

Samsung C&T Corporation and Subsidiaries

**Consolidated Interim Financial Statements
June 30, 2020 and 2019**

Samsung C&T Corporation and Subsidiaries
Index
June 30, 2020 and 2019 (Unaudited), and December 31, 2019

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Report on Review of Interim Financial Statements

(English Translation of a Report Originally Issued in Korean)

To the Shareholders and Board of Directors of
Samsung C&T Corporation

Reviewed Financial Statements

We have reviewed the accompanying consolidated interim financial statements of Samsung C&T Corporation (the “Company” or the “Parent Company”) and its subsidiaries (collectively referred to as the “Group”). These financial statements consist of the consolidated interim statement of financial position of the Group as at June 30, 2020, and the related consolidated interim statements of comprehensive income for the three-month and six-month periods ended June 30, 2020 and 2019, and consolidated interim statements of changes in equity and cash flows for the six-month periods ended June 30, 2020 and 2019, and a summary of significant accounting policies and other explanatory notes, expressed in Korean won.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

Our responsibility is to issue a report on these consolidated interim financial statements based on our review.

We conducted our review in accordance with quarterly or semi-annual review standards established by the Securities and Futures Commission of 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 Standards on Auditing 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 the accompanying consolidated interim financial statements are not presented fairly, in all material respects, in accordance with Korean IFRS 1034 *Interim Financial Reporting*.

Emphasis of Matter

Without affecting our conclusion, we draw attention to Note 4 to the consolidated interim financial statements of the Group. Note 4 to the consolidated interim financial statements describes the management's plans and actions taken to deal with uncertainty relating to the impact of Coronavirus disease 2019 ("COVID-19") on the Group's productivity and ability to fulfill customer's orders. These matters do not affect our conclusion.

Other Matters

We have audited the consolidated statement of financial position of the Group as at December 31, 2019, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, in accordance with Korean Standards on Auditing. We expressed an unqualified opinion on those financial statements, not presented herein, in our audit report dated March 4, 2020. The consolidated statement of financial position as at December 31, 2019, presented herein for comparative purposes, is consistent, in all material respects, with the above audited statement of financial position as at December 31, 2019.

The accompanying consolidated interim financial statements as at June 30, 2020 and December 31, 2019, and for the six-month periods ended June 30, 2020 and 2019, have been translated into U.S. dollars solely for the convenience of the reader and have been translated on the basis set forth in Note 3 to the consolidated interim financial statements.

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

Seoul, Korea
August 14, 2020

This report is effective as of August 14, 2020, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the accompanying consolidated interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that there is a possibility that the above review report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

Samsung C&T Corporation and Subsidiaries
Consolidated Interim Statements of Financial Position
June 30, 2020 and December 31, 2019

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

	Notes	June 30, 2020 (Unaudited)	December 31, 2019	June 30, 2020 (Unaudited)	December 31, 2019
Assets					
Current assets					
Cash and cash equivalents	7	₩ 3,285,872	₩ 2,704,409	\$ 2,736,630	\$ 2,252,360
Short-term financial instruments	7	375,722	451,729	312,919	376,222
Financial assets at fair value through profit or loss	7,11	430,038	210,040	358,156	174,931
Financial assets at fair value through other comprehensive income	7,11	171	184	142	153
Trade and other receivables	7,8	4,730,810	4,369,733	3,940,043	3,639,321
Other current assets	7,8	2,453,458	2,120,218	2,043,356	1,765,818
Inventories	6	1,886,142	1,897,382	1,570,869	1,580,230
Total current assets		<u>13,162,213</u>	<u>11,753,695</u>	<u>10,962,115</u>	<u>9,789,035</u>
Assets held for sale	11	<u>5,787</u>	-	<u>4,820</u>	-
Non-current assets					
Financial assets at fair value through profit or loss	7,11	232,146	243,162	193,342	202,517
Financial assets at fair value through other comprehensive income	7,11	20,098,128	22,596,168	16,738,676	18,819,162
Investments in associates and joint ventures	12	3,806,714	3,676,828	3,170,412	3,062,237
Property, plant and equipment	13	4,861,763	4,926,029	4,049,107	4,102,631
Investment properties	14	146,110	147,339	121,687	122,711
Biological assets		5,189	5,115	4,322	4,260
Intangible assets	13	861,422	883,360	717,433	735,704
Right-of-use assets	13	363,942	397,632	303,108	331,167
Deferred tax assets		117,201	117,921	97,611	98,210
Other non-current assets	7,8	1,189,653	1,158,268	990,800	964,661
Total non-current assets		<u>31,682,268</u>	<u>34,151,822</u>	<u>26,386,498</u>	<u>28,443,260</u>
Total assets		<u>₩ 44,850,268</u>	<u>₩ 45,905,517</u>	<u>\$ 37,353,433</u>	<u>\$ 38,232,295</u>

Samsung C&T Corporation and Subsidiaries
Consolidated Interim Statements of Financial Position
June 30, 2020 and December 31, 2019

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

	Notes	June 30, 2020 (Unaudited)	December 31, 2019	June 30, 2020 (Unaudited)	December 31, 2019
Liabilities					
Current liabilities					
Trade payables	7	₩ 1,857,140	₩ 1,558,089	\$ 1,546,714	\$ 1,297,651
Short-term borrowings	7,15	2,154,274	1,927,232	1,794,182	1,605,090
Current portion of long-term borrowings	7,15	1,079,462	785,783	899,027	654,437
Current tax liabilities		251,648	59,964	209,584	49,941
Other current liabilities	5,7,9,10,17	6,587,137	6,598,290	5,486,081	5,495,370
Total current liabilities		<u>11,929,661</u>	<u>10,929,358</u>	<u>9,935,588</u>	<u>9,102,489</u>
Non-current liabilities					
Debentures and long-term borrowings	7,15	546,925	704,315	455,505	586,587
Net defined benefit liability	16	139,622	102,540	116,284	85,400
Deferred tax liabilities		5,564,153	6,250,333	4,634,090	5,205,574
Provisions	5,17	547,498	414,315	455,982	345,061
Other non-current liabilities	7,9	872,972	812,559	727,053	676,738
Total non-current liabilities		<u>7,671,170</u>	<u>8,284,062</u>	<u>6,388,914</u>	<u>6,899,360</u>
Total liabilities		<u>₩ 19,600,831</u>	<u>₩ 19,213,420</u>	<u>\$ 16,324,502</u>	<u>\$ 16,001,849</u>

Samsung C&T Corporation and Subsidiaries
Consolidated Interim Statements of Financial Position
June 30, 2020 and December 31, 2019

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

	Notes	June 30, 2020 (Unaudited)	December 31, 2019	June 30, 2020 (Unaudited)	December 31, 2019
Equity					
Share capital	19	₩ 18,852	₩ 19,132	\$ 15,701	\$ 15,934
Consolidated capital surplus		10,478,247	10,466,963	8,726,782	8,717,384
Other components of equity	19,20	4,275,269	6,009,046	3,560,647	5,004,619
Retained earnings		7,781,731	7,600,994	6,480,995	6,330,469
Equity attributable to owners of the Parent Company		22,554,099	24,096,135	18,784,125	20,068,406
Non-controlling interests	1	2,695,338	2,595,962	2,244,806	2,162,040
Total equity		<u>25,249,437</u>	<u>26,692,097</u>	<u>21,028,931</u>	<u>22,230,446</u>
Total liabilities and equity		<u>₩ 44,850,268</u>	<u>₩ 45,905,517</u>	<u>\$ 37,353,433</u>	<u>\$ 38,232,295</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 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 Six-month Periods Ended June 30, 2020 and 2019

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

	Notes	2020 (Unaudited)		2019 (Unaudited)		2020 (Unaudited)		2019 (Unaudited)	
		Three months	Six months	Three months	Six months	Three months	Six months	Three months	Six months
Net sales	29	₩ 7,223,350	₩14,183,443	₩ 7,971,965	₩15,329,017	\$ 5,985,937	\$ 11,753,715	\$ 6,606,309	\$ 12,703,043
Cost of sales	23	6,429,332	12,531,985	7,079,193	13,622,967	5,327,940	10,385,164	5,866,475	11,289,252
Gross profit		794,018	1,651,458	892,772	1,706,050	657,997	1,368,551	739,834	1,413,791
Selling and administrative expenses	21,23	555,882	1,266,274	672,085	1,380,209	460,655	1,049,352	556,952	1,143,769
Operating Profit	29	238,136	385,184	220,687	325,841	197,342	319,199	182,882	270,022
Other income	22	194,112	666,606	275,054	664,149	160,859	552,411	227,935	550,375
Other expenses	22	80,541	309,549	200,201	345,113	66,744	256,521	165,905	285,993
Financial income	24	27,356	107,716	44,273	96,165	22,670	89,263	36,689	79,691
Financial expenses	24	45,017	101,555	67,556	124,754	37,305	84,158	55,983	103,383
Share of profit of associates and joint ventures	12	82,226	103,566	26,165	37,963	68,140	85,824	21,682	31,460
Share of loss of associates and joint ventures	12	25,316	45,140	11,417	17,278	20,979	37,406	9,461	14,318
Profit before income tax		390,956	806,828	287,005	636,973	323,983	668,612	237,839	527,854
Income tax expense	25	170,219	239,512	79,577	207,111	141,060	198,481	65,945	171,631
Profit for the period		₩ 220,737	₩ 567,316	₩ 207,428	₩ 429,862	\$ 182,923	\$ 470,131	\$ 171,894	\$ 356,223

Samsung C&T Corporation and Subsidiaries
Consolidated Interim Statements of Comprehensive Income
Three-month and Six-month Periods Ended June 30, 2020 and 2019

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

	Notes	2020 (Unaudited)		2019 (Unaudited)		2020 (Unaudited)		2019 (Unaudited)	
		Three months	Six months	Three months	Six months	Three months	Six months	Three months	Six 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	₩	65,504	₩ 75,390	₩ (5,981)	₩ (5,755)	\$ 54,283	\$ 62,475	\$ (4,956)	\$ (4,769)
Exchange differences		7,856	25,777	27,658	48,819	6,511	21,361	22,919	40,457
Cash flow hedges		(1,105)	522	(1,230)	(3,859)	(916)	433	(1,019)	(3,198)
Items that will not be reclassified to profit or loss									
Gain (loss) on valuation of financial assets at fair value through other comprehensive income		1,369,176	(1,833,460)	320,528	1,994,168	1,134,626	(1,519,375)	265,619	1,652,552
Remeasurements of net defined benefit liabilities		-	-	(56)	(113)	-	-	(46)	(94)
		<u>1,441,431</u>	<u>(1,731,771)</u>	<u>340,919</u>	<u>2,033,260</u>	<u>1,194,504</u>	<u>(1,435,106)</u>	<u>282,517</u>	<u>1,684,948</u>
Total comprehensive income (loss) for the period	₩	<u>1,662,168</u>	<u>₩(1,164,455)</u>	<u>₩ 548,347</u>	<u>₩ 2,463,122</u>	<u>\$ 1,377,427</u>	<u>\$ (964,975)</u>	<u>\$ 454,411</u>	<u>\$ 2,041,171</u>

Samsung C&T Corporation and Subsidiaries
Consolidated Interim Statements of Comprehensive Income
Three-month and Six-month Periods Ended June 30, 2020 and 2019

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

	Notes	2020 (Unaudited)		2019 (Unaudited)		2020 (Unaudited)		2019 (Unaudited)	
		Three months	Six months	Three months	Six months	Three months	Six months	Three months	Six months
Profit for the period attributable to:									
Owners of the Parent Company		₩ 188,570	₩ 511,013	₩ 219,805	₩ 469,130	\$ 156,267	\$ 423,473	\$ 182,151	\$ 388,765
Non-controlling interest		32,167	56,303	(12,377)	(39,268)	26,656	46,658	(10,257)	(32,542)
Total comprehensive income (loss) for the period attributable to:									
Owners of the Parent Company		₩ 1,630,347	₩(1,223,435)	₩ 559,928	₩ 2,499,655	\$ 1,351,057	\$ (1,013,852)	\$ 464,008	\$ 2,071,446
Non-controlling interest		31,821	58,980	(11,581)	(36,533)	26,370	48,877	(9,597)	(30,275)
Earnings per share:									
Basic earnings per share	26	₩ 1,143	₩ 3,098	₩ 1,332	₩ 2,844	\$ 0.95	\$ 2.57	\$ 1.10	\$ 2.36

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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
Six-month Periods Ended June 30, 2020 and 2019

(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, 2019		₩ 19,132	₩ 10,468,876	₩ 6,949,465	₩ 2,509,117	₩ 2,602,345	₩22,548,935	\$ 15,934	\$ 8,718,977	\$ 5,787,845	\$ 2,089,712	\$ 2,167,357	\$ 18,779,825
Cumulative effect of changes in accounting policy		-	-	(16,114)	-	-	(16,114)	-	-	(13,421)	-	-	(13,421)
Beginning balance after adjustments		19,132	10,468,876	6,933,351	2,509,117	2,602,345	22,532,821	15,934	8,718,977	5,774,424	2,089,712	2,167,357	18,766,404
Total comprehensive income:													
Profit for the period		-	-	469,130	-	(39,268)	429,862	-	-	390,714	-	(32,704)	358,010
Changes in the fair value of financial assets at fair value through other comprehensive income	11	-	-	-	1,994,168	-	1,994,168	-	-	-	1,660,838	-	1,660,838
Reclassification from disposal of financial assets at fair value through other comprehensive income	11	-	-	4,981	(4,981)	-	-	-	-	4,148	(4,148)	-	-
Share of other comprehensive income of associates and joint ventures	12	-	-	-	(5,866)	111	(5,755)	-	-	-	(4,885)	92	(4,793)
Exchange differences		-	-	-	46,246	2,573	48,819	-	-	-	38,516	2,143	40,659
Cash flow hedge		-	-	-	(3,973)	114	(3,859)	-	-	-	(3,309)	95	(3,214)
Remeasurements of the net defined benefit liabilities		-	-	(49)	-	(64)	(113)	-	-	(41)	-	(53)	(94)
Transactions with owners:													
Cash dividends		-	-	(329,937)	-	(3,451)	(333,388)	-	-	(274,787)	-	(2,874)	(277,661)
Balance at June 30, 2019 (Unaudited)		₩ 19,132	₩ 10,468,876	₩ 7,077,476	₩ 4,534,711	₩ 2,562,360	₩24,662,555	\$ 15,934	\$ 8,718,977	\$ 5,894,458	\$ 3,776,724	\$ 2,134,056	\$ 20,540,149

Samsung C&T Corporation and Subsidiaries
Consolidated Interim Statements of Changes in Equity
Six-month Periods Ended June 30, 2020 and 2019

(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, 2020		₩ 19,132	₩ 10,466,963	₩ 7,600,994	₩ 6,009,046	₩ 2,595,962	₩26,692,097	\$ 15,934	\$ 8,717,384	\$ 6,330,469	\$ 5,004,619	\$ 2,162,040	\$ 22,230,446
Total comprehensive income:													
Profit for the period		-	-	511,013	-	56,303	567,316	-	-	425,596	-	46,892	472,488
Changes in the fair value of financial assets at fair value through other comprehensive income	11	-	-	-	(1,833,460)	-	(1,833,460)	-	-	-	(1,526,993)	-	(1,526,993)
Reclassification from disposal of financial assets at fair value through other comprehensive income	11	-	-	(391)	391	-	-	-	-	(326)	326	-	-
Share of other comprehensive income of associates and joint ventures	12	-	-	-	75,376	13	75,389	-	-	-	62,777	11	62,788
Exchange differences		-	-	-	23,113	2,664	25,777	-	-	-	19,249	2,219	21,468
Cash flow hedge		-	-	-	523	-	523	-	-	-	436	-	436
Remeasurements of the net defined benefit liabilities		-	-	-	-	-	-	-	-	-	-	-	-
Transactions with owners:													
Cash dividends		-	-	(329,938)	-	(1,825)	(331,763)	-	-	(274,787)	-	(1,520)	(276,307)
Additional acquisition of non-controlling interests		-	11,284	-	-	(10,973)	311	-	9,398	-	-	(9,139)	259
Retirement of treasury shares		(280)	-	-	280	-	-	(233)	-	-	233	-	-
Capital contribution of non-controlling interests and others		-	-	53	-	53,194	53,247	-	-	43	-	44,303	44,346
Balance at June 30, 2020 (Unaudited)		<u>₩ 18,852</u>	<u>₩ 10,478,247</u>	<u>₩ 7,781,731</u>	<u>₩ 4,275,269</u>	<u>₩ 2,695,338</u>	<u>₩25,249,437</u>	<u>\$ 15,701</u>	<u>\$ 8,726,782</u>	<u>\$ 6,480,995</u>	<u>\$ 3,560,647</u>	<u>\$ 2,244,806</u>	<u>\$ 21,028,931</u>

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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
Six-month Periods Ended June 30, 2020 and 2019

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

	Notes	2020 (Unaudited)	2019 (Unaudited)	2020 (Unaudited)	2019 (Unaudited)
Cash flows from operating activities					
Cash generated from (used in) operations	28	₩ 506,805	₩ (2,639)	\$ 422,091	\$ (2,198)
Interest received		28,530	68,710	23,761	57,225
Interest paid		(48,682)	(75,845)	(40,545)	(63,167)
Dividends received		388,986	384,668	323,966	320,370
Income taxes paid		(92,486)	(583,699)	(77,027)	(486,132)
Net cash inflow (outflow) from operating activities		<u>783,153</u>	<u>(208,805)</u>	<u>652,246</u>	<u>(173,902)</u>
Cash flows from investing activities					
Decrease in short-term financial instruments		76,987	64,877	64,118	54,033
Decrease in short-term loans		6,569	-	5,471	-
Disposal of financial assets at fair value through profit or loss	11	560,215	920,174	466,574	766,365
Disposal of financial assets at fair value through other comprehensive income	11	1,229	20,453	1,024	17,034
Disposal of investments in subsidiaries		-	41,173	-	34,291
Disposal of investments in associates and joint ventures	12	3,966	53,508	3,303	44,564
Decrease in long-term receivables		7,166	32,098	5,968	26,733
Decrease in deposits		51,911	81,282	43,234	67,696
Disposal of property, plant and equipment	13	9,864	6,773	8,215	5,641
Disposal of intangible assets	13	7,093	47	5,907	39
Disposal of investment properties	14	3,782	-	3,150	-
Decrease in other non-current assets		-	4,009	-	3,339
Increase in short-term loans		-	(33,838)	-	(28,182)
Acquisition of financial assets at fair value through profit or loss	11	(784,001)	(763,428)	(652,953)	(635,819)
Acquisition of financial assets at fair value through other comprehensive income	11	(633)	-	(527)	-
Acquisition of investments in associates and joint ventures	12	(5,726)	(24,426)	(4,769)	(20,343)
Increase in long-term receivables		(9,643)	(1,283)	(8,031)	(1,069)
Increase in deposits		(31,331)	(88,619)	(26,094)	(73,806)
Acquisition of property, plant and equipment	13	(107,664)	(178,522)	(89,668)	(148,682)
Acquisition of intangible assets	13	(14,966)	(14,298)	(12,464)	(11,908)
Acquisition of investment properties	14	-	(21,103)	-	(17,576)
Cash flows due to changes in scope of consolidation		-	(7)	-	(6)
Increase in other non-current assets		(327)	(7,452)	(272)	(6,206)
Net cash inflow (outflow) from investing activities		<u>₩ (225,509)</u>	<u>₩ 91,418</u>	<u>\$ (187,814)</u>	<u>\$ 76,138</u>

