

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD.
and Subsidiaries
Consolidated Financial Statements
December 31, 2022 and 2021

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries
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December 31, 2022 and 2021

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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, 2022 and 2021, 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, 2022 and 2021, 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.

Other Matters

The accompanying consolidated financial statements as of and for the years ended December 31, 2022 and 2021, 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, 2023

This report is effective as of March 16, 2023, 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, 2022 and 2021

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

	Notes	2022	2021	2022	2021
Assets					
Current assets					
Cash and cash equivalents	5,6,9,37	₩ 1,423,087	₩ 1,061,038	\$ 1,122,928	\$ 837,243
Financial instrument assets	5,6,12,13,25,37	847,371	1,199,782	668,643	946,723
Trade receivables	5,6,8,10,37	1,153,982	737,138	910,583	581,660
Other receivables	5,6,10,37	564,773	514,858	445,651	406,264
Due from customers for contract work	8,37	1,205,334	953,999	951,104	752,781
Advance payments		597,172	857,236	471,216	676,427
Prepaid expenses	8	200,186	161,593	157,963	127,510
Inventories	11	1,926,670	1,603,790	1,520,295	1,265,517
Assets held for sale	14,25	57,502	28,522	45,374	22,506
Current tax assets		52,094	30,934	41,106	24,409
		<u>8,028,171</u>	<u>7,148,890</u>	<u>6,334,863</u>	<u>5,641,040</u>
Non-current assets					
Investments in associates	15,25	85,645	122,307	67,581	96,510
Financial instrument assets	5,6,13,25,37	68,579	13,781	54,114	10,874
Investments in securities	5,6,12,25,37	251,860	211,246	198,737	166,690
Other receivables	5,6,8,10,37	1,102,113	1,173,114	869,653	925,680
Prepaid expenses		62,243	59,032	49,115	46,581
Investment property	18,25	301,032	324,956	237,538	256,416
Property, plant and equipment	16,25	353,509	363,980	278,947	287,209
Intangible assets	17,25	69,733	93,368	55,025	73,675
Deferred tax assets	34	590,620	702,943	466,045	554,679
Leased right-of-use assets	19	226,849	244,360	179,002	192,819
		<u>3,112,183</u>	<u>3,309,087</u>	<u>2,455,757</u>	<u>2,611,133</u>
Total assets		<u>₩ 11,140,354</u>	<u>₩ 10,457,977</u>	<u>\$ 8,790,620</u>	<u>\$ 8,252,173</u>

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries
Consolidated Statements of Financial Position
December 31, 2022 and 2021

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

	Notes	2022	2021	2022	2021
Liabilities					
Current liabilities					
Financial instrument liabilities	5,6,13,21,37	₩ 1,152,634	₩ 607,783	\$ 909,519	\$ 479,589
Trade payables	5,6,37	339,101	246,987	267,578	194,892
Other payables	5,6,20,37	1,613,589	1,956,278	1,273,249	1,543,658
Advances received	8,20	347,111	488,198	273,898	385,227
Due to customers for contract work	8	1,417,692	1,262,433	1,118,671	996,160
Withholdings		119,531	120,771	94,319	95,298
Guarantee deposits received	5,6,37	70,464	94,071	55,602	74,229
Income tax payable		43,135	28,463	34,037	22,460
Liabilities held for sale		11,736	-	9,261	-
Short-term lease liabilities	6,19,37	77,793	75,040	61,385	59,212
Current portion of provisions	23	213,449	168,940	168,428	133,307
		<u>5,406,235</u>	<u>5,048,964</u>	<u>4,265,947</u>	<u>3,984,032</u>
Non-current liabilities					
Financial instrument liabilities	5,6,13,21,37	1,058,936	945,683	835,584	746,219
Other payables	5,6,20,37	119	1,831	94	1,445
Advances received	8,20	59,886	282,551	47,255	222,955
Provisions	23	336,551	292,353	265,565	230,690
Guarantee deposits received	5,6,37	45,178	109,787	35,649	86,631
Net defined benefit liabilities	22	163,534	168,741	129,041	133,150
Long-term employee benefits liabilities		5,774	7,663	4,556	6,047
Long-term lease liabilities	6,9,37	325,170	369,426	256,585	291,506
Deferred tax liabilities		14,354	14,600	11,326	11,521
		<u>2,009,502</u>	<u>2,192,635</u>	<u>1,585,655</u>	<u>1,730,164</u>
Total liabilities		<u>7,415,737</u>	<u>7,241,599</u>	<u>5,851,602</u>	<u>5,714,196</u>
Equity attributable to owners of the Parent Company					
Share capital	1,26	2,078,113	2,078,113	1,639,796	1,639,796
Capital surplus	26	549,538	549,538	433,629	433,629
Other components of equity	27	(99,201)	(99,174)	(78,277)	(78,256)
Accumulated other comprehensive loss	27	(307,834)	(291,268)	(242,906)	(229,834)
Retained earnings	28	1,493,843	974,690	1,178,760	769,108
		<u>3,714,459</u>	<u>3,211,899</u>	<u>2,931,002</u>	<u>2,534,443</u>
Non-controlling interest		<u>10,158</u>	<u>4,479</u>	<u>8,016</u>	<u>3,534</u>
Total equity		<u>3,724,617</u>	<u>3,216,378</u>	<u>2,939,018</u>	<u>2,537,977</u>
Total liabilities and equity		<u>₩ 11,140,354</u>	<u>₩ 10,457,977</u>	<u>\$ 8,790,620</u>	<u>\$ 8,252,173</u>

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

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

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries

Consolidated Statements of Profit or Loss

Years Ended December 31, 2022 and 2021

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

	Notes	2022		2021					
Sales	7,8	₩	10,419,213	₩	8,685,208	\$	8,221,584	\$	6,853,316
Cost of sales	8,30		9,165,520		7,446,343		7,232,321		5,875,754
Gross profit			1,253,693		1,238,865		989,263		977,562
Selling and administrative expenses	30,31		493,686		500,551		389,557		394,974
Operating profit	7		760,007		738,314		599,706		582,588
Share of gain (loss) of associates	15		4,188		(18,285)		3,305		(14,428)
Other income	32		342,794		236,896		270,492		186,930
Other expenses	32		390,865		347,423		308,423		274,144
Financial income	33		77,810		50,260		61,398		39,659
Financial costs	33		80,436		61,368		63,471		48,424
Profit before income tax			713,498		598,394		563,007		472,181
Income tax expense	34		205,488		113,467		162,147		89,535
Profit for the year		₩	508,010	₩	484,927	\$	400,860	\$	382,646
Profit for the year attributable to:									
Owners of the Parent Company		₩	504,007	₩	484,685	\$	397,701	\$	382,455
Non-controlling interest			4,003		242		3,159		191
Earnings per share attributable									
to the owners of the Parent Company									
Basic earnings per share	29	₩	1,227	₩	1,180	\$	0.97	\$	0.93
Diluted earnings per share	29		1,225		1,178		0.97		0.93

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, 2022 and 2021

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

	Notes	2022	2021	2022	2021
Profit for the year		<u>₩ 508,010</u>	<u>₩ 484,927</u>	<u>\$ 400,860</u>	<u>\$ 382,646</u>
Other comprehensive income (loss), net of tax		(1,774)	53,319	(1,400)	42,074
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurements of net defined benefit liabilities	22	15,146	(17,000)	11,951	(13,414)
Loss on valuation of financial instruments at fair value through other comprehensive income	12,27	(353)	(3)	(279)	(2)
<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	(2,180)	(357)	(1,720)	(282)
Gain on overseas operations translation	27	10,711	55,724	8,452	43,971
Share of other comprehensive profit (loss) of associates	15,27	(25,098)	14,955	(19,804)	11,801
Total comprehensive income for the year		<u>₩ 506,236</u>	<u>₩ 538,246</u>	<u>\$ 399,460</u>	<u>\$ 424,720</u>
Owners of the Parent Company		₩ 502,587	₩ 537,466	\$ 396,580	\$ 424,104
Non-controlling interest		3,649	780	2,880	616

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, 2022 and 2021

(in millions of Korean won)

	Notes	Attributable to owners of the Parent Company						
		Share capital	Capital surplus	Other components of equity	Accumulated other comprehensive loss	Retained earnings	Non-controlling interest	Total
Balance at January 1, 2021		₩ 2,078,113	₩ 549,538	₩ (99,174)	₩ (361,849)	₩ 507,805	₩ 2,563	₩ 2,676,996
Total comprehensive income								
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	26,27,28	₩ 2,078,113	₩ 549,538	₩ (99,174)	₩ (291,268)	₩ 974,690	₩ 4,479	₩ 3,216,378
Balance at January 1, 2022	26,27,28	₩ 2,078,113	₩ 549,538	₩ (99,174)	₩ (291,268)	₩ 974,690	₩ 4,479	₩ 3,216,378
Total comprehensive income (loss)								
Profit for the year		-	-	-	-	504,007	4,003	508,010
Loss on valuation of financial instruments								
at fair value through other comprehensive income	12,27	-	-	-	(2,533)	-	-	(2,533)
Gain (loss) on overseas operations translation	27	-	-	-	11,065	-	(354)	10,711
Remeasurements of net defined benefit liabilities	22	-	-	-	-	15,146	-	15,146
Share of other comprehensive loss of associates		-	-	-	(25,098)	-	-	(25,098)
Total comprehensive income (loss)		-	-	-	(16,566)	519,153	3,649	506,236
Transactions with owners of the Parent Company :								
Dividends paid		-	-	-	-	-	(70)	(70)
Increase in paid-in capital of the subsidiaries		-	-	(27)	-	-	2,100	2,073
Total transactions with owners of the Parent Company		-	-	(27)	-	-	2,030	2,003
Balance at December 31, 2022	26,27,28	₩ 2,078,113	₩ 549,538	₩ (99,201)	₩ (307,834)	₩ 1,493,843	₩ 10,158	₩ 3,724,617

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries

Consolidated Statements of Changes in Equity

Years Ended December 31, 2022 and 2021

(in thousands of US dollars (Note 4))

Notes	Attributable to owners of the Parent Company							Total
	Share capital	Capital surplus	Other components of equity	Accumulated other comprehensive loss	Retained earnings	Non-controlling interest		
Balance at January 1, 2021	\$ 1,639,796	\$ 433,629	\$ (78,256)	\$ (285,527)	\$ 400,698	\$ 2,022	\$ 2,112,362	
Total comprehensive income								
Profit for the year	-	-	-	-	382,455	191	382,646	
Gain (loss) on valuation of financial instruments at fair value through other comprehensive income	12,27	-	-	347	(631)	-	(284)	
Gain on overseas operations translation	27	-	-	43,546	-	425	43,971	
Remeasurements of net defined benefit liabilities	22	-	-	-	(13,414)	-	(13,414)	
Share of other comprehensive income of associates	-	-	-	11,801	-	-	11,801	
Total comprehensive income	-	-	-	55,694	368,410	616	424,720	
Transactions with owners of the Parent Company :								
Increase in paid-in capital of the subsidiaries	-	-	-	-	-	896	896	
Total transactions with owners of the Parent Company	-	-	-	-	-	896	896	
Balance at December 31, 2021	26,27,28	\$ 1,639,796	\$ 433,629	\$ (78,256)	\$ (229,833)	\$ 769,108	\$ 3,534	\$ 2,537,978
Balance at January 1, 2022	26,27,28	\$ 1,639,796	\$ 433,629	\$ (78,256)	\$ (229,834)	\$ 769,108	\$ 3,534	\$ 2,537,977
Total comprehensive income (loss)								
Profit for the year	-	-	-	-	397,701	3,159	400,860	
Loss on valuation of financial instruments at fair value through other comprehensive income	12,27	-	-	(1,999)	-	-	(1,999)	
Gain (loss) on overseas operations translation	27	-	-	8,731	-	(279)	8,452	
Remeasurements of net defined benefit liabilities	22	-	-	-	11,951	-	11,951	
Share of other comprehensive loss of associates	-	-	-	(19,804)	-	-	(19,804)	
Total comprehensive income (loss)	-	-	-	(13,072)	409,652	2,880	399,460	
Transactions with owners of the Parent Company :								
Dividends paid	-	-	-	-	-	(55)	(55)	
Increase in paid-in capital of the subsidiaries	-	-	(21)	-	-	1,657	1,636	
Total transactions with owners of the Parent Company	-	-	(21)	-	-	1,602	1,581	
Balance at December 31, 2022	26,27,28	\$ 1,639,796	\$ 433,629	\$ (78,277)	\$ (242,906)	\$ 1,178,760	\$ 8,016	\$ 2,939,018

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, 2022 and 2021

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

	Notes	2022	2021	2022	2021
Cash flows from operating activities					
Cash generated from (used in) operations	36	₩ (375,047)	₩ 1,825,919	\$ (295,942)	\$ 1,440,795
Interest received		73,546	49,885	58,034	39,363
Interest paid		(76,498)	(60,410)	(60,363)	(47,668)
Income tax paid		(47,678)	(70,469)	(37,622)	(55,606)
Dividends received		2,533	1,919	1,999	1,514
Net cash inflow (outflow) from operating activities		<u>(423,144)</u>	<u>1,746,844</u>	<u>(333,894)</u>	<u>1,378,398</u>
Cash flows from investing activities					
Decrease in current financial instrument assets		6,581,029	2,331,280	5,192,953	1,839,564
Increase in current financial instrument liabilities (derivatives)		12,257	9,201	9,672	7,260
Decrease in current other receivables		146,899	115,758	115,915	91,342
Disposal of assets held for sale		122,475	61,974	96,642	48,902
Decrease in investments in securities		9,498	10,336	7,495	8,156
Disposal of investments in associates		-	5,203	-	4,106
Decrease in non-current financial instrument assets		5,084	-	4,012	-
Decrease in non-current other receivables		206,335	139,905	162,815	110,396
Disposal of investment property		-	25,180	-	19,869
Disposal of property, plant and equipment		9,453	7,066	7,459	5,576
Disposal of intangible assets		-	2,788	-	2,200
Increase in current financial instrument assets		(6,201,904)	(3,099,230)	(4,893,793)	(2,445,536)
Decrease in current financial instrument liabilities (derivatives)		(13,758)	(22,532)	(10,856)	(17,780)
Increase in current other receivables		(122,371)	(162,338)	(96,560)	(128,098)
Acquisition of investments in securities		(51,481)	(20,889)	(40,623)	(16,483)
Acquisition of investments in associates		(9,446)	(6,400)	(7,454)	(5,050)
Increase in non-current financial instrument assets		(48,453)	(50)	(38,233)	(39)
Increase in non-current other receivables		(210,116)	(249,145)	(165,801)	(196,595)
Acquisition of investment property		(22,593)	(3,387)	(17,828)	(2,673)
Acquisition of property, plant and equipment		(69,096)	(49,562)	(54,522)	(39,108)
Acquisition of intangible assets		(11,132)	(11,619)	(8,784)	(9,168)
Net cash inflow (outflow) from investing activities		<u>332,680</u>	<u>(916,461)</u>	<u>262,509</u>	<u>(723,159)</u>
Cash flows from financing activities					
Increase in current financial instrument liabilities		1,346,610	324,094	1,062,582	255,736
Increase in non-current financial instrument liabilities		1,262,080	656,819	995,881	518,282
Increase in guarantee deposits received		10,000	-	7,891	-
Decrease in current financial instrument liabilities		(1,511,257)	(1,370,045)	(1,192,501)	(1,081,074)
Decrease in non-current financial instrument liabilities		(499,736)	(123,280)	(394,331)	(97,278)
Decrease in guarantee deposits received		(92,500)	-	(72,990)	-
Dividends paid		(70)	-	(55)	-
Discount on share issuance		(27)	-	(21)	-
Decrease in lease liabilities		(84,665)	(69,069)	(66,807)	(54,501)
Net cash inflow (outflow) from financing activities		<u>430,435</u>	<u>(581,481)</u>	<u>339,649</u>	<u>(458,835)</u>
Effects of exchange rate changes on cash and cash equivalents		23,647	5,651	18,659	4,459
Net increase in cash and cash equivalents		363,618	254,553	286,923	200,863
Cash and cash equivalents at the beginning of the year	9	1,061,038	806,485	837,243	636,380
Cash and cash equivalents included in assets held for sale		(1,569)	-	(1,238)	-
Cash and cash equivalents at the end of the year	9	<u>₩ 1,423,087</u>	<u>₩ 1,061,038</u>	<u>\$ 1,122,928</u>	<u>\$ 837,243</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, 2022 and 2021

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, power plants and industrial equipment), 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, 2022, the balance of share capital of the Parent Company is ₩ 2,078,113 million (equivalent to \$ 1,639,796 thousand) and the largest shareholder is JUNGHEUNG Civil Engineering & Construction Co.,Ltd. (percentage of ownership: 40.60%).

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2022 and 2021

1.2 General Information of the Subsidiaries

The Parent Company's consolidated subsidiaries as at December 31, 2022 and 2021, are as follows:

	Location	Type of business	Percentage of ownership (%)		Closing Month
			2022	2021	
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
Mastern No.141 Yongin Baegam PFV Co., Ltd.	Korea	Real estate	77	77	December
SEJUNG E&C ¹	Korea	Real estate	100	-	December
MANGPO DEVELOPMENT CO.,LTD. ¹	Korea	Real estate	79	-	December
Together Rental Housing REITs ¹	Korea	Real estate	100	-	December
Bluevillagetechnology ^{2,3}	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. ⁴	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
T&C INVESTMENT GLOBAL PTE. LTD. ¹	Singapore	Investment	100	-	December
Daewoo E&C USA Investment INC. ¹	U.S.A.	Real estate	100	-	December
DAEWOOST INDIA PVT LTD	India	Construction	100	100	December

¹ During the year ended December 31, 2022, it is included in subsidiaries since the Group obtained control.

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

³ It is excluded from subsidiaries since the Group lost substantive power in the SPC.

⁴ It is reclassified to asset (liabilities) held for sale according to a share purchase agreement.

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
December 31, 2022 and 2021

Summarized financial information of consolidated subsidiaries as at and for the years ended December 31, 2022 and 2021, are as follows:

(in millions of Korean won)

	2022					
	Assets	Liabilities	Equity	Sales	Profit (loss) for the year	Total comprehensive income (loss)
DW Steel Tech Co., Ltd.	₩ 153,145	₩ 61,609	₩ 91,536	₩ 332,540	₩ 2,691	₩ 2,594
Daewoo Songdo Hotel Co., Ltd.	134,967	126,114	8,853	34,763	(633)	(360)
Korea Infrastructure Management Co., Ltd.	173,726	139,364	34,362	40,384	5,531	5,693
Pruwell	12,797	9,057	3,740	25,793	547	607
Mastern No.141 Yongin Baegam PFV Co., Ltd.	54,188	50,086	4,102	1,000	(585)	(585)
SEJUNG E&C	94,083	94,781	(698)	6,126	562	582
MANGPO DEVELOPMENT CO.,LTD.	51,127	41,121	10,006	-	6	6
Together Rental Housing REITs	48,146	43,518	4,628	-	(345)	(345)
East Seoul Underground-road Co., Ltd.	2,000	-	2,000	-	-	-
DW AMERICA DEVEL'T INC.	686	3,884	(3,198)	-	(18)	(223)
Daewoo Tripoli Investment & Development Co.	34,595	28,666	5,929	-	(428)	(290)
SAIPAN LAULAU DEVELOPMENT,INC.	58,411	29,691	28,720	3,677	(689)	1,728
THT DEVELOPMENT Co.,LTD	882,290	165,958	716,332	458,139	143,987	156,726
Daewoo Engineering & Construction Nigeria Limited	418,911	327,226	91,685	390,944	85,745	77,444
Daewoo Engineering & Construction VIETNAM CO.,LTD	32,289	4,700	27,589	38,876	6,737	7,136
Daewoo Engineering & Construction DUQM LLC	16,361	1,039	15,322	13,995	2,703	3,930
T&C INVESTMENT GLOBAL PTE. LTD	16,413	-	16,413	-	(66)	(722)
DAEWOOST INDIA PVT LTD	7,091	5,347	1,744	17,135	1,325	1,353

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2022 and 2021

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

	2022					
	<u>Assets</u>	<u>Liabilities</u>	<u>Equity</u>	<u>Sales</u>	<u>Profit (loss) for the year</u>	<u>Total comprehensive income (loss)</u>
DW Steel Tech Co., Ltd.	\$ 120,843	\$ 48,614	\$ 72,229	\$ 262,400	\$ 2,123	\$ 2,047
Daewoo Songdo Hotel Co., Ltd.	106,500	99,514	6,986	27,431	(499)	(284)
Korea Infrastructure Management Co., Ltd.	137,083	109,969	27,114	31,866	4,364	4,492
Pruwell	10,098	7,147	2,951	20,353	432	479
Mastern No.141 Yongin Baegam PFV Co., Ltd.	42,759	39,522	3,237	789	(462)	(462)
SEJUNG E&C	74,239	74,790	(551)	4,834	443	459
MANGPO DEVELOPMENT CO.,LTD.	40,344	32,448	7,896	-	5	5
Bluevillagetech	37,991	34,339	3,652	-	(272)	(272)
East Seoul Underground-road Co., Ltd.	1,578	-	1,578	-	-	-
DW AMERICA DEVELT INC.	542	3,065	(2,523)	-	(14)	(176)
Daewoo Tripoli Investment & Development Co.	27,298	22,620	4,678	-	(338)	(229)
SAIPAN LAULAU DEVELOPMENT,INC.	46,091	23,429	22,662	2,901	(544)	1,364
THT DEVELOPMENT Co.,LTD	696,197	130,954	565,243	361,508	113,617	123,669
Daewoo Engineering & Construction Nigeria Limited	330,554	258,207	72,347	308,486	67,660	61,109
Daewoo Engineering & Construction VIETNAM CO.,LTD	25,479	3,709	21,770	30,676	5,316	5,631
Daewoo Engineering & Construction DUQM LLC	12,910	820	12,090	11,043	2,133	3,101
T&C INVESTMENT GLOBAL PTE. LTD	12,951	-	12,951	-	(52)	(570)
DAEWOST INDIA PVT LTD	5,595	4,219	1,376	13,521	1,046	1,068

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2022 and 2021

(in millions of Korean won)

	2021					
	Assets	Liabilities	Equity	Sales	Profit (loss) for the year	Total comprehensive income (loss)
DW Steel Tech Co., Ltd.	₩ 142,593	₩ 53,651	₩ 88,942	₩ 242,942	₩ 3,896	₩ 2,472
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
Daewoo Power Co., Ltd. ¹	-	-	-	-	-	-
Mastern No.141 Yongin Baegam PFV Co., Ltd.	38,847	34,160	4,687	48	(313)	(313)
Planup Tnagjeong First Co., Ltd. ²	-	-	-	-	-	-
Bluevillageteck	28,079	28,079	-	-	-	-
East Seoul Underground-road Co., Ltd.	5	-	5	-	-	-
DW AMERICA DEVELT 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

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2022 and 2021

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

	2021					
	<u>Assets</u>	<u>Liabilities</u>	<u>Equity</u>	<u>Sales</u>	<u>Profit (loss) for the year</u>	<u>Total comprehensive income (loss)</u>
DW Steel Tech Co., Ltd.	\$ 112,517	\$ 42,335	\$ 70,182	\$ 191,700	\$ 3,074	\$ 1,951
Daewoo Songdo Hotel Co., Ltd.	105,994	98,724	7,270	20,304	(2,608)	(2,711)
Korea Infrastructure Management Co., Ltd.	144,397	120,197	24,200	37,263	3,988	3,936
Pruwell	9,978	7,506	2,472	16,474	78	92
Daewoo Power Co., Ltd. ¹	-	-	-	-	-	-
Mastern No.141 Yongin Baegam PFV Co., Ltd.	30,653	26,955	3,698	38	(247)	(247)
Planup Tnagjeong First Co., Ltd. ²	-	-	-	-	-	-
Bluevillagetechn	22,157	22,157	-	-	-	-
East Seoul Underground-road Co., Ltd.	4	-	4	-	-	-
DW AMERICA DEVELT INC.	519	2,867	(2,348)	-	7	(186)
Daewoo Tripoli Investment & Development Co.	26,880	21,973	4,907	-	281	522
SAIPAN LAULAU DEVELOPMENT, INC.	43,607	22,308	21,299	1,255	(2,784)	(1,152)
THT DEVELOPMENT Co., LTD	631,567	189,994	441,573	222,463	75,135	113,221
Daewoo Engineering & Construction Nigeria Limited	197,101	184,763	12,338	81,466	8,977	9,044
Daewoo Engineering & Construction VIETNAM CO., LTD	21,008	4,869	16,139	29,276	4,005	5,276
Daewoo Engineering & Construction DUQM LLC	14,729	784	13,945	19,953	12,426	13,103
DAEWOOOST INDIA PVT LTD	5,544	5,235	309	7,117	400	133

¹ It is excluded from subsidiaries since it was disposed.

² It is excluded from subsidiaries since the Group lost substantive power in the SPC.

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2022 and 2021

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.

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2022 and 2021

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, 2022.

(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 amendment does not 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 amendment does not have a significant impact on the financial statements.

(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 amendment does not have a significant impact on the financial statements.

(d) 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 amendment does not 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

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2022 and 2021

- Korean IFRS 1041 *Agriculture* – Measuring fair value

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, 2022 reporting periods and have not been early adopted by the Group.

(a) 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, 2024, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

(b) 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 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.

(c) 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.

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

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2022 and 2021

2.3 Consolidation

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

(a) Subsidiaries

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

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

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.

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(c) Joint arrangements

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

2.4 Foreign Currency Translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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.

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

(b) Measurement

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

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

Debt instruments

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

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

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Equity instruments

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

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

(c) Impairment

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

(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.

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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.

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

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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.

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.

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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

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.

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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.

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, and subsequently measured at amortized cost using the effective interest method.

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

The fair value of a financial guarantee contract is determined based on the market price of similar financial instruments, comparing the interest rates of borrowings with and without financial guarantees, or based on the amount to be paid for financial guarantees.

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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.

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(b) Lessee

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

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

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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 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.

2.23 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.

2.24 Approval of Issuance of the Financial Statements

The issuance of the December 31, 2022 consolidated financial statements was approved by the Board of Directors on February 9, 2023 and will be approved at the annual shareholders' meeting on March 28, 2023.

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3. Critical Accounting Estimates and Assumptions

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

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, 2022, 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: ₩ 1,267.3, the exchange rate in effect on December 31, 2022. 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 2021 U.S. dollar amounts, which were previously expressed at \$ 1: ₩ 1185.5, the rate in effect on December 31, 2021 have been restated to reflect the exchange rate in effect on December 31, 2022.

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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, 2022 and 2021, are as follows:

(in millions of Korean won)

	2022		2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	₩ 1,423,087	₩ 1,423,087	₩ 1,061,038	₩ 1,061,038
Short-term financial instrument assets ¹	847,371	847,371	1,199,782	1,199,782
Trade receivables	1,153,981	1,153,981	737,138	737,138
Short-term other receivables	564,773	564,773	514,858	514,858
Long-term financial instrument assets	68,579	68,579	13,781	13,781
Long-term other receivables	1,102,113	1,102,113	1,173,114	1,173,114
Investment in securities	251,860	251,860	211,246	211,246
	<u>₩ 5,411,764</u>	<u>₩ 5,411,764</u>	<u>₩ 4,910,957</u>	<u>₩ 4,910,957</u>
Financial liabilities				
Short-term financial instrument liabilities	₩ 1,152,634	₩ 1,152,634	₩ 607,783	₩ 607,783
Trade payables	339,101	339,101	246,987	246,987
Short-term other payables	1,613,589	1,613,589	1,956,278	1,956,278
Guarantee deposits received	70,464	70,464	94,071	94,071
Short-term lease liabilities	77,792	77,792	75,040	75,040
Long-term financial instrument liabilities	1,058,936	1,058,936	945,683	945,683
Long-term guarantee deposits received	45,178	45,178	109,787	109,787
Long-term other payables	119	119	1,831	1,831
Long-term lease liabilities	325,170	325,170	369,426	369,426
	<u>₩ 4,682,983</u>	<u>₩ 4,682,983</u>	<u>₩ 4,406,886</u>	<u>₩ 4,406,886</u>

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<i>(in thousands of US dollars (Note 4))</i>	2022		2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	\$ 1,122,928	\$ 1,122,928	\$ 837,243	\$ 837,243
Short-term financial instrument assets ¹	668,643	668,643	946,723	946,723
Trade receivables	910,582	910,582	581,660	581,660
Short-term other receivables	445,651	445,651	406,264	406,264
Long-term financial instrument assets	54,114	54,114	10,874	10,874
Long-term other receivables	869,654	869,654	925,680	925,680
Investment in securities	198,737	198,737	166,690	166,690
	<u>\$ 4,270,309</u>	<u>\$ 4,270,309</u>	<u>\$ 3,875,134</u>	<u>\$ 3,875,134</u>
Financial liabilities				
Short-term financial instrument liabilities	\$ 909,519	\$ 909,519	\$ 479,589	\$ 479,589
Trade payables	267,578	267,578	194,892	194,892
Short-term other payables	1,273,249	1,273,249	1,543,658	1,543,658
Guarantee deposits received	55,602	55,602	74,229	74,229
Short-term lease liabilities	61,384	61,384	59,212	59,212
Long-term financial instrument liabilities	835,584	835,584	746,219	746,219
Long-term guarantee deposits received	35,649	35,649	86,631	86,631
Long-term other payables	94	94	1,445	1,445
Long-term lease liabilities	256,585	256,585	291,506	291,506
	<u>\$ 3,695,244</u>	<u>\$ 3,695,244</u>	<u>\$ 3,477,381</u>	<u>\$ 3,477,381</u>

¹ Restricted deposits amounting to ₩ 77,632 million (equivalent to \$ 61,258 thousand) (2021: ₩ 158,334 million (equivalent to \$ 124,938 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, 2022 and 2021, are as follows:

(in millions of Korean won)

	2022			
	Level 1	Level 2	Level 3	Total
Financial assets that are measured at fair value				
Debt instruments at fair value through profit or loss	₩ -	₩ 1,390	₩ 217,424	₩ 218,814
Debt instruments at fair value through other comprehensive income	-	23,518	255	23,773
Equity instruments at fair value through other comprehensive income	-	-	9,870	9,870
Short-term financial instruments	-	378,726	-	378,726
Long-term financial instruments	-	42,856	-	42,856
Current derivative instruments assets	-	24,786	-	24,786
Non-current derivative instruments assets	-	17,614	-	17,614
Financial liabilities that are measured at fair value				
Current derivative instruments liabilities	-	24,297	-	24,297
Non-current derivative instruments liabilities	-	3,088	-	3,088

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	2022			
	Level 1	Level 2	Level 3	Total
Financial assets that are measured at fair value				
Debt instruments at fair value through profit or loss	\$ -	\$ 1,097	\$ 171,565	\$ 172,662
Debt instruments at fair value through other comprehensive income	-	18,558	201	18,759
Equity instruments at fair value through other comprehensive income	-	-	7,788	7,788
Short-term financial instruments	-	298,845	-	298,845
Long-term financial instruments	-	33,817	-	33,817
Current derivative instruments assets	-	19,558	-	19,558
Non-current derivative instruments assets	-	13,899	-	13,899
Financial liabilities that are measured at fair value				
Current derivative instruments liabilities	-	19,172	-	19,172
Non-current derivative instruments liabilities	-	2,437	-	2,437

(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	\$ -	\$ -	\$ 151,931	\$ 151,931
Debt instruments at fair value through other comprehensive income	-	6,494	202	6,696
Equity instruments at fair value through other comprehensive income	-	-	8,063	8,063
Short-term financial instruments	-	605,060	-	605,060
Current derivative instruments assets	-	2,505	-	2,505
Non-current derivative instruments assets	-	4,880	-	4,880
Financial liabilities that are measured at fair value				
Current derivative instruments liabilities	-	6,317	-	6,317

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Non-current derivative instruments liabilities - 7,771 - 7,771

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.

