas operations translation	(282,903)	(338,089)	(238,636)	(285,187)
Share of other comprehensive income of associates	(4,664)	(19,620)	(3,934)	(16,550)
Total	<u>₩ (291,268)</u>	<u>₩ (361,850)</u>	<u>\$ (245,692)</u>	<u>\$ (305,230)</u>

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28. Retained Earnings

Details of retained earnings as at December 31, 2021 and 2020, are as follows:

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

	2021		2020	
Statutory reserves ¹	₩	61,835	₩	61,835
Discretionary reserves ²		15,700		15,700
Unappropriated retained earnings (undisposed accumulated deficit)		897,155		430,270
Total	₩	974,690	₩	507,805

	2021		2020	
	\$	52,159	\$	52,159
		13,243		13,243
		756,774		362,945
	\$	822,176	\$	428,347

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, 2021 and 2020, are as follows:

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

	2021		2020	
Profit attributable to equity holders of the Parent Company	₩	484,684,519,726	₩	283,811,374,506
Weighted average number of ordinary shares in issue		410,885,720		410,885,720
Basic earnings per share	₩	1,180	₩	691

	2021		2020	
	\$	1.00	\$	0.58

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, 2021 and 2020, are as follows:

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

	2021		2020	
Profit used to determine diluted earnings per share	₩ 484,684,519,726	₩ 283,811,374,506	\$ 408,843,964	\$ 239,402,256
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	₩ 1,178	₩ 690	\$ 0.99	\$ 0.58

29.4 The potential dilutive instruments as at December 31, 2021, 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	\$2,150	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, 2021 and 2020, are as follows:

(in millions of Korean won)

	2021			2020		
	Cost of sales	Selling and administrative expenses	Total	Cost of sales	Selling and administrative expenses	Total
Changes in finished housing	₩ (40,468)	₩ -	₩ (40,468)	₩ (246,025)	₩ -	₩ (246,025)
Use of raw materials	2,420,286	-	2,420,286	1,912,488	-	1,912,488
Labor cost	505,480	213,128	718,608	512,593	196,901	709,494
Outsourcing	3,544,428	-	3,544,428	3,608,514	-	3,608,514
Consulting fees	282,068	92,812	374,880	278,715	67,754	346,469
Employee welfare	86,537	44,313	130,850	80,133	42,151	122,284
Rent	89,035	2,103	91,138	88,528	4,845	93,373
Commissions	208,850	18,402	227,252	168,834	16,017	184,851
Advertising	22,434	16,321	38,755	23,755	11,143	34,898
Development	559	14,921	15,480	1,122	13,905	15,027
Depreciation and others	35,060	18,422	53,482	45,209	24,675	69,884
Depreciation of leased right-of-use assets	30,885	27,970	58,855	26,399	30,570	56,969
Insurance premium	75,546	8,328	83,874	64,345	6,391	70,736
Taxes and dues	63,362	7,107	70,469	44,065	11,616	55,681
Others	122,281	36,724	159,005	527,740	16,066	543,806
Total	₩ 7,446,343	₩ 500,551	₩ 7,946,894	₩ 7,136,415	₩ 442,034	₩ 7,578,449

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	2021			2020		
	Cost of sales	Selling and administrative expenses	Total	Cost of sales	Selling and administrative expenses	Total
Changes in finished housing	\$ (34,136)	\$ -	\$ (34,136)	\$ (207,528)	\$ -	\$ (207,528)
Use of raw materials	2,041,574	-	2,041,574	1,613,233	-	1,613,233
Labor cost	426,385	179,779	606,164	432,386	166,091	598,477
Outsourcing	2,989,817	-	2,989,817	3,043,875	-	3,043,875
Consulting fees	237,932	78,289	316,221	235,103	57,152	292,255
Employee welfare	72,996	37,379	110,375	67,594	35,555	103,149
Rent	75,103	1,774	76,877	74,676	4,087	78,763
Commissions	176,170	15,523	191,693	142,416	13,511	155,927
Advertising	18,924	13,767	32,691	20,038	9,399	29,437
Development	472	12,586	13,058	946	11,729	12,675
Depreciation and others	29,574	15,539	45,113	38,135	20,814	58,949
Depreciation of leased right-of-use assets	26,052	23,593	49,645	22,268	25,787	48,055
Insurance premium	63,725	7,025	70,750	54,277	5,391	59,668
Taxes and dues	53,447	5,995	59,442	37,170	9,798	46,968
Others	103,148	30,979	134,127	445,162	13,552	458,714
Total	\$ 6,281,183	\$ 422,228	\$ 6,703,411	\$ 6,019,751	\$ 372,866	\$ 6,392,617

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31. Selling and Administrative Expenses

Selling and administrative expenses for the years ended December 31, 2021 and 2020, are as follows:

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

	2021		2020	
	₩		₩	
Salaries	196,413		177,716	\$ 165,679
Consulting fees	92,812		67,754	78,289
Employee welfare	44,313		42,151	37,379
Rental expenses	2,103		4,845	1,774
Development	14,921		13,905	12,586
Commissions	18,402		16,017	15,523
Retirement benefit	16,715		19,186	14,100
Insurance premium	8,328		6,391	7,025
Advertising	16,321		11,143	13,767
Travel expenses	2,520		2,992	2,126
Depreciation	13,491		19,063	11,380
Amortization	4,931		5,612	4,159
Bad debt expenses	19,941		2,182	16,821
Reversal of allowance for doubtful accounts	(1,782)		(4,546)	(1,503)
Depreciation of leased right-of-use assets	27,970		30,570	23,593
Others	23,152		27,053	19,530
Total	₩ 500,551		₩ 442,034	\$ 422,228
				\$ 372,867

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32. Other Income and Expenses

32.1 Other income for the years ended December 31, 2021 and 2020, are as follows:

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

	<u>2021</u>		<u>2020</u>		<u>2021</u>		<u>2020</u>	
Reversal of other allowance for doubtful accounts	₩	36,348	₩	37,866	\$	30,660	\$	31,941
Gain on disposal of investments in securities		-		3,343		-		2,820
Gain on valuation of investments in securities		2,504		5,903		2,112		4,979
Gain on disposal of investment in associates		-		267		-		225
Gain on disposal of assets held for sale		32,673		2,233		27,561		1,884
Gain on disposal of property, plant and equipment		2,512		4,369		2,119		3,685
Gain on disposal of intangible assets		483		1,833		407		1,546
Gain on disposal of investment property		11,970		-		10,097		-
Reversal of other provision		2,098		1,594		1,770		1,345
Dividend income		1,919		5,400		1,619		4,555
Miscellaneous income		14,928		20,979		12,591		17,697
Gain on foreign currency transactions		51,262		60,657		43,241		51,166
Gain on foreign currency translation		46,160		85,829		38,937		72,399
Reversal of gain on overseas operations translation		789		4		666		3
Gain on liabilities exempted		1,018		-		859		-
Gain on valuation of derivatives		11,856		1,495		10,001		1,261
Gain on transactions of derivatives		20,376		23,500		17,188		19,823
Total	₩	236,896	₩	255,272	\$	199,828	\$	215,329

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32.2 Other expense for the years ended December 31, 2021 and 2020, are as follows:

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

	2021		2020	
	₩		₩	
Other bad debts expense	₩	4,537	₩	13,612
Loss on disposal of investments in securities		438		78
Loss on valuation of investments in securities		46,434		1,511
Impairment loss on investment in associates		69		-
Loss on disposal of investment property		-		27
Impairment loss on investment property		-		14,878
Loss on disposal of assets held for sale		32		276
Impairment loss on assets held for sale		1,336		7,265
Loss on disposal of property, plant and equipment		278		566
Loss on disposal of intangible assets		-		50
Impairment loss on intangible assets		8,772		2,033
Loss on valuation of inventories		178		-
Transfer to reserve for contingent liabilities		121,463		59,937
Donations		876		420
Miscellaneous losses		28,995		22,853
Reversal of loss on overseas operations translation		735		48,202
Loss on foreign currency transactions		30,745		81,191
Loss on foreign currency translation		51,477		53,557
Loss on valuation of derivatives		17,036		19,519
Loss on transactions of derivatives		19,221		30,619
Commission		14,801		10,933
Total	₩	347,423	₩	367,527
			\$	293,060
			\$	310,019

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33. Financial Income and Costs

33.1 Financial income for the years ended December 31, 2021 and 2020, are as follows:

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

	<u>2021</u>		<u>2020</u>	
	₩		₩	
Interest income on bank deposits	24,095		21,067	
Interest income on securities	79		49	
Other interest income	26,086		23,965	
Total	₩ 50,260		₩ 45,081	

	<u>2021</u>		<u>2020</u>	
	\$		\$	
Interest income on bank deposits	20,325		17,771	
Interest income on securities	67		41	
Other interest income	22,004		20,215	
Total	\$ 42,396		\$ 38,027	

33.2 Financial costs for the years ended December 31, 2021 and 2020, are as follows:

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

	<u>2021</u>		<u>2020</u>	
	₩		₩	
Interest expenses on borrowings	55,000		94,599	
Other interest expenses	6,368		9,937	
Total	₩ 61,368		₩ 104,536	

	<u>2021</u>		<u>2020</u>	
	\$		\$	
Interest expenses on borrowings	46,394		79,797	
Other interest expenses	5,372		8,382	
Total	\$ 51,765		\$ 88,179	

During 2021, the Group capitalized borrowing costs amounting to ₩ 4,190 million, (equivalent to \$ 3,534 thousand (2020: ₩ 3,964 million, equivalent to \$ 3,344 thousand)) on qualifying assets, inventories. Borrowing costs were capitalized at the weighted-average rate of its general borrowings of 3.12~3.16% (2020: 3.42~5.87%).