Samsung C&T Corporation and Subsidiaries
Consolidated Interim Statements of Cash Flows
Six-month Periods Ended June 30, 2020 and 2019

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

	Notes	2020 (Unaudited)	2019 (Unaudited)	2020 (Unaudited)	2019 (Unaudited)
Cash flows from financing activities					
Net increase in short-term borrowings	30	₩ 207,774	₩ 449,227	\$ 173,044	\$ 374,138
Proceeds from bonds issuance	30	60,000	-	49,971	-
Increase in long-term borrowings	30	150,098	30,251	125,009	25,194
Increase in leasehold deposits received		-	154	-	128
Capital contribution of non-controlling interests		53,193	-	44,302	-
Dividends paid		(329,937)	(329,937)	(274,787)	(274,787)
Repayment of current portion of long-term borrowings	30	(35,200)	(971,383)	(29,316)	(809,014)
Early redemption of long-term borrowings	30	(50,865)	(12,269)	(42,363)	(10,218)
Decrease in leasehold deposits received		(625)	(2,245)	(521)	(1,870)
Principal elements of lease payments		(75,332)	(56,191)	(62,740)	(46,799)
Additional acquisition of non-controlling interests		(108)	-	(90)	-
Dividends paid to non-controlling interests	1	(1,825)	(3,451)	(1,520)	(2,874)
Net cash outflow from financing activities		<u>(22,827)</u>	<u>(895,844)</u>	<u>(19,011)</u>	<u>(746,102)</u>
Net increase (decrease) in cash and cash equivalents		534,817	(1,013,231)	445,421	(843,866)
Cash and cash equivalents at the beginning of the period		2,704,409	2,903,538	2,252,360	2,418,204
Effects of exchange rate changes on cash and cash equivalents		46,646	50,853	38,849	42,352
Cash and cash equivalents at the end of the period		<u>₩ 3,285,872</u>	<u>₩ 1,941,160</u>	<u>\$ 2,736,630</u>	<u>\$ 1,616,690</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 112 subsidiaries, including Samsung BioLogics Co., Ltd. (collectively referred to as the “Group”) and 51 associates and joint ventures, including Samsung Bioepis 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 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 June 30, 2020, is as follows:

Subsidiaries	Primary business	Share capital (in millions of Korean won)	Number of outstanding shares	Number of shares		Ownership interest held by the Group (%)	Location	Ownership interest held by subsidiaries	
				Samsung C&T	Subsidiaries				
Seoul Lakeside Co., Ltd.	Golf course service	₩ 1,176	117,600	117,600	-	117,600	100.00	Korea	
Samoo Architects & Engineers Co., Ltd.	Architectural design service	1,100	220,000	220,000	-	220,000	100.00	Korea	
CVnet Corporation ²	e-Business	3,200	6,400,000	2,569,155	-	2,569,155	40.14	Korea	
Myodo Metal Co., Ltd.	Production of steel products	3,811	1,080,000	1,080,000	-	1,080,000	100.00	Japan	
Samsung C&T Japan Corporation	Trading	42,104	5,000,000	5,000,000	-	5,000,000	100.00	Japan	
Samsung C&T America Inc.	Trading	52,259	105	105	-	105	100.00	U.S.A	
Meadowland Distribution Inc.	Distribution	600	500	-	500	500	100.00	U.S.A	Samsung C&T America, Inc. 100%
Samsung Renewable Energy Inc. ⁴	Renewable energy development	22,867	2,000	2,000	-	2,000	100.00	Canada	
Samsung Green Repower, LLC. ¹	Renewable energy development	2,863	-	-	-	-	100.00	U.S.A	Samsung C&T America, Inc. 100%
Samsung E&C America, Inc.	Construction	104	100,000	100,000	-	100,000	100.00	U.S.A	
Samsung Solar Construction, Inc.	Renewable energy development	6	5,000	-	5,000	5,000	100.00	U.S.A	Samsung C&T America, Inc. 100%
QSSC, S.A, de C.V.	Production of steel products	8,616	93,758,250	56,254,950	18,751,650	75,006,600	80.00	Mexico	Samsung C&T America, Inc. 20%
Samsung C&T Oil & Gas	Natural resources	59,630	1	1	-	1	100.00	U.S.A	

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Subsidiaries	Primary business	Share capital (in millions of Korean won)	Number of outstanding shares	Number of shares		Ownership interest held by the Group (%)	Location	Ownership interest held by subsidiaries
				Samsung C&T	Subsidiaries			
Parallel Corp.	development							
Parallel Petroleum LLC. ¹	Natural resources development	₩ 837,480	-	-	-	51.00	U.S.A	PLL Holdings LLC. 61%
Monument Power, LLC ¹	Renewable energy development	4,094	-	-	-	100.00		Samsung Green Repower, LLC 100%
SRE GRW EPC GP, Inc. ¹	Renewable energy development	15	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 100%
SRE GRW EPC LP ¹	Renewable energy development	11	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 99.99%, SRE GRW EPC GP, Inc. 0.01%
SRE SKW EPC GP, Inc. ¹	Renewable energy development	13	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 100%
SRE SKW EPC LP ¹	Renewable energy development	11	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 99.99%, SRE SKW EPC GP, Inc. 0.01%
Samsung C&T Canada Ltd. ⁴	Construction	84,302	101,000,001	101,000,001	-	100.00	Canada	
PLL Holdings LLC. ¹	Natural resources development	238,537	-	-	-	83.60	U.S.A	Samsung C&T Oil & Gas Parallel Corp. 83.6%
SRE WIND PA GP Inc. ¹	Renewable energy development	13	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 100%
SRE WIND PA LP ¹	Renewable energy development	11	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 99.99%, SRE Wind PA GP Inc. 0.01%
PLL E&P LLC. ¹	Natural resources development	34,733	-	-	-	90.00	U.S.A	Samsung C&T Oil & Gas Parallel Corp. 90%
SRE GRS Holdings GP Inc. ¹	Renewable energy	14	-	-	-	100.00	Canada	Samsung Renewable Energy,

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Subsidiaries	Primary business	Share capital (in millions of Korean won)	Number of outstanding shares	Number of shares		Ownership interest held by the Group (%)	Location	Ownership interest held by subsidiaries
				Samsung C&T	Subsidiaries			
	development							Inc. 100%
SRE GRS Holdings LP ¹	Renewable energy development	₩ 3	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 99.99%, SRE GRS Holdings GP Inc. 0.01%
SRE K2 EPC GP Inc. ¹	Renewable energy development	13	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 100%
SRE K2 EPC LP ¹	Renewable energy development	-	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 99.99%, SRE K2 EPC GP Inc. 0.01%
SRE KS Holdings GP Inc. ¹	Renewable energy development	15	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 100%
SRE KS Holdings LP ¹	Renewable energy development	515	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 99.99%, SRE KS Holdings GP, Inc. 0.01%
SRE Armow EPC GP Inc. ¹	Renewable energy development	10	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 100%
SRE Armow EPC LP ¹	Renewable energy development	9	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 99.99%, SRE Armow EPC GP Inc. 0.01%
SRE Wind GP Holdings, Inc. ¹	Renewable energy development	124	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 100%
SRE North Kent 2 LP Holdings LP ¹	Renewable energy development	200	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 99.99%, SRE North Kent 2 GP Holdings Inc. 0.01%
SRE Solar Development GP Inc. ¹	Renewable energy development	13	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 100%
SRE Solar Development LP ¹	Renewable energy	277	-	-	-	100.00	Canada	Samsung Renewable Energy,

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Subsidiaries	Primary business	Share capital (in millions of Korean won)	Number of outstanding shares	Number of shares		Ownership interest held by the Group (%)	Location	Ownership interest held by subsidiaries
				Samsung C&T	Subsidiaries			
	development							Inc. 99.99%, SRE Solar Development GP Inc. 0.01%
SRE Windsor Holdings GP Inc. ¹	Renewable energy development	₩ 9	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 100%
SRE Southgate Holdings GP Inc. ¹	Renewable energy development	12	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 100%
SRE Solar Construction Management GP Inc. ¹	Renewable energy development	9	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 100%
SRE Solar Construction Management LP ¹	Renewable energy development	9	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 99.99%, SRE Solar Construction Management GP Inc. 0.01%
SRE Development GP Inc. ¹	Renewable energy development	7	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 100%
SRE Development LP ¹	Renewable energy development	189	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 99.99%, SRE Development GP Inc. 0.01%
SRE BRW EPC GP Inc. ¹	Renewable energy development	5	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 100%
SRE BRW EPC LP ¹	Renewable energy development	9	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 99.99%, SRE BRW EPC GP Inc. 0.01%
SRE North Kent 1 GP Holdings Inc. ¹	Renewable energy development	20	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 100%
SRE North Kent 2 GP Holdings Inc. ¹	Renewable energy development	13	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 100%
SRE Belle River GP Holdings	Renewable energy	20	-	-	-	100.00	Canada	Samsung Renewable Energy,

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Subsidiaries	Primary business	Share capital (in millions of Korean won)	Number of outstanding shares	Number of shares			Ownership interest held by the Group (%)	Location	Ownership interest held by subsidiaries
				Samsung C&T	Subsidiaries	Total			
Inc. ¹	development								Inc. 100%
SRE NK1 EPC GP Inc. ¹	Renewable energy development	₩ 5	-	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 100%
SRE NK1 EPC LP ¹	Renewable energy development		9	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 99.99%, SRE NK1 EPC GP Inc. 0.01%
SRE Summerside Construction GP Inc. ¹	Renewable energy development		6	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 100%
SRE Summerside Construction LP ¹	Renewable energy development		9	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 99.99%, SRE Summerside Construction GP Inc. 0.01%
Samsung Solar Energy LLC. ¹	Renewable energy development	22,917	-	-	-	-	100.00	U.S.A	Samsung C&T America, Inc. 100%
Samsung Solar Energy 1 LLC. ¹	Renewable energy development	2,555	-	-	-	-	100.00	U.S.A	Samsung Solar Energy LLC. 100%
Samsung Solar Energy 2 LLC. ¹	Renewable energy development	19,995	-	-	-	-	100.00	U.S.A	Samsung Solar Energy LLC. 100%
Samsung Solar Energy 3 LLC. ¹	Renewable energy development	314	-	-	-	-	100.00	U.S.A	Samsung Solar Energy LLC. 100%
Kneehill Solar GP Inc. ¹	Renewable energy development	-	-	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 100%
Kneehill Solar LP ¹	Renewable energy development	31	-	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 99.98%, Kneehill Solar GP Inc. 0.02%
Michichi Solar GP Inc. ¹	Renewable energy development	3	-	-	-	-	100.00	Canada	Samsung Renewable Energy, Inc. 100%
Michichi Solar LP ¹	Renewable energy	71	-	-	-	-	100.00	Canada	Samsung Renewable Energy,

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Subsidiaries	Primary business	Share capital (in millions of Korean won)	Number of outstanding shares	Number of shares		Ownership interest held by the Group (%)	Location	Ownership interest held by subsidiaries	
				Samsung C&T	Subsidiaries				
	development							Inc. 99.98%, Michichi solar GP Inc. 0.02%	
Samsung C&T Lima S.A.C	Trading	₩ 1,217	1,000	1,000	-	1,000	100.00	Peru	
Samsung C&T Deutschland GmbH ¹	Trading	18,551	-	-	-	-	100.00	Germany	
Samsung C&T U.K. Ltd.	Trading	59,415	27,950,000	27,950,000	-	27,950,000	100.00	United Kingdom	
Samsung C&T ECUK Limited	Construction	27,814	19,033,000	19,033,000	-	19,033,000	100.00	United Kingdom	
Whesoe Engineering Limited	Industrial plant engineering	-	138	138	-	138	100.00	United Kingdom	
SAMOO HU Designer and Engineering Services Limited Liability Company ¹	Architectural design service	166	-	-	-	-	100.00	Hungary	Samoo Architects & Engineers Co., Ltd. 100%
POSS-SLPC S.R.O. ¹	Production of steel products	5,967	-	-	-	-	70.00	Slovakia	Samsung C&T Deutschland GmbH 20%
Solluce Romania 1 B.V. ¹	Renewable energy development	33,517	-	-	-	-	100.00	Netherlands	Samsung C&T Deutschland GmbH 20%
Samsung C&T (KL) Sdn., Bhd.	Construction	3,870	1,000,000	1,000,000	-	1,000,000	100.00	Malaysia	
Samsung C&T Malaysia Sdn. Bhd.	Trading	6,002	15,000,000	15,000,000	-	15,000,000	100.00	Malaysia	
Erdsam Co., Ltd.	Trading	242	8,000	8,000	-	8,000	100.00	Hong Kong	
Samsung Chemtech Vina ¹	Trading	3,554	-	-	-	-	100.00	Vietnam	Samsung C&T Singapore Pte. Ltd. 48.33%
S-Print, Inc. ¹	Production of textile	2,245	-	-	-	-	80.00	Vietnam	Samsung C&T America, Inc. 24%, Samsung C&T Singapore

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Subsidiaries	Primary business	Share capital (in millions of Korean won)	Number of outstanding shares	Number of shares			Ownership interest held by the Group (%)	Location	Ownership interest held by subsidiaries
				Samsung C&T	Subsidiaries	Total			
Samsung C&T (Thailand) Co., Ltd.	Trading	₩ 7,599	39,912,000	37,107,000	2,805,000	39,912,000	100.00	Thailand	Pte. Ltd. 16% Samsung C&T Singapore Pte. Ltd. 0.20%, Samsung C&T Hongkong Limited 6.83%
PT. Insam Batubara Energy	Wholesale and retail of coal	1,037	1,000,000	900,000	100,000	1,000,000	100.00	Indonesia	Samsung C&T Singapore Pte. Ltd. 10%
Samsung C&T India Private Ltd.	Construction	2,748	126,500,000	126,500,000	-	126,500,000	100.00	India	
Samsung C&T Corporation India Private Ltd.	Trading	3,455	16,500,001	16,500,001	-	16,500,001	100.00	India	
MSSC Sdn.,Bhd.	Production of steel products	4,928	44,974	31,482	13,492	44,974	100.00	Malaysia	Samsung C&T Singapore Pte. Ltd. 30%
Samsung C&T Singapore Pte. Ltd.	Trading	35,574	34,000,000	34,000,000	-	34,000,000	100.00	Singapore	
S&G Biofuel Pte. Ltd.	Natural resources development	45,922	46,312,500	23,400,000	5,850,000	29,250,000	63.16	Singapore	Samsung C&T Singapore Pte. Ltd. 12.63%
PT. Gandaerah Hendana	Natural resources development	11,320	100,000,000	-	95,000,000	95,000,000	60.00	Indonesia	S&G Biofuel Pte. Ltd. 95%
PT. Inecda	Natural resources development	11,320	100,000,000	-	95,000,000	95,000,000	60.00	Indonesia	S&G Biofuel Pte. Ltd. 95%
SAMSUNG C&T Mongolia LLC. ¹	Construction	1,215	-	-	-	-	70.00	Mongolia	
Samsung C&T Eng.&Const. Mongolia LLC. ¹	Construction	598	-	-	-	-	100.00	Mongolia	
S&Woo Construction Philippines, Inc.	Construction	239	9,400	9,400	-	9,400	100.00	Philippines	
SAMOO DESIGNERS & ENGINEERS INDIA PRIVATE	Architectural design service	192	1,100,000	-	1,100,000	1,100,000	100.00	India	Samoo Architects & Engineers Co., Ltd. 100%

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				Samsung C&T	Subsidiaries				
LIMITED									
SAMOO (KL) SDN. BHD. ¹	Architectural design service	₩ 269	-	-	-	-	100.00	Malaysia	Samoo Architects & Engineers Co., Ltd. 100%
Samsung (Tianjin) International Trading Co., Ltd. ¹	Trading	382	-	-	-	-	100.00	China	Samsung C&T Hongkong Limited 100%
Samsung Trading (Shanghai) Co., Ltd. ¹	Trading	498	-	-	-	-	100.00	China	Samsung C&T Hongkong Limited 100%
Samsung C&T Hongkong Limited	Trading	47,849	61,483	61,483	-	61,483	100.00	Hong Kong	
Samsung C&T Taiwan Co., Ltd.	Trading	361	1,000,000	1,000,000	-	1,000,000	100.00	Taiwan	
Samsung Precision Stainless Steel (pinghu) Co., Ltd. ¹	Production of steel products	82,979	-	-	-	-	100.00	China	Samsung C&T Hongkong Limited 45%
Samsung C&T (Shanghai) Co., Ltd. ¹	Construction	11,066	-	-	-	-	100.00	China	
Samsung C&T (Xi'an) Co., Ltd. ¹	Construction	1,428	-	-	-	-	100.00	China	
Samsung C&T Corporation Saudi Arabia ¹	Construction	143,425	-	-	-	-	100.00	Saudi Arabia	
SAM Gulf Investment Limited	Investment	4,891	15,438,656	15,438,656	-	15,438,656	100.00	UAE	
Samsung C&T Chile Copper SpA	Natural resources development	12,918	11,535,517	11,535,517	-	11,535,517	100.00	Chile	
SCNT Power Kelar Inversiones LTDA.	Thermal power generation	42,705	100	100	-	100	100.00	Chile	
S.C. Otelinox S.A	Production of stainless steel plates and poles	56,148	33,078,479	-	31,179,053	31,179,053	94.26	Romania	Samsung C&T Deutschland GmbH 94.26%
Samsung C&T Corporation Rus	Construction	6,303	-	-	-	-	100.00	Russia	

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Subsidiaries	Primary business	Share capital (in millions of Korean won)	Number of outstanding shares	Number of shares		Ownership interest held by the Group (%)	Location	Ownership interest held by subsidiaries	
				Samsung C&T	Subsidiaries				
LLC. ¹									
Samsung BioLogics Co., Ltd. ³	Biopharmaceutical products manufacturing	₩ 165,413	66,165,000	28,742,466	-	28,742,466	43.44	Korea	
Samsung Biologics America Inc. ³	Research and development on medicine and pharmacy	11,914	10,000	-	10,000	10,000	43.44	U.S.A	Samsung BioLogics Co., Ltd. 100%
Cheil Fashion Retail Co., Ltd.	Manufacturing and selling garments	10,000	2,000,000	2,000,000	-	2,000,000	100.00	Korea	
Cheil Industries Corp., USA	Manufacturing and selling garments	106	1	1	-	1	100.00	U.S.A	
Cheil Industries Italy S.R.L. ¹	Manufacturing and selling garments	2,639	-	-	-	-	100.00	Italy	
Colombo Via della Spiga S.R.L. ¹	Manufacturing and selling garments	144	-	-	-	-	100.00	Italy	Cheil Industries Italy S.R.L. 100%
Samsung Fashion Trading (Shanghai) Co., Ltd. ¹	Manufacturing and selling garments	65,993	-	-	-	-	100.00	China	
Samsung Welstory Inc.	Foodservice business	10,000	2,000,000	2,000,000	-	2,000,000	100.00	Korea	
Cheil Industries Inc. Vietnam Co., Ltd. ¹	Construction	1,143	-	-	-	-	100.00	Vietnam	
Welstory Vietnam Co., Ltd. ¹	Foodservice business	10,007	-	-	-	-	90.00	Vietnam	Samsung Welstory Inc. 90%
Samsung C&T Corporation UEM Construction JV Sdn. Bhd.	Construction	133,189	460,750,000	276,450,000		276,450,000	60.00	Malaysia	

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Subsidiaries	Primary business	Share capital (in millions of Korean won)	Number of outstanding shares	Number of shares		Ownership interest held by the Group (%)	Location	Ownership interest held by subsidiaries
				Samsung C&T	Subsidiaries			
Shanghai Ever Hongjun Business Management Service Co., Ltd. ¹	Foodservice business	₩ 2,536	-	-	-	85.00	China	Samsung Welstory Inc. 85%
Shanghai Welstory Food Company Limited ¹	Foodservice business	7,904	-	-	-	81.61	China	Samsung Welstory Inc. 81.61%

¹ No share has been issued in accordance with the local laws and regulations.

