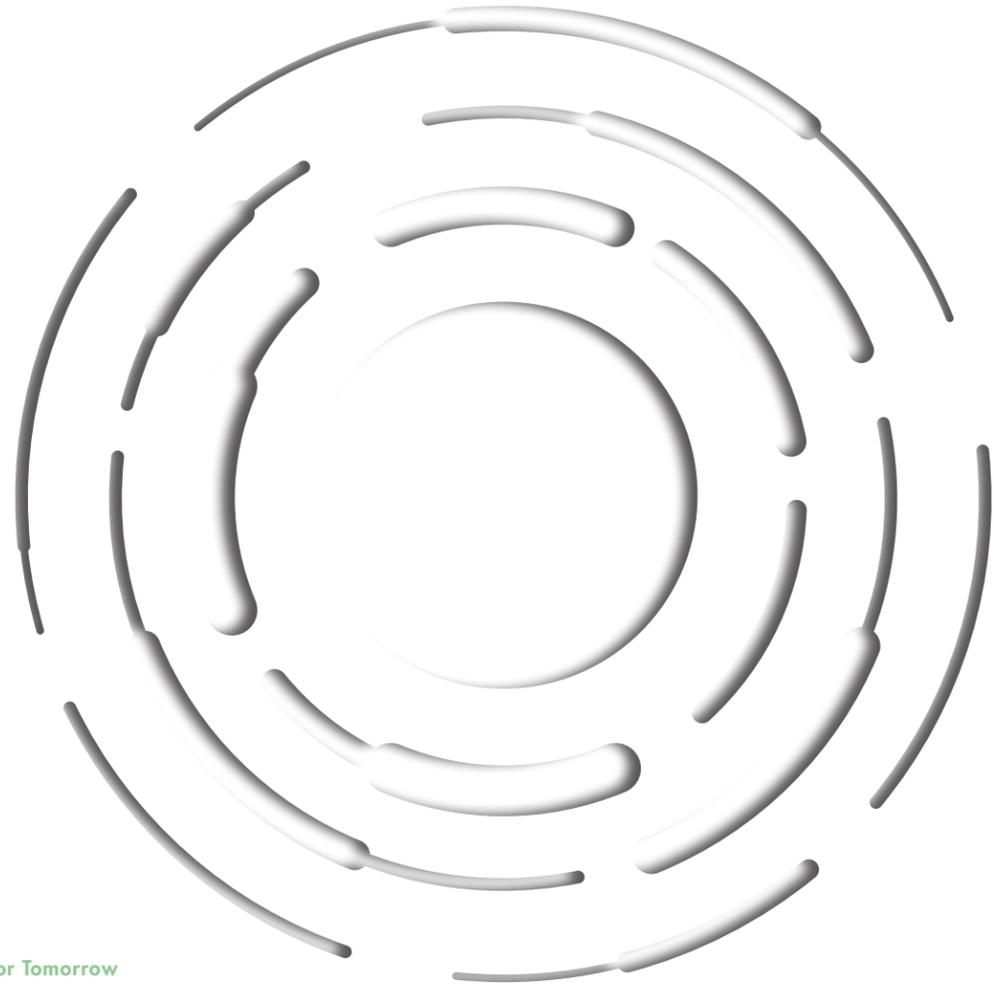


Good Impact for Tomorrow



SK ecoplant 2020 ANNUAL REPORT





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Good Impact for Tomorrow

Today, we are living in an era of change. From the climate and the environment to the values that we believe in, formidable waves of change have given rise to a new normal, which suggests that traditional standards and methods of measuring business results are obsolete for those desiring to take the lead. Having noticed it early on, we have declared a transformation to address the problems of today and create a better future. While SK E&C has in the past built in opposition to the natural environment, it is our goal to protect the environment and seed a better tomorrow under the new name SK ecoplant.

"MANY COMPANIES HAVE TALKED BIG ABOUT CREATING SOCIAL VALUE, WITH NO TANGIBLE RESULTS TO DATE. IT'S TIME TO TAKE ACTION NOW. WE SHOULD CHANGE OUR WAY OF THINKING TO CONSIDER **SOCIAL VALUE AS MUCH AS ECONOMIC VALUE TO BRING ABOUT CHANGES IN THIS PRACTICE."**

- Chey Tae-won, Chairman and CEO of SK Group
in his keynote speech at the 2018 Chicago Forum

Social values have now become the norm if a business is to survive and grow. SK Group declared "social value creation" its core value in 2017, and reaffirmed its dedication to advancing social values in 2018, marking that year the beginning of the "New SK." In 2020, SK ecoplant began the company's shift toward the environmental business to generate social values through construction engineering know-how and expand its business scope.



**“SOCIAL VALUE CREATION IS AN UNSTOPPABLE TREND.
DEEP CHANGE BEGINS WHEN WE CAN INNOVATE AND CHANGE THE
BUSINESS MODELS THAT WE HAVE TAKEN GRANTED OR BELIEVED TO BE
SUSTAINABLE, OR AT LEAST COMPETITIVE.”**

- 2019 CEO Seminar



SK ecoplant’s transformation goes beyond simply improving the eco-friendliness of our construction business. We are becoming an environmental firm, innovating our business models company-wide to become environmentally conscious and concentrating our key project resources on creating social value to live in harmony with the planet.

“THE EVALUATION OF CORPORATE VALUE CENTERED AROUND FINANCIAL OUTCOMES, SUCH AS REVENUE AND OPERATING PROFIT, IS NO LONGER VALID. WE WILL ALIGN OUR BUSINESS MANAGEMENT PRINCIPLES WITH THE ENVIRONMENT, SOCIETY, AND GOVERNANCE (ESG).”

“THE ONLY WAY TO GAIN TRUST FROM THE MARKET AND ENHANCE CORPORATE VALUE IS TO CREATE AND IMPLEMENT A PERSUASIVE FINANCIAL STORY WITH ENTICING GOALS AND CONCRETE IMPLEMENTATION PLANS.”

- 2020 CEO Seminar

SK ecoplant is building our own financial story that manifests our commitment to a new future. As proven by our acquisition of a top-tier company in the environmental industry, we are taking steps towards our goal of becoming “Asia’s leading environmental business by 2023” with clear and concrete mid-and long-term strategies for each business sector.

SK ecoplant, SHIFT BUSINESS MODEL

SK E&C has been reborn as a global eco-friendly business to build a better tomorrow for all. By realizing the values demanded by the times through innovative technologies, we are planting the seeds for a sustainable future where human society can prosper together with the environment.



Repositioning SK ecoplant as a leading eco-friendly company in ESG management

SK Group highlights the importance of SV* and SV-oriented Business Models

- The creation of SV was included in the Articles of Incorporation as a core value in 2017
- The creation and promotion of SV was reiterated in 2018, the launch year of the New SK identity

* SV: Social Value

SK E&C, brainstorming a business model to maximize the synergies of EV* and SV → focus on improving our established business

- SV has become integral to sustainable growth in the construction industry.
- Identifying innovative products and services that will enhance SV and EV concurrently in tandem with the trend

* EV: Economic Value

SK E&C, transforming into an eco-friendly company

2018

SK Group, accelerating the SV-oriented Business Deep Change initiative

- Setting employee happiness as the Group management goal
- Launch of an SV platform called SOVAC

2019

SK E&C assesses its business in terms of enhancing corporate value → Centering on our desired identity

- Aware of the need for a business makeover, the company redefined the objective of its business as "an innovative solution provider for solving social issues including environmental problems and urbanization"
- Shifting our focus to a more sustainable market, where we can secure meaningful corporate value within a short time period and further extend our established construction business

SK E&C, announcing its transformation into an environmental business

- Shifting our corporate identity to an environmental company rather than just an eco-friendly builder
- (New "Financial Story" of SK announced at the Group-wide Top Management Meeting in June 2020)

2020

SK E&C acquires EMC Holdings

- To gain the business foundation for the shift to an environmental business

Updating our financial story as an environmental company

- Working on strategies and detailed action plans to become a leading environmental business
- Constantly updating our financial story
CEO Seminar (2020.10)

2021

Communicating with external stakeholders on our business model shift to the environment

- Engaging in various campaigns to brand SK as an environmental company to the market
- 1) IR Day (January 2021)
 - 2) 1Q Analyst IR (May 2021)
 - 3) Grand Opening Ceremony (May 2021): Clarifying the company's business model shift to the Financial Society and our employees
 - 4) New name is approved at the extraordinary general shareholders meeting (May 2021)

CEO MESSAGE



Jae-hyun Ahn/CEO, SK ecoplant

Jae-hyun Ahn

We are starting anew under the new name SK ecoplant, which manifests our determination to seed a better tomorrow where everyone can lead a happy life in a safer and cleaner environment.

Respected shareholders, customers, and business partners, On behalf of my fellow employees, I'd like to express my deepest gratitude for your unwavering encouragement and support of SK ecoplant.

In 2020, the unprecedented pandemic of COVID-19 highlighted the drawbacks of the traditional business paradigm and made clear the benefits of long-term sustainability over short-sighted efficiency.

In fact, SK ecoplant has long been contemplating ways to overcome the limits of the construction business and deal with the changing market paradigm. Under the belief that the creation of social value is as important as economic value to generate a sustainable business model, SK ecoplant spent the year 2020 setting the foundation to innovate a new energy and environmental business model.

As part of our eco-friendly business drive, we merged with Korea's largest total environmental platform company, EMC Holdings, in 2020. This merger gave us a foothold into the environmental business as our future growth engine. Additionally, we are in talks with several affiliates and business partners in various aspects to develop additional business projects that will promote the convergence of technology and finance.

Our new energy business went full steam ahead in 2020 as Bloom SK Fuel Cell commenced domestic manufacturing of the world's top quality fuel cells at its newly-built production line in Gumi, North Gyeongsang Province. Bloom SK Fuel Cell is a joint venture with Bloom Energy, a leading global fuel cell maker in the U.S. We also forayed into the global eco-friendly distributed generation industry by taking on a project to build a solid oxide fuel cell (SOFC) in the data center of Equinix, an American company, in California.

In 2021, SK ecoplant is repositioning itself as an eco-friendly company that takes the lead in ESG management based on its accumulated competencies. To that end, we aim to achieve the following three tasks during the year.

Our first task is reorienting our business portfolio towards the environment and new energy

We will quickly expand our eco-friendly businesses by securing technologies and projects related to the recently acquired EMC Corp. (formerly EMC Holdings). We will explore new opportunities in overseas markets while maintaining the stable operation of our fuel cell-based new energy businesses.

Secondly, we will successfully wrap up our ongoing projects at home and abroad.

Digital transformation, standardization, and modularization will improve productivity as part of our smart construction initiative without compromising tight risk management. These efforts will build our technological prowess while also winning customer trust for future project opportunities.

Lastly, we will fully implement ESG management throughout the company.

ESG has become indispensable to business today, and is critical to enhancing corporate value. We will reinforce safety controls, which are the basic prerequisite for ESG management, and advance the SV management system while maintaining transparency in our business management practices.

Valued shareholders, customers, and business partners, SK ecoplant is ready for a new start as a leading eco-friendly company in ESG management.

The new name SK ecoplant manifests our determination to seed a better tomorrow where everyone can lead a happy life in a safer and cleaner environment.

We will grow into a technology-driven eco-friendly company by channeling our resources into advancing the domestic environmental industry and simultaneously addressing global environmental issues. Long-term economic and social values, rather than short-sighted outcomes, will set the guidelines for our decision-making. Ultimately, all business management activities will be directed at maximizing the happiness of our stakeholders. In these efforts, we will achieve our goal of becoming Asia's leading eco-friendly company with a corporate value of KRW 10 trillion by 2023.

Throughout this process, we will maintain open communication and share our progress with you.

Before closing, I humbly ask for your continued support and interest in SK ecoplant, and wish your families health and happiness going forward.

Thank you.

CORPORATE MISSION

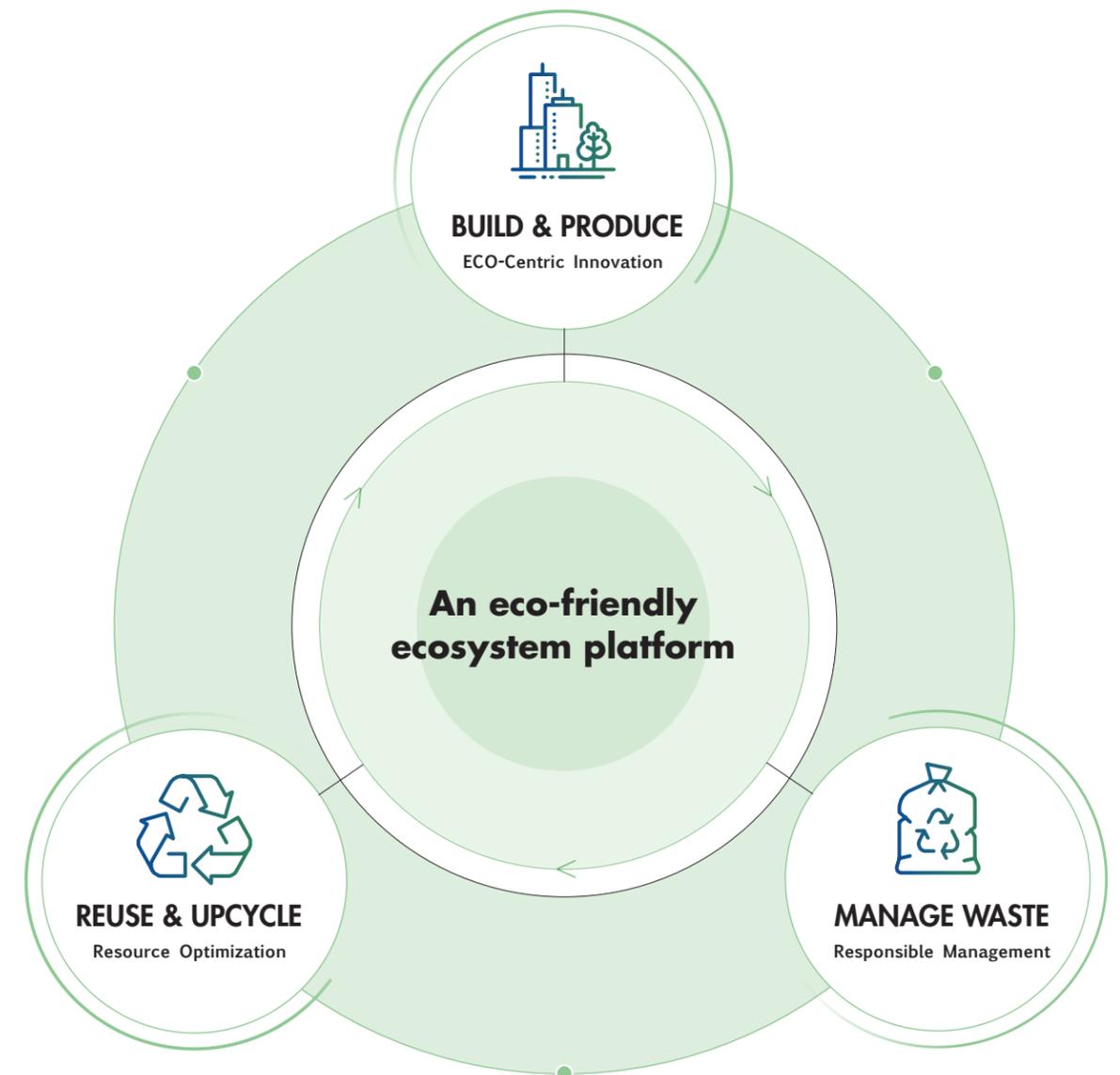
SK ecoplant defines its business model as an eco-friendly ecosystem platform that links the environment, humans, and finance with its technologies. We are building a sustainable lifestyle with our creative solutions and advanced technologies, offering solutions to current problems and sowing the seeds for a better future.

CORPORATE MISSION

We Build the Great
Great Life, Great World

MEANING & PURPOSE	<p>Good Impact for Tomorrow</p> <p>Creative solutions and technological innovation to enhance our lives today and build a better future.</p>		
BUSINESS DEFINITION	<p>An eco-friendly ecosystem platform</p> <p>that creatively connects technology, finance, and customers to generate innovative value</p>		
CORE VALUE	<p>Key Value 1.</p> <p>Dedication</p> <p>Facing environmental challenges to find and try the right solutions</p>	<p>Key value 2.</p> <p>Boundary-spanning Leadership</p> <p>Leadership in creating solutions by linking different technologies</p>	<p>Key value 3.</p> <p>Impact</p> <p>Finding and scaling up the solutions we need through continual trial and error</p>

An eco-friendly ecosystem platform that completes a virtuous circle



NEW CORPORATE IDENTITY

SK E&C is beginning anew, transforming from a construction company building in opposition to the environment into an ecoplant seeking to coexist in harmony with nature.



BRAND MANIFESTO

SK E&C is beginning anew.
from a construction company building in
opposition to the environment
Into an ecoplant planting the seeds for a greener
future.

"eco" is for the green planet and
"plant" is for a better tomorrow.
SK ecoplant promises a better future for all to live
in a safer and cleaner environment.

To protect the beautiful present and build a
shining future
we will find and bring together people who can
identify and solve environmental issues.

Because actions speak louder than words,
we take action to bring about change for
tomorrow.

WHY SK ecoplant?

Environmental issues—the most pressing being climate change—have become woven into our daily lives. SK ecoplant is now taking steps that go beyond merely “building” something to deal with these pending issues. We are building an eco-friendly ecosystem platform to establish a virtuous circle that encompasses all stages from construction and waste management to recycling and upcycling. In this way, we will solve pending issues and turn our expectations for a better future into reality.



THE CHANGING PUBLIC OPINION OF THE CONSTRUCTION INDUSTRY

Construction Industry Outlook



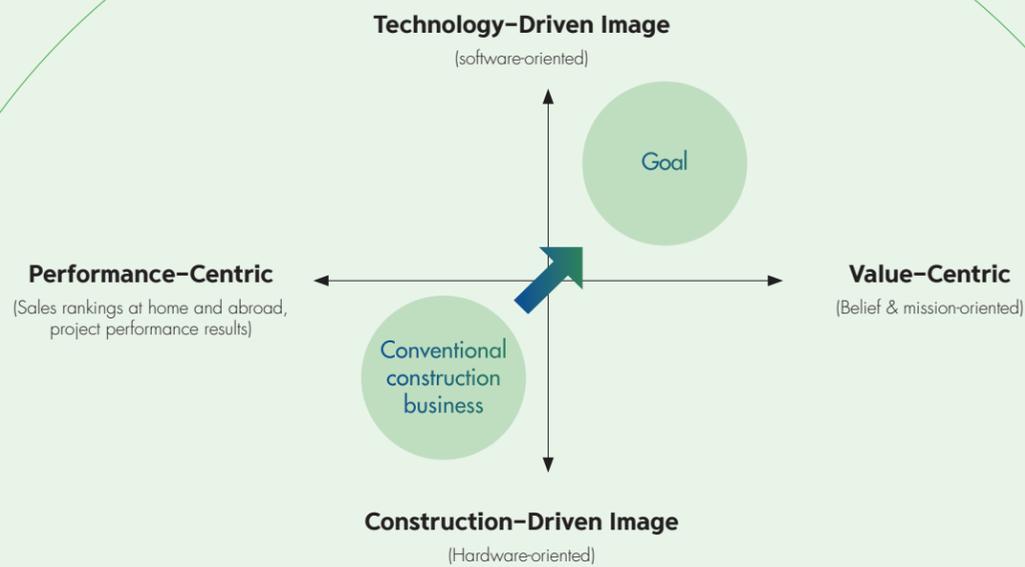
Eco-friendly business opinion leader idea workshop

- Environmentally-conscious production**
- CEO of Photovoltaic maker Yolk
“SK ecoplant’s target customers have always been people. It is now time for us to expand our target customer base from people to the entire planet.”
- An eco-friendly business that inspires eco behavior**
- CEO of Treeplanet, a tree-planting social innovation enterprise
“I think this is a good opportunity for SK ecoplant to transform into a leader in creating social value, as well as tackling environmental issues.”
- Recognizing green issues as the life concerns of Millennials**
- An executive of Big Wave, a Korean youth climate change network
“When asked ‘why companies go green,’ I’d like to ask them to pay attention to the entire process of the environment beyond green, that is, the ecology.”
- Returning to sustainable consumption**
- CEO of the Picker, a zero-waste shop
“I think we should redefine the role of a builder from the perspective of eco-friendliness. In this context, the term ‘plant’ of ‘SK ecoplant’ is fraught with significance as it can be ambiguously interpreted as meaning ‘plant-engineering,’ ‘plant life,’ or ‘planting something.’”
- Responsible waste management to the end-of-life**
- CEO of the Trash Center
“Today, the notion of corporate responsibility and credibility has extended beyond production and sales to include the disposal and recycling stages. It requires strong determination to take action.”

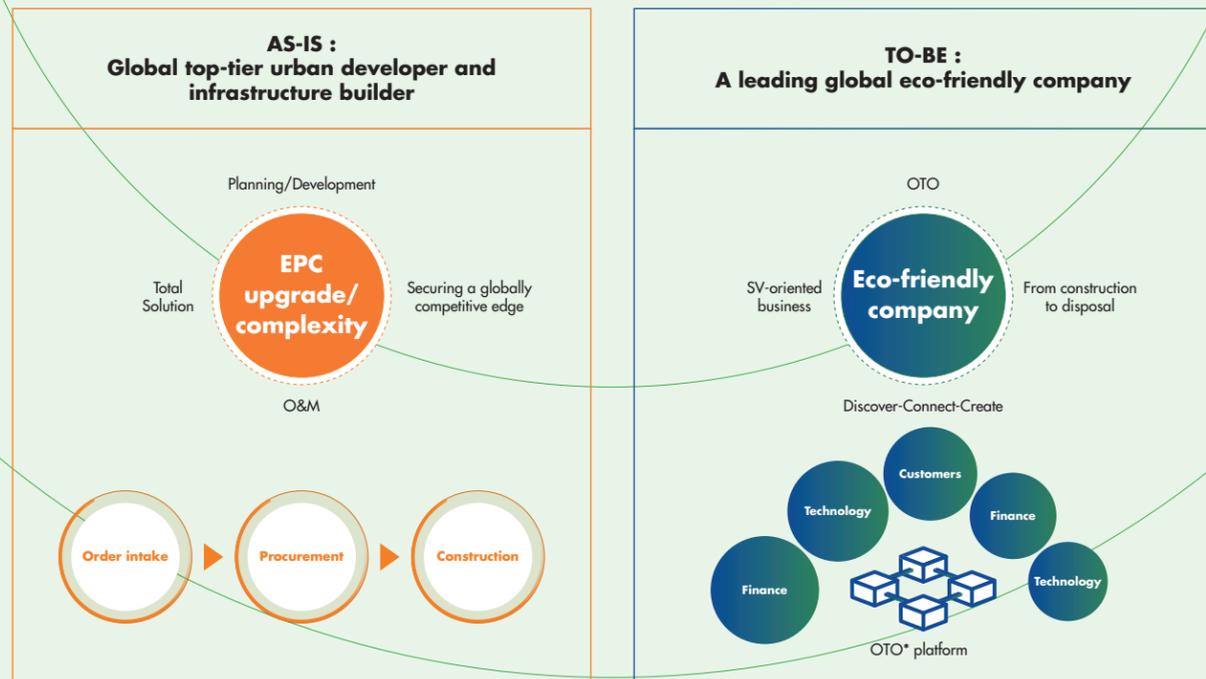
- 18
- 1. Coping with changing public opinion about construction**
 - 2. Upholding our commitment to a “Deep Change” to tackle environmental issues and achieve sustainable growth**

A DEEP CHANGE FOR SUSTAINABLE GROWTH

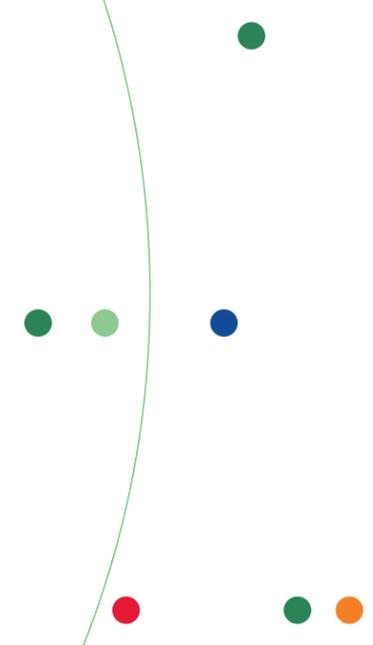
Technology and value creation-driven changes



From hardware-oriented construction To a software-oriented eco-friendly platform



*OTO: one-team operation



We Plant Tomorrow



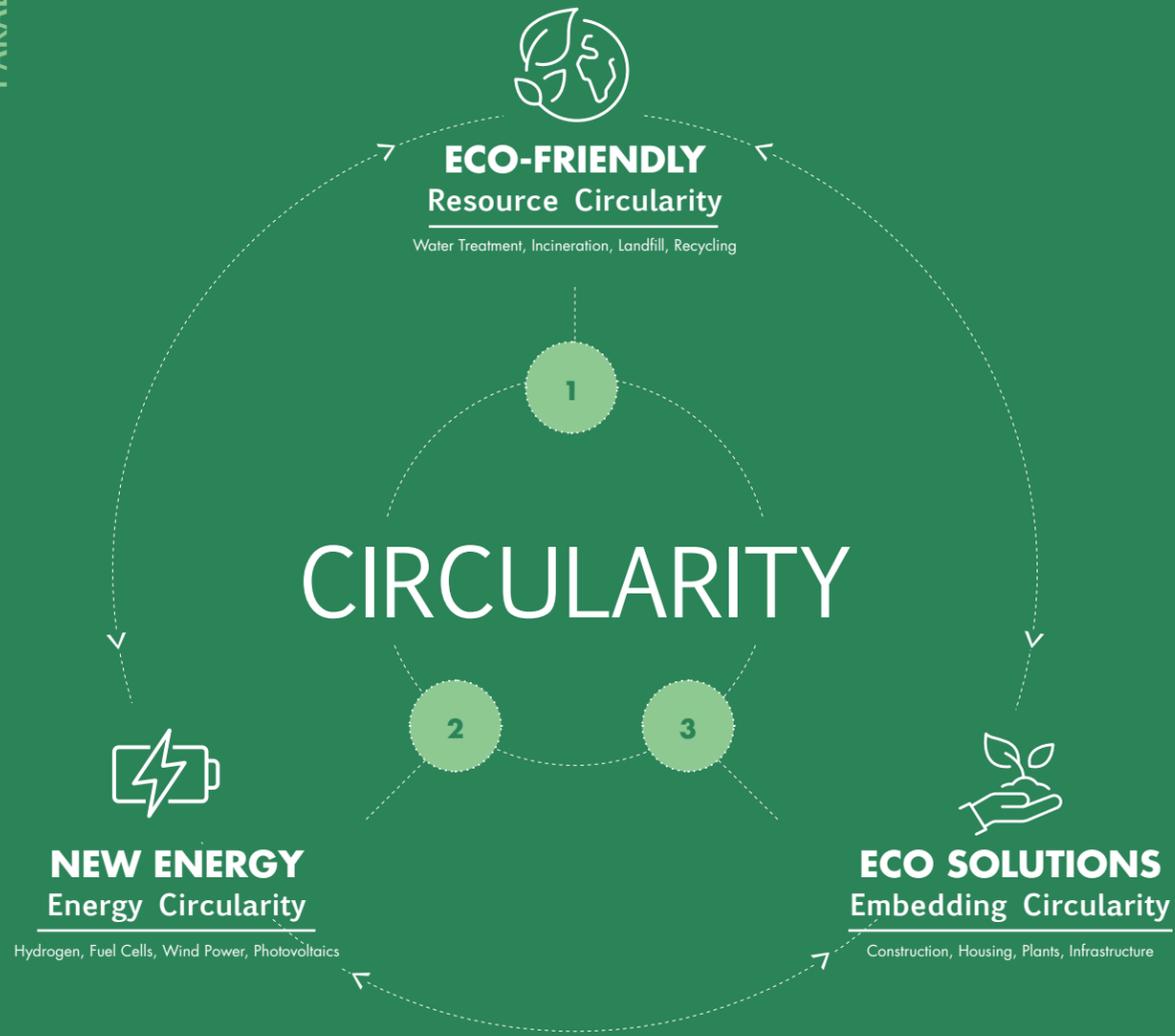
HOW DO WE ACHIEVE IT?

SK ecoplant aims to become a leading Asian environmental company through business model reform. Guided by clear mid- and long-term strategies, we will work hard towards our goal of becoming a global environmental company that grows alongside our stakeholders.



TRANSFORMATION INTO ECO-BUSINESS

PARADIGM



The linear global economic ecosystem is evolving into a circular ecosystem. SK ecoplant is preparing for this paradigm shift in advance with the aim of becoming Asia's leading environmental firm by 2023.



GOAL



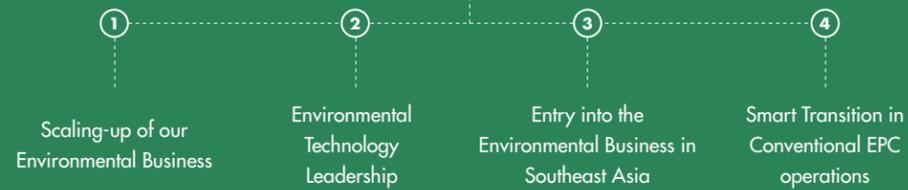
*The 3R's (Reduce, Reuse, and Recycle) stand for reducing, reusing, and recycling waste. The goal is to decrease our impact on the environment and advance technologically by cutting down our waste to be within the capacity of natural purification and natural resource conservation.
*BIM (Building Information Modeling) creates three-dimensional digital representations of buildings in proprietary formats, allowing the virtual collection and apprehension of data arising from their entire lifecycles.



2021

A company-wide reshuffling of our business portfolio

Key Tasks



2022

Accelerating the Growth of Eco-friendliness/New Energy

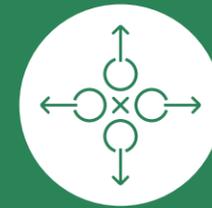


2023

Asia's Leading Eco Business

SK ecoplant

SK ecoplant aims to grow into a leading global environmental business brand associated with the keyword, eco-friendly. To that end, we will establish ourselves early on in the environmental business market through aggressive M&As with major environmental firms while swiftly attracting high-caliber professionals and securing core technologies.