Changes in the financial instrument included in level 3 for the years ended December 31, 2022 and 2021, are as follows:

(in millions of Korean won)

	2022					
	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	₩	192,542	₩	256	₩	10,218
Acquisition		22,551		-		-
Disposal		(1,007)		(1)		-
Reclassification		-		-		50
Amount recognized in profit or loss		3,338		-		-
Amount recognized in other comprehensive income		-		-		(398)
Ending balance	₩	217,424	₩	255	₩	9,870

(in thousands of US dollars (Note 4))

	2022					
	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	\$	151,931	\$	202	\$	8,063
Acquisition		17,795		-		-
Disposal		(795)		(1)		-
Reclassification		-		-		39
Amount recognized in profit or loss		2,634		-		-
Amount recognized in other comprehensive income		-		-		(314)
Ending balance	\$	171,565	\$	201	\$	7,788

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	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	\$	182,807	\$	203	\$	8,063
Acquisition		5,202		-		9
Disposal		-		(1)		(6)
Reclassification		(1,415)		-		-
Amount recognized in profit or loss		(34,663)		-		-
Amount recognized in other comprehensive income		-		-		(3)
Ending balance	\$	151,931	\$	202	\$	8,063

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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, 2022, are as follows:

(in millions of Korean won)

		2022				
	Fair value	Level	Valuation techniques	Inputs	Range of inputs	
Financial assets at fair value through profit or loss						
- Cheonnyun Suwon	₩ 14,025	3	Evaluation of shareholder agreement mutatis mutandis	-	-	
- ASTROX	1,579	3	Evaluation of trading price mutatis mutandis	-	-	
- WESTERN Metro Co.,Ltd	201	3	Evaluation of stock trading agreement mutatis mutandis	-	-	
- Other debt securities	108,906	3	Use of past transactions and others	-	-	
- Equity investments	92,713	3	Net asset value Method and others	-	-	
	<u>₩ 217,424</u>					
Financial assets at fair value through other comprehensive income						
- Equity securities and others	₩ 10,125	3	Net asset value Method and others	-	-	

(in thousands of US dollars (Note 4))

		2022				
	Fair value	Level	Valuation techniques	Inputs	Range of inputs	
Financial assets at fair value through profit or loss						
- Cheonnyun Suwon	\$ 11,067	3	Evaluation of shareholder agreement mutatis mutandis	-	-	
- ASTROX	1,246	3	Evaluation of trading price mutatis mutandis	-	-	
- WESTERN Metro Co.,Ltd	159	3	Evaluation of stock trading agreement mutatis mutandis	-	-	
- Other debt securities	85,935	3	Use of past transactions and others	-	-	
- Equity investments	73,158	3	Net asset value Method and others	-	-	
	<u>\$ 171,565</u>					
Financial assets at fair value through other comprehensive income						
- Equity securities and others	\$ 7,989	3	Net asset value Method and others	-	-	

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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, 2022 and 2021, are as follows:

(in millions of Korean won)

	2022			
	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	₩ -	₩ 1,423,087	₩ -	₩ 1,423,087
Financial instrument assets	403,512	443,262	597	847,371
Trade receivables	-	1,153,981	-	1,153,981
Other receivables	-	564,773	-	564,773
	<u>403,512</u>	<u>3,585,103</u>	<u>597</u>	<u>3,989,212</u>
Non-current				
Financial instrument assets	60,470	8,109	-	68,579
Investment in securities	218,814	-	33,046	251,860
Other receivables	-	1,102,113	-	1,102,113
	<u>279,284</u>	<u>1,110,222</u>	<u>33,046</u>	<u>1,422,552</u>
Total	<u>₩ 682,796</u>	<u>₩ 4,695,325</u>	<u>₩ 33,643</u>	<u>₩ 5,411,764</u>

(in thousands of
US dollars (Note 4))

	2022			
	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	\$ -	\$ 1,122,928	\$ -	\$ 1,122,928
Financial instrument assets	318,403	349,769	471	668,643
Trade receivables	-	910,582	-	910,582
Other receivables	-	445,651	-	445,651
	<u>318,403</u>	<u>2,828,930</u>	<u>471</u>	<u>3,147,804</u>
Non-current				
Financial instrument assets	47,716	6,399	-	54,115
Investment in securities	172,662	-	26,076	198,738
Other receivables	-	869,654	-	869,654
	<u>220,378</u>	<u>876,053</u>	<u>26,076</u>	<u>1,122,507</u>
Total	<u>\$ 538,781</u>	<u>\$ 3,704,983</u>	<u>\$ 26,547</u>	<u>\$ 4,270,311</u>

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(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	\$ -	\$ 837,243	\$ -	\$ 837,243
Financial instrument assets	607,564	339,159	-	946,723
Trade receivables	-	581,660	-	581,660
Other receivables	-	406,264	-	406,264
	<u>607,564</u>	<u>2,164,326</u>	<u>-</u>	<u>2,771,890</u>
Non-current				
Financial instrument assets	4,880	5,994	-	10,874
Investment in securities	151,931	-	14,759	166,690
Other receivables	-	925,680	-	925,680
	<u>156,811</u>	<u>931,674</u>	<u>14,759</u>	<u>1,103,244</u>
Total	<u>\$ 764,375</u>	<u>\$ 3,096,000</u>	<u>\$ 14,759</u>	<u>\$ 3,875,134</u>

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6.2 Carrying Amounts of Financial Liabilities by Category

Categorizations of financial liabilities as at December 31, 2022 and 2021, are as follows:

(in millions of Korean won)

	2022			
	Financial liabilities at fair value through profit or loss	Financial liabilities carried at amortized cost	Other financial liabilities	Total
Current				
Financial instrument liabilities	₩ 24,297	₩ 1,082,152	₩ 46,185	₩ 1,152,634
Trade payables	-	339,101	-	339,101
Other payables	-	1,613,589	-	1,613,589
Guarantee deposits received	-	70,464	-	70,464
Lease liabilities	-	-	77,792	77,792
	<u>24,297</u>	<u>3,105,306</u>	<u>123,977</u>	<u>3,253,580</u>
Non-current				
Financial instrument liabilities	3,088	1,023,487	32,361	1,058,936
Guarantee deposits received	-	45,178	-	45,178
Other payables	-	119	-	119
Lease liabilities	-	-	325,170	325,170
	<u>3,088</u>	<u>1,068,784</u>	<u>357,531</u>	<u>1,429,403</u>
Total	<u>₩ 27,385</u>	<u>₩ 4,174,090</u>	<u>₩ 481,508</u>	<u>₩ 4,682,983</u>

(in thousands of US dollars (Note 4))

	2022			
	Financial liabilities at fair value through profit or loss	Financial liabilities carried at amortized cost	Other financial liabilities	Total
Current				
Financial instrument liabilities	\$ 19,172	\$ 853,904	\$ 36,444	\$ 909,520
Trade payables	-	267,578	-	267,578
Other payables	-	1,273,249	-	1,273,249
Guarantee deposits received	-	55,602	-	55,602
Lease liabilities	-	-	61,384	61,384
	<u>19,172</u>	<u>2,450,333</u>	<u>97,828</u>	<u>2,567,333</u>
Non-current				
Financial instrument liabilities	2,437	807,612	25,535	835,584
Guarantee deposits received	-	35,649	-	35,649
Other payables	-	94	-	94
Lease liabilities	-	-	256,585	256,585
	<u>2,437</u>	<u>843,355</u>	<u>282,120</u>	<u>1,127,912</u>
Total	<u>\$ 21,609</u>	<u>\$ 3,293,687</u>	<u>\$ 379,948</u>	<u>\$ 3,695,244</u>

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	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	\$ 6,317	\$ 472,078	\$ 1,193	\$ 479,588
Trade payables	-	194,892	-	194,892
Other payables	-	1,543,658	-	1,543,658
Guarantee deposits received	-	74,229	-	74,229
Lease liabilities	-	-	59,212	59,212
	<u>6,317</u>	<u>2,284,858</u>	<u>60,405</u>	<u>2,351,580</u>
Non-current				
Financial instrument liabilities	7,771	715,214	23,234	746,219
Guarantee deposits received	-	86,631	-	86,631
Other payables	-	1,445	-	1,445
Lease liabilities	-	-	291,506	291,506
	<u>7,771</u>	<u>803,290</u>	<u>314,740</u>	<u>1,125,801</u>
Total	<u>\$ 14,088</u>	<u>\$ 3,088,148</u>	<u>\$ 375,145</u>	<u>\$ 3,477,381</u>

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6.3 Net Gain or Loss of Financial Instruments

Gain or loss of financial instruments by category for the years ended December 31, 2022 and 2021, are as follows:

(in millions of
Korean won)

	2022													
	Financial assets 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	₩	7,822	₩	-	₩	555	₩	-	₩	-	₩	-	₩	8,377
Impairment gain		-		3,722		-		-		-		-		3,722
Gain (loss) on valuation of investments in securities		3,227		-		(3,224)		-		-		-		3
Gain (loss) on disposal of investments in securities		651		-		(1,477)		-		-		-		(826)
Interest expenses		-		-		-		(70,956)		(9,064)				(80,020)
Interest income		2,447		74,518		188		-		657				77,810
Gain (loss) on foreign currency translation		-		33,688		-		-		767		(5)		34,450
Loss on transactions of derivatives		-		-		-		(18,062)		-		-		(18,062)
Gain on transactions of derivatives		-		-		-		20,237		-		-		20,237
Loss on valuation of derivatives		-		-		-		(16,588)		-		-		(16,588)
Gain on valuation of derivatives		-		-		-		36,422		-		-		36,422

(in thousands of
US dollars (Note 4))

	2022													
	Financial assets 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	\$	6,172	\$	-	\$	438	\$	-	\$	-	\$	-	\$	6,610
Impairment gain		-		2,937		-		-		-		-		2,937
Gain (loss) on valuation of investments in securities		2,546		-		(2,544)		-		-		-		2
Gain (loss) on disposal of investments in securities		514		-		(1,165)		-		-		-		(651)
Interest expenses		-		-		-		(55,990)		(7,152)				(63,142)
Interest income		1,931		58,801		148		-		518				61,398
Gain (loss) on foreign currency translation		-		26,582		-		-		605		(4)		27,183
Loss on transactions of derivatives		-		-		-		(14,252)		-		-		(14,252)
Gain on transactions of derivatives		-		-		-		15,969		-		-		15,969

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	2022						
	Financial assets 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
Loss on valuation of derivatives	-	-	-	(13,089)	-	-	(13,089)
Gain on valuation of derivatives	-	-	-	28,740	-	-	28,740

(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	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						
	Financial assets 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	\$ 1,054	\$ -	\$ 460	\$ -	\$ -	\$ -	\$ 1,514
Impairment gain	-	10,724	-	-	-	-	10,724
Loss on valuation of investments in securities	(34,664)	-	(374)	-	-	-	(35,038)
Loss on disposal of investments in securities	(1)	-	(345)	-	-	-	(346)
Interest expenses	-	-	-	-	(40,080)	(6,910)	(46,990)
Interest income	76	38,931	62	-	-	590	39,659
Gain (loss) on foreign currency translation	-	11,280	-	-	(15,380)	(3)	(4,103)

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(in thousands of
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	2021						
	Financial assets 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
Loss on transactions of derivatives	-	-	-	(15,167)	-	-	(15,167)
Gain on transactions of derivatives	-	-	-	16,078	-	-	16,078
Loss on valuation of derivatives	-	-	-	(13,443)	-	-	(13,443)
Gain on valuation of derivatives	-	-	-	9,355	-	-	9,355

7. Segment Information

7.1 According to the reorganization during 2022, the Group has reorganized four reportable segments: civil works, housing and architectural construction and plants and others. The comparative information was restated to reflect these changes.

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

Segment	Business
Civil works	Road, bridge, harbor, railroad, subway, water resources, environment, renewable energy and others
Housing and architectural construction	Apartments, residential complex, efficiency apartment, non-residential facilities (commercial facilities, offices and others) and others
Plants	Oil&Gas, petrochemical, steam & nuclear power generation and related businesses, renewable energy, industrial equipment and others
Others	Domestic and foreign investments development (real estate, IPP, PPP), purchase and operation of investments assets, management of investment companies, real estate rental, product sales, operating hotel and others

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7.2 The segment information for sales and operating profit (loss) for the years ended December 31, 2022 and 2021, are as follows:

(in millions of Korean won)

	2022					
	Civil works	Housing and architectural construction	Plants	Others	Adjustments and derecognition	Total
Sales	₩ 1,897,303	₩ 6,359,026	₩ 1,445,970	₩ 979,620	₩ (262,706)	₩10,419,213
Operating profit	124,786	372,355	76,405	168,353	18,108	760,007
- Depreciation	12,764	274	1,732	21,107	(1,045)	34,832
- Amortization	1,397	2,586	1,447	3,274	(147)	8,557

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

	2022					
	Civil works	Housing and architectural construction	Plants	Others	Adjustments and derecognition	Total
Sales	\$ 1,497,122	\$ 5,017,775	\$ 1,140,985	\$ 772,998	\$ (207,296)	\$ 8,221,584
Operating profit	98,466	293,818	60,290	132,844	14,289	599,707
- Depreciation	10,072	216	1,367	16,655	(825)	27,485
- Amortization	1,102	2,041	1,142	2,583	(116)	6,752

(in millions of Korean won)

	2021					
	Civil works	Housing and architectural construction	Plants	Others	Adjustments and derecognition	Total
Sales	₩ 1,423,824	₩ 5,901,601	₩ 867,207	₩ 699,016	₩ (206,440)	₩ 8,685,208
Operating profit (loss)	(58,735)	721,766	(15,772)	79,110	11,944	738,313
- Depreciation	21,347	272	2,709	18,706	1,856	44,890
- Amortization	1,615	2,171	1,128	3,166	512	8,592

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

	2021					
	Civil works	Housing and architectural construction	Plants	Others	Adjustments and derecognition	Total
Sales	\$ 1,123,510	\$ 4,656,830	\$ 684,295	\$ 551,579	\$ (162,897)	\$ 6,853,317
Operating profit (loss)	(46,347)	569,530	(12,445)	62,424	9,425	582,587
- Depreciation	16,844	215	2,138	14,761	1,465	35,423
- Amortization	1,274	1,713	890	2,498	404	6,780

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

7.4 Sales by geographic areas for the years ended December 31, 2022 and 2021, are as follows:

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

	2022	2021	2022	2021
Korea	₩ 7,902,684	₩ 7,118,967	\$ 6,235,843	\$ 5,617,428
Middle East	1,045,660	677,852	825,108	534,879
Asia	1,038,561	707,132	819,507	557,983
Africa	695,014	387,573	548,421	305,826
Others	-	124	-	98
Adjustments and derecognition	(262,706)	(206,440)	(207,296)	(162,897)
Total	₩ 10,419,213	₩ 8,685,208	\$ 8,221,584	\$ 6,853,316

7.5 There is no external customer that contributes more than 10% of sales for the years ended December 31, 2022 and 2021.

7.6 Details of sales for the years ended December 31, 2022 and 2021, are as follows:

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

	2022	2021	2022	2021
Construction contracts revenue	₩ 8,919,608	₩ 7,008,338	\$ 7,038,277	\$ 5,530,133
Sales of real estate	1,334,558	1,489,317	1,053,072	1,175,189
Other revenue	165,047	187,553	130,235	147,994
Total	₩ 10,419,213	₩ 8,685,208	\$ 8,221,583	\$ 6,853,317

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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, 2022 and 2021, are as follows:

(in millions of Korean won)

	2022			
	Beginning	Net contract increase ¹	Sales recognized	Ending ²
Civil works	₩ 7,699,517	₩ 1,688,733	₩ 1,878,325	₩ 7,509,925
Housing and architectural construction	29,049,085	10,288,140	6,048,701	33,288,524
Plant	3,560,735	1,364,538	1,446,395	3,478,878
Others	149,149	72,814	96,185	125,778
Total	₩ 40,458,486	₩ 13,414,225	₩ 9,469,606	₩ 44,403,105

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

	2022			
	Beginning	Net contract increase ¹	Sales recognized	Ending ²
Civil works	\$ 6,075,528	\$ 1,332,544	\$ 1,482,147	\$ 5,925,925
Housing and architectural construction	22,922,027	8,118,157	4,772,904	26,267,280
Plant	2,809,702	1,076,728	1,141,320	2,745,110
Others	117,690	57,456	75,898	99,248
Total	\$ 31,924,947	\$ 10,584,885	\$ 7,472,269	\$ 35,037,563

¹ The amount of increase from new contracts is ₩ 14,170,311 million (equivalent to \$ 11,181,497 thousand) and the decrease due to changes in scope of the construction work is ₩ 756,086 million (equivalent to \$ 596,612 thousand).

² As at December 31, 2022, the balance related to the contract in which the revenue is recognized upon delivery amounts to ₩ 651,429 million (equivalent to \$ 514,029 thousand).

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<i>(in millions of Korean won)</i>	2021			
	Beginning	Net contract increase ¹	Sales recognized	Ending ²
	₩	₩	₩	₩
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
Others	20,276	182,590	53,717	149,149
Total	₩ 37,016,930	₩ 11,229,949	₩ 7,788,393	₩ 40,458,486

<i>(in thousands of U.S. dollars (Note 4))</i>	2021			
	Beginning	Net contract increase ¹	Sales recognized	Ending ²
	\$	\$	\$	\$
Civil works	5,796,610	1,371,696	1,092,778	6,075,528
Housing and architectural construction	20,250,485	7,013,526	4,341,985	22,922,026
Plant	3,146,193	332,018	668,509	2,809,702
Others	15,999	144,078	42,387	117,690
Total	\$ 29,209,287	\$ 8,861,318	\$ 6,145,659	\$ 31,924,946

¹ The amount of increase from new contracts is ₩ 11,686,523 million (equivalent to \$ 9,221,592 thousand) and the decrease due to changes in scope of the construction work is ₩ 456,574 million (equivalent to \$ 360,273 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 \$ 900,769 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, 2022 and 2021, are as follows:

(in millions of Korean won)

	2022				
	Cumulative sales	Cumulative cost	Cumulative income (loss)	Advances Received¹	Construction deposits²
Civil works	₩ 6,464,904	₩ 6,216,716	₩ 248,188	₩ 66,405	₩ 58,313
Housing and architectural construction	7,024,649	6,422,385	602,264	15,166	696
Plant	9,113,713	9,437,352	(323,639)	99,497	238,644
Others	148,842	145,784	3,058	1,694	-
Total	₩ 22,752,108	₩ 22,222,237	₩ 529,871	₩ 182,762	₩ 297,653

(in thousands of US dollars (Note 4))

	2022				
	Cumulative sales	Cumulative cost	Cumulative income (loss)	Advances Received¹	Construction deposits²
Civil works	\$ 5,101,321	\$ 4,905,481	\$ 195,840	\$ 52,399	\$ 46,014
Housing and architectural construction	5,543,004	5,067,770	475,234	11,967	549
Plant	7,191,441	7,446,818	(255,377)	78,511	188,309
Others	117,448	115,035	2,413	1,337	-
Total	\$ 17,953,214	\$ 17,535,104	\$ 418,110	\$ 144,214	\$ 234,872

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>	2021				
	Cumulative sales	Cumulative cost	Cumulative income (loss)	Advances Received¹	Construction deposits²
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
Others	115,609	113,158	2,451	4,274	-
Total	₩ 20,438,839	₩ 19,880,260	₩ 558,579	₩ 436,890	₩ 388,538

<i>(in thousands of US dollars (Note 4))</i>	2021				
	Cumulative sales	Cumulative cost	Cumulative income (loss)	Advances Received¹	Construction deposits²
Civil works	\$ 4,663,249	\$ 4,460,511	\$ 202,738	\$ 114,388	\$ 63,390
Housing and architectural construction	5,232,266	4,630,924	601,342	2,865	-
Plant	6,141,122	6,506,373	(365,251)	224,115	243,197
Others	91,225	89,291	1,934	3,373	-
Total	\$ 16,127,862	\$ 15,687,099	\$ 440,763	\$ 344,741	\$ 306,587

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, 2022 and 2021, are as follows:

(in millions of Korean won)

	2022			2021		
	Contract assets	Contract liabilities ²		Contract assets	Contract liabilities ²	
	Due from customers ³	Due to customers ³	Advances received ⁴	Due from customers ³	Due to customers ³	Advances received ⁴
1						
Civil works	₩ 347,413	₩ 54,173	₩ 88,331	₩ 301,235	₩ 95,506	₩ 149,198
Housing and architectural construction	756,163	1,025,292	122,030	528,964	879,308	183,387
Plant	93,824	334,693	102,368	109,703	286,657	286,705
Others	7,934	3,534	63,582	14,097	962	119,662
Total	₩ 1,205,334	₩ 1,417,692	₩ 376,311	₩ 953,999	₩ 1,262,433	₩ 738,952

(in thousands of US dollars (Note 4))

	2022			2021		
	Contract assets	Contract liabilities ²		Contract assets	Contract liabilities ²	
	Due from customers ³	Due to customers ³	Advances received ⁴	Due from customers ³	Due to customers ³	Advances received ⁴
1						
Civil works	\$ 274,136	\$ 42,747	\$ 69,700	\$ 237,698	\$ 75,362	\$ 117,729
Housing and architectural construction	596,672	809,037	96,291	417,394	693,844	144,707
Plant	74,035	264,099	80,776	86,564	226,195	226,233
Others	6,261	2,789	50,171	11,124	759	94,423
Total	\$ 951,104	\$ 1,118,672	\$ 296,938	\$ 752,780	\$ 996,160	\$ 583,092

¹ Costs incurred to fulfil contracts of ₩ 147,006 million (equivalent to \$ 115,999 thousand) (2021: ₩ 119,340 million (equivalent to \$ 94,169 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, 2021 amounts to ₩ 1,534,817 million (equivalent to \$ 1,211,092 thousand) (2021: ₩ 1,089,028 million (equivalent to \$ 859,329 thousand)).

³ The above gross amounts include amounts due from customers for projects for the Group's own contact work, which amount to ₩ 32,924 million (equivalent to \$ 25,980 thousand) (2021: ₩ 9,201 million (equivalent to \$ 7,260 thousand)) and amounts due to customers for the Group's own contract work which amount to ₩ 399,830 million (equivalent to \$ 315,498 thousand) (2021: ₩ 128,540 million (equivalent to \$ 101,428 thousand)) as at December 31, 2022.

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, 2022, 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	₩ 130,526	₩ 915,788	₩ 846,569	₩ 69,219	₩ 6,077	₩ 63,142	₩ 6,077
Housing and architectural construction	71,844	556,714	806,066	(249,352)	(123,499)	(125,853)	(123,499)
Plant	15,156	492,493	333,810	158,683	50,698	107,985	50,698
Others	954	4,680	10,265	(5,585)	(3,565)	(2,020)	(3,565)
Total	₩ 218,480	₩ 1,969,675	₩1,996,710	₩ (27,035)	₩ (70,289)	₩ 43,254	₩ (70,289)

*(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	\$ 102,995	\$ 722,629	\$ 668,010	\$ 54,619	\$ 4,795	\$ 49,824	\$ 4,795
Housing and architectural construction	56,691	439,291	636,049	(196,758)	(97,450)	(99,308)	(97,450)
Plant	11,959	388,616	263,403	125,213	40,005	85,208	40,005
Others	753	3,693	8,100	(4,407)	(2,813)	(1,594)	(2,813)
Total	\$ 172,398	\$ 1,554,229	\$ 1,575,562	\$ (21,333)	\$ (55,463)	\$ 34,130	\$ (55,463)

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, 2022. Contract revenue and contract costs can be changed in the future.

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8.5 As at December 31, 2022, details of contract revenue, which attributes more than 5% of sales for the year ended December 31, 2021, 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)

	2022						
	Date of contract	Construction deadline in contract	The stage of completion	Unclaimed construction		Receivables from construction	
				Total	Impairment loss	Total	Less: allowance for doubtful accounts
BOUGHZOUL NEW TOWN	2008.09.01	2024.09.23	80.6%	₩ 12,709	₩ -	₩ 15,952	₩ -
Qatar E-RING way ¹	2017.02.01	2021.06.20	97.6%	21,283	-	37,859	-
CFP ¹	2014.04.13	2018.10.18	99.4%	984	-	7,201	-
JAZAN REFINERY&TERMINAL ¹	2012.12.01	2018.04.30	99.9%	1,027	-	11,945	-
AL ZOUR REFINERY ¹	2015.10.28	2019.07.28	98.5%	-	-	106,068	-
OMAN DUQM REFINERY PJ	2018.06.03	2023.07.01	88.8%	-	-	-	-
RDPP ¹	2012.10.24	2020.11.24	96.2%	-	-	101,182	-
LIBYA ZWITINA POWER PLANT PJ ²	2013.01.28	2018.12.31	35.1%	-	-	15,894	-
MUMBAI TRANS-HARBOR LINK PJ	2018.03.23	2023.09.27	89.2%	6,394	-	9,625	-
NIGERIA GBARAN INFILL PJ	2014.05.01	2023.02.26	98.4%	24,582	-	1,362	-
GTX-A	2019.03.20	2024.06.29	46.8%	26,894	-	53,936	-
Maegyo Station Prugio SK VIEW Project	2012.05.30	2022.07.31	100.0%	-	-	11,054	-
Chuncheon Centralpark Prugio Business	2018.04.10	2022.03.30	100.0%	-	-	-	-
Geomam Station Royal Park Citi Prugio Complex 1 Business	2019.01.21	2023.06.30	69.4%	-	-	26,669	-
Geomam Station Royal Park Citi Prugio Complex 2 Business	2019.01.21	2023.06.30	70.1%	-	-	-	-
Thomson Line MRT Project T216/ Singapore ¹	2014.04.21	2021.08.25	98.9%	11,157	-	152	-
Olympic Park Foreon Project	2016.10.31	2024.12.31	29.2%	299,346	-	-	-
SANSUNG STATION XI&PRUGIO SITE	2015.08.28	2023.08.31	50.8%	-	-	-	-
Yeongtong Prugio Trecent	2022.05.04	2025.03.31	7.6%	-	-	-	-
Yeongtong Prugio finever	2022.05.04	2025.03.31	8.9%	-	-	-	-
Baegun Lake Prugio The Morning In The Forest	2022.06.14	2025.09.30	2.1%	9,472	-	-	-
SINGAPORE MRT CR108 PJ	2021.04.27	2029.12.31	3.7%	-	-	3,590	-
IRAQ AL-FAW GRAND PORT 1ST	2021.08.15	2025.12.24	25.2%	-	-	36,809	-
IRAQ IMMersed TUNNEL	2021.08.15	2025.08.14	18.5%	16,250	-	8,716	-
IRAQ AL-FAW UM QASR CONNECTING ROAD	2021.08.15	2025.05.14	23.8%	-	-	6,125	-

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	2022						
	Date of contract	Construction deadline in contract	The stage of completion	Unclaimed construction		Receivables from construction	
				Total	Impairment loss	Total	Less: allowance for doubtful accounts
NIGERIA INDORAMA FERTILIZER II	2018.05.03	2023.01.26	93.9%	-	-	2,713	-
MOZAMBIQUE LNG AREA 1	2020.12.22	2024.02.24	2.8%	-	-	-	-
NIGERIA NLNG T7 PJ	2020.05.13	2025.11.13	37.9%	-	-	24,680	-

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

	2022						
	Date of contract	Construction deadline in contract	The stage of completion	Unclaimed construction		Receivables from construction	
				Total	Impairment loss	Total	Less: allowance for doubtful accounts
BOUGHZOUL NEW TOWN	2008.09.01	2024.09.23	80.6%	\$ 10,028	\$ -	\$ 12,587	\$ -
Qatar E-RING way ¹	2017.02.01	2021.06.20	97.6%	16,794	-	29,874	-
CFP ¹	2014.04.13	2018.10.18	99.4%	776	-	5,682	-
JAZAN REFINERY&TERMINAL ¹	2012.12.01	2018.04.30	99.9%	810	-	9,426	-
AL ZOUR REFINERY ¹	2015.10.28	2019.07.28	98.5%	-	-	83,696	-
OMAN DUQM REFINERY PJ	2018.06.03	2023.07.01	88.8%	-	-	-	-
RDPP ¹	2012.10.24	2020.11.24	96.2%	-	-	79,841	-
LIBYA ZWITINA POWER PLANT PJ ²	2013.01.28	2018.12.31	35.1%	-	-	12,542	-
MUMBAI TRANS-HARBOR LINK PJ	2018.03.23	2023.09.27	89.2%	5,045	-	7,595	-
NIGERIA GBARAN INFILL PJ	2014.05.01	2023.02.26	98.4%	19,397	-	1,075	-
GTX-A	2019.03.20	2024.06.29	46.8%	21,221	-	42,560	-
Maegyo Station Prugio SK VIEW Project	2012.05.30	2022.07.31	100.0%	-	-	8,722	-
Chuncheon Centralpark Prugio Business	2018.04.10	2022.03.30	100.0%	-	-	-	-
Geomam Station Royal Park Citi Prugio Complex 1 Business	2019.01.21	2023.06.30	69.4%	-	-	21,044	-
Geomam Station Royal Park Citi Prugio Complex 2 Business	2019.01.21	2023.06.30	70.1%	-	-	-	-
Thomson Line MRT Project T216/ Singapore ¹	2014.04.21	2021.08.25	98.9%	8,804	-	120	-
Olympic Park Foreon Project	2016.10.31	2024.12.31	29.2%	236,208	-	-	-
SANSUNG STATION XI&PRUGIO SITE	2015.08.28	2023.08.31	50.8%	-	-	-	-
Yeongtong Prugio Treccents	2022.05.04	2025.03.31	7.6%	-	-	-	-
Yeongtong Prugio finever	2022.05.04	2025.03.31	8.9%	-	-	-	-
Baegun Lake Prugio The Morning In The Forest	2022.06.14	2025.09.30	2.1%	7,474	-	-	-

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U.S. dollars (Note 4))

	2022						
	Date of contract	Construction deadline in contract	The stage of completion	Unclaimed construction		Receivables from construction	
				Total	Impairment loss	Total	Less: allowance for doubtful accounts
SINGAPORE MRT CR108 PJ	2021.04.27	2029.12.31	3.7%	-	-	2,833	-
IRAQ AL-FAW GRAND PORT 1ST	2021.08.15	2025.12.24	25.2%	-	-	29,045	-
IRAQ IMMERSERD TUNNEL	2021.08.15	2025.08.14	18.5%	12,823	-	6,878	-
IRAQ AL-FAW UM QASR CONNECTING ROAD	2021.08.15	2025.05.14	23.8%	-	-	4,833	-
NIGERIA INDORAMA FERTILIZER II	2018.05.03	2023.01.26	93.9%	-	-	2,141	-
MOZAMBIQUE LNG AREA 1	2020.12.22	2024.02.24	2.8%	-	-	-	-
NIGERIA NLNG T7 PJ	2020.05.13	2025.11.13	37.9%	-	-	19,474	-

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, 2022.

(in millions of Korean won and thousands of US dollars (Note 4))	Contract amount of the Group share		Share ratio (%)	Leading Company
AL ZOUR REFINERY PJ	₩ 2,222,362	\$ 1,753,620	35.0%	FLUOR
NIGERIA NLNG T7 PJ	2,112,572	1,666,987	40.0%	SAIPEM
CFP PJ	1,243,574	981,278	33.3%	FLUOR
OMAN DUQM REFINERY PJ	1,231,327	971,614	35.0%	TR
Olympic Park Foreon Project	1,026,423	809,929	23.5%	Hyundai E&C Co., Ltd.
Jazan Refinery & Terminal PJ	667,172	526,452	50.0%	JGC Corporation
SINGAPORE MRT CR108 PJ	579,209	457,042	70.0%	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD.
GTX-A	521,155	411,233	20.0%	DL E&C
MUMBAI TRANS-HARBOR LINK PJ	531,881	419,696	60.0%	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD.
SANSUNG STATION XI&PRUGIO Business	450,370	355,378	50.0%	GS E&C Corp.

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9. Cash and Cash Equivalents

Details of cash and cash equivalents as at December 31, 2022 and 2021, are as follows:

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

	2022		2021	
Cash	₩ 1,102	₩ 2,405	\$ 870	\$ 1,898
Cash equivalents	1,421,985	1,058,633	1,122,058	835,345
Total	₩ 1,423,087	₩ 1,061,038	\$ 1,122,928	\$ 837,243

10. Trade and Other Receivables

10.1 Trade and other receivables, net of allowance for doubtful accounts, as at December 31, 2022 and 2021, are as follows:

(in millions of
Korean won)

	2022			2021		
	Original amount ¹	Less : allowance for doubtful accounts	Carrying amount	Original amount ¹	Less : allowance for doubtful accounts	Carrying amount
Current						
Trade receivables	₩ 1,306,725	₩ (152,744)	₩ 1,153,981	₩ 964,865	₩ (227,727)	₩ 737,138
Other receivables						
Non-trade receivables	720,870	(260,901)	459,969	747,360	(351,457)	395,903
Accrued income	15,115	(1,516)	13,599	8,200	(1,518)	6,682
Loans	92,237	(7,829)	84,408	115,199	(7,936)	107,263
Finance lease receivables	6,797	-	6,797	5,010	-	5,010
	835,019	(270,246)	564,773	875,769	(360,911)	514,858
Total	₩ 2,141,744	₩ (422,990)	₩ 1,718,754	₩ 1,840,634	₩ (588,638)	₩ 1,251,996
Non-current						
Other receivables						
Long-term non-trade receivables	₩ 230,954	₩ (22,078)	₩ 208,876	₩ 419,838	₩ (20,666)	₩ 399,172
Long-term loans	644,278	(148,122)	496,156	664,700	(244,007)	420,693
Long-term accrued income	9,996	(3,286)	6,710	14,290	(215)	14,075
Deposits	369,247	(2,057)	367,190	317,316	(2,839)	314,477
Finance lease receivables	23,181	-	23,181	24,697	-	24,697
Total	₩ 1,277,656	₩ (175,543)	₩ 1,102,113	₩ 1,440,841	₩ (267,727)	₩ 1,173,114

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(in thousands of US dollars (Note 4))	2022			2021		
	Original amount ¹	Less : allowance for doubtful accounts	Carrying amount	Original amount ¹	Less : allowance for doubtful accounts	Carrying amount
Current						
Trade receivables	\$ 1,031,109	\$ (120,527)	\$ 910,582	\$ 761,355	\$ (179,695)	\$ 581,660
Other receivables						
Non-trade receivables	568,823	(205,872)	362,951	589,726	(277,327)	312,399
Accrued income	11,927	(1,196)	10,731	6,470	(1,198)	5,272
Loans	72,782	(6,178)	66,604	90,901	(6,262)	84,639
Finance lease receivables	5,363	-	5,363	3,953	-	3,953
	658,895	(213,246)	445,649	691,050	(284,787)	406,263
Total	\$ 1,690,004	\$ (333,773)	\$ 1,356,231	\$ 1,452,405	\$ (464,482)	\$ 987,923
Non-current						
Other receivables						
Long-term non-trade receivables	\$ 182,241	\$ (17,421)	\$ 164,820	\$ 331,285	\$ (16,307)	\$ 314,978
Long-term loans	508,386	(116,880)	391,506	524,501	(192,541)	331,960
Long-term accrued income	7,888	(2,593)	5,295	11,276	(170)	11,106
Deposits	291,365	(1,623)	289,742	250,387	(2,240)	248,147
Finance lease receivables	18,292	-	18,292	19,488	-	19,488
Total	\$ 1,008,172	\$ (138,517)	\$ 869,655	\$ 1,136,937	\$ (211,258)	\$ 925,679

¹ Net of present value discount.