34. Income Tax and Deferred Tax

34.1 Income tax expense for the years ended December 31, 2021 and 2020, consists of:

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

	<u>2021</u>		<u>2020</u>	
	₩		₩	
Current tax:				
Current tax on profits for the year	61,647		54,851	
Adjustments in respect of prior years	(5,788)		(12,580)	
Total current tax	55,859		42,271	
Deferred tax:				
Origination and reversal of temporary differences	57,608		52,531	
Total deferred tax	57,608		52,531	
Income tax expense	₩ 113,467		₩ 94,802	

	<u>2021</u>		<u>2020</u>	
	\$		\$	
Current tax:				
Current tax on profits for the year	52,001		46,269	
Adjustments in respect of prior years	(4,882)		(10,612)	
Total current tax	47,119		35,657	
Deferred tax:				
Origination and reversal of temporary differences	48,595		44,311	
Total deferred tax	48,595		44,311	
Income tax expense	\$ 95,714		\$ 79,968	

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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))

	2021		2020		2021		2020	
Profit before income tax expense	₩	598,393	₩	377,406	\$	504,760	\$	318,352
Tax calculated based on applicable tax rate		147,264		83,665		124,222		70,574
Tax effects of:		(33,797)		11,137		(28,508)		9,394
Effect of the tax system for recirculation of corporate income		-		2,125		-		1,792
Income not subject to tax		(3,054)		(1,373)		(2,576)		(1,158)
Expenses not deductible for tax purposes		24,840		2,589		20,953		2,184
Unrecognized deferred income tax for temporary differences		17,332		(6,061)		14,620		(5,113)
Additional payment (refund) of income taxes		(10,554)		(8,613)		(8,903)		(7,265)
Tax credit		(10,352)		-		(8,732)		-
Effect from subsidiaries and others		(54,235)		25,559		(45,749)		21,560
Others		2,226		(3,089)		1,879		(2,606)
Income tax expense	₩	113,467	₩	94,802	\$	95,714	\$	79,968

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, 2021 and 2020, are as follows:

(in millions of Korean won)

	2021			2020		
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
Remeasurements of net defined benefit liabilities	₩ 60,299	₩ (14,286)	₩ 46,013	₩ 37,912	₩ (8,899)	₩ 29,013
Gain (loss) on valuation of financial instruments at fair value through other comprehensive income	4,882	(1,181)	3,701	5,463	(1,322)	4,141
Loss on overseas operation translation	351,780	(68,877)	282,903	423,407	(85,318)	338,089
Equity method accumulated other comprehensive income	6,153	(1,489)	4,664	25,883	(6,264)	19,619
	₩ 423,114	₩ (85,833)	₩ 337,281	₩ 492,665	₩ (101,803)	₩ 390,862

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	2021			2020		
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
Remeasurements of net defined benefit liabilities	\$ 50,864	\$ (12,051)	\$ 38,813	\$ 31,980	\$ (7,507)	\$ 24,473
Gain on valuation of financial instruments at fair value through other comprehensive income	4,118	(996)	3,122	4,608	(1,115)	3,493
Loss on overseas operation translation	296,736	(58,100)	238,636	357,155	(71,968)	285,187
Equity method accumulated other comprehensive income	5,190	(1,256)	3,934	21,833	(5,284)	16,549
	<u>\$ 356,908</u>	<u>\$ (72,403)</u>	<u>\$ 284,505</u>	<u>\$ 415,576</u>	<u>\$ (85,874)</u>	<u>\$ 329,702</u>

34.4 The gross balances of deferred tax assets and liabilities as at December 31, 2021 and 2020, are as follows:

(in millions of Korean won)

	2021			2020		
	Within 1 year	After 1 year	Total	Within 1 year	After 1 year	Total
Deferred tax assets	₩ 177,945	₩ 712,814	₩ 890,759	₩ 180,000	₩ 823,477	₩ 1,003,477
Deferred tax liabilities	(56,668)	(145,747)	(202,415)	(60,712)	(180,790)	(241,502)
	<u>₩ 121,277</u>	<u>₩ 567,067</u>	<u>₩ 688,344</u>	<u>₩ 119,288</u>	<u>₩ 642,687</u>	<u>₩ 761,975</u>

(in thousands of US dollars
(Notes 4))

	2021			2020		
	Within 1 year	After 1 year	Total	Within 1 year	After 1 year	Total
Deferred tax assets	\$ 150,101	\$ 601,277	\$ 751,378	\$ 151,835	\$ 694,624	\$ 846,459
Deferred tax liabilities	(47,801)	(122,941)	(170,742)	(51,212)	(152,501)	(203,713)
	<u>\$ 102,300</u>	<u>\$ 478,336</u>	<u>\$ 580,636</u>	<u>\$ 100,623</u>	<u>\$ 542,123</u>	<u>\$ 642,746</u>

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34.5 Changes in deferred tax assets and liabilities for the years ended December 31, 2021 and 2020, are as follows:

(in millions of Korean won)

	2021			
	Beginning balance	Increase (decrease)		Ending balance
		Profit (loss) for the year	Other comprehensive income (loss)	
Defined benefit liability	₩ 42,856	₩ (7,054)	₩ 5,387	₩ 41,189
Allowance for doubtful accounts	234,763	(72,363)	-	162,400
Accrued income	(5,757)	1,374	-	(4,383)
Financial guarantee liabilities and provisions	99,946	16,065	-	116,011
Present value discount	648	(367)	-	281
Property, plant and equipment	16,491	(3,564)	-	12,927
Intangible assets	(392)	2,500	-	2,108
Securities	47,463	61,129	(4,916)	103,676
Impairment loss on investments property	3,155	(1,588)	-	1,567
Gain on foreign currency translation	(5,444)	4,846	-	(598)
Tax loss carryforwards	136,167	(48,343)	-	87,824
Undefined gain or loss	85,300	(3,849)	-	81,451
Others	106,779	(6,447)	(16,441)	83,891
	<u>₩ 761,975</u>	<u>₩ (57,661)</u>	<u>₩ (15,970)</u>	<u>₩ 688,344</u>

(in thousands of US dollars (Note 4))

	2021			
	Beginning balance	Increase (decrease)		Ending balance
		Profit (loss) for the year	Other comprehensive income (loss)	
Defined benefit liability	\$ 36,150	\$ (5,950)	\$ 4,544	\$ 34,744
Allowance for doubtful accounts	198,029	(61,040)	-	136,988
Accrued income	(4,856)	1,159	-	(3,697)
Financial guarantee liabilities and provisions	84,307	13,551	-	97,858
Present value discount	546	(310)	-	236
Property, plant and equipment	13,911	(3,006)	-	10,905
Intangible assets	(330)	2,109	-	1,779
Securities	40,037	51,564	(4,147)	87,454
Impairment loss on investments property	2,661	(1,340)	-	1,321
Gain on foreign currency translation	(4,592)	4,088	-	(504)
Tax loss carryforwards	114,860	(40,779)	-	74,081
Undefined gain or loss	71,953	(3,247)	-	68,706
Others	90,071	(5,438)	(13,868)	70,765
	<u>\$ 642,746</u>	<u>\$ (48,639)</u>	<u>\$ (13,471)</u>	<u>\$ 580,636</u>

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	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	\$ 42,957	\$ 2,616	\$ (9,423)	\$ 36,150
Allowance for doubtful accounts	180,106	17,922	-	198,028
Accrued income	(4,224)	(632)	-	(4,856)
Financial guarantee liabilities and provisions	103,471	(19,164)	-	84,307
Present value discount	418	128	-	546
Property, plant and equipment	9,380	4,531	-	13,911
Intangible assets	(224)	(106)	-	(330)
Securities	52,887	(18,229)	5,379	40,037
Impairment loss on investments property	4,031	(1,370)	-	2,661
Gain on foreign currency translation	(4,495)	(97)	-	(4,592)
Tax loss carryforwards	124,614	(9,754)	-	114,860
Undefined gain or loss	86,721	(14,768)	-	71,953
Others	87,838	(5,388)	7,621	90,071
	<u>\$ 683,480</u>	<u>\$ (44,311)</u>	<u>\$ 3,577</u>	<u>\$ 642,746</u>

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34.6 Details of unrecognized deductible (taxable) temporary differences as deferred tax assets (liabilities) as at December 31, 2021 and 2020, are as follows:

(in millions of Korean won)

		<u>2021</u>	<u>2020</u>	<u>Remarks</u>
Investments in subsidiaries and others	Daewoo Tripoli Investment & Development Co. and others	₩ 532,936	₩ 479,926	No plan for disposal and others
		(14,341)	(3,452)	Permanent reinvestment plan of undistributed profit
Gain on overseas operations translation and others	Libya branch and others	12,867	15,248	No plan for disposal and others

(in thousands of US dollars (Note 4))

