

SGC Energy Co., Ltd. and its subsidiaries

Consolidated financial statements
for the years ended December 31, 2021

“The accompanying consolidated financial statements have been prepared by, and are the responsibility
of the Group.”

Bok Young Lee, Chan Kyu Ahn and Jun Young Park
Chief Executive Officer
SGC Energy Co., Ltd.

SGC Energy Co., Ltd. and its subsidiaries
Consolidated Statement of Financial Position
December 31, 2021

(Korean won)

	December 31, 2021		December 31, 2020	
Assets				
Current assets				
Cash and cash equivalents	₩	201,029,551,402	₩	174,682,440,219
Short-term financial instruments		4,452,495,400		18,110,844,741
Trade and other receivables		303,258,426,788		337,896,718,968
Unbilled amount related to construction		68,572,254,140		39,301,946,191
Inventories		184,273,902,304		150,532,956,985
Other current financial assets		39,841,198,227		31,552,703,172
Other current assets		27,850,267,187		28,491,436,108
Current tax assets		510,431,786		-
		829,788,527,234		780,569,046,384
Non-current assets				
Long-term financial instruments		9,000,000		1,338,195,400
Long-term trade and other receivables		594,949,139		570,202,841
Property, plant and equipment		1,486,011,733,741		1,451,249,243,971
Investment properties		115,339,316,146		106,708,034,658
Intangible assets		9,502,774,822		8,320,561,901
Right-of-use assets		66,590,552,699		78,960,883,511
Other non-current financial assets		42,927,526,914		41,996,849,524
Other non-current assets		1,654,867,826		695,590,866
Deferred tax assets		39,130,582,036		6,061,358,723
Non-current assets held-for-sale		-		198,922,856,217
		1,761,761,303,323		1,894,823,777,612
Total assets	₩	2,591,549,830,557	₩	2,675,392,823,996
Liabilities				
Current liabilities				
Trade and other payables	₩	320,243,672,842	₩	332,906,805,436
Overbilled amount related to construction		36,653,674,827		117,355,908,914
Short-term borrowings and bonds		616,952,845,979		809,359,874,662
Other current financial liabilities		5,727,923,760		4,294,706,277
Provisions		51,089,624,472		9,733,397,764
Lease liabilities		5,677,208,948		5,493,712,954
Other current liabilities		19,318,324,658		98,462,995,023
Income tax payables		60,103,515,550		8,010,834,326
		1,115,766,791,036		1,385,618,235,356
Non-current liabilities				
Long-term trade and other payables		44,000,000		227,726,271
Long-term borrowings and bonds		625,982,325,457		489,486,937,631
Net employee defined benefit liabilities		1,190,277,015		648,746,397
Provisions		28,191,740,087		28,032,071,768
Lease liabilities		66,516,998,658		77,358,693,434
Other financial liabilities		1,414,642,358		1,069,448,900
Other non-current liabilities		13,026,339,593		15,151,310,092
		736,366,323,168		611,974,934,493
Total liabilities	₩	1,852,133,114,204	₩	1,997,593,169,849

SGC Energy Co., Ltd. and its subsidiaries
Consolidated Statement of Financial Position, (cont'd)
December 31, 2021

	December 31, 2021	December 31, 2020
Shareholders' equity		
Issued capital	73,385,020,000	73,385,020,000
Capital surplus	426,480,363,845	426,461,387,778
Other components of equity	(30,143,282,898)	(20,401,732,398)
Accumulated other comprehensive income	(489,763,423)	264,568,470
Retained earnings	130,542,414,635	92,744,816,294
Equity attributable to equity holders of the parent	599,774,752,159	572,454,060,144
Non-controlling interests	139,641,964,194	105,345,594,003
Total shareholders' equity	₩ 739,416,716,353	₩ 677,799,654,147
Total liabilities and shareholders' equity	₩ 2,591,549,830,557	₩ 2,675,392,823,996

SGC Energy Co., Ltd. and its subsidiaries
Consolidated Statement of Comprehensive Income
For the years ended December 31, 2021

(Korean won)