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10.2 Age analysis of trade and other receivables as at December 31, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	2022			2021		
	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	₩ 1,004,935	₩ 305,322	₩ 246,783	₩ 561,938	₩ 338,942	₩ 155,967
1 year to 2 years	27,271	67,068	86,632	57,309	46,910	119,979
More than 2 years	45,700	180,597	306,406	93,096	72,443	492,371
Subtotal of receivables	1,077,906	552,987	639,821	712,343	458,295	768,317
Allowance ^{2,3}	(2,035)	(5,901)	(823)	(1,719)	(7,231)	(972)
Individually assessed for impairment						
Receivables	228,819	275,235	276,581	252,522	412,464	362,526
Allowance	(150,709)	(264,345)	(172,663)	(226,008)	(353,680)	(263,916)
Subtotal of receivables	1,306,725	828,222	916,402	964,865	870,759	1,130,843
Subtotal of allowance	(152,744)	(270,246)	(173,486)	(227,727)	(360,911)	(264,888)
Present value discount	-	-	(31,174)	-	-	(32,015)
Total	₩ 1,153,981	₩ 557,976	₩ 711,742	₩ 737,138	₩ 509,848	₩ 833,940

<i>(in thousands of US dollars (Note 4))</i>	2022			2021		
	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	\$ 792,973	\$ 240,923	\$ 194,731	\$ 443,414	\$ 267,452	\$ 123,070
1 year to 2 years	21,519	52,922	68,360	45,221	37,016	94,673
More than 2 years	36,061	142,505	241,779	73,460	57,163	388,520
Subtotal of receivables	850,553	436,350	504,870	562,095	361,631	606,263
Allowance ^{2,3}	(1,606)	(4,656)	(649)	(1,356)	(5,706)	(767)
Individually assessed for impairment						
Receivables	180,556	217,182	218,244	199,260	325,467	286,062
Allowance	(118,921)	(208,589)	(136,245)	(178,338)	(279,082)	(208,251)
Subtotal of receivables	1,031,109	653,533	723,114	761,355	687,098	892,325
Subtotal of allowance	(120,527)	(213,245)	(136,894)	(179,694)	(284,788)	(209,018)
Present value discount	-	-	(24,599)	-	-	(25,262)
Total	\$ 910,582	\$ 440,288	\$ 561,621	\$ 581,661	\$ 402,310	\$ 658,045

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, 2022 and 2021, are as follows:

<i>(in millions of Korean won and thousands of US dollars (Note 4))</i>	2022			2022		
	Trade receivables	Other receivables		Trade receivables	Other receivables	
		Short-term	Long-term		Short-term	Long-term
Beginning balance	₩ 227,727	₩ 360,911	₩ 267,727	\$ 179,695	\$ 284,787	\$ 211,258
Additions	6,704	5,585	4,761	5,290	4,407	3,757
Reversals	(12,368)	(6,767)	(1,637)	(9,759)	(5,340)	(1,292)
Write-off	(82,891)	(82,530)	(96,459)	(65,408)	(65,123)	(76,114)
Others ¹	13,572	(6,953)	1,151	10,709	(5,486)	908
Ending balance	<u>₩ 152,744</u>	<u>₩ 270,246</u>	<u>₩ 175,543</u>	<u>\$ 120,527</u>	<u>\$ 213,245</u>	<u>\$ 138,517</u>

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

<i>(in millions of Korean won and thousands of US dollars (Note 4))</i>	2021			2021		
	Trade receivables	Other receivables		Trade receivables	Other receivables	
		Short-term	Long-term		Short-term	Long-term
Beginning balance	₩ 337,880	₩ 432,939	₩ 271,498	\$ 266,614	\$ 341,623	\$ 214,233
Additions	19,864	3,577	782	15,674	2,823	617
Reversals	(1,472)	(16,634)	(19,708)	(1,162)	(13,126)	(15,551)
Write-off	(130,925)	(65,694)	(11,817)	(103,310)	(51,838)	(9,325)
Others ¹	2,380	6,723	26,972	1,878	5,305	21,283
Ending balance	<u>₩ 227,727</u>	<u>₩ 360,911</u>	<u>₩ 267,727</u>	<u>\$ 179,694</u>	<u>\$ 284,787</u>	<u>\$ 211,257</u>

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

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11. Inventories

Inventories as at December 31, 2022 and 2021, are as follows:

<i>(in millions of Korean won and thousands of US dollars (Note 4))</i>	2022		2021	
Land held for development	₩	1,194,539	₩	822,485
Unfinished construction		375,760		522,464
Finished housing		185,705		172,772
Raw materials		69,112		28,703
Supplies		12,574		8,307
Materials-in-transit		81,778		44,097
Temporary materials		6,714		4,527
Merchandise		488		435
Total	₩	1,926,670	₩	1,603,790

Cost of Inventories recognized as expense and included in the amount of cost of goods sold is ₩ 3,220,710 million (equivalent to \$ 2,541,395 thousand) (2021: ₩ 2,531,279 million (equivalent to \$ 1,997,379 thousand)) for the year ended December 31, 2022. Reversal on valuation of inventories for the year ended December 31, 2022 amounted to ₩ 1,399 million (equivalent to \$ 1,104 thousand) (2021: ₩ 270 million (equivalent to \$ 213 thousand)).

12. Investments in Securities

12.1 Investments in securities as at December 31, 2022 and 2021, are as follows:

<i>(in millions of Korean won and thousands of US dollars (Note 4))</i>	2022		2021	
Debt instruments at fair value through profit or loss	₩	218,814	₩	192,542
Debt instruments at fair value through other comprehensive income		23,773		8,486
Equity instruments at fair value through other comprehensive income		9,870		10,218
		252,457		211,246
Less : current portion (short-term financial instrument assets)		(597)		-
Non-current portion	₩	251,860	₩	211,246

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12.2 Changes in investments in securities for the years ended December 31, 2022 and 2021, are as follows:

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

	2022	2021	2022	2021
Beginning balance	₩ 211,246	₩ 247,328	\$ 166,690	\$ 195,161
Additions	51,481	20,889	40,623	16,483
Disposals	(10,324)	(10,774)	(8,146)	(8,502)
Reclassification ¹	51	(1,793)	40	(1,415)
Amount recognized in other comprehensive income	(3,224)	(474)	(2,544)	(374)
Amount recognized in profit or loss ²	3,227	(43,930)	2,546	(34,664)
Ending balance	₩ 252,457	₩ 211,246	\$ 199,209	\$ 166,690

¹ Details of reclassification of investments in securities for the years ended December 31, 2022 and 2021, are as follows:

(in millions of Korean won)

	2022	2021	Remarks
DAE YANG CONSTRUCTION Co., Ltd. and others	₩ 51	₩ -	Reclassification from other receivables
WONJU GREEN CORP.	-	(1,793)	Reclassification to investment in associates and others
Total	₩ 51	₩ (1,793)	

(in thousands of US dollars (Note 4))

	2022	2021	Remarks
DAE YANG CONSTRUCTION Co., Ltd. and others	\$ 40	\$ -	Reclassification from other receivables
WONJU GREEN CORP.	-	(1,415)	Reclassification to investment in associates and others
Total	\$ 40	\$ (1,415)	

² Details of amount recognized in profit or loss for the years ended December 31, 2022 and 2021, are as follows:

(in millions of Korean won)

	2022	2021	Remarks
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	(464)	(1,887)	Decrease in fair value
Engineering Financial Cooperative and others	2,294	2,504	Increase in fair value
ASTROX	1,397	-	Increase in fair value
Total	₩ 3,227	₩ (43,930)	

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<i>(in thousands of US dollars (Note 4))</i>	<u>2022</u>	<u>2021</u>	<u>Remarks</u>
Seoul North Highway Co., Ltd.	\$ -	\$ (26,932)	Decrease in fair value
KB Sosa Wonsi Railroad Project Private Special Assets	-	(5,756)	Decrease in fair value
Jeju International Convention Center	-	(2,463)	Decrease in fair value
West Wide Railroad Co., Ltd. and others	(366)	(1,489)	Decrease in fair value
Engineering Financial Cooperative and others	1,810	1,976	Increase in fair value
ASTROX	1,102	-	Increase in fair value
Total	<u>\$ 2,546</u>	<u>\$ (34,664)</u>	

12.3 Details of debt instruments at fair value through profit or loss as at December 31, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	<u>2022</u>			<u>2021</u>	
	<u>Number of shares</u>	<u>Percentage of ownership (%)</u>	<u>Acquisition cost</u>	<u>Book amount</u>	<u>Book amount</u>
I PARK MALL CO., LTD	320,000	0.88%	₩ 1	₩ 1	₩ 1
Jeju International Convention Center	1,089,522	2.68%	4,788	1,667	1,667
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.	6,826,400	14.00%	34,132	1	1
Seoul-Moonsan Highway Co., Ltd. ¹	3,059,712	11.52%	15,299	13,338	13,352
Gayah Railroad Co., Ltd.	305,490	2.30%	1,527	1	1
Green Han River Town Co., Ltd.	9,116	0.43%	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
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.	3,607,881	5.75%	18,039	18,039	17,147
Busan Container Terminal Co., Ltd.	4,500,000	15.00%	22,500	22,500	22,500

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	2022			2021	
	Number of shares	Percentage of ownership (%)	Acquisition cost	Book amount	Book amount
West Wide Railroad Co., Ltd. ¹	762,441	2.85%	3,812	201	540
Gangnam Metro Co., Ltd.	900	9.00%	5	5	5
HYUMEON ECO LAND CO.,LTD.	29,389	2.20%	147	147	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
somesevit Corporation	429,000	5.00%	2,145	1	1
Seoul Lite Tower Co., Ltd. ²	-	-	-	-	1
Gimpo Golden Valley 4 PFV	100,000	10.00%	500	1	1
EIGHTCITY Co., Ltd. ³	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 ^{1,3}	1,700,000	85.00%	8,500	14,025	13,175
Seoul National University Medical Hub Co., Ltd.	-	-	15	1	1
Pungmu Station area Development Co., Ltd.	140,000	14.00%	700	700	700
Oryong PFV Co., Ltd. ²	-	-	-	-	200
Paju Unjeong A13 Block Project Gyeongan RiverCity Development Asset Management. Co., Ltd	350,000	13.46%	1,750	1,750	1,750
Gochon Development AMC Co, Ltd	50,000	5.00%	250	250	250
ASTROX ^{1,2}	86,000	8.60%	430	430	430
Humax EV Co., Ltd	4,200	13.61%	183	1,579	990
DCAM PFV Co.,Ltd ³	248,790	9.55%	2,936	2,936	1,436
Maxerve consortium Co., Ltd ³	250,000	25.00%	1,250	1,250	1,250
ITRO Co., Ltd.	30,000	30.00%	300	300	300
Bugok Development, Inc.	8,570	15.00%	450	450	450
YONGIN DEOKSEONG DATA CENTER PFV	-	-	2,000	2,000	2,000
Own The West Co., Ltd.	500,000	10.00%	500	500	-
TENCL EQUITY INVESTMENT	150,000	15.00%	750	750	-
Construction Guarantee Cooperative ¹	14,415	9.09%	2,000	2,000	-
Electric Contractors Financial Cooperative ¹	46,146	-	46,860	70,779	70,590
Information&Communication Financial Cooperative ¹	500	-	150	214	206
Fire Guarantee	604	-	97	249	250
Engineering Financial Cooperative ¹	40	-	20	20	20
Korea Electric Engineers Association ¹	25,115	-	12,902	19,520	18,275
Korea Specialty Contractor Financial Cooperative ¹	200	-	20	45	44
4S Structure Safety Group Cooperative	1,455	-	1,286	1,370	1,365
Key Environment Engineering Professional COOP	5	14.29%	5	5	5
	50	15.38%	5	5	5

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(in millions of Korean won)

	2022			2021	
	Number of shares	Percentage of ownership (%)	Acquisition cost	Book amount	Book amount
CI GUARANTEE	500	-	506	506	-
KODIT P-CBO SUBORDINATED DEBENTURE ¹	-	-	1,500	1,390	-
KB Sosa Wonsi Railroad Project Private Special Assets	2,858	14.29%	66,740	1	1
KIAMCO Road Investment Fund No. 1	-	-	11,373	11,374	11,374
KIAMCO Gyeonggi Railroad Private Equity Investment Fund No. 1	-	-	8,107	1	1
IBK-KT Emerging Digital Industry Investment Fund	-	4.65%	1,600	1,600	-
Capstone Development Platform Private Real Estate Investment Trust	-	16.39%	6,893	6,893	-
BTS 2nd Private Equity Fund	-	10.00%	1,513	1,513	-
IMM Global Battery II LPF	-	19.70%	6,337	6,337	-
Total			<u>₩ 363,925</u>	<u>₩ 218,814</u>	<u>₩ 192,542</u>

(in thousands of US dollars (Note 4))

	2022			2021	
	Number of shares	Percentage of ownership (%)	Acquisition cost	Book amount	Book amount
I PARK MALL CO., LTD	320,000	0.88%	\$ 1	\$ 1	\$ 1
Jeju International Convention Center	1,089,522	2.68%	3,778	1,315	1,315
Shinbundang Railroad Co., Ltd.	4,122,000	9.71%	16,263	1	1
Green Kimhae Enviro Co., Ltd.	100,775	5.00%	398	221	221
Chungjung Sangju Co., Ltd.	70,552	4.00%	279	-	-
Green Asan Enviro Co., Ltd.	69,390	3.70%	274	125	125
Green Yeosu Enviro Co., Ltd.	84,567	9.00%	334	65	65
Green Dangjin Enviro Co., Ltd.	27,505	2.80%	109	1	1
Green Jeju Enviro Co., Ltd.	30,626	3.01%	121	1	1
Green Gunsan Enviro Co., Ltd.	59,842	3.49%	236	94	94
Sangzhou Yeongcheon Expressway Co., Ltd.	3,553,284	5.25%	14,019	1	1
Yonsei International Student Residence Hall Management Co., Ltd.	5,600	1.01%	22	1	1
Seoul North Highway Co., Ltd.	6,826,400	14.00%	26,933	1	1
Seoul-Moonsan Highway Co., Ltd. ¹	3,059,712	11.52%	12,072	10,525	10,536
Gayah Railroad Co., Ltd.	305,490	2.30%	1,205	1	1
Green Han River Town Co., Ltd.	9,116	0.43%	36	19	19
E RAIL Co., Ltd.	1,044,488	3.43%	4,121	-	-
Ocean Culture Co., Ltd.	442,431	11.68%	1,745	541	541
The Green Town Co., Ltd.	124,564	12.82%	492	1	1
New Seoul Railroad Co., Ltd.	384,000	3.00%	1,515	1,515	1,515
Gyeonggi rail Co., Ltd.	495,000	2.45%	1,953	1	1
P-Waters Co., Ltd.	72,288	4.00%	285	285	285
Ulsan clean environment Co., Ltd.	376,752	7.20%	1,487	971	971
Neulpureun Paju-Yangju Co., Ltd.	52,662	4.62%	208	1	1
Metropolitan West Highway Co., Ltd.	472,920	0.97%	1,866	1,866	1,866
Neulpureun Goyang Co., Ltd.	49,885	3.62%	196	1	1

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	2022			2021	
	Number of shares	Percentage of ownership (%)	Acquisition cost	Book amount	Book amount
Gyeryong Greenville Co., Ltd.	5,744	0.30%	23	1	1
West Inland Highway Co., Ltd.	3,607,881	5.75%	14,234	14,234	13,530
Busan Container Terminal Co., Ltd.	4,500,000	15.00%	17,754	17,754	17,754
West Wide Railroad Co., Ltd. ¹	762,441	2.85%	3,008	159	426
Gangnam Metro Co., Ltd.	900	9.00%	4	4	4
HYUMEON ECO LAND CO.,LTD.	29,389	2.20%	116	116	69
Smart City Asset Management Co., Ltd.	10,200	17.00%	6	1	1
Smart City Co., Ltd.	1,819,625	19.23%	6,624	1	1
Gwangmyeong Terminal Complex Co., Ltd.	98,000	16.33%	387	387	387
Chung-Ju Technopolis Co., Ltd.	225,000	15.00%	1,184	1,184	1,184
somesevit Corporation	429,000	5.00%	1,693	1	1
Seoul Lite Tower Co., Ltd. ²	-	-	-	-	1
Gimpo Golden Valley 4 PFV	100,000	10.00%	395	1	1
EIGHTCITY Co., Ltd. ³	300,000	23.81%	1,184	1	1
Incheon Art Center Co., Ltd.	78,000	19.50%	308	308	308
KOCREF SEOMYUN REITs CO., LTD.	125,000	7.69%	1,973	1,973	1,973
Uiwang Changan Project Financial Investment.	10,000	1.00%	39	39	39
Cheonnyun Suwon ^{1,3}	1,700,000	85.00%	6,707	11,067	10,396
Seoul National University Medical Hub Co., Ltd.	-	-	12	1	1
Pungmu Station area Development Co., Ltd.	140,000	14.00%	552	552	552
Oryong PFV Co., Ltd. ²	-	-	-	-	158
Paju Unjeong A13 Block Project Gyeongang RiverCity Development Asset Management. Co., Ltd	350,000	13.46%	1,381	1,381	1,381
Gochon Development AMC Co, Ltd	86,000	8.60%	339	339	339
ASTROX ^{1,2}	4,200	13.61%	144	1,246	781
Humax EV Co., Ltd	248,790	9.55%	2,317	2,317	1,133
DCAM PFV Co.,Ltd ³	250,000	25.00%	986	986	986
Maxerve consortium Co., Ltd ³	30,000	30.00%	237	237	237
ITRO Co., Ltd.	8,570	15.00%	355	355	355
Bugok Development, Inc.	-	-	1,578	1,578	1,578
YONGIN DEOKSEONG DATA CENTER PFV	500,000	10.00%	395	395	-
Own The West Co., Ltd.	150,000	15.00%	592	592	-
TENCL EQUITY INVESTMENT	14,415	9.09%	1,578	1,578	-
Construction Guarantee Cooperative ¹	46,146	-	36,976	55,850	55,701
Electric Contractors Financial Cooperative ¹	500	-	118	169	163
Information&Communication Financial Cooperative ¹	604	-	77	196	197
Fire Guarantee	40	-	16	16	16
Engineering Financial Cooperative ¹	25,115	-	10,181	15,403	14,420
Korea Electric Engineers Association ¹	200	-	16	36	35
Korea Specialty Contractor Financial Cooperative ¹	1,455	-	1,015	1,081	1,077

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	2022			2021	
	Number of shares	Percentage of ownership (%)	Acquisition cost	Book amount	Book amount
4S Structure Safety Group Cooperative	5	14.29%	4	4	4
Key Environment Engineering Professional COOP	50	15.38%	4	4	4
CI GUARANTEE	500	-	399	399	-
KODIT P-CBO SUBORDINATED DEBENTURE ¹	-	-	1,184	1,097	-
KB Sosa Wonsi Railroad Project Private Special Assets	2,858	14.29%	52,663	1	1
KIAMCO Road Investment Fund No. 1	-	-	8,974	8,975	8,975
KIAMCO Gyeonggi Railroad Private Equity Investment Fund No. 1	-	-	6,397	1	1
IBK-KT Emerging Digital Industry Investment Fund	-	4.65%	1,263	1,263	-
Capstone Development Platform Private Real Estate Investment Trust	-	16.39%	5,439	5,439	-
BTS 2nd Private Equity Fund	-	10.00%	1,194	1,194	-
IMM Global Battery II LPF	-	19.70%	5,000	5,000	-
Total			\$ 287,170	\$ 172,667	\$ 151,934

¹ During 2022, the Group recognized gain (loss) on valuation due to significant changes in fair value.

² During 2022, it was eliminated due to liquidation or sales.

³ During 2022, although the Group's ownership is more than 20%, it was classified as assets held for sale and equity-method investments.

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries
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12.4 Details of equity instruments at fair value through other comprehensive income as at December 31, 2022 and 2021, are as follows:

(in millions of Korean won)

	2022		2021	
	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.	2,925	0.01%	384	15
Smart Power Co., Ltd.	108,608	3.37%	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
Nam Kwang Construction Co., Ltd.	319	0.31%	15	2
Samwoo EMC Co.,LTD.	-	-	2	-
SEOWOO Engineering & Construction Co., Ltd.	39,785	29.66%	1,989	1
Kyoungdong E & C Co., Ltd.	445	0.04%	4	2
HWANAM CONSTRUCTION CO.,LTD.	23,097	15.25%	231	231
K-Realty X Co.,Ltd.	363,000	3.46%	7,260	7,260
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	2
DAE YANG CONSTRUCTION Co., Ltd.	4,686	2.50%	47	47
Total			<u>₩ 14,582</u>	<u>₩ 9,870</u>
				<u>₩ 10,218</u>

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(in thousands of US dollars (Note 4))

	2022			2021	
	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%	23	1	1
Woorim Construction Co., Ltd.	3,888	0.23%	614	1	1
KD Construction Co., Ltd.	42,601	4.11%	1,008	1	1
Techno Village Co., Ltd.	56,000	3.38%	221	221	221
Ssangyong E&C Co., Ltd.	2,925	0.01%	303	12	12
Smart Power Co., Ltd.	108,608	3.37%	43	1	1
Neo Trans Co., Ltd.	2,858	14.29%	11	11	11
HEEKYUNG E&C Co., Ltd.	6,163	5.06%	11	2	2
DONGYANG E&C Co., Ltd.	77	0.00%	69	-	-
Hyodong Development Co., Ltd.	520	-	82	1	1
Nam Kwang Construction Co., Ltd.	319	0.31%	12	2	-
Samwoo EMC Co.,LTD.	-	-	2	-	-
SEOWOO Engineering & Construction Co., Ltd.	39,785	29.66%	1,569	1	314
Kyoungdong E & C Co., Ltd.	445	0.04%	3	2	2
HWANAM CONSTRUCTION CO.,LTD.	23,097	15.25%	182	182	182
K-Realty X Co.,Ltd.	363,000	3.46%	5,729	5,729	5,729
SG Safety Corporation	30,400	5.00%	1,578	1,578	1,578
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	2
DAE YANG CONSTRUCTION Co., Ltd.	4,686	2.50%	37	37	-
Total			\$ 11,507	\$ 7,792	\$ 8,066

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries
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12.5 Details of debt instruments at fair value through other comprehensive income as at December 31, 2022 and 2021, are as follows:

(in millions of Korean won)

		2022		2021
		Maturity	Nominal value	Book amount
Government bonds	National housing bonds and others	Up to 1 year	₩ 604	₩ 597
		1 year to 5 years	25,804	22,483
		5 year to 10 years	488	437
			26,896	23,517
Corporate bonds	SACC Co., Ltd. ¹ Namyang Construction Co., Ltd. ²	1 year to 5 years	-	-
		2032	256	256
			256	256
Total		₩ 27,152	₩ 23,773	₩ 8,486

(in thousands of US dollars (Note 4))

		2022		2021
		Maturity	Nominal value	Book amount
Government bonds	National housing bonds and others	Up to 1 year	\$ 477	\$ 471
		1 year to 5 years	20,361	17,741
		5 year to 10 years	385	345
			21,223	18,557
Corporate bonds	SACC Co., Ltd. ¹ Namyang Construction Co., Ltd. ²	1 year to 5 years	-	-
		2032	202	202
			202	202
Total		\$ 21,425	\$ 18,759	\$ 6,697

¹ During 2022, it was eliminated due to liquidation.

² 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, 2022 and 2021, are as follows:

(in millions of Korean won)

	2022			
	Amount		Gain (loss) on transaction / valuation	
	Assets	Liabilities	Gain	Loss
Trading purpose				
Forward foreign currency contracts	₩ 16,577	₩ 25,360	₩ 31,660	₩ 32,501
Swap foreign currency contracts	25,823	2,025	24,999	2,149
Total	₩ 42,400	₩ 27,385	₩ 56,659	₩ 34,650

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

	2022			
	Amount		Gain (loss) on transaction / valuation	
	Assets	Liabilities	Gain	Loss
Trading purpose				
Forward foreign currency contracts	\$ 13,081	\$ 20,011	\$ 24,982	\$ 25,646
Swap foreign currency contracts	20,376	1,598	19,726	1,696
Total	\$ 33,457	\$ 21,609	\$ 44,708	\$ 27,342

(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	\$ 2,508	\$ 14,088	\$ 13,618	\$ 28,015
Swap foreign currency contracts	4,877	-	11,816	594
Total	\$ 7,385	\$ 14,088	\$ 25,434	\$ 28,609

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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 instruments are financial assets and liabilities at fair value through profit or loss.

14. Assets and Liabilities Held for Sale

14.1 Changes in assets held for sale for the years ended December 31, 2022 and 2021, are as follows:

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

	2022		2021		2022		2021	
Beginning balance	₩	28,522	₩	36,794	\$	22,506	\$	29,033
Increase		128,408		27,600		101,324		21,779
Decrease ¹		(99,428)		(35,872)		(78,457)		(28,306)
Ending balance²	₩	57,502	₩	28,522	\$	45,373	\$	22,506

¹ The Group recognized ₩ 44,960 million (equivalent to \$ 35,477 thousand) (2021: ₩ 32,673 million (equivalent to \$ 25,782 thousand)) of gain on disposal of assets held for sale relating to disposal of an asset group for the year ended December 31, 2022, and ₩ 6 million (equivalent to \$ 5 thousand) (2021: ₩ 32 million (equivalent to \$ 25 thousand)) of loss on disposal of assets held for sale for the year ended December 31, 2022, as other income and expenses (Note 32).

² It consists of real estate held for sale of ₩ 4,571 million (equivalent to \$ 3,607 thousand) (2021: ₩ 24,223 million (equivalent to \$ 19,114 thousand)), securities held for sale of nil (2021: ₩ 848 million, (equivalent to \$ 669 thousand)), subsidiary assets held for sale of ₩ 52,525 million (equivalent to \$ 41,446 thousand) (2021: nil) and general assets held for sale (machinery and others) of ₩ 406 million (equivalent to \$ 320 thousand) (2021: ₩ 3,451 million (equivalent to \$ 2,723 thousand)) as at December 31, 2022.

14.2 Changes in liabilities held for sale for the years ended December 31, 2022 and 2021, are as follows:

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

	2022		2021		2022		2021	
Beginning balance	₩	-	₩	-	\$	-	\$	-
Increase		11,736		-		9,261		-
Decrease		-		-		-		-
Ending balance¹	₩	11,736	₩	-	\$	9,261	\$	-

¹ It consists of subsidiary liabilities held for sale of ₩ 11,736 million (equivalent to \$ 9,261 thousand) (2021: nil) as at December 31, 2022.

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14.3 In relation to the recovery and decline of fair value against book value of assets held for sale for the year ended December 31, 2022, impairment losses on assets held for sale of ₩ 21,907 million, equivalent to \$ 17,286 thousand (2021: ₩ 1,336 million, equivalent to \$ 1,054 thousand) was recognized as other expenses (Note 32).

14.4 Accumulated income or expense directly recognized in other comprehensive income (loss) in relation to assets held for sale amounted to ₩ 2,789 million, equivalent to \$ 2,201 thousand as at December 31, 2022 (2021: nil).

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15. Investments in Associates

15.1 Details of investments in associates as at December 31, 2022 and 2021, are as follows:

(in millions of Korean won)

	Location	Year end	Percentage of ownership (%)	2022		2021	
				Acquisition cost	Net asset value	Book amount	Book amount
Investments accounted for under the equity method							
BEIJING LUFTHANSA CENTER CO. ¹	China	-	-	₩ -	₩ -	₩ -	₩ 34,790
KDS Hydro Pte.Ltd	Singapore	December	20.0	26,219	18,268	18,268	25,922
DINAMICO CONST,INC	Philippines	December	40.0	16	98	98	277
Yulchon 2 Industrial Complex Development Inc.	Korea	December	40.0	1,600	10	1	1
Dongtan 2 Daewoo Corporation Real Estate Investment Company	Korea	December	30.0	22,500	6,203	1	1
Hanam Marbling City Development	Korea	December	44.0	2,200	3,029	3,029	2,965
Pyeongsung Industry Co., Ltd.	Korea	December	27.0	1,350	784	1	1
Yangju Development PFV Co, Ltd	Korea	December	22.0	1,100	(170)	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	(4,965)	1	1
Harbor City Development Co., Ltd.	Korea	December	29.9	1,794	11,064	10,397	1
Incheon Airport Yeongjong REIT Co., Ltd.	Korea	December	24.1	24,380	19,937	8,992	10,831
Changwon Innovation Industrial Development Co., Ltd. PFV	Korea	December	29.0	1,450	(3,069)	1	1
Gyeongsan Knowledge Industry Development Co., Ltd.	Korea	December	29.0	1,450	(2,450)	1	1
Skyland Co., Ltd.	Korea	December	25.0	1	(4,654)	1	1
Jinwi 3 Industrial Complex Development Inc.	Korea	December	20.0	1,000	(802)	1	1
Kyungnam Masan Robotland Co., Ltd.	Korea	December	25.0	918	(15,934)	1	1
UI trans LRT Co.	Korea	December	20.3	20,513	(23,332)	1	1
GreenJC Co.	Korea	December	21.4	1,765	1,161	1	1
Eunpyeong new road Corp.	Korea	December	33.0	1,304	(89)	1	1
GWIC Co., Ltd.	Korea	December	20.0	60	(1,362)	1	1
Tangjeong Technopark Co., Ltd.	Korea	December	20.0	400	(7,524)	1	1
Together Investment Management Co., Ltd.	Korea	December	37.1	2,600	2,739	2,739	2,556
JR Qualified Investor Private Placement Real Estate Fund Investment Trust No.22	Korea	December	35.2	39,896	38,223	25,726	29,893
SUWON Youth Housing Daewoo K1 No.9 Reits	Korea	December	20.2	5,798	4,825	2,478	3,851
Mastern No.83 Cheongryang PFV Co., Ltd.,	Korea	December	30.3	1,514	689	690	1,503
Daechi 176 PFV Co., Ltd.	Korea	December	33.3	2,000	(3,649)	1	1
Zayang 5 PFV Co., Ltd	Korea	December	35.0	1,750	(628)	1	903
Humax EV Co., Ltd ³	Korea	December	9.6	2,936	332	1,557	941
Songsan Industrial Complex Development Inc.	Korea	December	25.0	1	(3,796)	1	1
Wonju Green Co., Ltd.	Korea	December	24.5	615	1,180	615	615
ITRO Co., Ltd. ³	Korea	December	15.0	450	258	461	485

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	Location	Year end	Percentage of ownership (%)	2022		2021	
				Acquisition cost	Net asset value	Book amount	Book amount
Daegu Dong-gu Complex No.1 Co., Ltd.	Korea	December	29.0	1,450	(2,071)	1	1,450
Banpo Central No.1 Co., Ltd. ⁴	Korea	December	52.9	4,500	(4,406)	1	2,589
Gulup Wind Power Development Corp. ³	Korea	December	6.7	2,000	1,386	1,887	2,000
JR General Private Placement Real Estate Fund Investment Trust No.31 ²	Korea	December	45.0	3,983	3,983	3,983	-
Cheongju global co.ltd. ²	Korea	December	30.1	9	(6)	1	-
PROJECT GASAN PFV ²	Korea	December	20.0	1,000	1,000	1,000	-
CUBE GWANGAN PFV ²	Korea	December	30.0	1,500	584	1,500	-
Tan A Dai Thanh-DAEWOO LLC ²	Korea	December	50.0	1,204	1,487	1,487	-
				<u>192,969</u>	<u>38,354</u>	<u>84,949</u>	<u>121,610</u>
Investments not accounted for under the equity method ⁵							
DW POWER(INDIA) LTD. ⁶	India	December	69.5	2,440	-	1	1
Gyeongan Rivercity AMC Co., Ltd.	Korea	December	40.0	20	45	20	20
Hanam Marbling City Co., Ltd	Korea	December	44.0	44	70	44	44
Skyland Asset Management Co., Ltd.	Korea	December	25.0	13	(2)	13	13
Cheongju Technopolis Asset Management Co., Ltd.	Korea	December	35.0	105	125	105	105
S-ACC Co., Ltd. ¹	Korea	-	-	-	-	-	1
Pyeongsung Industrial Asset Management ⁶	Korea	December	70.0	70	68	1	1
Gyeongnam Masan Robot Land Asset Management Co., Ltd.	Korea	December	25.0	55	13	55	55
Changwon Innovation Industrial Development Asset Management Co., Ltd. ⁶	Korea	December	80.0	240	193	240	240
Pungmoo Station Area development asset management Co.	Korea	December	41.0	41	99	41	41
Gochon Development AMC Co, Ltd	Korea	December	49.0	49	77	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. ⁶	Saudi Arabia	December	60.0	-	-	-	-
DW NIGERIA LTD. ⁶	Nigeria	December	90.0	124	-	123	123
DAEWOO-HANEL CORP ⁶	Vietnam	December	60.0	-	-	-	-
DAEWOO E & C IRAN ⁶	Iran	December	100.0	-	-	-	-
V-CITY 21 JOINT STOCK COMPANY	Vietnam	December	40.0	48	-	1	1
Daewoo E&C LLC ⁶	Oman	December	70.0	510	-	1	1
				<u>34,986</u>	<u>688</u>	<u>696</u>	<u>697</u>
Total				<u>₩ 227,955</u>	<u>₩ 39,042</u>	<u>₩ 85,645</u>	<u>₩ 122,307</u>

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(in thousands of US dollars (Note 4))

	Location	Year end	Percentage of ownership (%)	2022		2021	
				Acquisition cost	Net asset value	Book amount	Book amount
Investments accounted for under the equity method							
BEIJING LUFTHANSA CENTER CO. ¹	China	-	-	\$ -	\$ -	\$ -	\$ 27,452
KDS Hydro Pte.Ltd	Singapore	December	20.0	20,689	14,415	14,415	20,455
DINAMICO CONST,INC	Philippines	December	40.0	13	77	77	219
Yulchon 2 Industrial Complex Development Inc.	Korea	December	40.0	1,263	8	1	1
Dongtan 2 Daewoo Corporation Real Estate Investment Company	Korea	December	30.0	17,754	4,895	1	1
Hanam Marbling City Development	Korea	December	44.0	1,736	2,390	2,390	2,340
Pyeongsung Industry Co., Ltd.	Korea	December	27.0	1,065	619	1	1
Yangju Development PFV Co, Ltd	Korea	December	22.0	868	(134)	1	1
Ganghwa Tidal Power Plant Co., Ltd.	Korea	December	46.0	18	17	17	17
Chonmasan Tunnel Co.	Korea	December	36.0	7,670	(3,918)	1	1
Harbor City Development Co., Ltd.	Korea	December	29.9	1,416	8,730	8,204	1
Incheon Airport Yeongjong REIT Co., Ltd.	Korea	December	24.1	19,238	15,732	7,095	8,547
Changwon Innovation Industrial Development Co., Ltd. PFV	Korea	December	29.0	1,144	(2,422)	1	1
Gyeongsan Knowledge Industry Development Co., Ltd.	Korea	December	29.0	1,144	(1,933)	1	1
Skyland Co., Ltd.	Korea	December	25.0	1	(3,672)	1	1
Jinwi 3 Industrial Complex Development Inc.	Korea	December	20.0	789	(633)	1	1
Kyungnam Masan Robotland Co., Ltd.	Korea	December	25.0	724	(12,573)	1	1
UI trans LRT Co.	Korea	December	20.3	16,186	(18,411)	1	1
GreenJC Co.	Korea	December	21.4	1,393	916	1	1
Eunpyeong new road Corp.	Korea	December	33.0	1,029	(70)	1	1
GWIC Co., Ltd.	Korea	December	20.0	47	(1,075)	1	1
Tangjeong Technopark Co., Ltd.	Korea	December	20.0	316	(5,937)	1	1
Together Investment Management Co., Ltd.	Korea	December	37.1	2,052	2,161	2,161	2,017
JR Qualified Investor Private Placement Real Estate Fund Investment Trust No.22	Korea	December	35.2	31,481	30,161	20,300	23,588
SUWON Youth Housing Daewoo K1 No.9 Reits	Korea	December	20.2	4,575	3,807	1,955	3,039
Mastern No.83 Cheongryang PFV Co., Ltd.,	Korea	December	30.3	1,195	544	544	1,186
Daechi 176 PFV Co., Ltd.	Korea	December	33.3	1,578	(2,879)	1	1
Zayang 5 PFV Co., Ltd	Korea	December	35.0	1,381	(496)	1	713
Humax EV Co., Ltd ³	Korea	December	9.6	2,317	262	1,229	743
Songsan Industrial Complex Development Inc.	Korea	December	25.0	1	(2,995)	1	1
Wonju Green Co., Ltd.	Korea	December	24.5	485	931	485	485
ITRO Co., Ltd. ³	Korea	December	15.0	355	204	364	383
Daegu Dong-gu Complex No.1 Co., Ltd.	Korea	December	29.0	1,144	(1,634)	1	1,144
Banpo Central No.1 Co., Ltd. ⁴	Korea	December	52.9	3,551	(3,477)	1	2,043
Gulup Wind Power Development Corp. ³	Korea	December	6.7	1,578	1,094	1,489	1,578
JR General Private Placement Real Estate Fund Investment Trust No.31 ²	Korea	December	45.0	3,143	3,143	3,143	-

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	Location	Year end	Percentage of ownership (%)	2022		2021	
				Acquisition cost	Net asset value	Book amount	Book amount
Cheongju global co.ltd. ²	Korea	December	30.1	7	(5)	1	-
PROJECT GASAN PFV ²	Korea	December	20.0	789	789	789	-
CUBE GWANGAN PFV ²	Korea	December	30.0	1,184	461	1,184	-
Tan A Dai Thanh-DAEWOO LLC ²	Korea	December	50.0	950	1,173	1,173	-
				<u>152,269</u>	<u>30,266</u>	<u>67,035</u>	<u>95,967</u>
Investments not accounted for under the equity method ⁵							
DW POWER(INDIA) LTD. ⁶	India	December	69.5	1,925	-	1	1
Gyeongan Rivercity AMC Co., Ltd.	Korea	December	40.0	16	36	16	16
Hanam Marbling City Co., Ltd	Korea	December	44.0	35	55	35	35
Skyland Asset Management Co., Ltd.	Korea	December	25.0	10	(2)	10	10
Cheongju Technopolis Asset Management Co., Ltd.	Korea	December	35.0	83	99	83	83
S-ACC Co., Ltd. ¹	Korea	-	-	-	-	-	1
Pyeongsung Industrial Asset Management ⁶	Korea	December	70.0	55	54	1	1
Gyeongnam Masan Robot Land Asset Management Co., Ltd.	Korea	December	25.0	43	10	43	43
Changwon Innovation Industrial Development Asset Management Co., Ltd. ⁶	Korea	December	80.0	189	152	189	189
Pungmoo Station Area development asset management Co.	Korea	December	41.0	32	78	32	32
Gochon Development AMC Co, Ltd	Korea	December	49.0	39	61	39	39
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	24,640	-	1	1
DW ARABIA LTD. ⁶	Saudi Arabia	December	60.0	-	-	-	-
DW NIGERIA LTD. ⁶	Nigeria	December	90.0	98	-	97	97
DAEWOO-HANEL CORP ⁶	Vietnam	December	60.0	-	-	-	-
DAEWOO E & C IRAN ⁶	Iran	December	100.0	-	-	-	-
V-CITY 21 JOINT STOCK COMPANY	Vietnam	December	40.0	38	-	1	1
Daewoo E&C LLC ⁶	Oman	December	70.0	402	-	1	1
				<u>27,606</u>	<u>543</u>	<u>550</u>	<u>551</u>
Total				<u>\$ 179,875</u>	<u>\$ 30,808</u>	<u>\$ 67,585</u>	<u>\$ 96,518</u>

¹ It has been sold and liquidated, therefore, excluded from the investments in associates during 2022.