		<u>2021</u>	<u>2020</u>	<u>Remarks</u>
Investments in subsidiaries and others	Daewoo Tripoli Investment & Development Co. and others	\$ 449,545	\$ 404,830	No plan for disposal and others
		(12,097)	(2,912)	Permanent reinvestment plan of undistributed profit
Gain on overseas operations translation and others	Libya branch and others	10,854	12,862	No plan for disposal and others

34.7 Deferred taxes expected to reverse subsequent to December 31, 2022 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, 2021, 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., 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, 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., Gyeongang Rivercity AMC Co., Ltd., JR Asset Management Company No.22, 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., ITRO Co., Ltd., Daegu Dong-gu Complex No. 1 Co., Ltd., Banpo Central No.1 Co., Ltd., WONJU GREEN CORP., Gulup Wind Power Development Corp., 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, 2021 and 2020, are as follows:

(in millions of Korean won)

		2021									
		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	Equity changes	
Parent company and others	Korea Development Bank	Others	OthersInterest expenses and others	₩ -	₩ 77	₩ 77	₩ -	₩ 4,687	₩ 4,687	₩ -	
Associates and others	HANAM Marbling City Development Co., Ltd.	Construction contracts and others	-	1,079	480	1,559	-	-	-	-	
	Gyeongsan knowledge industry development Co., Ltd.	Construction contracts and others	-	11,271	-	11,271	-	-	-	-	
	Dongtan2 Daewoo KOCREF New Stay Development REIT Co., Ltd.	Consulting fees and others	-	446	-	446	-	-	-	-	
	Pocheon IPP Co., Ltd. ¹	Consulting fees and others	-	11,518	161	11,679	-	2	2	-	
	Pyeongseong Industrial Asset Management Co., Ltd.	Consulting fees and others	-	36	-	36	-	-	-	-	
	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	-	1,602	1,010	2,612	-	-	-	-	
	Yangju Development PFV Co, Ltd.	Construction contracts and others	-	7,502	-	7,502	-	-	-	-	
	GWIC Co., Ltd.	Construction contracts and others	-	15	-	15	-	-	-	-	
	Pungmoo Station Area development asset management Co.	Consulting fees and others	-	118	-	118	-	-	-	-	
	GreenJC Co.	Consulting fees and others	-	309	-	309	-	-	-	-	
	Cheonmasan Tunnel Corp	Construction contracts and others	-	1,900	-	1,900	-	-	-	-	
	Harbor City Development Co., Ltd.	Construction contracts and others	Electricity expense and others	89,272	1,118	90,390	-	21	21	-	
	Incheon Airport Yeongjong REIT Co., Ltd.	Construction contracts and others	-	72,394	-	72,394	-	-	-	-	
	Tangjeong Technopark Co., Ltd.	Construction contracts and others	-	5,533	988	6,521	-	-	-	-	
	Gyeongan RiverCity Development Asset Management. Co., Ltd.	Consulting fees and others	-	170	-	170	-	-	-	-	
	SUWON Youth Housing Daewoo K1 No.9 Reits Mastern No.83	Construction contracts and others	-	36,304	-	36,304	-	-	-	-	
	Cheongryang PFV Co., Ltd.	Others	-	-	107	107	-	-	-	-	
	Daechi 176 PFV Co., Ltd.	Others	-	-	140	140	-	-	-	-	
	ITRO Co., Ltd.	-	Telecommunica-tion expenses and others	-	-	-	635	-	635	450	

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		2021							
Related parties	Transaction description	Sales and others			Purchases and others			Equity changes	
		Sales and others	Purchases and others		Sales	Other income	Total		Purchases
Banpo Central No.1 Co., Ltd.	Others	-	-	285	285	-	-	-	4,500
Daegu Dong-gu Complex No. 1 Co., Ltd.	Others	-	-	333	333	-	-	-	1,450
WONJU GREEN CORP.	Construction contracts and others	-	874	-	874	-	-	-	2,797
Gulup Wind Power Development Corp.	-	-	-	-	-	-	-	-	2,000
DINAMICO CONST,INC	Consulting fees and others	-	5,151	-	5,151	-	-	-	-
BEIJING LUFTHANSA CENTER CO.	Consulting fees and others	-	92	-	92	-	-	-	-
			₩245,800	₩ 4,699	₩250,499	₩ 635	₩ 4,710	₩ 5,345	₩ 11,197

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

		2021								
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
Parent company and others	Korea Development Bank	Others	Others/Interest expenses and others	\$ -	\$ 65	\$ 65	\$ -	\$ 3,954	\$ 3,954	\$ -
Associates and others	HANAM Marbling City Development Co., Ltd.	Construction contracts and others	-	910	405	1,315	-	-	-	-
	Gyeongsan knowledge industry development Co., Ltd.	Construction contracts and others	-	9,507	-	9,507	-	-	-	-
	Dongtan2 Daewoo KOCREF New Stay Development REIT Co., Ltd.	Consulting fees and others	-	376	-	376	-	-	-	-
	Pocheon IPP Co., Ltd. ¹	Consulting fees and others	-	9,716	136	9,852	-	2	2	-
	Pyeongseong Industrial Asset Management Co., Ltd.	Consulting fees and others	-	30	-	30	-	-	-	-
	Changwon Innovation Industrial Development Asset Management Co., Ltd.	Consulting fees and others	-	181	-	181	-	-	-	-
	Changwon Innovation Industrial Development Co., Ltd. PFV	Construction contracts and others	-	1,351	852	2,203	-	-	-	-
	Yangju Development PFV Co, Ltd.	Construction contracts and others	-	6,328	-	6,328	-	-	-	-
	GWIC Co., Ltd.	Construction contracts and others	-	13	-	13	-	-	-	-
	Pungmoo Station Area development asset management Co.	Consulting fees and others	-	100	-	100	-	-	-	-
	GreenJC Co.	Consulting fees and others	-	261	-	261	-	-	-	-
	Cheonmasan Tunnel Corp	Construction contracts and others	-	1,603	-	1,603	-	-	-	-

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		2021							
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	
Harbor City Development Co., Ltd.	Construction contracts and others	Electricity expense and others	75,303	943	76,246	-	18	18	-
Incheon Airport Yeongjong REIT Co., Ltd.	Construction contracts and others	-	61,066	-	61,066	-	-	-	-
Tangjeong Technopark Co., Ltd.	Construction contracts and others	-	4,667	833	5,500	-	-	-	-
Gyeongang RiverCity Development Asset Management. Co., Ltd.	Consulting fees and others	-	143	-	143	-	-	-	-
SUWON Youth Housing Daewoo K1 No.9 Reits Mastern No.83	Construction contracts and others	-	30,623	-	30,623	-	-	-	-
Cheongryang PFV Co., Ltd.	Others	-	-	90	90	-	-	-	-
Daechi 176 PFV Co., Ltd.	Others	-	-	118	118	-	-	-	-
ITRO Co., Ltd.	-	Telecommunication expenses and others	-	-	-	536	-	536	380
Banpo Central No.1 Co., Ltd.	Others	-	-	240	240	-	-	-	3,796
Daegu Dong-gu Complex No. 1 Co., Ltd.	Others	-	-	281	281	-	-	-	1,223
WONJU GREEN CORP.	Construction contracts and others	-	737	-	737	-	-	-	2,359
Gulup Wind Power Development Corp.	-	-	-	-	-	-	-	-	1,687
DINAMICO CONST,INC	Consulting fees and others	-	4,345	-	4,345	-	-	-	-
BEIJING LUFTHANSA CENTER CO.	Consulting fees and others	-	78	-	78	-	-	-	-
			<u>\$ 207,338</u>	<u>\$ 3,963</u>	<u>\$ 211,302</u>	<u>\$ 536</u>	<u>\$ 3,974</u>	<u>\$ 4,510</u>	<u>\$ 9,445</u>

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

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		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	₩ -	₩ 915	₩ 915	₩ -	₩ 10,596	₩ 10,596	₩ -
	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. ¹	Consulting fees and others	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	-	-	-	-
Gyeongan 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	

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		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	Equity changes
Bugok Environment Co., Ltd. ¹	-	-	-	-	-	-	-	-	(1,007)
JR Asset Management Company	-	-	-	-	-	-	-	-	39,896
Gochon Development AMC Co., Ltd. Mastern No.83	-	-	-	-	-	-	-	-	49
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. Sahwa City Development Co., Ltd ¹	Consulting fees and others	-	179	-	179	-	-	-	1
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								
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	Equity changes	
Parent company and others	Korea Development Bank	Others	Interest expenses and others	\$ -	\$ 772	\$ 772	\$ -	\$ 8,938	\$ 8,938	\$ -
	Korea Development Bank Capital	-	Interest expenses and others	-	-	-	-	42	42	-
Associates and others	HANAM Marbling City Development Co., Ltd.	Construction contracts and others	-	11,934	63	11,997	-	-	-	-
	Gyeongsan knowledge industry development Co., Ltd.	Construction contracts and others	-	10,508	-	10,508	-	-	-	-
	Jinwi 3 Industrial Complex Development Inc.	Construction contracts and others	-	2,711	358	3,069	-	-	-	-
	Pocheon IPP Co., Ltd.	Consulting fees and others	Construction warranty and others	32,091	474	32,565	-	23	23	-
	Dongtan 2 Daewoo New Stay Cokelap Enterprise Rental Development Specialist Consignment Management Real Estate Investment Company	Consulting fees and others	-	33	-	33	-	-	-	-
	Pyeongseong Industrial Asset Management Co., Ltd.	Consulting fees and others	-	65	-	65	-	-	-	-