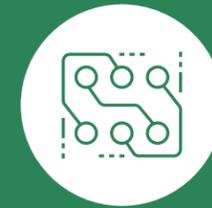


FAST EXPANSION



Fast business expansion within two years

- **Fast, bold, and early entry into the eco market**
- **Regular communication with stakeholders, including financial society**
 - IR Day events
 - General shareholders meetings
 - 1Q Analyst IR
 - Grand Opening events
 - Extraordinary general shareholders meetings



TECHNOLOGY PREEMPTION



Group-level/Nationally representative eco technology R&D organization and operation (ECO LAB)

- **Scouting more than 50 environmental experts for environmental technology and project R&D**
- **R&D investments for DT*/AI-based new business models and operational innovation technology**

* DT (Digital Transformation)



BRANDING



Re-positioning ourselves as Asia's leading environmental firm

- **SK ecoplant-led eco-friendly ecosystem to offer optimal solutions**
- **Building our corporate image as the Group's most well-known eco business → Korea's leading eco business → ultimately, Asia's leading eco business**

Good Impact
for Tomorrow

THE STRATEGY BUILDING PROCESS FOR ECO-BUSINESS

Mid- to Long-term Strategy-building Process

2018

October | CEO Seminar

Establishing strategies to maximize the synergies between EVs and SVs with differentiated products and services

- ① New EPC (EV+SV Addition)
 - Smart transition to an EPC developer
- ② Development Work (EV+SV Maximization)
 - Increasing PPP*/IPP* in underdeveloped/developing countries with a focus on our high-quality, competitive products
- ③ New business model (EV+SV Creation)
 - New business model ideation adopting the blue ocean shift methodology

* PPP: Public-Private Partnership
* IPP: Independent Power Project

2019

May | Happiness Strategy-building Workshop

June | Top Management Meeting

October | CEO Seminar

Setting our future ideal as an innovation solution provider addressing social issues

- ① Eco-friendly: solving energy, water, and air/waste issues
- ② Urbanization: addressing housing, traffic, and regional disparity issues

2020

June | Top Management Meeting

(Unveiling the Group's Financial Story) Announcement of transition into a leading company in the new energy and environmental industry

- ① To become Korea's leading company in the total environmental management and fuel cell businesses and to advance into the global markets with an anchor in the Southeast Asian markets
- ② Bolt-on acquisition with finance and technology → Reinforcing our core competencies in addition to our anchor business
- ③ Improving productivity and stability by integrating DT, Modules, and OTO* into traditional operations

* OTO (One-Team Operation): working as a new team formed under strong partnerships with related business players from the beginning of a project

October | CEO Seminar

(Financial Story Update) Working on strategy details to practically and effectively communicate our financial story

- ① Eco-tech-oriented bolt-on acquisition to EMC Corp.-based technology advancement and global expansion
- ② Advancing into the U.S. market and water electrolysis capabilities in the fuel cell business
- ③ Creating stable revenue streams from conventional business by adopting 3R in residential spaces and applying the digital twin scheme to plant engineering

* Digital Twin: a real-time digital counterpart of a physical object, machinery, or equipment to identify and properly address potential risks through mock tests before the real product is made

2021

January | Business Plan Workshop

(Financial Story Update) Discussing how to perfect and execute our financial story

- ① Setting the desired identity and targeted corporate value
- ② Developing short-term action plans to enhance corporate value and overhaul our portfolio
- ③ Materializing our financial story which reflects our ESG

"We will continue to update our financial story to respond to the changing environment at home and abroad in line with SK ecoplant's mid- to long-term growth direction."



SK ecoplant has endeavored to realize social values in step with the changing needs of the times. In 2020, we transitioned to an SV-oriented business model in order to become a leader in the environmental business and new energy, and also established mid-to long-term strategies to that end.

EXECUTION FOR ECO-BUSINESS

Reshuffling the organization to put our financial story into practice

For a successful transition into a global environmental firm, SK ecoplant reshuffled all of the business units throughout our entire organization, optimizing the organization to implement our financial story.



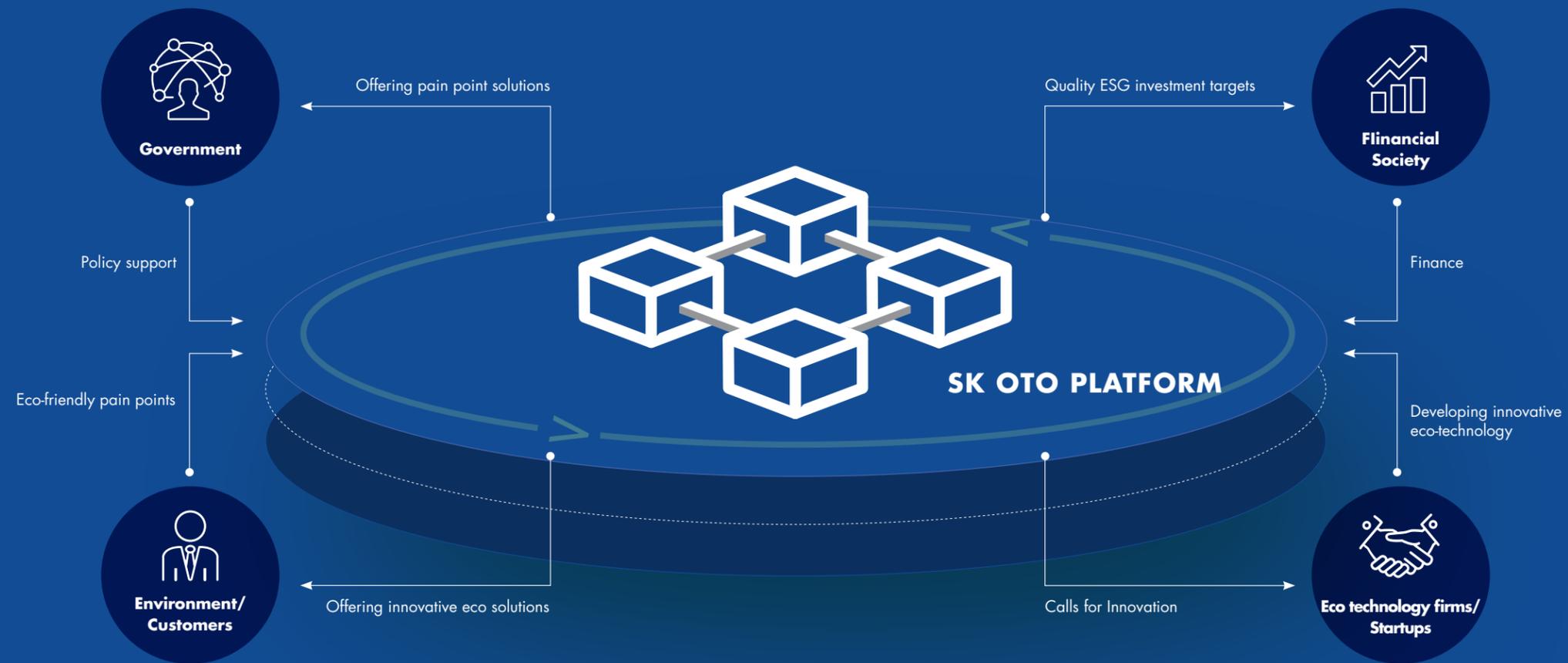
Setting up a New Business Unit Dedicated to ESG Management Practices

We have combined the ESG functions that were scattered across individual departments so as to facilitate a company-wide integrated ESG management approach.



Eco-friendly One-Team Operation (OTO) Platform in Eco Technology & Finance

SK ecoplant is building our own green OTO platform that is firmly based on SK's happiness platform, which pursues the happiness of employees and stakeholders. This open operating system links eco technology and finance to expand the environmental ecosystem for sustainable coexistence.



Good Impact for Tomorrow

WE SHAPE THE FUTURE THROUGH
CREATIVE SOLUTIONS AND INNOVATIONS
FOR A GOOD IMPACT ON CITIES,
THE ENVIRONMENT, AND PEOPLE'S LIVES.



SK ecoplant

Good Impact
for Tomorrow

BUSINESS OVERVIEW



1. Resource Circularity

CIRCULARITY

We shape the future through creative solutions and innovations for a good impact on cities, the environment, and people's lives.

SK ecoplant is shifting its linear business paradigm to circularity to address environmental issues. Drawing on our years of experience and expertise in the construction business, we are making aggressive investments and engaging in innovative technology R&D in eco business, eco energy, and eco solutions so as to grow into a leading global environmental company.



2. Energy Circularity



3. Embedding Circularity

ECO Space

ECO Engineering

ECO Infra

1

ECO Business



EMCorp.'s Public Sewage Treatment Plant in Anyang, Gyeonggi Province



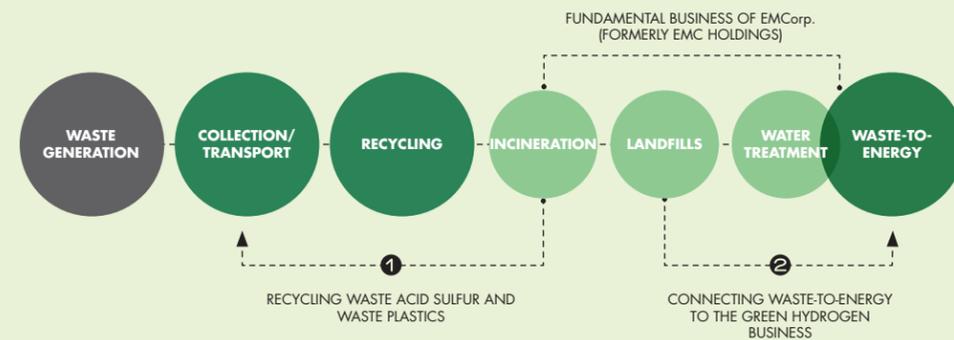
EMCorp.'s Public Sewage Treatment Plant in Gyeongsan, North Gyeongsang Province

2023 Aspiration

ASIA'S NO. 1 IN WASTE & WASTEWATER TREATMENT



Becoming a total environmental business platform company through business expansion into the recycling and waste-to-energy businesses



Business Overview

Social demands for ESG management are escalating in proportion to the worsening environmental issues worldwide, raising public awareness of the environmental business market.

In response, SK ecoplant established the Eco Business Unit in 2020 to tackle urgent environmental issues by taking advantage of our profound expertise and innovative technologies accumulated from business development and EPC projects. The Unit will lead a 3Rs*-oriented waste-to-resource business that will implement resource circularity to complete a comprehensive environmental business platform.

*3Rs: Reduce (incineration and landfill), Reuse (water treatment), and Recycle (wasted materials)

We will secure our business portfolio in relation to SK Group's competencies and environmental businesses while aggressively pushing forward cross-border M&As and a bolt-on acquisition strategy. In doing so, we will achieve significant market

dominance and fortify our business models through the development of new projects based on technology and finance.

We will contribute our outstanding innovative technology to the advancement of Korea's environmental business market, which small enterprises have thus far led with simple treatment technology, and enter the global market through our one-team operation with financial society. Southeast Asian markets are currently suffering from a rapid increase in waste fed by urban sprawl and population growth. As we enter these markets, we will pursue win-win partnerships with local players as part of our localization strategy to step up our global expansion.

By 2023, we will grow to become no.1 player in eco-friendly technology and market share as a top comprehensive environmental management player leading the environmental ecosystem based on eco technology.



EMCorp.'s Wastewater Treatment Plant in Yangsan

2020 in Review

We set up a business unit dedicated to reinforcing our eco business operations and reviewed various business models that can effectively address customer pain points in changing market conditions. Specifically, our acquisition of EMC Holdings fortified our business structure in the areas of incineration, landfill, and wastewater treatment. We also mulled over related business partnerships with affiliated companies and pursued the acquisition of an environmental business license to reinforce our business model.

At the moment, our high-caliber technicians are operating over 1,000 sewage and wastewater treatment facilities nationwide as the company takes the lead in environmental SOC projects through the PPP projects of basic environmental facilities. After collecting and incinerating waste generated by local governmental bodies and private business operations, we provide the byproduct steam from the incineration to commercial sites and housing areas in the vicinity as an energy source. We also generate electricity from the byproduct steam, leading the way to energy efficiency.

We also collect and landfill general and specially designated waste from business operations and treat, filter, and generate fuel out of waste oil from the private sector to provide a regenerated fuel source to cement plants, thereby completing the circular economy.

In 2017, we proposed reprocessing treated sewage effluent into industrial water for use at Cheongju SK Hynix and neighboring industrial complexes to the Cheongju municipal government. In 2020, we concluded the financing for this project and completed contracting supervision to begin construction.

2021 Plans

In 2021, we will focus on the stable operation of the newly acquired EMCorp. (formerly EMC Holdings) to improve operational efficiency. We will also eliminate risk factors, such as severe disasters and pollution issues, and attain our financial goals. To that end, SK ecoplant and EMCorp. will complement each other's competencies to create more substantial business synergies.

We will also concentrate on increasing market share and technologies for the sake of ESG management and higher corporate value. To achieve this goal, we will acquire domestic environmental players and centralize the operations of their incineration and landfill sites to quickly solidify our position within the environmental market. In the meantime, we will also pursue the Vietnamese market with a focus on industrial belts, and eventually expand into adjacent Southeast Asian markets, including Malaysia.

We will continue exploring new environmental deals and seek new business opportunities to expand our business portfolio. We will also engage in the recycling business connected with affiliated companies, establishing ourselves as the Group's best-known environmental player in dealing with the Group-wide environmental issues. Furthermore, we will seek self-developed industrial complex projects that take advantage of digital transformation and environmental technologies to create smart and eco-friendly industrial complexes that encompass all stages, from construction and production to waste management.

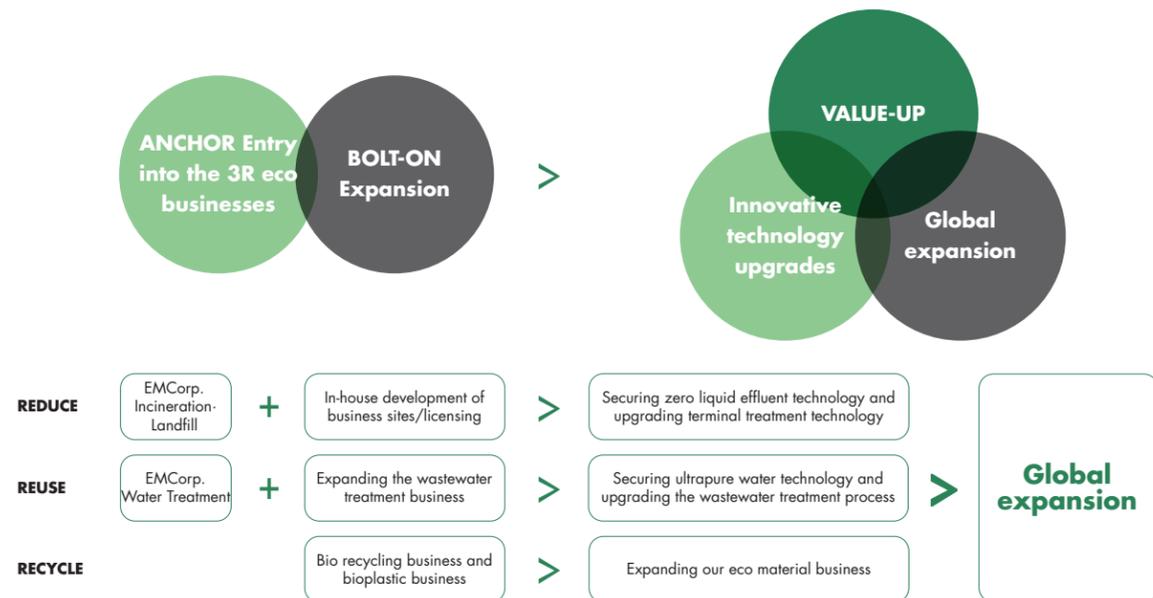
We are developing a waste-resource circular model to put the waste-to-resource system into practice as part of our ESG management practice. We will secure advanced and upgraded resource technologies and players and apply them to our existing projects to lead the changes and secure a preemptive edge in the existing market.

Additionally, we will create an open innovation ecosystem where anyone interested in environmental issues can come together to problem-solve, and establish an ECO LAB to develop advanced and innovative eco technologies. Through these efforts, we will offer our customers highly-advanced total solutions to become the market leader in eco technology. We will be the first company sought in the event of an environmental issue.

*Project Financing: funding of long-term projects using a non-recourse or limited recourse financial structure



EMCorp.'s Public Sewage Treatment Plant in Ansan



A TOTAL ENVIRONMENTAL MANAGEMENT PLATFORM ENCOMPASSING THE ENTIRE PROCESS, FROM SEWAGE & WASTEWATER TREATMENT TO WASTE INCINERATION AND LANDFILL

In September 2020, SK ecoplant incorporated EMCorp. (formerly EMC Holdings) in our ambition to access the global eco business market to secure a future growth driver. EMCorp. provides a total environmental management platform service, covering the entire ecosystem of the environmental business from sewage and wastewater treatment and waste incineration and landfill to waste oil refining.

EMCorp. commands leading market dominance on the strengths of its platform, advanced business portfolio, and excellence in business planning/development, all specialized in environmental management. The company was able to quickly turn a profit by pouring its 23 years of operational expertise into new project sites with systematic/standardized operational competencies.

Its water treatment business commands the largest market share generating a stable cash flow, and the company is also enjoying sharp growth in the waste incineration and landfill business. Both of these have a high barrier to entry and low sensitivity to economic ups and downs.

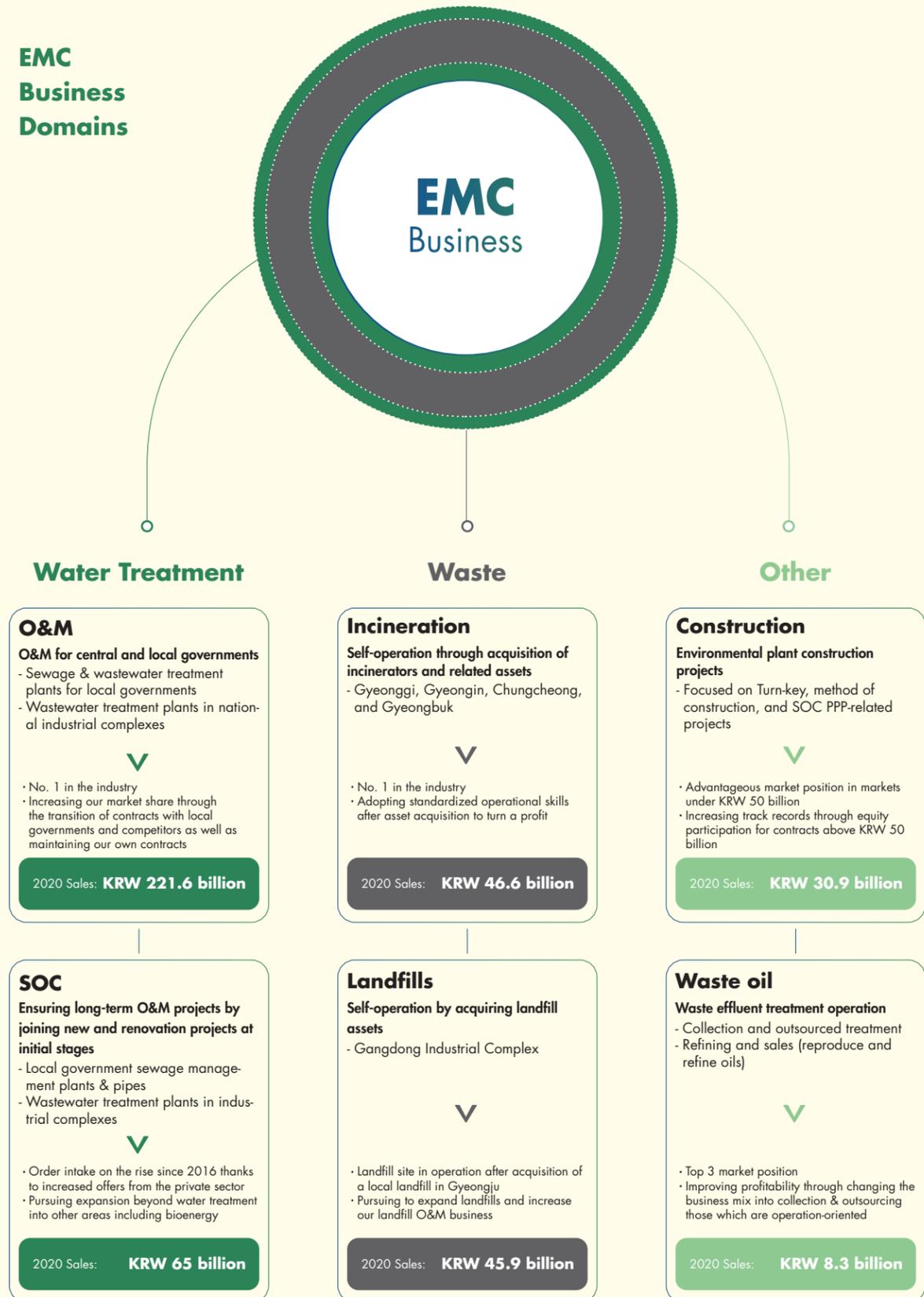
EMCorp. has established a trust-based network with local governments across the nation with the leverage of its nationwide network, which have allowed it to share and upgrade its operational know-how. Water treatment plants are located in 970 spots nationwide, including Seoul and its surrounding vicinity as well as Gangwon, Chungcheong, Gyeongsang, and Jeolla provinces. Waste incineration plants are in operation by Gyeongin Eco & Energy, Gyeonggi Eco & Energy, Chungcheong Eco & Energy, and Gyeongbuk Eco & Energy. Landfill operation is under the management of YS Tech in Gyeongsang province and Seonam Eco & Energy in Jeolla province, with the expansion of existing landfills in progress.

SK ecoplant will develop and adopt innovative technologies for reuse and recycling to grow as a tech-oriented eco business firm.



EMC's Gyeongsan Public Sewage Treatment Plant

EMC Business Domains



2 ECO Energy



Fuel cell power plant in the KT Daedeok Research Center

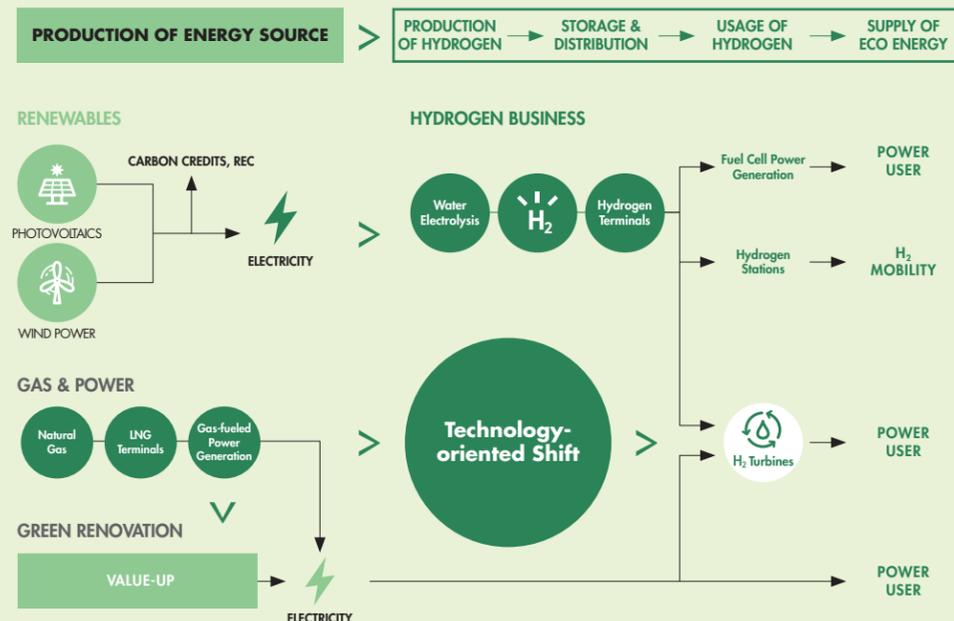
2023 Aspiration
**KOREA'S NO. 1
GREEN HYDROGEN
BUSINESS**

H₂



Equinix SV11 Data Center Project

Completing the Integration of a Green Hydrogen-based Eco Energy Value Chain



Business Overview

The back-to-back declarations of governments worldwide to become carbon neutral has only expedited the paradigm shift in energy sources. Countries are coming through with various policies and large-scale investments for a smooth transition into a low-carbon economy and society, giving birth to the RE100, a campaign to promote the voluntary use of renewable energy.

As a preemptive response to this major shift in the energy paradigm, SK's eco energy business is transforming into an innovative solution provider for carbon neutrality to effectively address global warming with our unparalleled eco-friendly energy technology.

One example is our strategic partnership with Bloom Energy, which possesses advanced solid oxide fuel cell (SOFC) technology, to localize the most efficient fuel cell power generation know-how. We are also diversifying our business scope into fuel cell power generation that is fueled by byproduct

hydrogen, biogas, and green hydrogen to explore the U.S. and Southeast Asian markets.

Additionally, we have successfully developed water electrolysis technology, for which we are now seeking commercialization at home and abroad. Anchoring in Asian markets including Vietnam as well as Korea, we are discovering, developing, and investing in renewable energy projects to collect quality carbon neutrality assets. In particular, we are planning a business expansion into green hydrogen production using renewable energy from photovoltaics and offshore wind power. We will explore new global projects to enhance environmental value in power plants worldwide, including those in Uzbekistan, so that we can contribute to fewer carbon emissions and higher economic and social value creation.



Boryeong LNG Terminal Project

2020 in Review

We spent 2020 establishing energy circularity* centered around eco-friendly/distributed power generation.

First, Bloom SK Fuel Cell, a joint venture with Bloom Energy in the U.S. established to domesticize high efficiency, green fuel cell technology, launched its first production line in its new plant in Gumi, North Gyeongsang Province. We landed the Changwon Energy Self-Supply Infrastructure Project, Korea's first pilot project operating an RE100 powerplant, while expanding our overseas market by winning the fuel cell development project for Equinix, the No. 1 data center company in the U.S.

In pursuit of domestic floating offshore wind farm (FOWF) projects, we have teamed up with global specialized developers as well as domestic design, production, and contractors for an OTO system. We have also made our way into the green renovation market with the modernization project of the Mubarek power plant in Uzbekistan.

Drawing upon our digital design capacity and advanced safety control system accumulated from years of implementing Korea's best projects, we are smoothly running both the Goseong Hai Thermal Power Plant project—the largest green ultra-supercritical coal-fired powerplant in the private sector—and the Yeosu Gas Combined Cycle Power Plant project.

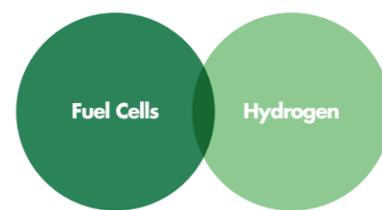
* Energy Circularity: A circular system of storing and using energy sources spanning the entire process of renewable energy (electricity) → hydrogen change (water electrolysis) → electricity change (fuel cell)

2021 Plans

In 2021, the Eco Energy Business Unit will take advantage of its strong cooperation with domestic and international eco-friendly technology and solution providers to generate a new business model and scale up the results.

Leveraging its OTO with the domestic fuel cell ecosystem, our fuel cell business will localize technology ahead of schedule to secure unmatched price competitiveness in support of the national goal for the hydrogen economy roadmap. At the same time, it will lay the groundwork for exporting domestic SOFC technology to Southeast Asian markets by the end of the year. Furthermore, we will solidify our market position as a fuel cell-oriented distributed power generator in the U.S. to become the global top fuel cell operator. We will also successfully carry out the pure hydrogen fuel cell pilot project which is currently underway at the SK Advanced Ulsan Plant, and then expand into the water electrolysis field to pursue the green hydrogen market.

As the first Korean builder to successfully register a program of activity (PoA) based on renewable energy projects in Vietnam and Korea, we will step up our efforts to secure carbon credits at a meaningful level both at home and abroad. We will offer carbon neutrality solutions to Korean companies which have been mandated to use carbon credits and RE100 participants. In the meantime, we will closely cooperate with the Uzbekistani government to successfully refine the Mubarek Power Plant modernization project to generate tangible outcomes throughout the year. We will safely and fully implement gas powerplants and LNG terminal projects in Yeosu, Icheon, Boryeong, and Ulsan while successfully wrapping up the Goseong Hai Thermal Power Plant project.



Leading the clean energy market with green hydrogen-fueled fuel cells

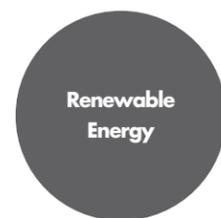
Securing the stability and growth potential of the fuel cell business for power generation

- Increasing the localization ratio up to 50 percent by 2023 and ensuring a share of greater than 50 percent of the domestic market
- Setup of fuel cells in the U.S. and entry into the direct power purchase agreement (D-PPA) market

Offering green hydrogen-oriented solutions to reduce carbon emissions

- Joint development with Bloom Energy for high-efficiency water electrolysis and solid oxide electrolyzer cell (SOEC) systems
- Developing fuel cell applications in response to the Hydrogen Portfolio Standards (HPS*)

* Hydrogen Portfolio Standards (HPS): Starting in 2022, the South Korean government is imposing a mandatory hydrogen fuel cell supply quota for fuel purchases on large-scale power generators.



Providing customers with carbon-neutral solutions

Competitive edges through the preemptive acquisition of photovoltaic sites and licenses

- Establishing a KRW 100 billion fund in partnership with financial institutions (600MW investment)
- Securing a long-term agreement with customers offering competitive tariff conditions at the initial stages

OTO and equity investments with a player possessing an integrated operational capability

- Reviewing partnerships with business development top-tiers and technology-competitive startups
- Sponsoring the competency and technology scale-ups of partners through financial arrangements



Changwon SG Energy Operational Center



Icheon Smart Energy Center



Goseong Green Power Project



Jangmun Natural Gas Power Plant

SK ECOPLANT'S ECO-FRIENDLY FUEL CELL

From our extensive experience with all existing types of fuel cells at the utility level, including PAFC¹⁾, MCFC²⁾, and SOFC³⁾, SK ecoplant concluded that fuel cells are a viable alternative energy solution. Fuel cells have the advantage of a stable stream of production compared to other renewable energy sources, saving the social costs of building a massive network of power transmission and distribution. We saw the potential paradigm shift in the energy ecosystem to fuel cells, which will emerge in the center of eco-friendly distributed power sources. Since then, we have concentrated our efforts on ensuring fuel cell solutions, and our partnership with Bloom Energy was at the top of our priority list as they are the undisputed global top player in this field.