² It is newly acquired during 2022.

³ 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.

⁴ 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.

⁵ The equity method is not applied because the equity change of the investment is not significant.

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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, 2022 or recent financial statements.

⁶ Although the Group's ownership exceeds 50%, it is classified as investments in associates since the Group does not have the ability to influence substantive operating activities and the impact on the financial statements of the Group is not significant.

15.2 Changes in the investments in associates for the years ended December 31, 2022 and 2021, are as follows:

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

	2022		2021	
Beginning Balance	₩	122,307	₩	112,397
Acquisition		9,446		6,400
Disposal		-		-
Reclassification ¹		(36,793)		2,614
Impairment loss		(1)		(69)
Share of income (loss)		4,188		(18,285)
Share of other comprehensive income (loss) ²		(13,502)		19,730
Dividends		-		(480)
Ending Balance	₩	85,645	₩	122,307

¹ Reclassification of investments in associates:

(in millions of Korean won)

	2022		2021		Remarks
BEIJING LUFTHANSA CENTER CO.	₩	(36,793)	₩	-	Reclassification to assets held for sale
Banpo Central No.1 Co., Ltd. and others		-		2,614	Reclassification from short-term loans and others
Total	₩	(36,793)	₩	2,614	

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

	2022		2021		Remarks
BEIJING LUFTHANSA CENTER CO.	\$	(29,033)	\$	-	Reclassification to assets held for sale
Banpo Central No.1 Co., Ltd. and others		-		2,063	Reclassification from short-term loans and others
Total	\$	(29,033)	\$	2,063	

² Accumulated income or expense directly recognized in other comprehensive income (loss) of ₩ 19,048 million (equivalent to \$ 15,030 thousand) (2021: nil) were reclassified to profit or loss in relation to investments in associates transferred to assets held for sale other than the above amounts.

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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, 2022 and 2021, are as follows:

(in millions of Korean won)

	2022						
	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.	₩ 34,790	₩ (36,793)	₩ 780	₩ 1,223	₩ -	₩ -	₩ -
KDS Hydro Pte.Ltd	25,922	-	9,628	(17,282)	-	-	18,268
DINAMICO CONST,INC	277	-	(180)	1	-	-	98
Yulchon 2 Industrial Complex Development Inc.	1	-	-	-	-	-	1
Dongtan 2 Daewoo Corporation Real Estate Investment Company	1	-	-	-	-	-	1
Hanam Marbling City Development	2,965	-	64	-	-	-	3,029
Pyeongsung Industry Co., Ltd.	1	-	-	-	-	-	1
Yangju Development PFV Co, Ltd	1	-	-	-	-	-	1
Ganghwa Tidal Power Plant Co., Ltd.	21	-	-	-	-	-	21
Chonmasan Tunnel Co.	1	-	-	-	-	-	1
Harbor City Development Co., Ltd.	1	-	10,396	-	-	-	10,397
Incheon Airport Yeongjong REIT Co., Ltd.	10,831	-	(1,839)	-	-	-	8,992
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.	2,556	-	183	-	-	-	2,739
JR Qualified Investor Private Placement Real Estate Fund Investment Trust No.22	29,893	-	(6,774)	2,607	-	-	25,726
SUWON Youth Housing Daewoo K1 No.9 Reits	3,851	-	(1,373)	-	-	-	2,478
Mastern No.83 Cheongryang PFV Co., Ltd.,	1,503	-	(813)	-	-	-	690
Daechi 176 PFV Co., Ltd	1	-	-	-	-	-	1
Zayang 5 PFV Co., Ltd	903	250	(1,152)	-	-	-	1

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	2022						
	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	941	1,500	(817)	(67)	-	-	1,557
Songsan Industrial Complex Development Inc.	1	-	-	-	-	-	1
WONJU GREEN CORP.	615	-	-	-	-	-	615
ITRO Co., Ltd.	485	-	(24)	-	-	-	461
Daegu Dong-gu Complex No.1 Co., Ltd.	1,450	-	(1,449)	-	-	-	1
Banpo Central No.1 Co., Ltd.	2,589	-	(2,588)	-	-	-	1
Gulup Wind Power Development Corp.	2,000	-	(113)	-	-	-	1,887
JR General Private Placement Real Estate Fund Investment Trust No.31	-	3,983	-	-	-	-	3,983
Cheongju global co.ltd.	-	9	(8)	-	-	-	1
PROJECT GASAN PFV ²	-	1,000	-	-	-	-	1,000
CUBE GWANGAN PFV ²	-	1,500	-	-	-	-	1,500
Tan A Dai Thanh-DAEWOO LLC ²	-	1,204	267	16	-	-	1,487
	<u>121,610</u>	<u>(27,347)</u>	<u>4,188</u>	<u>(13,502)</u>	<u>-</u>	<u>-</u>	<u>84,949</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	1	-	-	-	-	-	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	-	-	-	-	-	-	-

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	2022						
	Beginning balance	Acquisition (disposal)	Share of profit or loss of associates	Share of other comprehensive income of associates	Dividends	Impairment loss	Ending balance
V-CITY 21 JOINT STOCK COMPANY	1	-	-	-	-	-	1
Daewoo E&C LLC	1	-	-	-	-	-	1
	697	-	-	-	-	(1)	696
Total	₩ 122,307	₩ (27,347)	₩ 4,188	₩ (13,502)	₩ -	₩ (1)	₩ 85,645

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

	2022						
	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.	\$ 27,452	\$ (29,033)	\$ 615	\$ 966	\$ -	\$ -	\$ -
KDS Hydro Pte.Ltd	20,455	-	7,597	(13,637)	-	-	14,415
DINAMICO CONST,INC	219	-	(142)	1	-	-	78
Yulchon 2 Industrial Complex Development Inc.	1	-	-	-	-	-	1
Dongtan 2 Daewoo Corporation Real Estate Investment Company	1	-	-	-	-	-	1
Hanam Marbling City Development	2,340	-	51	-	-	-	2,391
Pyeongsung Industry Co., Ltd.	1	-	-	-	-	-	1
Yangju Development PFV Co, Ltd	1	-	-	-	-	-	1
Ganghwa Tidal Power Plant Co., Ltd.	17	-	-	-	-	-	17
Chonmasan Tunnel Co.	1	-	-	-	-	-	1
Harbor City Development Co., Ltd.	1	-	8,203	-	-	-	8,204
Incheon Airport Yeongjong REIT Co., Ltd.	8,547	-	(1,451)	-	-	-	7,096
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

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	2022						
	Beginning balance	Acquisition (disposal)	Share of profit or loss of associates	Share of other comprehensive income of associates	Dividends	Impairment loss	Ending balance
Together Investment Management Co., Ltd.	2,017	-	144	-	-	-	2,161
JR Qualified Investor Private Placement Real Estate Fund Investment Trust No.22	23,588	-	(5,345)	2,057	-	-	20,300
SUWON Youth Housing Daewoo K1 No.9 Reits	3,039	-	(1,083)	-	-	-	1,956
Masterm No.83 Cheongryang PFV Co., Ltd.,	1,186	-	(642)	-	-	-	544
Daechi 176 PFV Co., Ltd	1	-	-	-	-	-	1
Zayang 5 PFV Co., Ltd	713	197	(909)	-	-	-	1
Humax EV Co., Ltd	743	1,184	(645)	(53)	-	-	1,229
Songsan Industrial Complex Development Inc.	1	-	-	-	-	-	1
WONJU GREEN CORP.	485	-	-	-	-	-	485
ITRO Co., Ltd.	383	-	(19)	-	-	-	364
Daegu Dong-gu Complex No.1 Co., Ltd.	1,144	-	(1,143)	-	-	-	1
Banpo Central No.1 Co., Ltd.	2,043	-	(2,042)	-	-	-	1
Gulup Wind Power Development Corp.	1,578	-	(89)	-	-	-	1,489
JR General Private Placement Real Estate Fund Investment Trust No.31	-	3,143	-	-	-	-	3,143
Cheongju global co.ltd.	-	7	(6)	-	-	-	1
PROJECT GASAN PFV ²	-	789	-	-	-	-	789
CUBE GWANGAN PFV ²	-	1,184	-	-	-	-	1,184
Tan A Dai Thanh-DAEWOO LLC ²	-	950	211	13	-	-	1,174
	<u>95,967</u>	<u>(21,579)</u>	<u>3,305</u>	<u>(10,653)</u>	<u>-</u>	<u>-</u>	<u>67,040</u>
Investments not accounted for under the equity method							
DW POWER(INDIA) LTD.	1	-	-	-	-	-	1
Gyeongang Rivercity AMC Co., Ltd.	16	-	-	-	-	-	16
Hanam Marbling City Co., Ltd	35	-	-	-	-	-	35
Skyland Asset Management Co., Ltd.	10	-	-	-	-	-	10
Cheongju Technopolis Asset Management Co., Ltd.	83	-	-	-	-	-	83
S-ACC Co., Ltd.	1	-	-	-	-	(1)	-
Pyeongsung Industrial Asset Management	1	-	-	-	-	-	1
Gyeongnam Masan Robot Land Asset Management Co., Ltd.	43	-	-	-	-	-	43
Changwon Innovation Industrial Development Asset Management Co., Ltd.	189	-	-	-	-	-	189

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	2022						Ending balance
	Beginning balance	Acquisition (disposal)	Share of profit or loss of associates	Share of other comprehensive income of associates	Dividends	Impairment loss	
Pungmoo Station Area development asset management Co.	32	-	-	-	-	-	32
Gochon Development AMC Co., Ltd	39	-	-	-	-	-	39
UNION DW ENG & CON LTD.	-	-	-	-	-	-	-
MEGAWORLD-DW CO.	1	-	-	-	-	-	1
GULF ENG.CONST. & CONTRACT	1	-	-	-	-	-	1
DW ARABIA LTD.	-	-	-	-	-	-	-
DW NIGERIA LTD.	97	-	-	-	-	-	97
DAEWOO-HANEL CORP	-	-	-	-	-	-	-
DAEWOO E & C IRAN	-	-	-	-	-	-	-
V-CITY 21 JOINT STOCK COMPANY	1	-	-	-	-	-	1
Daewoo E&C LLC	1	-	-	-	-	-	1
	551	-	-	-	-	(1)	550
Total	\$ 96,518	\$ (21,579)	\$ 3,305	\$ (10,653)	\$ -	\$ (1)	\$ 67,590

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.

(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

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries
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(in millions of Korean won)

	2021						
	Beginning balance	Acquisition (disposal)	Share of profit or loss of associates	Share of other comprehensive income of associates	Dividends	Impairment loss	Ending balance
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.	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
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
Gyeongan 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

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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
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
	766	-	-	-	-	(69)	697
Total	₩ 112,397	₩ 9,014	₩ (18,285)	₩ 19,730	₩ (480)	₩ (69)	₩ 122,307

(in thousands of US dollars

(Note 4))

	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.	\$ 22,058	\$ -	\$ 2,708	\$ 2,686	\$ -	\$ -	\$ 27,452
KDS Hydro Pte.Ltd	14,434	-	(3,865)	9,886	-	-	20,455
DINAMICO CONST,INC	614	-	(483)	88	-	-	219
Yulchon 2 Industrial Complex Development Inc.	1	-	-	-	-	-	1
Dongtan 2 Daewoo Corporation Real Estate Investment Company	837	-	(836)	-	-	-	1
Hanam Marbling City Development	2,842	-	(124)	-	(379)	-	2,339
Pyeongsung Industry Co., Ltd.	646	-	(645)	-	-	-	1
Yangju Development PFV Co, Ltd	1	-	-	-	-	-	1
Ganghwa Tidal Power Plant Co., Ltd.	17	-	-	-	-	-	17
Chonmasan Tunnel Co.	789	-	(788)	-	-	-	1
Harbor City Development Co., Ltd.	1	-	-	-	-	-	1

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 (Note 4)

	2021						
	Beginning balance	Acquisition (disposal)	Share of profit or loss of associates	Share of other comprehensive income of associates	Dividends	Impairment loss	Ending balance
Incheon Airport Yeongjong REIT Co., Ltd.	13,137	-	(4,591)	-	-	-	8,546
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.	1,627	-	390	-	-	-	2,017
JR Qualified Investor Private Placement Real Estate Fund Investment Trust No.22	21,992	-	(1,336)	2,931	-	-	23,587
SUWON Youth Housing Daewoo K1 No.9 Reits	4,278	-	(1,240)	-	-	-	3,038
Mastern No.83 Cheongryang PFV Co., Ltd.,	1,182	-	4	-	-	-	1,186
Daechi 176 PFV Co., Ltd	1,379	-	(1,368)	(10)	-	-	1
Zayang 5 PFV Co., Ltd	1,155	-	(443)	-	-	-	712
Humax EV Co., Ltd	1,086	-	(346)	3	-	-	743
Songsan Industrial Complex Development Inc.	1	-	-	-	-	-	1
WONJU GREEN CORP.	-	485	-	-	-	-	485
ITRO Co., Ltd.	-	355	28	-	-	-	383
Daegu Dong-gu Complex No.1 Co., Ltd.	-	1,144	-	-	-	-	1,144
Banpo Central No.1 Co., Ltd.	-	3,551	(1,493)	(15)	-	-	2,043
Gulup Wind Power Development Corp.	-	1,578	-	-	-	-	1,578
	<u>88,088</u>	<u>7,112</u>	<u>(14,428)</u>	<u>15,569</u>	<u>(379)</u>	<u>-</u>	<u>95,962</u>
Investments not accounted for under the equity method							
DW POWER(INDIA) LTD.	1	-	-	-	-	-	1
Gyeongan Rivercity AMC Co., Ltd.	16	-	-	-	-	-	16
Hanam Marbling City Co., Ltd	35	-	-	-	-	-	35
Skyland Asset Management Co., Ltd.	10	-	-	-	-	-	10
Cheongju Technopolis Asset Management Co., Ltd.	83	-	-	-	-	-	83

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

	2021						Ending balance
	Beginning balance	Acquisition (disposal)	Share of profit or loss of associates	Share of other comprehensive income of associates	Dividends	Impairment loss	
S-ACC Co., Ltd.	1	-	-	-	-	-	1
Pyeongsung Industrial Asset Management	55	-	-	-	-	(54)	1
Gyeongnam Masan Robot Land Asset Management Co., Ltd.	43	-	-	-	-	-	43
Changwon Innovation Industrial Development Asset Management Co., Ltd.	189	-	-	-	-	-	189
Pungmoo Station Area development asset management Co.	32	-	-	-	-	-	32
Gochon Development AMC Co., Ltd	39	-	-	-	-	-	39
UNION DW ENG & CON LTD.	-	-	-	-	-	-	-
MEGAWORLD-DW CO.	1	-	-	-	-	-	1
GULF ENG.CONST. & CONTRACT	1	-	-	-	-	-	1
DW ARABIA LTD.	-	-	-	-	-	-	-
DW NIGERIA LTD.	97	-	-	-	-	-	97
DAEWOO-HANEL CORP	-	-	-	-	-	-	-
DAEWOO E & C IRAN	-	-	-	-	-	-	-
V-CITY 21 JOINT STOCK COMPANY	1	-	-	-	-	-	1
Daewoo E&C LLC	1	-	-	-	-	-	1
	605	-	-	-	-	(54)	551
Total	\$ 88,693	\$ 7,112	\$ (14,428)	\$ 15,569	\$ (379)	\$ (54)	\$ 96,513

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.

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries
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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, 2022 and 2021, are as follows:

(in millions of Korean won)

	2022									
	Assets		Liabilities		Sales	Profit (loss) for the year	Comprehensive income (loss)			
KDS Hydro Pte.Ltd	₩	393,281	₩	301,941	₩	16,638	₩	(20,309)	₩	(43,845)
DINAMICO CONST,INC		1,212		967		-		(423)		(423)
Yulchon 2 Industrial Complex Development Inc.		25		-		-		(27)		(27)
Dongtan 2 Daewoo Corporation Real Estate Investment Company		362,048		341,372		4,727		(6,364)		(6,364)
Hanam Marbling City Development		6,907		22		648		159		159
Pyeongsung Industry Co., Ltd.		3,174		269		-		(66)		(66)
Yangju Development PFV Co, Ltd		276,507		277,279		81,328		1,240		1,240
Ganghwa Tidal Power Plant Co., Ltd.		44		-		-		(1)		(1)
Chonmasan Tunnel Co.		158,302		172,095		10,793		(12,994)		(12,994)
Harbor City Development Co., Ltd.		41,727		4,725		409,209		72,395		72,395
Incheon Airport Yeongjong REIT Co., Ltd.		445,486		362,623		5,834		(8,713)		(8,713)
Changwon Innovation Industrial Development Co., Ltd. PFV		152,688		163,272		49,663		4,055		4,055
Gyeongsan Knowledge Industry Development Co., Ltd.		209,005		217,452		32,268		(7,861)		(7,861)
Skyland Co., Ltd.		84,180		102,795		-		(11,143)		(11,143)
Jinwi 3 Industrial Complex Development Inc.		36,154		40,163		-		(1,724)		(1,724)
Kyungnam Masan Robotland Co., Ltd.		84,526		148,260		-		(17,296)		(17,296)
UI trans LRT Co.		353,346		468,226		44,906		(9,871)		(9,871)
GreenJC Co.		51,642		46,228		2,812		(296)		(296)
Eunpyeong new road Corp.		63		333		-		(20)		(20)
GWIC Co., Ltd.		69,081		75,892		-		-		-
Tangjeong Technopark Co., Ltd.		155,854		193,476		38,747		(2,533)		(2,533)
Together Investment Management Co., Ltd.		7,582		207		3,659		649		649
JR Qualified Investor Private Placement Real Estate Fund Investment Trust No.22		112,139		3,550		-		(4,181)		(4,181)
SUWON Youth Housing Daewoo K1 No.9 Reits		151,081		127,195		638		(3,906)		(3,906)
Mastern No.83 Cheongryang PFV Co., Ltd		43,137		40,860		-		(2,671)		(2,671)
Daechi 176 PFV Co., Ltd.		69,156		80,104		-		(7,671)		(7,671)
Zayang 5 PFV Co., Ltd		162,572		164,367		59		(3,325)		(3,325)
Humax EV Co., Ltd		53,191		49,719		4,171		(13,873)		(13,744)
Songsan Industrial Complex Development Inc.		51,804		66,993		62,191		(8,895)		(8,895)
WONJU GREEN CORP.		25,496		20,673		12,695		(961)		(961)
ITRO Co., Ltd.		6,164		4,447		2,844		176		176

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	2022				
	Assets	Liabilities	Sales	Profit (loss) for the year	Comprehensive income (loss)
Daegu Dong-gu Complex No.1 Co., Ltd.	176,654	183,795	-	(8,790)	(8,790)
Banpo Central No.1 Co., Ltd.	121,709	130,031	-	(12,041)	(12,041)
Gulup Wind Power Development Corp.	20,786	8	-	(551)	(551)
JR General Private Placement Real Estate Fund Investment Trust No.31	8,851	-	-	-	-
Cheongju global co.ltd.	26,529	26,548	-	(49)	(49)
PROJECT GASAN PFV ²	5,000	-	-	-	-
CUBE GWANGAN PFV ²	62,031	60,083	-	(3,052)	(3,052)
Tan A Dai Thanh-DAEWOO LLC ²	11,003	8,029	4,244	533	533

(in thousands of US dollars

(Note 4))

	2022				
	Assets	Liabilities	Sales	Profit (loss) for the year	Comprehensive income (loss)
KDS Hydro Pte.Ltd	\$ 310,330	\$ 238,255	\$ 13,129	\$ (16,025)	\$ (34,597)
DINAMICO CONST,INC	956	763	-	(334)	(334)
Yulchon 2 Industrial Complex Development Inc.	20	-	-	(21)	(21)
Dongtan 2 Daewoo Corporation Real Estate Investment Company	285,685	269,370	3,730	(5,022)	(5,022)
Hanam Marbling City Development	5,450	17	511	125	125
Pyeongsung Industry Co., Ltd.	2,505	212	-	(52)	(52)
Yangju Development PFV Co, Ltd	218,186	218,795	64,174	978	978
Ganghwa Tidal Power Plant Co., Ltd.	35	-	-	(1)	(1)
Chonmasan Tunnel Co.	124,913	135,797	8,517	(10,253)	(10,253)
Harbor City Development Co., Ltd.	32,926	3,728	322,898	57,125	57,125
Incheon Airport Yeongjong REIT Co., Ltd.	351,524	286,138	4,603	(6,875)	(6,875)
Changwon Innovation Industrial Development Co., Ltd. PFV	120,483	128,835	39,188	3,200	3,200
Gyeongsan Knowledge Industry Development Co., Ltd.	164,921	171,587	25,462	(6,203)	(6,203)
Skyland Co., Ltd.	66,425	81,113	-	(8,793)	(8,793)
Jinwi 3 Industrial Complex Development Inc.	28,528	31,692	-	(1,360)	(1,360)
Kyunghnam Masan Robotland Co., Ltd.	66,698	116,989	-	(13,648)	(13,648)
UI trans LRT Co.	278,818	369,467	35,434	(7,789)	(7,789)
GreenJC Co.	40,750	36,478	2,219	(234)	(234)
Eunpyeong new road Corp.	50	263	-	(16)	(16)
GWIC Co., Ltd.	54,510	59,885	-	-	-
Tangjeong Technopark Co., Ltd.	122,981	152,668	30,574	(1,999)	(1,999)
Together Investment Management Co., Ltd.	5,983	163	2,887	512	512

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(Note 4))

	2022				
	Assets	Liabilities	Sales	Profit (loss) for the year	Comprehensive income (loss)
JR Qualified Investor Private Placement Real Estate Fund Investment Trust No.22	88,487	2,801	-	(3,299)	(3,299)
SUWON Youth Housing Daewoo K1 No.9 Reits	119,215	100,367	503	(3,082)	(3,082)
Master No.83 Cheongryang PFV Co., Ltd	34,039	32,242	-	(2,108)	(2,108)
Daechi 176 PFV Co., Ltd.	54,570	63,208	-	(6,053)	(6,053)
Zayang 5 PFV Co., Ltd	128,282	129,699	47	(2,624)	(2,624)
Humax EV Co., Ltd	41,972	39,232	3,291	(10,947)	(10,845)
Songsan Industrial Complex Development Inc.	40,877	52,863	49,074	(7,019)	(7,019)
WONJU GREEN CORP.	20,118	16,313	10,017	(758)	(758)
ITRO Co., Ltd.	4,864	3,509	2,244	139	139
Daegu Dong-gu Complex No.1 Co., Ltd.	139,394	145,029	-	(6,936)	(6,936)
Banpo Central No.1 Co., Ltd.	96,038	102,605	-	(9,501)	(9,501)
Gulup Wind Power Development Corp.	16,402	6	-	(435)	(435)
JR General Private Placement Real Estate Fund Investment Trust No.31	6,984	-	-	-	-
Cheongju global co.ltd.	20,933	20,948	-	(39)	(39)
PROJECT GASAN PFV ²	3,945	-	-	-	-
CUBE GWANGAN PFV ²	48,947	47,410	-	(2,408)	(2,408)
Tan A Dai Thanh-DAEWOO LLC ²	8,682	6,336	3,349	421	421

(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)

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	2021				
	Assets	Liabilities	Sales	Profit (loss) for the year	Comprehensive income (loss)
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)
Master 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	-	-	-	-

(in thousands of US dollars
(Note 4))

	2021				
	Assets	Liabilities	Sales	Profit (loss) for the year	Comprehensive income (loss)
BEIJING LUFTHANSA CENTER CO.	\$ 129,781	\$ 19,974	\$ 57,160	\$ 11,259	\$ 22,002
KDS Hydro Pte.Ltd	357,131	254,859	6,942	11,753	61,180
DINAMICO CONST,INC	1,109	562	1,249	(376)	(156)
Yulchon 2 Industrial Complex Development Inc.	43	-	-	(4)	(4)
Dongtan 2 Daewoo Corporation Real Estate Investment Company	291,315	269,946	1,947	(6,846)	(6,846)
Hanam Marbling City Development	7,455	2,138	2,059	(76)	(76)
Pyeongsung Industry Co., Ltd.	2,511	166	-	(77)	(77)
Yangju Development PFV Co, Ltd	211,198	222,392	13,592	(486)	(486)

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	2021				
	Assets	Liabilities	Sales	Profit (loss) for the year	Comprehensive income (loss)
Ganghwa Tidal Power Plant Co., Ltd.	36	-	-	-	-
Chonmasan Tunnel Co.	125,661	127,718	7,767	(5,595)	(5,595)
Harbor City Development Co., Ltd.	267,339	294,513	-	(8,767)	(8,767)
Incheon Airport Yeongjong REIT Co., Ltd.	368,834	296,673	1,644	(6,422)	(6,422)
Changwon Innovation Industrial Development Co., Ltd. PFV	151,096	158,964	30,907	(3,229)	(3,229)
Gyeongsan Knowledge Industry Development Co., Ltd.	163,227	164,080	24,694	(12,418)	(12,418)
Skyland Co., Ltd.	22,381	21,130	122	5,669	5,669
Jinwi 3 Industrial Complex Development Inc.	42,295	39,250	-	(929)	(929)
Kyungnam Masan Robotland Co., Ltd.	69,267	105,910	-	(13,657)	(13,657)
UI trans LRT Co.	276,792	359,651	23,374	(16,052)	(16,052)
GreenJC Co.	43,873	39,366	2,280	(253)	(253)
Eunpyeong new road Corp.	54	252	-	(15)	(15)
GWIC Co., Ltd.	54,510	59,885	21,573	2,438	2,438
Tangjeong Technopark Co., Ltd.	134,572	167,091	-	(7,381)	(7,381)
Together Investment Management Co., Ltd.	5,531	100	2,825	1,066	1,066
JR Qualified Investor Private Placement Real Estate Fund Investment Trust No.22	98,371	4,404	-	(1,326)	7,001
SUWON Youth Housing Daewoo K1 No.9 Reits	81,378	59,433	-	(331)	(331)
Master No.83 Cheongryang PFV Co., Ltd	35,946	32,033	1,557	19	19
Daechi 176 PFV Co., Ltd.	51,179	53,443	-	(6,454)	(6,454)
Zayang 5 PFV Co., Ltd	111,071	108,598	120	(1,375)	(1,375)
Humax EV Co., Ltd	8,812	8,966	683	(3,219)	(3,185)
Songsan Industrial Complex Development Inc.	107,689	110,410	10,099	(1,214)	(1,214)
WONJU GREEN CORP.	22,303	17,676	11,122	(174)	(174)
ITRO Co., Ltd.	2,415	1,200	1,965	184	184
Daegu Dong-gu Complex No.1 Co., Ltd.	3,945	-	-	-	-
Banpo Central No.1 Co., Ltd.	65,614	62,674	571	(3,731)	(3,759)
Gulup Wind Power Development Corp.	23,672	-	-	-	-

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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, 2022 and 2021, are as follows:

(in millions of Korean won)

	2022								
	Net assets at the end of the year		Group's share in %	Book amount		Eliminated transactions of intercompany transactions		Book amount	
	(a)	(b)		(c=a*b)	(d)	(c-d)			
KDS Hydro Pte.Ltd	₩	91,340	20.0%	₩	18,268	₩	-	₩	18,268
DINAMICO CONST,INC		245	40.0%		98		-		98
Yulchon 2 Industrial Complex Development Inc.		25	40.0%		10		9		1
Dongtan 2 Daewoo Corporation Real Estate Investment Company		20,676	30.0%		6,203		6,202		1
Hanam Marbling City Development		6,885	44.0%		3,029		-		3,029
Pyeongsung Industry Co., Ltd.		2,905	27.0%		784		783		1
Yangju Development PFV Co, Ltd		(772)	22.0%		-		(1)		1
Ganghwa Tidal Power Plant Co., Ltd.		44	46.0%		21		-		21
Chonmasan Tunnel Co.		(13,793)	36.0%		-		(1)		1
Harbor City Development Co., Ltd.		37,002	29.9%		11,064		667		10,397
Incheon Airport Yeongjong REIT Co., Ltd.		82,863	24.1%		19,937		10,945		8,992
Changwon Innovation Industrial Development Co., Ltd. PFV		(10,584)	29.0%		-		(1)		1
Gyeongsan Knowledge Industry Development Co., Ltd.		(8,447)	29.0%		-		(1)		1
Skyland Co., Ltd.		(18,615)	25.0%		-		(1)		1
Jinwi 3 Industrial Complex Development Inc.		(4,009)	20.0%		-		(1)		1
Kyungnam Masan Robotland Co., Ltd.		(63,734)	25.0%		-		(1)		1
UI trans LRT Co.		(114,880)	20.3%		-		(1)		1
GreenJC Co.		5,414	21.4%		1,161		1,160		1
Eunpyeong new road Corp.		(270)	33.0%		-		(1)		1
GWIC Co., Ltd.		(6,811)	20.0%		-		(1)		1
Tangjeong Technopark Co., Ltd.		(37,622)	20.0%		-		(1)		1
Together Investment Management Co., Ltd.		7,375	37.1%		2,739		-		2,739
JR Qualified Investor Private Placement Real Estate Fund Investment Trust No.22		108,589	35.2%		38,223		12,497		25,726
SUWON Youth Housing Daewoo K1 No.9 Reits		23,886	20.2%		4,825		2,347		2,478
Mastern No.83 Cheongryang PFV Co., Ltd		2,277	30.3%		689		(1)		690
Daechi 176 PFV Co., Ltd.		(10,948)	33.3%		-		(1)		1
Zayang 5 PFV Co., Ltd		(1,795)	35.0%		-		(1)		1
Humax EV Co., Ltd		3,472	9.6%		332		(1,225)		1,557
Songsan Industrial Complex Development Inc.		(15,189)	25.0%		-		(1)		1
WONJU GREEN CORP.		4,823	24.5%		1,180		565		615

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	2022				
	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)		
ITRO Co., Ltd.	1,717	15.0%	258	(203)	461
Daegu Dong-gu Complex No.1 Co., Ltd.	(7,141)	29.0%	-	(1)	1
Banpo Central No.1 Co., Ltd.	(8,322)	52.9%	-	(1)	1
Gulup Wind Power Development Corp.	20,778	6.7%	1,386	(501)	1,887
JR General Private Placement Real Estate Fund Investment Trust No.31	8,851	45.0%	3,983	-	3,983
Cheongju global co.ltd.	(19)	30.1%	-	(1)	1
PROJECT GASAN PFV ²	5,000	20.0%	1,000	-	1,000
CUBE GWANGAN PFV ²	1,948	30.0%	584	(916)	1,500
Tan A Dai Thanh-DAEWOO LLC ²	2,974	50.0%	1,487	-	1,487

(in thousands of US dollars (Note 4))

	2022				
	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)		
KDS Hydro Pte.Ltd	\$ 72,074	20.0%	\$ 14,415	\$ -	\$ 14,415
DINAMICO CONST,INC	193	40.0%	77	-	77
Yulchon 2 Industrial Complex Development Inc.	20	40.0%	8	7	1
Dongtan 2 Daewoo Corporation Real Estate Investment Company	16,315	30.0%	4,895	4,894	1
Hanam Marbling City Development	5,433	44.0%	2,390	-	2,390
Pyeongsung Industry Co., Ltd.	2,292	27.0%	619	618	1
Yangju Development PFV Co, Ltd	(609)	22.0%	-	(1)	1
Ganghwa Tidal Power Plant Co., Ltd.	35	46.0%	17	-	17
Chonmasan Tunnel Co.	(10,884)	36.0%	-	(1)	1
Harbor City Development Co., Ltd.	29,198	29.9%	8,730	526	8,204
Incheon Airport Yeongjong REIT Co., Ltd.	65,385	24.1%	15,731	8,636	7,095
Changwon Innovation Industrial Development Co., Ltd. PFV	(8,352)	29.0%	-	(1)	1
Gyeongsan Knowledge Industry Development Co., Ltd.	(6,665)	29.0%	-	(1)	1
Skyland Co., Ltd.	(14,689)	25.0%	-	(1)	1
Jinwi 3 Industrial Complex Development Inc.	(3,163)	20.0%	-	(1)	1
Kyungnam Masan Robotland Co., Ltd.	(50,291)	25.0%	-	(1)	1
UI trans LRT Co.	(90,649)	20.3%	-	(1)	1
GreenJC Co.	4,272	21.4%	916	915	1
Eunpyeong new road Corp.	(213)	33.0%	-	(1)	1
GWIC Co., Ltd.	(5,374)	20.0%	-	(1)	1