² The Parent Company has de facto control to appoint or dismiss more than 50% of the members of Board of Directors although it has less than 50% ownership interest.

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 addition, the attendance rate, voting patterns at previous shareholders' meetings and other factors are also considered.

⁴ Samsung Renewable Energy Inc. and Samsung C&T Canada Ltd., subsidiaries of the Parent Company, merged on July 1, 2020, and the existing company is Samsung Renewable Energy Inc. (Note 31).

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(b) Summarized financial information of subsidiaries as at and for the six-month period ended June 30, 2020, 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.	₩ 609,023	₩ 265,921	₩ 24,437	₩ 4,261	₩ 4,261
Samoo Architects & Engineers Co., Ltd.	159,439	81,717	98,755	10,834	10,834
CVnet Corporation	36,426	13,553	24,507	(507)	(374)
Myodo Metal Co., Ltd.	107,319	97,151	62,153	386	1,228
Samsung C&T Japan Corporation	249,163	162,799	571,178	2,908	6,843
Samsung C&T America, Inc.	416,080	156,236	226,097	(259)	8,693
Meadowland Distribution Inc.	2,100	2,973	-	(2,621)	(2,621)
Samsung Renewable Energy, Inc.	393,694	4,615	-	22,565	19,980
Samsung Green Repower, LLC.	9,435	53	-	-	75
Samsung E&C America, Inc.	46,569	38,886	53,615	1,328	1,549
Samsung Solar Construction, Inc.	33	-	-	-	1
QSSC, S.A. de C.V.	109,256	99,930	116,277	(1,344)	(956)
Samsung C&T Oil & Gas Parallel Corp.	316,550	355,285	-	(3,077)	(12,059)
Parallel Petroleum LLC.	208,618	44,374	18,489	5,182	10,941
Monument Power, LLC	134	-	-	(2)	(2)
SRE GRW EPC GP, Inc.	4	-	-	-	-
SRE GRW EPC LP	42	-	-	(2)	(2)
SRE SKW EPC GP, Inc.	-	-	-	-	-
SRE SKW EPC LP	32	-	-	(2)	(2)
Samsung C&T Canada Ltd.	182,883	270,911	129,381	2,606	3,357
PLL Holdings LLC.	510,060	287,348	-	(3,083)	(13,218)
SRE WIND PA GP Inc.	2	-	-	-	-
SRE WIND PA LP	3,217	22	1,009	1,029	1,005
PLL E&P LLC.	2,778	6,102	323	(607)	(702)
SRE GRS Holdings GP Inc.	5	-	-	-	-
SRE GRS Holdings LP	2,129	-	-	54	36
SRE K2 EPC GP Inc.	4	-	-	-	-
SRE K2 EPC LP	872	-	-	7	-
SRE KS Holdings GP Inc.	7	-	-	-	-
SRE KS Holdings LP	2,443	-	-	102	86

Samsung C&T Corporation and Subsidiaries
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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 Armow EPC GP Inc.	₩ 1	₩ -	₩ -	₩ -	₩ -
SRE Armow EPC LP	1,150	-	-	10	-
SRE Wind GP Holdings, Inc.	160	-	-	(6)	(7)
SRE North Kent 2 LP Holdings LP	21	-	-	(2)	(2)
SRE Solar Development GP Inc.	4	-	-	-	-
SRE Solar Development LP	205	-	-	(1)	(3)
SRE Windsor Holdings GP Inc.	3	-	-	-	-
SRE Southgate Holdings GP Inc.	2	-	-	-	-
SRE Solar Construction Management GP Inc.	4	-	-	-	-
SRE Solar Construction Management LP	87	-	-	(1)	(2)
SRE Development GP Inc.	1	-	-	-	-
SRE Development LP	57	-	-	(2)	(3)
SRE BRW EPC GP Inc.	1	-	-	-	-
SRE BRW EPC LP	1,015	-	-	8	(1)
SRE North Kent 1 GP Holdings Inc.	16	-	-	-	-
SRE North Kent 2 GP Holdings Inc.	2	-	-	-	-
SRE Belle River GP Holdings Inc.	17	-	-	-	(1)
SRE NK1 EPC GP Inc.	1	-	-	-	-
SRE NK1 EPC LP	901	-	-	7	(1)
SRE Summerside Construction GP Inc.	3	-	-	-	-
SRE Summerside Construction LP	221	1	-	(1)	(3)
Samsung Solar Energy LLC.	22,864	-	-	-	(60)
Samsung Solar energy 1 LLC.	8,722	-	-	1,067	1,286
Samsung Solar energy 2 LLC.	16,201	114	-	(1,217)	(1,139)
Samsung Solar energy 3 LLC.	307	-	-	(1)	(1)
Kneehill Solar GP Inc.	-	-	-	-	-
Kneehill Solar LP	31	2	-	(2)	(2)
Michichi Solar GP Inc.	2	-	-	(1)	(1)
Michichi Solar LP	44	-	-	(27)	(27)
Samsung C&T Lima S.A.C	1,062	11	-	(115)	(166)
Samsung C&T Deutschland GmbH	469,076	171,019	342,425	12,679	20,513
Samsung C&T U.K. Ltd.	54,811	40,412	91,787	485	116

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(In millions of Korean won)

Subsidiaries	Total assets	Total liabilities	Revenue	Profit (loss) for the period	Total comprehensive income (loss)
Samsung C&T ECUK Limited	₩ 50,118	₩ 130,703	₩ 3,632	₩ 237	₩ 2,489
Whessoe Engineering Limited	2,361	9,114	4,920	460	648
SAMOO HU Designer and Engineering Services Limited Liability Company	985	904	1,829	-	(3)
POSS-SLPC S.R.O.	29,950	16,700	30,289	278	789
Solluce Romania 1 B.V.	32,974	453	-	(34)	(51)
Samsung C&T (KL) Sdn., Bhd.	110,255	95,459	50,112	(2,567)	(2,639)
Samsung C&T Malaysia Sdn. Bhd.	5,045	467	1,485	685	652
Erdsam Co., Ltd.	357	55	-	(6)	(6)
Samsung Chemtech Vina	59,613	45,087	96,970	1,127	1,593
S-Print	10,743	13,310	6,064	(741)	(805)
Samsung C&T (Thailand) Co., Ltd.	38,362	12,625	23,283	4,642	5,028
PT. Insam Batubara Energy	13	2,200	-	(1)	(79)
Samsung C&T India Private Ltd.	241,286	219,819	101,468	3,612	3,155
Samsung C&T Corporation India Private Ltd.	4,365	2,997	2,075	177	148
MSSC Sdn.,Bhd.	24,110	17,256	26,550	268	224
Samsung C&T Singapore Pte. Ltd.	224,774	200,708	712,608	1,399	2,208
S&G Biofuel Pte. Ltd.	120,224	43,413	-	14,784	12,640
PT. Gandaerah Hendana	22,549	26,851	16,928	1,440	2,005
PT. Inecda	32,090	3,460	13,802	1,545	2,293
SAMSUNG C&T Mongolia LLC.	16,407	9,090	(201)	41	40
Samsung C&T Eng.&Const. Mongolia LLC.	10,936	32	201	(1,682)	(604)
S&Woo Construction Philippines, Inc.	3,610	3,621	-	(39)	(38)
SAMWOO DESIGNERS & ENGINEERS INDIA PRIVATE LIMITED	4,692	4,517	-	(378)	(381)
SAMOO (KL) SDN. BHD.	947	574	383	57	54
Samsung (Tianjin) International Trading Co., Ltd.	732	-	-	(12)	5
Samsung Trading (Shanghai) Co., Ltd.	66,276	36,054	142,355	6,790	7,266
Samsung C&T Hongkong Limited.	299,493	183,088	1,247,993	(7,608)	(4,768)
Samsung C&T Taiwan Co., Ltd.	8,114	664	2,127	991	1,361
Samsung Precision Stainless Steel (Pinghu) Co., Ltd.	87,893	6,592	30,214	1,445	3,276
Samsung C&T (Shanghai) Co., Ltd.	237,129	196,301	62,381	3,899	4,715
Samsung C&T (Xi'an) Co., Ltd.	325,033	252,354	92,340	9,031	10,414

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(In millions of Korean won)

Subsidiaries	Total assets	Total liabilities	Revenue	Profit (loss) for the period	Total comprehensive income (loss)
Samsung C&T Corporation Saudi Arabia	₩ 139,759	₩ 342,466	₩ 95,898	₩ 2,257	₩ (5,090)
SAM Gulf Investment Limited	53,863	50,039	-	276	226
Samsung C&T Chile Copper SpA	3,883	-	-	(16)	448
SCNT Power Kelar Inversiones LTDA.	68,377	25,608	-	(376)	(354)
S.C. Otelinox S.A	62,153	6,823	25,505	1,585	3,084
Samsung C&T Corporation Rus LLC.	61,437	1,003	-	5,481	363
Samsung BioLogics Co., Ltd.	6,417,426	1,791,363	514,888	(50,755)	(50,755)
Samsung Biologics America Inc.	11,989	-	-	(19)	75
Cheil Fashion Retail Co., Ltd.	4,052	2,122	10,525	(2,119)	(2,119)
Cheil Industries Corp., USA	885	248	603	22	44
Cheil Industries Italy S.R.L.	17,851	14,812	28,932	111	48
Colombo Via della Spiga S.R.L.	6,645	2,429	2,803	90	253
Samsung Fashion Trading (Shanghai) Co., Ltd.	70,909	57,653	57,098	(4,585)	(4,162)
Samsung Welstory Inc.	699,857	245,946	999,551	39,374	39,366
Cheil Industries Inc. Vietnam Co., Ltd.	2,880	2,545	-	(707)	(671)
Welstory Vietnam Co., Ltd.	36,644	19,476	46,342	(188)	415
Samsung C&T Corporation UEM Construction JV Sdn. Bhd.	153,352	137,477	88,689	13,313	9,826
Shanghai Ever Hongjun Business Management Service Co., Ltd.	16,093	7,254	34,462	1,333	1,494
Shanghai Welstory Food Company Limited	11,390	8,597	28,586	339	392

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.

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1.3 Investments in Associates and Joint Ventures

General information of associates and joint ventures as at June 30, 2020, is as follows (Note 12):

Associates	Primary business	Share capital (in millions of Korean won)	Number of outstanding shares	Number of shares			Ownership interest held by the Group (%)	Location
				Samsung C&T	Subsidiaries	Total		
Dongducheon Dream Power Co., Ltd.	Integrated thermal power generation	₩ 344,755	76,225,515	24,026,500	-	24,026,500	31.52	Korea
Tianjin Eco-City Shengxing Development Co., Ltd. ¹	Property development	48,274	-	-	-	-	40.00	China
Qurayyah Investment Company ¹	Construction business	371,923	-	-	-	-	35.00	Saudi Arabia
Hanwha General Chemical Co., Ltd.	Petrochemical	554,714	42,500,410	8,522,679	-	8,522,679	20.05	Korea
Samsung Bioepis Co., Ltd. ²	Research and development on medicine and pharmacy	103,419	20,683,705	-	10,341,853	10,341,853	50.00	Korea

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Joint ventures	Primary business	Share capital (in millions of Korean won)	Number of outstanding shares	Number of shares			Ownership interest held by the Group (%)	Location
				Samsung C&T	Subsidiaries	Total		
Korea LNG Limited	Natural resources development	₩ 14	12,000	2,400	-	2,400	20.00	Bermuda
South Kent Wind LP ¹	Renewable energy development	12,333	-	-	-	-	49.99	Canada
SP Belle River LP ¹	Renewable energy development	33,373	-	-	-	-	42.49	Canada
Kelar S.A. ¹	Thermal power generation	121,552	-	-	-	-	35.00	Chile

¹ No share has been issued in accordance with the local laws and regulations.

² On June 29, 2018, Biogen Therapeutics Inc. exercised a call option that would allow Biogen Therapeutics Inc. to increase its ownership interest in Samsung Bioepis Co., Ltd., the investee of the Group, up to 50% minus one share. Accordingly, the Group's ownership interest decreased from 94.61% to 50% plus one share subsequent to the exercise. Although the Group owns more than 50% of the ownership interest in Samsung Bioepis Co., Ltd., it is classified as investments in associates because the Group cannot unilaterally control the activities of the Board and the decisions made on the shareholders' meeting in accordance with the composition of the Board of Directors under the shareholders' agreement and the quorum for resolution of the shareholders' meetings.

Samsung C&T Corporation and Subsidiaries
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1.4 Changes in Scope for Consolidation

Subsidiaries newly included in the consolidation for the six-month period ended June 30, 2020:

Subsidiaries	Description
Kneehill Solar GP Inc. and other 8 companies	Newly established and others

1.5 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 June 30, 2020 and December 31, 2019, are as follows:

<i>(in millions of Korean won)</i>	June 30, 2020		December 31, 2019	
Samsung BioLogics Co., Ltd.	₩	2,590,094	₩	2,550,274
Others		105,244		45,688
	₩	<u>2,695,338</u>	₩	<u>2,595,962</u>

Profit or loss attributed to the non-controlling interests for the three-month and six-month periods ended June 30, 2020 and 2019, are as follows:

<i>(in millions of Korean won)</i>	2020				2019			
	Three months		Six months		Three months		Six months	
Samsung BioLogics Co., Ltd.	₩	22,194	₩	39,807	₩	(12,769)	₩	(39,935)
Others		9,974		16,496		392		667
	₩	<u>32,168</u>	₩	<u>56,303</u>	₩	<u>(12,377)</u>	₩	<u>(39,268)</u>

Dividends paid to the non-controlling interests for the six-month periods ended June 30, 2020 and 2019, are as follows:

<i>(in millions of Korean won)</i>	2020		2019	
Parallel Petroleum LLC	₩	790	₩	2,571
Others		1,035		880
	₩	<u>1,825</u>	₩	<u>3,451</u>

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Summarized financial information for each subsidiary with non-controlling interests that are material to the Group as at June 30, 2020 and December 31, 2019 and for the three-month and six-month periods ended June 30, 2020 and 2019, is as follows. The subsidiary's financial information was prepared using equity method for their associates and joint ventures.

Summarized Statement of Financial Position

(in millions of Korean won)

	Samsung BioLogics Co., Ltd.			
	June 30, 2020		December 31, 2019	
Current assets	₩	1,509,424	₩	1,361,332
Non-current assets		4,711,614		4,761,635
Current liabilities		834,079		692,874
Non-current liabilities		807,677		920,868
Equity		4,579,282		4,509,225

Summarized Statement of Comprehensive Income

(in millions of Korean won)

	Samsung BioLogics Co., Ltd.							
	2020				2019			
	Three months		Six months		Three months		Six months	
Sales	₩	307,691	₩	514,888	₩	78,082	₩	203,447
Profit (loss) for the period		39,239		70,380		(22,576)		(70,607)
Other comprehensive income (loss)		(229)		24		94		36
Total comprehensive income (loss)		39,010		70,404		(22,482)		(70,571)

Summarized Statement of Cash Flows

(in millions of Korean won)

	Samsung BioLogics Co., Ltd.			
	2020		2019	
Cash flows from operating activities	₩	210,438	₩	29,560
Cash flows from investing activities		(199,628)		19,961
Cash flows from financing activities		(67,042)		(17,897)
Increase (decrease) in cash and cash equivalents		(56,232)		31,624
Cash and cash equivalents at the beginning of the period		125,101		17,622
Effects of exchange rate changes on cash and cash equivalents		93		-
Cash and cash equivalents at the end of the period	₩	68,962	₩	49,246

Samsung C&T Corporation and Subsidiaries

Notes to the Consolidated Interim Financial Statements

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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 six-month period ended June 30, 2020, 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 June 30, 2020.

2.1.1 New and amended standards adopted by the Group

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

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

The amendments clarify the explanation of the definition of material and amended Korean IFRS 1001 and Korean IFRS 1008 in accordance with the clarified definitions. Materiality is assessed by reference to omission or misstatement of material information as well as effects of immaterial information, and to the nature of the users when determining the information to be disclosed by the Group. The amendment does not have a significant impact on the financial statements.

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

To consider the integration of the required activities and assets as a business, the amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs and excludes economic benefits from the lower costs. An entity can apply a concentration test, an optional test, where substantially all of the fair value of gross assets acquired is concentrated in a single asset or a group of similar assets, the assets acquired would not represent a business. The amendment does not have a significant impact on the financial statements.

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

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

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

As a practical expedient, a lessee may elect not to assess whether a rent concession occurring as a direct consequence of the COVID-19 pandemic is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the rent concession the same way it would account for the change applying this Standard if the change were not a lease modification. These amendments should be applied for annual periods beginning on or after June 1, 2020, and earlier application of permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

2.1.2 New standards and interpretations not yet adopted by the Group

There are no new accounting standards and interpretations that have been published that are not mandatory for June 30, 2020 reporting periods and have not been early adopted by the Group.

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, 2019, except for the changes due to the application of amendment and enactments of standards described in Note 2.1 and the one described below.

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.

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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 ₩ 1,200.70 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 ₩ 1,206.72 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, 2019, except for the estimates used to determine income tax expense.

During 2020, 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. Accordingly, it may have a negative impact on the financial position and financial performance of the Group, and the impact is expected to be continued to the consolidated annual financial statements in 2020.

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.

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, 2019.

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- 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 six-month periods ended June 30, 2020 and 2019, are as follows:

<i>(in millions of Korean won)</i>	2020		2019	
Buildings	₩	3,571,112	₩	4,586,384
Civil engineering		856,038		841,915
Plant		1,009,654		615,765
Landscaping		48,356		80,075
	₩	5,485,160	₩	6,124,139

As at June 30, 2020, the Group's remaining balance of construction contracts amounts to ₩ 27,042,939 million.