- 1) PAFC: Phosphoric Acid Fuel Cell
- 2) MCFC: Molten Carbonate Fuel Cell
- 3) SOFC: Solid Oxide Fuel Cell



Fuel Cell Power Plant in Paju



Fuel Cell Power Plant in Hwaseong

Since December 2017, when SK ecoplant and Bloom Energy landed a project building an 8.3MW-capacity fuel cell facility in Bundang, the two companies have established a trust-based partnership. In November 2018, SK Energy won exclusive rights to domestically distribute Bloom Energy's SOFC. In September 2019, the two partners inked a joint venture agreement to construct a domestic production line. In January 2020, the joint venture was established under the name Bloom SK Fuel Cell.

Bloom SK Fuel Cell commenced production at its newly-built plant in Gumi, North Gyeongsang Province starting in the third quarter of 2020. Its goal is to reach a 50MW production capacity by 2021, gradually raising the localization rate of the components for fuel cells. This is also highly expected to create an ecosystem of fuel cell technology innovation clusters in Gumi as we seek win-win partnerships with small local companies that have competitive technologies in electronic/machinery parts.

We plan to take this domestic market success to the wider markets abroad. We are currently in the process of closing a fuel cell project for Equinix Data Center in the U.S., which we anticipate will conclude successfully. We are seeking more opportunities in the U.S. fuel cell market while also foraying into the Southeast Asian markets for fuel cells. As we successfully seize new business opportunities abroad, Bloom SK Fuel Cell will function as our base for global expansion.

In addition, SK ecoplant employs integrated 3D design by applying digital transformation technology to fuel cell solution construction projects. We have adopted integrated 3D design because its user-oriented process optimization ensures productivity and scalability. Specifically, REVIT/Assemble Solutions can achieve connection and scalability in design planning and construction processes, allowing us to possess the core competencies and values required in the advent of the fourth industrial revolution in the construction business. It will also realize agile technical models and lay the foundation for smart construction. SK ecoplant will achieve a successful business performance and co-prosperity through solid partnerships with Korea's top 3D-based total design companies.



Bloom SK Fuel Cell production plant

3

ECO Space



Boramae SK VIEW in Seoul

LEADER IN CREATING ESG-BASED INNOVATIVE SPACES

↑
Adopting eco-friendliness throughout the entire business process, from development and construction to operation



SK V1 MOTORS in Suwon



A Developer Creating Innovative Spaces



ECO Space

Eco and creative spaces

- Resolving the pain points of spaces
- Digital transition + eco technology
- Finance-integrated urban development solutions
- New branding

Business Overview

SK's eco space operation covers every product directly related to our daily lives, including housing, business, and commercial spaces. We aim to create eco-friendly spaces that communicate our ESG management practices to every corner of our customers' lives.

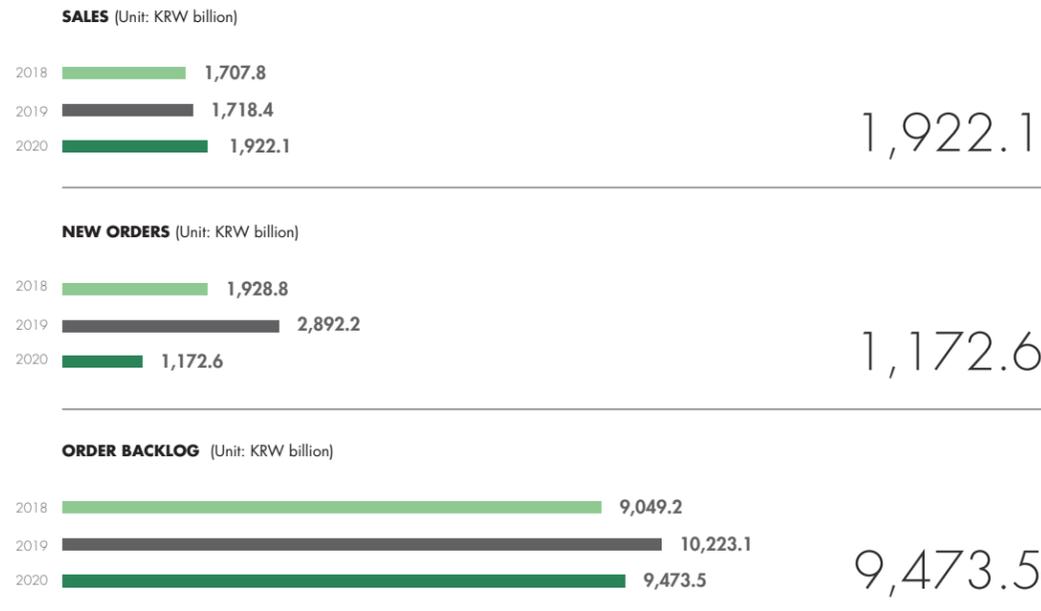
We deliver happiness to our customers through our brands. The apartment brand SK VIEW is the household name for comfortable and convenient living spaces, which are the basic values of housing, while SK V1 is our knowledge industrial center brand that inspires and gives momentum to create successful businesses. We are also developing a

new product to cater to the growing needs for single residences.

Our ultimate goal is to become a leader in the creation of new, ESG-based innovative spaces. To that end, we will increase residential functionality and better utilize idle space while adopting eco-friendly concepts to the entire EPC process as a new value creation model.



Gongdeok SK Leaders' VIEW



2020 in Review

SK's eco space business completed a balanced project portfolio, having landed a number of projects even amid cutthroat order competition. These include Gwacheon Penta City—a complex of businesses, commercial spaces, and residences—and a number of knowledge industrial centers including Geumjeong Station SK V1 Tower II. Our financial results were also excellent, with sales surpassing KRW 300 billion thanks to project-based value engineering and cost structure innovation efforts.

To preserve and promote the health of our customers and the planet as a whole, we channeled R&D resources into eco-smart technologies and 3R (reduce, reuse, and recycle)-oriented sustainable design and construction technologies. As a result, we succeeded in developing a number of technologies, including an antibacterial ventilation system and a window-type solar power generation system. Specifically, the Gwacheon Weaver Field that we constructed asserted our market position as an eco-friendly builder when the residents community center became the first non-residential building to win the Grade 1 certification of a zero energy building.

Our exceptional quality control and brand image earned further recognition when we won the 2020 HankyungTV Korea Residential Services Green Awards in Construction Design for the Lu1 City SK Leaders' VIEW. We have continued to win numerous other awards and accolades from major Korean media companies for the categories of well-being, smart homes, and marketing.

2021 Plans

In addition to solidifying our market position with regard to traditional businesses, we will add new products to our portfolio such as economical housing for youths near subway stations and mansions in urban areas.

Our urban maintenance operations will solidify our market position with an ESG-based differentiation strategy to expand our market share and diversify our business model. In the private contracting and development projects, we will expand OTO partnerships through strategic alliances with developers and asset managers.

Moreover, we will expand our structured finance models, including blind funds for residential development projects, and run OTO platforms involving external experts such as development partners/investors to diversify our profit streams through new business models.

All in all, we will successfully complete our rebranding with an established brand identity which captures eco value while positively impacting the lives of our customers by redefining what space can be.

Gongdeok SK Leaders' VIEW - A landmark residence-commercial complex built in the heart of the city, Seoul

Boramae SK VIEW - An individual apartment constructed in Seoul

Anyang SK V1 Center II - No. 1 brand of Knowledge Industrial Center
- Another SK V1 Town created in the Seoul Metropolitan area, following the previous Anyang SK V1 Center II and Geumjeong St. SK V1 Center
- Geumjeong St. SK V1 Tower II under construction in the vicinity

Seongsu SK V1 Center - No. 1 brand of Knowledge Industrial Center
- Another SK V1 Town created in the popular Seongsu St. area, after the Seongsu SK V1 Tower and Seoul Forest SK V1 Tower

Suwon SK V1 MOTORS - Creating innovative products adding variation to the simple product portfolio consisting of apartments and knowledge industrial centers



Anyang SK V1 Center II



Seongsu SK V1 Center

4



Icheon SK Hynix M16 Ph-1 Project



U.S. Battery Ph-2 Project

Korea's No. 1 Tech Solution Package Provider

We utilize our top-tier engineering capabilities to lay the groundwork for the fourth industrial revolution and carbon-neutral infrastructure

ECO Engineering

Tech solution player
offering customers optimal value



ECO Engineering

SMART CONSTRUCTION

- Saving on CAPEX* through the pre-con process
 - BIM- and S3D-based system operation
- Setting a linear work process through OSC*/WAP*
 - Digital transformation-based safety control

* CAPEX (Capital Expenditures): Funds used by a company to generate future revenue sources or upgrade physical assets, including facilities, outside of ordinary expenses.

* OSC: Off-site construction refers to the manufacturing, fabrication, and assembly of building elements at a location other than their final installed location.

* AWP: Advanced work packaging

Business Overview

SK's eco-engineering business unit boasts a comprehensive portfolio encompassing industrial plant engineering such as semiconductors, electric vehicle (EV) batteries, and battery material fabrication, as well as hydrogen/eco-friendly businesses. Our robust construction track record and advanced technicians have the world's highest caliber know-how which spans the entire project life cycle, allowing us to provide optimized services to numerous clients worldwide.

In the industrial plant engineering sector, we have positioned ourselves as an ideal business partner after successfully completing the M14, M15, and M16 projects, which were super-fast-tracked ultra-large semiconductor fabrication building projects. In addition, with our successful performance in building production facilities for LiBS (lithium-ion battery membrane separator)—a key EV battery material—marks an expansion of our business arenas. Additionally, our PMC/CMC* capabilities for overseas battery projects have won us a new order

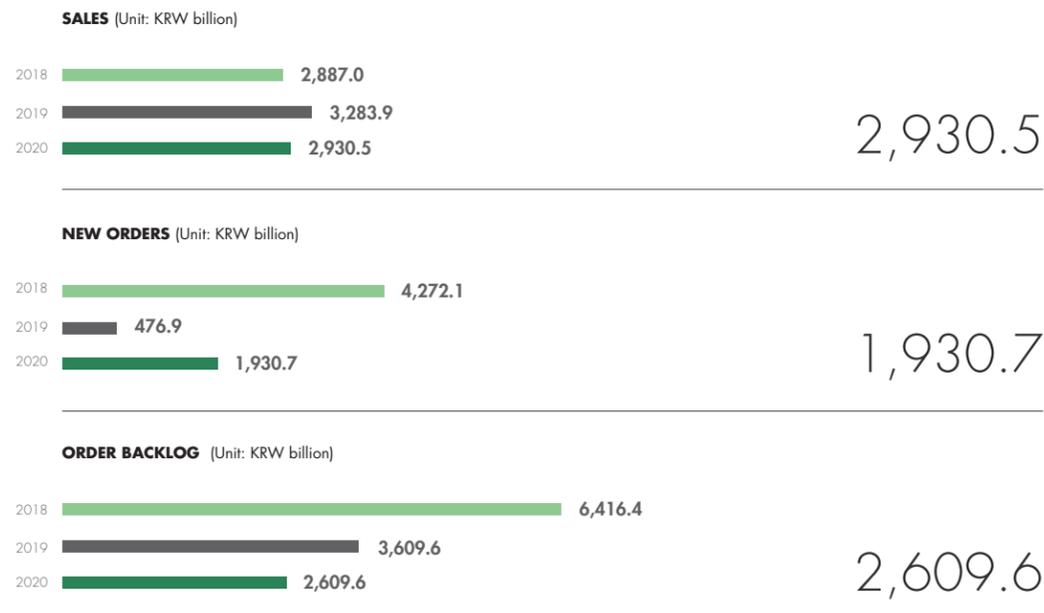
for the SKBA Phase-2 project in the U.S., catering to customer needs for high value-added industrial plants.

We are also advancing into the hydrogen/eco-friendly business areas of liquefied hydrogen, waste batteries, and plastic recycling as we seek sustainable future growth engines. Moving forward, we will leverage our diverse knowledge and capabilities of eco-engineering products to generate stable profits from our industrial plant engineering business and solidify our position as a Tech Solution Package Provider in the hydrogen/eco-friendly business.

* PMC: Project Management Consulting
* CMC: Construction Management Consulting



Changzhou LiBS Ph-2 Project in China



2020 in Review

We are quickly building upon our capabilities across industrial plant engineering based on our experience in ultra-sized semiconductor fabrication facility projects. Specifically, our cutting-edge techniques have earned global recognition for the multi-story structure that secures microvibration control and dust resistance, as well as our super-fast-track method of concurrent construction of upper and lower decks. Of particular note is our full-scale adoption of the building information modeling (BIM) scheme, which constitutes the pillar of our effort to achieve a smart work platform-based work process. Discovering and applying digital transformation technology is only one facet of our tireless innovation drive to maximize customer satisfaction.

The M16 project was the world's first high-rise (4 dual-stories) semiconductor fabrication that applied the BIM in its entirety, thereby stabilizing the BIM-based construction/design stages while at the same time significantly enhancing calculability and efficiency for clients.

Phase 1 of the Changzhou LiBS project was successfully concluded in 2020, and has smoothly moved on to the second phase. Our project management consulting (PMC) competencies accumulated in overseas battery projects have enabled us to land a new U.S. battery production line project. With our extensive experience and advanced technology in oil and gas (O&G) plant engineering, we also secured the AGIC PDH, Bukhara Refinery Modernization, and more front-end engineering design (FEED) projects, earning global recognition for our PDH competitiveness.

On top of that, we held the Smart-Con Forum to exchange information and knowledge on over 30 of the latest smart construction techniques. The Forum helps us stay on top of future changes in the construction industry. We also signed a partnership agreement with Hilti Group, a global construction materials & equipment manufacturer, thereby extending the scope of our business into lightweight materials in the modular building field.

2021 Plans

In 2021, we will further pursue hydrogen/environmental businesses and upgrade our existing businesses. In the high-tech industry of semiconductors, we have confirmed a Group affiliate's semiconductor cluster in Yongin. We will move swiftly in support of the Group affiliates' plans to expand their U.S./European production lines in the secondary battery field. The O&G plant engineering sector, however, cannot avoid the current short-term market downturn which has resulted from falling energy prices in general and oversupply on top of the COVID-19 pandemic. In response, we are adjusting our O&G plant percentage and weighting the hydrogen/environmental plant engineering business more heavily, where we have built upon our top-tier global capabilities in keeping with the global environmental trend. We are moving into the business of FEED and EPC to enhance the purity of byproduct hydrogen from refinery/petrochemical plants and the eco-friendly blue hydrogen plant. The blue hydrogen plant minimizes greenhouse gas emissions as it stores carbon dioxide generated from hydrogen production, and the hydrogen product is liquefied for storage and transportation. At the same time, we will upgrade our existing technology to build the world's largest liquefied hydrogen plant. We also plan to join in the hydrogen charging station operation business in a bid to become a key player in the hydrogen value chain, covering every stage from production to filling. We will database the technology/experience gathered from these hydrogen plant and hydrogen filling station operations. The plant/charging stations will be standardized by capacity size to provide customers with hydrogen plants both economically and quickly.

All in all, we are building a new business model in a departure from the conventional construction business. We will expand our business scope to encompass project development and operations in data center construction while gaining a competitive edge with our standardization and modularization strategies. Based on our analysis of customer pain points, we will introduce an intermediary service that will connect companies with the right solutions and develop our own consulting capabilities to enhance project value from the development stage. We will win the trust of our clients in the quality of our work with our operational excellence that reduces their CAPEX/OPEX* and build plants by fully applying BIM. While gaining a competitive edge in the operation of our client plants, we will make full use of off-site construction (OSC) to speed up the schedule while maintaining safe work conditions. The advanced work packaging (AWP) will manage the work process step by step, and before we embark on any projects, we will establish a one-team operation (OTO) process with our clients to attain shared goals within the timeline.

* OPEX (Operating Expenditure): an expense a business incurs through its normal business operations, including business expenses, operating costs, and maintenance. A higher OPEX indicates greater inefficiency in operations or outworn facilities.



Cheongju SK Hynix M15 Ph-1 Project



Icheon SK Hynix M14 Ph-1 Project



China Wuxi C2F Project



China Chongqing P&T Ph-2 Project

Key Achievements

Industrial Plants

Region	Project	Period	Clients	Location
Korea	Icheon SK Hynix M16 Ph-1 Project	Aug. 2018 to Jan. 2021	SK Hynix	Icheon, Gyeonggi Province
	Cheongju SK Hynix M15 Ph-1 Project	Apr. 2017 to Oct. 2018	SK Hynix	Cheongju, North Chungcheong Province
China	Changzhou LiBS Project	Mar. 2019 to Apr. 2021	SK Innovation	Changzhou, China
Overseas	Poland LiBS Ph-1 Project	Aug. 2019 to May 2021	SK Innovation	Tuczawa, Poland
Overseas	U.S. Battery Ph-2 Project	July 2020 to May 2022	SK Innovation	Georgia, USA

Oil & Gas Plants

Region	Project	Period	Clients	Location
Korea	S Project (VRDS)	Nov. 2017 to Feb. 2020	SK Energy	Ulsan City
Overseas	Bukhara Refinery Modernization FEED Project	Aug. 2020 to Apr. 2021	Bukhara Refinery LLC	Bukhara, Uzbekistan
Overseas	Thailand Polyols Project	Sep. 2017 to Dec. 2020	CG Polyols Co. Ltd	Rayong, Thailand



Poland LiBS Ph-1 Project



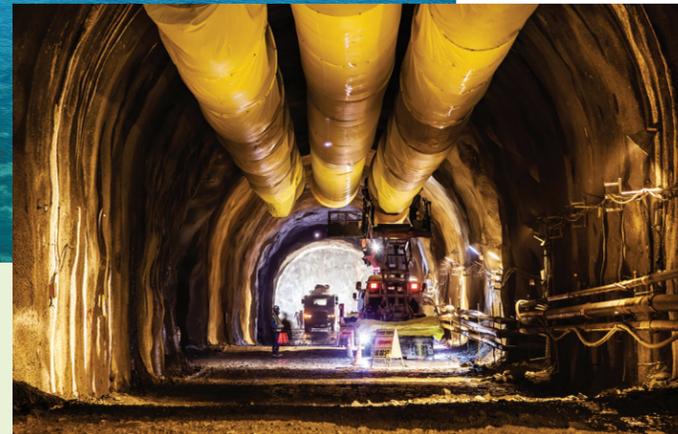
Thailand Polyols Project

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ECO Infra



Third Bosphorus Bridge in Turkey



Ulsan reserve base underground structure construction project

Eco-friendly Global Infrastructure Builder

Expanding our business areas and value chain into eco-friendly business areas

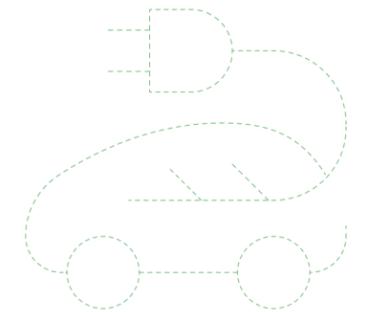
Eco-friendly Global Infrastructure Builder



ECO Infrastructure

Eco-conscious development projects

- Pursuing eco-friendly & core competence-based projects
- Competitive edge in developed countries with the focus on transportation infrastructure (roads, bridges, tunnels, and ports)



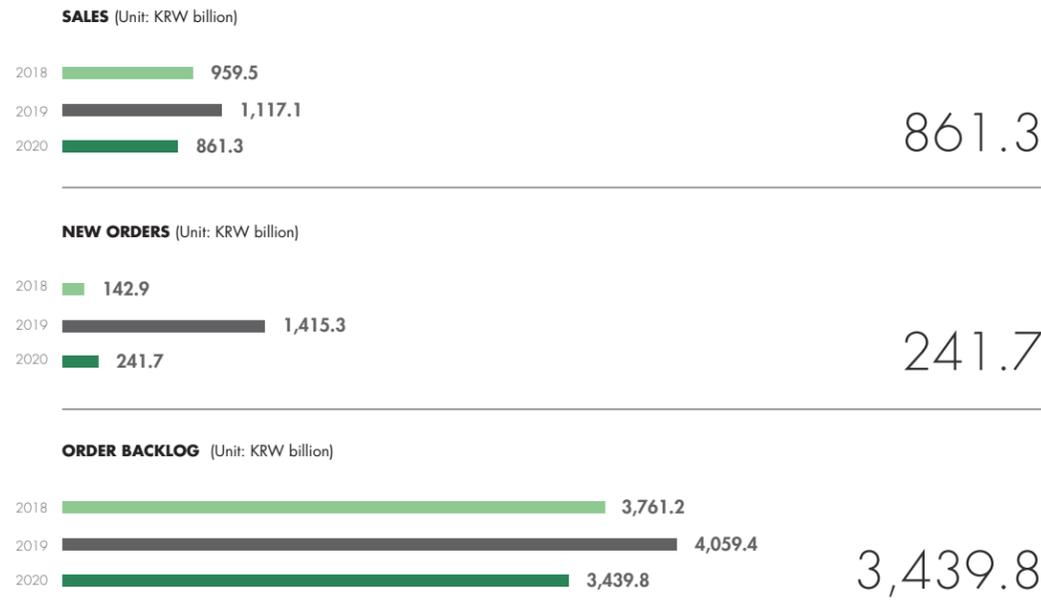
Business Overview

SK's eco-infrastructure business engages in various eco-infrastructure projects including turnkey and public work projects in Korea, which utilize a bidding system that audits the overall capabilities of each bidder. We also take on SOC investment projects involving private investments and development projects, as well as overseas EPC and PPP projects. We draw upon our many years of experience and outstanding technology to provide a variety of infrastructure facilities for numerous different projects both at home and abroad, including SOC facilities such as roads, high-speed railways, subways, ports, water resources, and industrial complexes, thereby serving the needs of our customers and society with our pain point solutions.

In the future, we will work to actively expand our business scope and value chain into green business areas and grow into an eco-friendly global infrastructure builder.



Eurasia Tunnel in Turkey



2020 in Review

Our top priority in 2020 has been ensuring the safety of our employees and all stakeholders in dealing with the global COVID-19 pandemic. We refrained from taking on new projects given the deteriorating domestic and international market environments, and instead focused on enhancing Q/SHE (Quality, Safety-Health-Environment) management and operational excellence with the projects which were already underway.

We successfully completed the construction of the main tower (344 meters high) of the Canakkale Bridge in Turkey, the world's longest suspension bridge spanning an incredible 3,563 meters. The main tower is the key part of this ambitious construction project. We have also completed approximately half of the Al Mandous Project in the UAE, the world's largest crude oil underground storage cavern (total storage capacity of 42 million barrels). In addition, we developed our own application for real-time monitoring of COVID-19 developments, self-checks, and medical aid and rolled it out to all of our worksites. This measure strengthened our reputation as a company which was prepared to handle the pandemic seriously.

Ground has successfully been broken for the Silvertown Tunnel in the U.K., for which we were the first Korean builder to win a PPP in a Western European country, and the Big Almaty Ring Road Project—the first PPP in Kazakhstan, as we have completed the pre-production stage with the financial agreements concluded. It was also a fruitful year on the domestic front in terms of securing additional projects. We leveraged our technological competitiveness to win the turnkey project to build an underpass between Changdong and Sanggyeo of the Dongbu Expressway. We were also designated as the preferred negotiator for three private investment projects.

2021 Plans

In 2021, we will primarily channel our resources into enhancing operational excellence in our ongoing projects, as we anticipate it will take some time for the international infrastructure market to recover from the aftermath of the pandemic.

In particular, we will incorporate digital transformation into our major projects, including the Al Mandous and the Canakkale Bridge, in an effort to upgrade our project management systems so as to eradicate safety & quality accidents from these sites. The resultant shorter project period will have a positive impact on our financial goals. To eliminate safety & quality hiccups, we conduct preliminary checks on quality control practices at each stage of the project life cycle (PLC) in addition to continuous and repetitive safety checks on the project sites as part of our fundamental Q/SHE risk management system.

As we strive to become an eco-friendly global infrastructure builder, we will maximize cross-business synergy, strengthen our positions in existing business areas, and secure a foundation from which to leap forward into eco-friendly industry.

One of our core strengths lies in D&B (drilling & blasting), and we will put together our internal capacity packaging to be a total solution provider in green blasting at home and abroad. To that end, we will transform our operational method from conventional EPC operations to a service business and establish platforms for total solutions in underground construction as our future growth engines.

For the 3R (reduce, reuse, recycle)-based green Deep Change initiative, we will prioritize technology R&D for green construction materials in our operation models. At the same time, our infrastructure business will phase in eco-friendly solutions to the development & construction of smart industrial complexes. By ensuring integrated development of the industrial complexes, resource circulation centers, and incineration/landfill sites, the smart industrial complexes will be equipped with a comprehensive resource circulation ecosystem ranging from construction and production to waste management. Through this, the eco infrastructure business unit will play a crucial role in the company's growth to become an ESG leader.

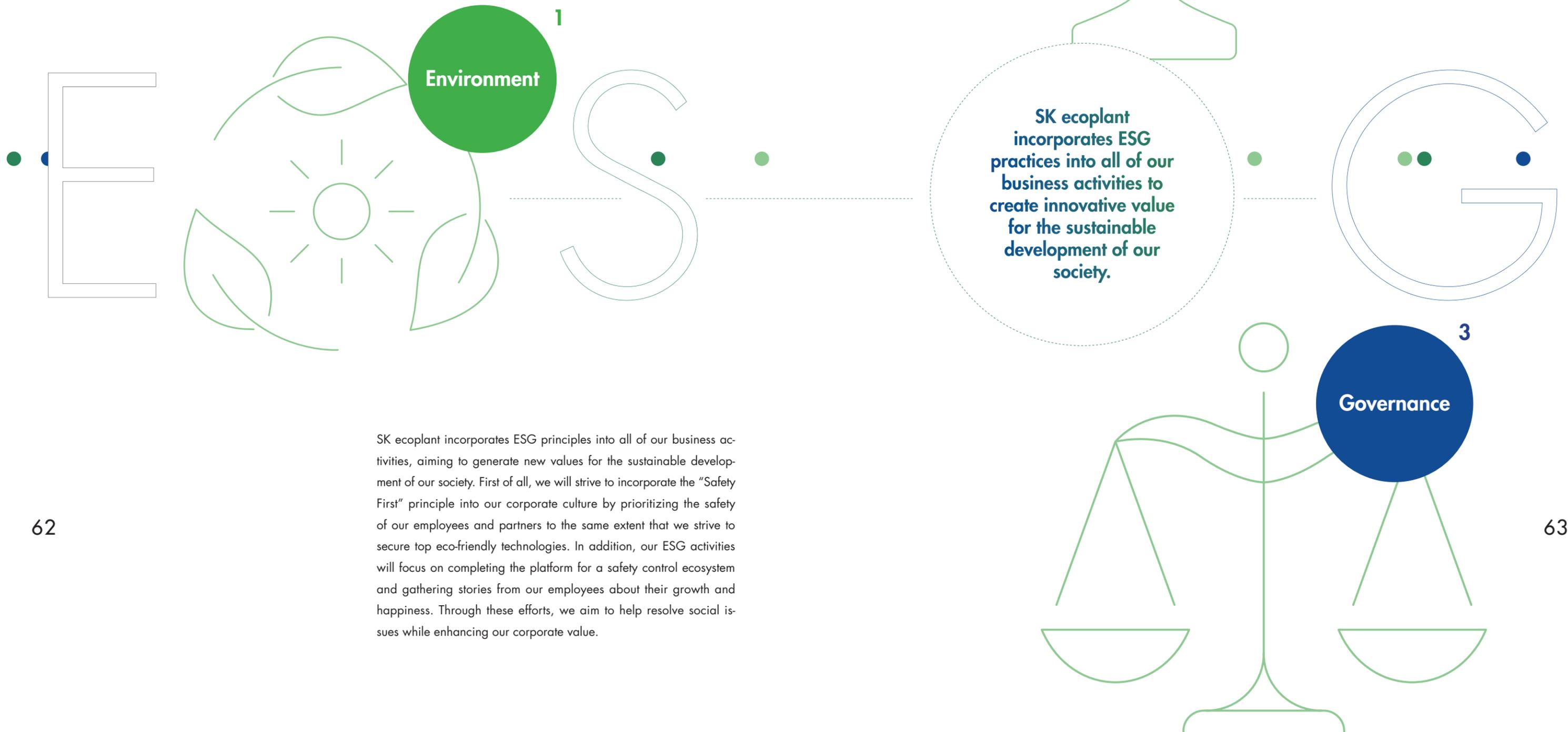


Canakkale Bridge BOT Project in Turkey



Saemangeum Waterwall Facilities (section 3)

ESG MANAGEMENT



SK ecoplant incorporates ESG principles into all of our business activities, aiming to generate new values for the sustainable development of our society. First of all, we will strive to incorporate the "Safety First" principle into our corporate culture by prioritizing the safety of our employees and partners to the same extent that we strive to secure top eco-friendly technologies. In addition, our ESG activities will focus on completing the platform for a safety control ecosystem and gathering stories from our employees about their growth and happiness. Through these efforts, we aim to help resolve social issues while enhancing our corporate value.

1 The Environment



How to Secure Eco-friendly Technologies

SK ecoplant is approaching the energy efficiency and virtuous circulation framework from a waste management perspective to generate new value in the environmental business. We are actively pursuing OTO cooperation and investments with Korean and international research institutions to secure advanced technologies in eco-friendly businesses.

Securing Eco-friendly Technologies

We launched our environmental business to deal with the severe challenges facing the world, particularly climate change. Traditional techniques have hit their limits in addressing these issues. SK ecoplant uses innovative waste, water resource, and energy technologies to establish an efficient and virtuous circulation structure, creating new value in the eco-friendly business sector. To this end, we are channeling our resources into securing innovative technologies for our eco-friendly businesses through active OTO cooperation and investment with a variety of innovative technology companies, research institutes, and financial actors at home and abroad. Our strategic research team identifies pain points of environmental stakeholders and assesses the outlook for eco-friendly businesses based on an extensive analysis of eco-friendly domestic and foreign policies/technologies/business trends in Korea and overseas. They then devise the technologies and solutions necessary to ensure a positive societal impact. The conclusions from these studies set the direction for SK ecoplant in its eco-friendly businesses.

SKIL (SK Innovation Lab)

SKIL will discover AI, DT, robotics, and deep technologies that can upgrade future and conventional eco-technologies and connect them to SK ecoplant's eco-friendly business through several value-up programs and investments. This will allow us to create new value in the environmental business early on. Our primary concerns lie in completing a circular economy solution encompassing waste management, water treatment, and recycling, while exploring various environmental areas such as new energy sources, energy efficiency solutions, and decarbonization. SK ecoplant mobilizes its OTO cooperation with internal and external experts, including national policy research institutes (i.e., the Korea Research Institute of Chemical Technology (KRICT), the Korea Institute of Energy Research (KIER), and the Korea Environmental Industry & Technology Institute (KEITI)) as well as Industry-Academia Technology Holding Company and start-up incubation centers, to define and discover innovative eco-technologies. We also organize "Demo-Day" events in an effort to discover more Korean and international companies suitable for investment.