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	2022				
	Net assets at the end of the year	Group's share in %	Book amount	Eliminated transactions of intercompany transactions (d)	Book amount
	(a)	(b)	(c=a*b)	(d)	(c-d)
Tangjeong Technopark Co., Ltd.	(29,687)	20.0%	-	(1)	1
Together Investment Management Co., Ltd.	5,819	37.1%	2,161	-	2,161
JR Qualified Investor Private Placement Real Estate Fund Investment Trust No.22	85,685	35.2%	30,161	9,861	20,300
SUWON Youth Housing Daewoo K1 No.9 Reits	18,848	20.2%	3,807	1,852	1,955
Mastern No.83 Cheongryang PFV Co., Ltd	1,797	30.3%	543	(1)	544
Daechi 176 PFV Co., Ltd.	(8,639)	33.3%	-	(1)	1
Zayang 5 PFV Co., Ltd	(1,416)	35.0%	-	(1)	1
Humax EV Co., Ltd	2,740	9.6%	262	(967)	1,229
Songsan Industrial Complex Development Inc.	(11,985)	25.0%	-	(1)	1
WONJU GREEN CORP.	3,806	24.5%	931	446	485
ITRO Co., Ltd.	1,355	15.0%	204	(160)	364
Daegu Dong-gu Complex No.1 Co., Ltd.	(5,635)	29.0%	-	(1)	1
Banpo Central No.1 Co., Ltd.	(6,567)	52.9%	-	(1)	1
Gulup Wind Power Development Corp.	16,395	6.7%	1,094	(395)	1,489
JR General Private Placement Real Estate Fund Investment Trust No.31	6,984	45.0%	3,143	-	3,143
Cheongju global co.ltd.	(15)	30.1%	-	(1)	1
PROJECT GASAN PFV ²	3,945	20.0%	789	-	789
CUBE GWANGAN PFV ²	1,537	30.0%	461	(723)	1,184
Tan A Dai Thanh-DAEWOO LLC ²	2,347	50.0%	1,173	-	1,173

(in millions of Korean won)

	2021				
	Net assets at the end of the year	Group's share in %	Book amount	Eliminated transactions of intercompany transactions (d)	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

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	2021				
	Net assets at	Group's share	Book amount	Eliminated	Book amount
	the end of the year (a)	in % (b)	(c=a*b)	transactions of intercompany transactions (d)	(c-d)
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
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

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	2021				
	Net assets at the end of the year (a)	Group's share in % (b)	Book amount (c=a*b)	Eliminated transactions of intercompany transactions (d)	Book amount (c-d)
BEIJING LUFTHANSA CENTER CO.	\$ 109,807	25.0%	\$ 27,452	\$ -	\$ 27,452
KDS Hydro Pte.Ltd	102,272	20.0%	20,455	-	20,455
DINAMICO CONST,INC	547	40.0%	219	-	219
Yulchon 2 Industrial Complex Development Inc.	43	40.0%	17	17	1
Dongtan 2 Daewoo Corporation Real Estate Investment Company	21,368	30.0%	6,410	6,410	1
Hanam Marbling City Development	5,318	44.0%	2,340	-	2,340
Pyeongsung Industry Co., Ltd.	2,344	27.0%	633	632	1
Yangju Development PFV Co, Ltd	(11,194)	22.0%	-	(1)	1
Ganghwa Tidal Power Plant Co., Ltd.	36	46.0%	18	-	17
Chonmasan Tunnel Co.	(2,057)	36.0%	-	(1)	1
Harbor City Development Co., Ltd.	(27,174)	29.9%	-	(1)	1
Incheon Airport Yeongjong REIT Co., Ltd.	72,160	24.1%	17,363	8,816	8,547
Changwon Innovation Industrial Development Co., Ltd. PFV	(7,868)	29.0%	-	(1)	1
Gyeongsan Knowledge Industry Development Co., Ltd.	(852)	29.0%	-	(1)	1
Skyland Co., Ltd.	1,251	25.0%	313	312	1
Jinwi 3 Industrial Complex Development Inc.	3,044	20.0%	609	608	1
Kyungnam Masan Robotland Co., Ltd.	(36,643)	25.0%	-	(1)	1
UI trans LRT Co.	(82,860)	20.3%	-	(1)	1
GreenJC Co.	4,506	21.4%	964	963	1
Eunpyeong new road Corp.	(198)	33.0%	-	(1)	1
GWIC Co., Ltd.	(5,374)	20.0%	-	(1)	1
Tangjeong Technopark Co., Ltd.	(32,520)	20.0%	-	(1)	1
Together Investment Management Co., Ltd.	5,431	37.1%	2,017	-	2,017
JR Qualified Investor Private Placement Real Estate Fund Investment Trust No.22	93,967	35.2%	33,077	9,489	23,588
SUWON Youth Housing Daewoo K1 No.9 Reits	21,944	20.2%	4,433	1,394	3,039
Mastern No.83 Cheongryang PFV Co., Ltd	3,913	30.3%	1,186	-	1,186
Daechi 176 PFV Co., Ltd.	(2,264)	33.3%	-	(1)	1
Zayang 5 PFV Co., Ltd	2,473	30.0%	742	29	713
Humax EV Co., Ltd	(154)	10.0%	-	(743)	743
Songsan Industrial Complex Development Inc.	(2,722)	20.9%	-	(1)	1
WONJU GREEN CORP.	4,626	24.5%	1,131	646	485
ITRO Co., Ltd.	1,215	15.0%	183	(200)	383

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	2021				
	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)
Daegu Dong-gu Complex No.1 Co., Ltd.	3,945	29.0%	1,144	-	1,144
Banpo Central No.1 Co., Ltd.	2,939	52.9%	1,555	(488)	2,043
Gulup Wind Power Development Corp.	23,672	6.7%	1,578	-	1,578

Loss on investments in associates amounting to ₩ 25,983 million (equivalent to \$ 20,503 thousand) (accumulated loss: ₩ 77,560 million (equivalent to \$ 61,201 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, 2022 and 2021, are as follows:

(in millions of Korean won)

	2022									
	Land	Buildings	Structures	Machinery	Ships	Vehicles	Tools	Equipment	Construction in progress	Total
Beginning balance	₩ 124,475	₩ 140,746	₩ 2,226	₩ 22,336	₩ 8,687	₩ 7,779	₩ 1,337	₩ 11,400	₩ 44,994	₩ 363,980
Acquisition	-	3,877	1,663	27,477	780	18,775	1,244	3,783	11,497	69,096
Disposal	-	-	-	(2,872)	(354)	(1,532)	(38)	(94)	-	(4,890)
Depreciation	-	(4,602)	(616)	(9,793)	(1,379)	(4,507)	(761)	(5,889)	-	(27,547)
Others ¹	(14,294)	(39,308)	1,785	21,763	542	2,538	35	447	(20,638)	(47,130)
Ending balance	₩ 110,181	₩ 100,713	₩ 5,058	₩ 58,911	₩ 8,276	₩ 23,053	₩ 1,817	₩ 9,647	₩ 35,853	₩ 353,509
Acquisition cost	₩ 118,878	₩ 184,131	₩ 14,137	₩ 235,114	₩ 103,989	₩ 91,615	₩ 14,328	₩ 54,221	₩ 35,853	₩ 852,266
Accumulated depreciation	-	(76,215)	(9,079)	(176,203)	(95,713)	(68,562)	(12,511)	(44,574)	-	(482,857)
Accumulated impairment	(8,697)	(7,203)	-	-	-	-	-	-	-	(15,900)

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(Note 4))

	2022									
	Land	Buildings	Structures	Machinery	Ships	Vehicles	Tools	Equipment	Construction in progress	Total
Beginning balance	\$ 98,221	\$ 111,060	\$ 1,756	\$ 17,625	\$ 6,855	\$ 6,138	\$ 1,055	\$ 8,996	\$ 35,504	\$ 287,210
Acquisition	-	3,059	1,312	21,682	615	14,815	982	2,985	9,072	54,522
Disposal	-	-	-	(2,266)	(279)	(1,209)	(30)	(74)	-	(3,858)
Depreciation	-	(3,631)	(486)	(7,727)	(1,088)	(3,556)	(600)	(4,647)	-	(21,735)
Others ¹	(11,279)	(31,017)	1,409	17,173	428	2,003	28	353	(16,285)	(37,187)
Ending balance	\$ 86,942	\$ 79,471	\$ 3,991	\$ 46,487	\$ 6,531	\$ 18,191	\$ 1,435	\$ 7,613	\$ 28,291	\$ 278,952
Acquisition cost	\$ 93,804	\$ 145,294	\$ 11,155	\$ 185,524	\$ 82,056	\$ 72,291	\$ 11,306	\$ 42,785	\$ 28,291	\$ 672,506
Accumulated depreciation	-	(60,140)	(7,164)	(139,037)	(75,525)	(54,100)	(9,871)	(35,172)	-	(381,009)
Accumulated impairment	(6,862)	(5,683)	-	-	-	-	-	-	-	(12,545)

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

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	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	\$ 86,134	\$ 104,117	\$ 1,846	\$ 27,757	\$ 11,175	\$ 7,689	\$ 1,028	\$ 10,525	\$ 26,381	\$ 276,652
Acquisition	12,086	7,731	496	3,511	1,674	2,312	477	2,681	8,140	39,108
Disposal	-	(1)	(234)	(3,150)	(24)	(338)	(2)	(65)	-	(3,814)
Depreciation	-	(4,933)	(226)	(9,321)	(6,624)	(2,918)	(497)	(4,315)	-	(28,834)
Others ¹	-	4,144	(125)	(1,172)	653	(607)	49	170	982	4,094
Ending balance	\$ 98,220	\$ 111,058	\$ 1,757	\$ 17,625	\$ 6,854	\$ 6,138	\$ 1,055	\$ 8,996	\$ 35,503	\$ 287,206
Acquisition cost	\$ 105,083	\$ 190,219	\$ 8,435	\$ 172,188	\$ 77,642	\$ 61,199	\$ 11,824	\$ 43,459	\$ 55,855	\$ 725,904
Accumulated depreciation	-	(73,476)	(6,678)	(154,563)	(70,788)	(55,061)	(10,769)	(34,463)	-	(405,798)
Accumulated impairment	(6,863)	(5,685)	-	-	-	-	-	-	(20,352)	(32,900)

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

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17. Intangible Assets

Changes in intangible assets for the years ended December 31, 2022 and 2021, are as follows:

(in millions of Korean won)

	2022				
	Usage rights	Membership rights	Goodwill	Software	Total
Beginning balance	₩ 63,562	₩ 14,541	₩ 542	₩ 14,723	₩ 93,368
Acquisition (disposal)	2,693	1,111	-	7,328	11,132
Amortization	(1,536)	(64)	-	(6,957)	(8,557)
Impairment loss	(3,369)	-	-	-	(3,369)
Others ¹	(23,741)	-	-	900	(22,841)
Ending balance	₩ 37,609	₩ 15,588	₩ 542	₩ 15,994	₩ 69,733
Acquisition cost	₩ 107,063	₩ 31,932	₩ 542	₩ 91,966	₩ 231,503
Accumulated depreciation	(52,739)	(6,518)	-	(75,972)	(135,229)
Accumulated impairment	(16,715)	(9,826)	-	-	(26,541)

(in thousands of US dollars
(Note 4))

	2022				
	Usage rights	Membership rights	Goodwill	Software	Total
Beginning balance	\$ 50,155	\$ 11,474	\$ 428	\$ 11,618	\$ 73,675
Acquisition (disposal)	2,125	877	-	5,782	8,784
Amortization	(1,212)	(51)	-	(5,490)	(6,753)
Impairment loss	(2,658)	-	-	-	(2,658)
Others ¹	(18,734)	-	-	710	(18,024)
Ending balance	\$ 29,676	\$ 12,300	\$ 428	\$ 12,620	\$ 55,024
Acquisition cost	\$ 84,481	\$ 25,197	\$ 428	\$ 72,568	\$ 182,674
Accumulated depreciation	(41,615)	(5,143)	-	(59,948)	(106,706)
Accumulated impairment	(13,190)	(7,754)	-	-	(20,944)

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

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(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
Amortization	(2,562)	(100)	-	(5,930)	(8,592)
Impairment loss	(8,772)	-	-	-	(8,772)
Others ¹	3,533	356	-	384	4,273
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	\$ 56,311	\$ 11,915	\$ 428	\$ 8,002	\$ 76,656
Acquisition (disposal)	-	(643)	-	7,992	7,349
Amortization	(2,022)	(79)	-	(4,679)	(6,780)
Impairment loss	(6,922)	-	-	-	(6,922)
Others ¹	2,788	281	-	303	3,372
Ending balance	\$ 50,155	\$ 11,474	\$ 428	\$ 11,618	\$ 73,675
Acquisition cost	\$ 124,471	\$ 24,187	\$ 428	\$ 65,694	\$ 214,780
Accumulated depreciation	(54,168)	(4,934)	-	(54,076)	(113,178)
Accumulated impairment	(20,148)	(7,779)	-	-	(27,927)

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

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18. Investment Property

18.1 Changes in investment property for the years ended December 31, 2022 and 2021, are as follows:

(in millions of Korean won)

	2022			2021		
	Rental property ²	Other property	Total	Rental property ²	Other property	Total
Beginning balance	₩ 324,943	₩ 13	₩ 324,956	₩ 366,104	₩ 12,799	₩ 378,903
Acquisition	22,593	-	22,593	3,387	-	3,387
Disposal	-	-	-	(424)	(12,786)	(13,210)
Depreciation	(7,285)	-	(7,285)	(8,347)	-	(8,347)
Impairment loss	(73)	-	(73)	-	-	-
Reclassification ¹	(39,146)	(13)	(39,159)	(35,777)	-	(35,777)
Ending balance	₩ 301,032	₩ -	₩ 301,032	₩ 324,943	₩ 13	₩ 324,956

(in thousands of US dollars (Note 4))

	2022			2021		
	Rental property ²	Other property	Total	Rental property ²	Other property	Total
Beginning balance	\$ 256,406	\$ 10	\$ 256,416	\$ 288,885	\$ 10,099	\$ 298,984
Acquisition	17,828	-	17,828	2,673	-	2,673
Disposal	-	-	-	(335)	(10,089)	(10,424)
Depreciation	(5,748)	-	(5,748)	(6,586)	-	(6,586)
Impairment loss	(58)	-	(58)	-	-	-
Reclassification ¹	(30,889)	(10)	(30,899)	(28,231)	-	(28,231)
Ending balance	\$ 237,539	\$ -	\$ 237,539	\$ 256,406	\$ 10	\$ 256,416

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

² As at December 31, 2022 and 2021, 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))

	2022		2021	
	₩	\$	₩	\$
Less than 1 year	8,982	7,088	5,316	4,195
Between 1-5 years	19,509	15,394	22,476	17,735
Over 5 years	96,349	76,027	96,349	76,027
Total	₩ 124,840	\$ 98,509	₩ 124,141	\$ 97,957

18.2 There is no significant difference between the fair value and the book amount of the investment property as at December 31, 2022 and 2021.

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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))

	2022		2021	
Right-of-use assets ^{1,2}				
Properties	₩ 167,896	₩ 182,845	\$ 132,483	\$ 144,279
Construction equipment and others	58,953	61,515	46,519	48,540
Total	₩ 226,849	₩ 244,360	\$ 179,002	\$ 192,819
Lease liabilities ²				
Short-term	₩ 77,792	₩ 75,040	\$ 61,384	\$ 59,212
Long-term	325,170	369,426	256,585	291,506
Total	₩ 402,962	₩ 444,466	\$ 317,969	\$ 350,718

¹ Additions to the right-of-use assets during the 2022 financial year were ₩ 50,415 million (equivalent to \$ 39,781 thousand) (2021: ₩ 44,092 million (equivalent to \$ 34,792 thousand))

² In addition to the above, the amount measured at lease liabilities but classified as investment property is ₩ 113,751 million (equivalent to \$ 89,759 thousand) as at December 31, 2022 (December 31, 2021: ₩ 127,633 million (equivalent to \$ 100,713 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))

	2022		2021	
Finance lease receivables ^{1,2}				
Short-term	₩ 6,797	₩ 5,010	\$ 5,363	\$ 3,953
Long-term	23,181	24,697	18,292	19,488
Total	₩ 29,978	₩ 29,707	\$ 23,655	\$ 23,441

¹ The total and net investments of the finance leases as at December 31, 2022 and 2021, are as follow:

(in millions of Korean won)

	2022			2021		
	Minimum lease payments	Unearned interest	Net lease investment	Minimum lease payments	Unearned interest	Net lease investment
Short-term finance lease receivables	₩ 7,150	₩ (353)	₩ 6,797	₩ 5,394	₩ (384)	₩ 5,010
Long-term finance lease receivables	24,226	(1,045)	23,181	26,072	(1,375)	24,697
Total	₩ 31,376	₩ (1,398)	₩ 29,978	₩ 31,466	₩ (1,759)	₩ 29,707

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries
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(in thousands of US dollars
(Note 4))

	2022			2021		
	Minimum lease payments	Unearned interest	Net lease investment	Minimum lease payments	Unearned interest	Net lease investment
Short-term finance lease receivables	\$ 5,642	\$ (279)	\$ 5,363	\$ 4,256	\$ (303)	\$ 3,953
Long-term finance lease receivables	19,116	(825)	18,291	20,573	(1,085)	19,488
Total	\$ 24,758	\$ (1,104)	\$ 23,654	\$ 24,829	\$ (1,388)	\$ 23,441

² Details of maturities of the finance lease receivables as at December 31, 2022 and 2021, are as follows:

(in millions of
Korean won)

	2022				2021			
	Songdo IBS Building	Eulji Twin Tower B	Eulji Twin Tower A	Total	Songdo IBS Building	Eulji Twin Tower B	Eulji Twin Tower A	Total
Less than 1 year	₩ 4,176	₩ 2,924	₩ 50	₩ 7,150	₩ 2,471	₩ 2,923	₩ -	₩ 5,394
Between 1-5 years	8,120	11,695	199	20,014	7,311	11,695	-	19,006
Over 5 years	-	4,142	70	4,212	-	7,066	-	7,066
Undiscounted total lease payments	12,296	18,761	319	31,376	9,782	21,684	-	31,466
Unrealized financial income	(255)	(1,125)	(18)	(1,398)	(268)	(1,491)	-	(1,759)
Net lease investment	₩ 12,041	₩ 17,636	₩ 301	₩ 29,978	₩ 9,514	₩ 20,193	₩ -	₩ 29,707

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

	2022				2021			
	Songdo IBS Building	Eulji Twin Tower B	Eulji Twin Tower A	Total	Songdo IBS Building	Eulji Twin Tower B	Eulji Twin Tower A	Total
Less than 1 year	\$ 3,295	\$ 2,307	\$ 39	\$ 5,641	\$ 1,950	\$ 2,306	\$ -	\$ 4,256
Between 1-5 years	6,407	9,228	157	15,792	5,769	9,228	-	14,997
Over 5 years	-	3,268	55	3,323	-	5,576	-	5,576
Undiscounted total lease payments	9,703	14,803	251	24,756	7,719	17,110	-	24,829
Unrealized financial income	(201)	(888)	(14)	(1,103)	(211)	(1,177)	-	(1,388)
Net lease investment	\$ 9,501	\$ 13,915	\$ 237	\$ 23,653	\$ 7,508	\$ 15,933	\$ -	\$ 23,441

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries
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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))*

	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Depreciation of right-of-use assets				
Properties	₩ 26,422	₩ 24,653	\$ 20,849	\$ 19,453
Construction equipment	44,620	34,202	35,209	26,988
	<u>₩ 71,042</u>	<u>₩ 58,855</u>	<u>\$ 56,058</u>	<u>\$ 46,441</u>
Interest expense relating to lease liabilities (included in financial cost)	₩ 9,065	₩ 8,757	\$ 7,153	\$ 6,910
Interest income relating to sub-lease of right-of-use assets (included in financial income)	658	748	519	590
Expense relating to leases of low-value assets (included in cost of sales and selling and administrative expenses)	5,642	5,574	4,452	4,398
Expenses relating to short-term leases (included in cost of sales and selling and administrative expenses)	31,862	19,088	25,142	15,062

The total cash outflow for leases in 2022 was ₩ 131,233 million (equivalent to \$ 103,553 thousand) (2021: ₩ 102,489 million (equivalent to \$ 80,872 thousand)).

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20. Other Payables and Advances Received

Other payables and advances received as at December 31, 2022 and 2021, are as follows:

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

		2022		2021		2022		2021	
Current									
Other payables	Non-trade payables	₩	918,328	₩	865,753	\$	724,633	\$	683,148
	Accrued expenses ¹		695,261		1,090,525		548,616		860,511
	Total	₩	1,613,589	₩	1,956,278	\$	1,273,249	\$	1,543,659
Advances received	Advances from construction contracts	₩	129,557	₩	160,811	\$	102,231	\$	126,893
	Advances from sales of real estate		187,163		295,886		147,686		233,477
	Other advances received		30,112		30,980		23,761		24,446
	Advanced income		279		521		220		411
	Total	₩	347,111	₩	488,198	\$	273,898	\$	385,227
Non-current									
Other payables	Non-trade payables	₩	119	₩	1,831	\$	94	\$	1,445
Advances received	Advances from construction contracts		59,591		282,256		47,022		222,722
	Other advances received		295		295		233		233
	Total	₩	59,886	₩	282,551	\$	47,255	\$	222,955

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, 2022 and 2021, are as follows:

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

		2022		2021		2022		2021	
Beginning balance		₩	650,010	₩	215,767	\$	512,909	\$	170,257
Changes (Cash flows from operating activities)			(421,274)		434,243		(332,419)		342,652
Ending balance		₩	228,736	₩	650,010	\$	180,490	\$	512,909

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21. Financial Instrument Liabilities

21.1 Financial instrument liabilities

Details of Financial instrument liabilities as at December 31, 2022 and 2021, are as follows:

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

	2022		2021	
Current				
Short-term borrowings	₩ 573,147	₩ 360,402	\$ 452,258	\$ 284,386
Current portion of long-term borrowings and debentures	509,005	237,863	401,645	187,693
Financial guarantee liabilities	46,185	1,512	36,444	1,193
Derivative liabilities	24,297	8,006	19,172	6,317
	<u>1,152,634</u>	<u>607,783</u>	<u>909,519</u>	<u>479,589</u>
Non-current				
Long-term borrowings	799,587	440,606	630,937	347,673
Debentures	223,900	465,785	176,675	367,541
Financial guarantee liabilities	32,361	29,444	25,535	23,234
Derivative liabilities	3,088	9,848	2,437	7,771
	<u>1,058,936</u>	<u>945,683</u>	<u>835,584</u>	<u>746,219</u>
Total	<u>₩ 2,211,570</u>	<u>₩ 1,553,466</u>	<u>\$ 1,745,103</u>	<u>\$ 1,225,808</u>

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21.2 Borrowings

(1) Details of short-term borrowings as at December 31, 2022 and 2021, are as follows:

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

Lending institution	Annual interest rate (%)	2022	2021	2022	2021
Short-term borrowings in Korean won					
The Export-Import Bank of Korea	2.46 ~ 6.22	₩ 157,884	₩ 118,057	\$ 124,583	\$ 93,156
Korea Development Bank	IFD(1Y)+1.72	100,000	100,000	78,908	78,908
UOB, Seoul Branch	CD(3M) + 1.70	85,000	-	67,072	-
Commercial paper	6.90	30,000	-	23,672	-
	Financial Bond-Linked				
Daegu Bank	Rate + 2.06	30,000	-	23,672	-
KEB Hana Bank	Term FTP + 1.372	10,000	-	7,891	-
National Federation of Fisheries Cooperatives	Balance-Based MOR + 2.53	10,000	-	7,891	-
OSMOSIS Holdings Co., Ltd.	-	750	-	592	-
Woori Bank	8.55	1,324	1,082	1,045	854
Daewoo Songdo IBD L.L.C	CD(3M) + 2.45	60,000	106,000	47,345	83,642
Daewoo Songdo IBD L.L.C	5.98 (A1CP + 3.20)	31,000	-	24,461	-
IBK Capital	4.30	20,020	-	15,797	-
FN BAEKAM 1ST CO.,LTD.	-	-	15,000	-	11,836
FN BAEKAM 2ND CO.,LTD.	3.85	15,000	15,000	11,836	11,836
Short-term borrowings in foreign currencies					
	TermSOFR +				
Bank ABC	1.86448	8,871	-	7,000	-
UOB	SIBOR(3M) + 1.70	7,639	-	6,028	-
	Bank's Cost of				
UOB	funds + 1.50	5,659	5,263	4,465	4,153
		₩ 573,147	₩ 360,402	\$ 452,258	\$ 284,385

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(2) Details of long-term borrowings as at December 31, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>		2022		2021	
Lending institution	Annual interest rate (%)	Current	Non-current	Current	Non-current
Long-term borrowings in Korean won					
FINE MANGPO Co., Ltd.and others	CD(3M) + 2.80	₩ 45,000	₩ 155,000	₩ -	₩ -
BEST EH FIRST Co., Ltd. MG Community Credit Cooperatives and others	CP(3M) + 6.46	-	130,000	-	-
Construction Guarantee Cooperative	CD(3M) + 3.05	-	70,000	-	-
Industrial and Commercial Bank of China Limited, and others	1.10	-	59,300	-	-
IBK Insurance and others	3.75	45,000	-	50,000	45,000
Standard Chartered Bank Korea Ltd.	4.00	-	33,328	-	-
Samsung Life Insurance co., Ltd and others	CD(3M) + 1.90	32,000	-	-	32,000
KEB Hana Bank	3.70	-	30,932	-	-
DB Savings Bank and others	CD(3M) + 2.443	-	20,000	-	-
Korea Housing & Urban Guarantee Corporation	8.00	-	6,000	-	-
BNK Savings Bank	-	225	4,947	225	5,172
STARBRIDGE HOLDINGS	CD(3M) + 5.98	-	4,000	-	-
China Construction Bank	-	-	300	-	300
National Credit Union Federation of Korea	-	-	-	30,000	-
Standard Chartered Bank Korea Ltd. and others	-	-	-	22,222	-
Industrial and Commercial Bank of China Limited	-	-	-	17,778	-
TONGYANG LIFE INSURANCE CO.,LTD.	-	-	-	14,000	-
Hanwha Hotels & Resorts CO.,LTD.	-	-	-	14,000	-
Mastern Investment Management	16.00	-	2,400	-	2,400
Korea Investment Savings Bank	16.00	-	84	-	84
FOODNAMOO, INC	4.25	-	3,710	-	-
Shinhan Capital Co., Ltd.	7.00	-	3,000	-	-
Hana Capital	4.25	-	7,310	-	-
Long-term borrowings in foreign currencies					
ABK/CBK	Libor(3M) + 2.65	101,384	25,346	-	118,550
ENBD	Term SOFR(3M) + 2.91161	62,731	62,731	-	237,100
Arab Bank	TermSOFR(3M) + 2.70	-	63,365	-	-
CBK	Central Bank Discount Rate + 2.00	15,522	108,654	-	-
CBK	-	-	-	29,638	-
		₩ 301,862	₩ 799,587	₩ 177,863	₩ 440,606

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Lending institution	Annual interest rate (%)	2022		2021	
		Current	Non-current	Current	Non-current
Long-term borrowings in Korean won					
FINE MANGPO Co., Ltd.and others	CD(3M) + 2.80	\$ 35,509	\$ 122,307	\$ -	\$ -
BEST EH FIRST Co., Ltd.	CP(3M) + 6.46	-	102,580	-	-
MG Community Credit Cooperatives and others	CD(3M) + 3.05	-	55,236	-	-
Construction Guarantee Cooperative	1.10	-	46,792	-	-
Industrial and Commercial Bank of China Limited, and others	3.75	35,509	-	39,454	35,509
IBK Insurance and others	4.00	-	26,298	-	-
Standard Chartered Bank Korea Ltd.	CD(3M) + 1.90	25,251	-	-	25,251
Samsung Life Insurance co., Ltd and others	3.70	-	24,408	-	-
KEB Hana Bank	CD(3M) + 2.443	-	15,782	-	-
DB Savings Bank and others	8.00	-	4,734	-	-
Korea Housing & Urban Guarantee Corporation	-	178	3,904	178	4,081
BNK Savings Bank	CD(3M) + 5.98	-	3,156	-	-
STARBRIDGE HOLDINGS	-	-	237	-	237
China Construction Bank	-	-	-	23,672	-
National Credit Union Federation of Korea	-	-	-	17,535	-
Standard Chartered Bank Korea Ltd. and others	-	-	-	14,028	-
Industrial and Commercial Bank of China Limited	-	-	-	11,047	-
TONGYANG LIFE INSURANCE CO.,LTD.	-	-	-	11,047	-
Hanwha Hotels & Resorts CO.,LTD.	16.00	-	1,894	-	1,894
Mastern Investment Management	16.00	-	66	-	66
Korea Investment Savings Bank	4.25	-	2,927	-	-
FOODNAMOO, INC	7.00	-	2,367	-	-
Shinhan Capital Co., Ltd.	4.25	-	5,768	-	-
Hana Capital	4.25	-	7,244	-	-
Long-term borrowings in foreign currencies					
ABK/CBK	Libor(3M) + 2.65	80,000	20,000	-	93,545
ENBD	Term SOFR(3M) + 2.91161	49,500	49,500	-	187,091
Arab Bank	TermSOFR(3M) + 2.70	-	50,000	-	-
CBK	Central Bank Discount Rate + 2.00	12,248	85,737	-	-
CBK	-	-	-	23,387	-
		<u>\$ 238,195</u>	<u>\$ 630,937</u>	<u>\$ 140,348</u>	<u>\$ 347,674</u>

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(3) Details of debentures as at December 31, 2022 and 2021, are as follows:

(in millions of Korean won)

	Annual interest rate (%)	2022		2021	
		Current	Non-current	Current	Non-current
46-1st public bond	-	₩ -	₩ -	₩ 60,000	₩ -
46-2nd public bond	3.80	39,152	-	-	40,000
47th public bond	3.80	97,257	-	-	100,000
49-1st public bond	3.50	-	50,000	-	50,000
49-2nd public bond	3.65	-	30,000	-	30,000
49-3rd public bond	3.80	-	10,000	-	10,000
49-4th public bond	4.30	-	20,000	-	20,000
50th public bond	2.31	-	13,900	-	150,000
51st public bond (P-CBO)	4.99	-	80,000	-	-
52nd public bond (P-CBO)	6.11	-	20,000	-	-
UOB(FRN)_48th foreign bond	SGD SOR + 2.85	70,734	-	-	65,785
		<u>₩ 207,143</u>	<u>₩ 223,900</u>	<u>₩ 60,000</u>	<u>₩ 465,785</u>

(in thousands of US dollars

(Note 4))

	Annual interest rate (%)	2022		2021	
		Current	Non-current	Current	Non-current
46-1st public bond	-	\$ -	\$ -	\$ 47,345	\$ -
46-2nd public bond	3.80	30,894	-	-	31,563
47th public bond	3.80	76,743	-	-	78,908
49-1st public bond	3.50	-	39,454	-	39,454
49-2nd public bond	3.65	-	23,672	-	23,672
49-3rd public bond	3.80	-	7,891	-	7,891
49-4th public bond	4.30	-	15,782	-	15,782
50th public bond	2.31	-	10,968	-	118,362
51st public bond (P-CBO)	4.99	-	63,126	-	-
52nd public bond (P-CBO)	6.11	-	15,782	-	-
UOB(FRN)_48th foreign bond	SGD SOR + 2.85	55,815	-	-	51,910
		<u>\$ 163,452</u>	<u>\$ 176,675</u>	<u>\$ 47,345</u>	<u>\$ 367,541</u>

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22. Net Defined Benefit Liability

22.1 Defined Benefit Plan

The Group operates defined benefit plan for qualified employees. Actuarial valuation on plan assets and defined benefit obligations were performed by Mirae Asset Life Insurance Co., Ltd., Kookmin Bank and SEJONG actuary firm, independent actuaries 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, 2022 and 2021, are as follows:

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

	2022		2021		2022		2021	
Present value of funded defined benefit obligations	₩	429,705	₩	465,846	\$	339,071	\$	367,589
Present value of unfunded defined benefit obligations		3,155		1,966		2,490		1,551
		432,860		467,812		341,561		369,140
Fair value of plan assets ¹		(269,326)		(299,071)		(212,520)		(235,991)
Liability in the statement of financial position	₩	163,534	₩	168,741	\$	129,041	\$	133,149

¹ The contributions to the National Pension Fund of ₩ 1,478 million (equivalent to \$ 1,166 thousand) are included in the fair value of plan assets as at December 31, 2022 (2021: ₩ 1,582 million (equivalent to \$ 1,248 thousand)).