	December 31, 2021	December 31, 2020
Revenue	₩ 1,898,386,809,603	₩ 106,548,366,582
Cost of sales	1,642,284,040,843	93,008,512,997
Gross profit	256,102,768,760	13,539,853,585
Selling, general and administrative expenses:	103,864,545,365	6,522,624,278
Operating profit	152,238,223,395	7,017,229,307
Finance income	9,072,698,059	767,575,115
Finance costs	35,210,789,742	5,518,591,317
Other income	14,538,210,020	36,104,239,917
Other expenses	8,485,223,221	21,894,016,931
Gains from investments in associates	-	37,873,208,583
Losses from investments in associates	-	20,569,886,997
Income before income taxes	132,153,118,511	33,779,757,677
Income tax expenses	33,666,825,395	2,058,143,941
Net profit for the period	₩ 98,486,293,116	₩ 31,721,613,736
Other comprehensive income	(4,362,662,913)	603,167,314
Other comprehensive income that will be not reclassified to profit or loss in subsequent periods	(2,562,470,771)	594,379,285
Remeasurement gain on defined benefit plans (net of tax)	(1,173,081,890)	594,379,285
Reserve of gains on financial assets measured at fair value through other comprehensive income	(1,389,388,881)	-
Other comprehensive income that will be reclassified to profit or loss in subsequent periods	(1,800,192,142)	8,788,029
Foreign operations foreign currency translation differences, net of tax	(1,800,192,142)	8,788,029
Total comprehensive income, net of tax	₩ 94,123,630,203	₩ 32,324,781,050
Net profit attributable to:		
Owners of the parent company	59,916,038,019	31,717,046,037
Non-controlling interests	38,570,255,097	4,567,699
Total comprehensive income attributable to:		
Owners of the parent company	58,158,696,936	32,320,655,822
Non-controlling interests	35,964,933,267	4,125,228
Earnings per share:		
Basic and diluted, profit for period attributable to ordinary equity holders of the parent	4,270	2,169

SGC Energy Co., Ltd. and its subsidiaries
Consolidated Statement of Changes in Equity
For the years ended December 31, 2021

(Korean won)

	Equity attributable to equity holders of the parent						Non-controlling interests	Total Equity
	Issued capital	Capital surplus	Other components of equity	Accumulated other comprehensive income	Retained earnings	Total		
I. Balance at November 1, 2020	₩ 6,093,085,000	149,525,469,330	-	92,186,142	-	155,710,740,472	220,019,080,539	375,729,821,011
Net profit	-	-	-	-	31,717,046,037	31,717,046,037	4,567,699	31,721,613,736
Remeasurement of net defined benefit liabilities	-	-	-	-	594,379,285	594,379,285	-	594,379,285
Exchange differences in translation of foreign operations	-	-	-	9,230,500	-	9,230,500	(442,471)	8,788,029
Purchase of treasury shares	-	-	(76,470,106)	-	-	(76,470,106)	-	(76,470,106)
Conversion of capital reserves	-	(60,000,000,000)	-	-	60,000,000,000	-	-	-
Business combination	67,291,935,000	332,412,306,891	(1,942,367,792)	163,151,828	-	397,925,025,927	(217,686,095,491)	180,238,930,436
Movement due to o changes in equity of investments in associates	-	-	4,523,611,557	781,319,217	114,812,037	5,419,742,811	-	5,419,742,811
Changes in scope of consolidation	-	4,523,611,557	(22,906,506,057)	(781,319,217)	318,578,935	(18,845,634,782)	103,008,483,727	84,162,848,945
II. Balance at December 31, 2020	₩ 73,385,020,000	426,461,387,778	(20,401,732,398)	264,568,470	92,744,816,294	572,454,060,144	105,345,594,003	677,799,654,147
I. Balance at January 1, 2021	₩ 73,385,020,000	426,461,387,778	(20,401,732,398)	264,568,470	92,744,816,294	572,454,060,144	105,345,594,003	677,799,654,147
Net profit	-	-	-	-	59,916,038,019	59,916,038,019	38,570,255,097	98,486,293,116
Remeasurement of net defined benefit liabilities	-	-	-	-	(1,003,009,190)	(1,003,009,190)	(170,072,700)	(1,173,081,890)
Exchange differences in translation of foreign operations	-	-	-	(296,772,156)	-	(296,772,156)	(1,503,419,986)	(1,800,192,142)
Purchase of treasury shares	-	-	(9,741,550,500)	-	-	(9,741,550,500)	-	(9,741,550,500)
Gains and losses on financial assets measured at fair value through other comprehensive income	-	-	-	(457,559,737)	-	(457,559,737)	(931,829,144)	(1,389,388,881)
Dividends paid	-	-	-	-	(21,934,666,500)	(21,934,666,500)	(1,485,757,500)	(23,420,424,000)
Equity transaction in consolidated companies	-	18,976,067	-	-	819,236,012	838,212,079	(182,805,576)	655,406,503
II. Balance at December 31, 2021	₩ 73,385,020,000	426,480,363,845	(30,143,282,898)	(489,763,423)	130,542,414,635	599,774,752,159	139,641,964,194	739,416,716,353