As part of our investment strategy, our extensive value-up programs offer investment target companies testbeds, R&D collaboration, supply chain support, and overseas expansion by leveraging our environmental assets, engineering capabilities, and captive clients that we have built over years of project experience.

ECO Financing

SK ecoplant works for OTO projects with multiple members of financial society to invest in the companies with innovative green technologies that we discover. Several ECO Funds will be established for ESG investments customized to each stage of an enterprise's lifecycle. These investments will be channeled into SMEs and mid-sized enterprises that have technologies in the 3R fields—reduce, reuse, and recycle. The ECO Venture Capital Future Environment Fund invests in start-ups with environmental and related industry technologies, such as eco/renewable energy, the smart technology convergence environment industry, the waste resource upcycling industry, the eco-service industry, and water resources. The Korean Ministry of Environment, the Korea Venture Investment Corporation, and other financial institutions participate in the fund to create the ecosystem platform for the eco-friendly circular economy project.

ECO PEF is the first ESG fund that put together industrial/financial/policy funds with the participation of multiple financial institutions including the Korea Growth Investment Corp. and SK ecoplant. The ECO Global Fund is part of the effort to build a global investment foundation to realize the global growth story, created by the collaboration between financial society (international and local partners) and SK ecoplant. In addition to these ECO funds, SK ecoplant became the first Korean builder to issue green

bonds* in February 2021. The market response was phenomenal as it pooled eight times the initial offer amount and ended up with a total of KRW 300 billion in bonds, twice the original offering. The funds raised through these bonds will be spent on new projects such as photovoltaics, fuel cells, and eco-friendly buildings. SK ecoplant also received the highest grade of G1 in the ESG certification evaluation by Korea Ratings. SK ecoplant will quickly expand its partnerships with financial society to raise future green investment resources and pioneer global ESG investments so as to make investments in line with our global strategies.

* Green bonds: special-purpose bonds issued to fund investments for green projects

GDG (Global Development Group)

Environmental challenges are rapidly expanding across the world. Despite continued global endeavors to deal with this, there is still a long way to go before eco-friendly companies resolve these issues. The GDG will stay at the forefront of our endeavors to preemptively solve global environmental challenges and set the direction for the company to move forward on the global front. It will invest in international eco-friendly companies, discover innovative technologies, and develop new business models to grow beyond the domestic market into a global top-tier eco-friendly builder. The DCC (Discovery-Connect-Create) approach in innovative eco-friendly technologies begins with a precise prediction of the future value of the technology at issue. To this end, the Global Alliance will carry out a balanced deal execution by adding technological value to the conventional financial value-driven process. The Global Alliance has established a cooperation network in major markets by sector and field, thereby ensuring stable performance in appropriate technologies that will ultimately boost the name value of SK ecoplant.

2 Social



HEALTH & SAFETY

Health and safety are never subject to compromise. They always come first in our business activities, in line with our Happiness Management practices that promote a healthy and safe workplace. To that end, we adopt cutting-edge digital technologies to avoid industrial accidents and monitor worksites on a real-time basis so that we can cut risk potential at the source. At the same time, we continually upgrade our health and safety controls to ensure that everyone is on the same page regarding safety in the workplace.

Digital Transformation for an Integrated Safety Control Center

We employ various digital technologies in health and safety control systems to effectively control risk factors throughout large-scale and complex projects. High-tech sensors engage in real-time monitoring at the Integrated Safety Control Center at our headquarters to avert risks of collisions or being sandwiched between large construction equipment. All project sites are under 24/7 monitoring through CCTV, wearable cameras, and drones to ensure safe workplaces through early detection of risks and other preemptive measures.

P-D-C-A* Process for Upgraded Health & Safety Control System

We make sure our business environment guarantees the safety of everyone involved—our employees, our business partners, and their employees—at all of our daily project sites. We perform regular upgrades to our systems and processes through periodic inspections of projects and safety leadership refresher courses for our workers. Business partners with outstanding performance in self-driven accountable management practices are awarded incentives to motivate their interest and investment in health and safety at worksites. We also outsource specialized agencies with technical skills for comprehensive risk assessment of the entire process of design and construction. This approach ensures the stable operation of projects and minimizes human injuries and property damages.

* P-D-C-A: Plan-Do-Check-Action

Motivating Behavior Changes

Over one million workers in Korea are exposed to potential safety incidents and severe accidents on construction sites. The prevention of safety accidents requires the simultaneous control of both insecure environments and behaviors, but the industry has focused on controlling the environmental factors, which are more convenient with an immediate guaranteed effect. SK ecoplant's Safety Platform pushes the boundaries of traditional safety management systems, protocols, and tools to inspire change in behaviors. Insecure behaviors account for 80 percent of all accidents, and we are accordingly working to change habits to reduce the number of accidents at construction sites.

Our "A-Team" Workers

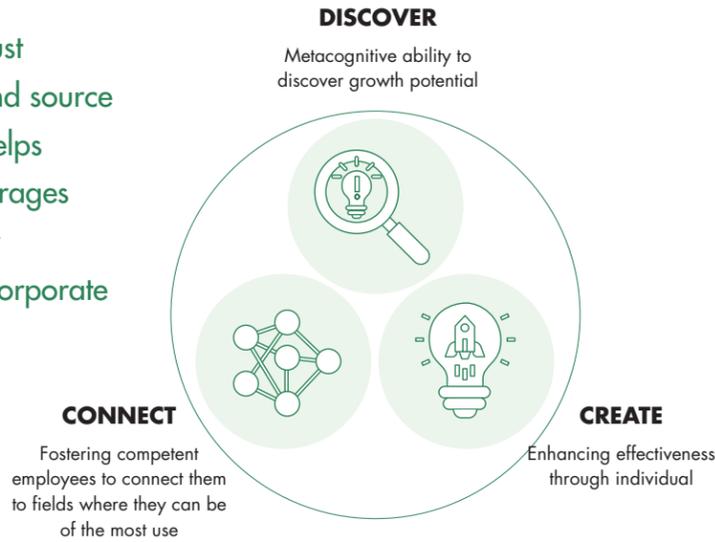
SK ecoplant collects quantified data on the invisible and unrecognizable attitudes, habits, and behaviors of workers at worksites. The database serves as the basis to develop a business model that will lead to voluntary and practical changes in workers. This business model creates higher value, such as job security, to inspire workers to voluntarily practice safety guidelines. Additionally, individual contractors should undertake risk assessments and AI digital safety check activities to apprehend and hedge risk factors before starting work at sites. As such, the data-based decision-making process can improve safety guidelines, significantly lower accident rates for our "A-Team workers," and more A-Team worker recognition

from stakeholders. Worker safety is a shared value not only for us but also for our stakeholders. The enactment of the Severe Accident Punishment Act has given rise to increasing social demand for tighter safety control at worksites. In response, we are working on a safety platform that develops services that can benefit society in a platform business format. Having started with site workers and contractors, the platform will induce participation by more stakeholders, such as financial institutions, safety suppliers, and IoT solution providers, to innovate the ecosystem of the construction industry. In the future, we will take our reputation for our successful safety platform at construction sites to the global markets.

2. Social

HUMAN CAPITAL DEVELOPMENT

SK ecoplant sees its members as more than just human resources—they are a critical asset and source of competitiveness. Our Pathfinding Center helps employees discover their potential and encourages them to realize their full potential so that their individual capabilities can contribute to our corporate competitiveness.



Pathfinding Center—a Happiness Management Platform Supporting Employee Growth

The Pathfinding Center is a happiness management platform that invests in people to support their growth and enhance the effectiveness of our organizational operations. Under the goal of building Human Capital (HC) in Human Resources (HR), the Center pursues the mission of nurturing human capital to create our future leaders based on its fundamental research into the organization and people.

Retaining Human Capital

To internalize the identity of being an eco-friendly company, we operate year-round training programs to instill an eco-friendly mindset and basic principles in the minds of all our members. Also in place are step-by-step and customized training programs to define and cultivate essential competencies in our employee base to create eco-friendly leaders. The Pathfinding Center provides total solutions for finding, selecting, securing, and deploying competent personnel to secure human assets that will add value to our eco-friendly business.



Finding/Selecting Competent Personnel
 • Leveraging our organizational diagnosis, employee counseling, pooling of long-term high performers, and internal mobility platforms

Implementing an intensive training strategy
 • Cultivating core competencies through reskill and upskill programs
 Cultivating new skills by retaining competent personnel

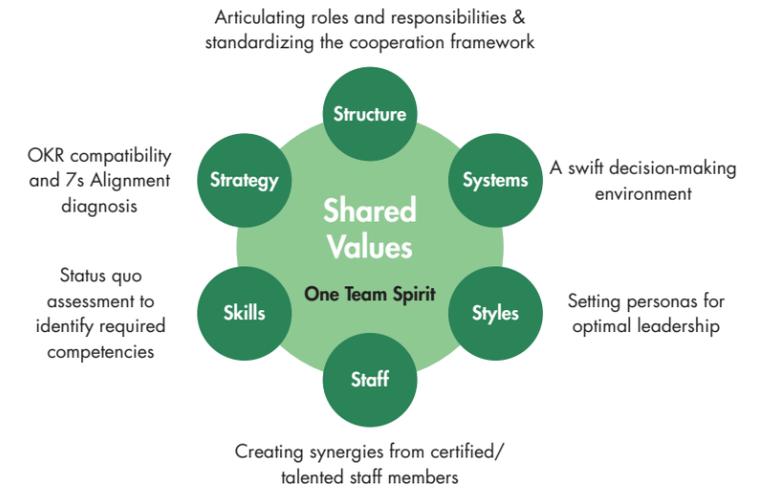
Dispatch/utilization of certified/talented employees where they are most needed

Creating an “A-Team”

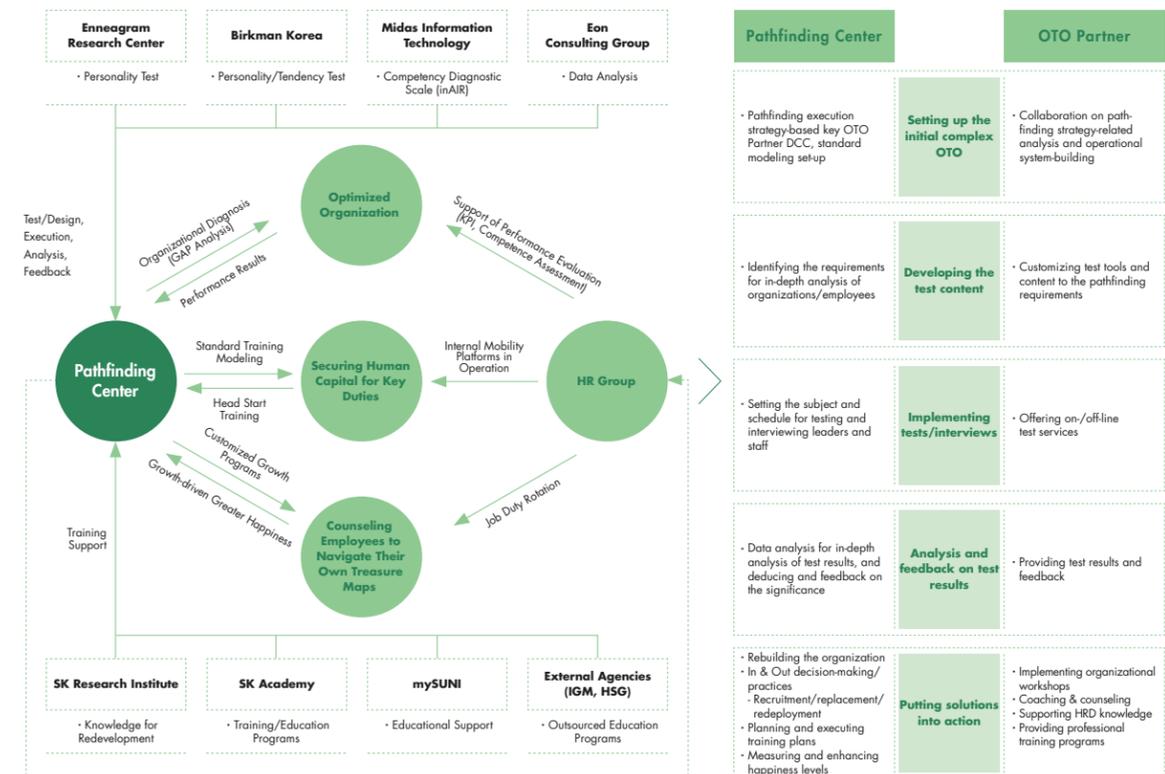
The Pathfinding Center conducts three-dimensional organizational diagnoses based on optimized organizational modeling. Utilizing the McKinsey 7s Model, the center performs an in-depth analysis of strategy, structure, systems, corporate culture, leadership, employee competencies, and core competencies to find solutions to create competitive edges.

Counseling Employees to Navigate Their Own Treasure Maps

The Pathfinding Center employs internal and external experts to provide assessments and coaching so that our employees can develop their own happiness plans (treasure maps) and get on the right paths to growth. SK ecoplant refers to this program as “treasure map counseling,” with two courses available so that employees can receive customized counseling. The first is a personal development course that focuses on being happy with yourself as you are today, while the counseling focuses on identifying individual propensities and job aptitude to find job compatibility. The second is a career development course that focuses on your future path, providing career directions and career design coaching to people with clear goals. All SK ecoplant employees can select the course they prefer to receive career counseling. Three services are available at the center, operated with One-Team-Operation (OTO) partners in-house and outside.



Pathfinding Center OTO Process



2. Social

SK Happiness Management

The ultimate goal of SK's business activities is to enhance the happiness of our employees and stakeholders. In this context, SK ecoplant announced its commitment to happiness management in 2019 and collected and analyzed data on what influences the satisfaction of our employees. We then implemented several campaigns to enhance their happiness in an effort to complete our own map of happiness.



SK's Definition of Happiness

SK ecoplant's corporate culture has its roots in the SK MANAGEMENT SYSTEM (SKMS), which is jointly practiced by SK Group affiliates. SKMS has evolved as it was shared among all SK members, playing a pivotal role in SK's continued growth. SKMS carries SK's philosophy of creating value for its employees, customers, shareholders, and business partners through continuous innovation, playing a vital role in developing society and the economy, and ultimately, human happiness.

SK employees are | those who have joined SK by choice, and they compose both management and the company itself. They work to expand the scope of their own happiness under the belief that their happiness constitutes the greater happiness of the greater self, SK.

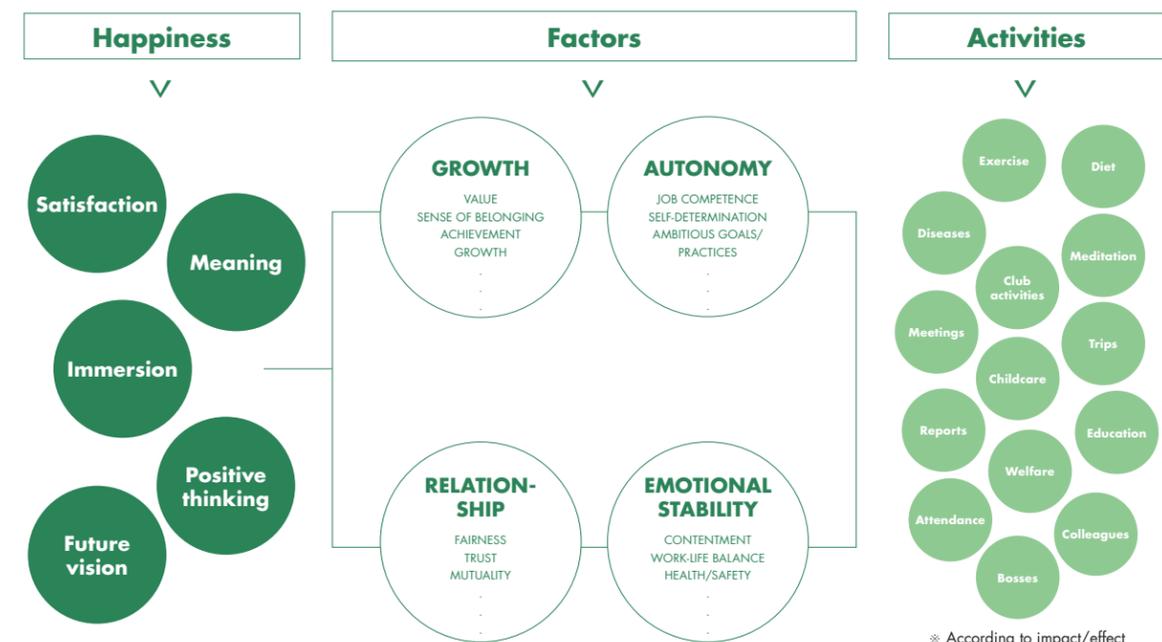
The happiness of our employees | is the ultimate purpose of SK management. The Company serves as the venue and foundation for pursuing their happiness and the happiness of our stakeholders.

The happiness of our stakeholders | SK defines the value that the company creates for the happiness of our stakeholders as social value (SV), which we work to actively develop. Furthermore, we highly value the happiness of the community. To this end, we try to balance the happiness of our stakeholders by ensuring it endures through the present and the future for long-term sustainability.

SK ecoplant's Journey to Happiness | Based on SK's unique business philosophy and corporate culture, SKMS, SK ecoplant implements its own happiness management. Accordingly, we declared 2019 the first year of happiness management and have carried out various activities to pursue happiness.

Happiness Map | SK ecoplant identifies, measures, and analyzes various factors that affect employee happiness and sets goals for improvement based on the results. We have named this endeavor the "Happiness Map." The Happiness Map has no established form or completion, but it will be upgraded based on the happiness data of our employees to ensure that our happiness management continues. In this way, it guides our happiness journey that is underway.

Data-based View of Happiness | SK ecoplant collects and analyzes happiness data to make happiness along the happiness map. Starting with SK Happiness Survey 2019, we created various surveys and channels through which to listen to the voices of our employees, and we will continue to accumulate happiness data through regular happiness measurements. By analyzing the factors in the collected happiness data, we classified the variables influencing the happiness of SK's employees into the four major categories of growth, autonomy, relationships, and stability. From these, various sub-variables were also derived. Based on our findings, we were able to identify common factors in employee happiness and develop happiness-seeking activities to address their pain points.



2. Social

Various Activities in Pursuit of Happiness

SK ecoplant administers various programs for employee happiness, including the Happiness Commitment Program, to build a safety net for employees and encourage their participation in trust-building activities.

The Happiness Commitment Program | is one of our many action programs, open to all SK employees working at the headquarters and on construction sites. It was conducted online and non-face-to-face.

Programs	Description	Keywords
Happy Walk Challenge	• 10,000 steps-a-day missions and logging missions to protect the environment	#Health promotion #Sense of achievement and self-esteem
Cheer Relays	• Employee campaign wherein employees relay words of support and encouragement to one another • Presenting snack boxes along with supportive video clips	#Bonding with colleagues
Knowledge Charging Station	• Sharing books: sharing reviews and insights after book-reading missions • Sharing feelings: presenting colleagues with books along with messages of support	#Instilling knowledge/ cultural refinement
Mental Filling Station	• Finding sources of joy and healing from the COVID-19 blues in various activities, such as wine clubs, flower arrangements, and pop-art classes for families	#Hobbies & leisure activities #Healing

Safety Net for Employees | In the early stages of the pandemic in 2020, we delivered messages and gifts of encouragement as a token of gratitude to our employees and their families who are working hard for the company despite the challenges in hard-hit areas at home and abroad. Furthermore, we established a safety net for COVID-positive employees as well as those who have been exposed, and operate the Care Program which delivers immunity-enhancing and happiness kits.

Employee Engagement to Build Trust | SK ecoplant has worked to create a corporation built upon the trust between the company and employees and among employees. First, the Happiness Committee, a happiness consultation organization where employees discuss management issues directly, was initiated in 2020. The Happiness Committee consists of four subcommittees: Eco-Friendly, ESG, Digital Transformation, and Happiness.

Members of each subcommittee and executive members have been leading the company's change, brainstorming solutions to the management issues raised by employees. We also strive to build solidarity and trust with our employees about the company's direction through direct, interactive, and transparent communication organized by the CEO, such as "the 43rd Anniversary YouTube Live Talk" and the "2021 New Year's Townhall Meeting."

In addition, we held ten Culture Deck Workshops where employees joined to discuss cultural direction, values, and behavior for innovation of the corporate culture. We will continue to build our own culture through employee discussions and understanding, developing our own culture deck.



Happy Walk Challenge

Cheer Relay Campaign

Knowledge Charging Station



Happiness Committee

2021 New Year's Townhall Meeting



Mental Filling Station

3

Governance

SK ecoplant is not obliged to designate outside directors as board members as it is not yet a publicly listed company. Still, outside directors make up the majority of the board of directors, with four out of seven board members being outside appointees (as of April 22, 2021)— clear evidence of our commitment to accountable management based on transparent and independent decision-making.

We set the year 2021 as the starting point from which to upgrade our governance. In this context, we newly set up the ESG Committee that deliberates strategies, investments, and other material issues concerning our business activities and the Human Resources Committee that recommends candidates for outside directors and evaluates the performance results of our standing directors. We also appointed a senior outside director with status equal to that of the CEO.

In addition, we will continue our various efforts to enhance our corporate value through governance innovation, including strengthening the Audit Committee, and transparently disclosing important management information.



[AS OF APRIL 2021]

BOD Activities (Jan. 2020 to Dec. 2020)

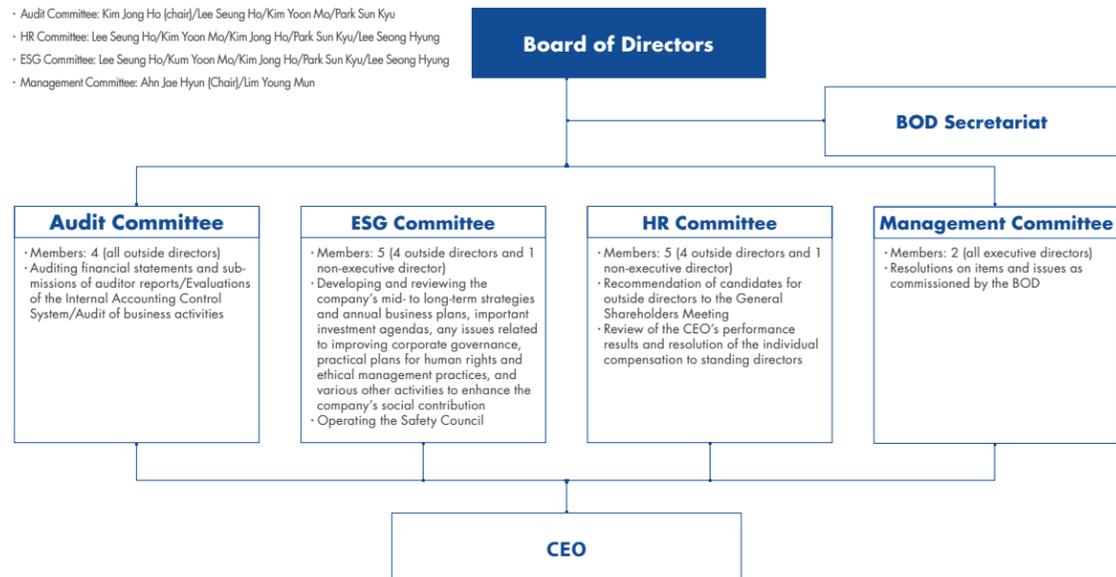
Issues	No. of Agenda Items	No. of Report Items	Contents
General shareholders meeting (GSM), BOD, corporate governance	3	0	Appointment of the CEO, selection of members of the BOD subcommittees, and convening of the GSM
Investments, planning & management	5	0	Sale of shares, establishment of branch offices, investments, and paid-in capital increases
Accounting, financial management	7	2	Approval of financial statements and business reports, extension of the maturity of redeemable preferred stocks, and capping of debts
Other management issues	7	23	Approval of large-volume transactions with affiliate persons (3 cases), reorganization, business results & business plans, COVID-19 responses, and major business management issues
Workshop	0	1	Ways to improve the BOD
Total (48 items)	22	26	

Subcommittee Activities (Jan. 2020 to Dec. 2020)

Committee	No. of Meetings	No. of Items	Agenda Items
Management Committee	3	4	Establishment of branch offices, approval of financial supports
Audit Committee	4	5	Submission of the Auditor Report, report and review of the current status of the Internal Accounting Control System
Outside Director Recommendation Committee	1	1	Re-election of director Lee Seung Ho and newly elected directors Kim Jong Ho and Park Sun Kyu
Total	8	10	

Noteworthy Changes to Committee Members (as of April 22, 2021)

- Audit Committee: Kim Jong Ho (chair)/Lee Seung Ho/Kim Yoon Mo/Park Sun Kyu
- HR Committee: Lee Seung Ho/Kim Yoon Mo/Kim Jong Ho/Park Sun Kyu/Lee Seung Hyung
- ESG Committee: Lee Seung Ho/Kim Yoon Mo/Kim Jong Ho/Park Sun Kyu/Lee Seung Hyung
- Management Committee: Ahn Jae Hyun (Chair)/Lim Young Mun



01 Ahn Jae Hyun

- CEO & Chairman of the Board, SK ecoplant (2019-present)
- CEO & President, Executive Director of the Global Business Unit, SK E&C (2018)
- Executive Director of the Global Business Unit & Managing Director of the Industry Service Division, SK E&C (2017)
- Managing Director, SK Gas (2016)
- Managing Director of the Industry Service Division, SK E&C (2011-2015)
- CEO & President, SK D&D (2004-2011)
- Consulting Leader, Restructuring Initiative Office, SK Group (2001-2004)
- Head of Strategic Business, SK Networks (2000-2001)

02 Park Kyung Il

- COO, SK ecoplant (2021-present)
- Director, Happy Design Center, SK Holdings (2020)
- General Manager of the Business Model Innovation Office (2019)
- General Manager of the Strategic Planning Office, SK Holdings (2017-2018)
- General Manager of the Strategic Planning Office, SK Telecom (2014-2016)
- General Manager of the Future Strategy Office, SK Telecom (2013)
- Planning and Coordination Office, SK Telecom (2002-2012)
- SK Telecom (1994-2001)

03 Lee Sung-Hyung

- Non-executive director, SK ecoplant (2018-present)
- Section Chief, Financial Division, SK Holdings (2018-present)
- General Manager of Financial Management, SK Telecom (2016-2017)
- 1st General Manager of Finance, SK Holdings (2013-2015)
- Team Leader, Financial Office, SK Holdings (2008-2012)

04 Lee Seung Ho (Outside Director)

- Outside Director, SK ecoplant (2017-present)
- Advisor, Yulchon Law Firm (2016-present)
- Advisor, Josae Ilbo (Tax Daily) (2016-present)
- Adjunct Professor, School of Business, Konkuk University (2014-present)
- Chairman, Tax Generation (tax accounting firm) (2014-2016)
- Director, Busan Regional Office, National Tax Service (2013)
- 4th Director, Seoul Regional Office, National Tax Service (2011-2013)
- Director, Investigation Bureau, Jungbu and Busan Regional Offices, National Tax Service (2010-2011)
- 1st Manager, Investigation Bureau, National Tax Service (2009-2010)

05 Kim Yoon Mo (Outside Director)

- Nautic Investment Limited (2021-present)
- Advisor, AJ Advisor Group (2020-present)
- Outside Director, SK ecoplant (2018-present)
- CEO, AJENS (2019-2020)
- CEO, AJ Capital Partners (Aju Group) (2013-2019)
- Standing Director, Dongbu Daewoo Electronics (2013)
- General Vice-Chairman, KTB Private Equity (2012-2013)
- CEO & President, IM Investment & Securities (formerly Solomon Investment & Securities (2009-2011)
- CEO & President, Leading Investment & Securities; CEO of Leading Japan (2008-2009)
- IB Director, Hana Financial Group (1998-2007)
- CHB Bank, Citibank (formerly Hanmi Bank) (1983-1997)

06 Kim Jong Ho (Outside Director)

- Outside Director, SK ecoplant (2020-present)
- Chairman, Compliance Committee, LS Cable & System (2020-present)
- Advisor, Shinhan Accounting Corporation (2020-present)
- CEO & Advisor, Deloitte Korea (2012-2020)
- Financial Audit and Project Partner for Restructuring, Deloitte Korea (2002-2011)
- Advisor, Boryung Jungbo Foundation (2013-2017)
- Advisor, The Center for Sustainability Management Ethics Research at Sogang University (2013-2015)
- Auditor, Gyeongbang Education Foundation (2006-2010)
- Member of the Legislative Research Committee of the Korea Institute of Certified Public Accountants (2003-2005)
- Member of the Management Accounting Research Committee of the Korea Institute of Certified Public Accountants (1997)
- CPA/tax accountant (1986-present)

07 Park Sun Kyu (Outside Director)

- Vice President, Sungkyunkwan University (2021-present)
- Outside Director, SK ecoplant (2020-present)
- Member, Quasi-governmental Agency Management Evaluation Committee of the Korean Ministry of Economy and Finance (2009-present)
- Registered Member, National Academy of Engineering of Korea (2007-present)
- Professor, Dept. of Civil & Environmental Engineering, Sungkyunkwan University (1995-present)
- Dean, Sungkyunkwan University (2013-2017)
- Chairman, Korea Institute for Structure Maintenance & Inspection (2010-2012)
- Director, U-City Leaders for Civil Engineering (Korea Ministry of Education's BK21 Project/2006-2013)
- DYWIDAG in Germany (1994-1995)
- Ph D., Technische Universität Berlin (1989-1994)

At a Glance



January



SK ecoplant and Bloom Energy establish the fuel cell joint venture "Bloom SK Fuel Cell."

We have established Bloom SK Fuel Cell, a joint venture with the American global fuel cell server manufacturer Bloom Energy. Bloom SK Fuel Cell has completed a production line in Gumi, North Gyeongsang Province, and began production of SOFCs (solid oxide fuel cells) in 2020. This is significant as it represents the localization of the highest specification products.

Bloom SK Fuel Cell is anticipated to contribute to the development of Korea's hydrogen industry through collaboration and mutual growth with competent SMEs and phased technology R&D.

