

Samsung C&T Corporation and Subsidiaries

Consolidated Interim Financial Statements
September 30, 2022

Samsung C&T Corporation
and Subsidiaries

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Report on review of interim condensed consolidated financial statements

The Shareholders and Board of Directors Samsung C&T Corporation

We have reviewed the accompanying interim condensed consolidated financial statements of SAMSUNG C&T CORPORATION Corporation and its subsidiaries (collectively the "Group"), which comprise the interim condensed consolidated statement of financial position as of September 30, 2022, and the related interim condensed consolidated statement of comprehensive income (loss) for the three and nine months then ended, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine months then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the interim condensed consolidated financial statements

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with Korean International Financial Reporting Standard ("KIFRS") 1034 *Interim Financial Reporting*, and for such internal control as management determines is necessary to enable the preparation of interim condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

We conducted our review in accordance with the review standards for interim financial statements in the Republic of Korea. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Korean Auditing Standards ("KGAAS") and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not presented, in all material respects, in accordance with KIFRS 1034 *Interim Financial Reporting*.

Other matters

The interim consolidated statement of comprehensive income (loss) for the three and nine months ended September 30, 2021, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine months then ended, prepared in accordance with KIFRS 1034 and presented for comparative purposes, have been reviewed by Samil PricewaterhouseCoopers whose report dated November 15, 2021 expressed an unqualified review conclusion.

Moreover, the consolidated statement of financial position as of December 31, 2021, and the related consolidated statement of comprehensive income (loss), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended which have been audited by Samil PricewaterhouseCoopers (not presented herein), in accordance with KGAAS, whose report dated March 4, 2022, expressed an unqualified opinion. The accompanying consolidated statement of financial position as of December 31, 2021, presented for comparative purposes, is not different, in all material respects, from the above audited consolidated statement of financial position.



November 14, 2022

This review report is effective as of November 14, 2022, the independent auditor's review report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the independent auditor's review report date to the time this review report is used. Such events and circumstances could significantly affect the accompanying interim condensed consolidated financial statements and may result in modification to this review report.

Samsung C&T Corporation and Subsidiaries

Consolidated Interim Financial Statements
September 30, 2022 and 2021

“The accompanying consolidated interim financial statements, including all footnotes and disclosures,
have been prepared by the Group.”

Jung Suk Koh, Sechul Oh, Seunghwan Han
President & Chief Executive Officer
Samsung C&T Corporation

Samsung C&T Corporation and Subsidiaries **Consolidated Interim Statements of Financial Position** **September 30, 2022 and December 31, 2021**

(in millions of Korean won and thousands of U.S. dollars (Note 3))

	Notes	September 30, 2022 (Unaudited)	December 31, 2021	September 30, 2022 (Unaudited)	December 31, 2021
Assets					
Current assets					
Cash and cash equivalents	7	₩ 3,115,132	₩ 2,254,547	\$ 2,171,126	\$ 1,571,332
Short-term financial instruments	7	1,667,041	612,726	1,161,863	427,046
Financial assets at fair value through profit or loss	7,11	1,534,295	1,224,479	1,069,344	853,415
Financial assets at fair value through other comprehensive income	7,11	72	29	50	20
Trade receivables	7,8	6,301,408	5,711,002	4,391,837	3,980,347
Other current assets	7,8	3,735,758	2,530,805	2,603,678	1,763,873
Inventories	6	4,597,171	2,810,439	3,204,050	1,958,767
Total current assets		20,950,877	15,144,027	14,601,948	10,554,800
Non-current assets					
Financial assets at fair value through profit or loss	7,11	384,923	291,241	268,277	202,984
Financial assets at fair value through other comprehensive income	7,11	20,565,282	28,504,381	14,333,205	19,866,449
Investments in associates and joint ventures	12	631,156	3,018,325	439,891	2,103,656
Property, plant and equipment	13	6,100,919	5,231,761	4,252,104	3,646,334
Investment properties	14	114,039	97,317	79,481	67,826
Biological assets		8,422	7,445	5,870	5,189
Intangible assets	13	6,647,197	738,803	4,632,839	514,917
Right-of-use assets	13	716,095	292,139	499,091	203,609
Deferred tax assets		59,859	69,892	41,720	48,712
Other non-current assets	7,8	1,969,758	1,830,832	1,372,845	1,276,019
Net defined benefit asset	16	934	19,260	651	13,423
Total non-current assets		37,198,584	40,101,396	25,925,974	27,949,118
Total assets		₩ 58,149,463	₩ 55,245,423	\$ 40,527,922	\$ 38,503,919

Samsung C&T Corporation and Subsidiaries
Consolidated Interim Statements of Financial Position
September 30, 2022 and December 31, 2021

(in millions of Korean won and thousands of U.S. dollars (Note 3))

	Notes	September 30, 2022 (Unaudited)	December 31, 2021	September 30, 2022 (Unaudited)	December 31, 2021
Liabilities					
Current liabilities					
Trade payables	7	₩ 3,094,141	₩ 2,527,037	\$ 2,156,496	\$ 1,761,247
Short-term borrowings	7,15	2,236,747	1,210,341	1,558,926	843,561
Current portion of long-term borrowings	7,15	974,928	348,590	679,487	242,954
Current tax liabilities		385,124	574,534	268,416	400,428
Other current liabilities	5,7,9,10,17	9,429,707	7,014,829	6,572,140	4,889,064
Total current liabilities		16,120,647	11,675,331	11,235,465	8,137,254
Non-current liabilities					
Debentures and long-term borrowings	7,15	2,627,828	1,414,544	1,831,494	985,882
Net defined benefit liability	16	87,684	17,315	61,112	12,068
Deferred tax liabilities		6,360,759	7,536,173	4,433,202	5,252,420
Provisions	5,17	463,124	508,788	322,779	354,606
Other non-current liabilities	7,9	1,872,198	740,827	1,304,849	516,328
Total non-current liabilities		11,411,593	10,217,647	7,953,436	7,121,304
Total liabilities		27,532,240	21,892,978	19,188,901	15,258,558

Samsung C&T Corporation and Subsidiaries **Consolidated Interim Statements of Financial Position** **September 30, 2022 and December 31, 2021**

(in millions of Korean won and thousands of U.S. dollars (Note 3))

	Notes	September 30, 2022 (Unaudited)	December 31, 2021	September 30, 2022 (Unaudited)	December 31, 2021
Equity					
Share capital	19	18,851	18,851	13,139	13,139
Consolidated capital surplus		10,620,369	10,482,039	7,401,986	7,305,575
Other components of equity	19,20	4,461,081	10,356,512	3,109,200	7,218,088
Retained earnings		10,425,701	9,548,129	7,266,309	6,654,676
Equity attributable to owners of the Parent Company		25,526,002	30,405,531	17,790,634	21,191,478
Non-controlling interests	1	5,091,222	2,946,913	3,548,384	2,053,884
Total equity		30,617,224	33,352,444	21,339,018	23,245,362
Total liabilities and equity		₩ 58,149,463	₩ 55,245,423	\$ 40,527,922	\$ 38,503,919

The U.S. dollar figures are provided for information purposes only and do not form part of the consolidated interim financial statements. Refer to Note 3.

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

Samsung C&T Corporation and Subsidiaries
Consolidated Interim Statements of Comprehensive Income
Three-month and Nine-month Periods Ended September 30, 2022 and 2021

(in millions of Korean won and thousands of U.S. dollars, except earnings per share amounts (Note 3))

	Notes	2022 (Unaudited)		2021 (Unaudited)		2022 (Unaudited)		2021 (Unaudited)	
		Three months	Nine months	Three months	Nine months	Three months	Nine months	Three months	Nine months
Net sales	28	₩11,255,613	₩32,513,914	₩ 8,303,040	₩24,690,249	\$ 8,881,552	\$ 25,655,999	\$ 6,551,742	\$ 19,482,521
Cost of sales		9,511,622	28,120,154	7,487,986	21,845,268	7,505,407	22,188,982	5,908,601	17,237,611
Gross profit		1,743,991	4,393,760	815,054	2,844,981	1,376,145	3,467,017	643,141	2,244,910
Selling and administrative expenses	21	947,194	2,499,432	674,041	1,976,198	747,410	1,972,246	531,871	1,559,374
Operating Profit	28	796,797	1,894,328	141,013	868,783	628,735	1,494,771	111,270	685,536
Other income	22	637,184	1,900,157	550,254	1,718,492	502,788	1,499,371	434,193	1,356,023
Other expenses	22	462,468	1,158,801	193,735	626,932	364,923	914,384	152,872	494,698
Financial income	23	224,114	417,222	62,970	141,296	176,844	329,220	49,688	111,493
Financial expenses	23	338,878	558,516	46,795	138,047	267,401	440,712	36,925	108,930
Share of profit of associates and joint ventures	12	21,904	127,728	31,066	125,780	17,284	100,787	24,514	99,250
Share of loss of associates and joint ventures	12	4,736	5,726	4,626	11,102	3,737	4,519	3,651	8,760
Profit before income tax		873,917	2,616,392	540,147	2,078,270	689,590	2,064,534	426,217	1,639,914
Income tax expense	24	277,079	737,593	165,041	482,601	218,637	582,018	130,230	380,809
Profit for the period		₩ 596,838	₩ 1,878,799	₩ 375,106	₩ 1,595,669	\$ 470,953	\$ 1,482,516	\$ 295,987	\$ 1,259,105

Samsung C&T Corporation and Subsidiaries
Consolidated Interim Statements of Comprehensive Income
Three-month and Nine-month Periods Ended September 30, 2022 and 2021

(in millions of Korean won and thousands of U.S. dollars, except earnings per share amounts (Note 3))

	Notes	2022 (Unaudited)		2021 (Unaudited)		2022 (Unaudited)		2021 (Unaudited)	
		Three months	Nine months	Three months	Nine months	Three months	Nine months	Three months	Nine months
		₩	₩	₩	₩	\$	\$	\$	\$
Other comprehensive income (loss) for the period, net of tax									
Items that may be subsequently reclassified to profit or loss									
Share of other comprehensive income of associates and joint ventures		₩ 68,442	₩ 136,717	₩ 14,639	₩ 36,518	\$ 54,006	\$ 107,880	\$ 11,551	\$ 28,816
Exchange differences		81,751	118,026	55,509	96,555	64,508	93,131	43,801	76,189
Cash flow hedges		601	2,858	(641)	(885)	474	2,255	(505)	(699)
Items that will not be reclassified to profit or loss									
Share of other comprehensive income of associates and joint ventures		-	-	-	9,175	-	-	-	7,240
Loss on valuation of financial assets at fair value through other comprehensive income		(923,128)	(5,899,900)	(1,852,004)	(1,722,729)	(728,419)	(4,655,478)	(1,461,375)	(1,359,367)
		(772,334)	(5,642,299)	(1,782,497)	(1,581,366)	(609,431)	(4,452,212)	(1,406,528)	(1,247,821)
Total comprehensive income (loss) for the period		₩ (175,496)	₩(3,763,500)	₩(1,407,391)	₩ 14,303	\$ (138,478)	\$ (2,969,696)	\$ (1,110,541)	\$ 11,284

Samsung C&T Corporation and Subsidiaries **Consolidated Interim Statements of Comprehensive Income** **Three-month and Nine-month Periods Ended September 30, 2022 and 2021**

(in millions of Korean won and thousands of U.S. dollars, except earnings per share amounts (Note 3))

Notes	2022 (Unaudited)		2021 (Unaudited)		2022 (Unaudited)		2021 (Unaudited)	
	Three months	Nine months	Three months	Nine months	Three months	Nine months	Three months	Nine months
Profit for the period attributable to:								
Owners of the Parent Company	₩ 495,060	₩ 1,571,355	₩ 293,970	₩ 1,422,367	\$ 390,640	\$ 1,239,921	\$ 231,965	\$ 1,122,358
Non-controlling interest	101,778	307,444	81,136	173,302	80,313	242,595	64,022	136,747
Total comprehensive income (loss)								
for the period attributable to:								
Owners of the Parent Company	₩ (291,362)	₩(4,097,849)	₩(1,495,418)	₩ (170,074)	\$ (229,907)	\$ (3,233,520)	\$ (1,180,001)	\$ (134,202)
Non-controlling interest	115,866	334,349	88,027	184,377	91,429	263,824	69,460	145,486

Earnings per share:

Ordinary shares basic earnings per share	25	₩ 3,025	₩ 9,570	₩ 1,783	₩ 8,624	\$ 2.39	\$ 7.55	\$ 1.41	\$ 6.81
Preferred shares basic earnings per share	25	₩ 3,038	₩ 9,608	₩ 1,795	₩ 8,661	\$ 2.40	\$ 7.58	\$ 1.42	\$ 6.83

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

Samsung C&T Corporation and Subsidiaries

Consolidated Interim Statements of Changes in Equity

Nine-month Periods Ended September 30, 2022 and 2021

(in millions of Korean won and thousands of U.S. dollars (Note 3))

	Notes	Share capital	Consolidated capital surplus	Consolidated retained earnings	Other components of equity	Non-controlling interests	Total	Share capital	Consolidated capital surplus	Consolidated retained earnings	Other components of equity	Non-controlling interests	Total
Balance at January 1, 2021		₩ 18,851	₩ 10,482,243	₩ 8,327,122	₩ 11,369,762	₩ 2,747,504	₩32,945,482	\$ 13,139	\$ 7,305,717	\$ 5,803,681	\$ 7,924,284	\$ 1,914,904	\$ 22,961,724
Total comprehensive income:													
Profit for the period		-	-	1,422,367	-	173,302	1,595,669	-	-	991,335	-	120,784	1,112,119
Changes in the fair value of financial assets at fair value through other comprehensive income	11	-	-	-	(1,722,729)	-	(1,722,729)	-	-	-	(1,200,676)	-	(1,200,676)
Reclassification from disposal of financial assets at fair value through other comprehensive income	11	-	-	3,032	(3,032)	-	-	-	-	2,114	(2,114)	-	-
Share of other comprehensive income (loss) of associates and joint ventures	12	-	-	(4,440)	50,030	104	45,694	-	-	(3,094)	34,869	72	31,847
Exchange differences		-	-	-	85,715	10,838	96,553	-	-	-	59,741	7,554	67,295
Cash flow hedge	18	-	-	-	(1,018)	133	(885)	-	-	-	(709)	92	(617)
Transactions with owners:													
Cash dividends		-	-	(379,417)	-	(1,840)	(381,257)	-	-	(264,439)	-	(1,282)	(265,721)
Transactions with non-controlling interests and others		-	(204)	-	-	(1,470)	(1,674)	-	(142)	-	-	(1,024)	(1,166)
Capital contribution of non-controlling interests and others		-	-	-	-	2,464	2,464	-	-	-	-	1,717	1,717
Balance at September 30, 2021		₩ 18,851	₩ 10,482,039	₩ 9,368,664	₩ 9,778,728	₩ 2,931,035	₩32,579,317	\$ 13,139	\$ 7,305,575	\$ 6,529,597	\$ 6,815,395	\$ 2,042,817	\$ 22,706,522
(Unaudited)													

Samsung C&T Corporation and Subsidiaries **Consolidated Interim Statements of Changes in Equity** **Nine-month Periods Ended September 30, 2022 and 2021**

(in millions of Korean won and thousands of U.S. dollars (Note 3))

	Notes	Share capital	Consolidated capital surplus	Consolidated retained earnings	Other components of equity	Non-controlling interests	Total	Share capital	Consolidated capital surplus	Consolidated retained earnings	Other components of equity	Non-controlling interests	Total
Balance at January 1, 2022		₩ 18,851	₩ 10,482,039	₩ 9,548,129	₩ 10,356,512	₩ 2,946,913	₩ 33,352,444	\$ 13,139	\$ 7,305,575	\$ 6,654,676	\$ 7,218,088	\$ 2,053,884	\$ 23,245,361
Total comprehensive income:													
Profit for the period		-	-	1,571,355	-	307,442	1,878,797	-	-	1,095,174	-	214,275	1,309,449
Changes in the fair value of financial assets at fair value through other comprehensive income	11	-	-	-	(5,899,900)	-	(5,899,900)	-	-	-	(4,112,001)	-	(4,112,001)
Reclassification from disposal of financial assets at fair value through other comprehensive income	11	-	-	(468)	468	-	-	-	-	(326)	326	-	-
Share of other comprehensive income of associates and joint ventures	12	-	-	-	136,153	564	136,717	-	-	-	94,894	393	95,286
Exchange differences		-	-	-	91,896	26,130	118,026	-	-	-	64,048	18,211	82,259
Cash flow hedge	18	-	-	-	2,646	212	2,858	-	-	-	1,844	148	1,992
Transactions with owners:													
Cash dividends		-	-	(692,788)	-	(30,829)	(723,617)	-	-	(482,846)	-	(21,487)	(504,333)
Transactions with non-controlling interests and others		-	138,175	-	-	1,838,063	1,976,238	-	96,302	-	-	1,281,059	1,377,361
Acquisition of treasury shares and others		-	-	-	(227,224)	-	(227,224)	-	-	-	(158,366)	-	(158,366)
Others		-	156	(528)	528	2,729	2,885	-	109	(368)	368	1,902	2,011
Balance at September 30, 2022 (Unaudited)		₩ 18,851	₩ 10,620,369	₩ 10,425,701	₩ 4,461,081	₩ 5,091,222	₩ 30,617,224	\$ 13,139	\$ 7,401,986	\$ 7,266,309	\$ 3,109,200	\$ 3,548,384	\$ 21,339,018

The U.S. dollar figures are provided for information purposes only and do not form part of the consolidated interim financial statements. Refer to Note 3.

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

Samsung C&T Corporation and Subsidiaries
Consolidated Interim Statements of Cash Flows
Nine-month Periods Ended September 30, 2022 and 2021

(in millions of Korean won and thousands of U.S. dollars (Note 3))

	Notes	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Cash flows from operating activities					
Cash generated from operations	27	₩ 1,626,769	₩ 440,137	\$ 1,133,795	\$ 306,758
Interest received		73,549	59,787	51,261	41,669
Interest paid		(94,168)	(79,816)	(65,631)	(55,629)
Dividends received		542,818	978,864	378,323	682,230
Income taxes paid		(796,160)	(304,641)	(554,892)	(212,323)
Net cash inflow from operating activities		<u>1,352,808</u>	<u>1,094,331</u>	<u>942,856</u>	<u>762,705</u>
Cash flows from investing activities					
Disposal of assets held for sale		245,906	50,358	171,387	35,097
Net decrease in short-term financial instruments		-	160,796	-	112,068
Decrease in short-term loans		3,484	9,003	2,428	6,275
Disposal of non-current financial assets at fair value through profit or loss	11	5,885	5	4,102	3
Disposal of financial assets at fair value through other comprehensive income	11	87	7,724	60	5,383
Disposal of investments in subsidiaries		-	4,489	-	3,128
Disposal of investments in associates and joint ventures	12	53,266	338,625	37,124	236,009
Decrease in long-term receivables		91,951	4,582	64,086	3,193
Decrease in deposits		45,111	85,829	31,441	59,819
Disposal of property, plant and equipment	13	35,644	10,726	24,843	7,476
Disposal of intangible assets	13	6,529	856	4,550	597
Settlement of derivative assets		-	137,617	-	95,914
Decrease in other non-current assets		1,137	16,674	792	11,621
Net increase in short-term financial instruments		(1,054,077)	-	(734,651)	-
Increase in short-term loans		(5,226)	(46,829)	(3,642)	(32,638)
Net increase in current financial assets at fair value through profit or loss	11	(305,465)	(789,397)	(212,898)	(550,179)
Acquisition of non-current financial assets at fair value through profit or loss	11	(69,154)	(792)	(48,197)	(552)
Acquisition of financial assets at fair value through other comprehensive income	11	(77,089)	(30,940)	(53,728)	(21,564)
Acquisition of investments in associates and joint ventures	12	(33,554)	(34,215)	(23,386)	(23,847)
Increase in long-term receivables		(285,668)	(8,445)	(199,099)	(5,886)
Increase in deposits		(56,543)	(52,154)	(39,408)	(36,350)
Acquisition of property, plant and equipment	13	(833,320)	(381,407)	(580,792)	(265,826)
Acquisition of intangible assets	13	(83,080)	(40,087)	(57,904)	(27,939)
Cash outflow due to business combination	30	(1,081,821)	-	(753,987)	-
Increase in other non-current assets		(13,311)	(3,595)	(9,278)	(2,506)
Net cash outflow from investing activities		<u>₩ (3,409,308)</u>	<u>₩ (560,577)</u>	<u>\$ (2,376,157)</u>	<u>\$ (390,704)</u>

Samsung C&T Corporation and Subsidiaries
Consolidated Interim Statements of Cash Flows
Nine-month Periods Ended September 30, 2022 and 2021

(in millions of Korean won and thousands of U.S. dollars (Note 3))

	Notes	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Cash flows from financing activities					
Net increase in short-term borrowings		₩ 503,601	₩ -	\$ 350,991	\$ -
Proceeds from bonds issuance		498,451	498,436	347,401	347,391
Increase in long-term borrowings		1,156,903	112,622	806,317	78,493
Increase in leasehold deposits received		120	-	84	-
Capital contribution of non-controlling interests		1,976,894	2,464	1,377,818	1,717
Increase in non-controlling interests		2,020	-	1,408	-
Dividends paid		(692,788)	(379,417)	(482,846)	(264,439)
Net decrease in short-term borrowings		-	(358,240)	-	(249,679)
Repayment of current portion of long-term borrowings		(407,733)	(426,748)	(284,174)	(297,427)
Early redemption of long-term borrowings		-	(430)	-	(300)
Decrease in leasehold deposits received		-	(17,791)	-	(12,400)
Acquisition of treasury shares and others		(198,680)	-	(138,472)	-
Principal elements of lease payments		(120,068)	(84,851)	(83,683)	(59,138)
Additional acquisition of non-controlling interests		-	(1,672)	-	(1,166)
Dividends paid to non-controlling interests	1	(30,829)	(1,840)	(21,487)	(1,282)
Net cash inflow (outflow) from financing activities		<u>2,687,891</u>	<u>(657,467)</u>	<u>1,873,357</u>	<u>(458,230)</u>
Net increase (decrease) in cash and cash equivalents		631,392	(123,713)	440,055	(86,226)
Cash and cash equivalents at the beginning of the period		2,254,547	2,402,466	1,571,332	1,674,426
Effects of exchange rate changes on cash and cash equivalents		<u>229,194</u>	<u>132,192</u>	<u>159,739</u>	<u>92,135</u>
Cash and cash equivalents at the end of the period		<u>₩ 3,115,132</u>	<u>₩ 2,410,945</u>	<u>\$ 2,171,126</u>	<u>\$ 1,680,335</u>

The U.S. dollar figures are provided for information purposes only and do not form part of the consolidated interim financial statements. Refer to Note 3.