As at June 30, 2020, the Group has accumulated revenues and costs¹ on the ongoing construction projects amounting to ₩ 36,151,159 million and ₩ 33,749,768 million, respectively. As at June 30, 2020, the total accumulated revenues and costs¹ incurred on all construction projects, including those completed during the current period, are ₩ 40,300,350 million and ₩ 37,674,499 million, respectively.

¹ The accumulated revenues and costs include the accumulated revenues and costs of the former Samsung C&T Corporation prior to the merger.

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The account balances of outstanding construction contracts as at June 30, 2020 and December 31, 2019, are summarized as follows:

<i>(in millions of Korean won)</i>		June 30, 2020					December 31, 2019
		Buildings	Civil engineering	Plant	Landscaping	Total	Total
Receivables	Receivables from construction contracts	₩ 685,475	₩ 117,001	₩ 157,428	₩ 30,771	₩ 990,675	₩1,744,206
	Guarantee deposits	128,872	101,665	137,092	2	367,631	374,665
	Long-term receivables	142,153	-	-	-	142,153	147,143
	Short-term loans	103,498	-	-	-	103,498	121,185
Contract assets	Due from customer for construction work	1,463,866	324,101	474,921	23,403	2,286,291	1,167,428
	Prepaid expenses	81,922	10,531	671	43	93,167	92,719
Contract liabilities	Advances received	613,407	27,372	29,339	-	670,118	437,085
	Due to customer for contract work	1,115,676	317,925	336,613	230	1,770,444	1,811,831
Other assets	Advance payments	308,275	121,028	201,173	120	630,596	475,109

The Group is provided with payment guarantees amounting to ₩ 7,800,173 million (December 31, 2019: ₩ 8,180,116 million), ₩ 638,832 million (December 31, 2019: ₩ 494,458 million), ₩ 13,017 million (December 31, 2019: ₩ 14,443 million), and ₩ 21,919 million (December 31, 2019: ₩ 25,392 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 June 30, 2020, construction sites are covered by construction work insurance amounting to ₩ 10,369,838 million with Samsung Fire & Marine Insurance Co., Ltd. and others.

The Group arranges housing finance for the members engaged in redevelopment and reconstruction projects that the Group manages. Advances on housing finance temporarily received but not executed amounts to ₩ 633,304 million. The Group has provided a joint guarantee limit of ₩ 3,233,700 million (balance of ₩ 2,585,089 million) with regard to the housing finance in accordance with the agreements with the relevant financial institutions.

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As at June 30, 2020 and December 31, 2019, information of each contract¹ where contract revenue for the six-month periods ended June 30, 2020 and 2019, is more than 5% of the previous year's revenues, is as follows:

<i>(in millions of Korean won)</i>				June 30, 2020						
Contract Name¹	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			
Australia Westconnex Stage 1b (M4 East) ²	June 2015	Mar. 2019	99.7%	₩	-	₩	-	₩	-	₩
Singapore Changi Airport Pkg.1 ²	Oct. 2015	Dec. 2019	90.7%		-		-	3,026		-
Algeria Naama ²	Feb. 2014	Feb. 2020	95.7%		-		-	16,290		-
Australia Westconnex Stage2 (M5 Main Tunnel) ²	Nov. 2015	Mar. 2020	99.3%		10,319		-	-		-
Hwaseong E-PJT	Nov. 2017	July 2020	91.9%		296,235		-	38,322		-
Saudi Riyadh Metro	Oct. 2013	Dec. 2020	89.5%		27,153		-	34,997		-
UAE nuclear power plant	Mar. 2010	Dec. 2020	91.6%		-		-	19,260		-
Pyeong-taek FAB 2	Dec. 2017	Mar. 2020	97.0%		486,220		-	-		-
Algeria Mostaghanem	Feb. 2014	Apr. 2021	55.5%		-		-	3,194		-
Gangneung Anin coal-fired power plant	Feb. 2014	Mar. 2023	43.4%		280,678		-	115,463		-
Singapore Thomson East Coast Line T313	Mar. 2016	Feb. 2024	57.4%		30,329		-	5,136		-
Bangladesh Dhaka Airport	Jan. 2020	Apr. 2025	0.3%		-		-	-		-
India Mumbai DAICEC ²	Dec. 2013	Mar. 2020	88.5%		47,811		-	14,275		-
Malaysia KL118 Tower	Nov. 2015	Dec. 2020	57.2%		61,548		-	-		-

¹ Construction projects that are practically completed as at June 30, 2020, are excluded.

² As at June 30, 2020, 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, 2019

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
Vietnam SDC Module 3	May 2016	Nov. 2018	100.0%	₩ -	₩ -	₩ -	₩ -
Pyeong-taek FAB 1 ²	Apr. 2017	Jan. 2019	99.8%	-	-	-	-
Australia Westconnex Stage 1b (M4 East) ²	June 2015	Mar. 2019	99.8%	-	-	-	-
Hwaseong E-PJT	Nov. 2017	Nov. 2019	100.0%	129,719	-	198,107	-
Singapore Changi Airport Pkg.1 ²	Oct. 2015	Dec. 2019	90.1%	-	-	7,550	-
Algeria Naama	Feb. 2014	Feb. 2020	91.7%	-	-	30,655	-
Australia Westconnex Stage2 (M5 Main Tunnel)	Nov. 2015	Mar. 2020	93.8%	-	-	9,081	-
Pyeong-taek FAB 2	Dec. 2017	May 2020	89.0%	-	-	219,494	-
UAE nuclear power plant	Mar. 2010	Dec. 2020	90.7%	-	-	1,462	-
Saudi Riyadh Metro	Oct. 2013	Dec. 2020	84.3%	12,673	-	52,892	-
Algeria Mostaghanem	Feb. 2014	Apr. 2021	53.2%	-	-	18,428	-
Gangneung Anin coal-fired power plant	Feb. 2014	Mar. 2023	31.8%	262,397	-	18,096	-
Singapore Thomson East Coast Line T313	Mar. 2016	Feb. 2024	50.7%	35,820	-	10,438	-
India Mumbai DAICEC	Dec. 2013	Mar. 2020	95.4%	29,289	-	36,908	-
Malaysia KL118 Tower	Nov. 2015	Dec. 2020	50.4%	58,437	-	-	-

¹ Construction projects that are practically completed as at December 31, 2019, are excluded.

² As at December 31, 2019, 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 June 30, 2020, 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	₩ 7,322,140	₩ 3,294,963	45.00%	Hyundai Engineering & Construction Co., Ltd.
Saudi Riyadh Metro	9,802,811	2,769,294	28.25%	FCC
Bangladesh Dhaka Airport(Off-shore)	2,255,907	2,024,017	89.72%	Samsung C&T Corporation
Australia Westconnex Stage2 (M5 Main Tunnel)	3,450,511	1,035,153	30.00%	CPB
Australia Westconnex Stage 1b (M4 East)	2,355,131	784,965	33.33%	CPB
Singapore Changi Airport Pkg.1	1,032,694	722,886	70.00%	Samsung C&T Corporation
Shin-Kori nuclear power plant #5, 6	1,366,872	697,105	51.00%	Samsung C&T Corporation
Hong Kong, Tung Chung New Town reclamation (Overseas)	1,263,141	618,939	49.00%	BUILD KING
Hong Kong Metro SCLC1109	926,940	556,164	60.00%	Samsung C&T Corporation
Bujeon-Masan DoubleTrack Electric Railway	426,120	303,312	71.18%	Samsung C&T Corporation
Suseo-Pyeongtaek High-speed Railway Area 5	308,009	277,208	90.00%	Samsung C&T Corporation
Singapore TuasFinger1	802,470	224,692	28.00%	Hyundai Engineering & Construction Co., Ltd.
Canada Site C	2,191,254	1,025,507	46.80%	Acciona S.A.
Malaysia KL118 Tower	1,665,755	999,453	60.00%	Samsung C&T Corporation
Saudi Tadawul Tower PJT	546,525	327,915	60.00%	Samsung C&T Corporation
United Kingdom Mersey Gateway	742,706	247,544	33.33%	FCC S.A & Kier

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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 six-month period ended June 30, 2020, 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	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	₩ 1,816,465	₩ 1,556,977	₩ 225,994	₩ 33,494	₩ 225,994	₩ 72,223
Civil engineering	276,053	301,570	(30,816)	5,299	(30,816)	60,685
Plant	52,036	40,702	6,327	5,007	6,327	14,255
Landscaping	3,901	1,261	1,695	945	1,695	-
	<u>₩ 2,148,455</u>	<u>₩ 1,900,510</u>	<u>₩ 203,200</u>	<u>₩ 44,745</u>	<u>₩ 203,200</u>	<u>₩ 147,163</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.

For the six-month period ended June 30, 2020, changes in provision for estimated warranty costs for the completed projects and provisions for construction losses from construction contract are as follows:

(in millions of Korean won)	Beginning	Increase	Decrease	Ending
Provision for construction warranties	₩ 180,126	₩ 14,503	₩ 13,860	₩ 180,769
Provision for construction losses	178,206	3,582	34,625	147,163

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6. Inventories

Inventories as at June 30, 2020 and December 31, 2019, consist of the following:

<i>(in millions of Korean won)</i>	June 30, 2020			December 31, 2019		
	Acquisition cost	Valuation allowance	Book amount	Acquisition cost	Valuation allowance	Book amount
Merchandise	₩ 719,287	₩ (64,689)	₩ 654,598	₩ 691,621	₩ (49,871)	₩ 641,750
Finished goods	422,347	(38,551)	383,796	420,075	(26,501)	393,574
Raw materials	324,480	(5,550)	318,930	281,667	(5,174)	276,493
Land held for housing projects	63,675	(612)	63,063	63,675	(612)	63,063
Materials-in-transit	136,258	-	136,258	222,311	-	222,311
Semi-finished goods and work-in-progress	183,412	(1,959)	181,453	174,816	(5,372)	169,444
Others	148,641	(597)	148,044	131,328	(581)	130,747
	<u>₩ 1,998,100</u>	<u>₩ (111,958)</u>	<u>₩1,886,142</u>	<u>₩1,985,493</u>	<u>₩ (88,111)</u>	<u>₩ 1,897,382</u>

7. Financial Instruments by Category

Details of financial instruments by category as at June 30, 2020 and December 31, 2019, are as follows:

<i>(in millions of Korean won)</i>	June 30, 2020	December 31, 2019
Financial assets at fair value through profit or loss ¹	₩ 830,621	₩ 598,838
Financial assets at fair value through other comprehensive income ²	20,502,531	22,596,352
Financial assets at amortized cost		
Cash and cash equivalents	3,285,872	2,704,409
Short-term financial instruments	375,722	451,729
Trade receivables ³	1,913,409	3,093,978
Other current assets	1,192,749	1,048,862
Other non-current assets ⁴	989,968	981,792
Derivative instruments		
Held for trading	40,075	47,422
Hedging instruments	9,072	18,436
	<u>₩ 29,140,019</u>	<u>₩ 31,541,818</u>

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¹ Trade receivables held within a business model whose objective is achieved by selling financial assets are recognized as financial assets at fair value through profit or loss amounting to ₩ 168,437 million (December 31, 2019: ₩ 145,635 million).

² Trade receivables held within a business model whose objective is achieved by collecting contractual cash flows or selling financial assets are recognized as financial assets at fair value through other comprehensive income amounting to ₩ 404,231 million.

³ Due from customer for contract work amounting to ₩ 2,244,733 million (December 31, 2019: ₩ 1,130,119 million) is excluded.

⁴ Bank deposits amounting to ₩ 2,679 million (December 31, 2019: ₩ 1,325 million) are subject to withdrawal restrictions in relation to the Group's loan facility agreement, and ₩ 9,840 million (December 31, 2019: ₩ 8,167 million) is subject to withdrawal restrictions in relation to lease agreements.

<i>(in millions of Korean won)</i>	June 30, 2020		December 31, 2019	
Liabilities at amortized cost				
Trade payables	₩	1,857,140	₩	1,558,089
Short-term borrowings		1,837,753		1,537,514
Current portion of long-term liabilities		1,079,462		785,783
Other current liabilities		3,054,453		3,177,342
Debentures and long-term borrowings		546,925		704,315
Other non-current liabilities		331,548		275,310
Derivative instruments				
Held for trading		5,474		23,893
Hedging instruments		10,301		9,693
Other liabilities				
Short-term borrowings		316,521		389,718
Lease liabilities		486,256		544,807
Financial guarantee liabilities		34,015		33,427
	₩	<u>9,559,848</u>	₩	<u>9,039,891</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

Trade receivables and other assets as at June 30, 2020 and December 31, 2019, are as follows:

(in millions of Korean won)

	June 30, 2020			December 31, 2019
	Gross amount	Provision for impairment	Net amount	Net amount
Trade receivables				
Financial assets at amortized cost	₩ 2,080,393	₩ (166,983)	₩ 1,913,410	₩ 3,093,978
Due from customer for contract work	2,286,291	(41,558)	2,244,733	1,130,119
Financial assets at fair value through profit or loss	168,437	-	168,437	145,636
Financial assets at fair value through other comprehensive income	404,231	-	404,231	-
	<u>4,939,352</u>	<u>(208,541)</u>	<u>4,730,811</u>	<u>4,369,733</u>
Other current assets				
Financial instruments:				
Short-term loans	226,493	(97,374)	129,119	122,000
Current portion of long-term receivables	1,141	-	1,141	3,885
Non-trade receivables	601,609	(32,119)	569,490	574,443
Accrued income	200,585	(57,343)	143,242	135,185
Deposits	360,737	(14,377)	346,360	197,703
Finance lease receivables	8,542	-	8,542	15,645
Derivative instruments	42,428	-	42,428	64,856
	<u>1,441,535</u>	<u>(201,213)</u>	<u>1,240,322</u>	<u>1,113,717</u>
Advance payments	901,310	(4,354)	896,956	704,564
Prepaid expenses	211,040	(12,148)	198,892	219,837
Prepaid corporate income tax	68,849	-	68,849	42,242
Others	48,439	-	48,439	39,858
	<u>2,671,173</u>	<u>(217,715)</u>	<u>2,453,458</u>	<u>2,120,218</u>
Other non-current assets				
Financial instruments:				
Long-term receivables	662,191	(268,346)	393,845	370,373
Long-term financial instruments	12,519	-	12,519	9,492
Deposits	569,796	(1,806)	567,990	591,455
Overseas natural resources development	33,237	(22,765)	10,472	10,472
Derivative instruments	6,718	-	6,718	1,003
	<u>1,284,461</u>	<u>(292,917)</u>	<u>991,544</u>	<u>982,795</u>
Others	198,109	-	198,109	175,473
	<u>1,482,570</u>	<u>(292,917)</u>	<u>1,189,653</u>	<u>1,158,268</u>
	<u>₩ 9,093,095</u>	<u>₩ (719,173)</u>	<u>₩ 8,373,922</u>	<u>₩ 7,648,219</u>

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<i>(in millions of Korean won)</i>	June 30, 2020			December 31, 2019
	Gross amount	Provision for impairment	Net amount	Net amount
Third party receivables	₩ 7,447,710	₩ (716,319)	₩ 6,731,391	₩ 6,079,748
Related party receivables	1,645,385	(2,854)	1,642,531	1,568,471
	<u>₩ 9,093,095</u>	<u>₩ (719,173)</u>	<u>₩ 8,373,922</u>	<u>₩ 7,648,219</u>

As at June 30, 2020, trade receivables amounting to ₩ 316,521 million (December 31, 2019: ₩ 446,908 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

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Changes in provision for impairment for the six-month periods ended June 30, 2020 and 2019, are as follows:

<i>(in millions of Korean won)</i>	January 1, 2020		Impairment loss / reversal		Write-off	Others ¹	June 30, 2020			
Trade receivables	₩	192,143	₩	14,857	₩	(130)	₩	1,671	₩	208,541
Other current assets										
Financial instruments:										
Short-term loans		110,093		(12,787)		-		68		97,374
Non-trade receivables		32,360		(953)		(38)		750		32,119
Accrued income		54,603		2,743		-		(3)		57,343
Deposits		7,211		7,166		-		-		14,377
		<u>204,267</u>		<u>(3,831)</u>		<u>(38)</u>		<u>815</u>		<u>201,213</u>
Advance payments		4,318		-		-		36		4,354
Prepaid expenses		8,764		3,384		-		-		12,148
		<u>217,349</u>		<u>(447)</u>		<u>(38)</u>		<u>851</u>		<u>217,715</u>
Other non-current assets										
Financial instruments:										
Long-term receivables		271,204		(3,524)		-		666		268,346
Long-term deposits		1,806		-		-		-		1,806
Overseas natural resources development		22,765		-		-		-		22,765
		<u>295,775</u>		<u>(3,524)</u>		<u>-</u>		<u>666</u>		<u>292,917</u>
	₩	<u>705,267</u>	₩	<u>10,886</u>	₩	<u>(168)</u>	₩	<u>3,188</u>	₩	<u>719,173</u>

¹ Others include exchange differences, consolidation adjustments and others.

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<i>(in millions of Korean won)</i>	January 1, 2019		Impairment loss / reversal	Write-off	Others ¹	June 30, 2019	
Trade receivables	₩	196,554	₩ (2,325)	₩ -	₩ 579	₩	194,808
Other current assets							
Financial instruments:							
Short-term loans		105,092	(8,301)	-	(267)		96,524
Non-trade receivables		37,677	(758)	(2,498)	785		35,206
Accrued income		47,056	3,838	-	27		50,921
Deposits		8,075	-	-	-		8,075
		<u>197,900</u>	<u>(5,221)</u>	<u>(2,498)</u>	<u>545</u>		<u>190,726</u>
Advance payments		26,123	835	-	32		26,990
Prepaid expenses		25,976	944	-	-		26,920
		<u>249,999</u>	<u>(3,442)</u>	<u>(2,498)</u>	<u>577</u>		<u>244,636</u>
Other non-current assets							
Financial instruments:							
Long-term receivables		265,104	5,703	(44)	10,130		280,893
Deposits		1,806	-	-	-		1,806
Overseas natural resources development		22,765	-	-	-		22,765
		<u>289,675</u>	<u>5,703</u>	<u>(44)</u>	<u>10,130</u>		<u>305,464</u>
	₩	<u>736,228</u>	₩ (64)	₩ (2,542)	₩ 11,286	₩	<u>744,908</u>

¹ Others include exchange differences, consolidation adjustments and others.

Impairment losses from trade receivables and other receivables are included in selling and administrative expenses, and other operating expenses, respectively, in the consolidated statement of comprehensive income. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

As at June 30, 2020 and December 31, 2019, 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.