February



Successful funding of KRW 700 billion for Kazakhstan's first PPP road project

We concluded a financial agreement with a syndicate group composed of the European Bank for Financial Development (EBRD) and Multi-player Development Bank (MDB) in the Kazakh capital of Nur-Sultan to finance the Almaty Ring Road Project. The agreement has successfully funded USD 580 million (approx. KRW 700 billion) of our total business costs of USD 750 million (approx. KRW 900) in project financing. Being the largest infrastructure PPP in Central Asia, the Almaty Ring Road Project is paving the way for us to grow beyond the existing infrastructure market into Central Asia.

May



Winning the ultra-scale PDH Plant FEED project in Saudi Arabia

We signed a FEED agreement for the joint venture of SK Gas and Saudi AGIC (Advanced Global Investment Company) for PDH plant and utility infrastructure. The project involves a FEED service for an ultra-scale PDH plant and utility infrastructure that produces 843,000 tons of propylene in the Saudi Jubail Industrial Complex. The order amount is USD 7.55 million (approx. KRW 9.2 billion). This order makes us the first Korean builder to enter the Western European PDH market following our successful bid for the Ulsan PDH Plant Project and the Belgian PDH Plant Project, securing a competitive edge in the global PDH market.

July



Lots for Presale in Incheon Unseo 2nd SK VIEW Sky City

We have sold in lots the apartment complex Unseo 2nd SK VIEW Sky City in Unnam-dong, Jung-gu, Incheon City. Rising 20 stories above the ground with a one-floor basement, the complex of 12 buildings can accommodate 909 households with private spaces ranging in size from 70m² to 84m². Further, these apartments are the first in the industry to be equipped with bacteriostatic ventilation systems for household use. Yeongjongdo, home to Unseo 2nd SK View Sky City, is located in the vicinity of Incheon International Airport and the airport railway. This area is also home to a number of prestigious schools, including Incheon Science High School and Incheon International High School, and the location commands excellent access to cultural and leisure facilities such as MegaBox cinema and the BMW Driving Center Korea.

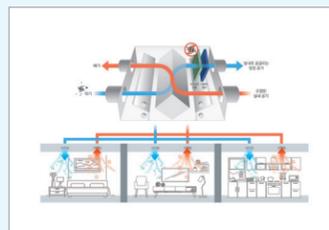
February



Promoted development of eco-friendly asphalt technology with Indonesian state-run construction company PT Wijaya Karya (WIKA)

We have signed a technical service agreement and memorandum of understanding to work together with WIKA, Indonesia's largest state-owned builder, in the eco-friendly asphalt business. We provide a technical review of our Indonesian partner's plant for large-scale commercialization. Afterward, we will secure the necessary licenses for new technologies developed from joint R&D. We will provide FEED and EPC for an asphalt plant on Buton Island, Indonesia by 2025. Upon completion, the plant will have an annual production capacity of 700,000 tons. This project has given us a competitive edge for future business opportunities in Indonesia, as we became the first Korean builder to enter the Indonesian asphalt plant market.

April



Korea's first antibiotic ventilation system for household use

We became the first Korean company to file for a patent on an antibiotic ventilation system for household use. Named Clean Air Solution 2.0, it employs a HEPA filter that can remove 99.95% of ultra-fine particles in the air and a state-of-the-art UV LED module with a 99.99% bacteriostatic effect. The UV LED module is eco-friendly because it is more energy-efficient without mercury than a conventional UV lamp. We plan to selectively apply the Clean Air Solution 2.0 to SK VIEW complexes and knowledge industry centers, including SK V1, to protect the respiratory health of residents.

July



Signing a FEED contract for an eco-friendly refinery in Uzbekistan

We have signed a design service contract with Uzbekneftegaz, Uzbekistan's state-owned oil gas corporation, for USD 600 million (approx. KRW 720.5 billion) to modernize the Bukhara refinery. The project cost amounts to USD 7.2 million (approx. KRW 8.6 billion). The project entails improving the 50,000 barrel-capacity refinery plant to convert heavy oil into high value-added diesel oil products and upgrading the quality of gasoline and diesel products to qualify the Euro V label. We plan to assist our clients in their effort to enhance production efficiency while simultaneously offering effective solutions to their environmental concerns.

July



Partnership with Hilti, the world's largest construction materials company

We became the first Korean builder to partner with Hilti, the world's largest construction materials company and tool manufacturer for developing and commercializing BIM-based modules. The two partners are working together to develop construction materials and methods of fabricating modules for high-tech industrial plants, such as semiconductors, EV battery plants, and data centers. These new materials and techniques will be applied to our worksites at home and abroad. There are high hopes for the outcome of this strategic partnership, as it is anticipated to give rise to innovative cross-industry technology convergence with construction and facilitate use of the smart construction method, off-site construction (OSC) fabrication.

August



Winning the construction of the Changdong-Sanggye Underpass section of the Dongbu Expressway

We succeeded in our construction bid for Seoul City's technical tender for the Changdong-Sanggye Underpass section of the Dongbu Expressway. As part of the Changdong and Sanggye Urban Regeneration Plan, the project will construct a 3-lane underpass (1.7 km in length) from Changdong Bridge to Sanggye Bridge on the Dongbu Expressway in Seoul. We won the KRW 156.8 billion bid in consortium with Daewoo E&C, Daelim E&C, Hoyong E&C, and Seowoo E&C. The Changdong-Sanggye Underpass is a strategic zone as it connects to the Seoul Arena, where the municipal government plans to build a K-pop concert hall. The underpass will give more space for parks on the ground, improving the traffic in the neighborhood and the accessibility and utility of the area for residents.

September



Industry's first to score the top rating in the Win-Win Index for four consecutive years

We were top rated in the 2019 Win-Win Index Survey conducted by the Korea Commission for Corporate Partnership for the fourth straight year in a row. We are the first among Korean builders to receive this consistent honor. We have proudly stayed at the top of the rankings for nine consecutive years since the index was first created in 2011. We have maintained long-term partnerships with our business partners. In meeting the challenges of the pandemic, we've mulled over practical ways to assist our partners in need with the resources we have available such as increased financial aid, generous payment conditions, and quarantine kit giveaways.

September



Incorporating Korea's biggest environmental management platform operator to secure our environmental business

We took the first steps towards entering the eco-friendly business by acquiring EMC Holdings, Korea's largest environmental management platform operator. EMC Holdings is a total environmental management platform operator covering the entire value chain of the environmental business. It possesses 970 water treatment facilities, four waste incinerators, and one landfill nationwide. This acquisition will serve as a springboard to develop and introduce reuse and recycling technologies and grow into a technology-competent environmental business operator.

October



Localizing the technology of the world's top performing eco-friendly fuel cell

We held a ceremony to celebrate the opening of Bloom SK Fuel Cell's production plant in Gumi, North Gyeongsang Province. This occasion was one of great significance because it marked the first step towards localizing the world's top-performing eco-friendly fuel cell technology. The initial annual production capacity will start from 50MW in 2021 and gradually increase to 40MW by 2027. The quality products and competitive prices of Korean component manufacturers will create synergies with our outstanding construction capabilities to lead in the global green distributed power generation market.

November



Embarking on a green floating offshore wind power generation venture

In a bid to pursue the floating offshore wind power generation business, we have signed business alliances on technology development and cooperation with 15 domestic and foreign offshore wind power-related companies, including design, production, and construction companies. Doosan Heavy Industries & Construction and LS Electric are among our partners. Floating offshore wind power harnesses fast wind through floating wind turbines located in distant waters to generate electricity with high efficiency. As the industry is largely free of location restraints, it is possible to create large-scale complexes with little impact on the environment. From these partnerships with leading global players in the industry, we will secure the core technology of floating bodies, a key component of floating offshore wind power, to increase our global competitiveness. We aim to develop a Korean-style float model optimized for the domestic environment.

December



Receipt of two project orders for urban regeneration in Incheon and Busan

We have won two urban regeneration projects: the Yonghyun Section 4 Redevelopment Project in Incheon, and the Sajik 1-5 District Redevelopment Project in Busan. The Yonghyun Section 4 Redevelopment Project will construct 29 stories above ground and three floors underground in Yonghyun-dong, Michuho-gu, Incheon. The complex will have ten buildings accommodating 979 condominiums as well as community and service facilities. The Sajik 1-5 District Redevelopment Project will build six 29-story installations with three underground floors to house 601 households in addition to community and service facilities. Both projects boast excellent location conditions, hinting at soaring future values. We will make both of these projects the landmarks of their respective regions with eco-friendly smart-tech designs.

FINANCIAL REVIEW

INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

The Shareholders and Board of Directors
SK Engineering & Construction Co., Ltd.

Opinion

We have audited the financial statements of SK Engineering & Construction Co., Ltd. (the "Company"), which comprise the statements of financial position as of December 31, 2020 and 2019, and the statements of income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies. In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Company as of December 31, 2020 and 2019 and its financial performance and its cash flows for the years then ended in accordance with Accounting Standards for Non-Public Entities in the Republic of Korea ("KGAAP").

Basis for opinion

We conducted our audits in accordance with Korean Auditing Standards ("KGAAS"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters in the engineer-to-order manufacturing sector (ETO)

In accordance with Accounting and Audit Practice Guidelines 2016-1 (amended in 2018), key audit matters in ETO sector are selected on the basis of auditor's professional judgment and communication with those charged with governance. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

A. General matter

General matter of key audit matters related to ETO sector described in this audit report is as follows.

When the outcome of construction contract can be reliably measured, construction revenue and construction costs are recognized based on the percentage-of-completion of contract activities and recorded as revenue and expense, respectively. The percentage-of-completion of contract activities is calculated based on the ratio of cumulative contract costs incurred for the work performed to the estimated total contract costs, excluding contract costs incurred that do not reflect the progress stage.

B. Revenue recognition based on the input method

As the Company recognizes its revenue based on the percentage-of-completion in accordance with the input method, we identified key audit matter in relation to the revenue recognition under such method. We performed following audit procedures for the revenue recognition under the input method.

- Assess the accounting policies on revenue recognition and any changes to the policies.
- Inquire and conduct analytical procedures on current progress and significant changes in key projects as of December 31, 2020.
- Conduct analytical review on financial indicators including contract amounts, estimated costs, cost ratios, and ratios of unbilled construction receivables.
- Assess the terms and conditions for newly entered key construction contracts.
- Assess if the criteria is met for reliable estimation of construction contracts.

C. Uncertainty in estimating the total estimated costs of a construction contract and calculation of percentage-of-completion

Construction revenue is affected by the percentage-of-completion calculated by the ratio of cumulative construction cost to date by the total estimated costs of the contract, and the total estimated costs of the contract are estimated based on the future estimates of material costs, labor costs, and outsourcing costs during the construction period.

Most of the Company's construction contracts are long-term contracts, and the estimations are affected by the changes in macroeconomic and microeconomic variables, changes in the conditions of places in which the construction is performed, and as a result, there exist uncertainties in regard to estimating the total estimated costs of the contract. As explained in Note 17 to the accompanying financial statements, estimated changes in the total construction revenue and the total construction cost are ₩1,153,836 million and ₩1,340,727 million, respectively, and as a result, the profit or loss for the current period will decrease by ₩116,594 million and future profit or loss will decrease by ₩70,297 million. Such uncertainties might have negative impact on current and future profit or loss and consequently, we identified key audit matter in relation to the estimation of the total estimated costs of the contract and calculation of percentage-of-completion.

We performed following audit procedures in relation to the impact of uncertainties of estimating the total estimated costs of the contract on the financial statements and computation of the percentage-of-completion using the total estimated costs of the contract and the cumulative construction costs to date.

- Conduct analytical review on construction projects with significant changes in the total estimated costs.
- Assess the documents related to the approval of the total estimated costs by authorized personnel after he/she reviews the relevant construction budget.
- Assess for significant differences, if any, between the percentage-of-completion and actual physical progress for the key constructions.
- Identify the cause for the contract with significant changes in the percentage-of-completion.
- Assess for the propriety of input costs and the occurrence and cut-off thereof by construction contracts.

D. Accounting treatment for variations in construction

The Company measures the total construction revenue based on the initially agreed amount in the contract. However, the total revenue for long-term construction may increase or decrease due to construction changes or delays in completion of construction. As a result, measurement of construction revenue is affected by uncertainties related to future events and outcomes. The Company accounts for contract revenue if the customer is likely to approve the change in the amount of the revenues due to the change in the construction and the Company can measure the amount reliably.

As explained in Note 17 to the financial statements, the changes in the total estimated construction revenue amounted to ₩1,153,836 million. We concluded that the changes in the total construction revenue and costs, caused by changes in the construction, were significant and as a result, we identified key audit matter in relation to the accounting for variations in construction.

We performed following audit procedures for disclosures and accounting treatment in relation the variations in the Company's construction.

- Inquire for the accounting policies with regards to penalties related to changes in the contract work and breach of contract.
- Assess the documents related to the approval of construction contracts with modified terms by authorized personnel.
- Assess whether variations in construction contracts are properly disclosed in the notes, according to the modified contract.
- Assess for the possibility of construction completion with regards to the constructions that are not expected to be complete on time.
- Assess whether the additional estimated construction costs are reflected on the calculation of total estimated contract costs and percentage-of-completion.

82 Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with KGAAP, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with KGAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with KGAAS we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

March 11, 2021

Ernst & Young Kian Young

This audit report is effective as of March 11, 2021, the independent auditor's report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's report to the time this report is used. Such events and circumstances could significantly affect the accompanying financial statements and may result in modifications to this report.

FINANCIAL STATEMENTS

SK Engineering & Construction Co., Ltd.
Non-consolidated **statements of financial position**
as of December 31, 2020 and 2019

(Korean won in thousands)

	Notes	2020	2019
Assets			
Current assets:			
Cash and cash equivalents	4	₩ 444,541,047	₩ 565,158,438
Short-term investment assets	4,5,14	121,297,204	112,486,565
Trade accounts and notes receivable, less allowance for doubtful accounts of ₩345,217,764 thousand in 2020 and ₩516,192,226 thousand in 2019	14,15,17	1,511,918,315	1,212,848,129
Other accounts receivable, less allowance for doubtful accounts of ₩38,934,543 thousand in 2020 and ₩34,605,201 thousand in 2019		201,951,472	172,077,321
Current tax assets		23,051,723	24,480,236
Advance payments		164,215,559	168,980,743
Inventories	6,8	93,032,231	130,818,870
Deferred tax assets	21	215,489,723	236,740,253
Other current assets	13	317,783,123	273,398,536
Total current assets		3,093,280,397	2,896,989,091
Non-current assets:			
Long-term financial instruments	4	22,000	1,033,070
Investment properties		2,724,247	7,430,488
Available-for-sale securities	7	117,446,212	229,353,071
Equity method investments	7	1,157,043,329	720,553,042
Long-term loans, less allowance for doubtful accounts of ₩125,583,297 thousand in 2020 and ₩127,907,612 thousand in 2019	7,14	169,304,759	168,060,890
Long-term trade accounts and notes receivable, less allowance for doubtful accounts of ₩1,759,050 thousand in 2020 and 2019		11,952,174	-
Deposits		176,047,173	241,056,997
Property, plant and equipment, net	8	135,349,006	188,664,288
Intangible assets	9	17,816,060	14,849,599
Deferred income tax assets	21	52,514,510	36,228,140
Other non-current assets	13	14,347,433	12,495,762
Total non-current asset		1,854,566,903	1,619,725,347
Total assets		₩ 4,947,847,300	₩ 4,516,714,438

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(Korean won in thousands)

	Notes	2020	2019
Liabilities			
Current liabilities:			
Short-term borrowings	10	₩ 386,250,587	₩ 100,918,937
Trade accounts and notes payable	14	841,123,965	691,761,324
Advance receipts in relation to uncompleted construction		843,877,264	944,802,571
Current portion of long-term debt	10	320,883,058	326,612,126
Provision for construction losses and warranty	12,17	189,712,147	100,218,419
Income taxes payable		31,303,555	3,498,941
Other current liabilities	12,13	463,417,105	557,691,432
Total current liabilities		3,076,567,681	2,725,503,750
Non-current liabilities:			
Long-term debt	7,10	739,383,083	522,834,409
Deposits received		19,463,122	19,476,009
Leasehold deposits received		100,000	620,934
Retirement benefit liabilities	11	529,808	101,386
Other non-current liabilities	12,13	93,853,475	14,999,999
Total non-current liabilities		853,329,488	558,032,737
Total liabilities		3,929,897,169	3,283,536,487
Equity			
Capital stock:			
Common stock, ₩5,000 par value	18	176,486,465	176,486,465
Redeemable preferred stock, ₩5,000 par value		76,367,500	76,367,500
		252,853,965	252,853,965
Capital surplus:			
Paid-in capital in excess of par value		379,280,948	379,280,948
		379,280,948	379,280,948
Capital adjustments:			
Corporate income taxes on treasury stock received	18	(13,650,712)	(13,650,712)
Loss on early redemption of convertible bonds		(12,322,432)	(12,322,432)
Other capital adjustments		(43,224,398)	(11,853,838)
		(69,197,542)	(37,826,982)
Accumulated other comprehensive income (losses):			
Gain on valuation of available-for-sale securities	7	10,672,665	64,088,981
Equity adjustment in equity method, net	7	(66,756,963)	(34,442,782)
Loss on valuation of derivative instruments	15	(4,580,781)	(4,721,644)
Foreign currency translation adjustments	20	(61,380,987)	15,639,670
Revaluation surplus	8	31,150,594	43,619,131
		(90,895,472)	84,183,356
Retained earnings:			
Appropriated	18,19	70,268,367	84,781,454
Unappropriated		475,639,865	469,905,210
		545,908,232	554,686,664
Total equity		1,017,950,131	1,233,177,951
Total liabilities and equity		₩ 4,947,847,300	₩ 4,516,714,438

The accompanying notes are an integral part of the financial statements.

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SK Engineering & Construction Co., Ltd.
Non-consolidated **statements of income**
for the years ended December 31, 2020 and 2019

(Korean won in thousands, except per share amounts)

	Notes	2020	2019
Revenues	14,17,25	₩ 7,528,900,518	₩ 7,843,969,338
Cost of sales	14	7,089,980,452	7,256,868,980
Gross profit		438,920,066	587,100,358
Selling and administrative expenses:	14		
Salaries		118,436,362	109,928,828
Provision for severance and retirement benefits		65,955,089	22,085,856
Employee welfare benefits		11,623,712	12,770,782
Tax and dues		10,895,522	10,487,586
Commissions		48,647,014	41,361,445
Depreciation		2,097,760	2,541,591
Advertising expenses		18,612,228	15,879,001
(Reversal of) allowance for doubtful accounts-trade, net		(3,954,108)	55,545,503
Amortization		1,410,365	1,320,013
Rent		13,737,509	20,611,894
Reversal of provision for warranty, net		(2,322,260)	-
Others		26,063,138	23,530,863
		311,202,331	316,063,362
Operating income		127,717,735	271,036,996
Other income (expenses):			
Interest income		23,886,849	20,287,871
Interest expense		(44,106,173)	(45,791,674)
Dividend income		1,337,082	1,346,311
Gain (loss) on foreign currency transactions, net		2,379,571	(2,779,030)
Gain on foreign currency translation, net		12,921,063	2,979,568
Loss on settlement of derivative instruments, net	15	(5,800,259)	(53,949,577)
Gain (loss) on valuation of derivative instruments, net	15	(8,170,962)	12,409,145
Gain (loss) on valuation of firm commitments, net	15	(477,573)	2,930,271
Loss on disposal of trade accounts and notes receivable		(6,395,773)	(10,250,441)
(Reversal of) allowance for doubtful accounts-other, net		(1,784,516)	3,661,022
Gain on disposal of investment properties, net		387,923	-
Gain on disposal of available-for-sale securities	7	155,478,788	-
Impairment loss on available-for-sale securities	7	(781,200)	-
Gain on disposal of equity method investments	7	96,547	-
Equity in earnings of equity method investments, net	7	128,033,361	93,764,610
Gain on disposal of property, plant and equipment, net		20,081,721	479,521
Warranty for repairs		-	(3,117,706)
Gain on guarantees provided, net		-	60,155,910
Loss on retirement of bonds		(28,930)	(1,341,023)
Impairment loss on property, plant and equipment	8	(1,532,000)	-
Others, net	15	(167,181,855)	(123,140,953)
		108,343,664	(42,356,175)
Income before income taxes		236,061,399	228,680,821
Income tax expenses	21	115,402,736	35,812,579
Net income		₩ 120,658,663	₩ 192,868,242
Per share amounts	22		
Basic earnings per share		₩ 3,443	₩ 5,374

The accompanying notes are an integral part of the financial statements.

SK Engineering & Construction Co., Ltd.
Non-consolidated **statements of changes in equity**
for the years ended December 31, 2020 and 2019

(Korean won in thousands)

	Capital stock	Capital surplus	Capital adjustments	Accumulated other comprehensive income (loss)	Retained earnings	Total
As of January 1, 2019	₩ 252,853,965	₩ 681,652,091	₩ (25,973,144)	₩ 67,828,124	₩ 149,967,620	₩ 1,126,328,656
Conversion of capital surplus	-	(297,325,000)	-	-	297,325,000	-
Dividends attributable to redeemable preferred stock	-	-	-	-	(15,090,822)	(15,090,822)
Cash dividends	-	-	-	-	(20,383,376)	(20,383,376)
Net income for the year	-	-	-	-	192,868,242	192,868,242
Redemption of redeemable preferred stock	-	-	-	-	(50,000,000)	(50,000,000)
Changes in capital surplus adjustment arising from equity method investments	-	(5,046,143)	-	-	-	(5,046,143)
Changes in capital adjustments arising from equity method investments	-	-	(11,853,838)	-	-	(11,853,838)
Loss on valuation of available-for-sale securities	-	-	-	(2,998,481)	-	(2,998,481)
Changes in equity adjustment in equity method	-	-	-	(10,141,752)	-	(10,141,752)
Gain on valuation of derivative instruments	-	-	887,161	-	-	887,161
Foreign currency translation adjustments	-	-	-	12,268,399	-	12,268,399
Changes in revaluation surplus	-	-	-	16,339,905	-	16,339,905
As of December 31, 2019	₩ 252,853,965	₩ 379,280,948	₩ (37,826,982)	₩ 84,183,356	₩ 554,686,664	₩ 1,233,177,951
As of January 1, 2020	₩ 252,853,965	₩ 379,280,948	₩ (37,826,982)	₩ 84,183,356	₩ 554,686,664	₩ 1,233,177,951
Dividends attributable to redeemable preferred stock	-	-	-	-	(9,053,719)	(9,053,719)
Cash dividends	-	-	-	-	(20,383,376)	(20,383,376)
Net income for the year	-	-	-	-	120,658,663	120,658,663
Redemption of redeemable preferred stock	-	-	-	-	(100,000,000)	(100,000,000)
Changes in capital surplus adjustment arising from equity method investments	-	-	-	-	-	-
Changes in capital adjustments arising from equity method investments	-	-	(31,370,560)	-	-	(31,370,560)
Loss on valuation of available-for-sale securities	-	-	-	(53,416,316)	-	(53,416,316)
Changes in equity adjustment in equity method	-	-	-	(32,314,181)	-	(32,314,181)
Gain on valuation of derivative instruments	-	-	-	140,863	-	140,863
Foreign currency translation adjustments	-	-	-	(77,020,657)	-	(77,020,657)
Changes in revaluation surplus	-	-	-	(12,468,537)	-	(12,468,537)
As of December 31, 2020	₩ 252,853,965	₩ 379,280,948	₩ (69,197,542)	₩ (90,895,472)	₩ 545,908,232	₩ 1,017,950,131

The accompanying notes are an integral part of the financial statements.

SK Engineering & Construction Co., Ltd.
Non-consolidated **statements of cash flows**
for the years ended December 31, 2020 and 2019

[Korean won in thousands]

	2020		2019	
Cash flow from operating activities:				
Net income	₩	120,658,663	₩	192,868,242
Adjustments to reconcile net income to net cash provided by operating activities:				
(Reversal of) allowance for doubtful accounts-trade, net		(3,954,108)		55,545,503
Depreciation of property, plant and equipment		15,705,424		20,051,007
Amortization of intangible assets		6,359,440		5,745,938
Amortization of discount on bonds		1,296,793		1,016,170
Provision for retirement benefits		50,646,411		54,373,655
Gain on foreign currency translation, net		(12,921,063)		(2,979,568)
Loss (gain) on valuation of derivative instruments, net		8,170,962		(12,409,145)
Loss (gain) on valuation of firm commitments, net		477,573		(2,930,271)
(Reversal of) allowance for doubtful accounts-other, net		1,784,516		(3,661,022)
Gain on disposal of investment properties, net		(387,923)		-
Gain on disposal of available-for-sale securities, net		(155,478,788)		-
Impairment loss on available-for-sale securities, net		781,200		-
Gain on disposal of equity method investments		(96,547)		-
Equity in earnings of equity method investments, net		(128,033,361)		(93,764,610)
Gain on disposal of property, plant and equipment, net		(20,081,721)		(479,521)
Impairment loss on property, plant and equipment		1,532,000		-
Gain on guarantees provided, net		-		(60,155,910)
Loss on retirement of bonds		28,930		1,341,023
Other provision		90,074,502		134,737,637
Changes in operating assets and liabilities:				
Trade accounts and notes receivable		(309,249,213)		(83,438,591)
Other accounts receivable		(24,195,167)		45,730,821
Advance payments		4,765,184		(11,793,385)
Inventories		37,786,638		11,562,684
Current income tax assets		1,428,513		2,968,201
Current portion of deferred income tax assets		21,250,530		(3,667,746)
Other current assets		6,178,056		(18,470,275)
Non-current portion of deferred income tax assets		44,839,271		24,949,453
Trade accounts and notes payable		149,362,641		(50,417,360)
Advance receipts in relation to uncompleted construction		(89,509,504)		(90,963,849)
Provision for construction losses and warranty		89,493,728		3,760,025
Income taxes payable		27,804,614		3,498,941
Other current liabilities		(109,168,516)		41,582,167
Deposits received for performance guarantee		(25,551,561)		(3,332,588)
Deposits provided for performance guarantee		25,442,092		(23,857,045)
Cumulative foreign currency translation adjustments		(77,020,656)		12,268,467
Payments of severance and retirement benefits		(51,130,777)		(40,564,134)
Defined benefit plan assets		823,397		(13,368,227)
Prepayments of severance and retirement benefits to the National Pension Service		89,392		(339,908)
Other non-current liabilities		(2,000,000)		(2,000,000)
Total adjustments		(422,657,098)		(99,461,463)
Net cash provided by (used in) operating activities		(301,998,435)		93,406,779

(Continued)

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[Korean won in thousands]

	2020		2019	
Cash flow from investing activities:				
Increase in short-term investment assets	₩	(7,810,069)	₩	(48,538,219)
Decrease in long-term financial instruments		10,500		636,298
Proceeds from disposal of available-for-sale securities		199,150,761		640,750
Acquisition of available-for-sale securities		(3,016,388)		(12,097,260)
Proceeds from disposal of equity method investments		1,472,056		-
Dividends from equity method investments		47,071,613		-
Acquisition of equity method investments		(460,724,923)		(93,081,880)
Increase in long-term loans		-		(23,286,086)
Decrease in long-term loans		930,143		-
Proceeds from disposal of investment properties		5,094,164		-
Increase in leasehold deposits provided		(17,781,984)		-
Decrease in leasehold deposits provided		7,473,707		1,976,915
Proceeds from disposal of property, plant and equipment		62,779,312		7,732,650
Acquisition of property, plant and equipment		(23,068,988)		(35,958,568)
Acquisition of intangible assets		(9,325,906)		(5,501,669)
Increase in other non-current assets		(842,484)		(809,676)
Net cash provided by (used in) investing activities		(198,588,486)		(208,286,745)
Cash flow from financing activities:				
Increase in short-term borrowings		417,741,994		100,927,526
Decrease in short-term borrowings		(117,308,319)		-
Increase in long-term borrowings		50,229,000		103,303,000
Repayment of long-term borrowings		-		(51,640,000)
Proceeds from issuance of bonds		498,160,680		368,629,920
Redemption of bonds and repayment of long-term borrowings		(326,860,800)		(286,337,800)
Retirement of bonds		(12,028,930)		(81,341,023)
Payment of dividends to redeemable preferred stockholders		(9,053,719)		(15,090,822)
Redemption of redeemable preferred stock		(100,000,000)		(50,000,000)
Payment of cash dividends		(20,383,376)		(20,383,376)
Decrease in leasehold deposits received		(527,000)		(1,760,000)
Net cash provided by financing activities		379,969,530		66,307,425
Net decrease in cash and cash equivalents	₩	(120,617,391)	₩	(48,572,541)
Cash and cash equivalents at the beginning of the year	₩	565,158,438	₩	613,730,979
Cash and cash equivalents at the end of the year	₩	444,541,047	₩	565,158,438

The accompanying notes are an integral part of the financial statements.

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SK Engineering & Construction Co., Ltd.
Notes to the non-consolidated financial statements
December 31, 2020 and 2019

1. Corporate information

SK Engineering & Construction Co., Ltd. (the "Company"), a member of the SK group of companies, was incorporated on February 21, 1962 in accordance with the laws of the Republic of Korea to engage in various engineering and construction activities in the Republic of Korea as well as in foreign countries. On September 14, 2006, the Company merged with Jeongjiwon Co., Ltd., and consequently, the Company expanded its business operations to include the leisure business.

2. Summary of significant accounting policies

2.1 Basis of financial statement preparation

The Company maintains its official accounting records in Korean won and prepares statutory financial statements in the Korean language in conformity with KGAAP. The accompanying financial statements have been condensed, restructured and translated into English (with certain expanded descriptions) from the Korean language financial statements. In the event of any differences in interpreting the financial statements or the independent auditor's report thereon, the Korean version, which is used for regulatory reporting purposes, shall prevail.

The financial statements of the Company have been prepared in accordance with KGAAP, and the summary of significant accounting policies used for the preparation of the financial statements are as follows:

2.2 Change of accounting policy

The Company has applied the annual improvements (2019) to KGAAP.

2.3 Cash equivalents

Highly liquid deposits and marketable securities with original maturities of three months or less, and which have no significant risk of loss in value by interest rate fluctuations, are considered as cash equivalents.

2.4 Financial assets

Financial instruments, such as time deposits and restricted bank deposits, which are traded by financial institutions and are held for short-term cash management purposes or which will mature within one year, are accounted for as short-term financial instruments. Financial instruments other than cash equivalents and short-term financial instruments are recorded as long-term financial instruments.

2.5 Investment in securities

Investments in securities are classified as either trading, held-to-maturity or available-for-sale securities, as appropriate, and are initially measured at cost, including incidental expenses, with cost being determined using the gross weighted average method. Acquisition costs for trading securities are measured at fair value of those securities at the time of acquisition. The Company determines the classification of its investments after initial recognition, and, where allowed and appropriate, re-evaluates this designation at each financial year end.