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

Samsung C&T Corporation and Subsidiaries

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1. General Information

These consolidated financial statements are prepared in accordance with Korean IFRS 1110 *Consolidated Financial Statements*. Samsung C&T Corporation (the “Company” or the “Parent Company”) has 124 subsidiaries, including Samsung BioLogics Co., Ltd. (collectively referred to as the “Group”) and 39 associates and joint ventures, including Dongducheon Dream Power Co., Ltd. that are subject to the equity method of accounting.

1.1 The Company

The Company was established on December 23, 1963, for the purpose of engaging in tourist facilities business, and its corporate headquarters are in Sangil-ro, Gangdong-gu, Seoul. The Company primarily engages in tourist facilities, golf course services, construction, civil engineering, plant building, housing, development business, technology services, landscaping, energy conservation, environment development, fashion, retail business of various merchandise, and project organizing businesses in global market.

The Company sold its building management business of the construction division to S-1 Corporation on January 10, 2014. The Company, with the approval from the Board of Directors on June 19, 2014, changed its company name from Samsung Everland Inc. to Cheil Industries Inc. on July 4, 2014, and was listed on the stock market on December 18, 2014.

For the diversification of the business portfolio and enhancement of core competitiveness, the Company, with the approval from the Board of Directors on May 26, 2015, and from the shareholders on July 17, 2015, merged with Samsung C&T Corporation on September 1, 2015. The Company newly issued 56,317,483 shares (54,690,043 shares of ordinary shares and 1,627,440 shares of preferred shares) as consideration of the acquisition, and the new shares were listed on September 15, 2015.

Meanwhile, the Company changed its name from Cheil Industries Inc. to Samsung C&T Corporation on September 2, 2015, as approved by the Board of Directors on May 26, 2015.

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1.2 Subsidiaries

(a) General information of subsidiaries as at September 30, 2022, is as follows:

Subsidiaries	Location	Primary business	Ownership interest held by the Group (%)¹
Seoul Lakeside Co., Ltd.	Korea	Golf course service	100.00
Samoo Architects & Engineers Co., Ltd.	Korea	Architectural design service	100.00
CVnet Corporation ²	Korea	e-Business	40.14
Samsung C&T Japan Corporation	Japan	Trading	100.00
Samsung C&T America Inc.	U.S.A	Trading	100.00
Meadowland Distribution Inc.	U.S.A	Distribution	100.00
Samsung Renewable Energy Inc.	Canada	Renewable energy development	100.00
Samsung Green Repower, LLC.	U.S.A	Renewable energy development	100.00
Samsung E&C America, Inc.	U.S.A	Construction	100.00
Samsung Solar Construction, Inc.	U.S.A	Renewable energy development	100.00
QSSC, S.A, de C.V.	Mexico	Production of steel products	100.00
Samsung C&T Oil & Gas Parallel Corp.	U.S.A	Natural resources development	100.00
Parallel Petroleum LLC.	U.S.A	Natural resources development	61.00
Monument Power, LLC	U.S.A	Renewable energy development	100.00
SRE GRW EPC GP, Inc.	Canada	Renewable energy development	100.00
SRE GRW EPC LP	Canada	Renewable energy development	100.00
SRE SKW EPC GP, Inc.	Canada	Renewable energy development	100.00
SRE SKW EPC LP	Canada	Renewable energy development	100.00
PLL Holdings LLC.	U.S.A	Natural resources development	83.60
SRE WIND PA GP Inc.	Canada	Renewable energy development	100.00
SRE WIND PA LP	Canada	Renewable energy development	100.00
PLL E&P LLC.	U.S.A	Natural resources development	90.00
SRE GRS Holdings GP Inc.	Canada	Renewable energy development	100.00
SRE GRS Holdings LP	Canada	Renewable energy development	100.00
SRE K2 EPC GP Inc.	Canada	Renewable energy development	100.00
SRE K2 EPC LP	Canada	Renewable energy development	100.00
SRE KS Holdings GP Inc.	Canada	Renewable energy development	100.00
SRE KS Holdings LP	Canada	Renewable energy development	100.00
SRE Armow EPC GP Inc	Canada	Renewable energy development	100.00
SRE Armow EPC LP	Canada	Renewable energy development	100.00
SRE Wind GP Holdings, Inc.	Canada	Renewable energy development	100.00
SRE North Kent 2 LP Holdings LP	Canada	Renewable energy development	100.00

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Subsidiaries	Location	Primary business	Ownership interest held by the Group (%)¹
SRE Solar Development GP Inc.	Canada	Renewable energy development	100.00
SRE Solar Development LP	Canada	Renewable energy development	100.00
SRE Windsor Holdings GP Inc.	Canada	Renewable energy development	100.00
SRE Southgate Holdings GP Inc.	Canada	Renewable energy development	100.00
SRE Solar Construction Management GP Inc.	Canada	Renewable energy development	100.00
SRE Solar Construction Management LP	Canada	Renewable energy development	100.00
SRE BRW EPC GP Inc.	Canada	Renewable energy development	100.00
SRE BRW EPC LP	Canada	Renewable energy development	100.00
SRE North Kent 1 GP Holdings Inc. ¹	Canada	Renewable energy development	100.00
SRE North Kent 2 GP Holdings Inc.	Canada	Renewable energy development	100.00
SRE Belle River GP Holdings Inc.	Canada	Renewable energy development	100.00
SRE NK1 EPC GP Inc.	Canada	Renewable energy development	100.00
SRE NK1 EPC LP	Canada	Renewable energy development	100.00
SRE Summerside Construction GP Inc.	Canada	Renewable energy development	100.00
SRE Summerside Construction LP	Canada	Renewable energy development	100.00
Samsung Solar Energy LLC.	U.S.A	Renewable energy development	100.00
Samsung Solar Energy 1 LLC.	U.S.A	Renewable energy development	100.00
Samsung Solar Energy 2 LLC.	U.S.A	Renewable energy development	100.00
Samsung Solar Energy 3 LLC.	U.S.A	Renewable energy development	100.00
Equipment Trading Solutions Group, LLC	U.S.A	Wholesale of machinery and equipment	70.00
Flowfy Commerce Service	U.S.A	Wholesale and brokerage of merchandise	100.00
Samsung C&T Lima S.A.C	Peru	Trading	100.00
Samsung C&T Deutschland GmbH	Germany	Trading	100.00
Samsung C&T U.K. Ltd.	United Kingdom	Trading	100.00
Samsung C&T ECUK Limited	United Kingdom	Construction	100.00
Whessoe Engineering Limited	United Kingdom	Industrial plant engineering	100.00
SAMOO HU Designer and Engineering Services Limited Liability Company	Hungary	Architectural design service	100.00
POSS-SLPC S.R.O.	Slovakia	Production of steel products	70.00
Solluce Romania 1 B.V.	Netherlands	Renewable energy development	100.00
Samsung C&T (KL) Sdn., Bhd.	Malaysia	Construction	100.00
Samsung C&T Malaysia Sdn. Bhd.	Malaysia	Trading	100.00
Erdsam Co., Ltd.	Hong Kong	Trading	100.00
Samsung Chemtech Vina	Vietnam	Trading	100.00

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Subsidiaries	Location	Primary business	Ownership interest held by the Group (%)¹
Samsung C&T (Thailand) Co., Ltd.	Thailand	Trading	100.00
PT. Insam Batubara Energy	Indonesia	Wholesale and retail of coal	100.00
Samsung C&T India Private Ltd.	India	Construction	100.00
Samsung C&T Corporation India Private Ltd.	India	Trading	100.00
MSSC Sdn.,Bhd.	Malaysia	Production of steel products	100.00
Samsung C&T Singapore Pte. Ltd.	Singapore	Trading	100.00
S&G Biofuel Pte. Ltd.	Singapore	Natural resources development	63.16
PT. Gandaerah Hendana	Indonesia	Natural resources development	95.00
PT. Inecda	Indonesia	Natural resources development	95.00
SAMSUNG C&T Mongolia LLC.	Mongolia	Construction	70.00
Samsung C&T Eng.&Const. Mongolia LLC.	Mongolia	Construction	100.00
S&Woo Construction Philippines, Inc.	Philippines	Construction	100.00
SAMOO DESIGNERS & ENGINEERS INDIA PRIVATE LIMITED	India	Architectural design service	100.00
SAMOO (KL) SDN. BHD.	Malaysia	Architectural design service	100.00
VSSC Steel Center Limited Liability	Vietnam	Production of steel products	70.00
Vista Contracting and Investment Global Pte. Ltd.	Singapore	Construction	100.00
Vista Contracting and Development Bangladesh Ltd.	Bangladesh	Construction	100.00
Samsung Trading (Shanghai) Co., Ltd.	China	Trading	100.00
Samsung C&T Hongkong Limited	Hong Kong	Trading	100.00
Samsung C&T Taiwan Co., Ltd.	Taiwan	Trading	100.00
Samsung Precision Stainless Steel (Pinghu) Co., Ltd.	China	Production of steel products	100.00
Samsung C&T (Shanghai) Co., Ltd.	China	Construction	100.00
Samsung C&T (Xi'an) Co., Ltd.	China	Construction	100.00
Waris Gigih Eng. & Tech. Sdn. Bhd.	Malaysia	Trading	100.00
Samsung C&T Corporation Saudi Arabia	Saudi Arabia	Construction	100.00
SAM Gulf Investment Limited	Bahrain	Construction	100.00
Samsung C&T Chile Copper SpA	Chile	Natural resources development	100.00
SCNT Power Kelar Inversiones LTDA.	Chile	Thermal power generation	100.00
S.C. Otelinox S.A	Romania	Production of stainless steel plates and poles	99.88
Samsung C&T Corporation Rus LLC.	Russia	Construction	100.00
Samsung BioLogics Co., Ltd. ³	Korea	Biopharmaceutical products manufacturing	43.06
Samsung Biologics America Inc ³ .	U.S.A	Research and development on medicine and pharmacy	100.00
Cheil Fashion Retail Co., Ltd.	Korea	Manufacturing and selling garments	100.00
Cheil Industries Italy S.R.L.	Italy	Manufacturing and selling	100.00

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Subsidiaries	Location	Primary business	Ownership interest held by the Group (%) ¹
Samsung Fashion Trading (Shanghai) Co., Ltd.	China	garments Manufacturing and selling garments	100.00
Samsung Welstory Inc.	Korea	Foodservice business	100.00
Samsung C&T Corporation Vietnam Co., Ltd	Vietnam	Construction	100.00
Welstory Vietnam Co., Ltd.	Vietnam	Foodservice business	100.00
Samsung C&T Corporation UEM Construction JV Sdn. Bhd.	Malaysia	Construction	60.00
Shanghai Ever Hongjun Business Management Service Co., Ltd.	China	Foodservice business	85.00
Shanghai Welstory Food Company Limited	China	Foodservice business	81.61
SAMOO AUSTIN Inc	U.S.A	Architectural design service	100.00
SAMOO Design Consulting Co.,Ltd	China	Architectural design service	100.00
SungEel Recycling Park Thuringen GmbH	Germany	Recycling of waste batteries	100.00
Samsung Bioepis Co., Ltd. ³	Korea	Development and commercialization of biosimilars	100.00
Samsung Bioepis United States Inc. ³	U.S.A	Other service	100.00
Samsung Bioepis UK Limited ³	England	Other service	100.00
Samsung Bioepis CH GmbH ³	Swiss	Other service	100.00
Samsung Bioepis PL Sp z o.o. ³	Poland	Other service	100.00
Samsung Bioepis BR Pharmaceutical LTDA ³	Brazil	Other service	100.00
Samsung Bioepis AU Pty Ltd ³	Australia	Other service	100.00
Samsung Bioepis NZ LIMITED ³	New Zealand	Other service	100.00
Samsung Bioepis IL LTD ³	Israel	Other service	100.00
Samsung Bioepis NL B.V. ³	Netherlands	Other service	100.00
Samsung Bioepis TW Limited ³	Taiwan	Other service	100.00
Samsung Bioepis HK Limited ³	Hong Kong	Other service	100.00
SVIC No. 53 New Technology Business Investment Association	Korea	New technology business investment	99.00
SVIC No. 54 New Technology Business Investment Association	Korea	New technology business investment	99.00
Samsung C&T Renewable Energy Australia Pty Ltd	Australia	Renewable energy development	100.00

¹ The ownership interest above includes percentage of ownership of subsidiaries.

² Although it has less than 50% ownership interest, the Parent Company has de facto control because more than 50% of management and the members of key decision-making organization are current or former executives of the Parent Company.

³ Considering comprehensively that the Parent Company holds significantly more voting rights than any other voting right holders, and the other shareholdings are widely dispersed, the Parent Company is deemed to have de facto control although it has less than 50% ownership interest. In

Samsung C&T Corporation and Subsidiaries
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addition, the attendance rate, voting patterns at previous shareholders' meetings and other factors are also considered.

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(b) Summarized financial information of subsidiaries as at and for the nine-month period ended September 30, 2022, is as follows:

(in millions of Korean won)

Subsidiaries	Total assets	Total liabilities	Revenue	Profit (loss) for the period	Total comprehensive income (loss)
Seoul Lakeside Co., Ltd.	₩ 619,223	₩ 233,443	₩ 49,197	₩ 15,605	₩ 15,605
Samoo Architects & Engineers Co., Ltd.	214,356	108,316	232,278	23,159	23,159
CVnet Corporation	35,420	11,712	33,423	699	699
Samsung C&T Japan Corporation	319,313	227,530	1,274,644	5,710	2,515
Samsung C&T America Inc.	788,994	508,064	495,388	(6,030)	40,025
Meadowland Distribution Inc.	-	-	-	-	-
Samsung Renewable Energy Inc.	646,951	319,684	149,970	57,348	83,615
Samsung Green Repower, LLC.	2,374	64	-	(1)	415
Samsung E&C America, Inc.	606,071	530,185	657,187	39,135	49,794
Samsung Solar Construction, Inc.	39	-	-	-	6
QSSC, S.A. de C.V.	330,119	313,982	449,674	570	3,337
Samsung C&T Oil & Gas Parallel Corp.	342,026	425,590	-	7,429	(45,127)
Parallel Petroleum LLC.	188,518	48,782	74,208	44,757	67,768
Monument Power, LLC	152	-	-	(3)	23
SRE GRW EPC GP, Inc.	-	-	-	-	-
SRE GRW EPC LP	2	-	-	-	-
SRE SKW EPC GP, Inc.	1	-	-	-	-
SRE SKW EPC LP	37	-	-	-	4
PLL Holdings LLC.	556,952	350,872	-	40,006	(15,364)
SRE WIND PA GP Inc.	2	-	-	-	-
SRE WIND PA LP	4,690	27	1,784	1,793	2,215
PLL E&P LLC.	1,409	103	-	(134)	102
SRE GRS Holdings GP Inc.	4	-	-	-	-
SRE GRS Holdings LP	1,148	-	-	426	531
SRE K2 EPC GP Inc.	-	-	-	-	-
SRE K2 EPC LP	1	-	-	-	-
SRE KS Holdings GP Inc.	4	-	-	-	-
SRE KS Holdings LP	1,295	-	-	334	406
SRE Armow EPC GP Inc	1	-	-	-	-
SRE Armow EPC LP	2	-	-	-	-

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(in millions of Korean won)

Subsidiaries	Total assets	Total liabilities	Revenue	Profit (loss) for the period	Total comprehensive income (loss)
SRE Wind GP Holdings, Inc.	127	-	-	1	10
SRE North Kent 2 LP Holdings LP	20	-	-	-	1
SRE Solar Development GP Inc.	-	-	-	-	-
SRE Solar Development LP	2	-	-	-	-
SRE Windsor Holdings GP Inc.	1	-	-	-	-
SRE Southgate Holdings GP Inc.	-	-	-	-	-
SRE Solar Construction Management GP Inc.	-	-	-	-	-
SRE Solar Construction Management LP	1	-	-	-	-
SRE BRW EPC GP Inc.	1	-	-	-	-
SRE BRW EPC LP	8	-	-	-	1
SRE North Kent 1 GP Holdings Inc.	15	-	-	-	-
SRE North Kent 2 GP Holdings Inc.	1	-	-	-	-
SRE Belle River GP Holdings Inc.	14	-	-	-	-
SRE NK1 EPC GP Inc.	1	-	-	-	-
SRE NK1 EPC LP	7	-	-	-	1
SRE Summerside Construction GP Inc.	1	-	-	-	-
SRE Summerside Construction LP	3,530	35	1,523	1,529	1,834
Samsung Solar Energy LLC.	9,233	1	-	1,101	1,086
Samsung Solar Energy 1 LLC.	1,556	-	-	(2)	23
Samsung Solar Energy 2 LLC.	67,002	5,250	66,944	43,676	51,854
Samsung Solar Energy 3 LLC.	338	-	-	316	324
Equipment Trading Solutions Group, LLC	6,406	22	13,896	3,953	3,985
Flowfy Commerce Service	1,962	62	167	(2,761)	(2,281)
Samsung C&T Lima S.A.C	18,651	16,315	52,370	1,498	1,754
Samsung C&T Deutschland GmbH	718,251	306,539	840,169	55,968	70,519
Samsung C&T U.K. Ltd.	48,207	31,828	115,754	(3,391)	(3,428)
Samsung C&T ECUK Limited	48,522	36,553	439	(1,154)	609
Whessoe Engineering Limited	4,190	10,263	8,943	436	446
SAMOO HU Designer and Engineering Services Limited Liability Company	3,031	1,492	3,477	569	456
POSS-SLPC S.R.O.	82,563	64,425	83,300	462	1,316
Solluce Romania 1 B.V.	6,203	3,487	-	11,111	10,486
Samsung C&T (KL) Sdn., Bhd.	106,601	137,656	37,127	(18,422)	(20,492)

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Subsidiaries	Total assets	Total liabilities	Revenue	Profit (loss) for the period	Total comprehensive income (loss)
Samsung C&T Malaysia Sdn. Bhd.	7,417	174	2,104	1,228	1,774
Erdsam Co., Ltd.	422	90	-	(5)	(5)
Samsung Chemtech Vina	81,536	47,936	207,465	4,847	9,126
Samsung C&T (Thailand) Co., Ltd.	61,024	37,749	103,799	4,593	5,850
PT. Insam Batubara Energy	11	-	-	(3)	(1)
Samsung C&T India Private Ltd.	102,393	54,039	63,231	13,280	17,536
Samsung C&T Corporation India Private Ltd.	17,406	3,052	11,180	7,594	8,759
MSSC Sdn.,Bhd.	42,935	35,699	84,724	(1,431)	(792)
Samsung C&T Singapore Pte. Ltd.	641,723	588,220	2,901,283	8,131	15,360
S&G Biofuel Pte. Ltd.	125,042	18,955	-	(1,898)	(3,659)
PT. Gandaerah Hendana	53,601	37,755	40,912	12,624	13,935
PT. Inecda	56,848	17,123	35,574	11,212	15,351
SAMSUNG C&T Mongolia LLC.	7,097	7,909	-	(2,137)	(2,151)
Samsung C&T Eng.&Const. Mongolia LLC.	592	-	-	(32)	(5)
S&Woo Construction Philippines, Inc.	1,633	4,969	-	(461)	(626)
SAMOO DESIGNERS & ENGINEERS INDIA PRIVATE LIMITED	4,132	3,112	-	(249)	(145)
SAMOO (KL) SDN. BHD.	1,121	670	378	33	70
VSSC Steel Center Limited Liability	40,035	25,823	36,616	(300)	1,627
Vista Contracting and Investment Global Pte. Ltd.	11,102	189	-	(208)	(2,713)
Vista Contracting and Development Bangladesh Ltd.	479	-	-	57	55
Samsung Trading (Shanghai) Co., Ltd.	119,508	51,218	296,326	13,293	17,495
Samsung C&T Hongkong Limited	168,112	35,798	2,670,819	6,532	23,231
Samsung C&T Taiwan Co., Ltd.	11,679	605	6,744	1,848	2,437
Samsung Precision Stainless Steel (Pinghu) Co., Ltd.	127,701	10,386	80,298	7,792	15,442
Samsung C&T (Shanghai) Co., Ltd.	31,247	12,543	-	(2,534)	(1,206)
Samsung C&T (Xi'an) Co., Ltd.	126,305	65,016	148,779	45,307	48,123
Waris Gigih Eng. & Tech. Sdn. Bhd.	729	-	-	(10)	50
Samsung C&T Corporation Saudi Arabia	513,671	795,974	101,440	(10,235)	(58,442)
SAM Gulf Investment Limited	70,251	66,409	-	556	(475)
Samsung C&T Chile Copper SpA	2,469	-	-	(6)	657
SCNT Power Kelar Inversiones LTDA.	79,031	36,038	-	76	145