22.1.2 Changes in the carrying amount of defined benefit obligations for the years ended December 31, 2022 and 2021, are as follows

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

	2022		2021		2022		2021	
Beginning balance	₩	467,812	₩	446,551	\$	369,141	\$	352,364
Current service cost		43,682		39,277		34,469		30,993
Interest expense		15,647		9,281		12,347		7,323
Transfer		345		-		272		-
Remeasurements:								
Changes in financial assumptions		(55,108)		(14,541)		(43,485)		(11,474)
Experience adjustments		25,253		28,566		19,927		22,541
Change in demographic assumptions		919		6,948		725		5,483
Payments from plans:								
Benefit payments		(65,741)		(47,904)		(51,875)		(37,800)
Effect from business combination		54		-		43		-
Effect from foreign exchange rate changes		(3)		-		(2)		-
Settlement		-		(366)		-		(289)
Ending balance	₩	432,860	₩	467,812	\$	341,562	\$	369,141

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22.1.3 Changes in fair value of plan assets for the years ended December 31, 2022 and 2021, are as follows:

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

	2022		2021	
	₩		₩	
Beginning balance	299,071	₩	269,845	\$ 235,991
Interest income	9,778		5,538	7,716
Transfer	5		-	4
Remeasurements:				
Return on plan assets	(9,124)		(1,414)	(7,200)
Contributions:				
Employers	4,627		51,891	3,651
Payments from plans:				
Benefit payments	(34,187)		(26,240)	(26,976)
Management costs	(266)		(266)	(210)
Contribution to national pension plan	(105)		(88)	(83)
Effect from business combination	40		-	32
Settlement	-		(195)	-
Others	(513)		-	(405)
Ending balance	₩ 269,326	₩	299,071	\$ 212,520
				\$ 235,991

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, %)

	2022	2021
Discount rate	5.48%	3.41%
Inflation rate	3.94%	3.83%

- 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	5.78% decrease	6.46% increase
Inflation rate	6.62% increase	6.01% 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, 2022 and 2021, consist of following:

(in millions of Korean won)

	2022		2021	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)
Cash equivalents	₩ 18,122	6.73%	₩ 29,801	9.96%
Fixed deposits	12,409	4.61%	45,843	15.33%
Contribution to national pension plan	1,478	0.55%	1,582	0.53%
Others	237,317	88.11%	221,845	74.18%
	₩ 269,326	100.00%	₩ 299,071	100.00%

(in thousands of US dollars (Note 4))

	2022		2021	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)
Cash equivalents	\$ 14,300	6.73%	\$ 23,515	9.96%
Fixed deposits	9,792	4.61%	36,174	15.33%
Contribution to national pension plan	1,166	0.55%	1,248	0.53%
Others	187,262	88.11%	175,053	74.18%
	\$ 212,520	100.00%	\$ 235,990	100.00%

22.1.7 Expected contributions to post employment benefit plans for the year ending December 31, 2023 are ₩ 35,389 million (equivalent to \$ 27,925 thousand).

22.1.8 The weighted-average duration of the defined benefit obligations is 6.44 years (2021: 9.28 years), and expected maturity analysis of undiscounted pension benefits as at December 31, 2022 and 2021, is as follows:

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

	2022		2021	
	₩	₩	\$	\$
Less than 1 year	33,692	28,573	26,586	22,546
Between 1 year and 2 years	55,145	27,172	43,514	21,441
Between 2 years and 4 years	103,308	56,851	81,518	44,860
More than 4 years	459,636	556,465	362,689	439,095
Total	₩ 651,781	₩ 669,061	\$ 514,307	\$ 527,942

22.2 Defined Contribution Plan

The expense recognized in the current period in relation to defined contribution plan was ₩ 1,084 million (equivalent to \$ 855 thousand) (2021: ₩ 666 million (equivalent to \$ 526 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, 2022 and 2021, are as follows:

(in millions of Korean won)

	2022			
	Provisions for construction warranty	Construction loss provisions	Provisions for others	Total
Beginning balance	₩ 105,513	₩ 179,728	₩ 176,052	₩ 461,293
Additions	146,275	92,380	55,821	294,476
Reversal	(2,014)	(55,671)	(12,799)	(70,484)
Payments and others	(47,647)	2,043	(89,681)	(135,285)
Ending balance	₩ 202,127	₩ 218,480	₩ 129,393	₩ 550,000
Current	₩ 58,688	₩ 124,809	₩ 29,952	₩ 213,449
Non-current	143,439	93,671	99,441	336,551

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

	2022			
	Provisions for construction warranty	Construction loss provisions	Provisions for others	Total
Beginning balance	\$ 83,258	\$ 141,820	\$ 138,919	\$ 363,997
Additions	115,423	72,895	44,047	232,365
Reversal	(1,589)	(43,929)	(10,099)	(55,617)
Payments and others	(37,597)	1,612	(70,765)	(106,750)
Ending balance	\$ 159,495	\$ 172,398	\$ 102,102	\$ 433,995
Current	\$ 46,309	\$ 98,484	\$ 23,634	\$ 168,427
Non-current	113,186	73,914	78,468	265,568

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(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	\$ 104,547	\$ 102,984	\$ 102,083	\$ 309,614
Additions	28,488	65,520	95,844	189,852
Reversal	(2,693)	(31,311)	(1,655)	(35,659)
Payments and others	(47,084)	4,626	(57,353)	(99,811)
Ending balance	\$ 83,258	\$ 141,819	\$ 138,919	\$ 363,996
Current	\$ 40,556	\$ 68,227	\$ 24,525	\$ 133,307
Non-current	42,702	73,592	114,394	230,688

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24. Commitments and Contingencies

24.1 Notes and Checks as Collaterals

As at December 31, 2022, the Group provided 25 blank checks (2021: 25 blank checks) and 3 notes in the aggregate amount of ₩ 1,500 million (equivalent to \$ 1,184 thousand) (2021: 3 notes in the aggregate amount of ₩ 1,500 million (equivalent to \$ 1,184 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 50 lawsuits (2021: 66 lawsuits), as the plaintiff, involving aggregate amounts of ₩ 222,722 million (equivalent to \$ 175,745 thousand) (2021: ₩ 226,011 million (equivalent to \$ 178,341 thousand)) and faces 224 lawsuits (2021: 246 lawsuits), as the defendant involving aggregate damages of ₩ 1,182,268 million (equivalent to \$ 932,903 thousand) (2021: ₩ 1,149,920 million (equivalent to \$ 907,378 thousand)) as at December 31, 2022. Meanwhile, the arbitration in progress as an applicant is 2 cases, involving aggregate amounts of ₩ 334,868 million (equivalent to \$ 264,237 thousand) (2021: 5 cases, ₩ 400,751 million (equivalent to \$ 316,224 thousand)) and arbitration in progress as a respondent is 4 cases, involving amounts of ₩ 136,891 million (equivalent to \$ 108,018 thousand) (2021: 7 cases, ₩ 165,102 million (equivalent to \$ 130,279 thousand)).

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Details of major litigations that the Group is involved in as a defendant as at December 31, 2022, are as follows:

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

Plaintiff	Defendants	Details	Amount¹		Country
Korea Gas Corporation	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and 12 others	Compensation for damages	₩ 423,000	\$ 333,780	Korea
Incheon-si	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and 20 others	Compensation for damages	74,710	58,952	Korea
Korea National Railway	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and 27 others	Compensation for damages	67,935	53,606	Korea
Busan-si	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and 11 others	Compensation for damages	55,298	43,634	Korea
Republic of Korea	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and 3 others	Compensation for damages	21,920	17,297	Korea
Chief Inemo Dewari & 4 others	DW NIGERIA LTD.	Compensation for damages and others	21,678	17,106	Nigeria
Changwon Marine Prugio Resident Representative Meeting of Complex 1	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and 2 others	Compensation for damages	16,494	13,015	Korea
Mr. Monday Sample & 4 others	DW NIGERIA LTD.	Compensation for damages and others	15,046	11,872	Nigeria
LEADMASTERS HOLDINGS (PTY) LIMITED	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD.	Subcontracting payment	11,244	8,872	Botswana
The council of Pungmu Prugio occupants' representatives	DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and 3 others	Compensation for damages	10,632	8,389	Korea

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.

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24.3 Commitment with financial institutions

As at December 31, 2022, the Group entered into an agreement to open an import letter of credit with the Korea Development Bank, Kookmin Bank and others of up to \$ 210,800 thousand (2021: \$ 210,800 thousand). In addition, the Group entered into short-term loan agreements with Korea Development Bank and others of up to ₩ 636,190 million (equivalent to \$ 502,004 thousand) (2021: ₩ 578,526 million (equivalent to \$ 456,503 thousand)). Also, the Group entered into operating fund and collateral operating loan agreements with Construction Financial Cooperative of up to ₩ 282,812 million (equivalent to \$ 223,161 thousand) (2021: ₩ 402,291 million (equivalent to \$ 317,439 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 ₩ 105,963 million (equivalent to \$ 83,613 thousand) (2021: ₩ 116,635 million (equivalent to \$ 92,034 thousand)).
- 2) As at December 31, 2022, 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 ₩ 32,213 million (equivalent to \$ 25,419 thousand) of lease liabilities as at December 31, 2022 (2021: ₩ 42,677 million (equivalent to \$ 33,676 thousand)).
- 3) As at December 31, 2022, 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 ₩ 178,352 million (equivalent to \$ 140,734 thousand) of lease liabilities as at December 31, 2022 (2021: ₩ 204,219 million (equivalent to \$ 161,145 thousand)).
- 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 (2022: ₩ 211,233 million (equivalent to \$ 166,680 thousand), 2021: ₩ 176,827 million (equivalent to \$ 139,530 thousand)) within a month.

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- 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 ₩ 1,415 million (equivalent to \$ 1,117 thousand) (2021: ₩ 848 million (equivalent to \$ 669 thousand)) for the year ended December 31, 2022. 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 \$ 65,943 thousand) (2021: ₩ 83,570 million (equivalent to \$ 65,943 thousand)) and purchased shares amounting to ₩ 66,740 million (equivalent to \$ 52,663 thousand) as at December 31, 2022 (2021: ₩ 66,740 million (equivalent to \$ 52,663 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 ₩ 250,906 million (equivalent to \$ 197,985 thousand) (2021: ₩ 213,973 million (equivalent to \$ 168,842 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, 2022, 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 \$ 1,301,981 thousand), ₩ 1,800,000 million (equivalent to \$ 1,420,342 thousand), ₩ 2,000,000 million (equivalent to \$ 1,578,158 thousand)) based on consolidated financial statements. Borrowings applicable to the above clauses amount to ₩ 510,467 million (equivalent to \$ 402,799 thousand), and there are trigger clauses for repayment of borrowings if the above clauses are violated. As at December 31, 2021, certain borrowing agreements entered with foreign 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 \$ 1,301,981 thousand), ₩ 1,800,000 million (equivalent to \$ 1,420,342 thousand), ₩ 2,000,000 million (equivalent to \$ 1,578,158 thousand)) based on the consolidated financial statements. As at December 31, 2021, the above borrowings amount to ₩ 451,073 million (equivalent to \$ 355,932 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 ₩ 70,733 million (equivalent to \$ 55,814 thousand) (2021: ₩ 65,786 million (equivalent to \$ 51,910 thousand)).

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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, 2022.

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, 2022.

25. Pledged Assets and Payment Guarantees

25.1 Pledged Assets

1) Restricted financial instruments asset as at December 31, 2022 and 2021, are as follows:

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

	Detailed	Financial institutions	2022		Remark
			Amount		
Short-term financial instruments and others	Ordinary deposit	NH Investment & Securities	₩ 3,799	\$ 2,998	Securitization trust account of accounts receivables from construction/ real estate contracts
	Ordinary deposit	Kyongnam Bank	8,030	6,336	Securitization trust account of accounts receivables from construction/ real estate contracts
	Ordinary deposit	NongHyup Bank	7,800	6,155	Securitization trust account of accounts receivables from construction/ real estate contracts
	CMA	KB Securities Co., Ltd. Korea	279	220	Deposits for transfer of business rights
	Fixed deposit	Development Bank	8,000	6,313	Win-win Growth Fund
	Foreign currency fixed deposit	State Bank of India	6	5	Deposits for business performance
	Foreign currency fixed deposit	Axis Bank Ltd	4	3	Deposits for business performance
	Foreign currency fixed deposit	Banco Bilbao Vizcaya	8,787	6,934	Deposit provided for performance guarantee
	Ordinary deposit	Industrial Bank of Korea	7,001	5,524	Deposit for rental operating lease
	Fixed deposit	Woori Bank	3,000	2,367	Pledged as collateral related to payment guarantees
Fixed deposit	SHINHANVINA BANK, HANOI BR	27,086	21,373	Deposit for land purchase	
	Subtotal		73,792	58,228	
Long-term financial instruments	Bank account deposit	Bank for account deposit	22	17	Bank for account deposit
	Deposits provided	Woori Bank	50	39	Leasehold deposits received

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	Detailed	Financial institutions	2022		Remark
			Amount		
	Monetary receivables trust	NongHyup Bank	7,524	5,937	Deposits for providing supplemental funding
		Subtotal	7,596	5,993	
Total			₩ 81,388	\$ 64,221	

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

	Detailed	Financial institutions	2021		Remark
			Amount		
Short-term financial instruments and others	Ordinary deposit	Woori Bank	₩ 17,171	\$ 13,549	Securitization trust account of accounts receivables from construction/ real estate contracts
	Ordinary deposit	Hana Bank	1,379	1,088	Securitization trust account of accounts receivables from construction/ real estate contracts
	Ordinary deposit	NH Investment & Securities	4,414	3,483	Securitization trust account of accounts receivables from construction/ real estate contracts
	CMA	KB Securities Co., Ltd.	275	217	Deposits for transfer of business rights
	Fixed deposit	Korea Development Bank	8,000	6,313	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	6,486	Deposit provided for performance guarantee
	Fixed deposit	Woori Bank	3,000	2,367	Pledged as collateral related to payment guarantees
	Fixed deposit	SHINHANVINA BANK, HANOI BR	34,630	27,326	Deposit for land purchase
		Subtotal	77,098	60,836	
Long-term financial instruments	Bank account deposit	Bank for account deposit	22	17	Bank for account deposit
	Ordinary deposit	Woori Bank	50	39	Long-term deposits
	Monetary receivables trust	NongHyup Bank	7,524	5,937	Deposits for providing supplemental funding
		Subtotal	7,596	5,993	
Total			₩ 84,694	\$ 66,829	

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2) Details of pledged other assets as at December 31, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	2022		
	Book amount	Total limits ¹	
Inventory, property, plant and equipment, intangible assets, investment property ²	₩ 633,187	₩ 441,013	Korea Standard Chartered Bank and others
Investments in securities, investments in associates	201,431	5,865,939	Korea Development Bank and others
Total	₩ 834,618	₩ 6,306,952	

<i>(in thousands of US dollars (Note 4))</i>	2022		
	Book amount	Total limits ¹	
Inventory, property, plant and equipment, intangible assets, investment property ²	\$ 499,635	\$ 347,994	Korea Standard Chartered Bank and others
Investments in securities, investments in associates	158,945	4,628,690	Korea Development Bank and others
Total	\$ 658,580	\$ 4,976,684	

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 ₩ 24,611,479 million (equivalent to \$ 19,420,405 thousand).

² The amount includes the pledged property, plant and equipment and others of ₩ 608,273 million (equivalent to \$ 479,976 thousand) for loan, which amounts to ₩ 333,000 million (equivalent to \$ 262,763 thousand) (Total limits are ₩ 412,600 million, equivalent to \$ 325,574 thousand).

<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	\$ 259,092	\$ 239,827	Korea Standard Chartered Bank and others
Investments in securities, investments in associates	140,917	3,568,828	Korea Development Bank and others
Total	\$ 400,009	\$ 3,808,655	

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 \$ 15,270,507 thousand).

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² The amount includes the pledged property, plant and equipment and others of ₩ 161,675 million (equivalent to \$ 127,574 thousand) for loan, which amounts to ₩ 138,000 million (equivalent to \$ 108,893 thousand) (Total limits are ₩ 165,600 million, equivalent to \$ 130,672 thousand).

25.2 Guarantees Provided by the Group

1) The payment guarantees that the Group provided for developers' debts as at December 31, 2022 and 2021, are as follows:

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

	2022		2021	
ABCP/ABSTB ¹	₩	894,697	₩	408,000
Other loan ¹		321,903		11,099
Total	₩	1,216,600	₩	419,099

	2022		2021	
	\$	705,987	\$	321,944
		254,007		8,758
	\$	959,994	\$	330,702

¹ It includes the amount of payment guarantees provided for the debts of Ja-yang 5 PFV Co., Ltd. and others which amount to ₩ 104,000 million (equivalent to \$ 82,064 thousand) (2021: ₩ 87,000 million (equivalent to \$ 68,650 thousand)) (guarantee limits ₩ 104,000 million, equivalent to \$ 82,064 thousand (2021: ₩ 92,700 million, equivalent to \$ 73,148 thousand)).

² In relation to the payment guarantees, the limits the Group provided are ₩ 1,253,603 million (equivalent to \$ 989,192 thousand) (2021: ₩ 424,799 million (equivalent to \$ 335,200 thousand)).

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Details of payment guarantees due to project financing as at December 31, 2022 and 2021, are as follows:

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

Business Area	Types of bond institutions	2022						Warranty history	Period	Type
		Debt		Debt Guarantee		Debt Guarantee limits				
Gimpo, Gyeonggi-do	Securities	₩ 200,000	\$ 157,816	₩ 997	\$ 787	₩ 10,000	\$ 7,891	Interest payment guarantee	2022.10~2024.04	ABCP/ABSTB
Seoul	Securities and others	248,000	195,692	126,553	99,860	134,553	106,173	Acceptances for debt and others	2022.03~2023.03	Loan, ABCP/ABSTB
Namyangju, Gyeonggi-do	Securities	30,900	24,383	30,900	24,383	30,900	24,383	Acceptances for debt	2022.04~2023.02	ABCP/ABSTB
Dangjin, Chungcheong nam-do	Securities	23,000	18,149	23,000	18,149	23,000	18,149	Acceptances for debt	2022.09~2023.06	ABCP/ABSTB
Daejeon	Securities	39,000	30,774	39,000	30,774	39,000	30,774	Acceptances for debt	2021.07~2023.01	ABCP/ABSTB
Daejeon	Securities	350,000	276,178	350,000	276,178	350,000	276,178	Acceptances for debt	2022.11~2023.02	ABCP/ABSTB
Daejeon	Securities	100,000	78,908	100,000	78,908	100,000	78,908	Acceptances for debt	2022.11~2023.03	ABCP/ABSTB
Daejeon	Fund	60,000	47,345	40,000	31,563	60,000	47,345	Acceptances for debt	2022.11~2028.08	Loan
Incheon	Capital and others	150,000	118,362	150,000	118,362	150,000	118,362	Acceptances for debt	2020.08~2023.08	Loan, ABCP/ABSTB
Ulsan	Securities	35,000	27,618	35,000	27,618	35,000	27,618	Acceptances for debt	2022.07~2023.02	Loan, ABCP/ABSTB
Incheon	Securities	40,000	31,563	40,000	31,563	40,000	31,563	Acceptances for debt	2022.09~2023.09	ABCP/ABSTB
Seoul	Securities	46,000	36,298	46,000	36,298	46,000	36,298	Acceptances for debt	2022.06~2023.06	ABCP/ABSTB
Incheon	Capital	36,500	28,801	36,500	28,801	36,500	28,801	Acceptances for debt	2022.06~2023.06	Loan
Seoul	Securities	12,000	9,469	15,600	12,310	15,600	12,310	Joint guarantee	2022.01~2024.04	ABCP/ABSTB
Yongin, Gyeonggi-do	Capital and others	114,500	90,350	148,850	117,454	148,850	117,454	Joint guarantee	2022.03~2023.09	Loan, ABCP/ABSTB
Wonju, Gangwon-do	Capital and others	28,500	22,489	34,200	26,987	34,200	26,987	Joint guarantee	2022.02~2024.02	Loan, ABCP/ABSTB
		<u>₩ 1,513,400</u>	<u>\$ 1,194,195</u>	<u>₩ 1,216,600</u>	<u>\$ 959,995</u>	<u>₩ 1,253,603</u>	<u>\$ 989,194</u>			

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Business Area	Types of bond institutions	2021						Warranty history	Period	Type
		Debt		Debt Guarantee		Debt Guarantee limits				
Incheon	Capital and others	₩ 150,000	\$ 118,362	₩ 150,000	\$ 118,362	₩ 150,000	\$ 118,362	Acceptances for debt	2021.08~2022.08	ABCP/ABSTB
Seoul	Securities and others	227,000	179,121	133,099	105,026	133,099	105,026	Acceptances for debt and others	2021.03~2022.03	Loan, ABCP/ABSTB
Dangjin, Chungcheong nam-do	Securities and others	46,700	36,850	41,000	32,352	46,700	36,850	Acceptances for debt	2021.09~2022.09	ABCP/ABSTB
Seoul	Securities and others	46,000	36,298	46,000	36,298	46,000	36,298	Acceptances for debt	2020.06~2022.06	ABCP/ABSTB
Incheon	Capital and others	10,000	7,891	10,000	7,891	10,000	7,891	Acceptances for debt	2021.06~2022.06	Loan
Daejeon	Capital and others	39,000	30,774	39,000	30,774	39,000	30,774	Acceptances for debt	2021.07~2023.01	ABCP/ABSTB
		<u>₩ 518,700</u>	<u>\$ 409,296</u>	<u>₩ 419,099</u>	<u>\$ 330,703</u>	<u>₩ 424,799</u>	<u>\$ 335,201</u>			

- The Group is jointly and severally liable for the guarantees of ₩ 779,879 million (equivalent to \$ 615,386 thousand) (2021: ₩ 571,917 million (equivalent to \$ 451,288 thousand)) (the limits of guarantees ₩ 962,140 million, equivalent to \$ 759,205 thousand (2021: the limits of guarantees ₩ 895,200 million, equivalent to \$ 706,384 thousand)) for the borrowing of a housing cooperative for redevelopment and reconstruction.
- The Group has entered into city maintenance related non-interest bearing loan agreement (the Group's portion is ₩ 1,882,643 million (equivalent to \$ 1,485,554 thousand) (2021: ₩ 1,808,843 million (equivalent to \$ 1,427,320 thousand)), among total loan of ₩ 2,876,306 million (equivalent to \$ 2,269,633 thousand) (2021: ₩ 2,867,806 million (equivalent to \$ 2,262,926 thousand)) and interest bearing loan agreement (the Group's portion is ₩ 530,162 million (equivalent to \$ 418,340 thousand) (2021: ₩ 379,022 million (equivalent to \$ 299,078 thousand)), among total loan of ₩ 843,500 million (equivalent to \$ 665,588 thousand) (2021: ₩ 624,100 million (equivalent to \$ 492,464 thousand)). In addition, the Group has 43 (2021: 48) loan agreements without limit. In relation to the loan agreement, the Group provides non-interest bearing loan of ₩ 223,038 million (equivalent to \$ 175,995 thousand) (2021: ₩ 203,856 million (equivalent to \$ 160,859 thousand)) and interest bearing loan of ₩ 84,706 million (equivalent to \$ 66,840 thousand) (2021: ₩ 109,790 million (equivalent to \$ 86,633 thousand)).
- The Group has been provided with guarantees of ₩ 16,114,099 million (equivalent to \$ 12,715,299 thousand) (2021: ₩ 14,673,329 million (equivalent to \$ 11,578,418 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.

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- 5) The Group has provided a performance guarantee of ₩ 12,053,128 million (equivalent to \$ 9,510,872 thousand) (2021: ₩ 11,896,567 million (equivalent to \$ 9,387,333 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 ₩ 10,877,908 million (equivalent to \$ 8,583,530 thousand) (2021: ₩ 8,313,606 million (equivalent to \$ 6,560,093 thousand))), among total limits of ₩ 10,877,908 million, equivalent to \$ 8,583,530 thousand (2021: ₩ 8,313,606 million, equivalent to \$ 6,560,093 thousand). The Group's portion of obligation is ₩ 8,314,567 million (equivalent to \$ 6,560,851 thousand) (2021: ₩ 6,667,386 million, equivalent to \$ 5,261,095 thousand) (total ₩ 8,314,567 million, equivalent to \$ 6,560,851 thousand (2021: ₩ 6,667,386 million, equivalent to \$ 5,261,095 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 ₩ 3,590,791 million (equivalent to \$ 2,833,418 thousand) (2021: ₩ 3,912,440 million, equivalent to \$ 3,087,225 thousand) (total ₩ 3,590,791 million, equivalent to \$ 2,833,418 thousand (2021: ₩ 3,912,440 million, equivalent to \$ 3,087,225 thousand)). The Group's portion of the limit is ₩ 6,999,074 million (equivalent to \$ 5,522,823 thousand) (2021: ₩ 5,817,213 million (equivalent to \$ 4,590,241 thousand))), among total limits of ₩ 6,999,074 million, equivalent to \$ 5,522,823 thousand (2021: ₩ 5,817,213 million, equivalent to \$ 4,590,241 thousand).
- 7) In addition, if the Group fails to fulfil the purchase obligation for certain land and payment obligation as defined in the purchase commitment and sale reservation agreement attached to the loan agreement for Gimpo Pungmu Station area Development business, the Group provides debt acquisition agreements to acquire secured debts equivalent to the sales price of the land amounting to ₩ 420,735 million (equivalent to \$ 331,993 thousand), among total amounts of ₩ 532,918 million (equivalent to \$ 420,514 thousand) (2021: nil), and down payment amounting to ₩ 19,417 million (equivalent to \$ 15,322 thousand) (2021: nil) as at December 31, 2022.
- 8) The Group is jointly and severally liable for ₩ 3,108,335 million (equivalent to \$ 2,452,722 thousand) (2021: ₩ 2,636,414 million (equivalent to \$ 2,080,339 thousand)) (the limits of guarantees ₩ 8,145,626 million, equivalent to \$ 6,427,544 thousand (2021: the limits of guarantees ₩ 5,169,391 million, equivalent to \$ 4,079,059 thousand)) in connection with the sale-in-lot instalment payments.
- 9) The Group has provided supplemental funding agreement of ₩ 318,847 million (equivalent to \$ 251,596 thousand) (2021: ₩ 278,129 million (equivalent to \$ 219,466 thousand)) (Total amount is ₩ 2,631,866 million, equivalent to \$ 2,076,751 thousand (2021: Total amount is ₩ 2,631,004 million, equivalent to \$ 2,076,070 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.

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- 10) The Group is jointly responsible for ₩ 28,900 million (equivalent to \$ 22,804 thousand) (2021: nil) of liabilities such as the deposit which the contract operator pays for the development of the site for Magamart in Namcheon-dong, Busan as at December 31, 2022.
- 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: ₩ 120,320 million (equivalent to \$ 94,942 thousand) (2021: ₩ 122,249 million, equivalent to \$ 96,464 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: ₩ 91,000 million, equivalent to \$ 71,806 thousand)(2021: ₩ 106,000 million, equivalent to \$ 83,642 thousand)).
- 12) The Group has provided payment guarantees of \$ 300 million (total \$ 750 million) (2021: \$ 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.

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, 2022, the Parent Company has issued 415,622,638 shares of ordinary shares.

26.2 Capital surplus as at December 31, 2022 and 2021, mainly consists of paid-in capital in excess of par value and others.

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27. Other Component of Equity and Accumulated Other Comprehensive Income

27.1 Details of other components of equity as at December 31, 2022 and 2021, are as follows:

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

	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Treasury shares ¹	₩ (101,723)	₩ (101,723)	\$ (80,267)	\$ (80,267)
Debt to be swapped for equity ²	2,549	2,549	2,011	2,011
Others	(27)	-	(21)	-
Total	<u>₩ (99,201)</u>	<u>₩ (99,174)</u>	<u>\$ (78,277)</u>	<u>\$ (78,256)</u>

¹ As at December 31, 2022, 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, 2022, the debt to be swapped for equity amounts to ₩ 2,549 million (equivalent to \$ 2,011 thousand), and there have been no changes in debt to be converted to equity for the year ended December 31, 2022. The number of issuable shares is 509,868 shares.

27.2 Details of accumulated other comprehensive loss after tax effect as at December 31, 2022 and 2021, are as follows:

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

	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Loss on valuation of financial instruments at fair value through other comprehensive income	₩ (6,234)	₩ (3,701)	\$ (4,919)	\$ (2,920)
Loss on overseas operations translation	(271,838)	(282,903)	(214,502)	(223,233)
Share of other comprehensive income of associates	(29,762)	(4,664)	(23,485)	(3,680)
Total	<u>₩ (307,834)</u>	<u>₩ (291,268)</u>	<u>\$ (242,906)</u>	<u>\$ (229,833)</u>

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28. Retained Earnings

Details of retained earnings as at December 31, 2022 and 2021, are as follows:

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

	2022		2021	
Statutory reserves ¹	₩	61,835	₩	61,835
Discretionary reserves ²		15,700		15,700
Unappropriated retained earnings		1,416,308		897,155
Total	₩	1,493,843	₩	974,690

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, 2022 and 2021, are as follows:

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

	2022		2021	
Profit attributable to equity holders of the Parent Company	₩	504,006,912,863	₩	484,684,519,726
Weighted average number of ordinary shares in issue		410,885,720		410,885,720
Basic earnings per share	₩	1,227	₩	1,180

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, 2022 and 2021, are as follows:

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

	2022	2021	2022	2021
Profit used to determine diluted earnings per share	₩ 504,006,912,863	₩ 484,684,519,726	\$ 397,701,344	\$ 382,454,446
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	₩ 1,225	₩ 1,178	\$ 0.97	\$ 0.93

29.4 The potential dilutive instruments as at December 31, 2022, 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	\$ 2,011	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, 2022 and 2021, are as follows:

(in millions of Korean won)

	2022			2021		
	Cost of sales	Selling and administrative expenses	Total	Cost of sales	Selling and administrative expenses	Total
Changes in finished housing	₩ 133,772	₩ -	₩ 133,772	₩ (40,468)	₩ -	₩ (40,468)
Use of raw materials	2,762,674	-	2,762,674	2,420,286	-	2,420,286
Labor cost	620,296	229,080	849,376	505,480	213,128	718,608
Outsourcing	4,154,151	-	4,154,151	3,544,428	-	3,544,428
Consulting fees	303,523	93,911	397,434	282,068	92,812	374,880
Employee welfare	100,012	39,871	139,883	86,537	44,313	130,850
Rent	111,576	2,444	114,020	89,035	2,103	91,138
Commissions	299,383	20,765	320,148	208,850	18,402	227,252
Advertising	17,713	13,199	30,912	22,434	16,321	38,755
Development	270	15,752	16,022	559	14,921	15,480
Depreciation and others	29,246	14,143	43,389	35,060	18,422	53,482
Depreciation of leased right-of-use assets	41,130	29,912	71,042	30,885	27,970	58,855
Insurance premium	84,335	9,907	94,242	75,546	8,328	83,874
Taxes and dues	72,731	9,276	82,007	63,362	7,107	70,469
Others	434,708	15,427	450,135	122,281	36,724	159,005
Total	₩ 9,165,520	₩ 493,687	₩ 9,659,207	₩ 7,446,343	₩ 500,551	₩ 7,946,894

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	2022			2021		
	Cost of sales	Selling and administrative expenses	Total	Cost of sales	Selling and administrative expenses	Total
Changes in finished housing	\$ 105,557	\$ -	\$ 105,557	\$ (31,932)	\$ -	\$ (31,932)
Use of raw materials	2,179,968	-	2,179,968	1,909,797	-	1,909,797
Labor cost	489,463	180,762	670,225	398,864	168,175	567,039
Outsourcing	3,277,954	-	3,277,954	2,796,834	-	2,796,834
Consulting fees	239,504	74,103	313,607	222,574	73,236	295,810
Employee welfare	78,917	31,461	110,379	68,285	34,966	103,251
Rent	88,042	1,929	89,971	70,256	1,659	71,915
Commissions	236,237	16,385	252,622	164,799	14,521	179,320
Advertising	13,977	10,415	24,392	17,702	12,879	30,581
Development	213	12,430	12,643	441	11,774	12,215
Depreciation and others	23,077	11,160	34,237	27,665	14,536	42,201
Depreciation of leased right-of-use assets	32,455	23,603	56,058	24,371	22,071	46,442
Insurance premium	66,547	7,817	74,364	59,612	6,571	66,183
Taxes and dues	57,391	7,319	64,710	49,998	5,608	55,606
Others	343,019	12,173	355,192	96,489	28,978	125,467
Total	\$ 7,232,321	\$ 389,557	\$ 7,621,878	\$ 5,875,755	\$ 394,974	\$ 6,270,729

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31. Selling and Administrative Expenses

Selling and administrative expenses for the years ended December 31, 2022 and 2021, are as follows:

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

	2022		2021		2022		2021	
Salaries	₩	210,600	₩	196,413	\$	166,180	\$	154,985
Consulting fees		93,911		92,812		74,103		73,236
Employee welfare		39,871		44,313		31,461		34,966
Rental expenses		2,444		2,103		1,929		1,659
Development		15,752		14,921		12,430		11,774
Commissions		20,765		18,402		16,385		14,521
Retirement benefit		18,479		16,715		14,581		13,189
Insurance premium		9,907		8,328		7,817		6,571
Advertising		13,199		16,321		10,415		12,879
Travel expenses		5,343		2,520		4,216		1,988
Depreciation		9,030		13,491		7,125		10,645
Amortization		5,113		4,931		4,035		3,891
Bad debt expenses		6,757		19,941		5,332		15,735
Reversal of allowance for doubtful accounts		(12,474)		(1,782)		(9,843)		(1,406)
Depreciation of leased right-of-use assets		29,912		27,970		23,603		22,071
Others		25,078		23,152		19,789		18,269
Total	₩	493,687	₩	500,551	\$	389,558	\$	394,973

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32. Other Income and Expenses

32.1 Other income for the years ended December 31, 2022 and 2021, are as follows:

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

	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Reversal of other allowance for doubtful accounts	₩ 9,061	₩ 36,348	\$ 7,150	\$ 28,681
Gain on valuation of investments in securities	3,691	2,504	2,912	1,976
Gain on disposal of investments in securities	651	-	514	-
Gain on disposal of assets held for sale	44,960	32,673	35,477	25,782
Gain on disposal of property, plant and equipment	4,688	2,512	3,699	1,982
Gain on disposal of intangible assets	-	483	-	381
Gain on disposal of investment property	-	11,970	-	9,445
Reversal of other provision	12,799	2,098	10,099	1,655
Reversal of gain on overseas operations translation	135	789	107	623
Dividend income	8,376	1,919	6,609	1,514
Gain on liabilities exempted	-	1,018	-	803
Miscellaneous income	32,563	14,928	25,695	11,779
Gain on foreign currency transactions	92,947	51,262	73,343	40,450
Gain on foreign currency translation	76,264	46,160	60,178	36,424
Gain on valuation of derivatives	36,422	11,856	28,740	9,355
Gain on transactions of derivatives	20,237	20,376	15,969	16,078
Total	<u>₩ 342,794</u>	<u>₩ 236,896</u>	<u>\$ 270,492</u>	<u>\$ 186,928</u>

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32.2 Other expense for the years ended December 31, 2022 and 2021, are as follows:

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

	2022		2021	
	₩		₩	
Other bad debts expense	₩	10,544	₩	4,537
Impairment loss on investment in associates		1		69
Loss on valuation of investments in securities		464		46,434
Loss on disposal of investments in securities		1,477		438
Impairment loss on assets held for sale		21,907		1,336
Loss on disposal of assets held for sale		6		32
Loss on disposal of property, plant and equipment		125		278
Impairment loss on intangible assets		3,369		8,772
Impairment loss on investment property		73		-
Loss on valuation of inventories		-		178
Transfer to reserve for contingent liabilities		55,821		121,463
Transfer to financial guarantee liabilities		44,000		-
Reversal of loss on overseas operations translation		2,473		735
Donations		1,426		876
Commission		45,859		14,801
Miscellaneous losses		22,235		28,995
Loss on foreign currency transactions		104,357		30,745
Loss on foreign currency translation		42,078		51,477
Loss on valuation of derivatives		16,588		17,036
Loss on transactions of derivatives		18,062		19,221
Total	₩	390,865	₩	347,423
	\$	8,320	\$	3,580
		1		54
		366		36,640
		1,165		346
		17,286		1,054
		5		25
		99		219
		2,658		6,922
		58		-
		-		140
		44,047		95,844
		34,719		-
		1,951		580
		1,125		691
		36,186		11,679
		17,545		22,879
		82,346		24,260
		33,203		40,619
		13,089		13,443
		14,252		15,167
	\$	308,421	\$	274,142

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33. Financial Income and Costs

33.1 Financial income for the years ended December 31, 2022 and 2021, are as follows:

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

	2022		2021	
	₩		₩	
Interest income on bank deposits	45,732		24,095	
Interest income on securities	188		79	
Other interest income	31,890		26,086	
Total	₩ 77,810		₩ 50,260	

33.2 Financial costs for the years ended December 31, 2022 and 2021, are as follows:

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

	2022		2021	
	₩		₩	
Interest expenses on borrowings	73,847		55,000	
Other interest expenses	6,588		6,368	
Total	₩ 80,435		₩ 61,368	

During 2022, the Group capitalized borrowing costs amounting to ₩ 5,870 million, (equivalent to \$ 4,632 thousand (2021: ₩ 4,190 million, equivalent to \$ 3,306 thousand)) on qualifying assets, inventories. Borrowing costs were capitalized at the weighted-average rate of its general borrowings of 4.30%~4.83% (2021: 3.12%~3.16%).