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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	
Changwon Innovation Industrial Development Asset Management Co., Ltd.	Consulting fees and others	-	187	-	187	-	-	-	-
Changwon Innovation Industrial Development Co., Ltd. PFV	Construction contracts and others	-	10,597	705	11,302	-	-	-	-
Yangju Development PFV Co, Ltd	Construction contracts and others	-	1,032	-	1,032	-	-	-	-
GWIC Co., Ltd	Construction contracts and others	Electricity expense and others	11,759	-	11,759	-	4	4	-
Pungmoo Station Area development asset management Co.	Consulting fees and others	-	100	-	100	-	-	-	-
GreenJC Co.	Consulting fees and others	-	255	-	255	-	-	-	-
Chonmasan Tunnel Co.	Consulting fees and others	-	1,619	-	1,619	-	-	-	-
Harbor City Development Co., Ltd.	Construction contracts and others	Electricity expense and others	49,477	-	49,477	-	29	29	-
Incheon Airport Yeongjong REIT Co., Ltd.	Construction contracts and others	-	119,989	-	119,989	-	-	-	-
Tangjeong Technopark Co., Ltd.	Construction contracts and others	-	1,938	-	1,938	-	-	-	-
Gyeongang RiverCity Development Asset Management. Co., Ltd.	Consulting fees and others	-	122	-	122	-	-	-	-
SUWON Youth Housing Daewoo K1 No.9 Reits	Construction contracts and others	-	9,019	184	9,203	-	-	-	4,891
Bugok Environment Co., Ltd. ¹	-	-	-	-	-	-	-	-	(849)
JR Asset Management Company	-	-	-	-	-	-	-	-	33,653
Gochon Development AMC Co.,Ltd.	-	-	-	-	-	-	-	-	41
Mastern No.83 Cheongryang PFV Co., Ltd.	-	-	-	-	-	-	-	-	1,277
Zayang 5 PFV Co., Ltd	-	-	-	-	-	-	-	-	1,265
Humax EV Co., Ltd.	-	-	-	-	-	-	-	-	1,211
Daechi 176 PFV Co., Ltd.	Others	-	-	13	13	-	-	-	1,687
Songsan Industrial Complex Development Inc.	Consulting fees and others	-	151	-	151	-	-	-	1
Sahwa City Development Co., Ltd ¹	-	-	-	-	-	-	-	-	(228)
DW NIGERIA LTD.	-	-	-	-	-	-	-	-	104
DINAMICO CONST,INC	Consulting fees and others	-	10,239	-	10,239	-	-	-	-
BEIJING LUFTHANSA CENTER CO.	Consulting fees and others	-	69	-	69	-	-	-	-
			<u>\$ 273,895</u>	<u>\$ 2,569</u>	<u>\$ 276,464</u>	<u>\$ -</u>	<u>\$ 9,036</u>	<u>\$ 9,036</u>	<u>\$ 43,053</u>

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, 2021 and 2020, are as follows:

(in millions of Korean won)

		2021					
		Receivables ¹			Payables		
		Trade receivables	Other receivables	Total	Trade payables	Other payables	Total
Parent company and others	Korea Development Bank	₩ -	₩ 81,072	₩ 81,072	₩ -	₩ 100,000	₩ 100,000
Associates and others	Skyland Co., Ltd.	26,390	388	26,778	-	-	-
	HANAM Marbling City Development Co., Ltd.	-	351	351	-	171	171
	Gyeongsan knowledge industry development Co., Ltd.	5,879	180	6,059	-	909	909
	Pocheon IPP Co., Ltd.	1,636	36,779	38,415	-	229	229
	Pyeong Seong Industria Aseet Management Co.,Ltd.	113	11	124	-	-	-
	Kyungnam Masan Robotland Co., Ltd.	5,650	565	6,215	-	-	-
	Changwon Innovation Industrial Development Asset Management Co., Ltd.	-	-	-	-	-	-
	Changwon Innovation Industrial Development Co., Ltd. PFV	27,829	30,181	58,010	-	2,010	2,010
	Yangju Development PFV Co, Ltd.	2,815	-	2,815	-	-	-
	GWIC Co., Ltd.	33,826	3,383	37,209	-	-	-
	Pungmoo Station Area development asset management Co.	49	5	54	-	-	-
	UI trans LRT Co.	8,401	15,602	24,003	-	-	-
	Chonmasan Tunnel Co.	719	452	1,171	-	-	-
	Harbor City Development Co., Ltd.	32,188	817	33,005	-	13,401	13,401
	Incheon Airport Yeongjong REIT Co., Ltd.	-	-	-	-	-	-
	Tanjeong Techno-park Co., Ltd.	1,707	28,988	30,695	-	-	-
	Gyeongang Rivercity AMC Co., Ltd.	315	32	347	-	-	-
SUWON Youth Housing Daewoo K1 No.9 Reits Mastern No.83	-	-	-	-	2,894	2,894	
Cheongryang PFV Co., Ltd.	-	1,558	1,558	-	-	-	
Daechi 176 PFV Co., Ltd.	-	-	-	-	-	-	

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Related parties	2021					
	Receivables ¹			Payables		
	Trade receivables	Other receivables	Total	Trade payables	Other payables	Total
Songsan Industrial Complex Development Inc.	549	15,113	15,662	-	-	-
ITRO Co., Ltd.	-	-	-	-	138	138
Daegu Dong-gu Complex No. 1 Co., Ltd.	-	8,883	8,883	-	-	-
Banpo Central No.1 Co., Ltd.	-	7,285	7,285	-	-	-
WONJU GREEN CORP.	109	912	1,021	-	588	588
V-CITY 21 JOINT STOCK COMPANY	-	44	44	-	-	-
KDS Hydro Pte.Ltd.	-	11,228	11,228	-	-	-
BEIJING LUFTHANSA CENTER CO.	-	-	-	-	-	-
GULF ENG.CONST. & CONTRACT	595	2,523	3,118	-	-	-
	<u>₩ 148,770</u>	<u>₩ 246,352</u>	<u>₩ 395,122</u>	<u>₩ -</u>	<u>₩ 120,340</u>	<u>₩ 120,340</u>

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

Related parties	2021					
	Receivables ¹			Payables		
	Trade receivables	Other receivables	Total	Trade payables	Other payables	Total
Parent company and others						
Korea Development Bank	\$ -	\$ 68,386	\$ 68,386	\$ -	\$ 84,353	\$ 84,353
Associates and others						
Skyland Co., Ltd.	22,261	327	22,588	-	-	-
HANAM Marbling City Development Co., Ltd.	-	296	296	-	144	144
Gyeongsan knowledge industry development Co., Ltd.	4,959	152	5,111	-	767	767
Pocheon IPP Co., Ltd.	1,380	31,024	32,404	-	193	193
Pyeong Seong Industria Aseet Management Co.,Ltd.	95	9	104	-	-	-
Kyungnam Masan Robotland Co., Ltd.	4,766	477	5,243	-	-	-
Changwon Innovation Industrial Development Asset Management Co., Ltd.	-	-	-	-	-	-
Changwon Innovation Industrial Development Co., Ltd. PFV	23,474	25,458	48,932	-	1,695	1,695
Yangju Development PFV Co, Ltd.	2,375	-	2,375	-	-	-
GWIC Co., Ltd.	28,533	2,854	31,387	-	-	-

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Related parties	2021					
	Receivables ¹			Payables		
	Trade receivables	Other receivables	Total	Trade payables	Other payables	Total
Pungmoo Station Area development asset management Co.	41	4	45	-	-	-
UI trans LRT Co.	7,086	13,161	20,247	-	-	-
Chonmasan Tunnel Co.	606	381	987	-	-	-
Harbor City Development Co., Ltd.	27,151	689	27,840	-	11,304	11,304
Incheon Airport Yeongjong REIT Co., Ltd.	-	-	-	-	-	-
Tangjeong Techno-park Co., Ltd.	1,440	24,452	25,892	-	-	-
Gyeongan Rivercity AMC Co., Ltd.	266	27	293	-	-	-
SUWON Youth Housing Daewoo K1 No.9 Reits Mastern No.83	-	-	-	-	2,441	2,441
Cheongryang PFV Co., Ltd.	-	1,314	1,314	-	-	-
Daechi 176 PFV Co., Ltd.	-	-	-	-	-	-
Songsan Industrial Complex Development Inc.	463	12,748	13,211	-	-	-
ITRO Co., Ltd.	-	-	-	-	116	116
Daegu Dong-gu Complex No. 1 Co., Ltd.	-	7,493	7,493	-	-	-
Banpo Central No.1 Co., Ltd.	-	6,145	6,145	-	-	-
WONJU GREEN CORP.	92	769	861	-	496	496
V-CITY 21 JOINT STOCK COMPANY	-	37	37	-	-	-
KDS Hydro Pte.Ltd.	-	9,471	9,471	-	-	-
BEIJING LUFTHANSA CENTER CO.	-	-	-	-	-	-
GULF ENG.CONST. & CONTRACT	502	2,128	2,630	-	-	-
	<u>\$ 125,490</u>	<u>\$ 207,802</u>	<u>\$ 333,292</u>	<u>\$ -</u>	<u>\$ 101,509</u>	<u>\$ 101,509</u>