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Subsidiaries	Total assets	Total liabilities	Revenue	Profit (loss) for the period	Total comprehensive income (loss)
S.C. Otelinox S.A	103,677	17,140	47,603	412	3,784
Samsung C&T Corporation Rus LLC.	3,616	736	-	109	1,144
Samsung BioLogics Co., Ltd.	13,971,356	5,155,382	1,689,576	334,583	334,583
Samsung Biologics America Inc	19,402	4,140	4,767	312	2,943
Cheil Fashion Retail Co., Ltd.	14,733	2,740	25,218	5,465	5,465
Cheil Industries Italy S.R.L.	15,067	6,077	96,953	1,696	2,114
Samsung Fashion Trading (Shanghai) Co., Ltd.	87,587	45,397	113,490	8,341	10,836
Samsung Welstory Inc.	820,429	334,068	1,766,219	54,247	54,236
Samsung C&T Corporation Vietnam Co., Ltd	2,008	3,833	-	(1,273)	(1,455)
Welstory Vietnam Co., Ltd.	47,006	13,237	90,132	1,403	5,877
Samsung C&T Corporation UEM Construction JV Sdn. Bhd.	177,596	175,614	100,955	526	676
Shanghai Ever Hongjun Business Management Service Co., Ltd.	26,867	7,372	68,819	2,671	3,903
Shanghai Welstory Food Company Limited	21,026	13,736	85,004	1,656	2,098
SAMOO AUSTIN Inc	287	-	-	-	31
SAMOO Design Consulting Co.,Ltd	313	11	-	(98)	(80)
SungEel Recycling Park Thuringen GmbH	1,971	-	-	(1)	75
Samsung Bioepis Co., Ltd.	6,210,680	1,425,273	417,644	45,904	42,757
Samsung Bioepis United States Inc.	1,103	476	1,356	123	219
Samsung Bioepis UK Limited	914	269	124	4	9
Samsung Bioepis CH GmbH	128	3	124	5	22
Samsung Bioepis PL Sp z o.o.	195	27	118	(9)	(13)
Samsung Bioepis BR Pharmaceutical LTDA	381	52	209	34	(114)
Samsung Bioepis AU Pty Ltd	27	5	26	2	3
Samsung Bioepis NZ LIMITED	25	3	16	1	2
Samsung Bioepis IL LTD	69	-	14	6	17
Samsung Bioepis NL B.V.	12,954	14,234	10,583	(2,484)	(2,521)
Samsung Bioepis TW Limited	54	1	52	4	8
Samsung Bioepis HK Limited	9	-	6	1	2
SVIC No. 53 New Technology Business Investment Association	19,870	321	-	(1,084)	(1,084)
SVIC No. 54 New Technology Business Investment Association	81,484	945	-	(2,648)	(2,648)

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Subsidiaries	Total assets	Total liabilities	Revenue	Profit (loss) for the period	Total comprehensive income (loss)
Samsung C&T Renewable Energy Australia Pty Ltd	1,832	-	-	(33)	(44)

Intercompany transactions, balances, and unrealized gains and losses on transactions between the Group companies are not eliminated in the summarized financial information above and fair values regarding business combination are reflected. Also, shares in controlled subsidiaries, associates, and joint ventures, accounted for under the equity method which the controlled subsidiaries own, are recognized at acquisition cost.

1.3 Changes in Scope for Consolidation

Subsidiaries newly included in the consolidation for the nine-month period ended September 30, 2022:

Subsidiaries	Description
Samsung C&T Renewable Energy Australia Pty Ltd 5 entities	Newly established and others
Samsung Bioepis Co.,Ltd. and other 13 entities	Business combination with Samsung Bioepis Co., Ltd.

Subsidiaries excluded from the consolidation for the nine-month period ended September 30, 2022:

Subsidiaries	Description
Cheil Industries Corp., USA and one 2 entities	Liquidation

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1.4 Information about Non-controlling Interest

Profit or loss allocated to non-controlling interests and accumulated non-controlling interests of subsidiaries that are material to the Group, are as follows:

Accumulated non-controlling interests of subsidiaries as at September 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	September 30, 2022		December 31, 2021	
Samsung BioLogics Co., Ltd.	₩	4,984,643	₩	2,868,703
Others		106,579		78,210
	₩	<u>5,091,222</u>	₩	<u>2,946,913</u>

Profit or loss attributed to the non-controlling interests for the three-month and nine-month periods ended September 30, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	2022				2021			
	Three months		Nine months		Three months		Nine months	
Samsung BioLogics Co., Ltd.	₩	93,794	₩	269,459	₩	79,104	₩	180,999
Others		7,985		37,983		2,031		(7,698)
	₩	<u>101,779</u>	₩	<u>307,442</u>	₩	<u>81,135</u>	₩	<u>173,301</u>

Dividends paid to the non-controlling interests for the nine-month periods ended September 30, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	2022		2021	
Parallel Petroleum LLC	₩	30,127	₩	1,744
Others		702		96
	₩	<u>30,829</u>	₩	<u>1,840</u>

Summarized financial information for each subsidiary with non-controlling interests that are material to the Group as at September 30, 2022 and December 31, 2021 and for the nine-month periods ended September 30, 2022 and 2021, is as follows. The subsidiary's financial information was prepared using equity method for their associates and joint ventures.

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Summarized Statement of Financial Position

(in millions of Korean won)

	Samsung BioLogics Co., Ltd.	
	September 30, 2022	December 31, 2021
Current assets	₩ 6,332,956	₩ 2,823,643
Non-current assets	9,891,254	5,258,914
Current liabilities	3,538,292	1,108,384
Non-current liabilities	4,029,074	1,903,247
Equity	8,656,844	5,070,926

Summarized Statement of Comprehensive Income

(in millions of Korean won)

	Samsung BioLogics Co., Ltd.			
	2022		2021	
	Three months	Nine months	Three months	Nine months
Sales	₩ 869,735	₩ 2,035,856	₩ 450,733	₩ 1,123,693
Profit for the period	104,645	414,545	139,859	320,013
Other comprehensive income	1,459	4,212	698	1,170
Total comprehensive income	106,104	418,757	140,557	321,183

Summarized Statement of Cash Flows

(in millions of Korean won)

	Samsung BioLogics Co., Ltd.	
	2022	2021
Cash flows from operating activities	₩ 643,894	₩ 340,127
Cash flows from investing activities	(3,281,473)	(630,124)
Cash flows from financing activities	2,943,016	394,574
Increase in cash and cash equivalents	305,437	104,577
Cash and cash equivalents at the beginning of the period	47,410	28,850
Effects of exchange rate changes on cash and cash equivalents	22,586	4,126
Cash and cash equivalents at the end of the period	₩ 375,433	₩ 137,553

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2. Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated interim financial statements are set out below. These policies have been consistently applied to all the periods 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 interim financial statements have been condensed, restructured and translated into English from the Korean language financial statements.

The Group's condensed consolidated interim financial statements for the nine-month period ended September 30, 2022, have been prepared in accordance with Korean IFRS 1034 *Interim Financial Reporting*. These condensed consolidated interim financial statements have been prepared in accordance with Korean IFRS which is effective or early adopted as at September 30, 2022.

The consolidated interim financial statements do not include all the notes of the type normally included in annual consolidated financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended December 31, 2021.

2.1.1 New and amended standards and interpretations adopted by the Group

The Group has applied the following standards and interpretations 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 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 consolidated 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

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consolidated 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 consolidated 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 consolidated financial statements.

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

2.1.2 New and amended standards and interpretations not yet adopted by the Group

The following new accounting standards and interpretations that have been published that are not mandatory for September 30, 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, 2023, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the consolidated 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

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accounting policies. The IASB amended IFRS Practice Statement 2 *Disclosure of Accounting Policies* to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments should be applied for annual periods beginning on or after January 1, 2023, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the consolidated 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 consolidated 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 consolidated financial statements.

(e) Korean IFRS 1117 Insurance Contract

Korean IFRS 1117 *Insurance Contracts* will replace Korean IFRS 1104 *Insurance Contracts*. This Standard estimates future cash flows of an insurance contract and measures insurance liabilities using discount rates applied with assumptions and risks at the measurement date. The entity recognizes insurance revenue on an accrual basis including services (insurance coverage) provided to the policyholder by each annual period. In addition, investment components (Refunds due to termination/maturity) repaid to a policyholder even if an insured event does not occur, are excluded from insurance revenue, and insurance financial income or expense and the investment income or expense are presented separately to enable users of the information to understand the sources of income or expenses. This Standard should be applied for annual periods beginning on or after January 1, 2023, and earlier application is permitted for entities that applied Korean IFRS 1109 *Financial Instruments*. The Group does not expect that this new standard has a significant impact on the consolidated financial statements.

2.2 Significant Accounting Policies

Significant accounting policies and method of computation used in the preparation of the condensed consolidated interim financial statements are consistent with those of the consolidated financial statements for the year ended December 31, 2021, except for the changes due to the application of amendment and enactments of standards described in Note 2.1.1 and the one described below.

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2.2.1 Income Tax Expense

Income tax expense for the interim period is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate is applied to the pre-tax income.

3. United States Dollar Amounts

The Company and its domestic subsidiaries operate primarily in Korean won and their official 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 Korean won amounts, other than those in statements of comprehensive income, have been translated into U.S. dollars at the exchange rate of ₩ 1434.8 to US\$ 1, while Korean won amounts in the statements of comprehensive income have been translated into U.S. dollars at the exchange rate of ₩ 1267.30256 to US\$ 1. Such presentation is not in accordance with generally accepted accounting principles in either the Republic of Korea or the United States and should not be construed as a representation that the Korean won amounts shown could be readily converted, realized or settled in U.S. dollars at this or any other rate.

4. Critical Accounting Estimates and Assumptions

The preparation of consolidated interim 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.

Significant accounting estimates and assumptions applied in the preparation of these consolidated interim financial statements are the same as those applied to the consolidated financial statements for the year ended December 31, 2021, except for the estimates used to determine income tax expense.

The spread of Coronavirus disease 2019 ("COVID-19") has a material impact on domestic and foreign economy. It may have a negative impact; such as, decrease in productivity, decrease or delay in sales, collection of existing receivables and others.

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

Russia's war on Ukraine is continuing and Russia is imposed to the international sanctions. Due to the limitations of Russian banks' access to the SWIFT (Society for Worldwide Interbank Financial Telecommunication) payment system, the lack of liquidity in the foreign exchange market as well as

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the significant decline in value of the Rubles and the decline in value of Russian companies' securities are in progress. As a result, the Group may experience situations such as a decrease in value of financial assets or operating assets owned by the Group regarding the conflict, an increase in receivable payment terms, limitation to transfer funds, a decrease in the profit.

Meanwhile, significant accounting estimates and assumptions related to construction contracts are addressed below. The accounting estimates and assumptions, and method of computation applied in the preparation of the consolidated interim financial statements are consistent with those applied in the preparation of the annual consolidated financial statements for the year ended December 31, 2021.

- Uncertainty of the estimated total contract revenue

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. The change in contract revenue is recognized when it is probable that the customer will approve the increase in revenue due to the changes in contract work, or when it is probable that the Group will be able to satisfy the performance requirements, and the amount can be estimated reliably.

- Uncertainty of the estimated total contract revenue due to construction delay

The measurement of contract revenue is affected by the uncertainty of the occurrence of future events. The contract revenue can be decreased by the claims of liquidated damages when the completion of contract is delayed due to the Group's fault. Therefore, the damage claims for the delay are estimated based on historical experience in case the completion date is expected to be delayed.

- Uncertainty of the estimated total contract costs

Construction revenue is recognized according to the percentage of completion, which is measured on the basis of the gross amount incurred to date. Total contract costs are estimated based on future estimates of material costs, labor costs, construction period and others.

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5. Construction Contracts

Details of recognized construction profit or loss for construction contracts for the three-month and nine-month periods ended September 30, 2022 and 2021, are as follows:

(in millions of Korean won)	2022				2021			
	Three months		Nine months		Three months		Nine months	
Buildings	₩	3,163,877	₩	7,837,854	₩	1,680,836	₩	5,047,017
Civil engineering		223,486		690,288		263,078		942,903
Plant		762,851		1,940,197		424,669		1,757,283
Landscaping		46,244		106,296		30,978		86,980
	₩	4,196,458	₩	10,574,635	₩	2,399,561	₩	7,834,183

As at September 30, 2022, the Group's remaining balance of construction contracts amounts to ₩ 28,505,766 million.

The account balances of outstanding construction contracts as at September 30, 2022 and December 31, 2021, are summarized as follows:

<i>(in millions of Korean won)</i>		September 30, 2022					December 31, 2021
		Civil				Total	Total
		Buildings	engineering	Plant	Landscaping		
Receivables ¹	Receivables from construction contracts	₩ 1,942,002	₩ 266,254	₩ 144,943	₩ 14,947	₩ 2,368,146	₩ 2,308,238
	Guarantee deposits	195,723	77,923	158,287	3	431,936	373,226
	Long-term receivables	724,521	-	-	-	724,521	545,411
	Short-term loans	109,130	-	-	-	109,130	110,986
Contract assets ¹	Due from customer for construction work	1,061,550	251,494	141,385	32,290	1,486,719	1,248,759
	Prepaid expenses	67,652	-	630	168	68,450	73,757
Contract liabilities	Advances received	383,510	179,370	368,736	-	931,616	309,388
	Due to customer for contract work	602,746	212,154	858,497	1,075	1,674,472	1,762,460
Other assets ¹	Advance payments	497,926	261,297	268,194	-	1,027,417	743,292

¹ The amount before deduction of provision for impairment

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The Group is provided with payment guarantees amounting to ₩ 10,154,750 million (December 31, 2021: ₩ 8,915,016 million), ₩ 4,424,944 million (December 31, 2021: ₩ 2,084,152 million), ₩ 10,870 million (December 31, 2021: ₩ 11,915 million), and ₩ 25,294 million (December 31, 2021: ₩ 29,336 million) from financial institutions, and Construction Guarantee Cooperative, Software Guarantee Cooperative, and Engineering Guarantee Cooperative, respectively, in relation to the construction performance and others.

As at September 30, 2022, construction sites are covered by construction work insurance amounting to ₩ 12,256,576 million (December 31, 2021: ₩ 8,031,367 million) with Samsung Fire & Marine Insurance Co., Ltd. and others.

As at September 30, 2022, the Group has entered into a loan agreement with a limit of ₩ 4,946,220 million (December 31, 2021: ₩ 4,814,827 million) with the developers of redevelopment and reconstruction projects for the financing of the developers' project expenditures. Certain amount of the loan is financed indirectly by arranging loans from financial institutions. The Group is severally and jointly liable for limit of ₩ 3,918,100 million (December 31, 2021: ₩ 4,162,400 million) (balance of ₩ 2,322,055 million (December 31, 2021: ₩ 2,612,286 million)) with regard to the housing finance in accordance with the agreements with the relevant financial institutions. Meanwhile, advances on housing finance temporarily received but not executed amounts to ₩ 556,128 million (December 31, 2021: ₩ 902,160 million).

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As at September 30, 2022 and December 31, 2021, information of each contract¹ where contract revenue for the nine-month periods ended September 30, 2022 and 2021, is more than 5% of the previous year's revenues, is as follows:

(in millions of Korean won)				September 30, 2022							
Contract Name ¹	Contract date	Contractual due date	Percentage of completion	Due from customers				Trade receivables (receivables from construction contracts)			
				Gross amount		Accumulated impairment loss		Gross amount		Provision for impairment	
Singapore Changi Airport Pkg. 1 ²	Oct. 2015	Dec. 2019	98.4%	₩	-	₩	-	₩	-	₩	-
Algeria Naama ²	Feb. 2014	Dec. 2020	96.4%		-		-		979		-
Saudi Riyadh Metro	Oct. 2013	Apr. 2024	93.5%		98,327		-		45,887		-
UAE nuclear power plant ²	Mar. 2010	Dec. 2020	99.3%		-		-		24		-
Pyeong-taek P2L Lower West End	Jan. 2020	Apr. 2022	100.0%		-		-		-		-
Pyeong-taek FAB 2	Dec. 2017	Jul. 2022	100.0%		-		-		-		-
Algeria Mostaghanem	Feb. 2014	Dec. 2025	61.1%		-		-		3,972		-
Gangneung Anin coal-fired power plant	Feb. 2014	Jun. 2023	92.7%		-		-		10,814		-
Singapore Thomson East Coast Line T313	Mar. 2016	Feb. 2024	75.6%		-		-		11,280		-
Bangladesh Dhaka Airport	Jan. 2020	Apr. 2025	35.2%		-		-		13,416		-
India Mumbai DAICEC	Dec. 2013	Jun. 2023	93.2%		21,517		-		14,580		-
Malaysia KL118 Tower ²	Nov. 2015	Mar. 2022	90.9%		60,134		-		10,152		-
Pyeong-taek FAB 3	Feb. 2020	Dec. 2022	97.4%		254,708		-		-		-
Qatar LNG Export Base Tank (overseas)	Mar. 2021	Nov. 2025	18.0%		-		-		182		-
UAE HVDC	Dec. 2021	Dec. 2025	10.8%		-		-		64,644		-
Pyeong-taek P4	Oct. 2021	Oct. 2024	11.6%		-		-		-		-
U.S.A Taylor FAB1	Feb. 2022	Oct. 2023	23.2%		-		-		-		-

¹ Construction projects that are practically completed as at September 30, 2022, are excluded.

² As at September 30, 2022, the contractual due dates have passed but the construction is still in process due to the customer's request for additional construction works. The Group is continuing the negotiation with the customer in relation to the extension of contractual due date.

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December 31, 2021

Contract Name ¹	Contract date	Contractual due date	Percentage of completion	Due from customers		Trade receivables (receivables from construction contracts)	
				Gross amount	Accumulated impairment loss	Gross amount	Provision for impairment
Singapore Changi Airport Pkg.1 ²	Oct. 2015	Dec. 2019	96.4%	₩ -	₩ -	₩ 14,241	₩ -
Algeria Naama ²	Feb. 2014	Dec. 2020	94.4%	-	-	-	-
Saudi Riyadh Metro ²	Oct. 2013	Dec. 2020	98.9%	122,623	-	20,935	-
UAE nuclear power plant ²	Mar. 2010	Dec. 2020	97.9%	-	-	-	-
Hwaseong E-PJT	Nov. 2017	Feb. 2021	100.0%	-	-	-	-
Pyeong-taek P2L Lower West End	Jan. 2020	Jan. 2022	99.4%	-	-	46,728	-
Pyeong-taek FAB 2	Dec. 2017	Feb. 2022	100.0%	122,341	-	-	-
Pyeong-taek FAB 3	Feb. 2020	Dec. 2022	65.6%	-	-	474,078	-
Gangneung Anin coal- fired power plant	Feb. 2014	Jun. 2023	82.2%	-	-	31,441	-
Singapore Thomson East Coast Line T313	Mar. 2016	Feb. 2024	69.0%	-	-	4,782	-
Bangladesh Dhaka Airport	Jan. 2020	Apr. 2025	19.8%	-	-	17,846	-
Qatar LNG Export Base Tank (overseas)	Mar. 2021	Nov. 2025	3.4%	-	-	19,991	-
Algeria Mostaghanem	Feb. 2014	Dec. 2025	57.1%	-	-	132	-
UAE HVDC	Dec. 2021	Dec. 2025	0.0%	24	-	-	-
India Mumbai DAICEC ²	Dec. 2013	Mar. 2021	89.0%	34,363	-	11,156	-
Malaysia KL118 Tower	Nov. 2015	Mar. 2022	81.5%	54,622	-	-	-

¹ Construction projects that are practically completed as at December 31, 2021, are excluded.

² As at December 31, 2021, the contractual due dates have passed but the construction is still in process due to the customer's request for additional construction works. The Group is continuing the negotiation with the customer in relation to the extension of contractual due date.