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9. Other Liabilities

Details of other liabilities as at June 30, 2020 and December 31, 2019, are as follows:

<i>(in millions of Korean won)</i>	June 30, 2020	December 31, 2019
Other current liabilities		
Financial instruments at amortized cost:		
Non-trade payables	₩ 777,654	₩ 751,545
Accrued expenses	1,039,145	1,199,457
Guarantee deposits received	604,349	656,977
Advances received related to housing business	633,304	569,363
	<u>3,054,452</u>	<u>3,177,342</u>
Other financial instruments:		
Derivative instruments	15,542	33,585
Lease liabilities (Note 13)	129,779	145,852
Financial guarantee liabilities	34,015	33,427
	<u>179,336</u>	<u>212,864</u>
Advances received	2,801,492	2,565,582
Withholdings	197,276	271,900
Provisions (Note 17)	288,395	307,846
Others	66,185	62,756
	<u>6,587,136</u>	<u>6,598,290</u>
Other non-current liabilities		
Financial instruments at amortized cost:		
Long-term non-trade payables	47,922	48,564
Leasehold deposits received	283,627	226,746
	<u>331,549</u>	<u>275,310</u>
Other financial instruments:		
Long-term lease liabilities (Note 13)	356,476	398,955
Derivative instruments	233	-
	<u>356,709</u>	<u>398,955</u>
Long-term unearned revenue	152,026	116,554
Long-term advances received	19,916	6,012
Contingent liabilities	7,629	15,729
Others	5,144	-
	<u>872,973</u>	<u>812,560</u>
	<u>₩ 7,460,109</u>	<u>₩ 7,410,850</u>

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10. Contract Assets and Liabilities

The Group has recognized the following revenue-related contract assets and liabilities:

<i>(in millions of Korean won)</i>	June 30, 2020		December 31, 2019	
Contract assets relating to construction contracts and others - due from customers	₩	2,289,298	₩	1,167,428
Assets recognized for costs to fulfill contracts - prepaid expenses		260,329		244,202
Total contract assets	₩	<u>2,549,627</u>	₩	<u>1,411,630</u>
Contract liabilities relating to construction contracts - advances received for construction contracts	₩	670,118	₩	437,085
Contract liabilities relating to construction contracts - due to customers		1,770,444		1,811,831
Contract liabilities relating to customer loyalty program - advances received		17,447		17,897
Contract liabilities relating to subscription sales - advances received and unearned revenue		222,201		176,593
Total contract liabilities	₩	<u>2,680,210</u>	₩	<u>2,443,406</u>

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 six-month period ended June 30, 2020. 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 six-month periods ended June 30, 2020 and 2019, are as follows:

<i>(in millions of Korean won)</i>	2020		2019	
Beginning balance	₩	453,202	₩	719,510
Acquisition		784,002		763,427
Disposal		(560,077)		(920,545)
Transfer and others		(118)		81,306
Gain (loss) on valuation		(14,825)		199
Ending balance	₩	<u>662,184</u>	₩	<u>643,897</u>

Details of financial assets at fair value through profit or loss as at June 30, 2020 and December 31, 2019, are as follows:

<i>(in millions of Korean won)</i>	June 30, 2020		December 31, 2019	
Non-current				
Equity instruments				
Domestic listed equities	₩	1	₩	1
Foreign non-listed equities		6,704		7,005
Debt instruments				
Beneficiary certificates		25		104
SOC shares		177,253		187,833
Others		48,163		48,219
		<u>232,146</u>		<u>243,162</u>
Current				
Beneficiary certificates		430,038		210,040
		<u>430,038</u>		<u>210,040</u>
	₩	<u>662,184</u>	₩	<u>453,202</u>

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Details of financial assets measured at fair value through profit or loss as at June 30, 2020 and December 31, 2019, are as follows:

<i>(in millions of Korean won)</i>	June 30, 2020					December 31, 2019	
	Number of shares owned	Percentage of ownership (%)	Acquisition cost	Net asset value or fair value	Book amount	Book amount	
ACWA GUC ¹	767,999	10.00	₩ 9,106	₩ 9,106	₩ 9,106	₩	9,106
Smart Rail Co.,Ltd. ¹	1,338,440	4.09	6,692	-	-		6,447
Badaro No.19 Ship Investment Company	750,000	4.93	3,023	1,965	1,965		2,186
MMF			430,038	430,038	430,038		210,040
POSCO INDIA CHENNAI STEEL PROCESSING CENTRE PVT.LTD. and others ²			130,008	221,075	221,075		225,423
			<u>₩ 578,867</u>	<u>₩ 662,184</u>	<u>₩ 662,184</u>		<u>₩ 453,202</u>

¹ Investments in ACWA GUC (acquisition cost: ₩ 9,106 million) and Smart Rail Co., Ltd. (acquisition cost: ₩ 6,692 million), which were classified as financial assets at fair value through profit or loss, are pledged as collateral against borrowings of investees. The Group recognized loss on fair value valuation for the entire book amount of Smart Rail Co.,Ltd.

² Cooperative contributions classified as financial assets at fair value through profit or loss are pledged as collateral in relation to construction payment guarantees (acquisition cost of ₩ 42,084 million).

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(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 six-month periods ended June 30, 2020 and 2019, are as follows:

<i>(in millions of Korean won)</i>	2020		2019	
Beginning balance	₩	22,596,352	₩	17,948,400
Acquisition		633		-
Disposal		(1,170)		(17,608)
Transfer and others		(5,890)		(80,163)
Gain (loss) on valuation		(2,491,625)		2,706,940
Ending balance	₩	<u>20,098,300</u>	₩	<u>20,557,569</u>

Details of financial assets at fair value through other comprehensive income as at June 30, 2020 and December 31, 2019, are as follows:

<i>(in millions of Korean won)</i>	June 30, 2020		December 31, 2019	
Equity instruments				
Listed equities	₩	19,937,044	₩	22,427,332
Non-listed equities		160,883		168,565
Debt instruments		373		455
	₩	<u>20,098,300</u>	₩	<u>22,596,352</u>
Current portion	₩	171	₩	183
Non-current portion		<u>20,098,129</u>		<u>22,596,169</u>

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Details of listed equities, including preferred shares, measured at financial assets at fair value through other comprehensive income as at June 30, 2020 and December 31, 2019, are as follows:

<i>(in millions of Korean won)</i>	June 30, 2020					December 31, 2019
	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	₩ 15,777,596	₩ 15,777,596	₩16,674,050
Samsung Life Insurance Co., Ltd.	38,688,000	19.34	34,819	1,729,354	1,729,354	2,882,256
Samsung SDS Co., Ltd.	13,215,822	17.08	3,396,466	2,226,866	2,226,866	2,570,477
Samsung Heavy Industries Co., Ltd. and others			202,655	203,228	203,228	300,549
			<u>₩ 10,118,293</u>	<u>₩ 19,937,044</u>	<u>₩ 19,937,044</u>	<u>₩22,427,332</u>

Details of non-listed equities measured at financial assets at fair value through other comprehensive income as at June 30, 2020 and December 31, 2019, are as follows:

<i>(in millions of Korean won)</i>	June 30, 2020				December 31, 2019
	Number of shares owned	Percentage of ownership (%)	Acquisition cost	Book amount	Book amount
Domestic Companies					
SECUI Co., Ltd.	1,000,000	8.70	₩ 500	₩ 14,004	₩ 14,004
The Korea Economic Daily	1,187,563	6.35	7,095	12,600	12,600
Samsung Economics Research Institute	120,000	1.00	903	903	903
Island Resort	227,027	9.39	15,892	2,087	2,087
YOUNGJIN Global Co., Ltd. and others			17,421	22,179	22,906
			<u>41,811</u>	<u>51,773</u>	<u>52,500</u>
Overseas Companies					
Korea Ras laffan LNG Ltd.	2,783,333	10.00	80,279	63,123	65,184
iMarketAsia Co., Ltd.	772,657	19.32	8,941	19,564	19,564
Samsung SDI (Hongkong) Limited	5,500,000	2.44	4,477	14,715	14,715
Samsung SDI America, Inc. and others			14,232	13,795	16,602
			<u>107,929</u>	<u>111,197</u>	<u>116,065</u>
			<u>149,740</u>	<u>162,970</u>	<u>168,565</u>
Less: Assets held for sale					
Island Resort	227,027	9.39	15,892	2,087	-
			<u>₩ 133,848</u>	<u>₩ 160,883</u>	<u>₩ 168,565</u>

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Changes in gain or loss on valuation of financial assets at fair value through other comprehensive income for the six-month period ended June 30, 2020, recorded as other component of equity, consist of the following:

<i>(in millions of Korean won)</i>	Balance at January 1, 2020	Change for the period	Income tax allocated	Balance at June 30, 2020
Gain on valuation of financial assets at fair value through other comprehensive income	₩ 8,375,038	₩ (2,491,148)	₩ 658,079	₩ 6,541,969

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 June 30, 2020 and December 31, 2019, 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.

<i>(in millions of Korean won)</i>	June 30, 2020	December 31, 2019
Current portion		
Government bonds	₩ 171	₩ 183
Non-current portion		
Government bonds	202	272
	<u>₩ 373</u>	<u>₩ 455</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 June 30, 2020 and December 31, 2019, are as follows (Note 1.3):

(in millions of Korean won)

	Location	Percentage of ownership(%)	June 30, 2020			December 31, 2019		
			Acquisition cost	Net assets	Book amount	Acquisition cost	Net assets	Book amount
Associates								
Dongducheon Dream Power Co., Ltd. ²	Korea	31.52	₩ 115,456	₩ 97,486	₩ 44,843	₩ 115,456	₩ 88,470	₩ 35,827
Sino-Singapore Tianjin Eco City Shengxing Development Co., Ltd.	China	40.00	10,968	13,462	11,228	10,968	12,981	10,746
Hanwha General Chemical Co., Ltd.	Korea	20.05	274,900	795,621	792,430	274,900	651,041	648,028
Samsung Bioepis Co., Ltd. ³	Korea	50.00	2,868,389	351,303	2,556,334	2,868,389	332,941	2,586,901
Others ⁴			163,125	232,833	154,921	154,063	217,065	134,300
			<u>3,432,838</u>	<u>1,490,705</u>	<u>3,559,756</u>	<u>3,423,776</u>	<u>1,302,498</u>	<u>3,415,802</u>
Joint ventures								
Korea LNG Limited	Bermuda	20.00	83,507	46,582	46,582	83,507	46,558	46,558
South Kent Wind LP	Canada	49.99	69,311	(163,195)	-	69,311	(136,605)	-
SP Belle River LP	Canada	42.49	12,918	16,941	14,217	15,243	24,023	21,216
Kelar S.A.	Chile	35.00	40,313	43,677	50,864	40,026	39,877	47,024
Others			214,478	90,640	135,295	216,119	208,858	146,228
			<u>420,527</u>	<u>34,645</u>	<u>246,958</u>	<u>424,206</u>	<u>182,711</u>	<u>261,026</u>
			<u>₩ 3,853,365</u>	<u>₩ 1,525,350</u>	<u>₩ 3,806,714</u>	<u>₩ 3,847,982</u>	<u>₩ 1,485,209</u>	<u>₩ 3,676,828</u>

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

² As at June 30, 2020, investments in Dongducheon Dream Power Co., Ltd., (Acquisition cost: ₩ 115,456 million), are pledged 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 27).

³ On June 29, 2018, Biogen Therapeutics Inc. exercised a call option that would allow Biogen Therapeutics Inc. to increase its ownership interest in Samsung BioEpiS Co., Ltd., the investee of the Group, up to 50% minus one share. Accordingly, the Group's ownership interest decreased from 94.61% to 50% plus one share subsequent to the exercise. Although the Group owns more than 50% of the ownership interest in Samsung BioEpiS Co., Ltd., it is classified as investments in associates because the Group cannot unilaterally control the activities of the Board and the decisions made on the shareholders' meeting in accordance with the composition of the Board of Directors under the shareholders' agreement and the quorum for resolution of the shareholders' meetings.

⁴ Investments in Gaziantep SPV (acquisition cost: ₩ 17,909 million), and Qurayyah Investment Company (acquisition cost: ₩ 52,215 million), are pledged as collateral against borrowings of investees (Note 27).

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Changes in investments in associates and joint ventures for the six-month periods ended June 30, 2020 and 2019, are as follows:

<i>(in millions of Korean won)</i>	2020		2019	
Beginning balance	₩	3,676,828	₩	3,627,971
Acquisition		5,726		25,626
Disposal and others		(3,966)		(32,050)
Share of profit		58,426		66,154
Transfer		3,338		(555)
Others ¹		66,362		(45,241)
Ending balance	₩	<u>3,806,714</u>	₩	<u>3,641,905</u>

¹ Others include dividends, transfers, 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 six-month period ended June 30, 2020, is as follows:

(in millions of Korean won)

	2020									
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Non-controlling interests	Revenue	Profit (loss) for the period	Other comprehensive income (loss)	Total comprehensive income (loss)	Dividends received
Associates										
Dongducheon Dream Power Co., Ltd.	₩ 83,991	₩ 1,321,350	₩ 97,903	₩ 1,032,596	₩ -	₩ 203,170	₩ 7,095	₩ -	₩ 7,095	₩ -
Sino-Singapore Tianjin Eco City Shengxing Development Co., Ltd.	34,643	-	987	-	-	4	440	-	440	-
Hanwha General Chemical Co., Ltd.	1,016,743	3,348,415	325,893	71,707	-	376,530	206,289	484,821	691,110	-
Samsung Bioepis Co., Ltd. ¹	1,518,688	907,067	1,402,657	320,491	-	335,800	36,878	(153)	36,725	-
Joint ventures										
Korea LNG Limited	772	232,495	62	293	-	27,403	26,329	(8,389)	17,940	5,331
South Kent Wind LP	22,936	490,691	58,195	781,887	-	62,308	26,940	(60,401)	(33,461)	11,172
SP Belle River LP	7,296	248,111	14,552	200,984	-	16,915	4,485	(15,318)	(10,833)	-
Kelar S.A.	92,731	573,608	61,902	479,645	-	40,720	6,790	(484)	6,306	-

¹ Based on consolidated financial information.

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Summarized financial information of major associates and joint ventures, including dividends received by the Group, as at December 31, 2019, and for the six-month period ended June 30, 2019, is as follows:

(in millions of Korean won)

	Summarized financial information									
	December 31, 2019					2019				
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Non-controlling interests	Revenue	Profit (loss) for the period	Other comprehensive income (loss)	Total comprehensive income (loss)	Dividends received
Associates										
Dongducheon Dream Power Co., Ltd.	₩ 117,551	₩ 1,338,231	₩ 149,357	₩ 1,057,002	₩ -	₩ 303,037	₩ (6,024)	₩ -	₩ (6,024)	₩ -
Sino-Singapore Tianjin Eco City Shengxing Development Co., Ltd.	33,504	-	1,051	-	-	-	209	-	209	-
Hanwha General Chemical Co., Ltd.	874,481	2,705,272	279,353	53,824	-	728,734	140,324	3,465	143,789	-
Samsung Bioepis Co., Ltd. ¹	1,677,876	824,353	1,611,430	224,917	-	351,020	41,666	28	41,694	-
Joint ventures										
Korea LNG Limited	943	231,992	2	145	-	40,613	39,529	31,092	70,621	7,869
South Kent Wind LP	37,946	510,097	50,286	771,021	-	62,867	28,514	(16,431)	12,083	15,877
SP Belle River LP	10,005	255,760	12,279	196,948	-	18,946	6,679	(8,458)	(1,779)	-
Kelar S.A.	75,253	576,668	53,009	484,976	-	38,892	6,778	8,145	14,923	-

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 June 30, 2020 and December 31, 2019, is as follows:

(in millions of Korean won)

	June 30, 2020					
	Net assets	Percentage of ownership (%)	Share in net assets	Difference between the cost of the investment and share in the investee's equity	Intragroup Transactions and others	Book amount
Associates						
Dongducheon Dream Power Co., Ltd. ¹	₩ 274,842	31.52	₩ 97,486	₩ (28,545)	₩ (24,098)	₩ 44,843
Sino-Singapore Tianjin Eco City Shengxing Development Co., Ltd.	33,656	40.00	13,462	(2,234)	-	11,228
Hanwha General Chemical Co., Ltd.	3,967,557	20.05	795,621	(4,149)	958	792,430
Samsung Bioepis Co., Ltd.	702,607	50.00	351,303	2,314,437	(109,406)	2,556,334
Joint ventures						
Korea LNG Limited	232,912	20.00	46,582	-	-	46,582
South Kent Wind LP	(326,455)	49.99	(163,195)	57,861	105,334	-
SP Belle River LP	39,872	42.49	16,941	-	(2,724)	14,217
Kelar S.A.	124,791	35.00	43,677	7,390	(203)	50,864

¹ Since the disproportionate capital increase by the other investor was classified as financial liabilities, the Group applied 35% of ownership interest when calculating share of profit or loss of the associate.

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	December 31, 2019					
	Net assets	Percentage of ownership (%)	Share in net assets	Difference between the cost of the investment and share in the investee's equity	Intragroup transactions	Book amount
Associates						
Dongducheon Dream Power Co., Ltd. ¹	₩ 249,423	31.52	₩ 88,470	₩ (28,545)	₩ (24,098)	₩ 35,827
Sino-Singapore Tianjin Eco City Shengxing Development Co., Ltd.	32,453	40.00	12,981	(2,235)	-	10,746
Hanwha General Chemical Co., Ltd.	3,246,575	20.05	651,041	(4,149)	1,136	648,028
Samsung Bioepis Co., Ltd.	665,882	50.00	332,941	2,323,120	(69,160)	2,586,901
Joint ventures						
Korea LNG Limited	232,788	20.00	46,558	-	-	46,558
South Kent Wind LP	(273,264)	49.99	(136,605)	59,965	76,640	-
SP Belle River LP	56,538	42.49	24,023	-	(2,807)	21,216
Kelar S.A.	113,936	35.00	39,877	7,390	(243)	47,024

¹ Since the disproportionate capital increase by the other investor was classified as financial liabilities, the Group applied 35% of ownership interest when calculating share of profit or loss of the associate.