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		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		-		-		-	
	GWIC Co., Ltd		33,810		2,860		36,670		-		-		-	
	Associates and others	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		-		-		-
		Tangeong Techno-park Co., Ltd.		2,297		-		2,297		-		-		-
Gyeongang 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		-		-		-	
V-CITY 21 JOINT STOCK COMPANY		-		40		40		-		-		-		
KDS Hydro Pte.Ltd.		-		10,084		10,084		-		-		-		

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		2020					
		Receivables ¹			Payables		
Related parties		Trade receivables	Other receivables	Total	Trade payables	Other payables	Total
	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	\$ -	\$ 89,173	\$ 89,173	\$ -	\$ 196,238	\$ 196,238
	Skyland Co., Ltd.	22,810	335	23,145	-	-	-
	HANAM Marbling City Development Co., Ltd.	-	-	-	-	1,054	1,054
	Gyeongsan knowledge industry development Co., Ltd.	3,556	6	3,562	-	-	-
	Jinwi 3 Industrial Complex Development Inc.	-	-	-	-	-	-
	Pocheon IPP Co., Ltd.	18,449	18,684	37,133	-	-	-
	Pyeong Seong Industria Aseet Management Co.,Ltd.	65	7	72	-	-	-
	Kyungnam Masan Robotland Co., Ltd.	4,766	477	5,243	-	-	-
	Changwon Innovation Industrial Development Co., Ltd. PFV	23,474	22,633	46,107	-	3,043	3,043
	Yangju Development PFV Co, Ltd	950	-	950	-	-	-
	GWIC Co., Ltd	28,520	2,412	30,932	-	-	-
	Pungmoo Station Area development asset management Co.	33	3	36	-	-	-
	UI trans LRT Co.	7,086	10,642	17,728	-	-	-
	Chonmasan Tunnel Co. Harbor City Development Co., Ltd.	4,182	698	4,880	-	-	-
Incheon Airport Yeongjong REIT Co., Ltd.	-	-	-	-	7,308	7,308	
Associates and others	<u>Incheon Airport Yeongjong REIT Co., Ltd.</u>	<u>12,054</u>	<u>-</u>	<u>12,054</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Tangjeong Techno-park Co., Ltd.	1,938	-	1,938	-	-	-
	Gyeongang Rivercity AMC Co., Ltd	122	13	135	-	-	-

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Related parties	2020					
	Receivables ¹			Payables		
	Trade receivables	Other receivables	Total	Trade payables	Other payables	Total
SUWON Youth Housing						
Daewoo K1 No.9 Reits	164	-	164	-	-	-
Mastern No.83						
Cheongryang PFV Co., Ltd	-	2,097	2,097	-	-	-
Daechi 176 PFV Co., Ltd.	-	3,388	3,388	-	-	-
Songsan Industrial Complex Development Inc.	352	12,737	13,089	-	-	-
V-CITY 21 JOINT STOCK COMPANY	-	34	34	-	-	-
KDS Hydro Pte.Ltd.	-	8,506	8,506	-	-	-
BEIJING LUFTHANSA CENTER CO.	-	-	-	-	-	-
GULF ENG.CONST. & CONTRACT	461	2,081	2,542	-	-	-
	<u>\$ 128,982</u>	<u>\$ 173,926</u>	<u>\$ 302,908</u>	<u>\$ -</u>	<u>\$ 207,643</u>	<u>\$ 207,643</u>

¹ The Group established an allowance for bad debts amounting to ₩ 92,549 million (equivalent to \$ 78,067 thousand) (2020: ₩ 75,241 million (equivalent to \$ 63,468 thousand)) for the receivables of related parties as at December 31, 2021. The bad debts recognized during the year ended December 31, 2021, was ₩ 124 million (equivalent to \$ 105 thousand).

35.4 Details of the payment guarantees on the borrowings of related parties as at December 31, 2021 and 2020, are as follows:

(in millions of Korean won)

Related parties	2021	2020	Provided by	Period	Remark
Associates and others					
Kyungnam Masan Robotland Co., Ltd.	₩ 7,677	₩ 7,677	Davi Hana Robotland Private property	2016.04.19~2035.10.19	Supplementary funds
Changwon Innovation Industrial Development Co., Ltd. PFV	-	2,693	Kyongnam Bank Co., Ltd. and others	2019.03.15~2021.06.22	Guarantees for interest payment
Songsan Industrial Complex Development Inc.	41,000	43,000	KIS Songsan The Second Co., Ltd	2021.09.16~2022.09.14	Acceptances for debt
Ja-yang 5 PFV Co., Ltd.	46,000	46,000	SAMSUNG SECURITIES CO.,LTD and others	2021.06.28~2022.06.27	Acceptances for debt
GreenJC Co.	1,432	1,531	Kyobo Life Insurance Co., Ltd. and others	2009.05.18~2033.03.31	Providing funds
KDS Hydro Pte. Ltd.	1,739	1,596	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	Kookmin bank and others	2017.03.31~2037.09.30	Supplementary funds

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WONJU GREEN CORP.	1,718	-	Industrial Bank of Korea and others	2021.09.15~ 2028.12.26	Providing funds
	<u>₩ 108,066</u>	<u>₩ 113,983</u>			

(in thousands of US dollars (Note 4))

	<u>Related parties</u>	<u>2021</u>	<u>2020</u>	<u>Provided by</u>	<u>Period</u>	<u>Remark</u>
Associates and others	Kyungnam Masan Robotland Co., Ltd.	\$ 6,476	\$ 6,476	Davi Hana Robotland Private property	2016.04.19~ 2035.10.19	Supplementary funds
	Changwon Innovation Industrial Development Co., Ltd. PFV	-	2,272	Kyongnam Bank Co., Ltd. and others	2019.03.15~ 2021.06.22	Guarantees for interest payment
	Songsan Industrial Complex Development Inc.	34,585	36,272	KIS Songsan The Second Co., Ltd	2021.09.16~ 2022.09.14	Acceptances for debt
	Ja-yang 5 PFV Co., Ltd.	38,802	38,802	SAMSUNG SECURITIES CO.,LTD and others	2021.06.28~2 022.06.27	Acceptances for debt
	GreenJC Co.	1,208	1,291	Kyobo Life Insurance Co., Ltd. and others	2009.05.18~ 2033.03.31	Providing funds
	KDS Hydro Pte. Ltd.	1,467	1,346	The Export-Import Bank of Korea and others	2012.11.22~ 2028.12.31	Supplementary funds
	Chonmasan Tunnel Co.	7,170	7,170	NH nonhyup and others	2015.09.25~ 2044.06.25	Supplementary funds
	UI trans LRT Co.	-	2,519	Kookmin bank and others	2017.03.31~ 2037.09.30	Supplementary funds
	WONJU GREEN CORP.	1,449	-	Industrial Bank of Korea and others	2021.09.15~ 2028.12.26	Providing funds
		<u>\$ 91,157</u>	<u>\$ 96,148</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 ₩ 728,800 million (equivalent to \$ 614,762 thousand) (2020: ₩ 872,660 million (equivalent to \$ 736,111 thousand))), among total limits of ₩ 728,800 million, equivalent to \$ 614,762 thousand (2020: ₩ 926,900 million, equivalent to \$ 781,864 thousand) when it fails to complete construction, which the Group's portion of ₩ 577,300 million (equivalent to \$ 486,968 thousand) (2020: ₩ 664,960 million, equivalent to \$ 560,911 thousand) (total ₩ 577,300 million, equivalent to \$ 486,968 thousand (2020: ₩ 719,200 million, equivalent to \$ 606,664 thousand)).

In addition, the committed amount for compensation for damages through the guarantees from guarantee institutions when the Group fails to complete construction is as follows: the Group's portion is ₩ 51,900 million (equivalent to \$ 43,779 thousand) (2020: ₩ 134,500 million (equivalent to \$ 113,454 thousand)), among total amounts of ₩ 51,900 million (equivalent to \$ 43,779 thousand) (2020: ₩ 134,500 million (equivalent to \$ 113,454 thousand)). And, the Group's portion of the limits is ₩ 61,010 million (equivalent to \$ 51,464 thousand) (2020: ₩ 174,496 million (equivalent to \$ 147,192 thousand)), among total limits of ₩ 61,010 million, equivalent to \$ 51,464 thousand (2020: ₩ 174,496 million, equivalent to \$ 147,192 thousand).

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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, 2021: ₩ 176,827 million (equivalent to \$ 149,158 thousand), December 31, 2020: ₩ 167,152 million (equivalent to \$ 140,997 thousand)) within a month.

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 ₩ 56,500 million (equivalent to \$ 47,659 thousand) (2020: ₩ 51,200 million (equivalent to \$ 43,189 thousand)) with the limit of ₩ 67,800 million (equivalent to \$ 57,191 thousand) (2020: ₩ 67,800 million (equivalent to \$ 57,191 thousand)) without additional intentions or procedures made by the seller.

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, 2021.

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, 2021.

The Group has provided payment guarantees of \$ 300 million (total \$ 750 million) (2020: \$ 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 as at December 31, 2021.