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Details of major joint venture construction as at September 30, 2022, are as follows:

<i>(in millions of Korean won)</i>	Total contract amount	Amount of the Group	Percentage of ownership	Representative company
UAE nuclear power plant	₩ 7,185,298	₩ 3,233,384	45.00%	Hyundai Engineering & Construction Co., Ltd.
Saudi Riyadh Metro	10,760,272	3,039,777	28.25%	FCC
Canada Site C	2,879,745	1,347,721	46.80%	Acciona S.A.
Malaysia KL118 Tower	1,713,529	1,028,118	60.00%	The Group
Australia Westconnex Stage2 (M5 Main Tunnel)	2,776,191	925,305	33.33%	Lendlease Engineering Pty Limited
Singapore Changi Airport Pkg.1	1,016,415	711,490	70.00%	The Group
Shin-Kori nuclear power plant #5, 6	1,706,760	870,447	51.00%	The Group
Bujeon-Masan DoubleTrack Electric Railway	426,120	303,312	71.18%	The Group
United Kingdom Mersey Gateway	742,805	247,577	33.33%	FCC S.A & Kier
Saudi Tadawul Tower PJT	555,756	333,453	60.00%	The Group
Singapore TuasFinger1	808,214	226,300	28.00%	Hyundai Engineering & Construction Co., Ltd.
Bangladesh Dhaka Airport	2,400,324	2,156,819	89.86%	The Group
Taiwan Taoyuan Airport Terminal 3	1,835,546	1,284,882	70.00%	The Group

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Changes in the estimated total contract revenue and estimated total contract costs by construction types for contracts in progress for the nine-month periods ended September 30, 2022 and 2021, and its impact on the Group's profit or loss for the period and in the succeeding periods, changes in balances of due from customers for contract work, and provisions for construction losses are as follows:

(in millions of Korean won)

Construction type	2022					
	Changes in estimated total contract revenue	Changes in estimated total contract costs	Impact on profit or loss for the period	Impact on profit or loss for the succeeding period	Changes in due from (to) customers for contract work	Provisions for construction losses
Buildings	₩ 6,261,420	₩ 5,378,060	₩ 474,241	₩ 409,120	₩ 474,241	₩ 42,705
Civil engineering	636,858	599,384	24,081	13,393	24,081	84,793
Plant	142,119	231,227	(28,581)	(60,527)	(28,581)	37,662
Landscaping	6,722	2,508	2,555	1,659	2,555	-
	<u>₩ 7,047,119</u>	<u>₩ 6,211,179</u>	<u>₩ 472,296</u>	<u>₩ 363,645</u>	<u>₩ 472,296</u>	<u>₩ 165,160</u>

(in millions of Korean won)

Construction type	2021					
	Changes in estimated total contract revenue	Changes in estimated total contract costs	Impact on profit or loss for the period	Impact on profit or loss for the succeeding period	Changes in due from (to) customers for contract work	Provisions for construction losses
Buildings	₩ 2,530,669	₩ 2,192,334	₩ 179,989	₩ 158,346	₩ 179,989	₩ 40,029
Civil engineering	(23,744)	130,093	(117,570)	(36,267)	(117,570)	62,473
Plant	47,675	279,855	(178,806)	(53,374)	(178,806)	27,266
Landscaping	9,961	6,920	2,024	1,017	2,024	-
	<u>₩ 2,564,561</u>	<u>₩ 2,609,202</u>	<u>₩ (114,363)</u>	<u>₩ 69,722</u>	<u>₩ (114,363)</u>	<u>₩ 129,768</u>

Uncertainty of the estimated total contract revenue due to construction delay

The measurement of contract revenue is affected by the uncertainty of the occurrence of future events. The contract revenue can be decreased by the claims of liquidated damages when the completion of contract is delayed due to the Group's fault. Therefore, the damage claims for the delay are estimated based on historical experience in case the completion date is expected to be delayed. The Group strives to minimize damage claims by requesting extension of the completion date from the customers, and by giving evidence that the construction delay is not attributable to the Group. The Group will also undertake measures not to bear the damage claims from the delay.

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For the nine-month period ended September 30, 2022, changes in provision for estimated warranty costs for the completed projects and provisions for construction losses from construction contract are as follows:

<i>(in millions of Korean won)</i>		Beginning	Increase	Decrease	Exchange differences	Ending
Provision for construction warranties	₩	166,315	₩ 27,037	₩ (15,886)	₩ 8,633	₩ 186,099
Provision for construction losses		136,966	51,019	(40,590)	17,765	165,160

In relation to the Indonesia JAWA power generation project, the developer institution made a claim to United Overseas Bank Limited, a guarantee institution for the performance of the contract, for the guarantee amount of \$62 million as penalties for construction delays on September 26 but canceled the exercise of the amount on September 29. The impact reflected in the financial statements cannot be estimated reasonably.

6. Inventories

Details of inventories as at September 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	September 30, 2022			December 31, 2021		
	Acquisition cost	Valuation allowance	Book amount	Acquisition cost	Valuation allowance	Book amount
Merchandise	₩ 1,328,937	₩ (42,839)	₩1,286,098	₩ 967,762	₩ (44,496)	₩ 923,266
Finished goods	1,101,051	(27,352)	1,073,699	480,118	(25,766)	454,352
Raw materials	876,725	(5,103)	871,622	530,973	(6,294)	524,679
Land held for housing projects	62,448	(612)	61,836	62,445	(612)	61,833
Materials-in-transit	289,592	-	289,592	300,874	-	300,874
Semi-finished goods and work-in-progress	777,164	(15,996)	761,168	303,083	(6,019)	297,064
Others	258,277	(5,121)	253,156	253,873	(5,502)	248,371
	<u>₩ 4,694,194</u>	<u>₩ (97,023)</u>	<u>₩4,597,171</u>	<u>₩2,899,128</u>	<u>₩ (88,689)</u>	<u>₩2,810,439</u>

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7. Financial Instruments by Category

Details of financial instruments by category as at September 30, 2022 and December 31, 2021, are as follows:

(in millions of Korean won)

	September 30, 2022			
	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Total
Financial assets at fair value through profit or loss	₩ -	₩ -	₩ 1,919,219	₩ 1,919,219
Financial assets at fair value through other comprehensive income	-	20,565,354	-	20,565,354
Cash and cash equivalents	3,115,132	-	-	3,115,132
Short-term financial instruments	1,667,041	-	-	1,667,041
Trade receivables ¹	2,887,293	1,639,460	322,612	4,849,365
Other current assets ²	1,936,345	-	-	1,936,345
Other non-current assets ²	1,572,863	-	-	1,572,863
Derivative instruments				
Held for trading	-	-	50,253	50,253
Hedging instruments	-	-	91,343	91,343
	<u>₩ 11,178,674</u>	<u>₩ 22,204,814</u>	<u>₩ 2,383,427</u>	<u>₩ 35,766,915</u>

¹ Due from customer for contract work amounting to ₩ 1,452,043 million is excluded.

² Current portion of long-term trade receivables and long-term trade receivables are included in other current assets and other non-current assets, respectively.

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(in millions of Korean won)

	December 31, 2021			
	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Total
Financial assets at fair value through profit or loss	₩ -	₩ -	₩ 1,515,721	₩ 1,515,721
Financial assets at fair value through other comprehensive income	-	28,504,410	-	28,504,410
Cash and cash equivalents	2,254,547	-	-	2,254,547
Short-term financial instruments	612,726	-	-	612,726
Trade receivables ¹	3,029,648	1,093,690	368,413	4,491,751
Other current assets ²	1,251,861	-	-	1,251,861
Other non-current assets ²	1,590,178	-	-	1,590,178
Derivative instruments				
Held for trading	-	-	32,170	32,170
Hedging instruments	-	-	23,606	23,606
	<u>₩ 8,738,960</u>	<u>₩ 29,598,100</u>	<u>₩ 1,939,910</u>	<u>₩ 40,276,970</u>

¹ Due from customer for contract work amounting to ₩ 1,219,251 million is excluded.

² Current portion of long-term trade receivables and long-term trade receivables are included in other current assets and other non-current assets, respectively.

Details of restricted financial instruments as at September 30, 2022 and December 31, 2021, are as follows:

(in millions of Korean won)	September 30, 2022	December 31, 2021	Description
	₩ 87,610	₩ 80,000	Deposit on Business Cooperation Fund
Short-term financial instruments and others	14,162	35,706	Collateral for guarantees, management account for national project and others
	7,320	92	Deposit on checking account and others
	<u>₩ 109,092</u>	<u>₩ 115,798</u>	

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Details of financial liabilities by category as at September 30, 2022 and December 31, 2021, are as follows:

(in millions of Korean won)

	September 30, 2022			
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Other liabilities	Total
Trade payables	₩ 3,094,141	₩ -	₩ -	₩ 3,094,141
Short-term borrowings	1,705,637	-	531,110	2,236,747
Current portion of long-term liabilities	974,928	-	-	974,928
Other current liabilities	4,445,266	-	-	4,445,266
Debentures and long-term borrowings	2,627,828	-	-	2,627,828
Other non-current liabilities	867,640	-	-	867,640
Lease liabilities	-	-	662,771	662,771
Financial guarantee liabilities	-	-	20,150	20,150
Derivative instruments				
Held for trading	-	23,957	-	23,957
Hedging instruments	-	236,532	-	236,532
	<u>₩ 13,715,440</u>	<u>₩ 260,489</u>	<u>₩ 1,214,031</u>	<u>₩ 15,189,960</u>

(in millions of Korean won)

	December 31, 2021			
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Other liabilities	Total
Trade payables	₩ 2,527,037	₩ -	₩ -	₩ 2,527,037
Short-term borrowings	554,464	-	655,877	1,210,341
Current portion of long-term liabilities	348,590	-	-	348,590
Other current liabilities	3,441,111	-	-	3,441,111
Debentures and long-term borrowings	1,414,544	-	-	1,414,544
Other non-current liabilities	280,430	-	-	280,430
Lease liabilities	-	-	290,857	290,857
Financial guarantee liabilities	-	-	26,186	26,186
Derivative instruments				
Held for trading	-	3,042	-	3,042
Hedging instruments	-	6,634	-	6,634
	<u>₩ 8,566,176</u>	<u>₩ 9,676</u>	<u>₩ 972,920</u>	<u>₩ 9,548,772</u>

Fair value of financial instruments is the same as book amount, except for those which do not have market prices in active market and whose fair value cannot be reliably measured.

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8. Trade Receivables and Other Assets

Details of trade receivables and other assets as at September 30, 2022 and December 31, 2021, are as follows:

(in millions of Korean won)

	September 30, 2022			December 31, 2021
	Gross amount	Provision for impairment	Net amount	Net amount
Trade receivables				
Financial assets at amortized cost	₩ 3,067,200	₩ (179,907)	₩ 2,887,293	₩ 3,029,649
Due from customer for contract work	1,486,720	(34,677)	1,452,043	1,219,251
Financial assets at fair value through profit or loss	322,612	-	322,612	368,412
Financial assets at fair value through other comprehensive income	1,639,460	-	1,639,460	1,093,690
	<u>6,515,992</u>	<u>(214,584)</u>	<u>6,301,408</u>	<u>5,711,002</u>
Other current assets				
Financial instruments				
Short-term loans	162,126	(95,064)	67,062	39,136
Current portion of long-term receivables	739	-	739	10,270
Non-trade receivables	1,375,875	(38,732)	1,337,143	822,244
Accrued income	251,524	(68,409)	183,115	147,915
Deposits	354,620	(6,334)	348,286	232,299
Derivative instruments	109,359	-	109,359	48,254
	<u>2,254,243</u>	<u>(208,539)</u>	<u>2,045,704</u>	<u>1,300,118</u>
Advance payments	1,213,912	(3,212)	1,210,700	899,020
Prepaid expenses	210,777	(1,738)	209,039	249,819
Prepaid corporate income tax	57,073	-	57,073	30,613
Others	213,242	-	213,242	51,235
	<u>3,949,247</u>	<u>(213,489)</u>	<u>3,735,758</u>	<u>2,530,805</u>
Other non-current assets				
Financial instruments				
Long-term receivables	1,166,656	(248,696)	917,960	991,181
Long-term financial instruments	18,999	-	18,999	4,958
Deposits	637,519	(1,615)	635,904	594,039
Overseas natural resources development	33,237	(33,237)	-	-
Derivative instruments	32,237	-	32,237	7,522
	<u>1,888,648</u>	<u>(283,548)</u>	<u>1,605,100</u>	<u>1,597,700</u>
Others	364,658	-	364,658	233,132
	<u>2,253,306</u>	<u>(283,548)</u>	<u>1,969,758</u>	<u>1,830,832</u>
	<u>₩ 12,718,545</u>	<u>₩ (711,621)</u>	<u>₩ 12,006,924</u>	<u>₩ 10,072,639</u>

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As at September 30, 2022, trade receivables amounting to ₩ 531,110 million (December 31, 2021: ₩ 655,877 million), which were transferred to financial institutions but have not matured yet, are recognized as trade receivables and collateralized borrowings, respectively, due to a recourse in the event the debtor fails to pay (Note 15).

The Group classifies its financial assets as at amortized cost only if both of the following criteria are met:

- the asset is held within a business model with the objective of collecting the contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

As at September 30, 2022 and December 31, 2021, fair values of trade receivables, other current assets and other non-current assets are equal to their book amount. The maximum exposure of trade and other receivables to credit risk is the book amount of each class of receivables mentioned above.

For the nine-month period ended September 30, 2022, the Group transferred trade receivables to financial institutions and others for ₩ 3,390,927 million and derecognized the trade receivables from the consolidated financial statements on the date of the transfer as substantially all the risks and rewards are transferred.

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9. Other Liabilities

Details of other liabilities as at September 30, 2022 and December 31, 2021, are as follows:

(in millions of Korean won)

	September 30, 2022	December 31, 2021
Other current liabilities		
Financial instruments at amortized cost:		
Non-trade payables	₩ 2,160,950	₩ 982,253
Accrued expenses	1,122,001	982,113
Guarantee deposits received	606,187	574,585
Advances received related to housing business	556,128	902,160
	<u>4,445,266</u>	<u>3,441,111</u>
Other financial instruments:		
Derivative instruments	96,172	8,883
Lease liabilities (Note 13)	213,691	84,499
Financial guarantee liabilities	20,150	26,186
	<u>330,013</u>	<u>119,568</u>
Advances received	3,403,486	2,774,621
Withholdings	190,633	179,785
Provisions (Note 17)	472,818	353,373
Others	587,490	146,372
	<u>9,429,707</u>	<u>7,014,830</u>
Other non-current liabilities		
Financial instruments at amortized cost:		
Long-term non-trade payables	658,210	54,182
Deposits received	209,430	226,248
	<u>867,640</u>	<u>280,430</u>
Other financial instruments:		
Long-term lease liabilities (Note 13)	449,080	206,358
Derivative instruments	164,317	794
	<u>613,397</u>	<u>207,152</u>
Long-term unearned revenue	133,975	220,480
Long-term advances received	79,962	29,336
Others	177,224	3,430
	<u>391,161</u>	<u>253,246</u>
	<u>1,872,198</u>	<u>740,828</u>
	<u>₩ 11,301,905</u>	<u>₩ 7,755,658</u>

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10. Contract Assets and Liabilities

Details of contract assets and liabilities as at September 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	September 30, 2022		December 31, 2021	
Contract assets relating to construction contracts and others - due from customers ¹	₩	1,531,938	₩	1,277,530
Assets recognized for costs to fulfill contracts - prepaid expenses		296,464		326,201
Total contract assets	₩	1,828,402	₩	1,603,731
Contract liabilities relating to construction contracts - advances received for construction contracts	₩	931,616	₩	309,388
Contract liabilities relating to construction contracts - due to customers		1,674,472		1,762,460
Contract liabilities relating to customer loyalty program - advances received		19,132		17,688
Contract liabilities relating to subscription sales - advances received and unearned revenue		924,515		738,526
Total contract liabilities	₩	3,549,735	₩	2,828,062

¹ The amount before deduction of provision for impairment.

Contract assets and contract liabilities for the construction contracts change significantly depending on the percentage of completion. Unsatisfied portion of the contract liabilities are expected to be recognized based on the percentage of completion until the contracts are terminated. Other contract liabilities are expected to be recognized as revenue when the performance obligations for customers are completed.

Assets recognized for costs to fulfill contracts are costs incurred directly to fulfill construction contracts with fixed-price and others, while indirect costs were recognized as selling and administrative expenses for the nine-month period ended September 30, 2022. The assets recognized are amortized over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue.

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11. Financial Assets Measured at Fair Value

(a) Financial Assets at Fair Value through Profit or Loss

Changes in financial assets at fair value through profit or loss for the nine-month periods ended September 30, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	2022	2021
Beginning balance	₩ 1,515,721	₩ 964,870
Acquisition and disposal	370,578	789,965
Transfer and others	13,707	4,282
Gain on valuation	19,213	16,936
Ending balance	₩ 1,919,219	₩ 1,776,053

Details of financial assets at fair value through profit or loss as at September 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	September 30, 2022	December 31, 2021
Non-current		
Equity instruments		
Domestic listed equities	₩ -	₩ 2
Foreign non-listed equities	49,164	9,616
Debt instruments		
Beneficiary certificates	10	10
SOC shares	199,636	186,238
Others	136,114	95,375
	384,924	291,241
Current		
Beneficiary certificates	1,534,295	1,224,480
	1,534,295	1,224,480
	₩ 1,919,219	₩ 1,515,721

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Details of financial assets at fair value through profit or loss as at September 30, 2022 and December 31, 2021, are as follows:

(in millions of Korean won)	September 30, 2022					December 31, 2021	
	Number of shares owned	Percentage of ownership (%)	Acquisition cost	Net asset value or fair value	Book amount	Book amount	
Badaro No.19 Ship Investment Company	750,000	4.93	₩ 3,023	₩ 2,464	₩ 2,464	₩ 2,224	
MMF	-	-	1,400,446	1,404,385	1,404,385	850,040	
MMT	-	-	129,883	129,910	129,910	374,440	
POSCO INDIA CHENNAI STEEL PROCESSING CENTRE PVT.LTD. and others ^{1,2}	-	-	250,092	382,460	382,460	289,017	
					₩ 1,919,219		
			₩1,783,444	₩ 1,919,219	9	₩ 1,515,721	

¹ Cooperative contributions classified as financial assets at fair value through profit or loss are provided as collateral in relation to construction payment guarantees (acquisition cost of ₩ 42,084 million).

² Investment in Smart Rail Co., Ltd. (acquisition cost: ₩ 6,692 million), which was classified as financial asset at fair value through profit or loss, is provided as collateral against borrowings of investees. The Group recognized loss on fair value valuation for the entire book amount of Smart Rail Co., Ltd.

(b) Financial Assets at Fair Value through Other Comprehensive Income

Changes in equity and debt instruments at fair value through other comprehensive income for the nine-month periods ended September 30, 2022 and 2021, are as follows:

(in millions of Korean won)	2022	2021
Beginning balance	₩ 28,504,410	₩ 30,013,930
Acquisition	77,804	30,940
Disposal	(87)	(7,894)
Transfer and others	670	(1,885)
Loss on valuation	(8,017,443)	(2,336,739)
Ending balance	₩ 20,565,354	₩ 27,698,352

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Details of financial assets at fair value through other comprehensive income as at September 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	September 30, 2022		December 31, 2021	
Equity instruments				
Listed equities	₩	20,363,601	₩	28,292,655
Non-listed equities		201,626		211,600
Debt instruments		127		155
	₩	<u>20,565,354</u>	₩	<u>28,504,410</u>
Current portion	₩	72	₩	29
Non-current portion		20,565,282		28,504,381

Details of listed equities, including preferred shares, measured at financial assets at fair value through other comprehensive income as at September 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>		September 30, 2022				December 31, 2021
	Number of shares owned	Percentage of ownership (%)	Acquisition cost	Market value	Book amount	Book amount
Samsung Electronics Co., Ltd.	298,818,100	4.40	₩ 6,484,353	₩ 15,867,241	₩ 15,867,241	₩ 23,397,457
Samsung Life Insurance Co., Ltd.	38,688,000	19.34	34,819	2,414,131	2,414,131	2,479,901
Samsung SDS Co., Ltd.	13,215,822	17.08	3,396,466	1,519,820	1,519,820	2,068,276
Samsung Engineering Co., Ltd. and others	-	-	298,640	562,409	562,409	347,021
			<u>₩ 10,214,278</u>	<u>₩ 20,363,601</u>	<u>₩ 20,363,601</u>	<u>₩ 28,292,655</u>

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Details of non-listed equities measured at financial assets at fair value through other comprehensive income as at September 30, 2022 and December 31, 2021, are as follows:

(in millions of Korean won)

	September 30, 2022				December 31, 2021
	Number of shares owned	Percentage of ownership (%)	Acquisition cost	Book amount	Book amount
Domestic Companies					
SECUI Co., Ltd.	1,000,000	8.70	₩ 500	₩ 14,231	₩ 12,957
The Korea Economic Daily	1,187,563	6.35	7,095	17,205	15,660
Samsung Venture Investment Corp.	1,000,000	16.67	6,456	25,802	22,651
Samsung Global Research and others ¹			21,897	17,805	17,548
			<u>35,948</u>	<u>75,043</u>	<u>68,816</u>
Overseas Companies					
Korea Ras Iffan LNG Ltd.	2,783,333	10.00	80,279	51,995	49,198
IMarket Asia Co., Ltd.	772,657	19.32	8,941	19,683	19,189
Samsung SDI (Hongkong) Limited	5,500,000	2.44	4,477	13,398	12,595
Samsung SDI America, Inc. and others	-	-	15,555	41,507	61,803
			<u>109,252</u>	<u>126,583</u>	<u>142,785</u>
			<u>₩ 145,200</u>	<u>₩ 201,626</u>	<u>₩ 211,601</u>

¹ Investment in Asan Smart Water Co., Ltd. (acquisition cost: ₩ 130 million), which was classified as financial asset at fair value through other comprehensive income, is provided as collateral against borrowings of investee.