Securities that are acquired and held principally for the purpose of selling them in the near term are classified as trading securities. Debt securities which carry fixed or determinable payments and fixed maturity are classified as held-to-maturity if the Company has the positive intention and ability to hold to maturity. Securities that are not classified as either trading or held-to-maturity are classified as available-for-sale securities.

90 After initial measurement, available-for-sale securities are measured at fair value with unrealized gains or losses being recognized directly in equity as other comprehensive income. Likewise, trading securities are also measured at fair value after initial measurement, but with unrealized gains or losses reported as part of net income.

Held-to-maturity securities are measured at amortized cost after initial measurement. The cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initially recognized amount and the maturity amount.

The fair value of trading and available-for-sale securities that are traded actively in the open market (marketable securities) is measured at the closing price of those securities at the reporting date. Non-marketable equity securities are measured at cost subsequent to initial

measurement if their fair values cannot be reliably estimated. Non-marketable debt securities are carried at a value using the present value of future cash flows discounted using an appropriate interest rate which reflects the issuer's credit rating announced by a public independent credit rating agency. If the application of such measurement method is not feasible, estimates of fair values may be made using a reasonable valuation model or quoted market prices of similar debt securities issued by entities conducting business in similar industries.

Trading securities are classified as current assets. Available-for-sale and held-to-maturity securities are classified as long-term investments, except that securities maturing within one year or are certain to be disposed of within one year from the reporting date are classified as short-term investments.

The Company recognizes an impairment loss on its investments in securities if there is objective evidence that the securities are impaired. The impairment loss is charged to statement of income. Valuation gain (loss) on available-for-sale securities, if any, is offset against impairment loss (gain) on corresponding available-for-sale securities. When the circumstances that previously caused the available-for-sale securities to be written down cease to exist or there is an increase in net realizable value, the amount of the written-down is reversed in the statements of income to the extent of the original write-down amount so that new carrying amount is the lower of cost and revised net realizable value.

2.6 Equity method investments

Investments in entities over which the Company has control or significant influence are accounted for using the equity method.

Under the equity method of accounting, the Company's initial investment in an investee is recorded at acquisition cost. Subsequently, the carrying amount of the investment is adjusted to reflect the Company's share of income or loss of the investee in the statement of income and share of changes in equity that have been recognized directly in the equity of the investee in the related equity account of the Company on the statement of financial position. If the Company's share of losses of the investee equals or exceeds its interest in the investee, it discontinues recognizing its share of further losses. However, if the Company has other long-term interests in the investee, it continues recognizing its share of further losses to the extent of the carrying amount of such long-term interests.

At the date of acquisition, the excess of the cost of the investment over the Company's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as goodwill which is amortized over its useful life using the straight-line method. Conversely, negative goodwill represents the excess of the Company's share in the net fair value of the investee's identifiable assets and liabilities over the cost of the investment. Negative goodwill is recorded to the extent of the fair value of acquired non-monetary assets and recognized as income using the straight-line method over the remaining weighted-average useful life of those acquired non-monetary assets. The amount of negative goodwill in excess of the fair value of acquired non-monetary assets is recognized as income immediately.

The Company's share in the investee's unrealized gains and losses resulting from transactions between the Company and its investee are eliminated to the extent of the interest in the investee. In translating the financial statements of foreign investees into Korean won, assets and liabilities are translated at the exchange rate on the reporting date and income and expenses are translated at the weighted-average exchange rate for the period. All resulting exchange differences are recognized as foreign currency translation adjustments in other comprehensive income within equity.

2.7 Allowance for doubtful accounts

The Company provides an allowance for doubtful accounts in consideration of the estimated losses that may arise from non-collection of its receivables. The estimate of losses, if any, is based on a review of the aging and current status of the outstanding receivables.

2.8 Inventories

Inventories are valued at the lower of cost or market with cost being determined using the gross weighted average method for completed apartment for sale and apartment under construction and land held for future construction of apartments, the moving weighted average method for raw materials and supplies, and the specific identification method for in-transit raw materials. Reusable durable materials for construction are charged to operations based on usage. A perpetual inventory system is used to record inventories, in which inventories are adjusted to physical inventory counts that are performed at the end of the year.

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2.9 Pre-contract costs (or commonly known as prepaid construction costs)

The Company capitalizes costs incurred in connection with securing a construction order as pre-contract costs when such costs can be identified and measured reliably, and that the Company is reasonably certain that the contract will be awarded. The pre-contract costs are expensed as part of construction costs upon commencement of the related construction project.

2.10 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation, except for certain assets that were revalued in accordance with the previous Assets Revaluation Act and land that was revalued in accordance with the KGAAP are stated at revalued amount less accumulated depreciation.

Acquisition costs include purchase cost, production cost and other expenditures that the Company incurs to prepare the assets in a status consistent with the intention of the management (note 8).

Maintenance and repairs are expensed in the year in which they are incurred. Expenditures which satisfy the criteria for recognition of the tangible assets are capitalized.

Depreciation of property, plant and equipment is provided using the straight-line method over the estimated useful lives of the assets as follows:

	Useful life
Buildings and structures (*)	5 – 40 years
Machinery and equipment	5 years
Others	5 years

(*) The useful life of assets acquired before January 1, 1994 is 50 years.

Land that is revalued in accordance with the revaluation model is measured at fair value less impairment losses recognized after the date of the revaluation. Valuation is performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

If an asset's carrying amount is increased as a result of a revaluation, the increase shall be credited directly to other comprehensive income within equity. However, the increase shall be recognized in the statements of income to the extent that it reverses a revaluation decrease of the same asset previously recognized in the statement of income.

If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognized in the statements of income. However, the decrease shall be debited directly to other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The assessment value of the land as determined by the Korean government for tax administration purposes amounted to ₩44,910,220 thousand and ₩82,421,485 thousand as of December 31, 2020 and 2019, respectively.

2.11 Intangible assets

Intangible assets are stated at cost, less accumulated amortization. Amortization is recognized as an expense based on the straight-line method over the following estimated useful lives as follows:

	Useful life
Software	4 years

Intangible assets acquired individually are recorded at cost whereas those acquired through business combinations are stated at fair value after deducting accumulated amortization and impairment amount. Moreover, internally generated intangible assets are expensed as incurred and reflected in profit and loss.

2.12 Valuation of receivables or payables at present value

Receivables or payables arising from long-term installment transactions are stated at present value. The difference between the carrying amount and present value of the receivables or payables is amortized using the effective-interest-rate method and credited or charged to the statement of income over the installment period.

When credit terms (e.g., principal, interest rate, payment period) of receivables between debtors or creditors experiencing financial difficulties (e.g., court receivership, debt restructuring, financial workout) are unfavorably changed from the perspective of the Company, such receivables are stated at present value calculated by discounting the future cash flows in accordance with the modified terms of the restructured receivables by using the effective interest method from the origination date and the difference between the carrying amount and present value of such receivables is charged to the statements of income.

2.13 Provisions and contingent liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The provision is used only for expenditures for which the provision was originally recognized. If the effect of the time value of money is material, provisions are stated at present value.

A contingent liability is disclosed, but not recognized when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Meanwhile, even though it is remote that there will be an outflow of resources embodying economic benefits as a result of a past event, payment guarantees or similar warranties, and pending lawsuits are disclosed in notes.

2.14 Provision for construction losses and warranty

From the commencement of the construction contract, the Company records the estimated construction losses that are expected to be incurred as a provision for construction losses and reflects such estimated losses in current construction costs immediately.

The Company records a provision for the estimated warranty costs relating to construction defects during the warranty period. Estimated warranty costs are charged to current operations at the time of completion of projects and are included in the statement of financial position as provision for construction warranty. The provision for construction warranty made will be offset against the actual amount of rectification expense incurred on the defects in subsequent period. The actual rectification expense incurred in excess of the provision made is accounted for as an expense in the current period.

2.15 Discount on bonds

Discount on bonds is presented as a direct deduction from the nominal value of the bonds and is amortized using the effective-interest-rate method over the life of the bonds.

2.16 Severance and retirement benefits

The Company operates a defined benefit plan, and in accordance with the Company employees benefit policy, it establishes the provision for severance and retirement benefits for employees terminating their employment with at least one year of service based on the rates of pay in effect at the time of termination, years of service and certain other factors. The provision is determined based on the amount that would be payable assuming all employees were to terminate their employment as of the reporting date.

The Company's defined benefit obligations are partly funded through plan assets with 14 financial institutions including KEB Hana Bank. The liability for retirement benefits under the defined benefit plan is presented as the provision for severance and retirement benefits less the plan's assets at the end of the reporting period. If the plan assets amount exceeds the provision for severance and retirement benefits, the excess amount is recorded as pension assets.

Up to March 1999, the Company had prepaid a portion of its severance and retirement benefits obligation to the National Pension Service ("NPS"). The plan assets and prepayments are presented as a deduction from the provision for severance and retirement benefits.

The Company also operates a defined contribution pension plan under which the amount contributed by the Company is expensed except for those included as part of acquisition cost. The contribution made by the Company in excess of the required funding amount is recorded as pension asset whereas the contribution amount that falls short of the required funding amount is recorded as pension liabilities. Meanwhile, the Company recognized pension costs of ₩3,811,528 thousand in 2020 and ₩3,823,553 thousand in 2019.

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2.17 Derivative financial instruments

The Company records its rights or obligations arising from derivative instruments as assets or liabilities, respectively, which are stated at fair value. Gains or losses resulting from changes in the fair value of derivative instruments are reported in current operations. However, for derivative instruments designated as hedging the exposure of variable cash flows, the effective portion of the gains or losses on the hedging instruments is recorded in equity and the ineffective portion of the gains or losses is credited or charged to operations immediately.

2.18 Foreign currency translation

Transactions involving foreign currencies are recorded at the exchange rates prevailing at the time the transactions are made. Assets and liabilities denominated in foreign currencies are translated into Korean won at the appropriate exchange rates on the reporting date. The resulting unrealized foreign currency translation gains or losses are credited or charged to current operations.

2.19 Translation of overseas financial statements

Financial statements of overseas business are maintained in the currencies of the countries in which they conduct their operations. In translating the foreign currency financial statements of these foreign business branches or offices into Korean won, assets and liabilities are translated at the current exchange rate on the reporting date and income and expenses are translated at the average exchange rate during the year. All resulting exchange rate differences are recognized as foreign currency translation adjustments in other comprehensive income within equity. These amounts will be charged to operations in the year when the overseas units and branches are closed upon completion of related projects.

2.20 Revenue recognition

Revenue for construction contracts is recognized using the percentage-of-completion method, under which revenue is recognized as work progresses in the ratio of actual costs incurred to estimated total costs. Revenue, for which the Company constructs and sells residential or commercial properties, is recognized using the percentage-of-completion method when the sales contracts are entered into. The estimation of total construction costs is made by a systematic, reasonable and consistent method and the Company reflects information newly obtained during the course of its construction activities.

2.21 Income taxes

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. Deferred income taxes are provided using the liability method for the tax effect of temporary differences between the tax bases of assets and liabilities and their reported amounts in the financial statements. Deferred income tax assets and liabilities are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse, and are classified as current or non-current, respectively, based on the classification of the related asset or liability in the statement of financial position. In addition, current tax and deferred tax are charged or credited directly to equity if the tax relates to items that are credited or charged directly to equity.

2.22 Per share amounts

Earnings per share are computed by dividing net income by the weighted average number of common shares outstanding during the year.

2.23 Significant judgments and accounting estimates

The preparation of financial statements in accordance with KGAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date, and the reported amounts of revenues and expenses during the reporting period. But, the uncertainty of estimation and assumption could cause adjustment to the amounts of assets and liabilities that may be affected.

3. Preparation plan for transition to Korean International Financial Reporting Standards (KIFRS) and implementation status

The Company is currently preparing for the implementation of KIFRS. A task force team has been established by the Company to oversee and manage the implementation process and to identify and assess the impact of key accounting differences between KIFRS and Korean Accounting Standards for Non-Public Entities.

4. Restricted bank deposits

Restricted deposits as of December 31, 2020 and 2019 are as follows (Korean won in thousands):

Account	2020	2019	Description
Cash and cash equivalents	₩ 2,053	₩ 52,053	Restricted reserve for legal settlements
Short-term financial instruments	1,035,663	-	Pledged as collateral for contract
	22,000	32,500	Deposits for maintaining checking account
Long-term financial instruments	-	1,000,570	Pledged as collateral for contract
	₩ 1,059,716	₩ 1,085,123	

5. Short-term investment assets

Short-term investment assets as of December 31, 2020 and 2019 are as follows (Korean won in thousands):

	2020	2019
Short-term financial instruments	₩ 1,055,663	₩ 12,000
Short-term loans	120,241,541	112,474,565
	₩ 121,297,204	₩ 112,486,565

6. Inventories

Inventories as of December 31, 2020 and 2019 consist of the following (Korean won in thousands):

	2020		2019	
	Acquisition cost	Carrying value	Acquisition cost	Carrying value
Building materials held for sale	₩ 18,776,234	₩ 18,776,234	₩ 14,434,496	₩ 14,434,496
Construction in process for sale	30,655,280	30,655,280	18,103,703	18,103,703
Land held for future construction of apartments	11,137,949	11,137,949	29,619,036	29,619,036
Supplies	31,401,328	31,401,328	68,128,729	68,128,729
Construction materials	1,061,440	1,061,440	532,906	532,906
	₩ 93,032,231	₩ 93,032,231	₩ 130,818,870	₩ 130,818,870

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7. Investments in securities and equity method investments

Available-for-sale securities as of December 31, 2020 and 2019 consist of the following (Korean won in thousands):

Equity securities	2020				2019
	Equity interest (%)	Acquisition cost	Proportionate share in net asset or fair value	Carrying value	Carrying value
Listed:					
KRTNET Corp.	1.14	₩ 345,000	₩ 2,694,000	₩ 2,694,000	₩ 1,968,000
Hanil Holdings Co., Ltd.	1.49	8,607,743	4,879,874	4,879,874	4,791,597
Hanil Cement Co., Ltd.	1.58	10,492,835	11,460,540	11,460,540	10,194,423
Namkwang E&C Co., Ltd.	0.03	62,698	38,806	38,806	32,724
Sambu Construction Co., Ltd.	0.01	24,949	53,220	53,220	208,288
Dongbu Construction Co., Ltd.	0.22	587,163	624,005	624,005	393,284
Sub-total		20,120,388	19,750,445	19,750,445	17,588,316
Non-listed:					
Construction Guarantee	0.48	23,176,767	31,894,115	31,894,115	28,440,194
Yongma Tunnel Co., Ltd. (*1)	12.40	3,472,000	2,806,765	2,806,765	2,806,765
Masan I-Port Co., Ltd. (*1)	16.00	9,412,160	2,119,618	2,119,618	2,119,618
Electric Contractors' Financial Cooperative	0.01	50,123	50,123	50,123	50,123
Korea Electric Engineers Association	0.12	21,600	39,582	21,600	21,600
Engineering Financial Cooperative	3.24	20,068,947	27,406,400	27,406,400	25,854,040
Il Shin Leisure Co., Ltd. (*2)	-	-	-	-	5,000
Il Shin Leisure (membership) (*2)	-	-	-	-	1,150,000
Pentaport Co., Ltd. (*1,3)	20.10	60,300	-	-	-
Nong Shim Development Co., Ltd. (*1)	0.37	4,305,701	139,902	113,114	113,114
Korea Housing & Urban Guarantee Co., Ltd. (*1)	0.13	12,964,985	6,606,112	6,606,112	6,606,112
Midan City Development Co., Ltd. (*1)	3.62	3,232,000	-	-	-
Gimhae Clean Water Co., Ltd. (*1)	12.60	1,019,340	-	-	-
Ulsan-Chongchun Co., Ltd. (*1)	3.00	342,740	-	-	-
Dream Hub PFV Co., Ltd. (*1)	1.20	12,000,000	-	-	-
Wave City Development Co., Ltd. (*1)	0.70	70,000	-	-	-
Wave City Co., Ltd. (*1)	0.70	2,100	-	-	-
SK E&C Saudi Company LLC (*1,4)	70.00	3,287,163	-	-	-
Ulju Chongchun Co., Ltd. (*1)	10.90	608,360	-	-	-
Humphreys SLQ ONE Co., Ltd.	14.80	252,155	-	252,155	252,155
Gwangju Clean Water Co., Ltd. (*1)	16.80	1,228,775	-	-	-
Daejeon Clean Water Co., Ltd. (*1)	2.59	177,360	-	-	-
SK Technology Innovation Company (*1)	3.66	6,412,380	3,105,707	3,425,790	3,425,790
Pohang Clean Water Road Co., Ltd. (*1)	24.00	970,080	-	-	-
Smart Rail Co., Ltd. (*1)	6.57	10,748,400	-	-	-
Heekyung E&C Co., Ltd. (*1)	2.62	1,799,995	-	-	-
Fire Guarantee	0.03	20,000	20,000	20,000	20,000
Korea Auto Valley Operation Co., Ltd.	-	14,800,000	-	-	-
Ulsan Clean Environment Co., Ltd. (*1)	6.30	1,648,290	1,180,857	883,813	883,813
Woolim Co., Ltd. (*1)	2.80	428,185	-	-	-
SE Green Energy Co., Ltd.	15.20	4,179,200	4,120,105	4,179,200	4,179,200

Equity securities	2020				2019
	Equity interest (%)	Acquisition cost	Proportionate share in net asset or fair value	Carrying value	Carrying value
Non-listed: (cont'd)					
West-Seoul Highway Co., Ltd.	14.52	₩ 8,329,060	₩ 7,118,130	₩ 7,477,206	₩ 7,477,206
Gapyung Yangju Ganggun Co., Ltd.	1.69	100,685	68,063	100,685	100,685
Goseong Green Power Co., Ltd.	0.38	1,000,000	838,309	1,000,000	1,000,000
Seongbon Industrial Complex Development Co., Ltd (common stock) (*1,3)	29.95	521,200	-	-	521,200
Seongbon Industrial Complex Development Co., Ltd (preferred stock) (*1)	100.00	260,000	-	-	260,000
Hwaseong Jungnam Industrial Complex Development Co., Ltd. (*2)	16.00	16,000	16,000	16,000	16,000
Yeongnam Industrial Complex Development Co., Ltd. (common stock) (*3)	30.00	299,995	300,368	299,995	299,995
Yeongnam Industrial Complex Development Co., Ltd. (preferred stock)	100.00	5	5	5	5
Geoje Marine Plant National Industrial Complex Co., Ltd. (*3)	21.60	648,000	645,878	648,000	648,000
Dongyang Engineering & Construct Corp. (*1)	0.06	943,333	-	-	-
Byucksan Engineering & Construction Co., Ltd. (*1)	0.30	1,154,343	-	-	-
Wonju Buron Industrial Complex Co., Ltd. (common stock) (*2)	-	-	-	-	26,710
Wonju Buron Industrial Complex Co., Ltd. (preferred stock) (*2)	-	-	-	-	9,000
KSJV LLC (*3)	30.00	33	33	33	33
Paju Green Hub Co., Ltd.	1.05	45,025	41,707	45,025	45,025
Miryang Tourist Complex Co., Ltd. (*2)	-	-	-	-	280,000
Hyodong Development Co., Ltd.	11.98	181,190	-	-	-
Keangnam Enterprises, Ltd.	0.01	329,408	-	-	-
Daeyoung EMC Co., Ltd.	1.02	142,869	-	-	-
Sejong Venture Valley Co., Ltd. (*3)	29.00	290,000	290,000	290,000	290,000
Saebit Development Co., Ltd. (*2)	-	-	-	-	400,000
SK E&C India Pvt. Ltd. (*4)	99.94	1,881,338	1,289	276,513	276,513
TSK Corp. (*2)	-	-	-	-	116,294,859
Oseong Fuel Cell Co., Ltd. (common Stock)	15.00	600,000	423,384	600,000	600,000
Oseong Fuel Cell Co., Ltd. (preferred stock)	14.94	1,370,000	966,728	1,370,000	1,370,000
Daehan No.22 Pyeongtaek Gopyeong Trust Management Real Estate Investment Co., Ltd.	4.55	2,500,000	2,483,779	2,500,000	2,500,000
Godeok Clean Energy Co., Ltd.	19.50	585,000	585,000	585,000	585,000
Paju Eco Energy Co., Ltd.	5.00	2,693,000	2,693,000	2,693,000	2,693,000
Cheongju Highway Co., Ltd	20.00	10,000	10,000	10,000	-
GangnamMetro Co., Ltd	11.00	5,500	5,500	5,500	-
Pohang Clean Water Co., Ltd. (*5)	26.88	2,138,440	-	-	-
Gimhae Clean Water Load Co., Ltd (*5)	19.06	500,210	-	-	-
Sub-total		163,303,740	95,976,459	97,695,767	211,764,755
Total		₩ 183,424,128	₩ 115,726,904	₩ 117,446,212	₩ 229,353,071

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(*1) The Company recognized ₩781,200 thousand as impairment losses on its investments during the year ended December 31, 2020. As of December 31, 2020, the Company recognized ₩61,113,978 thousand as accumulated balance impairment losses on its investments in Yongma Tunnel Co., Ltd., Masan I-Port Co., Ltd., Pentaport Co., Ltd., Nong Shim Development Co., Ltd., Korea Housing & Urban Guarantee Corp., Midan City Development Co., Ltd., Gimhae Clean Water Co., Ltd., Ulsan-Chongchun Co., Ltd., Dream Hub PFV Co., Ltd., Wave City Development Co., Ltd., Wave City Co., Ltd., SK E&C Saudi Company LLC, Ulju Chongchun Co., Ltd., Gwangju Clean Water Co., Ltd., Daejeon Clean Water Co., Ltd., SK Technology Innovation Company, Pohang Clean Water Road Co., Ltd., Smart Rail Co., Ltd., Heekyung E&C Co., Ltd., Ulsan Clean Environment Co., Ltd., Woolim Co., Ltd., Dongyang Engineering & Construction Corp., Byucksan Engineering & Construction Co., Ltd. and Seongbon Industrial Complex Development Co., Ltd. However, due to the recovery of fair value of previously impaired securities, the Company reversed the impairment loss on its investment in Korea Housing & Urban Guarantee Co., Ltd. amounting to ₩6,606,112 thousand. As such, the accumulated balance for the above reversal as of December 31, 2020 was recognized out of the initially recognized loss in 2001 amounting to ₩12,964,985 thousand.

(*2) The Company disposed of its shares in Miryang Tourist Complex Co., Ltd., Saebit Development. Ltd., Il Shin Leisure Co., Ltd., Il Shin Leisure (membership), Wonju Buron Industrial Complex Co., Ltd., Hwaseong Jungnam Industrial Complex Development Co., Ltd. and TSK Corp. during the year ended December 31, 2020 and recognized ₩155,478,788 thousand as gain on disposal of available-for-sale securities.

(*3) The equity method was not applied for the investments in Pentaport Co., Ltd., Seongbon Industrial Complex Development Co., Ltd., Yeongnam Industrial Complex Development Co., Ltd., Geoje Marine Plant National Industrial Complex Co., Ltd., KSJV LLC and Sejong Venture Valley Co., Ltd. as total assets were less than ₩12,000,000 thousand as at the prior year-end or the changes in the carrying values of these investments arising from the application of the equity method were not material.

(*4) As the Company has lost control and significant influence for SK E&C India Pvt. Ltd. and SK E&C Saudi Company LLC due to liquidation progress, the securities have been reclassified from equity method investments to available-for-sale securities.

(*5) Due to the changes in consolidation scope in 2020, the Company acquired significant influence over the subsidiary and the securities have been reclassified from available-for-sale to equity method investments.

As of December 31, 2020, the Company recognized valuation gains on marketable available-for-sale securities and certain non-marketable available-for-sale securities amounting to ₩10,672,665 thousand, net of deferred income tax effect amounting to ₩3,407,368 thousand, as accumulated other comprehensive income.

Equity method investments as of December 31, 2020 and 2019 consist of the following (Korean won in thousands):

Equity securities	2020			
	Equity interest (%)	Acquisition cost	Proportionate share in net asset or fair value	Carrying value
SK E&C BETEK Corp.	100.00	₩ 62,125,321	₩ 26,433,340	₩ 26,433,340
Pentaport Development Co., Ltd.	20.10	12,060,000	(79,238,385)	-
SKEC (Nanjing) Co., Ltd.	100.00	11,318,815	36,321,756	36,321,756
SKEC (Thai) Ltd.	100.00	85,249	(42,692,004)	-
Interinvest New Growth Fund	30.00	8,199,000	1,434,169	1,434,169
Shaw SKE&C Middle East Ltd.	41.00	9,219,260	12,891,718	12,891,718
SKEC Consultores Ecuador, S.A.	4.42	132,890	(260,901)	-
SK Holdco Pte. Ltd.	56.49	92,622,857	148,273,825	139,866,698
SKEC Jurong Investment Pte. Ltd.	29.88	27,264,412	(18,173,317)	-
Thai Woo Ree Engineering Co., Ltd.	47.79	23,720,417	(6,945,470)	-
Seosuwon Development Co., Ltd.	19.90	995,000	(11,929,050)	-
SKEC Anadolu LLC.	100.00	86,639,046	86,966,715	86,966,715
Xe Pian Xe-Namnoy Power Company	26.00	89,144,830	68,290,948	98,944,911
Chungju Megapolis Co., Ltd.	47.00	2,350,000	7,436,730	7,413,306
Sunlake Co., Ltd.	100.00	737,893	4,896,505	4,896,505
SK TNS Co., Ltd. (*1)	100.00	165,720,261	(16,336,981)	97,432,174
Daehan New Stay REIT4	38.69	43,580,000	31,315,304	31,315,304
SBC General Trading and Contracting Co., W.L.L. (referred to as the "SBC")	49.00	433,707	8,164,324	8,164,324
Canakkale Highway and Bridge	25.00	215,715,920	208,272,453	208,272,453
Jeonnam Shinan Photovoltaic Power Plant Inc.	47.00	47,000	7,029	7,029
BAKAD Investment & Operation LLP	33.33	21,435,057	18,904,407	18,647,468
Gunpo Mixed Use Development PFV Co., Ltd.	31.37	1,490,000	386,114	386,114
Silvertown Investco. Ltd.	100.00	50,830	75,125	75,125
Yongin Industrial Complex Development Co., Ltd.	33.00	3,300,000	1,727,961	1,727,961
Bloom SK Fuel Cell, LLC (*3)	48.76	7,626,409	7,847,939	7,847,939
BAKAD Investment and Operation LLP (*2)	-	-	-	-
Intrus Specialized Investment Private Real Estate Investment No1 LLC (*3)	47.60	9,874,265	9,743,744	9,754,313
The Eco Platform Co., Ltd. (*3)	100.00	355,360,000	354,242,401	354,242,401
Mastern logispoint Gimpo PFV No93 (*3)	20.00	980,000	956,027	956,027
Daewon Green Energy Co., Ltd. (*3)	20.00	3,080,000	3,045,579	3,045,579
Pohang Clean Water Co., Ltd. (*4)	26.88	2,138,440	1,207,208	-
Gimhae Clean Water Load Co., Ltd (*4)	19.06	500,210	365,443	-
		₩ 1,257,947,089	₩ 863,630,656	₩ 1,157,043,329

SK Engineering & Construction Co., Ltd.
Notes to the non-consolidated financial statements
December 31, 2020 and 2019

Equity securities	2019			
	Equity interest (%)	Acquisition cost	Proportionate share in net asset or fair value	Carrying value
SK E&C BETEK Corp.	100.00	₩ 62,125,321	₩ 38,254,985	₩ 38,254,985
Pentaport Development Co., Ltd.	20.10	12,060,000	(72,442,955)	-
SKEC (Nanjing) Co., Ltd.	100.00	11,318,815	64,203,325	64,203,325
SKEC (Thai) Ltd.	100.00	85,249	(42,543,477)	-
Intervest New Growth Fund	30.00	8,199,000	1,558,560	1,558,560
Shaw SKE&C Middle East Ltd.	41.00	9,219,260	15,080,395	15,080,395
SKEC Consultores Ecuador, S.A.	4.42	132,890	(276,026)	-
SK Holdco Pte. Ltd.	56.49	92,622,857	146,380,504	137,973,376
SKEC Jurong Investment Pte. Ltd.	29.88	27,264,412	(18,900,934)	-
Thai Woo Ree Engineering Co., Ltd.	47.79	23,720,417	(6,437,799)	-
Seosuwon Development Co., Ltd.	19.90	995,000	(5,688,180)	-
SKEC Anadolu LLC.	100.00	86,639,046	9,996,538	9,996,538
Xe Pian Xe-Namnoy Power Company	26.00	89,144,830	76,812,677	108,445,451
Chungju Megapolis Co., Ltd.	47.00	2,350,000	8,966,927	8,924,587
Sunlake Co., Ltd.	100.00	737,893	4,972,594	4,972,594
SK TNS Co., Ltd. (*1)	73.09	165,720,261	17,698,777	138,691,370
Daehan New Stay REIT4	38.69	43,580,000	34,645,696	34,645,696
SBC General Trading and Contracting Co., W.L.L. (referred to as the "SBC")	49.00	433,707	10,723,286	10,723,286
Canakkale Highway and Bridge	25.00	153,346,728	140,849,476	140,849,476
Jeonnam Shinan Photovoltaic Power Plant Inc.	47.00	47,000	9,109	9,109
BAKAD Investment & Operation LLP	-	-	-	-
Gunpo Mixed Use Development PFV Co., Ltd.	29.80	1,490,000	1,468,352	1,468,352
Silvertown Investco. Ltd.	100.00	50,830	92,468	92,468
Yongin Industrial Complex Development Co., Ltd.	33.00	3,300,000	3,242,699	3,242,699
Bloom SK Fuel Cell, LLC (*3)	-	-	-	-
BAKAD Investment and Operation LLP (*2)	33.30	1,662,380	1,420,775	1,420,775
Intrus Specialized Investment Private Real Estate Investment No1 LLC (*3)	-	-	-	-
The Eco Platform Co., Ltd. (*3)	-	-	-	-
Mastern logispoin Gimp PFV No93 (*3)	-	-	-	-
Daewon Green Energy Co., Ltd. (*3)	-	-	-	-
Pohang Clean Water Co., Ltd. (*4)	-	-	-	-
Gimhae Clean Water Load Co., Ltd (*4)	-	-	-	-
		₩ 796,245,896	₩ 430,087,772	₩ 720,553,042

(*1) During the current year, the Company's equity interest was increased from 73.09% to 100.0% due to the redemption of redeemable convertible preferred shares.