The Group entered into an agreement for lending ₩ 25,200 million (equivalent to \$ 21,257 thousand) (2020: ₩ 25,200 million (equivalent to \$ 21,257 thousand)) (total ₩ 42,000 million (equivalent to \$ 35,428 thousand) (2020: ₩ 42,000 million (equivalent to \$ 35,428 thousand)) with Changwon Innovation Industrial Development Co., Ltd. PFV to cover required business expenses in relation to Changwon Dongjeon industrial Complex Site development as at December 31, 2021.

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35.5 Details of collaterals provided for the related parties as at December 31, 2021 and 2020, are as follows:

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

		2021				
Related parties		Book amount	Total limits ¹	Book amount	Total limits ¹	Financial Institutions
Associates and others	Gyeongsan Knowledge Industry Development Co., Ltd.	₩ 1	₩ 119,207	\$ 1	\$ 100,554	True Friend 2nd Co., Ltd.
	Tangjeong Technopark Co., Ltd.	1	47,268	1	39,872	TJ Tangjeong 1st Co.,Ltd.and others
	Harbor City Development Co., Ltd.	1	83,009	1	70,020	Busan Bank and others
	UI trans LRT Co.	1	101,652	1	85,746	Kookmin bank and others
	Chonmasan Tunnel Co.	1	112,591	1	94,973	Korea Development Bank
	GreenJC Co.	1	37,677	1	31,782	Kyobo Life Insurance Co., Ltd. and others
	KDS Hydro Pte.Ltd.	25,922	25,831	21,866	21,789	The Law Debenture Trust Corporation p.l.c
	Changwon Innovation Industrial Development Co., Ltd. PFV	1	67,860	1	57,242	White Wood 1st Co.,Ltd. and others
	Ja-yang 5 PFV Co., Ltd.	903	38,541	762	32,510	Shinhan Capital Co., Ltd. and others
	Banpo Central No.1 Co., Ltd.	2,590	54,000	2,185	45,550	Able Central No.1 Co., Ltd.
	WONJU GREEN CORP.	615	5,938	519	5,009	Nonghyup Bank and others
	Kyungnam Masan Robotland Co., Ltd.	1	51,030	1	43,045	Nonghyup Bank and others
		<u>₩ 30,038</u>	<u>₩ 744,604</u>	<u>\$ 25,340</u>	<u>\$ 628,092</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 ₩ 2,182,540 million (equivalent to \$ 1,841,029 thousand).

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thousands of US dollars (Note 4))

		2020				
Related parties		Book amount	Total limits ¹	Book amount	Total limits ¹	Financial Institutions
Associates and others	Tangjeong Technopark Co., Ltd.	₩ 1	₩ 47,268	\$ 1	\$ 39,872	TJ Tangjeong 1st Co.,Ltd.and others
	Ja-yang 5 PFV Co., Ltd	1,464	40,950	1,235	34,542	Shinhan Capital Co., Ltd. and others
	Gyeongsan Knowledge Industry Development Co., Ltd.	1	119,207	1	100,554	True Friend 2nd Co., Ltd.
	Harbor City Development Co., Ltd.	1	83,009	1	70,020	Busan Bank and others
	KDS Hydro Pte.Ltd	18,292	23,718	15,430	20,007	The Law Debenture Trust Corporation p.l.c
	Pocheon IPP Co., Ltd.	1	753,857	1	635,898	Korea Development Bank and others
	Changwon Innovation Industrial Development Co., Ltd. PFV	1	70,361	1	59,351	Kyongnam Bank and others
	Kyungnam Masan Robotland Co., Ltd.	1	51,030	1	43,045	Nonghyup Bank and others
	Kyungnam Masan Robot Land Asset Management Co., Ltd.	55		46		Shinhan Capital Co., Ltd. and others
	Chonmasan Tunnel Co.	1,000	112,591	844	94,973	Korea Development Bank National Pension Service and others
	GreenJC Co.	1	37,677	1	31,782	Nonghyup Bank and others
	UI trans LRT Co.	1	101,652	1	85,746	Kookmin bank and others
		<u>₩ 20,819</u>	<u>₩1,441,320</u>	<u>\$ 17,563</u>	<u>\$ 1,215,790</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 \$ 2,457,559 thousand).

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35.6 Fund transactions with related parties for the years ended December 31, 2021 and 2020, are as follows:

(in millions of Korean won)

		2021				
	Related parties	Transaction	Beginning	Increase	Decrease	Ending
Parent company and others	Korea Development Bank	Debt	₩ 232,640	₩ -	₩ 132,640	₩ 100,000
Associates and others	Changwon Innovation Industrial Development Co., Ltd. PFV	Loans	22,860	2,340	-	25,200
	UI trans LRT Co.	Loans	12,450	2,986	-	15,436
	Pocheon IPP Co., Ltd. ¹	Loans	20,000	21,365	7,316	34,049
	Daechi 176 PFV Co., Ltd.	Loans	4,000	-	4,000	-
	Mastern No.83 Cheongryang PFV Co., Ltd.	Loans	2,486	-	940	1,546
	Daegu Dong-gu Complex No. 1 Co., Ltd.	Loans	-	8,550	-	8,550
	Banpo Central No.1 Co., Ltd.	Loans	-	7,000	-	7,000
	Tangjeong Technopark Co., Ltd.	Loans	-	28,000	-	28,000
	WONJU GREEN CORP.	Loans	-	901	-	901
	V-CITY 21 JOINT STOCK COMPANY	Loans	33	3	-	36
	KDS Hydro Pte.Ltd.	Loans	9,802	1,423	-	11,225
			<u>₩ 304,271</u>	<u>₩ 72,568</u>	<u>₩ 144,896</u>	<u>₩ 231,943</u>

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

		2021				
	Related parties	Transaction	Beginning	Increase	Decrease	Ending
Parent company and others	Korea Development Bank	Debt	\$ 196,238	\$ -	\$ 111,885	\$ 84,353
Associates and others	Changwon Innovation Industrial Development Co., Ltd. PFV	Loans	19,283	1,974	-	21,257
	UI trans LRT Co.	Loans	10,502	2,519	-	13,021
	Pocheon IPP Co., Ltd. ¹	Loans	16,871	18,022	6,171	28,722
	Daechi 176 PFV Co., Ltd.	Loans	3,374	-	3,374	-
	Mastern No.83 Cheongryang PFV Co., Ltd.	Loans	2,097	-	793	1,304
	Daegu Dong-gu Complex No. 1 Co., Ltd.	Loans	-	7,212	-	7,212
	Banpo Central No.1 Co., Ltd.	Loans	-	5,905	-	5,905
	Tangjeong Technopark Co., Ltd.	Loans	-	23,619	-	23,619
	WONJU GREEN CORP.	Loans	-	760	-	760
	V-CITY 21 JOINT STOCK COMPANY	Loans	28	3	-	31
	KDS Hydro Pte.Ltd.	Loans	8,268	1,200	-	9,468
			<u>\$ 256,661</u>	<u>\$ 61,214</u>	<u>\$ 122,223</u>	<u>\$ 195,652</u>

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

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		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>

(in thousands of US dollars (Note 4))

		2020				
	Related parties	Transaction	Beginning	Increase	Decrease	Ending
Parent company and others	Korea Development Bank	Debt	\$ 210,213	\$ 143,399	\$ 157,374	\$ 196,238
	Changwon Innovation Industrial Development Co., Ltd. PFV	Loans	14,171	5,112	-	19,283
	UI trans LRT Co.	Loans	4,746	5,756	-	10,502
	Pocheon IPP Co., Ltd.	Loans	-	16,871	-	16,871
Associates and others	Daechi 176 PFV Co., Ltd.	Loans	-	3,374	-	3,374
	Mastern No.83					
	Cheongryang PFV Co., Ltd.	Loans	-	2,097	-	2,097
	V-CITY 21 Joint Stock Company	Loans	30	-	2	28
	KDS Hydro Pte.Ltd.	Loans	8,408	-	140	8,268
			<u>\$ 237,568</u>	<u>\$ 176,609</u>	<u>\$ 157,516</u>	<u>\$ 256,661</u>

35.7. As at December 31, 2021, the Group has provided guarantee for construction and performance to related parties, DW NIGERIA LTD., DINAMICO CONST,INC and Cheonmasan Tunnel Corp.