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Changes in gain or loss on valuation of financial assets at fair value through other comprehensive income for the nine-month period ended September 30, 2022, recorded as other component of equity, consist of the following:

(in millions of Korean won)

	Balance at January 1, 2022	Change for the period	Income tax allocated	Balance at September 30, 2022
Gain on valuation of financial assets at fair value through other comprehensive income	₩ 12,703,695	₩ (8,016,975)	₩ 2,117,544	₩ 6,804,264

Upon disposal of these equity investments, any balance in the accumulated other comprehensive income for these equity investments is reclassified to retained earnings and is not reclassified to profit or loss.

As at September 30, 2022 and December 31, 2021, debt instruments at fair value through other comprehensive income are as follows and the contractual cash flows under the instruments solely represent payments of principal and interest.

(in millions of Korean won)

	September 30, 2022	December 31, 2021
Current portion		
Government bonds	₩ 72	₩ 29
Non-current portion		
Government bonds	55	126
	<u>₩ 127</u>	<u>₩ 155</u>

Upon disposal of these debt investments, any balance in the accumulated other comprehensive income for these debt investments is reclassified to profit or loss.

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12. Investments in Associates and Joint Ventures

Details of investments in associates and joint ventures as at September 30, 2022 and December 31, 2021, are as follows:

(in millions of Korean won)	Location	Primary business	Closing month ⁵	Percentage of ownership(%)	September 30, 2022			
					Acquisition cost	Net assets	Book amount	
Associates								
Qurayyah Investment Company ⁴	Saudi	Power generation	Jun. 2022	25.02	₩ 34,917	₩ 118,318	₩ 66,420	
Mirae Asset MAPS Professional Private Real Estate Investment Trust 65th	Korea	Property development	Sep. 2022	20.00	69,600	69,507	69,411	
Samsung Bioepis Co., Ltd. ³	Korea	Research and development on medicine and pharmacy	-	-	-	-	-	
Others ^{2,4,5}					243,522	153,209	137,760	
					348,039	341,034	273,591	
Joint ventures								
Korea LNG Limited	Bermuda	Natural resources development	Sep. 2022	20.00	83,507	37,944	37,944	
FCC LLC	Saudi	Construction	Aug. 2022	35.92	1,378	30,928	27,767	
SP Belle River LP	Canada	Renewable energy development	Sep. 2022	42.49	5,342	32,517	30,149	
SP Armow Wind Ontario LP	Canada	Renewable energy development	Sep. 2022	49.99	8,471	(46,532)	-	
Kelar S.A.	Chile	Thermal power generation	Aug. 2022	35.00	40,313	68,582	72,022	
Others					245,131	67,677	189,683	
					384,142	191,116	357,565	
					₩ 732,181	₩ 532,150	₩ 631,156	

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(in millions of Korean won)	Location	Primary business	Closing month ⁵	Percentage of ownership(%)	December 31, 2021					
					Acquisition cost		Net assets		Book amount	
Associates										
Qurayyah Investment Company ⁴	Saudi	Power generation	Jun. 2022	25.02	₩	34,917	₩	90,793	₩	33,576
Mirae Asset MAPS Professional Private Real Estate Investment Trust 65th	Korea	Property development	Sep. 2022	20.00		39,600		39,570		39,570
Samsung Bioepis Co., Ltd. ³	Korea	Research and development on medicine and pharmacy	-	-		2,868,389		477,954		2,578,075
Others ^{2,4,5}						241,449		148,994		110,651
						3,184,355		757,311		2,761,872
Joint ventures										
Korea LNG Limited	Bermuda	Natural resources development	Sep. 2022	20.00		83,507		26,459		26,459
FCC LLC	Saudi	Construction	Aug. 2022	35.92		1,378		24,632		22,556
SP Belle River LP	Canada	Renewable energy development	Sep. 2022	42.49		8,494		23,031		20,554
SP Armow Wind Ontario LP	Canada	Renewable energy development	Sep. 2022	49.99		8,471		(67,166)		-
Kelar S.A.	Chile	Thermal power generation	Aug. 2022	35.00		40,313		45,112		50,227
Others						270,279		(695)		136,657
						412,442		51,373		256,453
					₩	3,596,797	₩	808,684	₩	3,018,325

¹ The investments in associates and joint ventures are all non-listed.

² As at September 30, 2022, investments in Dongducheon Dream Power Co., Ltd., (acquisition cost: ₩ 115,456 million), are provided as collateral to a financial institution against the borrowings (total borrowing limit of ₩ 1,285,000 million) of Dongducheon Dream Power Co., Ltd. In addition, the Group provides payment guarantees in relation to the debenture of Dongducheon Dream Power Co., Ltd. amounting to ₩ 18,800 million (Note 26).

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³ On April 20, 2022, the Group acquired 100% of ownership interest in the investee company by acquiring an additional 50% minus one share of ownership interest in Samsung Bioepis Co., Ltd., and acquired control (Note 30).

⁴ Investments in Gaziantep SPV (acquisition cost: ₩ 16,457 million), Qurayyah Investment Company (acquisition cost: ₩ 37,334 million), Gangneung Eco Power Co.,Ltd. (acquisition cost: ₩ 2,900 million, loan commitments: ₩ 261,000 million), and Busan Green Energy (acquisition cost: ₩ 3,435 million), are provided as collateral against borrowings of investees (Note 26).

⁵ Investments in Gimcheon Enervix Co.,Ltd. (acquisition cost: ₩ 6,140 million) are provided as collateral to a financial institution against subordinated borrowings of Gimcheon Enervix Co.,Ltd. In addition, the Group provides payment guarantees in relation to the unsubordinated borrowings of Gimcheon Enervix Co.,Ltd. amounting to ₩ 15,350 million (Note 26).

⁶ The Group used the most recently available financial statements at the end of the reporting period.

Changes in investments in associates and joint ventures for the nine-month periods ended September 30, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	2022	2021
Beginning balance	₩ 3,018,325	₩ 3,626,039
Acquisition	33,554	34,215
Disposal and others	(9,616)	(743,846)
Share of profit	122,002	114,678
Transfer	(2,614,778)	995
Others ¹	81,669	6,322
Ending balance	<u>₩ 631,156</u>	<u>₩ 3,038,403</u>

¹ Others include dividends, exchange differences, and others.

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Summarized financial information of major associates and joint ventures, including dividends received by the Group, as at and for the nine-month period ended September 30, 2022, is as follows:

(in millions of Korean won)

	September 30, 2022						2022		
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit for the period	comprehensive income (loss)	Total comprehensive income	Dividends received
Associates									
Qurayyah Investment Company	W 193	W 472,865	W 164	W -	W (9,841)	W (10,183)	W -	W (10,183)	W 3,047
Mirae Asset MAPS Professional Private Real Estate Investment Trust 65th anniversary	347,704	-	168	-	67	(101)	-	(101)	-
Joint ventures									
Korea LNG Limited	1,025	188,945	7	68	75,848	74,220	(133)	74,087	15,086
FCC LLC	411,539	600	322,909	3,128	185,651	2,243	-	2,243	-
SP Belle River LP	12,551	279,178	16,333	198,904	23,872	3,795	18,269	22,064	-
SP Arnow Wind Ontario LP	30,604	510,114	42,530	591,233	62,041	15,822	60,222	76,044	(10,188)
Kelar S.A.	118,192	647,864	113,948	456,160	57,819	(2,706)	17,533	14,827	-

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Summarized financial information of major associates and joint ventures, including dividends received by the Group, as at December 31, 2021, and for the nine-month period ended September 30, 2021, is as follows:

	December 31, 2021						2021		
							Other		
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit for the period	comprehen- sive income (loss)	Total comprehen- sive income	Dividends received
Associates									
Qurayyah Investment Company	₩ 316	₩ 362,790	₩ 225	₩ -	₩ 5,409	₩ 5,391	₩ -	₩ 5,391	₩ 3,047
Mirae Asset MAPS Professional Private Real Estate Investment Trust 65th	197,987	-	136	-	-	(93)	-	(93)	-
Samsung Bioepis Co., Ltd. ¹	1,718,448	1,065,523	1,498,457	329,606	625,186	126,661	384	127,045	-
Joint ventures									
Korea LNG Limited	885	131,768	69	288	34,911	33,355	(2)	33,353	6,694
FCC LLC	363,808	583	292,470	3,345	260,558	4,087	-	4,087	-
SP Belle River LP	9,920	245,729	13,853	187,594	21,820	3,370	9,457	12,827	-
SP Armow Wind Ontario LP	21,347	433,643	38,024	551,324	52,625	12,804	30,533	43,337	11,291
Kelar S.A.	86,538	556,951	67,007	447,590	50,806	5,812	13,582	19,394	-

¹ Based on consolidated financial information.

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Reconciliation of financial information to book amount of the major investments in associates and joint ventures as at September 30, 2022 and December 31, 2021, is as follows:

(in millions of Korean won)

(in millions of Korean won)	September 30, 2022						
	Net assets	Percentage of ownership (%)	Share in net assets	Difference between the cost of the investment and share in the investee's equity	Intercompany transactions and others	Book amount	
Associates							
Qurayyah Investment Company	₩ 472,894	25.02	₩ 118,318	₩ (56,786)	₩ 4,888	₩ 66,420	
Mirae Asset MAPS Professional Private Real Estate Investment Trust 65th	347,536	20.00	69,507	-	(96)	69,411	
Joint ventures							
Korea LNG Limited	189,718	20.00	37,944	-	-	37,944	
FCC LLC	86,103	35.92	30,928	(865)	(2,296)	27,767	
SP Belle River LP	76,492	42.49	32,501	-	(2,353)	30,149	
SP Armow Wind Ontario LP	(93,045)	50.01	(46,532)	(3,226)	49,758	-	
Kelar S.A.	195,949	35.00	68,582	7,390	(3,950)	72,022	

(in millions of Korean won)

(in millions of Korean won)

	December 31, 2021						
	Net assets	Percentage of ownership (%)	Share in net assets	Difference between the cost of the investment and share in the investee's equity	Intercompany transactions and others	Book amount	
Associates							
Qurayyah Investment Company	₩ 362,881	25.02	₩ 90,793	₩ (56,786)	₩ (431)	₩	33,576
Mirae Asset MAPS Professional Private Real Estate Investment Trust 65th	197,851	20	39,570	-	-		39,570
Samsung Bioepis Co., Ltd.	955,908	50	477,954	2,284,514	(184,393)		2,578,075
Joint ventures							
Korea LNG Limited	132,296	20	26,459	-	-		26,459
FCC LLC	68,576	35.92	24,632	(865)	(1,211)		22,556
SP Belle River LP	54,203	42.49	23,031	-	(2,477)		20,554
SP Armow Wind Ontario LP	(134,358)	49.99	(67,166)	(3,348)	70,514		-
Kelar S.A.	128,892	35	45,112	7,390	(2,275)		50,227

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13. Property, Plant and Equipment, Intangible Assets and Leases

Changes in property, plant and equipment for the nine-month periods ended September 30, 2022 and 2021, are as follows:

	2022				
	Land	Buildings and structures	Animals and plants	Others	Construction in progress
Beginning balance					Total
Acquisition cost	₩ 1,716,840	₩ 2,550,474	₩ 83,776	₩ 2,720,667	₩ 482,305
Accumulated impairment and depreciation	(11,597)	(884,742)	(16,343)	(1,400,603)	(8,954)
Beneficiary's share of construction cost	-	-	-	(62)	-
	₩ 1,705,243	₩ 1,665,732	₩ 67,433	₩ 1,320,002	₩ 473,351
Changes during the period					
Acquisition	950	20,517	4,954	50,187	708,884
Disposal and others	(5,075)	(6,836)	(1,533)	(12,515)	(3,114)
Depreciation	-	(57,742)	(1,671)	(183,522)	-
Transfer	17,747	315,538	2	7,542	(338,320)
Others ¹	133,532	175,048	4,900	31,459	8,228
Ending balance	₩ 1,852,397	₩ 2,112,257	₩ 74,085	₩ 1,213,153	₩ 849,029
Acquisition cost	1,863,994	3,066,605	94,011	2,839,818	857,983
Accumulated impairment and depreciation	(11,597)	(954,348)	(19,926)	(1,626,620)	(8,954)
Beneficiary's share of construction cost	-	-	-	(45)	-
	₩ 1,852,397	₩ 2,112,257	₩ 74,085	₩ 1,213,153	₩ 849,029
					₩ 6,100,921
					₩ 8,722,411
					(2,621,445)
					(45)
					₩ 6,100,921

¹ Others include exchange differences, changes in scope of consolidation, increase due to business combination and others.

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	2021				
	Land	Buildings and structures	Animals and plants	Others	Construction in progress
Beginning balance					Total
Acquisition cost	W 1,735,060	W 2,484,424	W 76,789	W 2,550,339	W 94,667
Accumulated impairment and depreciation	(11,597)	(811,011)	(12,826)	(1,245,547)	(8,953)
Beneficiary's share of construction cost	-	-	-	(84)	-
	1,723,463	1,673,413	63,963	1,304,708	85,714
Changes during the period					
Acquisition	239	3,361	1,784	135,198	324,206
Disposal and others	(129)	(3,017)	(112)	(7,735)	-
Depreciation	-	(55,438)	(2,052)	(180,955)	-
Transfer	2,873	49,046	583	85,551	(120,021)
Impairment	-	-	-	131	-
Others ¹	222	4,061	2,345	4,799	996
Ending balance					
Acquisition cost	W 1,726,668	W 1,671,426	W 66,511	W 1,341,697	W 290,895
Accumulated impairment and depreciation	1,738,265	2,542,732	82,167	2,724,773	299,848
Beneficiary's share of construction cost	(11,597)	(871,306)	(15,656)	(1,383,009)	(8,953)
	-	-	-	(67)	-
	W 1,726,668	W 1,671,426	W 66,511	W 1,341,697	W 290,895
					W 5,097,197

¹ Others include exchange differences, changes in scope of consolidation and others.

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Changes in intangible assets for the nine-month periods ended September 30, 2022 and 2021, are as follows:

(in millions of Korean won)

(in millions of Korean won)										
2022										
	Mineral rights	Memberships	Software	Right to use property	Goodwill	Customer relationships	Brands	Orders on hand	Others	Total
Beginning balance	₩ 134,016	₩ 62,513	₩ 63,235	₩ 977	₩ 60,778	₩ 27,811	₩ 164,190	₩ 163,786	₩ 61,497	₩ 738,803
Acquisition	10,005	3,032	1,605	-	-	-	-	-	67,147	81,789
Disposal	-	(2,467)	(581)	-	-	(104)	-	-	(818)	(3,970)
Amortization	(3,168)	-	(21,034)	(578)	-	(4,310)	-	(30,710)	(87,021)	(146,821)
Impairment and reversal	-	-	-	-	-	-	-	-	-	-
Transfer	-	-	9,522	-	-	-	-	-	(10,676)	(1,154)
Others ¹	19,808	2,053	1,982	-	1,697,981	177	-	-	4,256,547	5,978,548
Ending balance	₩ 160,661	₩ 65,131	₩ 54,729	₩ 399	₩1,758,759	₩ 23,574	₩ 164,190	₩ 133,076	₩4,286,676	₩ 6,647,195

¹ Others include exchange differences, changes in scope of consolidation, increase due to business combination and others.

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	2021									
	Mineral rights	Memberships	Software	Right to use property	Goodwill	Customer relationships	Brands	Orders on hand	Others	Total
Beginning balance	₩ 131,210	₩ 54,535	₩ 65,563	₩ 2,014	₩ 59,932	₩ 33,513	₩ 172,778	₩ 204,733	₩ 55,297	₩ 779,575
Acquisition	446	7,662	1,946	-	-	-	-	-	26,885	36,939
Disposal	-	(482)	(303)	-	-	-	-	-	(244)	(1,029)
Amortization	(5,126)	-	(20,515)	(778)	(24)	(4,382)	-	(30,710)	(6,416)	(67,951)
Impairment and reversal	-	65	-	-	-	-	-	-	-	65
Transfer	-	-	13,595	-	-	-	-	-	(13,670)	(75)
Others ¹	10,954	50	659	-	872	146	(788)	-	(363)	11,530
Ending balance	₩ 137,484	₩ 61,830	₩ 60,945	₩ 1,236	₩ 60,780	₩ 29,277	₩ 171,990	₩ 174,023	₩ 61,489	₩ 759,054

¹ Others include exchange differences, changes in scope of consolidation and others.

As at September 30, 2022, the Group entered into a Collateral Trust Agreement with KB Real Estate Trust Co., Ltd., which the Group provided its land and building located in Yongin-si, Gyeonggi-do as trust property. Simultaneously, the Kookmin Bank holds the primary beneficiary right of the trust property in relation to the borrowings (Note 18).

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(a) Amounts recognized in the consolidated statements of financial position

The consolidated statements of financial position shows the following amounts relating to leases:

(in millions of Korean won)	September 30, 2022		December 31, 2021	
Right-of-use assets ¹				
Land	₩	515,996	₩	88,614
Buildings and structures		159,143		165,920
Animals and plants		9,362		10,319
Others		31,594		27,286
	₩	716,095	₩	292,139

¹ Presented separately as the line item 'right-of-use assets' in the consolidated statements of financial position.

(in millions of Korean won)	September 30, 2022		December 31, 2021	
Lease liabilities ¹				
Current	₩	213,691	₩	84,499
Non-current		449,080		206,358
	₩	662,771	₩	290,857

¹ Included in the line item 'other current liabilities' and 'other non-current liabilities' in the consolidated statements of financial position.

Additions to the right-of-use assets for the nine-month period ended September 30, 2022, were ₩ 491,441 million.

As at September 30, 2022, details of lease liabilities classified into maturity based on the remaining period up to the maturity date are as follows:

(in millions of Korean won)				Contractual maturity			
	Book amount	Contractual cash flows		Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
Lease liabilities	₩ 662,771	₩ 718,242	₩ 222,789	₩ 182,705	₩ 157,566	₩ 155,182	

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(b) Amounts recognized in the consolidated statements of comprehensive income

The consolidated statement of comprehensive income shows the following amounts relating to leases:

(in millions of Korean won)	2022		2021	
	Three months	Nine months	Three months	Nine months
Depreciation of right-of-use assets				
Land	₩ 1,641	₩ 7,651	₩ 2,850	₩ 8,543
Buildings and structures	18,693	53,524	16,924	51,016
Animals & plants	319	957	319	886
Others	4,120	10,095	5,519	15,472
	₩ 24,773	₩ 72,227	₩ 25,612	₩ 75,917
Depreciation of investment properties	₩ -	₩ -	₩ 1,062	₩ 7,438
Interest expense relating to lease liabilities (included in cost of sales and financial expenses)	2,586	5,903	2,285	7,961
Expense relating to short-term leases (included in cost of sales and administrative expenses)	13,464	34,720	9,751	27,900
Expense relating to leases of low-value assets that are not short-term leases (included in selling and administrative expenses)	13,312	34,359	11,893	46,233
Expense relating to variable lease payments not included in lease liabilities (included in selling and administrative expenses)	74,888	232,847	56,854	194,777

The total cash outflow for leases for the nine-month period ended September 30, 2022 was ₩ 427,898 million (including short-term leases).

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The development costs by category (including development costs in progress) of Samsung Bioepis Co., Ltd., a subsidiary, as at September 30, 2022, are as follows:

(in millions of
Korean won)

	Development costs							Remaining amortization period
	Before clinic trial	Phase 1 /3 clinic trials ¹	Approved for sales	Total	Accumulated impairment	Accumulated amortization	Book amount ²	
Biosimilar								
In progress	₩ -	₩ 1,450,100	₩ -	₩ 1,450,100	₩ -	₩ -	₩ 1,450,100	-
Completed	-	2,830,850	-	2,830,850	-	(78,609)	2,752,241	4 years 7 months ~ 11 years 7 months
	₩ -	₩ 4,280,950	₩ -	₩ 4,280,950	₩ -	₩ (78,609)	₩ 4,202,341	-

¹ Phase 2 clinical trial is not carried out due to the nature of biosimilars, and since phase 1 and 3 clinical trials are carried out at the same time, the development costs of phase 1 and 3 clinical trial are recognized in total.

² Increase due to business combination amounting to ₩ 3,625,227 million is included. The fair value of the acquired identifiable intangible assets is recognized as provisional pending receipt and it may be adjusted based on the final results of the valuation.

The total of research and development costs incurred during the nine-month period ended September 30, 2022 amounts ₩ 255,634 million.