(*2) During the current year, the Company acquired shares of BAKAD International B.V. and disposed of all BAKAD Investment & Operation LLP shares to BAKAD International B.V..

(*3) During the current year, the Company acquired shares of Bloom SK Fuel Cell, LLC, Intrus Specialized Investment Private Real Estate Investment No1 LLC, The Eco Platform Co., Ltd., Mastern logispoin Gimp PFV No93 and Daewon Green Energy Co., Ltd..

(*4) Due to the changes in consolidation scope in 2020, the Company acquired significant influence over the subsidiary and the securities have been reclassified from available-for-sale to equity method investments.

Details of changes in carrying amount of equity method investments for the years ended December 31, 2020 and 2019 are as follows (Korean won in thousands):

Equity securities	2020				
	Jan. 1	Acquisition (dividend/disposal)	Changes in equity adjustment	Equity earnings in (loss)	Dec. 31
SK E&C BETEK Corp.	₩ 38,254,985	₩ -	₩ (1,501,222)	₩ (10,320,422)	₩ 26,433,340
Pentaport Development Co., Ltd.	-	-	-	-	-
SKEC (Nanjing) Co., Ltd.	64,203,325	(47,071,613)	748,054	18,441,990	36,321,756
SKEC (Thai) Ltd. (*1)	-	-	-	-	-
Intervest New Growth Fund	1,558,560	-	-	(124,391)	1,434,169
Shaw SKE&C Middle East Ltd.	15,080,395	-	(800,894)	(1,387,784)	12,891,718
SKEC Consultores Ecuador, S.A.	-	-	-	-	-
SK Holdco Pte. Ltd. (*2)	137,973,376	-	(16,073,853)	17,967,175	139,866,698
SKEC Jurong Investment Pte. Ltd. (*3)	-	-	-	-	-
Thai Woo Ree Engineering Co., Ltd. (*4)	-	-	-	-	-
Seosuwon Development Co., Ltd.	-	-	-	-	-
SKEC Anadolu LLC	9,996,538	-	(14,695,678)	91,665,854	86,966,714
Xe-Pian Xe-Namnoy Power Company	108,445,451	-	(5,690,889)	(3,809,651)	98,944,911
Chungju Megapolis Co., Ltd.	8,924,587	-	-	(1,511,281)	7,413,306
Sunlake Co., Ltd.	4,972,594	-	(189,996)	113,907	4,896,505
SK TNS Co., Ltd. (*2)	138,691,370	-	(51,148,884)	9,889,688	97,432,174
Daehan New Stay REIT4	34,645,696	-	-	(3,330,392)	31,315,304
SBC	10,723,286	-	(537,920)	(2,021,042)	8,164,324
Canakkale Highway and Bridge	140,849,476	62,369,192	(11,565,187)	16,618,973	208,272,453
Jeonnam Shinan Photovoltaic Power Plant Inc.	9,109	-	-	(2,080)	7,029
BAKAD Investment & Operation LLP	1,420,775	(1,375,508)	31,306	(76,572)	-
Gunpo Mixed Use Development PFV Co., Ltd	1,468,352	-	(1,140)	(1,081,099)	386,114
Silvertown Investco. Ltd	92,468	-	(1,896)	(15,447)	75,125
Yongin Industrial Complex Development Co., Ltd.	3,242,699	-	-	(1,514,738)	1,727,961
Bloom SK Fuel Cell, LLC	-	7,626,409	-	221,530	7,847,939
BAKAD International B.V.	-	21,435,057	(2,376,776)	(410,812)	18,647,469
Intrus Specialized Investment Private Real Estate Investment No1 LLC	-	9,874,265	-	(119,952)	9,754,313
The Eco Platform Co., Ltd.	-	355,360,000	-	(1,117,599)	354,242,401
Mastern logispoin Gimp PFV No93	-	980,000	-	(23,973)	956,027
Daewon Green Energy Co., Ltd.	-	3,080,000	(15,901)	(18,521)	3,045,579
Pohang Clean Water Co., Ltd. (*5)	-	-	-	-	-
Gimhae Clean Water Load Co., Ltd (*5)	-	-	-	-	-
	₩ 720,553,042	₩ 412,277,802	₩ (103,820,876)	₩ 128,033,361	₩ 1,157,043,329

SK Engineering & Construction Co., Ltd.
Notes to the non-consolidated financial statements
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(*1) The Company recognized its share of losses amounting to ₩21,966,730 thousand exceeding its carrying amount of the equity method investments, which were reduced to zero, by providing an allowance for doubtful accounts of long-term loans to the investee.

(*2) Included in changes in equity adjustment of those investees as of December 31, 2020 is capital surplus arising from the equity method totaling ₩(-)121,816,439 thousand.

(*3) The Company recognized its share of losses amounting to ₩19,357,434 thousand exceeding its carrying amount of equity method investments, which were reduced to zero, by providing an allowance for doubtful accounts of long-term loans to the investee.

(*4) The Company recognized its share of losses amounting to ₩6,945,470 thousand exceeding its carrying amount of equity method investments, which were reduced to zero, by providing an allowance for doubtful accounts of long-term loans to the investee.

(*5) Due to the changes in consolidation scope in 2020, the Company acquired significant influence over the subsidiary and the securities have been reclassified from available-for-sale to equity method investments.

Equity securities	2019				
	Jan. 1	Acquisition (dividend/disposal)	Changes in equity adjustment	Equity earnings in (loss)	Dec. 31
SK E&C BETEK Corp.	₩ 37,737,022	₩ -	₩ 1,345,489	₩ (827,526)	₩ 38,254,985
Pentaport Development Co., Ltd.	-	-	-	-	-
SKEC (Nanjing) Co., Ltd.	40,043,927	-	331,757	23,827,641	64,203,325
SKEC (Thai) Ltd. (*1)	-	-	-	-	-
Intervest New Growth Fund	2,902,300	-	(654,031)	(689,709)	1,558,560
Shaw SKE&C Middle East Ltd.	13,714,883	-	481,012	884,500	15,080,395
SKEC Consultores Ecuador, S.A	-	-	-	-	-
SK Holdco Pte. Ltd. (*2)	124,005,161	-	(2,422,773)	16,390,988	137,973,376
SKEC Jurong Investment Pte. Ltd. (*3)	-	-	-	-	-
Thai Woo Ree Engineering Co., Ltd. (*4)	-	-	-	-	-
Seosuwon Development Co., Ltd.	-	-	-	-	-
SKEC Anadolu LLC	-	-	1,080,146	8,916,392	9,996,538
Xe-Pian Xe-Namnoy Power Company	88,235,148	3,117,876	3,048,856	14,043,571	108,445,451
Chungju Megapolis Co., Ltd.	8,211,021	-	-	713,566	8,924,587
Sunlake Co., Ltd.	4,383,773	-	355,938	232,883	4,972,594
SK TNS Co., Ltd. (*2)	141,692,563	-	(16,899,981)	13,898,788	138,691,370
Daehan New Stay REIT4	14,008,158	26,866,000	-	(6,228,462)	34,645,696
SBC	6,088,394	-	201,781	4,433,111	10,723,286
Canakkale Highway and Bridge	80,270,320	56,826,379	(14,542,941)	18,295,718	140,849,476
Jeonnam Shinan Photovoltaic Power Plant Inc.	20,914	-	-	(11,805)	9,109
BAKAD Investment & Operation LLP	91,149	1,432,795	(27,069)	(76,100)	1,420,775
Gunpo Mixed Use Development PFV Co., Ltd	-	1,490,000	-	(21,648)	1,468,352
Silvertown Investco. Ltd	-	50,830	1,634	40,004	92,468
Yongin Industrial Complex Development Co., Ltd.	-	3,300,000	-	(57,301)	3,242,699
	₩ 561,404,733	₩ 93,083,880	₩ (27,700,182)	₩ 93,764,611	₩ 720,553,042

(*1) The Company recognized its share of losses amounting to ₩21,966,730 thousand exceeding its carrying amount of the equity method investments, which were reduced to zero, by providing an allowance for doubtful accounts of long-term loans to the investee.

(*2) Included in changes in equity adjustment of those investees as of December 31, 2019 is capital surplus arising from the equity method totaling ₩(-)49,256,969 thousand.

(*3) The Company recognized its share of losses amounting to ₩19,357,434 thousand exceeding its carrying amount of equity method investments, which were reduced to zero, by providing an allowance for doubtful accounts of short-term loans to the investee.

(*4) The Company recognized its share of losses amounting to ₩6,437,799 thousand exceeding its carrying amount of equity method investments, which were reduced to zero, by providing an allowance for doubtful accounts of long-term loans to the investee.

The summary of the financial position of the investees as of December 31, 2020, and the results of their financial performance for the year then ended, is presented as follows (Korean won in thousands):

	Closing date	Total assets	Total liabilities	Sales	Net income (loss)
SK E&C BETEK Corp.	2020.12.31	₩ 39,708,617	₩ 13,275,278	₩ -	₩ (10,320,422)
Pentaport Development Co., Ltd.	2020.12.31	9,037,192	403,258,015	-	(33,808,110)
SKEC (Nanjing) Co., Ltd.	2020.12.31	93,870,876	57,549,121	182,321,662	18,441,990
SKEC (Thai) Ltd.	2020.12.31	28,787,419	71,479,422	-	(2,804,167)
Intervest New Growth Fund	2020.12.31	6,960,664	2,180,100	182,606	(414,636)
Shaw SKE&C Middle East Ltd.	2020.12.31	31,920,952	477,738	-	(3,384,839)
SKEC Consultores Ecuador, S.A.	2020.12.31	32,834,502	38,730,921	-	(37,154)
SK Holdco Pte. Ltd.	2020.12.31	262,750,106	272,143	-	31,805,934
SKEC Jurong Investment Pte. Ltd.	2020.12.31	430,650	61,252,911	-	(1,495,023)
Thai Woo Ree Engineering Co., Ltd.	2020.12.31	904,750	15,439,005	-	(1,941,860)
Seosuwon Development Co., Ltd.	2020.12.31	36,082,920	96,027,893	169,629,639	(31,868,937)
SKEC Anadolu LLC	2020.12.31	151,010,404	64,043,690	278,870,378	91,665,854
Xe-Pian Xe-Namnoy Power Company	2020.12.31	1,138,993,772	876,336,278	140,068,919	(10,887,846)
Chungju Megapolis Co., Ltd.	2020.12.31	18,836,328	3,013,499	3,283,954	(3,255,740)
Sunlake Co., Ltd.	2020.12.31	5,719,649	823,144	1,726,283	113,907
SK TNS Co., Ltd.	2020.12.31	171,328,754	144,051,449	590,719,741	25,966,359
Daehan New Stay REIT4	2020.12.31	393,243,294	305,857,245	4,983,554	(6,278,604)
SBC	2020.12.31	35,315,964	18,654,078	44,520,673	(4,124,575)
Canakkale Highway and Bridge	2020.12.31	3,303,609,071	2,470,519,258	1,060,947,757	66,475,892
Jeonnam Shinan Photovoltaic Power Plant Inc.	2020.12.31	14,955	-	-	(4,426)
Gunpo Mixed Use Development PFV Co., Ltd.	2020.12.31	175,416,118	174,185,219	-	(3,446,456)
Silvertown Investco. Ltd.	2020.12.31	691,290	616,165	-	(15,447)
Yongin Industrial Complex Development Co., Ltd.	2020.12.31	5,267,224	30,977	-	(4,590,115)
Bloom SK Fuel Cell, LLC	2020.12.31	10,361,244	2,280,391	4,586,527	370,939
BAKAD International B.V.	2020.12.31	56,722,349	9,129	-	(461,621)
Intrus Specialized Investment Private Real Estate Investment No1 LLC	2020.12.31	42,081,475	21,619,612	935	(251,899)
The Eco Platform Co., Ltd.	2020.12.31	1,150,720,763	795,272,320	-	(1,117,599)
Mastern logispoint Gimpo PFV No93	2020.12.31	4,877,691	-	-	(122,309)
Daewon Green Energy Co., Ltd.	2020.12.31	15,369,724	122,054	-	(92,722)
Pohang Clean Water Co., Ltd. (*5)	2020.12.31	117,797,828	113,306,727	4,373,615	(31,948)
Gimhae Clean Water Load Co., Ltd (*5)	2020.12.31	38,642,676	36,725,347	2,084,222	(18,501)

In applying the equity method accounting, the Company used the latest audited or unaudited financial statements approved by the CEO and management of investees.

SK Engineering & Construction Co., Ltd.
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Changes in the carrying amount of goodwill arising from equity method investments for the year ended December 31, 2020 are as follows (Korean won in thousands):

	Year of occurrence	Amount of occurrence	Amortization	Amount of change	Dec. 31
SK TNS Co., Ltd.	2016	₩ 147,285,593	₩ (26,293,000)	₩ (7,223,438)	₩ 113,769,155

Changes in unrealized gains on equity method investments for the year ended December 31, 2020 are as follows (Korean won in thousands):

	Type	Jan. 1	Increase	Decrease	Dec. 31
Pentaport Development Co., Ltd.	Inventory	₩ (232,035)	₩ -	₩ (232,035)	₩ -
SKEC Jurong Investment Pte. Ltd.	Tangible asset	(7,837,847)	-	-	(7,837,847)
Xe-Pian Xe-Namnoy Power Company	Tangible asset	31,632,774	-	978,811	30,653,963
Chungju Megapolis Co., Ltd.	Inventory	(42,340)	-	(18,917)	(23,423)
SK Holdco Pte. Ltd.	Investment asset	(8,407,128)	-	-	(8,407,128)
BAKAD International B.V.	Investment asset	-	(256,939)	-	(256,939)
		₩ 15,113,424	₩ (256,939)	₩ 727,859	₩ 14,128,626

As of December 31, 2020 and 2019, the accumulated unrecognized losses of the respective equity method investees for which the application of the equity method of accounting was suspended as the Company's share in the accumulated losses of the investees exceeded the Company's interest in the investees are as follows (Korean won in thousands):

	2020	2019
Pentaport Development Co., Ltd.	₩ 79,238,385	₩ 72,674,990
SKEC (Thai) Ltd.	20,725,274	20,576,747
SKEC Consultores Ecuador, S.A	260,901	276,026
SKEC Jurong Investment Pte. Ltd.	6,653,730	7,381,347
Seosuwon Development Co., Ltd.	11,929,050	5,688,180
	₩ 118,807,340	₩ 106,597,290

As of December 31, 2020, the Company provided the entire amount of its investment in Yongma Tunnel Co., Ltd., Masan I-Port Co., Ltd., Gimhae Clean Water Co., Ltd., Ulsan-Chongchun Co., Ltd., Pohang Clean Water Co., Ltd., Ulju Chongchun Co., Ltd., Gimhae Clean Water Road Co., Ltd., Humphreys SLQ ONE Co., Ltd., Gwangju Clean Water Co., Ltd., Daejeon Clean Water Co., Ltd., Pohang Clean Water Road Co., Ltd., Smart Rail Co., Ltd., Ulsan Clean Environment Co., Ltd., Gapyung Yangju Ganggun Co., Ltd., Chungju Megapolis Co., Ltd., Korea Auto Valley Operation Co., Ltd., Goseong Green Power Co., Ltd., Seongbon Industrial Complex Development Co., Ltd., Paju Green Hub Co., Ltd., Oseong Fuel Cell Co., Ltd., West-Seoul Highway Co., Ltd., SE Green Energy Co., Ltd., Engineering Financial Cooperative, Construction Guarantee, Xe-Pian Xe-Namnoy Power Company, Canakkale Highway and Bridge, Sivertown Investco. Ltd. and BAKAD International B.V and a portion (673,818 shares) of its shares in Korea Housing & Urban Guarantee Co., Ltd. as collateral to the financial institutions for the Company's and investees' borrowings.

8. Property, plant and equipment

Changes in net book value of property, plant and equipment for the years ended December 31, 2020 and 2019 are as follows (Korean won in thousands):

	2020					
	Jan. 1	Additions	Disposals	Depreciation	Revaluation	Dec. 31
Land	₩ 110,725,468	₩ 307,053	₩ (48,694,519)	₩ -	₩ (165,191)	₩ 62,172,811
Building and structures	23,452,555	1,872,069	(5,436,804)	(1,517,085)	(1,366,809)	17,003,926
Machinery and equipment	34,198,991	13,085,413	(3,241,807)	(10,358,810)	-	33,683,787
Construction equipment	1,732,314	80,446	(828,645)	(334,502)	-	649,613
Other fixed assets	18,554,960	7,724,008	(945,072)	(3,495,027)	-	21,838,869
	₩ 188,664,288	₩ 23,068,989	₩ (59,146,847)	₩ (15,705,424)	₩ (1,532,000)	₩ 135,349,006

	2019					
	Jan. 1	Additions	Disposals	Depreciation	Revaluation	Dec. 31
Land	₩ 86,773,072	₩ 3,492,720	₩ (1,096,927)	₩ -	₩ 21,556,603	₩ 110,725,468
Building and structures	22,247,297	2,556,947	(347,381)	(1,004,308)	-	23,452,555
Machinery and equipment	16,364,358	28,129,294	(1,455,720)	(8,838,941)	-	34,198,991
Construction equipment	8,847,792	1,063,136	(1,897,216)	(6,281,398)	-	1,732,314
Other fixed assets	20,728,015	4,209,192	(2,455,887)	(3,926,360)	-	18,554,960
	₩ 154,960,534	₩ 39,451,289	₩ (7,253,131)	₩ (20,051,007)	₩ 21,556,603	₩ 188,664,288

The Company engaged Gaon Appraisal Company Limited, an accredited independent valuer, to determine the fair value of its land. Fair value is determined by reference to market-based evidence. This means that the valuation performed by the valuer is based on active market prices, adjusted for any difference in the nature, location or condition of the specific property. The date of the last valuation was December 31, 2019.

As of December 31, 2020, the revaluation surplus amounts to ₩31,150,594 thousand (₩43,619,131 thousand as of December 31, 2019), net of deferred income tax effect amounting to ₩9,945,019 thousand, and is recorded as part of revaluation surplus within accumulated other comprehensive income within equity. When land is recognized as acquisition cost, the book value is ₩21,077,198 thousand and ₩53,180,599 thousand as of December 31, 2020 and 2019, respectively.

Inventories and certain property, plant and equipment are insured against fire and other casualty losses for up to ₩262,327,473 thousand, USD 739,327,341 as of December 31, 2020.

As of December 31, 2020, the Company's land to the extent of ₩142,000,000 thousand has been provided as collateral to the financial institution in connection with certain short-term borrowings.

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9. Intangible assets

Changes in the net book value of intangible assets and amortization expense for the years ended December 31, 2020 and 2019 are as follows (Korean won in thousands):

	2020				
	Jan. 1	Additions	Disposals	Amortization	Dec. 31
Software	₩ 14,849,599	₩ 9,002,650	₩ (5)	₩ (6,345,489)	₩ 17,506,755
Others	-	323,256	-	(13,951)	309,305
	₩ 14,849,599	₩ 9,325,906	₩ (5)	₩ (6,359,440)	₩ 17,816,060
	2019				
	Jan. 1	Additions	Disposals	Amortization	Dec. 31
Software	₩ 15,093,935	₩ 5,501,669	₩ (67)	₩ (5,745,938)	₩ 14,849,599

10. Borrowings and bonds

Short-term debt as of December 31, 2020 and 2019 consist of the following (Korean won in thousands):

Short-term borrowings	Annual interest rate in 2020 (%)	2020	2019
Usance	0.2~0.46	₩ 7,224,571	₩ 918,937
Commercial paper	2.79	-	100,000,000
Foreign Currency loans	1.94~3.48	269,067,840	-
Agreement loans	3.59~3.69	60,000,000	-
Purchase loans	2.99	49,958,176	-
		₩ 386,250,587	₩ 100,918,937

Long-term debt as of December 31, 2020 and 2019 consist of the following (Korean won in thousands):

Long-term debt	Annual interest rate in 2020 (%)	2020	2019
General loans	1.00	₩ 4,304,000	₩ 5,164,800
Pre-shipment loans	2.55	20,229,000	-
Project financing loans	2.83	30,000,000	-
Bonds, net of discounts	2.61~3.90	1,005,733,141	844,281,735
		1,060,266,141	849,446,535
Less current portion		(320,883,058)	(326,612,126)
		₩ 739,383,083	₩ 522,834,409

Details of bonds issued as of December 31, 2020 and 2019 are as follows (Korean won in thousands):

Series	Issuance date	Maturity	Annual interest rate in 2020 (%)	2020	2019
151 st - 2 nd	Apr. 2017	Apr. 2020	-	-	56,000,000
153 rd	Aug. 2017	Aug. 2020	-	-	70,000,000
154 th	Sep. 2017	Sep. 2020	-	-	150,000,000
155 th	Sep. 2017	Mar. 2020	-	-	50,000,000
157 th	Apr. 2018	Apr. 2021	3.90	150,000,000	150,000,000
158 th	Apr. 2019	Apr. 2022	3.50	158,000,000	170,000,000
159 th	Jul. 2019	Jul. 2021	2.85	50,000,000	50,000,000
160 th	Jan. 2019	Jan. 2022	2.79	150,000,000	150,000,000
161 th	Feb. 2020	Aug. 2021	2.70	100,000,000	-
162 st - 1 st	Jun. 2020	Jun. 2022	3.19	50,000,000	-
162 st - 2 nd	Jun. 2020	Jun. 2023	3.80	100,000,000	-
163 rd	Jul. 2020	Jul. 2023	3.80	50,000,000	-
164 th	Jan. 2020	Jan. 2022	3.09	50,000,000	-
165 th	Nov. 2020	Nov. 2023	2.61	150,000,000	-
Bonds				1,008,000,000	846,000,000
(Discount on bonds)				(2,266,859)	(1,718,265)
				1,005,733,141	844,281,735
Less current portion, net of discount				300,000,000	326,000,000
(Discount on bonds)				(206,742)	(248,674)
				₩ 705,939,883	₩ 518,530,409

Repayment schedules of the long-term debt and Bonds as of December 31, 2020 are summarized as follows (Korean won in thousands):

Year	Bonds	Long-term debt	Total
2021	₩ 300,000,000	₩ 21,089,800	₩ 321,089,800
2022	408,000,000	30,860,800	438,860,800
2023	300,000,000	860,800	300,860,800
2024 and thereafter	-	1,721,600	1,721,600
	₩ 1,008,000,000	₩ 54,533,000	₩ 1,062,533,000

11. Retirement benefits liability

Changes in carrying amount of severance and retirement benefit liability for the years ended December 31, 2020 and 2019 are as follows (Korean won in thousands):

	2020	2019
Beginning balance	₩ 310,618,164	₩ 296,808,643
Provision	50,646,411	54,373,655
Payment of retirement benefit	(51,130,777)	(40,564,134)
Ending balance	310,133,798	310,618,164
(less) Prepayments to NPS	(250,517)	(339,908)
(less) Defined plan assets	(309,353,473)	(310,176,870)
	₩ 529,808	₩ 101,386

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Changes in carrying amount of defined benefit plan assets for the years ended December 31, 2020 and 2019 are as follows (Korean won in thousands):

	2020		2019	
Beginning balance	₩	310,176,870	₩	296,808,643
Funding		42,500,000		49,200,000
Interest income		5,749,954		5,232,275
Payment of severance and retirement benefits		(49,073,351)		(41,064,048)
Ending balance	₩	309,353,473	₩	310,176,870

The major components of defined benefit plan assets as of December 31, 2020 and 2019 are as follows (Korean won in thousands):

	2020		2019	
	Book value	Fair value	Book value	Fair value
Debt instruments	₩ 309,353,473	₩ 309,353,473	₩ 310,176,870	₩ 310,176,870

12. Provisions

Changes in carrying amount of provisions for the years ended December 31, 2020 and 2019 are as follows (Korean won in thousands):

	2020				
	Jan. 1	Provision	Reversal	Used	Dec. 31
Provision for construction losses	₩ 36,358,386	₩ 112,147,657	₩ (18,220,735)	₩ -	₩ 130,285,308
Provision for construction warranty	63,860,033	13,967,032	(5,975,959)	(12,424,268)	59,426,838
Provision for litigation losses	112,589,676	89,916,762	(13,892,730)	(86,657,083)	101,956,625
Provision for other losses	101,647,581	144,400,000	(40,415,175)	(1,812,395)	203,820,011
	₩ 314,455,676	₩ 360,431,451	₩ (78,504,599)	₩ (100,893,746)	₩ 495,488,782

	2019				
	Jan. 1	Provision	Reversal	Used	Dec. 31
Provision for construction losses	₩ 47,886,715	₩ 4,850,493	₩ (16,378,822)	₩ -	₩ 36,358,386
Provision for construction warranty	48,571,678	26,772,427	-	(11,484,072)	63,860,033
Provision for litigation losses	38,236,670	74,700,000	-	(346,994)	112,589,676
Provision for other losses	133,571,202	60,029,006	(60,155,910)	(31,796,717)	101,647,581
	₩ 268,266,265	₩ 166,351,926	₩ (76,534,732)	₩ (43,627,783)	₩ 314,455,676

13. Other assets and liabilities

Details of other assets as of December 31, 2020 and 2019 are as follows (Korean won in thousands):

Other assets	2020		2019	
	Current	Non-current	Current	Non-current
Prepaid construction costs	₩ 147,120,482	₩ -	₩ 151,854,477	₩ -
Deposits provided	116,673,215	-	67,812,206	-
Prepaid expenses	32,965,057	-	35,916,996	-
Others	21,024,369	14,347,433	17,814,857	12,495,762
	₩ 317,783,123	₩ 14,347,433	₩ 273,398,536	₩ 12,495,762

Details of other liabilities as of December 31, 2020 and 2019 are as follows (Korean won in thousands):

Other assets	2020		2019	
	Current	Non-current	Current	Non-current
Other payables	₩ 61,933,944	₩ -	₩ 71,921,780	₩ -
Withholdings	66,224,610	-	146,382,306	-
Deposits received	63,107,894	-	88,646,568	-
Accrued Expenses	31,846,262	-	25,465,311	-
Provisions for others	238,676,636	67,100,000	214,237,257	-
Others	1,627,759	26,753,475	11,038,210	14,999,999
	₩ 463,417,105	₩ 93,853,475	₩ 557,691,432	₩ 14,999,999

14. Related party disclosures

Related parties of the Company and nature of their relationship with the Company are as follows:

Relationship with related parties	
Parent company	SK Holdings Co., Ltd.
Subsidiaries	SK E&C BETEK Corp., SKEC (Thai) Ltd., SKEC (Nanjing) Co., Ltd., SKEC Consultores Ecuador, S.A., Thai Woo Ree Engineering Co., Ltd., Seosuwon Development Co., Ltd., SKEC Anadolu LLC Sunlake Co., Ltd., SK Holdco Pte. Ltd., SK TNS Co., Ltd., Silvertown Investco. Ltd., The Eco Platform Co., Ltd. Environmental Management Corporation Co., Ltd., Environmental Energy Co., Ltd., Landfill Management Co., Ltd., Seonam Environmental Energy Co., Ltd., Honam Environmental Energy Corp., Green Hwasoon Inc., Green Sunchang Inc., Gyeongsan Clean Water Road Co., Ltd., Dalsung Clean Water Road Co., Ltd., Gokseong Environment Co., Ltd., Chungcheong Environmental Energy Corp., Geonggi Environmental Energy Corp., Gyeongbuk Environmental Energy Co., Ltd., Gyeongin Environmental Energy Company

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Significant transactions with related parties for the years ended December 31, 2020 and 2019 are as follows (Korean won in thousands):

	Relationship with related parties	Sales and other income		Purchases and other expenses	
		2020	2019	2020	2019
SK Holdings Co., Ltd.	Parent	₩ 1,048,270	₩ 2,826,759	₩ 35,013,785	₩ 29,794,600
SK E&C BETEK Corp.	Subsidiary	316,410	287,913	-	-
SKEC (Nanjing) Co., Ltd.	Subsidiary	11,194,826	14,492,826	2,247,842	889,142
Thai Woo Ree Engineering Co., Ltd.	Subsidiary	896,837	-	-	-
Seosuwon Development Co., Ltd. (*1)	Subsidiary	7,708,388	86,027,622	78,454	85,658
Sunlake Co., Ltd.	Subsidiary	6,019,103	-	-	2,971,271
SK Holdco Pte. Ltd.	Subsidiary	12,857	-	-	-
SK TNS Co., Ltd.	Subsidiary	3,441,141	3,330,309	9,480,186	30,865,927
Xe-Pian Xe-Namnoy Power Company	Associates	14,657,158	74,402,394	-	-
SBC	Associates	4,486,900	5,924,715	-	-
Canakkale Highway and Bridge	Associates	(4,891)	-	-	-
Pentaport Development Co., Ltd.	Associates	(4,176,317)	-	-	-
Gunpo Complex Development PFV Co., Ltd.	Associates	389,746	5,663	-	-
Eurasia Tunnel	Other related parties	3,095,332	6,035,528	25	-
BAKAD Investment & Operation LLP	Other related parties	24,556,232	-	-	-
SK Chemical Co., Ltd.	Other related parties	12,595,101	7,068,020	-	-
SK Networks Co., Ltd.	Other related parties	-	36,775	1,856,842	2,481,329
SK Telecom Co., Ltd.	Other related parties	238,767	7,652,788	5,784,248	5,722,322
SK E&S Co., Ltd.	Other related parties	1,811,070	6,345,196	-	-
SK Energy Co., Ltd.	Other related parties	131,963,191	471,997,476	235,190	11,940
Happynarae Co., Ltd.	Other related parties	-	-	42,391,892	55,666,693
Wave City Development Co., Ltd.	Other related parties	35,453,085	44,707,822	138,279	-
SK Broadband Co., Ltd.	Other related parties	-	-	670,274	687,438
SK Gas Co., Ltd.	Other related parties	8,197	621,279	-	258,849
SK Innovation Co., Ltd.	Other related parties	666,045	11,177,597	10,893,796	2,116,322
SK Lubricants Co., Ltd.	Other related parties	111,057	1,866,704	-	-
SK Global Chemical Co., Ltd.	Other related parties	28,281,666	18,736,074	-	-
SK Forest Co., Ltd.	Other related parties	-	-	17,203,851	54,673,860
SK M&SERVICE Co., Ltd.	Other related parties	-	-	273,365	566,067
SK Hi-Tech Battery MATERIALS Poland	Other related parties	122,940,811	-	-	-
Paju Energy Service Co., Ltd.	Other related parties	16,306,232	93,215,777	-	-
Boryeong LNG Terminal Co., Ltd.	Other related parties	83,809,775	61,433,813	-	-
Narae energy service Co., Ltd.	Other related parties	830,925	3,689,209	61,125	-
SK Hynix Inc.	Other related parties	1,864,537,636	1,740,031,532	-	126,022
SK Incheon Petrochem Co., Ltd.	Other related parties	14,050,049	74,344,793	-	-
SK D&D Co., Ltd.	Other related parties	-	21,263	3,884,833	5,471,512
SK Infosec Co., Ltd.	Other related parties	-	-	3,648,066	3,895,791
PS&Marketing Co., Ltd.	Other related parties	-	1,348,631	-	-
SK Hyeng Inc.	Other related parties	-	-	-	3,270,000
SK PICGLOBAL CO., LTD.	Other related parties	1,676,855	-	-	-
SM Core Inc.	Other related parties	-	-	8,898,068	4,965,297
SK Magic Co., Ltd.	Other related parties	-	-	329,387	2,754,320
SK Airgas Co., Ltd.	Other related parties	6,181,147	6,999,056	-	-