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13. Property, Plant and Equipment, and Intangible Assets

Changes in property, plant and equipment for the six-month periods ended June 30, 2020 and 2019, are as follows:

(in millions of Korean won)

	2020					
	Land	Buildings and structures	Animals& plants	Others	Construction in progress	Total
Beginning balance						
Acquisition cost	₩ 1,746,351	₩ 2,478,948	₩ 77,251	₩ 2,446,469	₩ 62,339	₩ 6,811,358
Accumulated impairment and depreciation	(11,597)	(743,713)	(11,004)	(1,107,599)	(8,953)	(1,882,866)
Beneficiary's share of construction cost	-	-	-	(2,463)	-	(2,463)
	<u>1,734,754</u>	<u>1,735,235</u>	<u>66,247</u>	<u>1,336,407</u>	<u>53,386</u>	<u>4,926,029</u>
Changes during the period						
Acquisition	2	3,775	1,117	34,354	68,491	107,739
Disposal and others	(38)	(804)	(24)	(7,150)	(407)	(8,423)
Depreciation	-	(36,776)	(1,343)	(117,565)	-	(155,684)
Transfer	-	4,805	34	77,865	(93,012)	(10,308)
Impairment	-	-	-	(2,605)	-	(2,605)
Others ¹	434	983	506	3,178	(86)	5,015
Ending balance	<u>1,735,152</u>	<u>1,707,218</u>	<u>66,537</u>	<u>1,324,484</u>	<u>28,372</u>	<u>4,861,763</u>
Acquisition cost	1,746,749	2,485,665	78,973	2,493,986	37,325	6,842,698
Accumulated impairment and depreciation	(11,597)	(778,447)	(12,436)	(1,169,482)	(8,953)	(1,980,915)
Beneficiary's share of construction cost	-	-	-	(20)	-	(20)
	<u>₩ 1,735,152</u>	<u>₩ 1,707,218</u>	<u>₩ 66,537</u>	<u>₩ 1,324,484</u>	<u>₩ 28,372</u>	<u>₩ 4,861,763</u>

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

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	2019					
	Land	Buildings and structures	Animals& plants	Others	Construction in progress	Total
Beginning balance						
Acquisition cost	₩ 1,765,847	₩ 2,445,589	₩ 70,112	₩ 2,311,017	₩ 101,085	₩ 6,693,650
Accumulated impairment and depreciation	(11,597)	(669,005)	(8,365)	(968,596)	(8,953)	(1,666,516)
Beneficiary's share of construction cost	-	-	-	(2,730)	-	(2,730)
	1,754,250	1,776,584	61,747	1,339,691	92,132	5,024,404
Changes during the period						
Acquisition	754	3,444	1,216	46,778	83,609	135,801
Disposal and others	(79)	(324)	(14)	(7,690)	-	(8,107)
Depreciation	-	(34,165)	(1,223)	(103,894)	-	(139,282)
Transfer	1,417	12,196	12	85,343	(101,795)	(2,827)
Others ¹	474	(2,363)	2,084	4,398	1,508	6,101
Ending balance	1,756,816	1,755,372	63,822	1,364,626	75,454	5,016,090
Acquisition cost	1,768,413	2,464,129	73,453	2,427,180	84,407	6,817,582
Accumulated impairment and depreciation	(11,597)	(708,757)	(9,631)	(1,059,958)	(8,953)	(1,798,896)
Beneficiary's share of construction cost	-	-	-	(2,596)	-	(2,596)
	₩ 1,756,816	₩ 1,755,372	₩ 63,822	₩ 1,364,626	₩ 75,454	₩ 5,016,090

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

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Changes in intangible assets for the six-month periods ended June 30, 2020 and 2019, are as follows:

(in millions of Korean won)

	2020									
	Mineral rights	Memberships	Software	Right to use property	Goodwill	Customer relationships	Brands	Orders on hand	Others	Total
Beginning balance	₩ 186,249	₩ 55,568	₩ 70,790	₩ 3,173	₩ 60,294	₩ 37,475	₩ 173,354	₩ 245,679	₩ 50,778	₩ 883,360
Acquisition	5	255	1,967	-	-	-	-	-	15,435	17,662
Disposal	(5,752)	(1,620)	(1,180)	-	-	-	-	-	(437)	(8,989)
Amortization	(1,983)	-	(14,610)	(527)	-	(2,744)	-	(20,473)	(4,167)	(44,504)
Impairment and reversal	-	342	(950)	-	-	-	-	-	(403)	(1,011)
Transfer	6,366	-	9,183	-	-	-	-	-	(6,746)	8,803
Others ¹	4,242	24	1,120	4	102	-	31	-	578	6,101
Ending balance	<u>₩ 189,127</u>	<u>₩ 54,569</u>	<u>₩ 66,320</u>	<u>₩ 2,650</u>	<u>₩ 60,396</u>	<u>₩ 34,731</u>	<u>₩ 173,385</u>	<u>₩ 225,206</u>	<u>₩ 55,038</u>	<u>₩ 861,422</u>

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

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	2019									
	Mineral rights	Memberships	Software	Right to use property	Goodwill	Customer relationships	Brands	Orders on hand	Others	Total
Beginning balance	₩ 289,346	₩ 53,650	₩ 72,723	₩ 4,272	₩ 60,064	₩ 42,964	₩ 188,343	₩ 294,175	₩ 55,911	₩1,061,448
Acquisition	596	1,156	2,767	-	-	-	-	-	11,725	16,244
Disposal	-	(132)	(261)	-	-	-	-	-	(57)	(450)
Amortization	(4,515)	-	(15,585)	(550)	-	(2,745)	-	(26,135)	(4,518)	(54,048)
Impairment	-	80	-	-	-	-	-	-	-	80
Transfer	-	-	10,785	-	-	-	-	-	(8,134)	2,651
Others ¹	16,172	22	29	-	35	-	22	-	272	16,552
Ending balance	<u>₩ 301,599</u>	<u>₩ 54,776</u>	<u>₩ 70,458</u>	<u>₩ 3,722</u>	<u>₩ 60,099</u>	<u>₩ 40,219</u>	<u>₩ 188,365</u>	<u>₩ 268,040</u>	<u>₩ 55,199</u>	<u>₩1,042,477</u>

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

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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 Group pledged the primary beneficiary certificate of the trust property as collateral to Kookmin Bank in relation to the corporate bond (Note 15).

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

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

<i>(in millions of Korean won)</i>	June 30, 2020		December 31, 2019	
Right-of-use assets ¹				
Land	₩	108,973	₩	114,094
Buildings and structures		213,214		233,548
Animals & plants		11,528		12,095
Others		30,227		37,895
		<u>363,942</u>		<u>397,632</u>
Investment properties ²		84,706		85,634
	₩	<u>448,648</u>	₩	<u>483,266</u>

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

² Right-of-use assets for the lease contracts which satisfy the definition of investment properties are classified as investment properties and presented as the line item 'investment properties' in the consolidated statements of financial position.

<i>(in millions of Korean won)</i>	June 30, 2020		December 31, 2019	
Lease liabilities ¹				
Current	₩	129,779	₩	145,852
Non-current		356,476		398,955
	₩	<u>486,255</u>	₩	<u>544,807</u>

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 during the 2020 financial year were ₩ 36,216 million.

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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:

<i>(in millions of Korean won)</i>	2020		2019	
Depreciation of right-of-use assets				
Land	₩	2,842	₩	2,900
Buildings and structures		39,307		33,392
Animals & plants		619		567
Others		9,353		7,068
	₩	<u>52,121</u>	₩	<u>43,927</u>
Depreciation of investment properties	₩	6,651	₩	6,000
Interest expense relating to lease liabilities (included in cost of sales and financial expenses)		7,483		7,110
Expense relating to short-term leases (included in cost of sales and administrative expenses)		17,315		28,606
Expense relating to leases of low-value assets that are not short-term leases (included in sales and administrative expenses)		33,441		25,325
Expense relating to variable lease payments not included in lease liabilities (included in sales and administrative expenses)		116,485		145,955

The total cash outflow for leases in 2020 was ₩ 242,573 million (including short-term leases).

As at June 30, 2020, details of lease liabilities classified into maturity based on the remaining period up to the maturity date are as follows:

<i>(in millions of Korean won)</i>		Book amount	Contractual cash flows	Contractual maturity			
				Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
Lease liabilities	₩	486,255	₩ 611,011	₩ 124,905	₩ 86,250	₩ 60,479	₩ 339,377

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14. Investment Properties

Changes in investment properties for the six-month periods ended June 30, 2020 and 2019, are as follows:

<i>(in millions of Korean won)</i>	2020			2019		
	Land	Building	Total	Land	Building	Total
Beginning balance	₩ 33,990	₩ 113,349	₩ 147,339	₩ 33,412	₩ 7,535	₩ 40,947
Effect of Korean IFRS 1116 adoption	-	-	-	-	132,009	132,009
Acquisition	-	-	-	578	20,525	21,103
Disposal	-	(167)	(167)	-	-	-
Depreciation	-	(7,055)	(7,055)	-	(5,031)	(5,031)
Others ¹	-	5,993	5,993	-	255	255
Ending balance	<u>₩ 33,990</u>	<u>₩ 112,120</u>	<u>₩ 146,110</u>	<u>₩ 33,990</u>	<u>₩ 155,293</u>	<u>₩ 189,283</u>

¹ Others include adjustments due to exchange difference.

15. Debentures and Borrowings

Details of debentures and borrowings as at June 30, 2020 and December 31, 2019, are as follows:

<i>(in millions of Korean won)</i>	June 30, 2020	December 31, 2019
Current liabilities		
Short-term borrowings	₩ 2,154,274	₩ 1,927,232
Current portion of long-term borrowings	519,801	536,073
Current portion of debentures	560,000	250,000
Less: Discount on debentures	(339)	(290)
	<u>3,233,736</u>	<u>2,713,015</u>
Non-current liabilities		
Long-term borrowings	267,292	175,059
Debentures	280,000	530,000
Less: Discount on debentures	(367)	(744)
	<u>546,925</u>	<u>704,315</u>
	<u>₩ 3,780,661</u>	<u>₩ 3,417,330</u>

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Short-term borrowings as at June 30, 2020 and December 31, 2019, consist of the following:

(in millions of Korean won)

	Creditors	Annual interest rate (%)	June 30, 2020	December 31, 2019
Samsung C&T and domestic subsidiaries				
Loans in local currency	Construction Guarantee Cooperative and others	1.40 ~ 2.14	₩ 1,001,223	₩ 687,223
Loans in foreign currency	Santander and others	BBSW +1.20%, 4.40	59,493	54,050
Banker's usance	Woori Bank and others	L+0.35~1.85%	18,769	29,004
Secured loans (Note 8)	Woori Bank and others	L+0.35~1.85%	316,494	388,300
			<u>1,395,979</u>	<u>1,158,577</u>
Foreign subsidiaries				
General loans	-	0.30 ~ 7.70	758,267	767,237
Secured loans (Note 8)	-	-	28	1,418
			<u>758,295</u>	<u>768,655</u>
			<u>₩ 2,154,274</u>	<u>₩ 1,927,232</u>

As at June 30, 2020, the Group has entered into bank overdraft facility agreements amounting to ₩ 158,500 million and credit facility agreements amounting to ₩ 1,238,000 million with 13 banks, including Woori Bank. Also, the Group has entered into credit agreements using its notes receivables which are guaranteed, as collateral for up to ₩ 600,000 million with three banks, including Shinhan Bank.

Debentures as at June 30, 2020 and December 31, 2019, consist of the following:

(in millions of Korean won)

	Issue date	Maturity	Annual interest rate (%)	June 30, 2020	December 31, 2019
Non-guaranteed and publicly listed					
No. 109-2	Dec. 1, 2015	Dec. 1, 2020	2.5	₩ 100,000	₩ 100,000
No. 110-2	June 16, 2016	June 16, 2021	1.89	100,000	100,000
No. 111-2	Nov. 3, 2016	Nov. 3, 2021	2.19	190,000	190,000
No. 112-1	Nov. 3, 2017	Nov. 3, 2020	2.59	150,000	150,000
No. 112-2	Nov. 3, 2017	Nov. 3, 2022	2.94	50,000	50,000
Private bonds ¹	Apr. 13 2020	Nov. 3, 2022	2.35	60,000	-
Private bonds	Apr. 27, 2018	Apr. 27, 2021	3.1	150,000	150,000
Private bonds	Apr. 27, 2018	Apr. 27, 2023	3.53	40,000	40,000
				<u>840,000</u>	<u>780,000</u>
Less: Current portion of debentures				<u>(560,000)</u>	<u>(250,000)</u>
				<u>₩ 280,000</u>	<u>₩ 530,000</u>

¹ In relation to the corporate bonds, the land and building of the Group are provided as collateral to KB Real Estate Trust Co., Ltd. (Note 14).

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Long-term borrowings (including foreign currency) as at June 30, 2020 and December 31, 2019, consist of the following:

(in millions of Korean won)

Creditors	Annual interest rate (%)	June 30, 2020		December 31, 2019	
Denominated in Korean won					
(Samsung C&T and domestic subsidiaries)					
Korea Development Bank (Facility loans)	2.22 ~ 2.86	₩	216,550	₩	251,750
Korea Development Bank and others (Working capital loans)	1.90		150,000		-
Korea Housing & Urban Guarantee Corporation (Working capital loans)	-		6,980		6,980
Shinhan Bank (Long-term commercial paper)	2.33		100,000		100,000
			<u>473,530</u>		<u>358,730</u>
Less: Current portion of long-term borrowings			<u>(316,829)</u>		<u>(351,929)</u>
			<u>156,701</u>		<u>6,801</u>
Denominated in foreign currency					
(Samsung C&T and domestic subsidiaries)					
Korea National Oil Corporation (Condition loans and others)	0.75 - 5.00		24,357		26,379
SMBC (General borrowings)	Libor + 0.60		183,707		177,143
KEB Hana Bank and others (Facility loans)	Libor + 1.10, Libor + 1.70		48,028		46,312
(Foreign subsidiaries)					
SC Bank and others (General borrowings)	0.24~3.20		57,471		102,568
			<u>313,563</u>		<u>352,402</u>
Less: Current portion of long-term borrowings			<u>(202,972)</u>		<u>(184,144)</u>
			<u>110,591</u>		<u>168,258</u>
		₩	<u>267,292</u>	₩	<u>175,059</u>

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The annual maturities of long-term debts outstanding (excluding current portion) as at June 30, 2020, are as follows:

(in millions of Korean won)

	Debtures (face value)		Borrowings in Korean won		Borrowings in foreign currencies		Total
July 1, 2021~ June 30, 2022	₩	190,000	₩	150,279	₩	31,278	₩ 371,557
July 1, 2022~ June 30, 2023		90,000		279		50,107	140,386
July 1, 2023~ June 30, 2024		-		279		10,998	11,277
After July 1, 2024		-		5,864		18,208	24,072
	₩	280,000	₩	156,701	₩	110,591	₩ 547,292

Long-term borrowings and debtures by currencies as at June 30, 2020 and December 31, 2019, are as follows:

(in millions of Korean won)

	Long-term borrowings		Debtures (Amortized cost)	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
US Dollars	₩ 96,768	₩ 111,107	₩ -	₩ -
Korean Won	156,701	6,800	279,633	529,256
Japanese Yen	12,461	12,007	-	-
Others	1,362	45,145	-	-
	₩ 267,292	₩ 175,059	₩ 279,633	₩ 529,256

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16. Net Defined Benefit Liabilities

Details of net defined benefit liabilities as at June 30, 2020 and December 31, 2019, are as follows:

<i>(in millions of Korean won)</i>	June 30, 2020		December 31, 2019	
Defined benefit obligation	₩	952,390	₩	922,715
Less: Plan assets		(812,205)		(819,587)
Less: Contribution to National Pension Fund		(563)		(588)
	₩	<u>139,622</u>	₩	<u>102,540</u>

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 June 30, 2020, 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.

Details of defined benefit liabilities recognized in the consolidated statements of financial position as at June 30, 2020 and December 31, 2019, are determined as follows:

<i>(in millions of Korean won)</i>	June 30, 2020		December 31, 2019	
Present value of funded defined benefit obligations	₩	952,390	₩	922,715
Fair value of plan assets ¹		<u>(812,768)</u>		<u>(820,175)</u>
Net defined benefit liabilities	₩	<u>139,622</u>	₩	<u>102,540</u>

¹ The amount includes contributions to the National Pension Fund of ₩ 578 million (December 31, 2019: ₩ 588 million).

The amounts recognized in the consolidated statements of comprehensive income for the three-month and six-month periods ended June 30, 2020 and 2019, are as follows:

<i>(in millions of Korean won)</i>	2020				2019			
	Three months		Six months		Three months		Six months	
Defined benefit plan								
Current service cost	₩	26,627	₩	53,281	₩	25,055	₩	50,494
Interest expense		4,672		9,343		5,426		10,862
Return on plan assets		(3,874)		(7,748)		(4,427)		(8,858)
Defined contribution plan								
Post-employment benefits		2,022		6,901		1,284		3,204
Others		6,083		12,530		(6,883)		8,553
	₩	<u>35,530</u>	₩	<u>74,307</u>	₩	<u>20,455</u>	₩	<u>64,255</u>

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Details of allocation of expenses for the three-month and six-month periods ended June 30, 2020 and 2019, are as follows:

(in millions of Korean won)

	2020				2019			
	Three months		Six months		Three months		Six months	
Cost of sales	₩	20,038	₩	43,308	₩	22,654	₩	50,415
Selling and administrative expenses (post-employment benefits)		13,303		25,628		(5,592)		8,317
Selling and administrative expenses (research and development)		1,417		2,782		1,652		2,901
Other assets		772		2,589		1,741		2,622
	₩	35,530	₩	74,307	₩	20,455	₩	64,255

17. Provisions

Changes in provisions for the six-month periods ended June 30, 2020 and 2019, are as follows:

(in millions of Korean won)

	2020				
	Construction warranties ¹	Restoring cost ²	Provisions for construction losses ³	Others ⁴	Total
January 1, 2020	₩ 180,126	₩ 45,741	₩ 178,206	₩ 318,087	₩ 722,160
Additional provisions	14,503	6,366	3,582	33,903	58,354
Used and reversal	(14,021)	(6,405)	(34,625)	(31,017)	(86,068)
Transfer	-	-	-	139,513	139,513
Exchange differences	161	1,697	-	76	1,934
June 30, 2020	₩ 180,769	₩ 47,399	₩ 147,163	₩ 460,562	₩ 835,893
Current (Note 9)	₩ -	₩ -	₩ 147,163	₩ 141,232	₩ 288,395
Non-current	180,769	47,399	-	319,330	547,498

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.

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	2019				
	Construction warranties ¹	Restoring cost ²	Provisions for construction losses ³	Others ⁴	Total
January 1, 2019	₩ 180,538	₩ 38,477	₩ -	₩ 223,804	₩ 442,819
Additional provisions	17,654	3,279	87,748	19,278	127,959
Used and reversal	(12,661)	(16)	(23,848)	(45,530)	(82,055)
Transfer	-	-	162,136	-	162,136
Exchange differences	-	1,368	-	1,712	3,080
June 30, 2019	₩ 185,531	₩ 43,108	₩ 226,036	₩ 199,264	₩ 653,939
Current	₩ -	₩ -	₩ 226,036	₩ 104,101	₩ 330,137
Non-current	185,531	43,108	-	95,163	323,802

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.

18. Contingencies and Commitments

As at June 30, 2020, 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 411,570 thousand, for the guarantee of the performance of export contracts amounting to USD 231,187 thousand and ₩ 39,500 million and for the guarantee of various trade finance with a limit of USD 2,547,355 thousand. The receivables from export transactions sold to financial institutions, which amount to USD 322,517 thousand, are not yet due as at June 30, 2020.

As at June 30, 2020, the Group has provided a note amounting to ₩ 500 million, and 21 blank checks and notes as collateral to related institutions for borrowings, performance guarantees, construction payment guarantees, and others.

As at June 30, 2020, the Group is contingently liable for loan guarantees, principally for foreign associates and joint ventures amounting to USD 111,726 thousand (Note 27). The Group provides performance guarantees on the construction contracts of its foreign operations limited to USD 193,546 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 ₩ 646,643 million.