14. Investment Properties

Changes in investment properties for the nine-month periods ended September 30, 2022 and 2021, are as follows:

	2022			2021		
	Land	Building	Total	Land	Building	Total
Beginning balance	₩ 64,558	₩ 32,759	₩ 97,317	₩ 33,990	₩ 105,426	₩ 139,416
Acquisition	-	15,113	15,113	-	-	-
Depreciation	-	(877)	(877)	-	(7,645)	(7,645)
Others ^{1,2,3}	-	2,485	2,485	(578)	(90,775)	(91,353)
Ending balance	₩ 64,558	₩ 49,480	₩ 114,038	₩ 33,412	₩ 7,006	₩ 40,418

¹ Others include exchange differences and others.

² Investment property amounting to ₩ 20,248 million of Samsung Biologics Co., Ltd., a subsidiary, was transferred to property, plant and equipment during the nine-month period ended September 30, 2021.

³ Include a decrease of ₩ 66,060 million from the offsetting with related lease liabilities, as a result of the termination of the right of use asset contracts which satisfy the definition of investment properties

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during the nine-month period ended September 30, 2021.

15. Debentures and Borrowings

Details of debentures and borrowings as at September 30, 2022 and December 31, 2021, are as follows:

(in millions of Korean won)

	September 30, 2022	December 31, 2021
Current liabilities		
Short-term borrowings	₩ 2,236,747	₩ 1,210,341
Current portion of long-term borrowings	884,956	298,629
Current portion of debentures	90,000	50,000
Less: Discount on debentures	(29)	(38)
	<u>3,211,674</u>	<u>1,558,932</u>
Non-current liabilities		
Long-term borrowings	1,380,654	626,565
Debentures	1,250,000	790,000
Less: Discount on debentures	(2,825)	(2,021)
	<u>2,627,829</u>	<u>1,414,544</u>
	<u>₩ 5,839,503</u>	<u>₩ 2,973,476</u>

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Short-term borrowings as at September 30, 2022 and December 31, 2021, consist of the following:

(in millions of Korean won)

	Creditors	Annual interest rate (%)	September 30, 2022	December 31, 2021
Samsung C&T and domestic subsidiaries				
Loans in local currency	Korea Development Bank and others	1.10~4.45	₩ 1,241,985	₩ 126,223
Loans in foreign currency	BMG and others	3.00~5.26	135,432	50,368
Bankers' usance	Woori Bank and others	Term SOFR+0.32~1.85	14,893	18,605
Secured loans (Note 8)	Woori Bank and others	Term SOFR+0.32~1.85	531,110	655,876
			<u>1,923,420</u>	<u>851,072</u>
Foreign subsidiaries				
General loans	CACIB and others	0.56~6.07	313,327	359,269
			<u>313,327</u>	<u>359,269</u>
			<u>₩ 2,236,747</u>	<u>₩ 1,210,341</u>

As at September 30, 2022, the Group has entered into bank overdraft facility agreements amounting to ₩ 193,500 million and credit facility agreements amounting to ₩ 4,563,000 million with Woori Bank and 23 other banks. Also, the Group has entered into credit agreements using its notes receivables which are guaranteed, as collateral for up to ₩ 200,000 million with Shinhan Bank and other one financial institution.

Debentures as at September 30, 2022 and December 31, 2021, consist of the following:

(in millions of Korean won)

	Issue date	Maturity	Annual interest rate (%)	September 30, 2022	December 31, 2021
Non-guaranteed and publicly listed					
No. 112-2	Nov. 3, 2017	Nov. 3, 2022	2.94	₩ 50,000	₩ 50,000
No. 113-1	Nov. 26, 2020	Nov. 24, 2023	1.29	170,000	170,000
No. 113-2	Nov. 26, 2020	Nov. 26, 2025	1.59	80,000	80,000
No. 114-1	Apr. 4, 2022	Apr. 4, 2025	3.46	300,000	-
No. 114-2	Apr. 4, 2022	Apr. 5, 2027	3.67	200,000	-
Private bonds	Apr. 27, 2018	Apr. 27, 2023	3.53	40,000	40,000
Public bonds	Sept. 3, 2021	Sept. 3, 2024	1.89	380,000	380,000
Public bonds	Sept. 3, 2021	Sept. 3, 2026	2.19	120,000	120,000
				<u>1,340,000</u>	<u>840,000</u>
Less: Current portion of debentures				<u>(90,000)</u>	<u>(50,000)</u>
				<u>₩ 1,250,000</u>	<u>₩ 790,000</u>

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Long-term borrowings (including foreign currency) as at September 30, 2022 and December 31, 2021, consist of the following:

(in millions of Korean won)

Creditors	Annual interest rate (%)	September 30, 2022	December 31, 2021
Denominated in Korean won			
(Samsung C&T and domestic subsidiaries)			
Korea Housing & Urban Guarantee Corporation (Working capital loans)	-	₩ 6,142	₩ 6,420
Korea Development Bank and others (General loans)	1.55~5.00	1,361,500	105,000
Woori Bank and others (Facility loans)	1.50~4.52	477,000	498,000
		1,844,642	609,420
Less: Current portion of long-term borrowings		(613,779)	(98,279)
		1,230,863	511,141
Denominated in foreign currency			
(Samsung C&T and domestic subsidiaries)			
Korea Energy Agency (Condition loans)	2.25~3.50	1,460	1,460
SMBC and others (General loans)	Libor+0.60, 4.80~5.33	305,612	216,947
Woori Bank and others (Facility loans and others)	4.04~4.30	86,088	47,420
(Foreign subsidiaries)			
SMBC and others (General loans)	3.20~5.38	27,808	49,947
		420,968	315,774
Less: Current portion of long-term borrowings		(271,177)	(200,350)
		149,791	115,424
		₩ 1,380,654	₩ 626,565

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The annual maturities of long-term debts outstanding (excluding current portion) as at September 30, 2022, are as follows:

(in millions of Korean won)

		Debentures (face value)		Borrowings in Korean won		Borrowings in foreign currencies		Total
October 1, 2023~ September 30, 2024		₩	550,000	₩	1,095,279	₩	95,244	₩ 1,740,523
October 1, 2024~ September 30, 2025			300,000		130,279		53,087	483,366
October 1, 2025~ September 30, 2026			200,000		279		1,460	201,739
After October 1, 2026			200,000		5,026		-	205,026
		₩	1,250,000	₩	1,230,863	₩	149,791	₩ 2,630,654

The unused credit limits of the Group as at September 30, 2022, amount to ₩ 2,231,144 million and USD 535,228 thousand (December 31, 2021: ₩ 2,174,714 million, USD 434,947 thousand).

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16. Net Defined Benefit Liabilities

Details of net defined benefit liabilities (assets) as at September 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	September 30, 2022	December 31, 2021
Defined benefit obligation	₩ 1,115,786	₩ 1,034,695
Less: Plan assets ¹	(1,028,582)	(1,036,171)
Less: Contribution to National Pension Fund	(454)	(469)
	<u>₩ 86,750</u>	<u>₩ (1,945)</u>

¹ Plan assets as at September 30, 2022, include net defined benefit asset of the subsidiaries amounting to ₩ 934 million (December 31, 2021: ₩ 19,260 million).

As at September 30, 2022, the Group under defined benefit plans is required to pay post-employment benefits to any employee who has provided one year or more of services as at reporting date, in accordance with the Group's policies on payment of post-employment benefits (in accordance with local regulations for overseas subsidiaries). Additionally, as at September 30, 2022, the Group is under contracts with Samsung Life Insurance Co., Ltd. and others for operations management and asset management of their defined benefit pension plans.

The amounts recognized in the consolidated statements of comprehensive income for the three-month and nine-month periods ended September 30, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	2022		2021	
	Three months	Nine months	Three months	Nine months
Defined benefit plan				
Current service cost	₩ 14,664	₩ 86,575	₩ 25,951	₩ 76,913
Interest expense	2,818	22,623	5,469	16,408
Return on plan assets (excluding amounts included in interest expense)	(2,868)	(22,003)	(5,077)	(15,233)
Defined contribution plan				
Post-employment benefits	1,422	7,676	2,421	7,950
Others	4,788	37,396	4,118	17,077
	<u>₩ 20,824</u>	<u>₩ 132,267</u>	<u>₩ 32,882</u>	<u>₩ 103,115</u>

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Details of allocation of expenses for the three-month and nine-month periods ended September 30, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	2022		2021	
	Three months	Nine months	Three months	Nine months
Cost of sales	₩ 4,213	₩ 63,664	₩ 18,907	₩ 58,510
Selling and administrative expenses (post-employment benefits)	16,611	61,454	12,260	38,235
Selling and administrative expenses (research and development)	-	4,131	1,171	3,760
Other assets	-	3,018	544	2,610
	<u>₩ 20,824</u>	<u>₩ 132,267</u>	<u>₩ 32,882</u>	<u>₩ 103,115</u>

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17. Provisions

Changes in provisions for the nine-month periods ended September 30, 2022 and 2021, are as follows:

(in millions of Korean won)

	2022					
	Construction warranties¹	Restoring cost²	Provisions for construction losses³	Others⁴	Total	
January 1, 2022	₩ 166,315	₩ 41,987	₩ 136,966	₩ 516,893	₩ 862,161	
Additional provisions	27,037	10,069	51,019	91,433	179,558	
Used and reversal	(15,886)	(13,951)	(40,590)	(94,650)	(165,077)	
Exchange differences	8,633	6,874	17,765	26,028	59,300	
September 30, 2022	₩ 186,099	₩ 44,979	₩ 165,160	₩ 539,704	₩ 935,942	
Current (Note 9)	₩ 33,753	₩ 945	₩ 165,160	₩ 272,960	₩ 472,818	
Non-current	152,346	44,034	-	266,744	463,124	

¹ The Group recognizes expenses, which are expected to be spent for future repairs, as a provision based on historical experience.

² The Group recognizes amounts discounted at present value, which are expected to be spent for future dismantling and removing of the oil and gas equipment or restoring the site, as a provision.

³ The Group recognizes losses, which are expected to occur in construction contract, as a provision.

⁴ Others include a provision for product warranty and a provision for litigations.

(in millions of Korean won)

	2021					
	Construction warranties¹	Restoring cost²	Provisions for construction losses³	Others⁴	Total	
January 1, 2021	₩ 168,308	₩ 44,353	₩ 119,271	₩ 427,925	₩ 759,857	
Used and reversal	19,123	448	30,512	44,337	94,420	
Transfer	(23,353)	(2,459)	(20,014)	(29,938)	(75,764)	
Exchange differences	3,563	3,651	-	4,216	11,430	
September 30, 2021	₩ 167,641	₩ 45,993	₩ 129,769	₩ 446,540	₩ 789,943	
Current (Note 9)	₩ 35,591	₩ 342	₩ 129,769	₩ 130,752	₩ 296,454	
Non-current	132,050	45,651	-	315,788	493,489	

¹ The Group recognizes expenses, which are expected to be spent for future repairs, as a provision based on historical experience.

² The Group recognizes amounts discounted at present value, which are expected to be spent for future dismantling and removing of the oil and gas equipment or restoring the site, as a provision.

³ The Group recognizes losses, which are expected to occur in construction contract, as a provision.

⁴ Others include provisions for product warranty and lawsuits.

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18. Contingencies and Commitments

As at September 30, 2022, the Group has agreements with several financial institutions, including Woori Bank, for the guarantees of letters of credit related to the Group's export and import, totaling USD 336,847 thousand, for the guarantee of the performance of export contracts amounting to USD 186,689 thousand and ₩ 69,500 million and for the guarantee of various trade finance with a limit of USD 2,771,875 thousand. In addition, the Group has entered into an insurance contract with Korea Trade Insurance Corporation, Seoul Guarantee Insurance and others in relation to export receivables. The receivables from export transactions sold to financial institutions, which amount to USD 370,164 thousand, are not yet due as at September 30, 2022.

As at September 30, 2022, the Group has provided 5 blank checks and notes as collateral to related institutions for borrowings, performance guarantees, construction payment guarantees, and others.

As at September 30, 2022, the Group is contingently liable for loan guarantees and others, principally for foreign associates and joint ventures amounting to USD 71,111 thousand and ₩ 34,150 million (Note 26). The Group provides performance guarantees on the construction contracts of its foreign operations limited to USD 83,155 thousand, and there are no guarantees provided by the Group for the performance of other construction companies' projects. Conversely, other construction companies provide guarantees for the performance of the Group's projects amounting to ₩ 662,225 million.

As at September 30, 2022, the Group has been named as the defendant in certain lawsuits brought against it in the normal course of business. The aggregate amount of 249 claims brought against the Group, is approximately ₩ 643,078 million and USD 155,226 thousand. The Group also files 60 counterclaims amounting to ₩ 205,234 million and USD 772,849 thousand. The Group's management believes that the ultimate resolution of the case will not have a material adverse effect on the operations or financial position of the Group.

Meanwhile, the current and former executives of the Parent Company were indicted for violating the Act on External Audit of Stock Companies charged with dereliction of duty on September 1, 2020. The charge mentioned above has not been confirmed yet, and the Group's management will continue to monitor the progress of the lawsuit.

Meanwhile, on July 12, 2018, the Securities & Futures Commission ("SFC") imposed the first administrative measures (the "first measures") in accordance with the Act on External Audit of Stock Companies against Samsung Biologics Co., Ltd. ("Logics"), a subsidiary of the Group, for alleged failure to disclose sufficient information in Logics' financial statements from 2012 to 2015 regarding Logics' joint venture agreement with Biogen Therapeutics Inc. The measures included i) compulsory designation of external auditors for three years; ii) recommendation of dismissal of Logics' executives in charge; and iii) prosecution against Logics and its representative director (CEO). On November 14, 2018, the SFC imposed the second administrative measures (the "second measures") in accordance with the Act on External Audit of Stock Companies against Logics for violation of accounting standards by inappropriately applying consolidated method regarding investments in Samsung Bioepis since 2012. The measures included i) compulsory designation of external auditors for three years; ii) recommendation of dismissal of Logics' representative director (CEO) and executives in charge; iii) referral of the case against Logics and its representative director (CEO) to

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the Prosecutors Office; iv) retrospective restatement of financial statements; and v) imposition of administrative fine of ₩ 8 billion.

In order to demonstrate the legitimacy of the Logics' accounting, Logics submitted requests for cancellation of the measures ordered by SFC on October 8, 2018 (the "first measures") and November 27, 2018 (the "second measures"). The litigation for cancellation against the measures is in progress. On September 24, 2020, the Seoul Administrative Court (the "Court") ruled that SFC cancel the administrative measures imposed on Logics in connection with the litigation for cancellation against the first measures, and decided to suspend the effect of the administrative measures until the Seoul High Court's ruling. On October 16, 2020, the SFC appealed the first court's ruling and the litigation is currently pending in the Seoul High Court.

In addition, Logics submitted requests for suspension of measures on November 27, 2018 and December 18, 2018, to the Court. On September 6 and October 11, 2019, the Supreme Court finalized the decision on suspension of the second and first measures, respectively.

Although it is difficult to predict the outcome of the administrative lawsuit in progress in relation to the above action by SFC, if Logics loses the administrative lawsuit, then the financial statements for 2012 and the subsequent reporting periods could potentially be restated.

With respect to this matter, the investigation by the Seoul Central Prosecutors Office against the Logics' former CEO and CFO for alleged violation of the Act on External Audit of Stock Companies, the Financial Investment Services and Capital Market Act, the Act on the Aggravated Punishment, Etc. of Specific Economic Crimes, and the allegations of document destruction under Criminal Act was conducted. The CEO and executives in charge of Logics were indicted for violating the Act on External Audit of Stock companies and Criminal Act, Act on the Aggravated Punishment, Etc. of Specific Economic Crimes, and the allegations of document destruction under Criminal Act and others, and the first trial is in progress.

Meanwhile, on December 9, 2019, employees of the Samsung Bioepis Co., Ltd. and the Parent Company who were arrested on suspicion of evidence destruction, were found guilty of violating the Act on External Audit of Stock companies and Criminal Act in the first ruling of the Seoul Central District Court. All the employees of the Samsung Bioepis Co., Ltd' affiliates appealed the ruling above, and the employee of the Parent Company who abandoned their appeal received suspended sentences for the destruction of evidence.

As disclosed in Note 35 to the consolidated financial statements for the year ended December 31, 2015, issued on March 3, 2016, the Parent Company (formerly, Cheil Industries Inc.) of the Group merged with the former Samsung C&T Corporation on September 1, 2015, and acquired an additional 4.25% of shares in Logics held by the former Samsung C&T Corporation. Accordingly, the Group obtained a control over Logics. As a result, the Group measured the assets and liabilities of Logics at fair value in accordance with Korean IFRS 1103 paragraphs 18, 45 and others. As a result, the Group expects that the first and second measures of the SFC for the Logics, dated July 12, 2018 and November 14, 2018, respectively, will not significantly affect the consolidated financial statements of the Group. The Group's management will continue to monitor the progress of the lawsuit in the future.

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As at September 30, 2022, the Group has 1,459 forward exchange contracts amounting to USD 1,699,443 thousand, EUR 27,758 thousand, JPY 4,997,896 thousand, CHF 162 thousand, GBP 900 thousand and TWD 1,341,022 thousand. The Group also has three interest rate swap contracts amounting to ₩ 250,000 million and USD 13,000 thousand. These forward exchange contracts and interest rate swap contracts are intended to hedge foreign exchange risk and interest risk exposure of the Group. In addition, the Group has entered into 1,020 commodity futures contracts with financial institutions with contract prices amounting to USD 312,894 thousand, 4 crude oil forward contracts (total volume of 94 thousand barrels) and 3 currency swap contracts with contract prices amounting to USD 90,000 thousand. For the nine-month period ended September 30, 2022, realized gains and losses from the contracts mentioned above, included in 'foreign exchange gain and loss', amount to approximately ₩ 237,385 million and ₩ (152,689) million, respectively.

As at September 30, 2022, details of gain (loss) on valuation of derivative instruments are as follows:

(in millions of Korean won)

	Gain on valuation		Loss on valuation		Accumulated other comprehensive income (loss)
Currency forward contracts	₩	53,162	₩	(229,313)	₩ -
Interest swap contracts		-		-	1,919
Currency swaps contracts		23,489		-	(241)
Commodity futures contracts		17,341		(5,289)	(1,258)
Options		-		(10,593)	-

Details of derivative assets and liabilities by instrument type as at September 30, 2022 and December 31, 2021, are as follows:

(in millions of Korean won)

	September 30, 2022		December 31, 2021	
	Assets	Liabilities	Assets	Liabilities
Currency forward contracts				
Current	₩ 53,172	₩ 94,009	₩ 15,996	₩ 4,100
Non-current	9,332	135,535	3,430	794
Interest swap contracts				
Current	2,887	-	173	1
Non-current	1,501	-	617	-
Currency swap contracts				
Current	10,958	-	-	-
Non-current	21,403	-	3,475	-
Commodity futures contracts				
Current	13,328	2,162	3,071	4,782
Options				
Current	29,013	-	29,013	-
Non-current	-	28,781	-	-

The Group recognized valuation loss of ₩ 2,858 million (after tax effect) as other comprehensive income in relation to the effective portion of changes in the fair value of cash flow hedge derivatives. As at September 30, 2022, the Group has corporate purchase card agreements and collateral loan

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agreements using the trade receivables with a limit of ₩ 121,100 million with financial institutions, including Woori Bank.

Samsung Biologics Co., Ltd. has entered into agreements for long-term borrowings with financial institutions. If the Group fails to meet conditions specified below, the Group could lose benefit of time which could lead to early redemption of the borrowings.

Financial Institution	Condition	Description
SMBC	Retain Component ratio of shareholders	The proportion of shares held by Samsung Group and Samsung C&T Corporation in Samsung Biologics shall remain over 50% and 30%, respectively
Mizuho Bank	Retain Component ratio of shareholders	The proportion of shares held by Samsung Group (Samsung C&T Corporation and Samsung Electronics Co., Ltd.) in Samsung Biologics shall remain over 60%
SMBC	Retain Component ratio of shareholders	The proportion of shares held by the Group in SAMSUNG BIOEPIS CO.,LTD. shall remain over 50%
Kookmin Bank	Retain Component ratio of shareholders	Retained under Samsung Group and the proportion of shares held by Samsung Group in SAMSUNG BIOEPIS CO.,LTD. shall remain over 50%
BNP Paribas Bank	Retain Component ratio of shareholders	Retained under Samsung Group and the proportion of shares held by Samsung Group in SAMSUNG BIOEPIS CO.,LTD. shall remain over 50%
Mizuho Bank	Financial ratio	Maintaining interest-bearing debt of SAMSUNG BIOEPIS CO.,LTD. to capital adequacy ratio less than 180%

In relation to the land lease agreement with Incheon Metropolitan City ("Incheon"), the Group receives exemption of rent from Incheon since the Group fulfilled the requirements set by the Public Property Management Ordinance of Incheon. The Group recognizes the fair value of exempt rent as intangible assets, and at the same time, the Group recognizes the same amount of government grants as a deduction of the carrying amount of the asset. Details of the lease agreement are as follows:

(a) Period

With the total lease period of 50 years, the initial lease period is 20 years from April 28, 2011, and can be extended on a 10-year basis.

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(b) Exemption requirement

In order to remain qualified for rent exemption in accordance with Article 32 of Shared Assets Management Act of Incheon Metropolitan City, the Group has to meet certain requirements such as it shall maintain foreign direct investment of USD 20 million for the first 5 years of the lease period, and for the period thereafter the Group shall remain as foreign investment enterprise with employees over 300.