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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))

	2021		2020		2021		2020	
Short-term salaries	₩	4,039	₩	3,472	\$	3,407	\$	2,929
Post-employment benefits		471		428		397		361
Total	₩	4,510	₩	3,900	\$	3,804	\$	3,290

36. Cash Generated from Operations

36.1 Cash Generated from Operations

(in millions of Korean won)

	2021		2020	
Profit for the year	₩	484,927	₩	282,604
Adjustments				
Bad debts expense		19,941		2,182
Reversal of allowance for doubtful accounts		(1,782)		(4,546)
Depreciation		44,890		61,357
Amortization		8,592		8,527
Depreciation of leased right-of-use assets		58,855		56,969
Other bad debt expense		4,537		13,612
Loss on disposal of investments in securities		438		78
Loss on valuation of investments in securities		46,434		1,511
Loss on disposal of assets held for sale		32		276
Loss on disposal of property, plant and equipment		278		566
Loss on disposal of intangible assets		-		50
Impairment losses on intangible assets		8,772		2,033
Loss on disposal of investment property		-		27
Impairment losses on investment property		-		14,878
Impairment losses on assets held for sale		1,336		7,265
Impairment losses on investments in associates		69		-
Share of loss on investments in associates		18,285		9,143
Loss on foreign currency translation		51,477		53,557
Loss on valuation of derivatives		17,036		19,519
Loss on transactions of derivatives		19,221		30,619
Transfer to reserve for contingent liabilities		121,463		59,937
Transfer to reserve for construction loss provision		83,034		77,121
Transfer to reserve for construction warranty		36,103		42,577
Employee benefits		2,966		1,812
Post-employment benefits		43,020		45,647
Interest expenses		61,368		104,536
Income tax expenses		113,467		94,802

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<i>(in millions of Korean won)</i>	2021	2020
Reversal of loss on overseas operation translation	735	48,202
Reversal of other allowance for doubtful accounts	(36,348)	(37,866)
Gain on disposal of investments in securities	-	(3,343)
Gain on valuation of investments in securities	(2,504)	(5,903)
Gain on disposal of investments in associates	-	(267)
Gain on disposal of assets held for sale	(32,673)	(2,233)
Gain on disposal of property, plant and equipment	(2,512)	(4,369)
Gain on disposal of intangible assets	(483)	(1,833)
Gain on disposal of investment property	(11,970)	-
Dividend income	(1,919)	(5,400)
Gain on foreign currency translation	(46,160)	(85,829)
Gain on valuation of derivatives	(11,856)	(1,495)
Gain on transactions of derivatives	(20,376)	(23,500)
Reversal of other provision	(2,098)	(1,594)
Reversal of construction loss provision	(39,680)	(97,380)
Reversal of construction warranty provision	(3,413)	(4,343)
Interest income	(50,260)	(45,081)
Gain on liabilities exempted	(1,018)	-
Reversal of gain on overseas operation translation	(789)	(4)
	<u>496,508</u>	<u>431,817</u>
Changes in operating assets and liabilities		
Trade receivables	261,322	361,163
Short-term financial instruments	33,406	8,659
Short-term other receivables and others	133,918	80,083
Due from customers for contract work	(195,844)	82,932
Advance payments	(567,994)	(804,511)
Prepaid expenses	(29,640)	93,118
Inventories	275,932	92,395
Long-term other receivables	(7,471)	181,751
Long-term prepaid expenses	-	46
Trade payables	127,474	(194,659)
Short-term other payables	270,575	(90,605)
Advances received	18,509	123,806
Due to customers for contract work	390,101	46,224
Withholdings	(1,567)	(1,459)
Guarantee deposits received	(32,266)	(937)
Payment of retirement	(47,778)	(25,210)
Plan assets	(25,297)	(6,500)
Long-term payables	(62)	1,894
Long-term advances received	308,138	(37,624)
Long-term provisions	(109,098)	(83,695)
Long-term guarantee deposits received	3,786	11,185
Others	38,340	(52,829)
	<u>844,484</u>	<u>(214,773)</u>

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<i>(in millions of Korean won)</i>	<u>2021</u>	<u>2020</u>
Cash generated from operations	₩ 1,825,919	₩ 499,648

<i>(in thousands of U.S. dollars (Note 4))</i>	<u>2021</u>	<u>2020</u>
Profit for the year	\$ 409,049	\$ 238,384

Adjustments

Bad debts expense	16,821	1,841
Reversal of allowance for doubtful accounts	(1,503)	(3,835)
Depreciation	37,866	51,756
Amortization	7,247	7,193
Depreciation of leased right-of-use assets	49,645	48,055
Other bad debt expense	3,827	11,482
Loss on disposal of investments in securities	369	66
Loss on valuation of investments in securities	39,168	1,275
Loss on disposal of assets held for sale	27	233
Loss on disposal of property, plant and equipment	235	477
Loss on disposal of intangible assets	-	42
Impairment losses on intangible assets	7,399	1,715
Loss on disposal of investment property	-	23
Impairment losses on investment property	-	12,550
Impairment losses on assets held for sale	1,127	6,128
Impairment losses on investments in associates	58	-
Share of loss on investments in associates	15,424	7,712
Loss on foreign currency translation	43,422	45,177
Loss on valuation of derivatives	14,370	16,465
Loss on transactions of derivatives	16,213	25,828
Transfer to reserve for contingent liabilities	102,457	50,558
Transfer to reserve for construction loss provision	70,041	65,054
Transfer to reserve for construction warranty	30,454	35,915
Employee benefits	2,503	1,528
Post-employment benefits	36,289	38,503
Interest expenses	51,765	88,179
Income tax expenses	95,712	79,968
Reversal of loss on overseas operation translation	620	40,660
Reversal of other allowance for doubtful accounts	(30,660)	(31,941)
Gain on disposal of investments in securities	-	(2,820)
Gain on valuation of investments in securities	(2,112)	(4,979)
Gain on disposal of investments in associates	-	(225)
Gain on disposal of assets held for sale	(27,561)	(1,884)
Gain on disposal of property, plant and equipment	(2,119)	(3,685)
Gain on disposal of intangible assets	(407)	(1,546)
Gain on disposal of investment property	(10,097)	-
Dividend income	(1,619)	(4,555)
Gain on foreign currency translation	(38,937)	(72,399)
Gain on valuation of derivatives	(10,001)	(1,261)

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<i>(in thousands of U.S. dollars (Note 4))</i>	2021	2020
Gain on transactions of derivatives	(17,188)	(19,823)
Reversal of other provision	(1,770)	(1,345)
Reversal of construction loss provision	(33,471)	(82,143)
Reversal of construction warranty provision	(2,879)	(3,663)
Interest income	(42,396)	(38,027)
Gain on liabilities exempted	(859)	-
Reversal of gain on overseas operation translation	(665)	(3)
	<u>418,815</u>	<u>364,249</u>
Changes in operating assets and liabilities		
Trade receivables	220,432	304,650
Short-term financial instruments	28,179	7,304
Short-term other receivables and others	112,963	67,552
Due from customers for contract work	(165,199)	69,955
Advance payments	(479,118)	(678,626)
Prepaid expenses	(25,002)	78,547
Inventories	232,756	77,938
Long-term other receivables	(6,302)	153,312
Long-term prepaid expenses	-	39
Trade payables	107,528	(164,200)
Short-term other payables	228,237	(76,428)
Advances received	15,613	104,434
Due to customers for contract work	329,060	38,991
Withholdings	(1,322)	(1,231)
Guarantee deposits received	(27,217)	(790)
Payment of retirement	(40,302)	(21,265)
Plan assets	(21,339)	(5,483)
Long-term payables	(52)	1,598
Long-term advances received	259,922	(31,737)
Long-term provisions	(92,027)	(70,599)
Long-term guarantee deposits received	3,194	9,435
Others	32,342	(44,563)
	<u>712,346</u>	<u>(181,167)</u>
Cash generated from operations	<u>\$ 1,540,210</u>	<u>\$ 421,466</u>

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

2021

	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	\$ 337,224	\$ 466,242	\$ 286,799	\$ 54,279	\$ 367,744	\$ 220,723	\$ 345,135	\$ 2,078,146
Cash flow	(33,488)	(562,000)	(286,799)	(58,262)	230,737	219,317	-	(490,495)
Reclassification and others ¹	-	243,733	50,612	67,282	(244,550)	(50,612)	(33,515)	32,950
Gain on foreign currency translation	272	2,057	-	-	17,731	3,474	-	23,534
Discount on present value	-	-	-	-	-	-	-	-
Ending balance	\$ 304,008	\$ 150,032	\$ 50,612	\$ 63,299	\$ 371,662	\$ 392,902	\$ 311,620	\$ 1,644,135

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

(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	\$ 711,617	\$ 432,869	\$ 42,176	\$ 60,960	\$ 510,572	\$ 286,799	\$ 373,143	\$ 2,418,136
Cash flow	(323,514)	(675,792)	(42,176)	(60,080)	525,142	222,955	-	(353,465)
Reclassification and others ¹	(48,925)	710,122	286,799	53,399	(661,198)	(286,799)	(28,008)	25,390
Gain on foreign currency translation	(1,954)	(1,493)	-	-	(6,772)	(2,232)	-	(12,451)
Discount on present value	-	536	-	-	-	-	-	536
Ending balance	\$ 337,224	\$ 466,242	\$ 286,799	\$ 54,279	\$ 367,744	\$ 220,723	\$ 345,135	\$ 2,078,146

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

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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, 2021 and 2020, are as follows:

	2021			
	Assets		Liabilities	
	Foreign currency (thousands)	Korean won equivalent (millions)	Foreign currency (thousands)	Korean won equivalent (millions)
USD	549,053	650,901	380,039	450,536
EUR	79,078	106,150	55,829	74,942
JYP	694,150	7,151	5,893	61
SGD	-	-	75,177	65,941
OMR	3,298	10,154	66	203
NGN	576,428	1,655	76,308	219
ETB	28,063	676	8,556	206
	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
JYP	1,193,082	12,578	3,285	35
SGD	-	-	75,000	61,667
OMR	3,297	9,319	62	176
NGN	1,103,464	3,164	49,352	141
ETB	31,200	878	729	21

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As at December 31, 2021 and 2020, 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>	2021				2020			
	10% Increase		10% Decrease		10% Increase		10% Decrease	
USD	₩	20,037	₩	(20,037)	₩	26,152	₩	(26,152)
EUR		3,121		(3,121)		2,094		(2,094)
JPY		709		(709)		1,255		(1,255)
SGD		(6,594)		6,594		(6,167)		6,167
OMR		995		(995)		914		(914)
NGN		144		(144)		302		(302)
ETB		47		(47)		86		(86)