As at June 30, 2020, the Group has short-term export insurance with Korea Trade Insurance Corporation. The certificates issued by Korea Trade Insurance Corporation (insured amount of ₩ 15,982 million) relating to guarantees provided by financial institutions are pledged as collateral.

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As at June 30, 2020, the Group has been named as the defendant in certain lawsuits brought against it in the normal course of business. The aggregate amount of 420 claims brought against the Group, is approximately ₩ 620,646 million and USD 450,880 thousand. The Group also files 84 counterclaims amounting to ₩ 304,138 million and USD 409,374 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, on July 12, 2018, the Securities & Futures Commission ("SFC") imposed the first administrative 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 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 from 2012 to 2018. 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 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 and November 27, 2018 and submitted requests for suspension of measures on November 27, 2018 and December 18, 2018, to the Seoul Administrative Court (the "Court"). The trial proceedings are in progress (as discussed more in the following paragraphs).

Upon the request to the Court on November 27, 2018 relating to the second measures (made in November 14, 2018), Logics received the decision from the Court to suspend the measures imposed by SFC, which include: i) an order of a corrective measure (retrospective restatement of financial statements); ii) compulsory designation of external auditors for three years; iii) recommendation of dismissal of Logic's representative director (CEO) and the executives in charge until 30 days after the Court makes its final ruling. The SFC appealed the Court's decision on January 30, 2019, but the Seoul High Court affirmed the decision of the Court and rejected the appeal by the SFC on May 13, 2019. The SFC appealed to the Supreme Court on May 23, 2019, but the re-appeal was rejected by the Supreme Court on September 6, 2019.

In addition, regarding the request for suspension of the first measures imposed by the SFC (made in July 12, 2018) which were submitted on December 18, 2018, Logics received the decision from the Court to suspend measures ordered by the SFC on February 19, 2019, which include: i) external auditor designation by the regulator for three years; ii) recommendation of dismissal of Logics' representative director (CEO) and the executives in charge until 30 days after the Court makes its final ruling. The SFC appealed to the Seoul High Court for the decision on February 21, 2019, but the Seoul High Court affirmed the decision of the Court and rejected the appeal by the SFC on March 24, 2019. The SFC appealed to the Supreme Court on June 10, 2019, but the re-appeal was rejected by the Supreme Court on October 11, 2019.

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With respect to this matter, the investigation by the Seoul Central Prosecutors Office against the Logics' 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 Aggregated Punishment, Etc. of Specific Economic Crimes, and the allegations of document destruction under Criminal Act is also in progress. It is not possible to predict the outcome of the investigation.

Meanwhile, on December 9, 2019, employees of Logics and Logics' affiliate 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 Logics' affiliates appealed the ruling above, and the employee of Logics 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 affect the consolidated financial statements of the Group. The Group's management will continue to monitor the progress of the lawsuit in the future.

As at June 30, 2020, the Group has 1,213 forward exchange contracts amounting to USD 510,809 thousand, EUR 11,284 thousand, JPY 4,143,766 thousand, SGD 342 thousand and GBP 1,768 thousand and one interest rate swap contract with financial institutions whose contracts amount to ₩ 100,000 million. These forward exchange contracts and interest rate swap contracts are intended to hedge foreign exchange risk and interest risk exposures of the Group. In addition, the Group has entered into 356 commodity futures contracts with financial institutions with contract prices amounting to USD 145,839 thousand and one currency swap contracts with contract prices amounting to USD 30,000 thousand. For the six-month period ended June 30, 2020, realized gains and losses from the contracts mentioned above, included in 'foreign exchange gain and loss', amount to approximately ₩ 43,746 million and ₩ 37,509 million, respectively.

As at June 30, 2020, details of gain (loss) on valuation of derivative instruments are as follows:

<i>(in millions of Korean won)</i>	Gain on valuation		Loss on valuation		Accumulated other comprehensive income (loss)
Currency forward contracts	₩	7,317	₩	(6,530)	₩ -
Interest swap contracts		-		-	(160)
Currency swaps contracts		590		-	(172)
Commodity futures contracts		8,287		(14,279)	(798)
Options		96		-	-

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Details of derivative assets and liabilities by instrument type as at June 30, 2020 and December 31, 2019, are as follows:

<i>(in millions of Korean won)</i>	June 30, 2020		December 31, 2019	
	Assets	Liabilities	Assets	Liabilities
Currency forward contracts				
Current	₩ 8,983	₩ 6,174	₩ 13,783	₩ 2,951
Non-current	5,144	233	-	-
Interest swap contracts				
Current	-	91	-	172
Currency swap contracts				
Non-current	1,574	-	1,003	-
Commodity futures contracts				
Current	58	9,277	4,658	8,412
Options				
Current	33,387	-	33,387	-

The Group recognized valuation gain of ₩ 523 million as other comprehensive income in relation to the effective portion of changes in the fair value of cash flow hedge derivatives.

As at June 30, 2020, the Group has corporate purchase card agreements and collateral loan agreements using the trade receivables with a limit of ₩ 400,610 million with financial institutions, including Woori Bank.

On April 30, 2015, the former Samsung C&T Corporation sold 22.99% of equity shares of Hanwha General Chemicals Co., Ltd. (formerly Samsung General Chemical Co., Ltd.) to Hanwha Solutions Corporation and Hanwha Energy Corporation (collectively "Acquirers"). According to the Share Purchase Agreement, the Group has the right to receive additional proceeds depending on the subsequent operating performance of Hanwha Total Petrochemical Co., Ltd. (formerly Samsung Total Petrochemical Co., Ltd.). The Group also has a priority right to request the Acquirers to purchase the remaining equity shares when Hanwha General Chemicals Co., Ltd. is publicly listed. However, if Hanwha General Chemicals Co., Ltd. is not listed within 6 years (7 years if requested by Acquirers) from the closing date of the transaction, the Group and the Acquirers have the right to exercise put option (exercise price: the higher of a) the price per share calculated based on EV of 11.07 times the acquiree's adjusted EBITDA for the year prior to the fiscal year in which the put option is exercised, and b) ₩ 33,165.6 per share) and call option, respectively, on the remaining equity shares. In addition, the Acquirers have the right of first refusal when the Group attempts to dispose of the remaining equity shares. Also, if the Acquirers attempt to dispose of the equity shares of Hanwha General Chemicals Co., Ltd., the Group and the Acquirers respectively have tag-along right and drag-along right.

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The Group 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
Kookmin Bank	Retainment of control	The Group shall remain as an affiliate of Samsung Group and current major shareholders shall hold control over the Group
SMBC	Retain Component ratio of shareholders	The proportion of shares held by Samsung Group and the Group 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.) shall remain over 60%

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.

(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 June 30, 2020, the Group, as a contractor, provides a construction completion guarantee, against the damages for not completing the project, amounting to ₩ 370,000 million for the developer of Pangyo Alpha dome 6-1 Block construction. However, if the developer fails to make

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progress payments for more than three consecutive times due to the reasons caused by the developer, the Group is exempted from the obligation to complete the construction.

The Group has entered into a collateral trust agreement with KB Real Estate Trust Co., Ltd. for land and buildings in relation to the corporate bond arrangements with Kookmin Bank. As at June 30, 2020, the details of the collateral trust agreement are as follows:

(in millions of Korean won)

Collateral provided	Priority	Beneficiary	Issue amount
Land and buildings	First priority	Kookmin Bank	₩ 84,000

The Group has agreed on a rental operating lease contract of East Central Tower Building (the “rental subject”) with the trust bank of the 10th Inmark Professional Investment Private Real Estate Investment Trust, Nonghyup Bank, until February 26, 2028. The Group and Mirae Asset Daewoo Co.,Ltd. have a preemption right to purchase the rental subject or sell it to third parties (In the event of competition, the Mirae Asset Daewoo Co., Ltd.’s preemption right takes priority). If the rental subject is not sold until the end of the initial contract period, the contract period will be extended by 10 years.

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 (\$301,894 thousand) or the fund's loss.

19. Share Capital

The Group is authorized to issue 500 million shares with a par value of ₩ 100 per share. As at June 30, 2020, 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 June 30, 2020, there are no convertible bonds and bonds with warrants issued under these terms.

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Details of treasury shares as at June 30, 2020 and December 31, 2019, are as follows:

<i>(in millions of Korean won, except number of shares)</i>	June 30, 2020		December 31, 2019	
	Preferred share	Ordinary share	Preferred share	Ordinary share
Number of shares	159,835	23,422,688	159,850	26,225,650
Acquisition cost	₩ 16,977	₩ 1,692,938	₩ 16,978	₩ 1,895,530

Based on the capital reduction procedure under the Commercial Act, the Parent Company of the Group retired 2,802,962 registered ordinary shares and 15 registered preferred shares on April 24, 2020, in accordance with a resolution of the Board of Directors on March 20, 2020. The reduced paid-in capital is ₩ 280 million.

20. Other Components of Equity

Other components of equity as at June 30, 2020 and December 31, 2019, consist of:

<i>(in millions of Korean won)</i>	June 30, 2020		December 31, 2019	
Treasury shares (Note 19)	₩	(1,709,915)	₩	(1,912,508)
Other capital adjustments		(244,998)		(244,998)
Loss on capital reduction		(202,313)		-
Financial assets at fair value through other comprehensive income (Note 11)		6,541,969		8,375,038
Share of other comprehensive income of associates and joint ventures		166,582		53,616
Share of other comprehensive loss of associates and joint ventures		(150,990)		(113,400)
Exchange differences		(123,936)		(147,049)
Cash flow hedge (Note 18)		(1,130)		(1,653)
	₩	<u>4,275,269</u>	₩	<u>6,009,046</u>

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21. Selling and Administrative Expenses

Selling and administrative expenses for the three-month and six-month periods ended June 30, 2020 and 2019, are as follows:

(in millions of Korean won)

	2020		2019	
	Three months	Six months	Three months	Six months
Salaries and others	₩ 170,401	₩ 369,732	₩ 145,616	₩ 341,227
Welfare	30,409	66,056	31,133	61,635
Depreciation	52,594	103,268	48,760	97,155
Travel	3,039	12,837	13,435	26,290
Commission	136,385	277,871	151,317	298,442
Rent	66,490	130,128	80,684	167,727
Taxes and dues	18,903	34,120	11,963	24,610
Advertising	10,588	18,579	16,051	25,578
Research and development	22,047	44,642	21,144	45,249
Impairment loss (Note 8)	10,556	15,383	7,944	2,554
Computational service fee	10,818	22,210	9,150	20,270
Sales promotion cost	5,809	13,722	8,355	15,781
Others	17,843	157,726	126,533	253,691
	<u>₩ 555,882</u>	<u>₩ 1,266,274</u>	<u>₩ 672,085</u>	<u>₩ 1,380,209</u>

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22. Other Income and Expenses

Other income and expenses for the three-month and six-month periods ended June 30, 2020 and 2019, consist of:

<i>(in millions of Korean won)</i>	2020		2019	
	Three months	Six months	Three months	Six months
Other income				
Dividend income	₩ 111,283	₩ 352,769	₩ 106,210	₩ 342,419
Foreign exchange gain	72,814	146,965	69,741	100,585
Gain on translation of foreign currency	(35,905)	62,426	50,246	103,759
Gain on valuation of financial assets at fair value through profit or loss	41	237	56	202
Gain on disposal of investments	996	1,013	2,140	13,609
Gain on disposal of property, plant and equipment	828	2,888	1,451	2,072
Gain on disposal of investment properties	1	3,615	-	-
Reversal of impairment loss on intangible assets	279	342	80	80
Gain on disposal of intangible assets	-	31	15	15
Reversal of provision for impairment (Note 8)	23,990	28,227	13,050	16,234
Gain on insurance settlement	1	202	40	241
Others	19,783	67,891	32,024	84,933
	<u>₩ 194,111</u>	<u>₩ 666,606</u>	<u>₩ 275,053</u>	<u>₩ 664,149</u>
Other expenses				
Foreign exchange loss	₩ 75,128	₩ 140,840	₩ 65,102	₩ 104,460
Loss on translation of foreign currency	(16,352)	54,108	43,087	92,446
Loss on valuation of financial assets at fair value through profit or loss	2,923	14,972	-	-
Loss on disposal of investments	-	2	1	464
Impairment loss on property, plant and equipment	2,605	2,605	-	-
Loss on disposal of property, plant and equipment	658	1,381	2,594	3,406
Impairment loss on intangible assets	-	1,352	-	-
Loss on disposal of intangible	74	543	4	417

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<i>(in millions of Korean won)</i>	2020		2019	
	Three months	Six months	Three months	Six months
assets				
Loss on disposal of trade receivables	5,767	11,090	6,152	13,418
Donations	4,899	8,874	5,601	8,777
Other impairment loss (Note 8)	771	23,729	5,718	13,616
Others	4,068	50,053	71,942	108,109
	<u>₩ 80,541</u>	<u>₩ 309,549</u>	<u>₩ 200,201</u>	<u>₩ 345,113</u>

23. Breakdown of Expenses by Nature

Expenses recorded by nature as cost of sales, selling and administrative expenses in the consolidated statements of comprehensive income for the three-month and six-month periods ended June 30, 2020 and 2019, consist of:

<i>(in millions of Korean won)</i>	2020		2019	
	Three months	Six months	Three months	Six months
Changes in finished goods and work-in-process	₩ 3,874,512	₩ 7,665,020	₩ 4,310,862	₩ 8,208,451
Construction outsourcing	1,438,801	2,813,861	1,711,863	3,335,324
Employee benefit expenses	601,776	1,234,668	565,518	1,175,273
Commission	331,391	628,376	328,713	584,659
Freight	74,074	160,797	75,686	154,243
Research and development	17,823	44,642	21,144	45,249
Heavy construction equipment usage	19,916	47,440	55,024	107,207
Rent	90,175	181,354	108,396	219,166
Taxes and dues	53,090	80,733	54,753	85,978
Depreciation and amortization	139,498	257,028	123,031	231,261
Insurance	13,378	30,068	13,248	25,693
Outsourcing fee	77,344	188,820	90,922	208,501
Others	253,436	465,452	292,118	622,171
	<u>₩ 6,985,214</u>	<u>₩ 13,798,259</u>	<u>₩ 7,751,278</u>	<u>₩ 15,003,176</u>

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24. Financial Income and Expenses

Financial income and expenses for the three-month and six-month periods ended June 30, 2020 and 2019, consist of:

<i>(in millions of Korean won)</i>	2020		2019	
	Three months	Six months	Three months	Six months
Interest income:				
Deposits in bank	₩ 9,928	₩ 21,553	₩ 13,287	₩ 28,855
Securities	1,176	2,351	1,176	2,351
Loans	2,933	7,344	5,076	10,627
Overdue interest	1	4	14	21
Present value discounts	723	1,515	989	1,733
Finance lease receivables	81	189	-	-
Others	8,755	12,256	2,449	10,776
Foreign exchange gain	7,418	15,610	2,048	4,957
Gain on translation of foreign currency	<u>(3,658)</u>	<u>46,894</u>	<u>19,234</u>	<u>36,845</u>
Total financial income	<u>27,357</u>	<u>107,716</u>	<u>44,273</u>	<u>96,165</u>
Interest expense:				
Short-term borrowings	10,576	23,664	12,386	23,496
Long-term borrowings	1,180	4,585	5,915	13,699
Debentures	5,155	10,304	8,561	20,501
Lease liabilities	2,824	5,545	2,230	4,605
Others	2,967	5,952	20,282	25,129
Foreign exchange loss	4,221	8,524	3,035	5,392
Loss on translation of foreign currency	<u>18,094</u>	<u>42,981</u>	<u>15,147</u>	<u>31,932</u>
Total financial expenses	<u>45,017</u>	<u>101,555</u>	<u>67,556</u>	<u>124,754</u>
Financial income (expenses), net	<u>₩ 17,660</u>	<u>₩ (6,161)</u>	<u>₩ 23,283</u>	<u>₩ 28,589</u>

25. 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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26. Earnings per Share

Basic earnings per ordinary share for the six-month periods ended June 30, 2020 and 2019, are as follows:

<i>(in Korean won and in shares)</i>	2020	2019
Profit for the period ¹	₩ 511,013 million	₩ 469,130 million
Profit for the period attributable to ordinary shares	506,429 million	464,919 million
Weighted average number of ordinary shares outstanding	163,464,393 shares	163,464,394 shares
Basic earnings per ordinary share	₩ 3,098	₩ 2,844

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

Basic earnings per preferred share for the six-month periods ended June 30, 2020 and 2019, are as follows:

<i>(in Korean won and in shares)</i>	2020	2019
Profit for the period ¹	₩ 511,013 million	₩ 469,130 million
Profit for the period attributable to preferred shares	4,584 million	4,211 million
Weighted average number of preferred shares outstanding	1,467,590 shares	1,467,590 shares
Basic earnings per preferred share	₩ 3,123	₩ 2,869

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 six-month periods ended June 30, 2020 and 2019, respectively.

27. Related Party Transactions

As at June 30, 2020, the Group's related parties consist of 51 associates and joint ventures, including Samsung Bioepis Co., Ltd. and other related parties (Note 1.3). Meanwhile, the Enterprise Group, which the Group belongs to, in accordance with the Monopoly Regulation and Fair-Trade Act of the Republic of Korea, consists of 59 entities including Samsung Electronics Co., Ltd., as at June 30, 2020.

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Significant transactions between the Parent Company and related parties (associates, joint ventures and other related party) for the six-month periods ended June 30, 2020 and 2019, and the related account balances as at June 30, 2020 and December 31, 2019, consist of the following:

<i>(in millions of Korean won)</i>	Sales²		Purchases		Receivables⁵		Payables	
	2020	2019	2020	2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Associates								
Samsung Bioepis Co., Ltd.	₩ 44,560	₩ 7,288	₩ -	₩ -	₩ 27,429	₩ 11,381	₩ -	₩ -
Waris Gigih Engineering & Technology Sdn. Bhd.	-	61	-	-	-	-	-	-
Gangneung Eco Power Co., Ltd.	488,256	123,808	-	-	115,555	18,525	-	-
Gaziantep SPV	3,925	9,720	-	-	1,647	91	17,471	15,504
TOK Advanced Materials Co., Ltd.	-	-	53,485	42,613	-	-	5,832	4,935
Others	310	303	1,591	1	-	-	-	-
Joint ventures								
FCC Saudi LLC	27,233	2,463	-	-	3,662	3,894	-	-
Others	527	443	-	-	13,233	12,506	-	-
Other related parties⁴								
Samsung Electronics Co., Ltd.	1,003,008	2,334,547	41,307	64,516	1,008,455	1,156,091	221,266	201,947
Others	439,790	180,825	5,354	2,054	193,219	45,901	30,844	28,588
Others¹								
Samsung SDS Co., Ltd.	4,116	28,909	48,740	37,484	4,297	4,299	27,966	32,567
Samsung Life Insurance Co., Ltd. ³	8,477	13,515	2,223	740	2,256	2,458	43,177	41,767
Others	57,652	56,104	39,600	41,993	60,031	37,265	151,028	146,878

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 Enterprise Group in accordance with the Monopoly Regulation and Fair Trade Act of the Republic of Korea.