The Group has entered into a memorandum of understanding with Samsung Life Insurance Co., Ltd., a major shareholder of Beijing Samsung Real Estate Co., Ltd., to transfer all of the Group's investment in Beijing Samsung Real Estate Co., Ltd. upon completion of constructing Samsung Beijing Office. The sales price will be determined by the median value of appraised values given by appraisal companies appointed by each party.

As at September 30, 2022, the Group's contract with the developer of the Teachers Pension Seoul Center Reconstruction Project includes a conditional debt acquisition clause upon the breach of construction completion guarantee. In accordance with the contract, the Group entered into a debt acquisition agreement with a limit of ₩ 260,000 million.

As at September 30, 2022, the Group entered into a Collateral Trust Agreement with KB Real Estate Trust Co., Ltd., which the Group provided its land and building located in Yongin-si, Gyeonggi-do as trust property. Simultaneously, the Kookmin Bank holds the primary beneficiary right of the trust property in relation to the borrowings (Note 13).

In the event of a loss in principal in a special asset investment trust for oil field overseas resource development related to the U.S. oilfield development, the Group has an obligation for preservation of preferential loss to pay all or part of the principal loss. The loss compensation paid by the Group to the above fund is the lesser of 5% of the insurable value stated in the fund's insurance contract (USD 301,894 thousand) or the fund's loss. In relation to this, the Group recognizes provisions amounting to ₩ 21,658 million.

As at September 30, 2022, the Group has provided supplemental funding agreement and construction completion guarantee amounting to ₩ 400,830 million (total: ₩ 1,637,816 million) of the Parent Company's share for Smart Rail Co.,Ltd. and other SOC companies during the construction and operation period. Smart Rail Co.,Ltd., is waiting for completion of other construction section after the actual completion of the construction section of the Parent Company.

As at September 30, 2022, the Group has entered into a put option agreement with Qurayyah Project Company, a shareholder of Qurayyah Investment Company, to purchase its shares if the obligation to hold shares is met.

As at September 30, 2022, the Group has entered into a put option agreement with the Korea Teachers' Credit Union, which is the shareholder of Gimcheon Enervix Co.,Ltd., to sell the shares to the Group.

As at September 30, 2022, in relation to the United Kingdom Tees project, the developer made a claim to Credit Agricole Corporate and Investment Bank, a guarantee institution for the performance

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of the contract, for the guarantee amount of EUR 5,700 thousand and EUR 32,154 thousand, respectively, as penalties for delay in completion of construction for twice. The Group paid the following amount on May 27 and July 22, 2021. In addition, the Group entered in a contract to guarantee compensation for loss of Samsung C&T Corporation in bond call payment with the joint venture (TR) on October 5, 2021.

As at September 30, 2022, the Group's contract with the developer of Hanam IDC New Construction includes a conditional debt acquisition clause upon the breach of construction completion guarantee. In accordance with the contract, the Group entered into a debt acquisition agreement with a limit of ₩ 217,000 million.

Greenhouse gas emission allowances held to settle the obligations

As at September 30, 2022, freely allocated emission allowances for the 3rd planning period (2021-2025) are as follows:

(in tons (tCO₂-eq))

	2021	2022	2023	2024	2025	Total
Freely allocated emission allowances	244,676	243,107	243,107	240,831	240,831	1,212,552

Changes in provisions for emissions obligations for the nine-month periods ended September 30, 2022 and 2021, are as follows:

(in millions of Korean won)

	2022			
	Beginning	Increase	Decrease	Ending
Provisions for emissions obligations (other liabilities)	₩ 726	₩ 414	₩ (726)	₩ 414

(in millions of Korean won)

	2021			
	Beginning	Increase	Decrease	Ending
Provisions for emissions obligations (other liabilities)	₩ 427	₩ 516	₩ (427)	₩ 516

The Group estimated that it emitted 135,114 tons for the nine-month period ended September 30, 2022.

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As at September 30, 2022, the Parent Company entered into an investment agreement with its subsidiaries, SVIC No. 54 New Technology Business Investment Association and SVIC No. 53 New Technology Business Investment Association and its associates, Mirae Asset MAPS Professional Private Real Estate Investment Trust 65th and Gangneung Eco Power Co.,Ltd. Details of investment agreement amount and investment amount are as follows:

<i>(in millions of Korean won)</i>	Investment agreement amount		Investment amount	
SVIC No. 54 New Technology Business Investment Association	₩	148,500	₩	83,655
SVIC No. 53 New Technology Business Investment Association		49,500		20,911
Mirae Asset MAPS Professional Private Real Estate Investment Trust 65th		72,800		69,600
Gangneung Eco Power Co.,Ltd.		261,000		2,900

As at September 30, 2022, the contractual obligation of Samsung Biologics Co., Ltd., a subsidiary of the Group, in relation to acquisition of property, plant and equipment and intangible assets that have not been recognized as at September 30, 2022, amount to ₩ 939,921 million, of which the contractual obligation with Samsung Engineering Co.,Ltd., and others, related parties, amount to ₩ 675,806 million.

On July 18, 2022, the Group entered into a land purchase contract with the Incheon Free Economic Zone Authority (IFEZ) to purchase land for the 2nd Bio Campus, and the purchase price was ₩ 426 billion. The Group must undertake all measures, such as facility construction plans and approval for use, within a certain period from the effective date of the purchase contract and if not implemented, purchase contract may be canceled.

19. Share Capital

The Group is authorized to issue 500 million shares with a par value of ₩ 100 per share. As at September 30, 2022, 186,887,081 shares of ordinary share and 1,627,425 shares of preferred share are issued and outstanding.

On September 14, 2015, the Group issued 56,317,483 shares (54,690,043 shares of ordinary share and 1,627,440 shares of preferred share) of new share for the merger with the former Samsung C&T Corporation.

As authorized in its Articles of Incorporation, the Group is able to issue convertible bonds which can be converted into ordinary shares and preferred shares of the Group, and bonds with warrants which grant the right to purchase new preferred shares to the amount of ₩ 850 billion each. As at September 30, 2022, there are no convertible bonds and bonds with warrants issued under these

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terms.

Details of treasury shares as at September 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won, except number of shares)</i>	September 30, 2022		December 31, 2021	
	Preferred share	Ordinary share¹	Preferred share	Ordinary share
Number of shares	159,835	24,718,099	159,835	23,422,688
Acquisition cost	₩ 16,977	₩ 2,045,981	₩ 16,977	₩ 1,692,938

¹ According to the Supreme Court's decision (April 14, 2022) related to the call option right, treasury shares for the new agreement of ILSUNG PHARMACEUTICAL CO.,LTD were received.

20. Other Components of Equity

Other components of equity as at September 30, 2022 and December 31, 2021, consist of:

<i>(in millions of Korean won)</i>	September 30, 2022	December 31, 2021
Treasury shares (Note 19) ¹	₩ (2,062,958)	₩ (1,709,915)
Other capital adjustments ¹	(244)	(244,997)
Loss on capital reduction ¹	(321,247)	(202,313)
Financial instruments at fair value through other comprehensive income (Note 11)	6,804,264	12,703,695
Share of other comprehensive income of associates and joint ventures	226,833	91,258
Share of other comprehensive loss of associates and joint ventures	(167,290)	(168,396)
Exchange differences	(18,697)	(110,593)
Cash flow hedge (Note 18)	420	(2,227)
	<u>₩ 4,461,081</u>	<u>₩ 10,356,512</u>

¹ According to the Supreme Court's decision on the share purchase price of the former Samsung C&T Corporation's shares on April 14, 2022, the additional payment was recognized as treasury shares, other capital adjustment and loss on capital reduction.

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21. Selling and Administrative Expenses

Selling and administrative expenses for the three-month and nine-month periods ended September 30, 2022 and 2021, are as follows:

(in millions of Korean won)

	2022		2021	
	Three months	Nine months	Three months	Nine months
Salaries and others	₩ 277,535	₩ 750,363	₩ 224,788	₩ 617,213
Welfare	44,105	115,653	32,309	99,917
Depreciation	52,046	149,630	46,524	141,726
Travel	12,466	27,551	4,411	13,145
Commission	214,911	544,571	162,017	472,514
Rent	84,669	260,555	65,672	217,227
Taxes and dues	13,881	49,959	11,840	39,673
Advertising	16,529	35,818	12,092	26,816
Research and development	28,043	82,054	24,690	80,108
Impairment loss	13,937	30,554	(5,448)	297
Computational service fee	19,229	47,951	13,936	36,459
Sales promotion cost	33,026	63,627	10,241	25,680
Others	136,817	341,146	70,969	205,423
	<u>₩ 947,194</u>	<u>₩ 2,499,432</u>	<u>₩ 674,041</u>	<u>₩ 1,976,198</u>

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22. Other Income and Expenses

Other income and expenses for the three-month and nine-month periods ended September 30, 2022 and 2021, consist of:

<i>(in millions of Korean won)</i>	2022		2021	
	Three months	Nine months	Three months	Nine months
Other income				
Dividend income	₩ 112,538	₩ 489,244	₩ 110,869	₩ 931,757
Foreign exchange gain	233,512	525,566	90,449	232,462
Gain on translation of foreign currency	112,874	303,141	57,781	117,795
Gain on disposal of financial assets at fair value through profit or loss	774	1,857	12	74
Gain on valuation of financial assets at fair value through profit or loss	10,296	25,171	8,173	17,215
Gain on disposal of investments ¹	1,631	167,853	82,936	106,040
Reversal of impairment loss on property, plant and equipment	-	-	-	131
Gain on disposal of property, plant and equipment	788	10,927	784	5,392
Gain on disposal of intangible assets	1,118	3,774	1	345
Reversal of impairment loss on intangible assets	-	-	65	65
Gain on disposal of assets held for sale	-	-	11,848	11,848
Gain on cancellation of lease	1,066	1,939	3,377	3,723
Reversal of other provision for impairment	21,438	23,925	998	14,687
Gain on insurance settlement	19	151	28	156
Others ²	141,130	346,609	182,933	276,802
	<u>₩ 637,184</u>	<u>₩ 1,900,157</u>	<u>₩ 550,254</u>	<u>₩ 1,718,492</u>
Other expenses				
Foreign exchange loss	₩ 191,350	₩ 462,001	₩ 74,697	₩ 263,524
Loss on translation of foreign currency	160,125	371,308	33,417	66,486
Loss on disposal of financial assets at fair value through profit or loss	-	12	2	292
Loss on valuation of financial assets at fair value through profit	40	5,958	1	279

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<i>(in millions of Korean won)</i>	2022		2021	
	Three months	Nine months	Three months	Nine months
or loss				
Loss on disposal of investments	-	-	19	33
Loss on disposal of property, plant and equipment	2,433	4,727	3,768	4,412
Loss on disposal of intangible assets	543	1,108	568	688
Loss on cancellation of lease	-	2	2	66
Other impairment loss	1,102	7,305	16,531	23,700
Loss on disposal of trade receivables	25,342	51,784	4,611	16,005
Donations	1,521	3,728	4,006	13,222
Others ³	80,012	250,868	56,113	238,225
	<u>₩ 462,468</u>	<u>₩ 1,158,801</u>	<u>₩ 193,735</u>	<u>₩ 626,932</u>

¹ During the nine-month period ended September 30, 2022, Upon the business combination with Samsung Bioepis Co., Ltd., the differences from the existing carrying amount according to the fair value measurement of the investments accounted for using the equity method that were previously held are recognized as gain on disposal(Note 30).

² During the nine-month period ended September 30, 2021, gain on settlement of preemption rights is included.

³ During the nine-month period ended September 30, 2021, a penalty imposed by the Fair Trade Commission for Samsung Welstory Incorporated is included.

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23. Financial Income and Expenses

Financial income and expenses for the three-month and nine-month periods ended September 30, 2022 and 2021, consist of:

<i>(in millions of Korean won)</i>	2022		2021	
	Three months	Nine months	Three months	Nine months
Interest income	₩ 40,329	₩ 92,060	₩ 17,584	₩ 51,739
Foreign exchange gain	65,270	128,700	7,176	13,251
Gain on translation of foreign currency	118,515	196,462	38,210	76,306
Total financial income	224,114	417,222	62,970	141,296
Interest expense	57,929	126,430	20,876	77,153
Foreign exchange loss	39,316	78,381	4,073	11,894
Loss on translation of foreign currency	241,633	353,705	21,846	49,000
Total financial expenses	338,878	558,516	46,795	138,047
Financial income (expenses), net	₩ (114,764)	₩ (141,294)	₩ 16,175	₩ 3,249

24. Income Tax Expense

Income tax expense is recognized based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

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25. Earnings per Share

Basic earnings per ordinary share for the three-month and nine-month periods ended September 30, 2022 and 2021, are as follows:

(in Korean won and in shares)	2022		2021	
	Three months	Nine months	Three months	Nine months
Profit for the period ¹	₩ 495,060 million	₩ 1,571,355 million	₩ 293,970 million	₩ 1,422,367 million
Profit for the period attributable to ordinary shares	₩ 490,602 million	₩ 1,557,255 million	₩ 291,336 million	₩ 1,409,656 million
Weighted average number of ordinary shares outstanding	162,168,982 shares	162,714,668 shares	163,464,393 shares	163,464,393 shares
Basic earnings per ordinary share	₩ 3,025	₩ 9,570	₩ 1,783	₩ 8,624

¹ The amount is the profit attributable to the owners of the Parent Company for the period.

Basic earnings per preferred share for the three-month and nine-month periods ended September 30, 2022 and 2021, are as follows:

(in Korean won and in shares)	2022		2021	
	Three months	Nine months	Three months	Nine months
Profit for the period ¹	₩ 495,060 million	₩ 1,571,355 million	₩ 293,970 million	₩ 1,422,367 million
Profit for the period attributable to preferred shares	₩ 4,458 million	₩ 14,100 million	₩ 2,634 million	₩ 12,711 million
Weighted average number of preferred shares outstanding	1,467,590 shares	1,467,590 shares	1,467,590 shares	1,467,590 shares
Basic earnings per preferred share	₩ 3,038	₩ 9,608	₩ 1,795	₩ 8,661

¹ The amount is the profit attributable to the owners of the Parent Company for the period.

Since there is no dilutive potential ordinary share, the diluted earnings per ordinary share and the basic earnings per ordinary share are the same for the nine-month periods ended September 30, 2022 and 2021, respectively.

26. Related Party Transactions

As at September 30, 2022, the Group's related parties consist of 39 associates and joint ventures, including Dongducheon Dream Power Co., Ltd and other related parties. Meanwhile, the Large Enterprise Group, which the Group belongs to, in accordance with the Monopoly Regulation and Fair-Trade Act of the Republic of Korea, consists of 61 entities including Samsung Electronics Co., Ltd., as at September 30, 2022.

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Significant transactions between the Parent Company and related parties (associates, joint ventures and other related party) for the nine-month periods ended September 30, 2022 and 2021, and the related account balances as at September 30, 2022 and December 31, 2021, consist of the following:

(in millions of Korean won)	Sales ²		Purchases		Receivables ⁵		Payables	
	2022	2021	2022	2021	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021
Associates								
Gangneung Eco Power Co., Ltd.	₩ 500,879	₩1,000,873	₩ 1	₩ -	₩ 11,357	₩ 31,982	₩ 37,241	₩ 22,212
Gaziantep SPV	-	138	-	-	2,016	1,383	16,210	12,908
TOK Advanced Materials Co., Ltd.	3,938	3,013	66	3,492	-	-	-	-
Samsung Bioepis Co., Ltd. ⁶	170	13,472	-	-	-	3,841	-	-
Others	1,316	1,047	1,694	852	140	-	-	-
Joint ventures								
FCC Saudi LLC	9,997	645	-	-	20,031	12,105	-	-
Others	413	794	-	-	3,373	14,844	-	-
Other related parties⁴								
Samsung Electronics Co., Ltd.	4,447,746	2,565,743	35,424	57,251	1,464,142	1,640,615	198,799	195,356
Others	638,478	280,609	4,901	41,708	173,918	99,381	23,118	25,195
Others¹								
Samsung SDS Co., Ltd.	1,018	897	82,743	77,465	4,294	4,294	21,467	26,865
Samsung Life Insurance Co., Ltd. ³	21,519	16,429	3,100	3,234	1,594	7,640	41,770	41,776
Others	83,034	24,025	85,253	80,954	54,618	34,079	144,574	153,175

¹ The entities are not included in the scope of related parties in accordance with Korean IFRS 1024 but are included in the scope of Large Enterprise Group in accordance with the Monopoly Regulation and Fair Trade Act of the Republic of Korea.

² Sales adjustment based on the percentage of completion of ₩ 13,601 million (2021: ₩ (-)156,182 million) is excluded from sales. In addition, due from customer for contract work amounting to ₩ 564,062 million (December 31, 2021: ₩ 389,390 million) and due to customers for contract work amounting to ₩ 363,681 million (December 31, 2021: ₩ 267,486 million) are excluded from receivables and payables, respectively.

³ As at September 30, 2022, the Group deposited ₩ 699,258 million (December 31, 2021: ₩ 729,389 million) in Samsung Life Insurance Co., Ltd. as plan assets.

⁴ For the nine-month period ended September 30, 2022, over 10% of the Group's revenue (including its subsidiaries' revenues) is derived from the customer. The revenue (including revenue adjustment based on the percentage of completion of ₩ 76,799 million, excluding its subsidiaries' revenues) derived from the customer amounting to ₩ 5,163,288 million (2021: ₩ 3,079,408 million) is reported from Construction, Trading and Resort segments of the Group.

⁵ As at September 30, 2022, the Group recognized provision for impairment amounting to ₩ 3,727 million (December 31, 2021: ₩ 21,104 million) for related party receivables.

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⁶ On April 20, 2022, the Group acquired 100% of ownership interest in the investee company by acquiring an additional 50% minus one share of ownership interest in Samsung Bioepis Co., Ltd., and acquired control.

Significant transactions between the Group and related parties (excluding the above transactions between the Parent Company and related parties) for the nine-month periods ended September 30, 2022 and 2021, and the related account balances as at September 30, 2022 and December 31, 2021, consist of the following:

(in millions of Korean won)	Sales ²		Purchases		Receivables ⁵		Payables	
	2022	2021	2022	2021	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021
Associates								
Samsung Bioepis Co., Ltd. ⁶	₩ 37,917	₩151,943	₩ -	₩ 122	₩ -	₩ 84,116	₩ -	₩ 90,290
Bahrain LNG W.L.L	2,257	2,014	-	-	11,613	7,484	-	-
Others	2,535	4,436	-	-	2,025	3,301	-	-
Joint ventures								
FCC Saudi LLC	29,183	33,436	-	-	54,772	33,308	-	-
LJG Green Source Energy Alpha S.R.L.	493	1,127	-	-	-	25,883	-	-
Kelar S.A.	1,847	1,345	-	-	36,275	28,120	-	-
Others	1,784	1,558	-	-	237	202	-	-
Other related parties⁴								
Samsung Electronics Co., Ltd.	502,322	460,164	61,756	96,933	158,152	59,890	22,773	11,413
Others	1,529,463	1,102,041	2,418	2,430	162,481	105,218	1,401	250
Others¹								
Samsung SDS Co., Ltd.	13,224	18,549	42,555	33,753	3,021	2,112	11,719	7,874
Samsung Life Insurance Co., Ltd. ³	15,666	17,967	301	289	870	622	1,410	-
Others ³	754,226	509,358	317,212	139,876	203,637	141,017	53,796	223,779

¹ The entities are not included in the scope of related parties in accordance with Korean IFRS 1024 but are included in the scope of Large Enterprise Group in accordance with the Monopoly Regulation and Fair Trade Act of the Republic of Korea.

² Sales adjustment based on the percentage of completion of ₩ 276,262 million (2021: ₩ (-)55,936 million) is excluded from sales. In addition, Due from customer for contract work amounting to ₩ 36,192 million (December 31, 2021: ₩ 25,241 million) and due to customers for contract work amounting to ₩ 44,715 million (December 31, 2021: ₩ 172,465 million) are excluded from receivables and payables, respectively.

³ As at September 30, 2022, the Group (except for the Parent Company) deposited ₩ 244,602 million (December 31, 2021: ₩ 219,295 million), ₩ 51,721 million (December 31, 2021: ₩ 55,715 million) and ₩ 32,998 million (December 31, 2021: ₩ 31,744 million) as plan assets in Samsung Life Insurance Co., Ltd., Samsung Fire & Marine Insurance Co., Ltd. and Samsung Securities Co., Ltd., respectively.

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⁴ For the nine-month period ended September 30, 2022, over 10% of the Group's revenue (including its subsidiaries' revenues) is derived from the customer. The revenue derived from the customer amounts to ₩ 2,300,883 million (including revenue adjustment based on the percentage of completion of ₩ 269,412 million, excluding the Parent Company's revenues) (2021: ₩ 1,513,503 million).

⁵ As at September 30, 2022, there is no provision for impairment for related party receivables recognized. (December 31, 2021 : ₩ 2,315 million).