34. Income Tax and Deferred Tax

34.1 Income tax expense for the years ended December 31, 2022 and 2021, consists of:

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

	2022		2021	
	₩		₩	
Current tax:				
Adjustments in respect of prior years	2,181		(5,788)	
Current tax on profits for the year	95,830		61,647	
Total current tax	98,011		55,859	
Deferred tax:				
Origination and reversal of temporary differences	107,476		57,608	
Total deferred tax	107,476		57,608	
Income tax expense	₩ 205,487		₩ 113,467	

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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))

	2022		2021		2022		2021	
Profit before income tax expense	₩	713,498	₩	598,393	\$	563,006	\$	472,179
Tax calculated based on applicable tax rate		172,604		147,264		136,198		116,203
Tax effects of:		32,883		(33,797)		25,948		(26,670)
Income not subject to tax		(11,163)		(3,054)		(8,808)		(2,410)
Expenses not deductible for tax purposes		13,611		24,840		10,740		19,601
Unrecognized deferred income tax for temporary differences		5,467		17,332		4,314		13,676
Tax credit		(10,596)		(10,352)		(8,361)		(8,169)
Additional payment (refund) of income taxes		(785)		(10,554)		(619)		(8,328)
Effect from subsidiaries and others		3,375		(54,235)		2,663		(42,796)
Effect from tax rate change		25,068		-		19,781		-
Others		7,906		2,226		6,238		1,756
Income tax expense	₩	205,487	₩	113,467	\$	162,146	\$	89,533

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, 2022 and 2021, are as follows:

(in millions of Korean won)

	2022			2021		
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
Remeasurements of net defined benefit liabilities	₩ 40,487	₩ (9,619)	₩ 30,868	₩ 60,299	₩ (14,286)	₩ 46,013
Gain on valuation of financial instruments at fair value through other comprehensive income	8,106	(1,872)	6,234	4,882	(1,181)	3,701
Gain on overseas operation translation	334,855	(63,018)	271,837	351,780	(68,877)	282,903
Equity method accumulated other comprehensive income	38,702	(8,940)	29,762	6,153	(1,489)	4,664
	₩ 422,150	₩ (83,449)	₩ 338,701	₩ 423,114	₩ (85,833)	₩ 337,281

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(Notes 4))

	2022			2021		
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
Remeasurements of net defined benefit liabilities	\$ 31,947	\$ (7,590)	\$ 24,357	\$ 47,581	\$ (11,273)	\$ 36,308
Gain on valuation of financial instruments at fair value through other comprehensive income	6,396	(1,477)	4,919	3,852	(932)	2,920
Gain on overseas operation translation	264,227	(49,726)	214,501	277,582	(54,349)	223,233
Equity method accumulated other comprehensive income	30,539	(7,054)	23,485	4,855	(1,175)	3,680
	<u>\$ 333,109</u>	<u>\$ (65,847)</u>	<u>\$ 267,262</u>	<u>\$ 333,870</u>	<u>\$ (67,729)</u>	<u>\$ 266,141</u>

34.4 The gross balances of deferred tax assets and liabilities as at December 31, 2022 and 2021, are as follows:

(in millions of Korean won)

	2022			2021		
	Within 1 year	After 1 year	Total	Within 1 year	After 1 year	Total
Deferred tax assets	₩ 127,082	₩ 631,627	₩ 758,709	₩ 177,945	₩ 712,814	₩ 890,759
Deferred tax liabilities	(51,310)	(131,133)	(182,443)	(56,668)	(145,747)	(202,415)
	<u>₩ 75,772</u>	<u>₩ 500,494</u>	<u>₩ 576,266</u>	<u>₩ 121,277</u>	<u>₩ 567,067</u>	<u>₩ 688,344</u>

(in thousands of US dollars
(Notes 4))

	2022			2021		
	Within 1 year	After 1 year	Total	Within 1 year	After 1 year	Total
Deferred tax assets	\$ 100,278	\$ 498,404	\$ 598,682	\$ 140,413	\$ 562,467	\$ 702,880
Deferred tax liabilities	(40,488)	(103,474)	(143,962)	(44,716)	(115,006)	(159,722)
	<u>\$ 59,790</u>	<u>\$ 394,930</u>	<u>\$ 454,720</u>	<u>\$ 95,697</u>	<u>\$ 447,461</u>	<u>\$ 543,158</u>

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34.5 Changes in deferred tax assets and liabilities for the years ended December 31, 2022 and 2021, are as follows:

(in millions of Korean won)

	2022				
	Beginning balance	Increase (decrease)			Ending balance
Profit (loss) for the year		Other comprehensive income (loss)	Acquisition of subsidiaries and others		
Defined benefit liability	₩ 41,189	₩ 1,376	₩ (4,667)	₩ 12	₩ 37,910
Allowance for doubtful accounts	162,400	(83,886)	-	-	78,514
Accrued income	(4,383)	567	-	-	(3,816)
Financial guarantee liabilities and provisions	116,011	34,653	-	-	150,664
Present value discount	281	(352)	-	-	(71)
Property, plant and equipment	12,927	(17,402)	-	-	(4,475)
Intangible assets	2,108	448	-	-	2,556
Securities	79,152	7,102	8,142	-	94,396
Impairment loss on investments property	1,567	(70)	-	-	1,497
Gain (loss) on foreign currency translation	(598)	(474)	-	-	(1,072)
Tax credit carryforwards	24,524	(17,646)	-	-	6,878
Tax loss carryforwards	87,824	(21,617)	-	477	66,684
Undefined gain or loss	81,451	(8,423)	-	-	73,028
Others	83,891	(1,752)	(5,844)	(2,722)	73,573
	<u>₩ 688,344</u>	<u>₩ (107,476)</u>	<u>₩ (2,369)</u>	<u>₩ (2,233)</u>	<u>₩ 576,266</u>

(in thousands of US dollars (Note 4))

	2022				
	Beginning balance	Increase (decrease)			Ending balance
Profit (loss) for the year		Other comprehensive income (loss)	Acquisition of subsidiaries and others		
Defined benefit liability	\$ 32,501	\$ 1,086	\$ (3,683)	\$ 9	\$ 29,913
Allowance for doubtful accounts	128,146	(66,193)	-	-	61,953
Accrued income	(3,459)	447	-	-	(3,012)
Financial guarantee liabilities and provisions	91,542	27,344	-	-	118,886
Present value discount	222	(278)	-	-	(56)
Property, plant and equipment	10,200	(13,732)	-	-	(3,532)
Intangible assets	1,663	354	-	-	2,017
Securities	62,457	5,604	6,425	-	74,486
Impairment loss on investments property	1,236	(55)	-	-	1,181
Gain (loss) on foreign currency translation	(472)	(374)	-	-	(846)
Tax credit carryforwards	19,351	(13,924)	-	-	5,427
Tax loss carryforwards	69,300	(17,058)	-	376	52,618
Undefined gain or loss	64,271	(6,646)	-	-	57,625
Others	66,197	(1,382)	(4,611)	(2,148)	58,056
	<u>\$ 543,155</u>	<u>\$ (84,807)</u>	<u>\$ (1,869)</u>	<u>\$ (1,763)</u>	<u>\$ 454,716</u>

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	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 (loss) 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	\$ 33,817	\$ (5,566)	\$ 4,251	\$ 32,502
Allowance for doubtful accounts	185,247	(57,100)	-	128,147
Accrued income	(4,543)	1,084	-	(3,459)
Financial guarantee liabilities and provisions	78,865	12,677	-	91,542
Present value discount	511	(290)	-	221
Property, plant and equipment	13,013	(2,812)	-	10,201
Intangible assets	(309)	1,973	-	1,664
Securities	37,452	48,236	(3,879)	81,809
Impairment loss on investments property	2,490	(1,253)	-	1,237
Gain (loss) on foreign currency translation	(4,296)	3,824	-	(472)
Tax loss carryforwards	107,447	(38,146)	-	69,301
Undefined gain or loss	67,308	(3,037)	-	64,271
Others	84,257	(5,087)	(12,973)	66,197
	<u>\$ 601,259</u>	<u>\$ (45,497)</u>	<u>\$ (12,601)</u>	<u>\$ 543,161</u>

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34.6 Details of unrecognized deductible (taxable) temporary differences as deferred tax assets (liabilities) as at December 31, 2022 and 2021, are as follows:

(in millions of Korean won)

		<u>2022</u>	<u>2021</u>	<u>Remarks</u>
Investments in subsidiaries and others	Daewoo Tripoli Investment & Development Co. and others	₩ 457,114	₩ 532,936	No plan for disposal and others
		(3)	(14,341)	Permanent reinvestment plan of undistributed profit
Gain on overseas operations translation and others	Libya branch and others	12,641	12,867	No plan for disposal and others

(in thousands of US dollars (Note 4))

		<u>2022</u>	<u>2021</u>	<u>Remarks</u>
Investments in subsidiaries and others	Daewoo Tripoli Investment & Development Co. and others	\$ 360,699	\$ 420,529	No plan for disposal and others
		(2)	(11,316)	Permanent reinvestment plan of undistributed profit
Gain on overseas operations translation and others	Libya branch and others	9,975	10,153	No plan for disposal and others

34.7 Deferred taxes expected to reverse subsequent to December 31, 2023 have been measured using the average tax rate (23.1%) 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, 2022, are as follows:

<u>Relationship</u>	<u>Related parties</u>
Ultimate parent company	The largest shareholder of the Parent company (individual)
Parent company ¹	JUNGHEUNG Civil Engineering & Construction Co.,Ltd.
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., 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., Tangeong Technopark Co., Ltd., , Together Investment Management Co., Ltd., Gyeongan Rivercity AMC Co., Ltd., JR Qualified Investor Private Placement Real Estate Fund Investment Trust No.22, Gochon Development AMC Co, Ltd., Suwon Youth Housing Daewoo K1 NO. 9 Reits, Mastern No.83 Cheongryang PFV Co., Ltd., 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., JR General Private Placement Real Estate Fund Investment Trust No.31, Cheongju global co.ltd., PROJECT GASAN PFV, CUBE GWANGAN PFV, UNION DW ENG & CON LTD., MEGAWORLD-DW 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., Tan A Dai Thanh-DAEWOO LLC, JVH31 SINGCO PTE. LTD., JR22 VINA SINGCO PTE. LTD., JR22 VIET CO., LTD.
Affiliates defined by the Monopoly Regulation and Fair Trade Act	Affiliates included in Jungheung Construction Co.,Ltd. group

¹ During the year ended December 31, 2022, the parent company was changed due to the change of the largest shareholder (2021: Korea Development Bank).

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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, 2022 and 2021, are as follows:

(in millions of Korean won)

		2022									
		Transaction description		Sales and others			Purchases and others			Equity changes	
		Sales and others	Purchases and others	Sales	Other income	Total	Purchases	Other expenses	Total		
Parent company and others ¹	JUNGHEUNG Civil Engineering & Construction Co.,Ltd..	Construction contracts and others	-	₩ 2,706	₩ 33	₩ 2,739	₩ -	₩ -	₩ -	₩ -	₩ -
Associates and others	Skyland Co., Ltd.	Construction contracts and others	-	9,320	-	9,320	-	-	-	-	-
	HANAM Marbling City Development Co., Ltd.	Construction contracts and others	-	934	-	934	-	-	-	-	-
	Gyeongsan knowledge industry development Co., Ltd.	Construction contracts and others	-	37,387	-	37,387	-	-	-	-	-
	Dongtan 2 Daewoo Corporation Real Estate Investment Company	Consulting fees and others	-	446	-	446	-	-	-	-	-
	Changwon Innovation Industrial Development Asset Management Co., Ltd.	Consulting fees and others	-	295	-	295	-	-	-	-	-
	Changwon Innovation Industrial Development Co., Ltd. PFV	Construction contracts and others	-	2,010	928	2,938	-	-	-	-	-
	Yangju Development PFV Co, Ltd.	Construction contracts and others	-	15,723	-	15,723	-	-	-	-	-
	GWIC Co., Ltd.	Consulting fees and others	-	51	-	51	-	-	-	-	-
	Pungmoo Station Area development asset management Co.	Consulting fees and others	-	480	-	480	-	-	-	-	-
	GreenJC Co.	Consulting fees and others	-	324	-	324	-	-	-	-	-
	Cheonmasan Tunnel Corp	Consulting fees and others	-	2,286	10	2,296	-	-	-	-	-
	Harbor City Development Co., Ltd.	Construction contracts and others	-	39,017	2,445	41,462	-	-	-	-	-
	Tangjeong Technopark Co., Ltd.	Construction contracts and others	-	13,190	2,286	15,476	-	-	-	-	-
	Gyeongang RiverCity Development Asset Management. Co., Ltd.	Consulting fees and others	-	172	-	172	-	-	-	-	-
	SUWON Youth Housing Daewoo K1 No.9 Reits	Construction contracts and others	-	14,407	79	14,486	-	-	-	-	-
	Mastern No.83 Cheongryang PFV Co., Ltd.	Others	-	-	71	71	-	-	-	-	-
	Songsan Industrial Complex Development Inc.	Consulting fees and others	-	23	-	23	-	-	-	-	-
	Daegu Dong-gu Complex No. 1 Co., Ltd.	Construction contracts and others	-	511	943	1,454	-	-	-	-	-
	Banpo Central No.1 Co., Ltd.	Others	-	-	300	300	-	-	-	-	-
	WONJU GREEN CORP.	Construction contracts and others	-	998	-	998	-	-	-	-	-

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		2022								
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		
ITRO Co., Ltd.	-	Consulting fees and others	-	-	-	-	394	394	-	
JR General Private Placement Real Estate Fund Investment Trust No.31	-	-	-	-	-	-	-	-	3,983	
Cheongju global co.ltd.	Others	-	-	277	277	-	-	-	9	
Ja-yang Five PFV Co., Ltd.	-	-	-	-	-	-	-	-	250	
Humax EV Co., Ltd.	-	-	-	-	-	-	-	-	1,500	
PROJECT GASAN PFV	Consulting fees and others	-	12	-	12	-	-	-	1,000	
CUBE GWANGAN PFV	Others	-	-	33	33	-	-	-	1,500	
BEIJING LUFTHANSA CENTER CO. ²	Consulting fees and others	-	96	-	96	-	-	-	(27,193)	
DINAMICO CONST,INC.	Consulting fees and others	-	(571)	-	(571)	-	-	-	-	
KDS Hydro Pte.Ltd	Others	-	-	267	267	-	-	-	-	
JVH31 SINGCO PTE LTD	Others	-	-	810	810	-	-	-	-	
Tan A Dai Thanh-DAEWOO LLC	Consulting fees and others	-	14	132	146	-	-	-	1,204	
JR22 VIET CO., LTD	Consulting fees and others	-	12,697	7	12,704	-	-	-	-	
Affiliates defined by the Monopoly Regulation and Fair Trade Act	HERALD ARTDAY	Others	5	-	5	-	-	-	-	
	Naju Tourism Development co.Ltd.	Welfare expenses and others	-	-	-	-	559	559	-	
	NAMDO NEWS	Advertising expense and others	-	-	-	-	29	29	-	
	Herald Co. Ltd	Advertising expense and others	-	-	-	-	705	705	-	
			W152,533	W 8,621	W161,154	W	-	W 1,687	W 1,687	W(17,747)

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		2022								
		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 ¹	JUNGHEUNG Civil Engineering & Construction Co., Ltd..	Construction contracts and others	-	\$ 2,135	\$ 26	\$ 2,161	\$ -	\$ -	\$ -	\$ -
Associates and others	Skyland Co., Ltd.	Construction contracts and others	-	7,354	-	7,354	-	-	-	-
	HANAM Marbling City Development Co., Ltd.	Construction contracts and others	-	737	-	737	-	-	-	-
	Gyeongsan knowledge industry development Co., Ltd.	Construction contracts and others	-	29,501	-	29,501	-	-	-	-
	Dongtan 2 Daewoo Corporation Real Estate Investment Company	Consulting fees and others	-	352	-	352	-	-	-	-
	Changwon Innovation Industrial Development Asset Management Co., Ltd.	Consulting fees and others	-	233	-	233	-	-	-	-
	Changwon Innovation Industrial Development Co., Ltd. PFV	Construction contracts and others	-	1,586	732	2,318	-	-	-	-
	Yangju Development PFV Co, Ltd.	Construction contracts and others	-	12,407	-	12,407	-	-	-	-
	GWIC Co., Ltd.	Consulting fees and others	-	40	-	40	-	-	-	-
	Pungmoo Station Area development asset management Co.	Consulting fees and others	-	379	-	379	-	-	-	-
	GreenJC Co.	Consulting fees and others	-	256	-	256	-	-	-	-
	Cheonmasan Tunnel Corp	Consulting fees and others	-	1,804	8	1,812	-	-	-	-
	Harbor City Development Co., Ltd.	Construction contracts and others	-	30,788	1,929	32,717	-	-	-	-
	Tangjeong Technopark Co., Ltd.	Construction contracts and others	-	10,408	1,804	12,212	-	-	-	-
	Gyeongang RiverCity Development Asset Management. Co., Ltd.	Consulting fees and others	-	136	-	136	-	-	-	-
	SUWON Youth Housing Daewoo K1 No.9 Reits	Construction contracts and others	-	11,368	62	11,430	-	-	-	-
	Mastern No.83 Cheongryang PFV Co., Ltd.	Others	-	-	56	56	-	-	-	-
	Songsan Industrial Complex Development Inc.	Consulting fees and others	-	18	-	18	-	-	-	-
	Daegu Dong-gu Complex No. 1 Co., Ltd.	Construction contracts and others	-	403	744	1,147	-	-	-	-
	Banpo Central No.1 Co., Ltd.	Others	-	-	237	237	-	-	-	-
	WONJU GREEN CORP.	Construction contracts and others	-	788	-	788	-	-	-	-
	ITRO Co., Ltd.	-	Consulting fees and others	-	-	-	-	311	311	-
	JR General Private Placement Real Estate Fund	-	-	-	-	-	-	-	-	3,143

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

		2022								
		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	
	Investment Trust No.31									
	Cheongju global co.ltd.	Others	-	-	219	219	-	-	-	7
	Ja-yang Five PFV Co., Ltd.	-	-	-	-	-	-	-	-	197
	Humax EV Co., Ltd.	-	-	-	-	-	-	-	-	1,184
	PROJECT GASAN PFV	Consulting fees and others	-	9	-	9	-	-	-	789
	CUBE GWANGAN PFV	Others	-	-	26	26	-	-	-	1,184
	BEIJING LUFTHANSA CENTER CO. ²	Consulting fees and others	-	76	-	76	-	-	-	(21,457)
	DINAMICO CONST,INC.	Consulting fees and others	-	(451)	-	(451)	-	-	-	-
	KDS Hydro Pte.Ltd	Others	-	-	211	211	-	-	-	-
	JVH31 SINGCO PTE LTD	Others	-	-	639	639	-	-	-	-
	Tan A Dai Thanh-DAEWOO LLC	Consulting fees and others	-	11	104	115	-	-	-	950
	JR22 VIET CO., LTD	Consulting fees and others	-	10,019	6	10,025	-	-	-	-
Affiliates defined by the Monopoly Regulation and Fair Trade Act	HERALD ARTDAY	Others	-	4	-	4	-	-	-	-
	Naju Tourism Development co.Ltd.	-	Welfare expenses and others	-	-	-	-	441	441	-
	NAMDO NEWS	-	Advertising expense and others	-	-	-	-	23	23	-
	Herald Co. Ltd	-	Advertising expense and others	-	-	-	-	556	556	-
				\$ 120,361	\$ 6,803	\$ 127,164	\$ -	\$ 1,331	\$ 1,331	\$ (14,003)

¹ During the year ended December 31, 2022, the parent company was changed due to the change of the largest shareholder (2021: Korea Development Bank). The transaction amount with Korea Development Bank before the change of parent company was ₩ 451 million (equivalent to \$ 356 thousand) (interest expenses and others).

² Due to disposal, the entity is excluded from related parties.

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries
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		2021											
		Transaction description		Sales and others			Purchases and others			Equity			
Parent company and others	Related parties	Sales and others	Purchases and others	Sales	Other income	Total	Purchases	Other expenses	Total	changes			
	Korea Development Bank	Others	Other interest expenses and others	W	-	W 77	W 77	W	-	W 4,687	W 4,687	W	-
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	Construction contracts and others	-	36,304	-	36,304	-	-	-	-	-	-	-
	Mastern No.83 Cheongryang PFV Co., Ltd.	Others	-	-	107	107	-	-	-	-	-	-	-
	Daechi 176 PFV Co., Ltd.	Others	-	-	140	140	-	-	-	-	-	-	-
	ITRO Co., Ltd.	-	Telecommunication expenses and others	-	-	-	635	-	635	-	-	450	-
	Banpo Central No.1 Co., Ltd.	Others	-	-	285	285	-	-	-	-	-	4,500	-
	Daegu Dong-gu Complex No. 1 Co., Ltd.	Others	-	-	333	333	-	-	-	-	-	1,450	-

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		2021							
Related parties	Transaction description	Sales and others			Purchases and others			Equity changes	
		Sales and others	Purchases and others	Other income	Total	Purchases	Other expenses		Total
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	Other income	Total	Purchases	Other expenses		Total	
Parent company and others	Korea Development Bank	Others	Other interest expenses and others	\$ -	\$ 61	\$ 61	\$ -	\$ 3,698	\$ 3,698	\$ -
Associates and others	HANAM Marbling City Development Co., Ltd.	Construction contracts and others	-	851	379	1,230	-	-	-	-
	Gyeongsan knowledge industry development Co., Ltd.	Construction contracts and others	-	8,894	-	8,894	-	-	-	-
	Dongtan2 Daewoo KOCREF New Stay Development REIT Co., Ltd.	Consulting fees and others	-	352	-	352	-	-	-	-
	Pocheon IPP Co., Ltd. ¹	Consulting fees and others	-	9,089	127	9,216	-	2	2	-
	Pyeongseong Industrial Asset Management Co., Ltd.	Consulting fees and others	-	28	-	28	-	-	-	-
	Changwon Innovation Industrial Development Asset Management Co., Ltd.	Consulting fees and others	-	169	-	169	-	-	-	-
	Changwon Innovation Industrial Development Co., Ltd. PFV	Construction contracts and others	-	1,264	797	2,061	-	-	-	-
	Yangju Development PFV Co, Ltd.	Construction contracts and others	-	5,920	-	5,920	-	-	-	-
	GWIC Co., Ltd.	Construction contracts and others	-	12	-	12	-	-	-	-
	Pungmoo Station Area development asset management Co.	Consulting fees and others	-	93	-	93	-	-	-	-
	GreenJC Co.	Consulting fees and others	-	244	-	244	-	-	-	-
	Cheonmasan Tunnel Corp	Construction contracts and others	-	1,499	-	1,499	-	-	-	-
	Harbor City Development Co., Ltd.	Construction contracts and others	Electricity expense and others	70,443	882	71,325	-	17	17	-
	Incheon Airport Yeongjong REIT Co., Ltd.	Construction contracts and others	-	57,125	-	57,125	-	-	-	-

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(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	Total	
Tangeong Technopark Co., Ltd.	Construction contracts and others	-	4,366	780	5,146	-	-	-	-
Gyeongang RiverCity Development Asset Management. Co., Ltd.	Consulting fees and others	-	134	-	134	-	-	-	-
SUWON Youth Housing Daewoo K1 No.9 Reits Mastern No.83	Construction contracts and others	-	28,647	-	28,647	-	-	-	-
Cheongryang PFV Co., Ltd.	Others	-	-	84	84	-	-	-	-
Daechi 176 PFV Co., Ltd.	Others	-	-	110	110	-	-	-	-
ITRO Co., Ltd.	-	Telecommunication expenses and others	-	-	-	501	-	501	355
Banpo Central No.1 Co., Ltd.	Others	-	-	225	225	-	-	-	3,551
Daegu Dong-gu Complex No. 1 Co., Ltd.	Others	-	-	263	263	-	-	-	1,144
WONJU GREEN CORP.	Construction contracts and others	-	690	-	690	-	-	-	2,207
Gulup Wind Power Development Corp.	-	-	-	-	-	-	-	-	1,578
DINAMICO CONST,INC	Consulting fees and others	-	4,065	-	4,065	-	-	-	-
BEIJING LUFTHANSA CENTER CO.	Consulting fees and others	-	73	-	73	-	-	-	-
			<u>\$ 193,958</u>	<u>\$ 3,708</u>	<u>\$ 197,666</u>	<u>\$ 501</u>	<u>\$ 3,717</u>	<u>\$ 4,218</u>	<u>\$ 8,835</u>

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

DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. and Subsidiaries
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35.3 Account balances with related parties as at December 31, 2022 and 2021, are as follows:

(in millions of Korean won)

Related parties		2022								
		Receivables ¹			Payables					
		Trade receivables	Other receivables	Total	Trade payables	Other payables	Total			
Parent company and others	JUNGHEUNG Civil Engineering & Construction Co.,Ltd..	₩ 758	₩ 305	₩ 1,063	₩ -	₩ 11			₩ 11	
Associates and others	Skyland Co., Ltd.	30,582	851	31,433	-	-			-	
	HANAM Marbling City Development Co., Ltd.	-	-	-	-	128			128	
	Gyeongsan knowledge industry development Co., Ltd.	13,254	1,325	14,579	-	3,417			3,417	
	Pyeong Seong Industria Aseet Management Co.,Ltd.	-	-	-	-	-			-	
	Kyungnam Masan Robotland Co., Ltd.	5,650	565	6,215	-	-			-	
	Changwon Innovation Industrial Development Co., Ltd. PFV	31,102	31,437	62,539	-	-			-	
	Yangju Development PFV Co, Ltd.	8,156	-	8,156	-	-			-	
	GWIC Co., Ltd.	33,841	3,384	37,225	-	-			-	
	Pungmoo Station Area development asset management Co.	50	5	55	-	-			-	
	UI trans LRT Co.	8,401	21,154	29,555	-	-			-	
	Chonmasan Tunnel Co.	683	428	1,111	-	-			-	
	Tangjeong Techno-park Co., Ltd.	4,878	37,316	42,194	-	-			-	
	Gyeongang Rivercity AMC Co., Ltd.	43	4	47	-	-			-	
	Mastern No.83 Cheongryang PFV Co., Ltd.	-	1,629	1,629	-	-			-	
	Songsan Industrial Complex Development Inc.	582	15,116	15,698	-	-			-	
	ITRO Co., Ltd.	-	-	-	-	195			195	
	Daegu Dong-gu Complex No. 1 Co., Ltd.	511	1,582	2,093	-	-			-	
	Banpo Central No.1 Co., Ltd.	-	4,067	4,067	-	-			-	
	WONJU GREEN CORP.	136	915	1,051	-	618			618	
	Cheongju global co.ltd.	-	13,777	13,777	-	-			-	
	PROJECT GASAN PFV	6	1	7	-	-			-	
	CUBE GWANGAN PFV	-	18,033	18,033	-	-			-	
	KDS Hydro Pte.Ltd	-	12,267	12,267	-	-			-	

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(in millions of Korean won)

		2022					
		Receivables ¹			Payables		
Related parties		Trade receivables	Other receivables	Total	Trade payables	Other payables	Total
	JVH31 SINGCO PTE LTD	-	19,150	19,150	-	-	-
	Tan A Dai Thanh-DAEWOO LLC	-	3,928	3,928	-	-	-
	JR22 VIET CO., LTD	12,057	1,857	13,914	-	-	-
	V-CITY 21 JOINT STOCK COMPANY	-	47	47	-	-	-
	GULF ENG.CONST. & CONTRACT	636	2,541	3,177	-	-	-
Affiliates defined by the Monopoly Regulation and Fair Trade Act	NAMDO NEWS	-	-	-	28	-	28
	Herald Co. Ltd	-	-	-	6	22	28
		<u>₩ 151,326</u>	<u>₩ 191,684</u>	<u>₩ 343,010</u>	<u>₩ 34</u>	<u>₩ 4,391</u>	<u>₩ 4,425</u>

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

		2022					
		Receivables ¹			Payables		
Related parties		Trade receivables	Other receivables	Total	Trade payables	Other payables	Total
Parent company and others	JUNGHEUNG Civil Engineering & Construction Co.,Ltd..	\$ 598	\$ 241	\$ 839	\$ -	\$ 9	\$ 9
Associates and others	Skyland Co., Ltd.	24,132	672	24,804	-	-	-
	HANAM Marbling City Development Co., Ltd.	-	-	-	-	101	101
	Gyeongsan knowledge industry development Co., Ltd.	10,458	1,046	11,504	-	2,696	2,696
	Pyeong Seong Industria Aseet Management Co.,Ltd.	-	-	-	-	-	-
	Kyungnam Masan Robotland Co., Ltd.	4,458	446	4,904	-	-	-
	Changwon Innovation Industrial Development Co., Ltd. PFV	24,542	24,806	49,348	-	-	-
	Yangju Development PFV Co, Ltd.	6,436	-	6,436	-	-	-
	GWIC Co., Ltd.	26,703	2,670	29,373	-	-	-
	Pungmoo Station Area development asset management Co.	39	4	43	-	-	-
	UI trans LRT Co.	6,629	16,692	23,321	-	-	-
	Chonmasan Tunnel Co.	539	338	877	-	-	-
	Tangjeong Techno-park Co., Ltd.	3,849	29,445	33,294	-	-	-

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Related parties	2022					
	Receivables ¹			Payables		
	Trade receivables	Other receivables	Total	Trade payables	Other payables	Total
Gyeongan Rivercity AMC Co., Ltd.	34	3	37	-	-	-
Mastern No.83 Cheongryang PFV Co., Ltd.	-	1,285	1,285	-	-	-
Songsan Industrial Complex Development Inc.	459	11,928	12,387	-	-	-
ITRO Co., Ltd.	-	-	-	-	154	154
Daegu Dong-gu Complex No. 1 Co., Ltd.	403	1,248	1,651	-	-	-
Banpo Central No.1 Co., Ltd.	-	3,209	3,209	-	-	-
WONJU GREEN CORP. Cheongju global co.ltd.	107	722	829	-	488	488
PROJECT GASAN PFV	5	1	6	-	-	-
CUBE GWANGAN PFV	-	14,229	14,229	-	-	-
KDS Hydro Pte.Ltd	-	9,680	9,680	-	-	-
JVH31 SINGCO PTE LTD	-	15,111	15,111	-	-	-
Tan A Dai Thanh-DAEWOO LLC	-	3,100	3,100	-	-	-
JR22 VIET CO., LTD	9,514	1,465	10,979	-	-	-
V-CITY 21 JOINT STOCK COMPANY	-	37	37	-	-	-
GULF ENG.CONST. & CONTRACT	502	2,005	2,507	-	-	-
Affiliates defined by the Monopoly Regulation and Fair Trade Act						
NAMDO NEWS	-	-	-	22	-	22
Herald Co. Ltd	-	-	-	5	17	22
	<u>\$ 119,407</u>	<u>\$ 151,254</u>	<u>\$ 270,661</u>	<u>\$ 27</u>	<u>\$ 3,465</u>	<u>\$ 3,492</u>

¹ The Group established an allowance for bad debts amounting to ₩ 67,402 million (equivalent to \$ 53,186 thousand) for the receivables of related parties as at December 31, 2022. The bad debts recognized during the year ended December 31, 2022, was ₩ 5,655 million (equivalent to \$ 4,462 thousand).