² Unbilled revenue from construction contracts based on the percentage of completion of ₩ 753,779 million (2019: ₩ 581,300 million) is excluded from sales. In addition, Due from customer for contract work amounting to ₩ 1,401,922 million (December 31, 2019: ₩ 500,956 million) and due to customers for contract work amounting to ₩ 436,276 million (December 31, 2019: ₩ 371,505 million) are excluded from receivables and payables, respectively.

³ As at June 30, 2020, the Group deposited ₩ 585,337 million (December 31, 2019: ₩ 602,578 million) in Samsung Life Insurance Co., Ltd. as plan assets. There is no additional contribution made by the Group for the six-month period ended June 30, 2020.

⁴ For the six-month period ended June 30, 2020, over 10% of the Group's revenue (including its subsidiaries' revenues) is derived from the customer. The revenue derived from the customer amounting to ₩ 2,918,391 million is reported from Construction, Trading and Resort segments of the Group.

⁵ As at June 30, 2020, the Group recognized provision for impairment amounting to ₩ 539 million

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for related party receivables.

Significant transactions between the Group and related parties (excluding the above transactions between the Parent Company and related parties) for the six-month periods ended June 30, 2020 and 2019, and the related account balances as at June 30, 2020 and December 31, 2019, consist of the following:

<i>(in millions of Korean won)</i>	Sales²		Purchases		Receivables⁴		Payables	
	2020	2019	2020	2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Associates								
Samsung Bioepis Co., Ltd.	₩ 129,968	₩ 72,250	₩ -	₩ 20,164	₩ 26,676	₩ 101,656	₩ 92,929	₩ 77,541
Bahrain LNG W.L.L	793	-	-	-	46,987	45,700	-	-
Others	820	12	2,422	-	785	34	-	-
Joint ventures								
FCC Saudi LLC	18,172	40,697	-	-	-	-	-	5,096
LJG Green Source Energy Alpha S.R.L.	738	768	-	-	23,774	22,124	-	-
Kelar S.A.	1,109	1,080	-	-	25,608	23,629	-	-
Others	1,145	1,284	-	-	283	303	-	-
Other related parties								
Samsung Electronics Co., Ltd.	272,742	217,434	36,761	10,948	97,594	64,724	14,742	11,666
Others	359,637	586,819	2,508	1,780	57,623	62,004	1,313	1,347
Others¹								
Samsung SDS Co., Ltd.	15,849	14,704	18,062	25,100	2,992	2,830	4,004	6,311
Samsung Life Insurance Co., Ltd. ³	4,978	9,194	57	427	497	951	1,410	1,410
Others ³	331,556	352,187	22,306	20,940	122,516	61,363	10,492	10,750

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 Enterprise Group in accordance with the Monopoly Regulation and Fair Trade Act of the Republic of Korea.

² Unbilled revenue from construction contracts based on the percentage of completion of ₩ 141,738 million (2019: ₩ 52,772 million) is excluded from sales. In addition, Due from customer for contract work amounting to ₩ 114,759 million (December 31, 2019: ₩ 47,201 million) and due to customers for contract work amounting to ₩ 75,315 million (December 31, 2019: ₩ 108,172 million) are excluded from receivables and payables, respectively.

³ As at June 30, 2020, the Group (except for the Parent Company) deposited ₩ 178,377 million (December 31, 2019: ₩ 169,467 million) and ₩ 48,485 million (December 31, 2019: ₩ 47,537 million) as plan assets in Samsung Life Insurance Co., Ltd. and Samsung Fire & Marine Insurance Co., Ltd., respectively.

⁴ As at June 30, 2020, the Group recognized provision for impairment amounting to ₩ 2,314 million for related party receivables (Note 8).

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Major fund transactions with a related party for the six-month periods ended June 30, 2020 and 2019, are as follows:

(in millions of Korean won)

	2020		2019	
	Loans	Repayments	Loans	Repayments
Associates				
KST POWER NORTE S.A. DE C.V. ¹	₩ -	₩ -	₩ -	₩ 30,380
Gaziantep SPV	2,517	-	-	-

¹ During the six-month period ended June 30, 2019, the Group disposed its loans to KST POWER NORTE S.A. DE C.V. to Samsung Asset Management Co., Ltd., an entity included in the scope of Enterprise Group.

Payment guarantees for the liabilities of associates and joint ventures provided by the Group as at June 30, 2020 and December 31, 2019, are as follows:

(in thousands of US dollars)

	Principal debtor	Guaranteed period	Guaranteed amount	
			June 30, 2020	December 31, 2019
Associates				
Terminal KMS de GNL, S. de R.L. de C.V.	Santander and others	September 1, 2029	\$ 79,561	\$ 87,248
Bahrain LNG W.L.L.	SG and others	August 20, 2020	5,382	21,861
Joint venture				
Kelar S.A.	KEB Hana Bank	December 30, 2020	13,304	13,304
			<u>\$ 98,247</u>	<u>\$ 122,413</u>

For the six-month period ended June 30, 2020, the Group received ₩ 250,443 million of dividends (2019: ₩ 252,834 million) from the related parties. For the six-month period ended June 30, 2020, the Group received ₩ 134,391 million (2019: ₩ 129,105 million) from the entities that are not related parties of the Group in accordance with Korean IFRS 1024, but included in the Enterprise Group in accordance with the Monopoly Regulation and Fair Trade Act of the Republic of Korea. For the six-month period ended June 30, 2020, there are no declared dividends to related parties, and there are no unpaid dividends to related parties as at June 30, 2020 and 2019. Also, for the six-month period ended June 30, 2020, there are no declared dividends to the entities in the same Enterprise Group to the entities in the same Enterprise Group. As at June 30, 2020 and 2019, there are no unpaid dividends to these entities.

For the six-month period ended June 30, 2020, the Group made additional contribution of ₩ 5,726 million (2019: ₩ 24,426 million) to associates and joint ventures and recovered ₩ 3,966 million (2019: ₩ 6,292 million) from associates and joint ventures. Meanwhile, there is no recovered amount from disposal of an associate to the entity belongs to the Large Enterprise Group in accordance with the Monopoly Regulation and Fair Trade Act during the six-month period ended June 30, 2020 (2019: ₩ 35,397 million).

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As at June 30, 2020, the Group recognized lease liabilities of ₩ 40,781 million and lease receivables of ₩ 8,542 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 belong to the Large Enterprise Group to which the Group also belongs in accordance with the Monopoly Regulation and Fair Trade Act.

As at June 30, 2020, investments in Dongducheon Dream Power Co., Ltd., (Acquisition cost: ₩ 115,456 million), are pledged 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 12).

As at June 30, 2020, investments in Gaziantep SPV (acquisition cost: ₩ 17,909 million) and Qurayyah Investment Company (acquisition cost: ₩ 52,215 million), are pledged as collateral against borrowings of investees (Note 12).

The Group recognized salaries and post-employment benefits for the key management as expenses, amounting to ₩ 2,358 million and ₩ 860 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 and has made a provision for the cumulative estimated incentive cost for the past periods as non-trade payable and provision for bonuses. For the six-month period ended June 30, 2020, the Group recognized expenses amounting to ₩ 224 million.

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28. Cash Generated from (Used in) Operations

Reconciliation between operating profit and net cash inflow (outflow) from operating activities, for the six-month periods ended June 30, 2020 and 2019, is as follows:

<i>(in Korean won)</i>	2020	2019
Profit for the period	₩ 567,315,567,960	₩ 429,861,950,488
Addition		
Income tax expense	239,512,344,405	207,110,839,846
Interest expense	50,049,286,862	87,430,442,706
Depreciation and amortization	259,365,238,685	242,288,648,094
Post-employment benefits	54,875,761,710	52,497,616,472
Impairment loss	15,383,262,907	2,554,120,099
Other impairment loss	23,729,130,221	13,615,795,556
Transfer in provision for construction losses	3,582,422,285	87,747,883,606
Transfer in provision for construction warranties	14,502,526,094	25,444,896,542
Loss on foreign currency translation	97,090,146,665	124,377,657,316
Loss on disposal of investments	2,479,702	464,497,337
Loss on valuation of financial assets at fair value through profit or loss	14,972,080,572	
Loss on disposal of property, plant and equipment	1,380,904,627	3,405,638,777
Impairment loss on property, plant and equipment	2,604,687,373	-
Loss on disposal of intangible assets	543,430,342	417,183,263
Impairment loss on intangible assets	1,352,349,797	-
Share of loss of associates and joint ventures	45,140,007,300	17,321,933,373
Impairment loss on assets held for sale	4,414,214,497	-
Other expenses	30,013,500,838	50,896,626,063
	<u>858,513,774,882</u>	<u>915,573,779,050</u>
Deduction		
Interest income	(45,210,111,254)	(54,362,689,093)
Dividend income	(352,768,650,824)	(342,419,256,286)
Gain on foreign exchange translation	(109,322,055,223)	(140,604,339,043)
Reversal of provision for construction losses	(34,625,411,193)	(23,847,927,806)
Reversal of provision for impairment	(28,226,717,507)	(16,234,029,756)
Gain on disposal of investments	(1,012,536,188)	(13,511,496,722)
Gain on valuation of financial assets at fair value through profit or loss	(237,006,380)	(123,251,687)
Gain on disposal of property, plant and equipment	(2,887,811,593)	(2,071,785,140)
Gain on disposal of intangible assets	(31,267,335)	(14,800,700)
Reversal of impairment loss on intangible assets	(342,333,333)	(80,000,000)
Gain on disposal of investment properties	(3,614,846,714)	-
Share of profit of associates and joint ventures	(103,566,028,763)	(83,475,980,201)
Other income	(15,415,559,820)	(5,212,613,013)
	<u>(697,260,336,127)</u>	<u>(681,958,169,447)</u>

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<i>(in Korean won)</i>	2020	2019
Changes in operating assets and liabilities		
Increase in trade receivables	(367,628,484,277)	(517,309,183,437)
Decrease (increase) in other current assets	(381,378,452,337)	13,992,915,080
Decrease (increase) in inventories	17,858,585,368	(134,716,020,471)
Increase in trade payables	283,018,620,090	216,558,157,760
Increase (decrease) in other current liabilities	226,981,541,448	(192,053,346,186)
Decrease in provisions for construction warranties	(12,237,489,019)	(20,747,051,939)
Increase in long-term unearned income	31,123,993,402	31,162,850,486
Increase (decrease) in long-term non-trade payables	5,957,983,961	(5,289,092,839)
Payment of defined benefit liability	(34,976,898,605)	(38,186,647,282)
Decrease in plan assets	16,676,627,581	19,634,809,654
Transfer in defined benefit liability	(29,103,455)	(803,213,470)
Others	(7,130,746,018)	(38,360,823,835)
	<u>(221,763,821,861)</u>	<u>(666,116,646,479)</u>
Cash generated from (used in) operations	<u>₩ 506,805,184,854</u>	<u>₩ (2,639,086,388)</u>

Changes in liabilities arising from financial activities for the six-month periods ended June 30, 2020 and 2019, are as follows:

<i>(in millions of Korean won)</i>		Transactions without cash flows					
	At January 1, 2020	Cash flows from financial activities	New lease	Amortization	Others²	At June 30, 2020	
Short-term borrowings	₩ 1,927,232	₩ 207,774	₩ -	₩ -	₩ 19,268	₩ 2,154,274	
Long-term borrowings ¹	711,132	64,034	-	-	11,927	787,093	
Debentures ¹	778,966	60,000	-	328	-	839,294	
Lease liabilities	544,807	(75,332)	36,216	7,483	(26,918)	486,256	
	<u>₩ 3,962,137</u>	<u>₩ 256,476</u>	<u>₩ 36,216</u>	<u>₩ 7,811</u>	<u>₩ 4,277</u>	<u>₩ 4,266,917</u>	

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

² Others include changes due to exchange differences and others.

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			Transactions without cash flows			At June 30, 2019
			New lease	Amortization	Others ²	
	At January 1, 2019	Cash flows from financial activities				
Short-term borrowings	₩ 1,369,502	₩ 449,227	₩ -	₩ -	₩ 32,521	₩ 1,851,250
Long-term borrowings ¹	1,349,251	(343,401)	-	-	15,734	1,021,584
Debentures ¹	1,797,893	(610,000)	-	655	-	1,188,548
Lease liabilities	485,205	(56,191)	8,837	7,110	1,280	446,241
	<u>₩ 5,001,851</u>	<u>₩ (560,365)</u>	<u>₩ 8,837</u>	<u>₩ 7,765</u>	<u>₩ 49,535</u>	<u>₩ 4,507,623</u>

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

² Others include changes due to exchange differences and others.

Significant non-cash transactions for the six-month periods ended June 30, 2020 and 2019, are as follows:

(in millions of Korean won)

	2020	2019
Transfer of debentures and borrowings to current portion	₩ 100,000	₩ -
Increase in right-of-use assets and lease liabilities	36,216	40,033
Transfer between other comprehensive income and retained earnings due to disposal of FVOCI	391	(4,981)
Gain (loss) on valuation of financial assets at fair value through other comprehensive income	(2,491,624)	2,706,940
Changes in investments in associates due to share of other comprehensive income of associates and joint ventures	102,414	(7,970)
Changes in exchange differences – other comprehensive income	23,113	46,246
Changes in gain (loss) on derivatives – other comprehensive income	710	(5,398)

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29. 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 six-month periods ended June 30, 2020 and 2019, 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 six-month periods ended June 30, 2020 and 2019, is as follows:

*(in millions of
Korean won)*

	2020							
	Construction	Trading	Fashion	Resort	Food and beverages	Bio	Common	Total
External sales	₩ 5,506,364	₩ 7,718,342	₩ 778,080	₩ 204,111	₩ 1,108,941	₩ 514,888	₩ -	₩ 15,830,726
Internal sales	(22,408)	(1,543,350)	(43,821)	(552)	(37,152)	-	-	(1,647,283)
Net sales	5,483,956	6,174,992	734,259	203,559	1,071,789	514,888	-	14,183,443
Operating profit (loss)	271,664	35,534	(30,154)	(68,137)	55,468	120,809	-	385,184
Total assets ¹	8,868,752	3,932,372	1,213,520	2,434,601	734,892	6,221,037	21,445,094	44,850,268

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

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(in millions of
Korean won)

	2019							
	Construction	Trading	Fashion	Resort	Food and beverages	Bio	Common	Total
External sales	₩ 6,100,957	₩ 8,490,133	₩ 917,698	₩ 326,946	₩ 1,061,797	₩ 203,447	₩ -	₩ 17,100,978
Internal sales	<u>(31,147)</u>	<u>(1,653,563)</u>	<u>(45,065)</u>	<u>(881)</u>	<u>(41,305)</u>	<u>-</u>	<u>-</u>	<u>(1,771,961)</u>
Net sales	6,069,810	6,836,570	872,633	326,065	1,020,492	203,447	-	15,329,017
Operating profit (loss)	262,002	58,808	16,874	(2,954)	52,804	(61,693)	-	325,841
Total assets ¹	8,752,088	4,165,586	1,240,319	2,425,536	628,524	6,056,206	21,190,390	44,458,649

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 six-month periods ended June 30, 2020 and 2019, is as follows:

(in millions of Korean won)

	2020				
	Domestic	Asia	Europe	The Americas	Total
Total revenue	₩ 10,979,165	₩ 3,613,548	₩ 532,127	₩ 705,886	₩ 15,830,726
Intercompany revenue	(1,009,909)	(455,533)	(144,615)	(37,226)	(1,647,283)
Revenue from external customers	₩ 9,969,255	₩ 3,158,015	₩ 387,513	₩ 668,660	₩ 14,183,443

(in millions of Korean won)

	2019				
	Domestic	Asia	Europe	The Americas	Total
Total revenue	₩ 11,679,037	₩ 4,091,081	₩ 607,828	₩ 723,032	₩ 17,100,978
Intercompany revenue	(1,064,437)	(580,148)	(116,154)	(11,222)	(1,771,961)
Revenue from external customers	₩ 10,614,600	₩ 3,510,933	₩ 491,674	₩ 711,810	₩ 15,329,017

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30. Financial Risk Management

30.1 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 refer to the December 31, 2019 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, 2019.

30.2 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 June 30, 2020 and December 31, 2019 are as follows:

(in millions of Korean won)

	June 30, 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets at fair value through other comprehensive income	₩ 19,937,044	₩ 373	₩ 160,883	₩ 20,098,300
Financial assets at fair value through profit or loss	1,966	430,038	230,180	662,184
Derivative financial instruments:				
Held for trading	-	6,688	33,387	40,075
Hedging	-	9,072	-	9,072
	<u>₩ 19,939,010</u>	<u>₩ 446,171</u>	<u>₩ 424,450</u>	<u>₩ 20,809,631</u>
Liabilities measured at fair value				
Derivative financial instruments:				
Held for trading	₩ -	₩ 5,474	₩ -	₩ 5,474
Hedging	-	10,301	-	10,301
	<u>₩ -</u>	<u>₩ 15,775</u>	<u>₩ -</u>	<u>₩ 15,775</u>

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	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets at fair value through other comprehensive income	₩ 22,427,332	₩ 455	₩ 168,565	₩ 22,596,352
Financial assets at fair value through profit or loss	2,209	210,040	240,953	453,202
Derivative financial instruments:				-
Held for trading	-	14,035	33,387	47,422
Hedging	-	18,436	-	18,436
	<u>₩ 22,429,541</u>	<u>₩ 242,966</u>	<u>₩ 442,905</u>	<u>₩ 23,115,412</u>
Liabilities measured at fair value				
Derivative financial instruments:				
Held for trading	₩ -	₩ 23,893	₩ -	₩ 23,893
Hedging	-	9,693	-	9,693
	<u>₩ -</u>	<u>₩ 33,586</u>	<u>₩ -</u>	<u>₩ 33,586</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 six-month period ended June 30, 2020, 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 measured at fair value				
Energy industry equities	₩ 63,123	3	Net asset value method, discounted cash flow method and others	Growth rate, discount rate and others
Cooperative contribution	48,163	3	Net asset value method, discounted cash flow method and others	Growth rate, discount rate and others
Other equities	279,777	3	Net asset value method, discounted cash flow method and others	Growth rate, discount rate and others
Investment bonds	430,411	2	Discounted cash flow method	Counterparty credit risk and others
Derivatives (assets)				
Currency forwards and others	15,760	2	Market approach	Currency forwards rate, discount rate and others
Option	33,387	3	LSMC model	Underlying asset (East Central Tower Building)
Derivatives (liabilities)				
Currency forwards and others	15,775	2	Market approach	Currency forwards rate, discount rate 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. Events after the Reporting Period

In accordance with a resolution of the Board of Directors, the Group has completed the merger process between Samsung Renewable Energy, Inc. and Samsung C&T Canada Ltd., which are subsidiaries of the Group, on July 1, 2020 as a merger date.