⁶ On April 20, 2022, as Samsung BioLogics Co., Ltd., a subsidiary, acquired 100% of ownership interest in the investee company by acquiring an additional 50% minus one share of ownership interest in Samsung Bioepis Co., Ltd., it was transferred from an associate to a subsidiary.

Major fund transactions with a related party for the nine-month periods ended September 30, 2022 and 2021, are as follows:

(in millions of Korean won)	2022				2021			
	Loans		Repayments		Loans		Repayments	
LJG Green Source Energy Alpha S.R.L.	₩	-	₩	9,396	₩	-	₩	-
Gaziantep SPV		-		-		4,423		-

Details of dividends received and declared dividends for the nine-month periods ended September 30, 2022 and 2021, are as follows.

a) Details of dividends received from the related parties and the entities included in the Large Enterprise Group for the nine-month periods ended September 30, 2022 and 2021, are as follows:

(in millions of Korean won)	2022		2021	
Associates and joint ventures				
South Kent Wind LP	₩	17,528	₩	13,527
Others		37,252		36,848
Other related parties				
Samsung Electronics Co., Ltd.		323,620		793,063
Large Enterprise Group				
Samsung Life Insurance Co., Ltd.		116,064		96,720
Others		31,868		31,868

b) For the nine-month periods ended September 30, 2022 and 2021, there are no declared dividends related parties and entities in the Large Enterprise Group.

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Additional contributions to the related parties and recovery of contributions from the related parties for the nine-month periods ended September 30, 2022 and 2021, are as follows:

(in millions of Korean won)

	2022	
	Contributions	Recovery
Mirae Asset MAPS Professional Private Real Estate Investment Trust 65th	₩ 30,000	₩ -
SP Belle River LP	-	3,152
Others	3,554	3,305

(in millions of Korean won)

	2021	
	Contributions	Recovery
Mirae Asset MAPS Professional Private Real Estate Investment Trust 65th	₩ 29,200	₩ -
SP Belle River LP	5,000	-
Others	15	5,843

As at September 30, 2022, the Group recognized lease liabilities of ₩ 10,332 million in relation to the lease of buildings from entities that are not related parties of the Group in accordance with Korean IFRS 1024, but included in the same Large Enterprise Group to which the Group also belongs in accordance with the Monopoly Regulation and Fair Trade Act.

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Payment guarantees for the liabilities of associates and joint ventures provided by the Group as at September 30, 2022 and December 31, 2021, are as follows:

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

(in millions of Korean won and in thousands of US dollars)				Guaranteed amount	
	Principal debtor	Guaranteed period	Currency	September 30, 2022	December 31, 2021
Associates and joint ventures					
Bahrain LNG W.L.L	ING and others	February 15, 2039	USD	9,341	9,461
Terminal KMS de GNL, S. de R.L. de C.V.	KEB Hana Bank and others	September 1, 2029	USD	41,921	44,872
Kelar S.A.	KEB Hana Bank and others	June 30, 2031	USD	19,849	22,229
Dongducheon Dream Power Co., Ltd. ¹	BNK Securities. Co.,Ltd.	August 24, 2023	KRW	18,800	18,800
Gimcheon Enervix Co.,Ltd.	KTCU	Redemption date of debts	KRW	15,350	15,350

¹ The Group provides payment guarantees in relation to the debenture of Dongducheon Dream Power Co., Ltd. amounting to ₩ 18,800 million and payment guarantees in relation to the subordinated borrowings of Gimcheon Enervix Co.,Ltd. amounting to ₩ 15,350 million (Note 12).

As at September 30, 2022, investments in Gaziantep SPV (acquisition cost: ₩ 16,457 million), Qurayyah Investment Company (acquisition cost: ₩ 37,334 million), Gangneung Eco Power Co.,Ltd. (acquisition cost: ₩ 2,900 million, loan commitments: ₩ 261,000 million), Gimcheon Enervix Co.,Ltd. (acquisition cost: ₩ 6,140 million), and Busan Green Energy (acquisition cost: ₩ 3,435 million) are provided as collateral against borrowings of investees (Note 12).

The Group recognized salaries and post-employment benefits for the key management as expenses, amounting to ₩ 3,869 million (2021: ₩ 3,930 million) and ₩ 478 million (2021: ₩ 628 million), respectively. The key management includes directors (executive and non-executive), auditors and other managements. Meanwhile, the Group introduced long-term incentive plans for its executives based on a three-year management performance criteria. For the nine-month period ended September 30, 2022, the Group recognized expenses amounting to ₩ 855 million(2021: ₩ 2,766 million).

On April 20, 2022, the Group acquired 100% of ownership interest in the investee company by acquiring an additional 50% minus one share of ownership interest in Samsung Bioepis Co., Ltd., and acquired control (Note 30).

During the April 2022, the amount paid by Samsung Electronics Co., Ltd. by participating in a capital increase with contributions of Samsung Biologics Co., Ltd., its subsidiary is ₩ 882,125 million.

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27. Consolidated Statements of Cash Flows

Reconciliation between operating profit and net cash inflow (outflow) from operating activities, for the nine-month periods ended September 30, 2022 and 2021, is as follows:

<i>(in Korean won)</i>	2022	2021
Profit for the period	₩1,878,797,292,107	₩1,595,667,916,211
Addition		
Income tax expense	737,592,899,263	482,600,726,343
Interest expense	126,429,741,210	77,154,204,869
Depreciation and amortization	462,861,942,898	389,958,088,131
Post-employment benefits	87,194,971,062	78,087,365,671
Impairment loss	30,553,616,237	297,295,089
Other impairment loss	7,305,338,826	23,700,307,817
Transfer in provision for construction losses	51,019,424,373	30,512,094,541
Transfer in provision for construction warranties	27,036,681,144	19,123,188,714
Loss on foreign currency translation	724,960,649,592	115,485,392,253
Loss on disposal of investments	-	33,419,817
Loss on valuation of financial assets at fair value through profit or loss	5,957,845,874	278,537,212
Loss on disposal of financial assets at fair value through profit or loss	12,489,778	292,404,089
Loss on disposal of property, plant and equipment	4,727,371,046	4,412,072,803
Loss on disposal of intangible assets	1,108,111,812	687,879,799
Share of loss of associates and joint ventures	5,726,498,232	11,101,783,268
Other expenses	104,188,194,891	193,562,570,565
	<u>2,376,675,776,238</u>	<u>1,427,287,330,981</u>
Deduction		
Interest income	(92,060,295,264)	(51,739,909,676)
Dividend income	(489,244,359,126)	(931,757,351,417)
Gain on foreign exchange translation	(499,452,494,890)	(194,100,083,856)
Reversal of provision for construction losses	(40,589,767,406)	(20,013,949,828)
Reversal of provision for impairment	(23,925,499,354)	(14,686,668,314)
Gain on disposal of investments	(167,853,217,111)	(106,039,610,053)
Gain on valuation of financial assets at fair value through profit or loss	(25,171,020,378)	(17,215,441,373)
Gain on disposal of financial assets at fair value through profit or loss	(1,856,937,171)	(73,786,000)
Gain on disposal of property, plant and equipment	(10,927,442,571)	(5,392,478,441)
Reversal of impairment loss on property, plant and equipment	-	(130,716,312)
Gain on disposal of intangible assets	(3,773,574,742)	(345,034,618)
Reversal of impairment loss on intangible assets	-	(65,000,000)
Share of profit of associates and joint ventures	(127,728,081,542)	(125,780,019,806)
Gain on disposal of assets held for sale	-	(11,848,173,935)
Other income	<u>(221,891,342,015)</u>	<u>(193,656,425,794)</u>

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<i>(in Korean won)</i>	2022	2021
	<u>(1,704,474,031,570)</u>	<u>(1,672,844,649,423)</u>
Changes in operating assets and liabilities		
Decrease (increase) in trade receivables	(436,597,640,069)	147,874,252,146
Increase in other current assets	(969,780,724,698)	(492,151,713,625)
Increase in inventories	(557,525,082,922)	(821,976,734,349)
Increase in trade payables	516,846,500,701	398,156,802,647
Increase (decrease) in other current liabilities	402,612,823,841	(268,340,422,572)
Decrease in provisions for construction warranties	(15,886,439,257)	(25,819,147,619)
Increase (decrease) in long-term unearned income	(14,247,856,410)	56,613,339,783
Increase (decrease) in long-term non-trade payables	102,017,463,414	(7,345,504,224)
Payment of defined benefit liability	(62,288,281,648)	(51,951,480,111)
Decrease in plan assets	54,716,931,500	36,501,547,300
Transfer in (out) defined benefit liability	(386,430,798)	1,999,110,285
Others	56,289,099,173	116,466,138,752
	<u>(924,229,637,173)</u>	<u>(909,973,811,587)</u>
Cash generated from operations	<u>₩1,626,769,399,602</u>	<u>₩440,136,786,182</u>

Changes in liabilities arising from financial activities for the nine-month periods ended September 30, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>			Transactions without cash flows		
	At January 1, 2022	Cash flows from financial activities	Amortization	Others²	At September 30, 2022
Short-term borrowings	₩ 1,210,341	₩ 503,601	₩ -	₩ 522,805	₩ 2,236,747
Long-term borrowings ¹	925,194	749,170	-	591,246	2,265,610
Debentures ¹	837,941	498,451	754	-	1,337,146
	<u>₩ 2,973,476</u>	<u>₩ 1,751,222</u>	<u>₩ 754</u>	<u>₩ 1,114,051</u>	<u>₩ 5,839,503</u>

¹ Long-term borrowings and debentures include current portion of borrowings and debentures.

² Others include changes due to exchange differences and business combination and others.

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(in millions of Korean won)

	At January 1, 2021	Cash flows from financial activities	Transactions without cash flows		At September 30, 2021
			Amortization	Others ²	
Short-term borrowings	₩ 1,419,563	₩ (358,240)	₩ -	₩ 45,756	₩ 1,107,079
Long-term borrowings ¹	887,291	(4,556)	-	362	883,097
Debentures ¹	838,813	188,436	478	-	1,027,727
	<u>₩ 3,145,667</u>	<u>₩ (174,360)</u>	<u>₩ 478</u>	<u>₩ 46,118</u>	<u>₩ 3,017,903</u>

¹ Long-term borrowings and debentures include current portion of borrowings and debentures.

² Others include changes due to exchange differences and others.

Meanwhile, cash outflows (financing activities) from principal repayment in relation to lease liabilities during the nine-month period ended September 30, 2022 were ₩ 120,068 million (2021: ₩ 84,851 million), and cash outflows from interest expenses (operating activities) were ₩ 5,903 million (2021: ₩ 7,961 million).

Significant non-cash transactions for the nine-month periods ended September 30, 2022 and 2021, are as follows:

(in millions of Korean won)

	2022	2021
Reclassification of the current portion of debentures	₩ 40,000	₩ -
Increase in right-of-use assets and lease liabilities	491,441	54,897
Transfer between other comprehensive income and retained earnings due to disposal of financial assets at fair value through other comprehensive income	468	(3,033)
Loss on valuation of financial assets at fair value through other comprehensive income	(8,017,665)	(2,336,739)
Changes in exchange differences – other comprehensive income	91,896	85,717
Changes in gain on derivatives – other comprehensive income	3,596	(1,383)
Changes in non-trade payables due to acquisition of property, plant and equipment	(47,830)	83,381

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28. Segment Information

The strategic steering committee is the Group's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the strategic steering committee for the purposes of allocating resources and assessing performance.

Also, a summary of information on the Group's operations by business segment as at and for the nine-month periods ended September 30, 2022 and 2021, is prepared after elimination of intercompany transactions in operating profit, and liabilities of operating segments are not included as those are not periodically reported to the Group's management.

Summary of information on the Group's operations by business segment as at and for the nine-month periods ended September 30, 2022 and 2021, is as follows:

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(in millions of
Korean won)

	2022						
	Construction	Trading	Fashion	Resort	Food and beverages	Bio	Common
External sales	₩ 10,596,077	₩ 19,753,430	₩ 1,584,184	₩ 535,277	₩ 2,010,174	₩ 2,124,614	₩ -
Internal sales	(28,696)	(3,761,911)	(124,896)	(1,832)	(83,749)	(88,758)	-
Net sales	10,567,381	15,991,519	1,459,288	533,445	1,926,425	2,035,856	-
Operating profit (loss)	633,722	378,379	132,687	45,429	72,254	631,856	-
Total assets ¹	11,337,834	5,536,901	1,103,901	2,402,366	882,316	16,224,210	20,661,935
							58,149,463

¹ For total assets, the common amount is separately presented.

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	2021						
	<i>(in millions of Korean won)</i>						
	Construction	Trading	Fashion	Resort	Food and beverages	Bio	Common
External sales	₩ 7,872,531	₩ 15,368,851	₩ 1,333,154	₩ 375,849	₩ 1,741,131	₩ 1,128,771	₩ -
Internal sales	(31,641)	(2,930,859)	(92,396)	(1,106)	(68,958)	(5,078)	-
Net sales	7,840,890	12,437,992	1,240,758	374,743	1,672,173	1,123,693	-
Operating profit (loss)	118,654	256,067	80,667	(35,994)	75,223	374,166	-
Total assets ¹	8,543,424	4,664,355	1,087,631	2,432,707	844,677	7,705,121	28,585,255
							53,863,170

¹ For total assets, the common amount is separately presented.

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Summary of information on the Group's operations by geographic areas for the nine-month periods ended September 30, 2022 and 2021, is as follows:

(in millions of Korean won)

	2022				
	Domestic	Asia	Europe	The Americas	Total
Total revenue	₩ 24,330,146	₩ 8,560,633	₩ 1,207,583	₩ 2,505,394	₩ 36,603,756
Intercompany revenue	(2,526,814)	(1,073,333)	(175,807)	(313,888)	(4,089,842)
Revenue from external customers	₩ 21,803,332	₩ 7,487,300	₩ 1,031,776	₩ 2,191,506	₩ 32,513,914

(in millions of Korean won)

	2021				
	Domestic	Asia	Europe	The Americas	Total
Total revenue	₩ 17,916,607	₩ 7,374,990	₩ 964,735	₩ 1,563,955	₩ 27,820,287
Intercompany revenue	(1,924,673)	(746,807)	(228,282)	(230,276)	(3,130,038)
Revenue from external customers	₩ 15,991,934	₩ 6,628,183	₩ 736,453	₩ 1,333,679	₩ 24,690,249

29. Financial Risk Management

29.1 Financial Risk Management

The Group is exposed to various financial risks such as market risk, credit risk and liquidity risk while performing various activities. Market risk arises from currency risk, fair value interest rate risk, cash flow interest rate risk and price risk.

As these interim financial statements do not include all the financial risk management and disclosures required for the annual financial statements, please see the December 31, 2021 annual financial statements.

There has been no significant change in the risk management department and other risk management policy of the Group since December 31, 2021.

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29.2 Fair Value Measurement

Fair value hierarchy classifications of the financial instruments that are measured at fair value or its fair value is disclosed as at September 30, 2022 and December 31, 2021, are as follows:

(in millions of Korean won)

	September 30, 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets at fair value through other comprehensive income	₩ 20,363,601	₩ 1,639,587	₩ 201,626	₩ 22,204,814
Financial assets at fair value through profit or loss	2,464	1,856,907	382,460	2,241,831
Derivative financial instruments:				
Held for trading	-	21,240	29,013	50,253
Hedging	-	91,343	-	91,343
	<u>₩ 20,366,065</u>	<u>₩ 3,609,077</u>	<u>₩ 613,099</u>	<u>₩ 24,588,241</u>
Liabilities measured at fair value				
Derivative financial instruments:				
Held for trading	₩ -	₩ 23,957	₩ -	₩ 23,957
Hedging	-	207,751	28,781	236,532
	<u>₩ -</u>	<u>₩ 231,708</u>	<u>₩ 28,781</u>	<u>₩ 260,489</u>

(in millions of Korean won)

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets at fair value through other comprehensive income	₩ 28,292,655	₩ 1,093,845	₩ 211,599	₩ 29,598,099
Financial assets at fair value through profit or loss	2,226	1,592,892	289,015	1,884,133
Derivative financial instruments:				-
Held for trading	-	3,157	29,013	32,170
Hedging	-	23,606	-	23,606
	<u>₩ 28,294,881</u>	<u>₩ 2,713,500</u>	<u>₩ 529,627</u>	<u>₩ 31,538,008</u>
Liabilities measured at fair value				
Derivative financial instruments:				
Held for trading	₩ -	₩ 3,043	₩ -	₩ 3,043
Hedging	-	6,634	-	6,634
	<u>₩ -</u>	<u>₩ 9,677</u>	<u>₩ -</u>	<u>₩ 9,677</u>

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (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).

During the nine-month period ended September 30, 2022, there has been no significant change in the business or economic circumstances that affect the fair value of the entity's financial assets and financial liabilities.

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Valuation techniques and the inputs used in the fair value measurement related to recurring and non-recurring fair value measurements categorized within Level 2 and Level 3 of the fair value hierarchy and disclosed fair value are as follows:

<i>(in millions of Korean won)</i>	Fair value	Level	Fair value measurements	Inputs
Financial assets at fair value				
Energy industry equities	₩ 51,995	3	Net asset value method, discounted cash flow method and others	Growth rate, discount rate and others
Cooperative contribution	47,519	3	Net asset value method, discounted cash flow method and others	Growth rate, discount rate and others
Other equities	484,572	3	Net asset value method, discounted cash flow method and others	Growth rate, discount rate and others
Investment bonds	3,496,494	2	Discounted cash flow method	Counterparty credit risk and others
Derivatives (assets)				
Currency forwards and others	112,583	2	Market approach	Currency forwards rate, discount rate and others
Option	29,013	3	Binomial model	Growth rate, discount rate, volatility and others
Derivatives (liabilities)				
Currency forwards and others	231,708	2	Market approach	Currency forwards rate, discount rate and others
Option	28,781	3	Binomial model	Growth rate, discount rate, volatility and others

Valuation process of fair value measurements classified in level 3

The finance department of the Group's divisions is responsible for fair value measurements which contain fair value measurement categorized in Level 3 for the purpose of financial report and the said department reports periodically the fair value valuation process and its outcome on reporting schedule at the end of every year.

31. Business Combination

On April 20, 2022, the Group acquired 100% of ownership interest in the investee company by acquiring an additional 50% minus one share of ownership interest in Samsung Bioepis Co., Ltd., and acquired control.

Fair value of consideration by category at acquisition date, is as follows:

<i>(in millions of Korean won)</i>	Amount
Cash (including installment consideration paid)	₩ 2,718,846
Fair value of equity interest held before the business combination	2,739,388
Contingent consideration	20,542
Total consideration	₩ 5,478,776

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The Group recognized a gain of ₩124,816 million from the remeasurement at fair value of 50% plus one share of Samsung Bioepis Co., Ltd. held by the Group before the business combination as other income (gain on disposal of investments) in the consolidated statement of comprehensive income.

After the Group determines whether the contractual requirements are satisfied by year from 2023 to 2026 after the termination date of the transaction to the seller, the payment and size of consideration will be decided in 2027 after the end of the period. The range of the amount before discount which is possible to pay in accordance with the above agreement is from USD 0 to USD 50,000,000. At the acquisition date, the fair value of the obligation of ₩ 20,542 million was estimated using the option model approach and recognized as contingent consideration.

At the acquisition date, the fair values of identifiable assets acquired and the liabilities assumed and related goodwill are as follows. The fair value of identifiable net assets at the acquisition date due to the business combination is a provisional amount and may be adjusted in the measurement period after the end of the reporting period.

<i>(in millions of Korean won)</i>	Book amount	Fair value adjustments	Fair value
Cash and cash equivalents	₩ 153,079	₩ -	₩ 153,079
Trade and other receivables	135,492	-	135,492
Inventories	1,221,325	-	1,221,325
Other assets	137,187	-	137,187
Property, plant and equipment and right-of-use asset	223,867	104,447	328,314
Intangible assets	634,410	3,625,227	4,259,637
Deferred tax assets (liabilities)	178,169	(980,905)	(802,736)
Trade and other payables	(134,623)	-	(134,623)
Short-term and long-term borrowings	(957,590)	-	(957,590)
Other liabilities	(558,588)	-	(558,588)
Total of fair value of identifiable net assets			<u>3,781,497</u>
Goodwill ¹			<u>₩ 1,697,279</u>
Total consideration			<u>₩ 5,478,776</u>

¹ The goodwill includes a deferred tax effect of ₩ 980,904 million on the adjustments in fair value of identifiable property, plant and equipment and intangible assets.

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Net cash outflows due to business combinations for the nine-month period ended September 30, 2022, are as follows:

<i>(in millions of Korean won)</i>	Amount	
Consideration paid by cash	₩	1,234,900
Less : Acquired cash and cash equivalents		<u>(153,079)</u>
Net cash outflows	₩	<u>1,081,821</u>

During five months after the acquisition date, the investee recognized revenue of ₩ 419,125 million and profit of ₩ 58,124 million. Had the acquisition of Samsung BioEpis Co., Ltd. been made on January 1, 2022, the beginning of the annual reporting period, management estimates that the revenue and profit would have been ₩ 701,693 million and ₩ 80,002 million, respectively. This estimate is calculated on the assumption that the fair value adjustments which were adjusted provisionally at the acquisition date would have been the same on January 1, 2022.