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		2021							
		Receivables ¹			Payables				
		Trade receivables	Other receivables	Total	Trade payables	Other payables	Total		
Parent company and others	Related parties	₩	-	₩ 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. ²		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 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
	Tangjeong 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		-	-	-
	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		-	-	-	

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(in millions of Korean won)

		2021					
		Receivables ¹			Payables		
Related parties		Trade receivables	Other receivables	Total	Trade payables	Other payables	Total
GULF ENG.CONST. & CONTRACT		595	2,523	3,118	-	-	-
		₩ 148,770	₩ 246,352	₩ 395,122	₩ -	₩ 120,340	₩ 120,340

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

		2021					
		Receivables ¹			Payables		
Related parties		Trade receivables	Other receivables	Total	Trade payables	Other payables	Total
Parent company and others	Korea Development Bank	\$ -	\$ 63,972	\$ 63,972	\$ -	\$ 78,908	\$ 78,908
Associates and others	Skyland Co., Ltd.	20,824	306	21,130	-	-	-
	HANAM Marbling City Development Co., Ltd.	-	277	277	-	135	135
	Gyeongsan knowledge industry development Co., Ltd.	4,639	142	4,781	-	717	717
	Pocheon IPP Co., Ltd. ²	1,291	29,022	30,313	-	181	181
	Pyeong Seong Industria Aseet Management Co.,Ltd.	89	9	98	-	-	-
	Kyungnam Masan Robotland Co., Ltd.	4,458	446	4,904	-	-	-
	Changwon Innovation Industrial Development Co., Ltd. PFV	21,959	23,815	45,774	-	1,586	1,586
	Yangju Development PFV Co, Ltd.	2,221	-	2,221	-	-	-
	GWIC Co., Ltd.	26,691	2,669	29,360	-	-	-
	Pungmoo Station Area development asset management Co.	39	4	43	-	-	-
	UI trans LRT Co.	6,629	12,311	18,940	-	-	-
	Chonmasan Tunnel Co.	567	357	924	-	-	-
	Harbor City Development Co., Ltd.	25,399	645	26,044	-	10,574	10,574
	Tangjeong Techno-park Co., Ltd.	1,347	22,874	24,221	-	-	-
	Gyeongan Rivercity AMC Co., Ltd.	249	25	274	-	-	-
	SUWON Youth Housing Daewoo K1 No.9 Reits	-	-	-	-	2,284	2,284
	Mastern No.83 Cheongryang PFV Co., Ltd.	-	1,229	1,229	-	-	-
	Songsan Industrial Complex Development Inc.	433	11,925	12,358	-	-	-
	ITRO Co., Ltd.	-	-	-	-	109	109

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Related parties	2021					
	Receivables ¹			Payables		
	Trade receivables	Other receivables	Total	Trade payables	Other payables	Total
Daegu Dong-gu Complex No. 1 Co., Ltd.	-	7,009	7,009	-	-	-
Banpo Central No.1 Co., Ltd.	-	5,748	5,748	-	-	-
WONJU GREEN CORP.	86	720	806	-	464	464
V-CITY 21 JOINT STOCK COMPANY	-	35	35	-	-	-
KDS Hydro Pte.Ltd.	-	8,860	8,860	-	-	-
GULF ENG.CONST. & CONTRACT	470	1,991	2,460	-	-	-
	<u>\$ 117,391</u>	<u>\$ 194,391</u>	<u>\$ 311,782</u>	<u>\$ -</u>	<u>\$ 94,958</u>	<u>\$ 94,958</u>

¹ The Group established an allowance for bad debts amounting to ₩ 92,549 million (equivalent to \$ 73,028 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 \$ 98 thousand).

² It was excluded from related parties due to disposal as at December 31, 2021.

35.4 Details of the payment guarantees on the borrowings of related parties as at December 31, 2022 and 2021, are as follows:

(in millions of Korean won)

	Related parties	2022	2021	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
	Songsan Industrial Complex Development Inc.	23,000	41,000	KIS Songsan The Second Co., Ltd	2022.09.14~2023.06.14	Acceptances for debt
	Ja-yang 5 PFV Co., Ltd.	46,000	46,000	SAMSUNG SECURITIES CO.,LTD and others	2022.06.28~2023.06.27	Acceptances for debt
	GWIC Co., Ltd.	35,000	-	YBGW Co., Ltd. and others	2022.07.29~2023.02.27	Acceptances for debt
	Daegu Dong-gu Complex No. 1 Co., Ltd.	30,000	-	BNK Busan Bank	2022.06.20~2026.06.20	Supplementary funds
	GreenJC Co.	1,356	1,432	Kyobo Life Insurance Co., Ltd. and others	2009.05.18~2033.03.31	Providing funds
	KDS Hydro Pte. Ltd.	1,858	1,739	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
	WONJU GREEN CORP.	818	1,718	Industrial Bank of Korea and others	2021.09.15~2028.12.26	Supplementary funds
		<u>₩ 154,209</u>	<u>₩ 108,066</u>			

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	Related parties	2022	2021	Provided by	Period	Remark
Associates and others	Kyungnam Masan Robotland Co., Ltd.	\$ 6,058	\$ 6,058	Davi Hana Robotland Private property	2016.04.19~2035.10.19	Supplementary funds
	Songsan Industrial Complex Development Inc.	18,149	32,352	KIS Songsan The Second Co., Ltd	2022.09.14~2023.06.14	Acceptances for debt
	Ja-yang 5 PFV Co., Ltd.	36,298	36,298	SAMSUNG SECURITIES CO.,LTD and others	2022.06.28~2023.06.27	Acceptances for debt
	GWIC Co., Ltd.	27,618	-	YBGW Co., Ltd. and others	2022.07.29~2023.02.27	Acceptances for debt
	Daegu Dong-gu Complex No. 1 Co., Ltd.	23,672	-	BNK Busan Bank	2022.06.20~2026.06.20	Supplementary funds
	GreenJC Co.	1,070	1,130	Kyobo Life Insurance Co., Ltd. and others	2009.05.18~2033.03.31	Providing funds
	KDS Hydro Pte. Ltd.	1,466	1,372	The Export-Import Bank of Korea and others	2012.11.22~2028.12.31	Supplementary funds
	Chonmasan Tunnel Co.	6,707	6,707	NH Nonghyup and others	2015.09.25~2044.06.25	Supplementary funds
	WONJU GREEN CORP.	645	1,356	Industrial Bank of Korea and others	2021.09.15~2028.12.26	Supplementary funds
		<u>\$ 121,683</u>	<u>\$ 85,273</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 ₩ 860,104 million (equivalent to \$ 678,690 thousand) (2021: ₩ 728,800 million (equivalent to \$ 575,081 thousand))), among total limits of ₩ 860,104 million, equivalent to \$ 678,690 thousand (2021: ₩ 728,800 million, equivalent to \$ 575,081 thousand) when it fails to complete construction, which the Group's portion of ₩ 414,639 million (equivalent to \$ 327,183 thousand) (2021: ₩ 577,300 million, equivalent to \$ 455,535 thousand) (total ₩ 414,639 million, equivalent to \$ 327,183 thousand (2021: ₩ 577,300 million, equivalent to \$ 455,535 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 ₩ 135,810 million (equivalent to \$ 107,165 thousand) (2021: ₩ 51,900 million (equivalent to \$ 40,953 thousand)), among total amounts of ₩ 135,810 million (equivalent to \$ 107,165 thousand) (2021: ₩ 51,900 million (equivalent to \$ 40,953 thousand)). And, the Group's portion of the limits is ₩ 229,500 million (equivalent to \$ 181,094 thousand) (2021: ₩ 61,010 million (equivalent to \$ 48,142 thousand)), among total limits of ₩ 229,500 million, equivalent to \$ 181,094 thousand (2021: ₩ 61,010 million, equivalent to \$ 48,142 thousand).

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

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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, 2022: ₩ 211,233 million (equivalent to \$ 166,680 thousand), December 31, 2021: ₩ 176,827 million (equivalent to \$ 139,530 thousand)) within a month.

The Group entered into an agreement for lending ₩ 25,200 million (equivalent to \$ 19,885 thousand) (2021: ₩ 25,200 million (equivalent to \$ 19,885 thousand)) (total ₩ 42,000 million (equivalent to \$ 33,141 thousand) (2021: ₩ 42,000 million (equivalent to \$ 33,141 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, 2022.

The Group is jointly responsible for ₩ 28,900 million (equivalent to \$ 22,804 thousand) (2021: nil) of liabilities such as the deposit which the contract operator pays for the development of the site for Magamart in Namcheon-dong, Busan as at December 31, 2022.

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, 2022.

The Group has provided payment guarantees of \$ 300 million (total \$ 750 million) (2021: \$ 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, 2022.

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35.5 Details of collaterals provided for the related parties as at December 31, 2022 and 2021, are as follows:

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

		2022				Financial Institutions
		Book amount	Total limits ¹	Book amount	Total limits ¹	
Associates and others	Gyeongsan Knowledge Industry Development Co., Ltd.	₩ 1	₩ 119,207	\$ 1	\$ 94,064	True Friend 2nd Co., Ltd.
	Tangjeong Technopark Co., Ltd.	1	47,268	1	37,298	TJ Tangjeong 1st Co.,Ltd. and others
	Harbor City Development Co., Ltd.	10,397	83,009	8,204	65,501	Busan Bank and others
	UI trans LRT Co.	1	101,652	1	80,211	Kookmin Bank and others
	Chonmasan Tunnel Co.	1	118,274	1	93,328	Korea Development Bank
	GreenJC Co.	1	37,677	1	29,730	Kyobo Life Insurance Co., Ltd. and others
	KDS Hydro Pte.Ltd.	18,268	25,831	14,415	20,383	The Law Debenture Trust Corporation p.l.c
	Changwon Innovation Industrial Development Co., Ltd. PFV	1	67,860	1	53,547	White Wood 1st Co.,Ltd. and others
	Ja-yang 5 PFV Co., Ltd.	1	61,024	1	48,153	Shinhan Capital Co., Ltd. and others
	Banpo Central No.1 Co., Ltd.	1	54,000	1	42,610	Able Central No.1 Co., Ltd.
	WONJU GREEN CORP.	615	5,938	485	4,686	Nonghyup Bank and others
	Daegu Dong-gu Complex No. 1 Co., Ltd.	1	99,180	1	78,261	Busan Bank
	Skyland Co., Ltd.	1	19,579	1	15,449	Meritz Fire & Marine Insurance CO., Ltd
	Daechi 176 PFV Co.,Ltd.	1	219,084	1	172,875	F&Gaepo No.1 and others
	CUBE GWANGAN PFV	1,500	17,743	1,184	14,001	YB NAMCHEON Co., Ltd. and others
	Kyungnam Masan Robotland Co., Ltd.	1	51,030	1	40,267	Nonghyup Bank and others
		₩ 30,792	₩ 1,128,356	\$ 24,300	\$ 890,364	

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 ₩ 3,161,420 million (equivalent to \$ 2,494,611 thousand).

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(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	\$ 94,064	True Friend 2nd Co., Ltd.
	Tangjeong Technopark Co., Ltd.	1	47,268	1	37,298	TJ Tangjeong 1st Co.,Ltd. and others
	Harbor City Development Co., Ltd.	1	83,009	1	65,501	Busan Bank and others
	UI trans LRT Co.	1	101,652	1	80,211	Kookmin Bank and others
	Chonmasan Tunnel Co.	1	112,591	1	88,843	Korea Development Bank
	GreenJC Co.	1	37,677	1	29,730	Kyobo Life Insurance Co., Ltd. and others
	KDS Hydro Pte.Ltd.	25,922	25,831	20,455	20,383	The Law Debenture Trust Corporation p.l.c
	Changwon Innovation Industrial Development Co., Ltd. PFV	1	67,860	1	53,547	White Wood 1st Co.,Ltd. and others
	Ja-yang 5 PFV Co., Ltd.	903	38,541	713	30,412	Shinhan Capital Co., Ltd. and others
	Banpo Central No.1 Co., Ltd.	2,590	54,000	2,044	42,610	Able Central No.1 Co., Ltd.
	WONJU GREEN CORP.	615	5,938	485	4,686	Nonghyup Bank and others
	Kyungnam Masan Robotland Co., Ltd.	1	51,030	1	40,267	Nonghyup Bank and others
		<u>₩ 30,038</u>	<u>₩ 744,604</u>	<u>\$ 23,705</u>	<u>\$ 587,552</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 \$ 1,722,197 thousand).

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35.6 Fund transactions with related parties for the years ended December 31, 2022 and 2021, are as follows:

(in millions of Korean won)

		2022				
Associates and others	Related parties	Transaction	Beginning	Increase	Decrease	Ending
	Changwon Innovation Industrial Development Co., Ltd. PFV	Loans	₩ 25,200	₩ -	₩ -	₩ 25,200
	UI trans LRT Co.	Loans	15,436	5,552	-	20,988
	Mastern No.83 Cheongryang PFV Co., Ltd.	Loans	1,546	-	-	1,546
	Daegu Dong-gu Complex No. 1 Co., Ltd.	Loans	8,550	7,000	14,010	1,540
	Banpo Central No.1 Co., Ltd.	Loans	7,000	-	3,000	4,000
	Tangjeong Technopark Co., Ltd.	Loans	28,000	6,042	-	34,042
	WONJU GREEN CORP.	Loans	901	-	-	901
	Cheongju global co.ltd.	Loans	-	13,500	-	13,500
	CUBE GWANGAN PFV	Loans	-	18,000	-	18,000
	JVH31 SINGCO PTE LTD	Loans	-	18,376	-	18,376
	Tan A Dai Thanh-DAEWOO LLC	Loans	-	3,802	-	3,802
	V-CITY 21 JOINT STOCK COMPANY	Loans	36	2	-	38
	KDS Hydro Pte.Ltd	Loans	11,225	774	-	11,999
	JR22 VIET Co., Ltd.	Loans	-	1,850	-	1,850
			₩ 97,894	₩ 74,898	₩ 17,010	₩ 155,782

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

		2022				
Associates and others	Related parties	Transaction	Beginning	Increase	Decrease	Ending
	Changwon Innovation Industrial Development Co., Ltd. PFV	Loans	\$ 19,885	\$ -	\$ -	\$ 19,885
	UI trans LRT Co.	Loans	12,180	4,381	-	16,561
	Mastern No.83 Cheongryang PFV Co., Ltd.	Loans	1,220	-	-	1,220
	Daegu Dong-gu Complex No. 1 Co., Ltd.	Loans	6,747	5,524	11,055	1,216
	Banpo Central No.1 Co., Ltd.	Loans	5,524	-	2,367	3,157
	Tangjeong Technopark Co., Ltd.	Loans	22,094	4,768	-	26,862
	WONJU GREEN CORP.	Loans	711	-	-	711
	Cheongju global co.ltd.	Loans	-	10,653	-	10,653
	CUBE GWANGAN PFV	Loans	-	14,203	-	14,203
	JVH31 SINGCO PTE LTD	Loans	-	14,500	-	14,500
	Tan A Dai Thanh-DAEWOO LLC	Loans	-	3,000	-	3,000
	V-CITY 21 JOINT STOCK COMPANY	Loans	28	2	-	30
	KDS Hydro Pte.Ltd	Loans	8,857	611	-	9,468
	JR22 VIET Co., Ltd.	Loans	-	1,460	-	1,460
			\$ 77,246	\$ 59,102	\$ 13,422	\$ 122,926

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		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
			₩ 304,271	₩ 72,568	₩ 144,896	₩ 231,943

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

		2021				
	Related parties	Transaction	Beginning	Increase	Decrease	Ending
Parent company and others	Korea Development Bank	Debt	\$ 183,571	\$ -	\$ 104,663	\$ 78,908
Associates and others	Changwon Innovation Industrial Development Co., Ltd. PFV	Loans	18,038	1,846	-	19,884
	UI trans LRT Co.	Loans	9,824	2,356	-	12,180
	Pocheon IPP Co., Ltd. ¹	Loans	15,782	16,859	5,773	26,868
	Daechi 176 PFV Co., Ltd.	Loans	3,156	-	3,156	-
	Mastern No.83 Cheongryang PFV Co., Ltd.	Loans	1,962	-	742	1,220
	Daegu Dong-gu Complex No. 1 Co., Ltd.	Loans	-	6,747	-	6,747
	Banpo Central No.1 Co., Ltd.	Loans	-	5,524	-	5,524
	Tangjeong Technopark Co., Ltd.	Loans	-	22,094	-	22,094
	WONJU GREEN CORP.	Loans	-	711	-	711
	V-CITY 21 JOINT STOCK COMPANY	Loans	26	2	-	28
	KDS Hydro Pte.Ltd.	Loans	7,735	1,123	-	8,858
			\$ 240,094	\$ 57,262	\$ 114,334	\$ 183,022

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

35.7. As at December 31, 2022, the Group has provided guarantee for construction and performance to related parties, DW NIGERIA LTD. 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))

	2022		2021		2022		2021	
Short-term salaries	₩	5,126	₩	4,039	\$	4,045	\$	3,187
Post-employment benefits		408		471		322		372
Total	₩	5,534	₩	4,510	\$	4,367	\$	3,559

36. Cash Generated from Operations

36.1 Cash Generated from Operations

(in millions of Korean won)

	2022		2021	
Profit for the year	₩	508,010	₩	484,927
Adjustments				
Bad debts expense		6,757		19,941
Other bad debt expense		10,544		4,537
Depreciation		34,832		44,890
Amortization		8,557		8,592
Depreciation of leased right-of-use assets		71,042		58,855
Impairment losses on investments in associates		1		69
Share of loss on investments in associates		(4,188)		18,285
Loss on valuation of investments in securities		464		46,434
Loss on disposal of investments in securities		1,477		438
Impairment losses on assets held for sale		21,907		1,336
Loss on disposal of assets held for sale		6		32
Loss on disposal of property, plant and equipment		125		278
Impairment losses on intangible assets		3,369		8,772
Impairment losses on investment property		73		-
Transfer to reserve for construction warranty		146,275		36,103
Transfer to reserve for construction loss provision		92,380		83,034
Transfer to reserve for contingent liabilities		55,821		121,463
Transfer to financial guarantee liabilities		44,000		-
Loss on foreign currency translation		42,078		51,477
Loss on valuation of derivatives		16,588		17,036
Loss on transactions of derivatives		18,062		19,221
Employee benefits		(1,889)		2,966
Post-employment benefits		49,551		43,020
Income tax expenses		205,487		113,467
Interest expenses		80,435		61,368
Reversal of loss on overseas operation translation		2,473		735
Reversal of allowance for doubtful accounts		(12,474)		(1,782)

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Reversal of other allowance for doubtful accounts	(9,061)	(36,348)
Gain on valuation of investments in securities	(3,691)	(2,504)
Gain on disposal of investments in securities	(651)	-
Gain on disposal of assets held for sale	(44,960)	(32,673)
Gain on disposal of property, plant and equipment	(4,688)	(2,512)
Gain on disposal of intangible assets	-	(483)
Gain on disposal of investment property	-	(11,970)
Reversal of construction warranty provision	(2,014)	(3,413)
Reversal of construction loss provision	(55,671)	(39,680)
Reversal of other provision	(12,799)	(2,098)
Gain on foreign currency translation	(76,264)	(46,160)
Gain on valuation of derivatives	(36,422)	(11,856)
Gain on transactions of derivatives	(20,237)	(20,376)
Dividend income	(8,376)	(1,919)
Interest income	(77,810)	(50,260)
Gain on liabilities exempted	-	(1,018)
Reversal of gain on overseas operation translation	(135)	(789)
	<u>540,974</u>	<u>496,508</u>
Changes in operating assets and liabilities		
Trade receivables	(434,660)	261,322
Short-term financial instruments	23,778	33,406
Short-term other receivables and others	91,842	133,918
Due from customers for contract work	(411,024)	(195,844)
Advance payments	(190,164)	(567,994)
Prepaid expenses	(37,137)	(29,640)
Inventories	361,086	275,932
Long-term other receivables	(49,610)	(7,471)
Trade payables	93,497	127,474
Short-term other payables	(625,721)	270,575
Due to customers for contract work	165,187	390,101
Advances received	(137,488)	18,509
Withholdings	(6,382)	(1,567)
Guarantee deposits received	(26,643)	(32,266)
Long-term provisions	(142,118)	(109,098)
Long-term payables	(1,712)	(62)
Long-term advances received	(68,719)	308,138
Long-term guarantee deposits received	23,281	3,786
Payment of retirement	(65,345)	(47,778)
Plan assets	30,400	(25,297)
Others	(16,379)	38,340
	<u>(1,424,031)</u>	<u>844,484</u>
Cash generated from (used in) operations	<u>₩ (375,047)</u>	<u>₩ 1,825,919</u>

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<i>(in thousands of U.S. dollars (Note 4))</i>	2022	2021
Profit for the year	\$ 400,860	\$ 382,646
Adjustments		
Bad debts expense	5,332	15,735
Other bad debt expense	8,320	3,580
Depreciation	27,485	35,422
Amortization	6,752	6,780
Depreciation of leased right-of-use assets	56,058	46,441
Impairment losses on investments in associates	1	54
Share of loss on investments in associates	(3,305)	14,428
Loss on valuation of investments in securities	366	36,640
Loss on disposal of investments in securities	1,165	346
Impairment losses on assets held for sale	17,286	1,054
Loss on disposal of assets held for sale	5	25
Loss on disposal of property, plant and equipment	99	219
Impairment losses on intangible assets	2,658	6,922
Impairment losses on investment property	58	-
Transfer to reserve for construction warranty	115,423	28,488
Transfer to reserve for construction loss provision	72,895	65,520
Transfer to reserve for contingent liabilities	44,047	95,844
Transfer to financial guarantee liabilities	34,719	-
Loss on foreign currency translation	33,203	40,619
Loss on valuation of derivatives	13,089	13,443
Loss on transactions of derivatives	14,252	15,167
Employee benefits	(1,491)	2,340
Post-employment benefits	39,100	33,946
Income tax expenses	162,146	89,534
Interest expenses	63,470	48,424
Reversal of loss on overseas operation translation	1,951	580
Reversal of allowance for doubtful accounts	(9,843)	(1,406)
Reversal of other allowance for doubtful accounts	(7,150)	(28,681)
Gain on valuation of investments in securities	(2,912)	(1,976)
Gain on disposal of investments in securities	(514)	-
Gain on disposal of assets held for sale	(35,477)	(25,782)
Gain on disposal of property, plant and equipment	(3,699)	(1,982)
Gain on disposal of intangible assets	-	(381)
Gain on disposal of investment property	-	(9,445)
Reversal of construction warranty provision	(1,589)	(2,693)
Reversal of construction loss provision	(43,929)	(31,311)
Reversal of other provision	(10,099)	(1,655)
Gain on foreign currency translation	(60,178)	(36,424)
Gain on valuation of derivatives	(28,740)	(9,355)
Gain on transactions of derivatives	(15,969)	(16,078)
Dividend income	(6,609)	(1,514)
Interest income	(61,398)	(39,659)

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<i>(in thousands of U.S. dollars (Note 4))</i>	2022	2021
Gain on liabilities exempted	-	(803)
Reversal of gain on overseas operation translation	(107)	(623)
	<u>426,871</u>	<u>391,783</u>
Changes in operating assets and liabilities		
Trade receivables	(342,981)	206,204
Short-term financial instruments	18,763	26,360
Short-term other receivables and others	72,471	105,672
Due from customers for contract work	(324,330)	(154,536)
Advance payments	(150,054)	(448,192)
Prepaid expenses	(29,304)	(23,388)
Inventories	284,925	217,732
Long-term other receivables	(39,146)	(5,895)
Trade payables	73,777	100,587
Short-term other payables	(493,743)	213,505
Due to customers for contract work	130,346	307,821
Advances received	(108,489)	14,605
Withholdings	(5,036)	(1,236)
Guarantee deposits received	(21,023)	(25,460)
Long-term provisions	(112,142)	(86,087)
Long-term payables	(1,351)	(49)
Long-term advances received	(54,225)	243,145
Long-term guarantee deposits received	18,371	2,987
Payment of retirement	(51,562)	(37,701)
Plan assets	23,988	(19,961)
Others	(12,924)	30,253
	<u>(1,123,669)</u>	<u>666,366</u>
Cash generated from (used in) operations	<u>\$ (295,938)</u>	<u>\$ 1,440,795</u>

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36.2 The principal non-cash transactions for the years ended December 31, 2022 and 2021, are as follows:

(in millions of Korean won

and thousands of US dollars (Note 4))

	2022		2021	
Reclassification from advance payments to inventories	₩	435,835	₩	397,203
Reclassification of current maturities of debentures		346,833		60,000
Reclassification of current maturities of borrowings		301,862		288,945
Write-off of trade receivables		262,313		218,253
Offsetting due from customers for contract work and long-term advances received for construction and others		136,600		130,938
Reclassification of current maturities of construction reserve		120,088		24,322
Reclassification of deposits to long-term loan		102,012		-
Reclassification of current maturities of import deposits		93,490		80,589
Reclassification of investment property to assets held for sale		47,841		20,698
Reclassification of current maturities of construction loss provisions		38,042		12,325
Reclassification of investment associates and others to assets held for sale		36,793		16,113
	\$	343,908	\$	313,425
		273,679		47,345
		238,193		228,000
		206,986		172,219
		107,788		103,320
		94,759		19,192
		80,496		-
		73,771		63,591
		37,750		16,332
		30,018		9,725
		29,033		12,714

36.3 Changes in liabilities arising from financing activities

Changes in liabilities arising from financial activities for the years ended December 31, 2022 and 2021, are as follows:

(in millions of Korean won)

2022

	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	₩ 360,402	₩ 177,863	₩ 60,000	₩ 75,040	₩ 440,606	₩ 465,785	₩ 369,426	₩ 1,949,122
Cash flow	212,906	(177,863)	(199,690)	(84,665)	662,344	100,000	-	513,032
Reclassification and others ¹	-	301,862	346,833	87,417	(301,862)	(346,833)	(44,256)	43,161
Gain (loss) on foreign currency translation	(161)	-	-	-	(1,501)	4,948	-	3,286
Ending balance	₩ 573,147	₩ 301,862	₩ 207,143	₩ 77,792	₩ 799,587	₩ 223,900	₩ 325,170	₩ 2,508,601

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US dollars (Note 4))

2022

	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	\$ 284,386	\$ 140,348	\$ 47,345	\$ 59,212	\$ 347,673	\$ 367,541	\$ 291,506	\$ 1,538,011
Cash flow	168,000	(140,348)	(157,571)	(66,807)	522,642	78,908	-	404,824
Reclassification and others ¹	-	238,193	273,679	68,979	(238,193)	(273,679)	(34,921)	34,058
Gain (loss) on foreign currency translation	(127)	-	-	-	(1,184)	3,904	-	2,593
Ending balance	\$ 452,259	\$ 238,193	\$ 163,453	\$ 61,384	\$ 630,938	\$ 176,674	\$ 256,585	\$ 1,979,486

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

(in millions of Korean won)

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	₩ 399,779	₩ 552,731	₩ 340,000	₩ 64,347	₩ 435,961	₩ 261,667	₩ 409,158	₩ 2,463,643
Cash flow	(39,700)	(666,251)	(340,000)	(69,070)	273,539	260,000	-	(581,482)
Reclassification and others ¹	-	288,945	60,000	79,763	(289,914)	(60,000)	(39,732)	39,062
Gain (loss) on foreign currency translation	323	2,438	-	-	21,020	4,118	-	27,899
Ending balance	₩ 360,402	₩ 177,863	₩ 60,000	₩ 75,040	₩ 440,606	₩ 465,785	₩ 369,426	₩ 1,949,122

(in thousands of
US 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	\$ 315,457	\$ 436,149	\$ 268,287	\$ 50,775	\$ 344,008	\$ 206,476	\$ 322,858	\$ 1,944,010
Cash flow	(31,326)	(525,725)	(268,287)	(54,502)	215,844	205,161	-	(458,835)
Reclassification and others ¹	-	228,000	47,345	62,939	(228,765)	(47,345)	(31,352)	30,822
Gain (loss) on foreign currency translation	255	1,924	-	-	16,586	3,249	-	22,014
Ending balance	\$ 284,386	\$ 140,348	\$ 47,345	\$ 59,212	\$ 347,673	\$ 367,541	\$ 291,506	\$ 1,538,011

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, 2022 and 2021, are as follows:

	2022			
	Assets		Liabilities	
	Foreign currency (thousands)	Korean won equivalent (millions)	Foreign currency (thousands)	Korean won equivalent (millions)
USD	582,415	738,095	334,296	423,653
EUR	44,063	59,538	12,094	16,341
JYP	577,934	5,509	89	1
SGD	4,496	4,240	83,100	78,372
OMR	1,637	5,387	-	-
NGN	622,345	1,758	-	-
ETB	58,486	1,383	313	7
	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

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As at December 31, 2022 and 2021, 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>	2022				2021			
	10% Increase		10% Decrease		10% Increase		10% Decrease	
USD	₩	31,444	₩	(31,444)	₩	20,037	₩	(20,037)
EUR		4,320		(4,320)		3,121		(3,121)
JPY		551		(551)		709		(709)
SGD		(7,413)		7,413		(6,594)		6,594
OMR		539		(539)		995		(995)
NGN		176		(176)		144		(144)
ETB		138		(138)		47		(47)

<i>(in thousands of U.S. dollars (Note 4))</i>	2022				2021			
	10% Increase		10% Decrease		10% Increase		10% Decrease	
USD	\$	24,812	\$	(24,812)	\$	15,811	\$	(15,811)
EUR		3,409		(3,409)		2,463		(2,463)
JPY		435		(435)		559		(559)
SGD		(5,849)		5,849		(5,203)		5,203
OMR		425		(425)		785		(785)
NGN		139		(139)		114		(114)
ETB		109		(109)		37		(37)

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, 2022 and 2021, 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>	2022				2021			
	10bp Increase		10bp Decrease		10bp Increase		10bp Decrease	
Interest expenses	₩	799	₩	(799)	₩	150	₩	(150)

<i>(in thousands of US dollars (Note 4))</i>	2022				2021			
	10bp Increase		10bp Decrease		10bp Increase		10bp Decrease	
Interest expenses	\$	630	\$	(630)	\$	118	\$	(118)

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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, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	<u>2022</u>	<u>2021</u>
Current assets		
Cash equivalents	₩ 1,421,985	₩ 1,058,633
Financial instruments assets	847,371	1,199,782
Trade receivables	1,153,981	737,138
Due from customers for contract work	1,205,334	953,999
Other receivables	564,773	514,858
Non-current assets		
Financial instruments assets	68,579	13,781
Investments in securities ¹	241,990	201,028
Long-term other receivables	1,102,113	1,173,114

<i>(in thousands of US dollars (Note 4))</i>	<u>2022</u>	<u>2021</u>
Current assets		
Cash equivalents	\$ 1,122,059	\$ 835,345
Financial instruments assets	668,643	946,723
Trade receivables	910,582	581,660
Due from customers for contract work	951,104	752,781
Other receivables	445,651	406,264
Non-current assets		
Financial instruments assets	54,114	10,874
Investments in securities ¹	190,949	158,627
Long-term other receivables	869,654	925,680

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 ₩ 78,546 million (equivalent to \$ 61,979 thousand) and ₩ 30,956 million (equivalent to \$ 24,427 thousand) as at December 31, 2022 and 2021, respectively. As at December 31, 2022 and 2021, the related maximum credit exposures amount to ₩ 2,367,429 million (equivalent to \$ 1,868,089 thousand) with a limit up to ₩ 5,525,226 million (equivalent to \$ 4,359,841 thousand) and ₩ 1,350,653 million (equivalent to \$ 1,065,772 thousand) with a limit up to ₩ 4,127,830 million (equivalent to \$ 3,257,185 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, 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)

	2022					
	Book amount	Cash flow	Residual contractual maturity			
			Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
Borrowings ¹	₩ 2,105,639	₩ 2,254,082	₩ 1,173,074	₩ 621,931	₩ 434,509	₩ 24,568
Trade payables	339,101	339,101	339,101	-	-	-
Other payables	1,613,708	1,613,739	1,613,589	62	62	26
Guarantee deposits received	115,642	115,642	70,464	40,506	472	4,200
Lease liabilities	402,962	482,297	81,653	60,158	53,549	286,937
	<u>₩ 4,577,052</u>	<u>₩ 4,804,861</u>	<u>₩ 3,277,881</u>	<u>₩ 722,657</u>	<u>₩ 488,592</u>	<u>₩ 315,731</u>

(in thousands of US
dollars (Note 4))

	2022					
	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	\$ 1,661,516	\$ 1,778,649	\$ 925,648	\$ 490,753	\$ 342,862	\$ 19,386
Trade payables	267,578	267,578	267,578	-	-	-
Other payables	1,273,343	1,273,368	1,273,249	49	49	21
Guarantee deposits received	91,251	91,250	55,602	31,962	372	3,314
Lease liabilities	317,969	380,570	64,431	47,469	42,254	226,416
	<u>\$ 3,611,656</u>	<u>\$ 3,791,415</u>	<u>\$ 2,586,508</u>	<u>\$ 570,233</u>	<u>\$ 385,537</u>	<u>\$ 249,137</u>

¹ Borrowings include the amount of the coupon.

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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	\$ 1,187,293	\$ 1,237,301	\$ 500,738	\$ 409,175	\$ 298,994	\$ 28,394
Trade payables	194,892	194,892	194,892	-	-	-
Other payables	1,545,103	1,545,140	1,543,658	49	1,351	82
Guarantee deposits received	160,860	160,860	74,229	79,875	3,859	2,897
Lease liabilities	350,719	407,886	62,496	46,003	40,268	259,119
	<u>\$ 3,438,867</u>	<u>\$ 3,546,079</u>	<u>\$ 2,376,013</u>	<u>\$ 535,102</u>	<u>\$ 344,472</u>	<u>\$ 290,492</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, 2022 is ₩ 2,367,429 million (equivalent to \$ 1,868,089 thousand) with a limit of ₩ 5,525,226 million (equivalent to \$ 4,359,841 thousand). The guaranteed amount of financial guarantee contract exposed to liquidity as at December 31, 2021 is ₩ 1,350,653 million (equivalent to \$ 1,065,772 thousand) with a limit of ₩ 4,127,830 million (equivalent to \$ 3,257,185 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, 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)

	2022	2021
Total borrowings (a)	₩ 2,105,639	₩ 1,504,656
Less: cash and cash equivalents (b)	<u>1,423,087</u>	<u>1,061,038</u>
Net debts (c=a-b)	<u>682,552</u>	<u>443,618</u>
Total liabilities (d)	<u>7,415,737</u>	<u>7,241,599</u>
Total equity (e)	<u>3,724,617</u>	<u>3,216,378</u>
Total capital (f=c+e)	₩ <u>4,407,169</u>	₩ <u>3,659,996</u>
Gearing ratio (g=c/f)	15.5%	12.1%
Debt-to-equity ratio (h=d/e)	199.1%	225.1%

(in thousands of US dollars (Note 4))

	2022	2021
Total borrowings (a)	\$ 1,661,516	\$ 1,187,293
Less: cash and cash equivalents (b)	<u>1,122,928</u>	<u>837,243</u>
Net debts (c=a-b)	<u>538,588</u>	<u>350,050</u>
Total liabilities (d)	<u>5,851,603</u>	<u>5,714,195</u>
Total equity (e)	<u>2,939,018</u>	<u>2,537,977</u>
Total capital (f=c+e)	\$ <u>3,477,606</u>	\$ <u>2,888,027</u>
Gearing ratio (g=c/f)	15.5%	12.1%
Debt-to-equity ratio (h=d/e)	199.1%	225.1%

38. Events After the Reporting Period

The Group declared debt guarantee related to Pungmu Station Prugio City Business amounting to ₩ 104,000 million (equivalent to \$ 82,064 thousand) on January 19, 2023 for intermediate payment loans.

The Group declared debt guarantee related to Dalseo Prugio Signature Business amounting to ₩ 121,550 million (equivalent to \$ 95,913 thousand) on January 26, 2023 for intermediate payment loans.

The Group declared debt guarantee related to Baegun Lake Prugio The Morning in The Forest business amounting to ₩ 240,000 million (equivalent to \$ 189,379 thousand) on January 27, 2023 for intermediate payment loans.

The Group declared debt guarantee related to Dongtan Prugio City Works business amounting to ₩ 167,420 million (equivalent to \$ 132,108 thousand) on March 6, 2023 for intermediate payment loans.