SGC Energy Co., Ltd. and its subsidiaries
Consolidated Statement of Cash Flows
For the years ended December 31, 2021

(Korean won)

	December 31, 2021	December 31, 2020
Operating activities		
Cash generated from operations	₩ 150,205,411,646	₩ (19,180,948,116)
Interest received	3,043,282,775	114,171,569
Dividend received	263,019,450	(518,670,064)
Interest paid	(28,072,699,195)	(3,998,400,885)
Income tax paid	(8,439,596,053)	(15,917,240)
Net cash flows used in operating activities	116,999,418,623	(23,599,764,736)
Investing activities		
Proceeds from sales of short term Financial Instruments	61,107,944,741	-
Proceeds from sales of financial assets held to maturity	276,500,000	-
Proceeds from sales of fair value financial asset	1,915,429,848	-
Proceeds from sales of long-term financial instruments	1,078,837,521	-
Proceeds from sales of non-current assets or disposal groups classified as held for sale	113,213,604,167	-
Proceeds from sales of investment property	262,300,000	-
Proceeds from sales of property, plant and equipment	236,804,254	-
Proceeds from sales of intangible assets	3,346,365,818	-
Decrease of deposits	1,594,372,000	323,500,000
Decrease in long-term loans	1,528,605,957	-
Adjustments for decrease in leasehold deposits	10,000,000	-
Purchase of short-term financial instruments	(47,108,700,000)	(168,862,700)
Purchase of short-term loans and receivables	(8,988,610,055)	-
Adjustments for increase in short-term deposits provided	(209,120,000)	-
Purchase of financial assets held to maturity	(90,000,000)	-
Purchase of fair value financial asset	(801,547,397)	-
Increase in long-term loans	(3,998,100,000)	-
Adjustments for increase in long-term deposits provided	(1,187,975,000)	-
Purchase of investment properties	-	(194,708,170)
Purchase of property, plant and equipment	(129,633,130,017)	(37,591,970,531)
Purchase of intangible assets	(9,514,588,342)	(260,280,000)
Net cash flows from business combinations	-	121,782,479,105
Net cash flows provided by investing activities	(16,961,006,505)	83,890,157,704
Financing activities		
Proceeds from short-term borrowings	386,668,001,112	7,413,476,951
Repayment of short-term borrowings	(572,170,957,534)	(18,506,749,374)
Proceeds from long-term borrowings	98,000,000,000	50,000,000,000
Proceeds from bonds	175,596,350,000	-
Acquisition of treasury shares in subsidiaries	(93,530,100)	-
Dividends paid	(21,933,693,000)	-
Transaction costs on issue of shares	-	(1,000,000)
Purchase of treasury stock	(9,741,550,500)	(76,470,106)
Repayment of current portion of long-term borrowings	(32,568,567,216)	(2,875,000,000)
Repayments of long term borrowings	(4,742,000,000)	-
Repayment of lease liabilities	(10,904,473,744)	(461,964,097)
Repayment of bonds	(81,000,000,000)	(20,000,000,000)

SGC Energy Co., Ltd. and its subsidiaries
Consolidated Statement of Cash Flows
For the years ended December 31, 2021

Net cash flows provided by financing activities	<u>(72,890,420,982)</u>	<u>15,492,293,374</u>
Net increase in cash and cash equivalents	₩ 27,147,991,136	₩ 75,782,686,342
Cash and cash equivalents at beginning of period	174,682,440,219	98,915,157,437
Net foreign exchange difference	<u>(800,879,953)</u>	<u>(15,403,560)</u>
Cash and cash equivalents at end of period	₩ 201,029,551,402	₩ 174,682,440,219