<i>(in thousands of U.S. dollars (Note 4))</i>	2021				2020			
	10% Increase		10% Decrease		10% Increase		10% Decrease	
USD	\$	16,902	\$	(16,902)	\$	22,060	\$	(22,060)
EUR		2,633		(2,633)		1,766		(1,766)
JPY		598		(598)		1,059		(1,059)
SGD		(5,562)		5,562		(5,202)		5,202
OMR		839		(839)		771		(771)
NGN		121		(121)		255		(255)
ETB		40		(40)		73		(73)

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, 2021 and 2020, 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>	2021				2020			
	10bp Increase		10bp Decrease		10bp Increase		10bp Decrease	
Interest expenses	₩	150	₩	(150)	₩	344	₩	(344)

<i>(in thousands of US dollars (Note 4))</i>	2021				2020			
	10bp Increase		10bp Decrease		10bp Increase		10bp Decrease	
Interest expenses	\$	127	\$	(127)	\$	290	\$	(290)

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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, 2021 and 2020, are as follows:

<i>(in millions of Korean won)</i>	<u>2021</u>	<u>2020</u>
Current assets		
Cash equivalents	₩ 1,058,633	₩ 803,808
Financial instruments assets	1,199,782	428,535
Trade receivables	737,138	1,000,878
Due from customers for contract work	953,999	859,754
Other receivables	514,858	539,442
Non-current assets		
Financial instruments assets	13,781	7,546
Investments in securities ¹	201,028	237,005
Long-term other receivables	1,173,114	1,084,675

<i>(in thousands of US dollars (Note 4))</i>	<u>2021</u>	<u>2020</u>
Current assets		
Cash equivalents	\$ 892,984	\$ 678,033
Financial instruments assets	1,012,047	361,480
Trade receivables	621,795	844,267
Due from customers for contract work	804,723	725,225
Other receivables	434,296	455,033
Non-current assets		
Financial instruments assets	11,625	6,365
Investments in securities ¹	169,572	199,920
Long-term other receivables	989,552	914,951

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 ₩ 30,956 million (equivalent to \$ 26,112 thousand) and ₩ 34,781 million (equivalent to \$ 29,339 thousand) as at December 31, 2021 and 2020, respectively. As at December 31, 2021 and 2020, the related maximum credit exposures amount to ₩ 1,350,653 million (equivalent to \$ 1,139,311 thousand) with a limit up to ₩ 4,127,830 million (equivalent to \$ 3,481,932 thousand) and ₩ 1,338,378 million (equivalent to \$ 1,128,957 thousand) with a limit up to ₩ 4,418,522 million (equivalent to \$ 3,727,138 thousand), respectively.

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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.

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)

	2021					
	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	₩ 1,504,656	₩ 1,568,031	₩ 634,585	₩ 518,547	₩ 378,915	₩ 35,984
Trade payables	246,987	246,987	246,987	-	-	-
Other payables	1,958,109	1,958,156	1,956,278	62	1,712	104
Guarantee deposits received	203,858	203,858	94,071	101,226	4,890	3,671
Lease liabilities	444,466	516,914	79,201	58,300	51,032	328,381
	<u>₩ 4,358,076</u>	<u>₩ 4,493,946</u>	<u>₩ 3,011,122</u>	<u>₩ 678,135</u>	<u>₩ 436,549</u>	<u>₩ 368,140</u>

(in thousands of US dollars (Note 4))

	2021					
	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	\$ 1,269,216	\$ 1,322,675	\$ 535,289	\$ 437,408	\$ 319,625	\$ 30,353
Trade payables	208,340	208,340	208,340	-	-	-
Other payables	1,651,716	1,651,755	1,650,171	52	1,444	88
Guarantee deposits received	171,960	171,960	79,351	85,387	4,125	3,097
Lease liabilities	374,919	436,030	66,808	49,178	43,047	276,998
	<u>\$ 3,676,151</u>	<u>\$ 3,790,760</u>	<u>\$ 2,539,959</u>	<u>\$ 572,025</u>	<u>\$ 368,241</u>	<u>\$ 310,536</u>

¹ Borrowings include the amount of the coupon.

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(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	\$ 1,678,733	\$ 1,734,257	\$ 1,126,353	\$ 339,658	\$ 263,415	\$ 4,832
Trade payables	100,735	100,735	100,735	-	-	-
Other payables	1,375,203	1,375,203	1,373,605	52	1,445	100
Guarantee deposits received	190,501	190,501	168,796	12,088	5,061	4,556
Lease liabilities	399,412	459,200	57,884	46,099	40,872	314,345
	<u>\$ 3,744,584</u>	<u>\$ 3,859,896</u>	<u>\$ 2,827,373</u>	<u>\$ 397,897</u>	<u>\$ 310,793</u>	<u>\$ 323,833</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 exposed to liquidity risk as at December 31, 2021 is ₩ 1,350,653 million (equivalent to \$ 1,139,311 thousand) with a limit of ₩ 4,127,830 million (equivalent to \$ 3,481,932 thousand). The guaranteed amount of financial guarantee contract exposed to liquidity as at December 31, 2020 is ₩ 1,338,378 million (equivalent to \$ 1,128,957 thousand) with a limit of ₩ 4,418,522 million (equivalent to \$ 3,727,138 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)

	2021	2020
Total borrowings (a)	₩ 1,504,656	₩ 1,990,138
Less: cash and cash equivalents (b)	<u>1,061,038</u>	<u>806,485</u>
Net debts (c=a-b)	<u>443,618</u>	<u>1,183,653</u>
Total liabilities (d)	<u>7,241,599</u>	<u>6,628,920</u>
Total equity (e)	<u>3,216,378</u>	<u>2,676,996</u>
Total capital (f=c+e)	₩ <u>3,659,996</u>	₩ <u>3,860,649</u>
Gearing ratio (g=c/f)	12.1%	30.7%
Debt-to-equity ratio (h=d/e)	225.1%	247.6%

(in thousands of US dollars (Note 4))

	2021	2020
Total borrowings (a)	\$ 1,269,216	\$ 1,678,733
Less: cash and cash equivalents (b)	<u>895,013</u>	<u>680,291</u>
Net debts (c=a-b)	<u>374,203</u>	<u>998,442</u>
Total liabilities (d)	<u>6,108,477</u>	<u>5,591,666</u>
Total equity (e)	<u>2,713,098</u>	<u>2,258,116</u>
Total capital (f=c+e)	\$ <u>3,087,301</u>	\$ <u>3,256,558</u>
Gearing ratio (g=c/f)	12.1%	30.7%
Debt-to-equity ratio (h=d/e)	225.1%	247.6%

38. Events After the Reporting Period

As at December 31, 2021, KDB INVESTMENT No.1 Limited., the largest shareholder of the Group, entered into a share purchase agreement to transfer all shares of the registered share capital (210,931,209 ordinary share, 50.75% of the issued shares) and management to JUNGHEUNG Civil Engineering & Construction Co.,Ltd. and Jungheung Construction Co.,Ltd. As the contract was closed on February 28, 2022, the largest shareholders of the Group were changed to JUNGHEUNG Civil Engineering & Construction Co.,Ltd. and Jungheung Construction Co.,Ltd.

Meanwhile, as the change in the Group's ownership structure (change of the largest shareholder) occurred, the Group notified the bond management company (DB Financial Investment Co., Ltd.) related matters, such as the changes in ownership structure and the occurrence of prepayment right for public bonds (₩ 350,000 million (equivalent to \$ 295,234 thousand)) based on the bond management contract issued by the Group on February 28, 2022. In addition, the Group notified loan financial institutions (ABK/CBK, ENBD, UOB) related matters such as occurrence of prepayment right (subject to ₩ 421,435 million (equivalent to \$ 355,491 thousand)) based on foreign currency borrowing/bonding agreements based on foreign currency borrowing / bond arrangement.

The Group declared debt guarantee related to GYEONGSEOBUK CHEONGLA PRUGIO TRECIEL

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business amounting to ₩ 453,200 million (equivalent to \$ 382,286 thousand) on January 13, 2022 for intermediate payment loans.

The Group declared debt guarantee related to SEOMYEON PRUGIO CITY SIGNATURE business amounting to ₩ 136,500 million (equivalent to \$ 115,141 thousand) on January 13, 2022 for intermediate payment loans.

The Group declared debt guarantee related to SEWOON PRUGIO GRAVITY business amounting to ₩ 432,000 million (equivalent to \$ 364,403 thousand) on February 17, 2022 for intermediate payment loans.

The Group declared debt guarantee related to YEONHUI PARK PRUGIO LA CLAIRE business amounting to ₩ 319,000 million (equivalent to \$ 269,085 thousand) on February 17, 2022 for intermediate payment loans.

The Group declared debt guarantee related to Yongin Eunhwasam District Apartment House Construction Project amounting to ₩ 148,850 million (equivalent to \$ 125,559 thousand) on March 10, 2022 for developers' debts of Namdong Town PFV Co., Ltd.

The Group declared debt guarantee related to Pungmu Station area Development business amounting to ₩ 949,000 million (equivalent to \$ 800,506 thousand) on March 10, 2022 for borrowing of Pungmu Station area Development Co., Ltd.