	Relationship with related parties	Sales and other income		Purchases and other expenses	
		2020	2019	2020	2019
SK Networks Service Co., Ltd.	Other related parties	₩ -	₩ -	₩ 1,261,955	₩ -
ULSAN GPS. Co., Ltd.	Other related parties	7,357,244	-	-	-
ULSAN PP Co., Ltd.	Other related parties	225,188,190	99,659,244	-	-
Korea Nexlene Company	Other related parties	10,648,756	16,820,701	-	-
Yeoju Energy Service Co., Ltd.	Other related parties	258,195,620	69,529,944	-	-
Life&Security Holdings Co., Ltd.	Other related parties	-	-	2,914,948	2,508,996
SK Trading International Co., Ltd.	Other related parties	61,470	1,031,820	-	-
SK Hi-Tech Battery Materials(Jiang Su) Co.,Ltd.	Other related parties	4,028,755	-	-	-
SK Battery America	Other related parties	21,640,539	-	-	-
SK Rent a car Co., Ltd.	Other related parties	-	-	667,398	-
DDISS RIET 280	Other related parties	15,398,012	-	-	-
Others	Other related parties	145,180	16,861	1,542,944	953,549
		₩ 2,937,767,367	₩ 2,931,686,104	₩ 149,476,753	₩ 210,736,905

Outstanding balances with related parties as of December 31, 2020 and 2019 are as follows (Korean won in thousands):

	Relationship with related parties	Receivables/other assets		Payables/other liabilities	
		2020	2019	2020	2019
SK Holdings Co., Ltd.	Parent	₩ 999,567	₩ 1,323,833	₩ 3,306,485	₩ 2,028,095
SK E&C BETEK Corp.	Subsidiary	13,969,241	11,400,760	-	-
SKEC (THAI) Ltd.	Subsidiary	22,207,753	22,207,753	-	-
SKEC (Nanjing) Co., Ltd.	Subsidiary	296,328	6,464,720	1,779,165	1,096,112
SKEC Consultores Ecuador, S.A.	Subsidiary	33,682,905	35,832,321	-	-
Thai Woo Ree Engineering Co., Ltd.	Subsidiary	10,022,460	12,061,266	-	-
Seosuwon Development Co., Ltd.	Subsidiary	90,239,908	150,290,580	-	-
Sunlake Co., Ltd.	Subsidiary	418,081	4,270,255	-	-
SK Holdco Pte. Ltd.	Subsidiary	163,245	150,388	-	-
SK TNS Co., Ltd.	Subsidiary	384,062	664,715	2,607,105	2,950,319
Silvertown Investco	Subsidiary	189,417	-	-	-
Pentaport Development Co., Ltd.	Associates	91,715,770	97,009,998	-	-
SKEC Jurong Investment	Associates	74,375,361	74,375,361	-	-
Xe-Pian Xe-Namnoy Power Company	Associates	139,127,714	136,478,129	26,003,667	26,628,742
SBC	Associates	10,035,836	5,785,159	608	287,127
Canakkale Highway and Bridge	Associates	-	-	10,425	-
Gunpo Complex Development PFV Co, Ltd	Associates	8,492,544	8,492,544	-	-
Eurasia Tunnel	Other related parties	35,618,648	37,337,514	-	-
BAKAD Investment & Operation LLP	Other related parties	2,057,115	-	18,737,291	-
SK Chemical Co., Ltd.	Other related parties	-	2,426,837	-	-
SK Telecom Co., Ltd.	Other related parties	151,692	96,501	410,407	3,527,104
SK Energy Co., Ltd.	Other related parties	300	36,575,742	355	961
Happynarae Co., Ltd.	Other related parties	-	-	4,955,657	5,791,589
Wave City Development Co., Ltd.	Other related parties	30,063,322	39,322,494	18,526	-
SK E&S Co., Ltd.	Other related parties	-	2,033,556	-	-

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	Relationship with related parties	Receivables/other assets		Payables/other liabilities	
		2020	2019	2020	2019
SK Innovation Co., Ltd.	Other related parties	₩ -	₩ -	₩ 2,227,441	₩ -
SK Lubricants Co., Ltd.	Other related parties	-	636,250	-	-
SK Global Chemical Co., Ltd.	Other related parties	575,927	1,743,706	-	-
SK Forest Co., Ltd.	Other related parties	247,495	153,340	1,479,958	1,539,036
SK D&D Co., Ltd.	Other related parties	7,835	13	546,369	194,678
SK Battery America	Other related parties	-	-	38,479,082	-
Paju Energy Service Co., Ltd.	Other related parties	-	29,584,500	-	-
Boryeong LNG Terminal Co., Ltd.	Other related parties	-	-	2,034,000	-
SK Hynix Inc.	Other related parties	304,285,318	211,112,939	-	-
SK Incheon Petrochem Co., Ltd.	Other related parties	-	7,270,055	1,014,800	10,159,800
SM Core Inc.	Other related parties	508	-	470,250	674,190
SK PIC GLOBAL CO., LTD.	Other related parties	1,020,582	-	-	-
SK Air Gas Co., Ltd.	Other related parties	-	3,366,000	-	-
SK Networks Service Co., Ltd.	Other related parties	-	-	1,155,000	-
SK Infosec Co., Ltd.	Other related parties	47	-	760,541	266,018
ULSAN PP Co., Ltd.	Other related parties	-	-	-	24,531,394
Yeoju Energy Service Co., Ltd.	Other related parties	8,925,345	-	-	-
SK Trading International Co., Ltd.	Other related parties	-	634,131	-	-
Others	Other related parties	793,560	-	878,391	264,593
		₩ 880,067,886	₩ 939,101,360	₩ 106,875,523	₩ 79,939,758

Among the bonds with the related parties listed above, the major bonds related to the loan transaction as of the end of 2020 are as follows (Korean won in thousands):

	Relationship with related parties	Annual interest rate in 2020 (%)	Transaction classification	Jan. 1	Increase	Decrease	Dec. 31
SKEC (THAI) Ltd.	Subsidiary	6.9	Loans	₩ 22,207,753	₩ -	₩ -	₩ 22,207,753
Thai Woo Ree Engineering Co., Ltd.	Subsidiary	6.9	Loans	12,061,266	-	(2,038,806)	10,022,460
SK Holdco Pte. Ltd.	Subsidiary	4.6	Loans	136,715	-	-	136,715
SK E&C BETEK Corp.	Subsidiary	4.6	Loans	6,442,710	2,242,680	-	8,685,390
SKEC Jurong Investment	Associates	3.14	Loans	62,708,534	-	-	62,708,534
Xe-Pian Xe-Namnoy Power Company	Associates	3.8	Loans	44,756,487	-	-	44,756,487
Gunpo Complex Development PFV Co, Ltd	Associates	4.6	Loans	8,426,700	-	-	8,426,700
Eurasia Tunnel	Other related parties	10.0	Loans	27,802,286	11,554,177	(15,853,428)	23,503,035
				₩ 184,542,451	₩ 13,796,857	₩(17,892,234)	₩ 180,447,074

Among the bonds with the related parties listed above, the major bonds related to the loan transaction as of the end of 2019 are as follows (Korean won in thousands):

	Relationship with related parties	Annual interest rate in 2019 (%)	Transaction classification	Jan. 1	Increase	Decrease	Dec. 31
SKEC (THAI) Ltd.	Subsidiary	4.6~6.9	Loans	₩ 22,207,753	₩ -	₩ -	₩ 22,207,753
Thai Woo Ree Engineering Co., Ltd.	Subsidiary	6.9	Loans	12,061,266	-	-	12,061,266
SK Holdco Pte. Ltd.	Subsidiary	4.6	Loans	136,715	-	-	136,715
SK E&C BETEK Corp.	Subsidiary	4.6	Loans	3,503,030	4,296,570	(1,356,890)	6,442,710
SKEC Jurong Investment	Associates	3.14	Loans	62,708,534	-	-	62,708,534
Xe-Pian Xe-Namnoy Power Company	Associates	3.8~4.0	Loans	1,467,712	43,288,775	-	44,756,487
Gunpo Complex Development PFV Co, Ltd	Associates	4.6	Loans	-	8,426,700	-	8,426,700
Eurasia Tunnel	Other related parties	10.0	Loans	25,345,243	16,329,520	(13,872,477)	27,802,286
				₩ 127,430,253	₩ 72,341,565	₩(15,229,367)	₩ 184,542,451

The Company recognized reversal of allowance for bad debt amounting to ₩8,870,913 thousand for the year ended December 31, 2020 (₩29,591,867 thousand for the year ended December 31, 2019) with respect to the above receivables from related parties and the balance of the allowance for doubtful accounts amounted to ₩323,140,898 thousand as at December 31, 2020 (₩332,011,811 thousand as at December 31, 2019).

During the current year, the Company has additionally invested to equity method investments (Note 7).

As of December 31, 2020, the Company has provided guarantees to related parties for the performance of construction contracts and the repayment of borrowings to the extent of KWD 6,432,045, CAD 6,000,000, EUR 86,953,260, GBP 11,599,358 and ₩149,261,479 thousand.

As of December 31 2020, as guarantees for the completion of certain construction projects with related parties, the Company provided financial institutions with 7 blank promissory notes and 2 blank checks. These providings are included note 14 'Commitments and contingencies'. In addition, certain securities have been provided as collateral for borrowings of the Company and related parties (Note 7).

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15. Commitments and contingencies

As of December 31, 2020, as guarantees for the completion of certain construction projects, the Company provided financial institutions with 12 blank promissory notes and 6 blank checks.

As of December 31, 2020, the Company has notes receivable of ₩273,527,875 thousand that are not yet matured but factored to financial institutions without recourse (₩534,512,852 thousand as of December 31, 2019).

As of December 31, 2020, the Company is contingently liable for performance guarantees of local construction projects provided on behalf of unrelated construction companies totaling ₩843,795,479 thousand (₩738,085,433 thousand as of December 31, 2019).

As of December 31, 2020 and 2019, the Company has guaranteed the repayment of borrowings of related parties and unrelated construction companies totaling ₩1,036,184,409 thousand and ₩1,234,706,980 thousand, respectively.

The Company has provided guarantee for performance of long-term maintenance contract for fuel cell power generation business totaling ₩49,425,024 thousand and has also provided obligatory commitments for completion of housing projects totaling ₩2,099,969,417 thousand (₩1,987,013,450 thousand as of December 31, 2019) for the Luwon City SK Leader's View.

In addition, the Company has guaranteed the repayments of loans and moving expenses totaling ₩1,033,314,206 thousand on behalf of customers with rights to purchase the Company's apartments. The Company has also provided payment guarantees to the extent of ₩1,906,205 thousand in relation to the borrowings for members of the employee stockholders association. Also, the company has provided collective guarantee totaling ₩2,234,342,078 thousand for the original pre-sale guarantee from the Korea Housing & Urban Guarantee Co., Ltd.

As of December 31, 2020, the Company has a total of 78 pending litigations as a defendant, which the total legal proceedings amount to approximately ₩307,866,343 thousand. As of December 31, 2020, the Company has recognized a provision for pending litigations which have high probability of losing and the expected losses can be reasonably measured. The Company has not reflected in the financial statements the effects of legal proceedings of which the outcomes are indeterminable.

In July 2018, Saddle D was lost in the Laos Xe-Pian Xe-Namnoy hydropower plant under construction by the Company, and the downstream area was flooded. The Company has reflected the expenses incurred due to the restructuring related expenses and disaster relief and disaster recovery activities in the financial statements. In August 2020, the company has completed an agreement with the Laos government on compensation for damages in connection with the accident.

During 2020, the Company entered into currency forward contracts with Standard Chartered Bank and other financial institutions to sell US dollars in exchange for Korean won at a pre-agreed exchange rate, of which the outstanding notional contract value amounted to USD 35,719,259 as of December 31, 2020, to hedge the foreign currency risk of long-term construction contracts which qualified as firm commitments. As these instruments are designated as a fair value hedge, the Company applied hedge accounting to those instruments, and recorded firm commitment assets amounting to ₩5,135,339 thousand and firm commitment liabilities amounting to ₩1,627,758 thousand as other current assets and other current liabilities, respectively, until the firm commitments are realized.

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During 2020, the Company entered into currency forward contracts with KEB Hana Bank and other financial institutions to sell US dollars, Kuwait dinar, Euro and Polish zloty in exchange for Korean won at a pre-agreed exchange rate, of which the notional contract value amounted to USD 18,663,465, KWD 4,213,227, EUR 543,434 and Polish zloty 10,562,970, and to buy US dollars, Euro, Japanese yen, Polish zloty and Singapore dollars in exchange for Korean won at a pre-agreed exchange rate, of which the notional contract value amounted to USD 116,551,057, EUR 147,946,004, JPY 2,258,400,009, PLN 1,865,210 and SGD 5,095,493 as of December 31, 2020, respectively, to hedge the foreign currency risk of sub-contracts. As these instruments are designated as a cash flow hedge, the fair value changes of the hedging instruments of ₩4,580,781 thousand, net of deferred income tax effect, have been recognized as a valuation loss in other comprehensive income within equity.

During 2020, the Company entered into currency forward contracts with KEB Hana Bank and other financial institutions to sell US Dollars, Kuwait Dinar, Great Britain Pound and Hongkong dollars in exchange for Korean won at a pre-agreed exchange rate, of which the notional contract value amounted to USD 95,657,490, KWD 43,050, GBP 3,349,724 and HKD 42,591,241 and to buy US dollars, Japanese Yen, Swiss Franc and Euro in exchange for Korean won at a pre-agreed exchange rate, of which the notional contract value amounted to USD 247,526,900, JPY 122,991,361, CHF 220,000 and EUR 125,543,709, as of December 31, 2020, respectively, to minimize the foreign currency risk of sub-contracts denominated in foreign currencies. These currency forward contracts are held for trading purpose and the Company has valued these instruments at fair value. Net losses incurred from the instruments held for trading purpose amounting to ₩11,264,985 thousand were credited to current operations.

16. Payment guarantees received from other companies

24 financial institutions including the Export-Import Bank of Korea have provided performance guarantees on the Company's domestic and overseas construction projects on behalf of the Company to the extent of KRW 5,764,000, USD 1,055,265,937, EUR 173,460,855, THB 287,394,598, KWD 90,998,202, SAR 539,189,684, SGD 18,328,810, AED 123,131,201, QAR 411,068,475, TRY 30,655,112, VND 703,037,707,643, KZT 7,568,928,889, IQD 2,600,000,000 and HKD 20,060,800 GBP 29,571,038, PLN 13,000,000 as of December 31, 2020. In connection with the above performance guarantees, Korea Export Insurance Corporation and 8 domestic or overseas financial institutions have provided guarantees to these 24 financial institutions to the extent of USD 502,264,671, THB 278,253,955, KWD 18,864,889, SAR 329,708,595, TRY 30,588,306, QAR 75,000,000, EUR 111,175,555, VND 703,037,707,643, KZT 7,568,928,889, IQD 2,860,000,000, HKD 20,060,800, GBP 29,571,038 as of December 31, 2020.

The Company has been provided with performance guarantees by four construction unions namely, Construction Guarantee, Seoul Guarantee Insurance Company, Korea Housing & Urban Guarantee Co., Ltd. and Engineering Financial Cooperative and other construction companies for the Company's completion of outstanding construction contracts totaling ₩7,575,283,765 thousand and ₩8,190,124,949 thousand as of December 31, 2020 and 2019, respectively.

17. Construction contracts

Changes in the balances of domestic and overseas construction contracts backlog for the years ended December 31, 2020 and 2019 are as follows (Korean won in thousands):

	2020			
	Jan. 1	Changes in contracts (*)	Realized revenue	Dec. 31
Domestic construction	₩ 16,173,236,522	₩ 4,398,901,263	₩ (6,118,559,090)	₩ 14,453,578,695
Overseas construction	4,050,256,539	1,144,223,101	(1,350,660,703)	3,843,818,937
	₩ 20,223,493,061	₩ 5,543,124,364	₩ (7,469,219,793)	₩ 18,297,397,632
	2019			
	Jan. 1	Changes in contracts (*)	Realized revenue	Dec. 31
Domestic construction	₩ 16,802,357,927	₩ 5,790,065,304	₩ (6,334,569,354)	₩ 16,173,236,522
Overseas construction	5,729,493,718	(309,298,989)	(1,369,938,190)	4,050,256,539
	₩ 22,531,851,645	₩ 5,480,766,315	₩ (7,789,124,899)	₩ 20,223,493,061

(*) Changes in contracts include new contracts, canceled contracts and foreign exchange difference of contract amounts and others.

The Company has major construction contracts in-progress amounting to ₩8,842,160,179 thousand as of December 31, 2020.

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Accumulated profit related to construction contracts in progress as of December 31, 2020 and 2019 are as follows (Korean won in thousand):

	2020			
	Accumulated revenue	Accumulated cost	Accumulated profit	Provision for construction losses
Infrastructure	₩ 7,445,204,298	₩ 7,624,100,742	₩ (178,896,444)	₩ 83,025,897
Architectural construction	4,777,109,461	4,079,824,525	697,284,936	-
Plant	29,390,941,462	28,243,067,603	1,147,873,859	47,259,412
	₩ 41,613,255,221	₩ 39,946,992,870	₩ 1,666,262,351	₩ 130,285,309
	2019			
	Accumulated revenue	Accumulated cost	Accumulated profit	Provision for construction losses
Infrastructure	₩ 8,423,812,667	₩ 8,078,955,97	₩ 344,856,697	₩ 5,324,401
Architectural construction	5,079,293,237	4,447,037,694	632,255,543	28,921
Plant	29,464,550,500	28,365,945,003	1,098,605,496	31,005,063
	₩ 42,967,656,404	₩ 40,891,938,667	₩ 2,075,717,736	₩ 36,358,385

Details of construction receivables related to construction contracts in progress as of December 31, 2020 and 2019 are as follows (Korean won in thousands):

	2020			
	Advance receipts	Construction receivables		Retention
		Billed	Unbilled	
Infrastructure	₩ 162,109,330	₩ 117,211,473	₩ 177,188,291	₩ 42,016,894
Architectural construction	102,263,710	217,230,448	200,332,067	-
Plant	576,929,218	317,914,242	587,002,511	118,711,434
	₩ 841,302,258	₩ 652,356,163	₩ 964,522,869	₩ 160,728,328
	2019			
	Advance receipts	Construction receivables		Retention
		Billed	Unbilled	
Infrastructure	₩ 68,548,474	₩ 92,837,700	₩ 103,141,851	₩ 47,647,400
Architectural construction	55,595,297	451,143,824	177,062,952	-
Plant	797,727,580	220,763,728	214,081,974	146,428,929
	₩ 921,871,351	₩ 764,745,252	₩ 494,286,777	₩ 194,076,329

Major impact from changes in total estimated construction revenue and total estimated construction costs, related to construction contracts in progress as of December 31, 2020 are as follows (Korean won in thousands):

	Change in total estimated construction revenue	Change in total estimated construction costs	Impact on current net income	Impact on future net income	Provision for construction losses
Infrastructure	₩ 148,343,651	₩ 468,097,740	₩ (256,510,652)	₩ (63,243,437)	₩ 83,025,897
Architectural construction	64,195,067	(51,862,851)	90,648,246	25,409,672	-
Plant	941,297,361	924,491,822	49,268,893	(32,463,354)	47,259,412
	₩ 1,153,836,079	₩ 1,340,726,711	₩ (116,593,513)	₩ (70,297,119)	₩ 130,285,309

Impact on net income was measured based on the estimations of total construction revenue and total construction costs in consideration of events occurred up until December 31, 2020. The estimation of total construction revenue and total construction costs may change in the future.

Under the percentage-of-completion method, the construction contracts of which the total contract revenues exceed 5% of the preceding year's revenues are as follows (Korean won in thousands):

Contract	Contract date	Contractual completion deadline	Progress rate (%)	Construction receivable			
				Unbilled		Billed	
				Total	Impairment losses	Total	Impairment losses
Al-Zour Refinery Project (ZOR#5)	Oct. 2015	Jul. 2019	96.34	₩ -	₩ -	₩ -	₩ -
Esmeraldas Refinery Project	Dec. 2008	Mar. 2016	99.38	33,406,571	33,406,571	-	-
Fort Hills SE Project (EPC)	Aug. 2014	Jun. 2017	99.88	-	-	-	-
JZR & TP	Dec. 2012	Dec. 2017	96.94	1,367,973	-	10,936,520	-
Karbala Refinery Project	May. 2014	Feb. 2022	84.65	-	-	-	-
KNPC CFP	Apr. 2014	Dec. 2017	97.11	-	-	-	-
NSRP Project	Jun. 2013	Nov. 2016	98.64	4,129,526	-	12,916,774	-
PACO Coal Fired Power Plant	May. 2012	Jan. 2016	97.92	-	-	-	-
PIEM Project	Jan. 2015	May. 2019	98.71	-	-	-	-
RRE Project	Dec. 2009	May. 2016	99.94	-	-	-	-
UHV Project	Oct. 2012	Aug. 2015	99.94	-	-	-	-
Vietnam NSRP Marine Works PJT	Jul. 2013	Jul. 2016	100.00	-	-	-	-
Wasit PJT (Package No.1)	Feb. 2011	May. 2015	99.99	-	-	843,601	-
Wasit PJT (Package No.3)	Feb. 2011	May. 2015	100.00	13,837	-	1,344,169	-
Goseong Green Power Project	Jul. 2014	Jul. 2021	89.94	-	-	-	-
Laos Xe-Pian Xe Namnoy Waterpower Generation Project	Aug. 2012	Feb. 2019	99.25	-	-	53,293,862	21,374,769
Bujeon-Masan Electronic Railroad Project	Dec. 2010	Feb. 2021	80.78	-	-	-	-
Jangmoon Natural Gas Power Plant	Jun. 2014	Nov. 2019	100.00	-	-	-	-
Quatar Doha Metro Red Line	Jun. 2013	Aug. 2019	99.97	2,014,182	-	-	-
Pyeongtaek US Army base site & common facility	Dec. 2008	May. 2019	100.00	-	-	-	-
Turkey-Istanbul road project (Turnkey EPC)	Dec. 2012	Mar. 2017	99.42	-	-	-	-
Shin Hanul Nuclear Power Plant Units 1,2 Project	Mar. 2010	Aug. 2021	98.33	10,813,756	-	4,620,000	-
KES Project	Oct. 2012	Dec. 2017	96.28	-	-	-	-
Wirye Combined Heat & Power Plant	Feb. 2015	Jan. 2020	100.00	-	-	-	-
Boryeong LNG Terminal Project	May. 2013	Dec. 2021	90.92	-	-	-	-
Songdo SK VIEW	Jun. 2016	Jul. 2019	100.00	-	-	-	-
Godeok Jugong 2 Danji House	Aug. 2016	Sep. 2019	99.92	-	-	-	-
SK Hynix M15 FAB/CUB Project	Jan. 2017	Dec. 2019	99.93	-	-	1,937,312	-
SK Hynix M14 ph-2B Project	Mar. 2017	Sep. 2018	100.00	-	-	-	-
SK Hynix MF Project	Oct. 2017	May. 2020	99.83	-	-	-	-
Wastewater Treatment Plant PJT	May. 2016	Dec. 2018	100.00	-	-	-	-
Esmeraldas Refinery Project (Phase-II)	Mar. 2010	Mar. 2017	97.91	5,873,649	-	-	-
LSPC Project	Sep. 2018	Feb. 2023	40.49	-	-	-	-
S-Project (VRDS)	Aug. 2018	Dec. 2020	99.96	-	-	-	-
SK Hynix M16 PH-1	Aug. 2018	Oct. 2021	95.71	417,007,171	-	38,255,279	-
Ulsan PP Project	Jul. 2018	Feb. 2021	86.79	-	-	-	-
UAE, M Project	Nov. 2017	Jul. 2022	43.92	64,245,627	-	11,810,108	-
Luwon City Residential	Dec. 2018	Jan. 2022	57.45	2,372,651	-	56,083,200	-
Luwon City 2 Leaders VIEW	Dec. 2018	Jan. 2022	20.35	-	-	-	-
Metropolitan Express Line A	Mar. 2019	Jun. 2024	15.49	27,010,593	-	5,407,260	-
RDMP RU-V Balikpapan Project	Mar. 2019	Dec. 2021	42.77	-	-	-	-
Yeosu Natural Gas Power Plant	Oct. 2019	Jul. 2022	47.53	52,374,526	-	8,925,345	-
Smart Energy Center construction Project (Icheon)	Jan. 2020	Oct. 2022	19.76	2,489,845	-	125,756,466	-
Smart Energy Center construction Project (Cheongju)	Jan. 2020	Aug. 2023	18.27	-	-	99,071,968	-
SKBA Phase 2 Project	Jun. 2020	May. 2022	2.84	-	-	-	-
				₩ 623,119,907	₩ 33,406,571	₩ 431,201,864	₩ 21,374,769

Relating to certain local and overseas construction projects including Section 1 of the Ulsan-Pohang double track train, the Company has purchased insurance policies for up to ₩2,683,625,051 thousand, USD 1,207,710,808 against certain casualty losses. Also, the Company carries various insurance policies for its employees and construction projects, such as travelers insurance, theft insurance, indemnity insurance and terrorism insurance.

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18. Equity

The details of common stock and redeemable preferred stock ("RPS") are as follows (Korean won in thousands, except for par value):

	2020	2019
Authorized shares:		
Common stock	120,000,000	120,000,000
Redeemable preferred stock	40,000,000	40,000,000
Issued shares:		
Common stock	35,297,293	35,297,293
Redeemable preferred stock	2,000	4,000
Par value:		
Common stock	₩ 5,000	₩ 5,000
Redeemable preferred stock	5,000	5,000
Paid in capital:		
Common stock	176,486,465	176,486,465
Redeemable preferred stock	76,367,500	76,367,500
	₩ 252,853,965	₩ 252,853,965

The holders of RPS are entitled to receive preferential and cumulative dividends of certain percentage of par value per year. As of December 31, 2020, details of outstanding RPS are as follows (Korean won in thousands, except par value and issuance price per share):

	RPS (2014) (*1)	RPS (2015) (*2)
Issuance date or extension date	Nov. 19, 2020	Mar. 23, 2020
Redemption date	Nov. 19, 2023	Mar. 23, 2023
Number of shares issued	1,000	1,000
Capital stock	₩ 5,000	₩ 5,000
Paid-in capital in excess of par value	₩ 48,936,576	₩ 49,450,000
Par value per share	₩ 5,000	₩ 5,000
Issuance price per share	₩ 50,000,000	₩ 50,000,000
Dividend ratio to issuance price per share price per share	2.95%	2.70%

(*1) The original issue date was June 26, 2014, and the redemption date was extended.

(*2) The original issue date was March 23, 2015, and the redemption date was extended.

As of December 31, 2020, the Company has entered into a cash deficiency support agreement amounting to ₩130,000,000 thousand with the investors of the redeemable preferred stock in relation with the issuance of RPS.

The Company has redeemed the RPS through appropriation of the retained earnings reserved for redemption of preferred stock. As a result of the redemption, the number of shares of RPS decreased whereas the carrying amount of RPS was not changed. Details of redemption of RPSs are as follows (Korean won in thousands, except issuance price per share):

Issuance date	Redemption date	Number of shares issued	Issuance price per share	Redemption amount
Jun. 4, 2004	Feb. 4, 2006	3,000,000	₩ 6,500	₩ 19,500,000
Sep. 24, 2004	Sep. 24, 2006	2,350,000	6,500	15,275,000
Dec. 2, 2005	Jun. 2, 2008	1,400,000	20,000	28,000,000
Sep. 28, 2006	Sep. 28, 2007	1,000,000	20,000	20,000,000
Sep. 28, 2006	Mar. 28, 2009	1,500,000	20,000	30,000,000
Dec. 26, 2008	Dec. 26, 2009	2,000,000	20,000	40,000,000
Oct. 30, 2007	Oct. 30, 2010	1,500,000	20,000	30,000,000
Dec. 4, 2009	Jul. 4, 2010	2,500,000	20,000	50,000,000
Sep. 17, 2010	Sep. 16, 2015	10,000	8,000,000	80,000,000
Mar. 18, 2013	Sep. 16, 2015	2,000	50,000,000	100,000,000
Jun. 26, 2014	Dec. 26, 2016	1,000	50,000,000	50,000,000
Jul. 25, 2014	Jun. 26, 2017	500	50,000,000	25,000,000
Jun. 27, 2016	Jun. 26, 2017	1,000	50,000,000	50,000,000
Dec. 23, 2014	Jan. 23, 2018	2,000	50,000,000	100,000,000
Jan. 23, 2015	Jan. 23, 2018	1,000	50,000,000	50,000,000
Mar. 23, 2015	Jun. 25, 2018	1,000	50,000,000	50,000,000
Mar. 23, 2015	Nov. 19, 2019	1,000	50,000,000	50,000,000
Mar. 23, 2015	Mar. 23, 2020	2,000	50,000,000	100,000,000
		15,271,500	₩	887,775,000

The above redeemable preferred stock has been repaid with the preferred stock repayment reserve. Therefore, as a result of the repayment of preferred shares by retained earnings, only the number of preferred shares issued was reduced without the reduction of preferred stock capital, and the preferred stock capital was ₩76,367,500 thousand as of the end of the current term.

The Company received 1,325,000 shares of treasury stock (common stock) without consideration from a major shareholder during the year ended December 31, 2013 and recognized the effect of corporate income taxes amounting to ₩13,650,712 thousand on contribution as capital adjustments.

In addition, the Company made an early redemption of the 1st CB in 2014 and recognized a loss on acquisition of conversion right amounting to ₩12,322,432 thousand as capital adjustments. During the current period, ₩43,224,398 thousand was recorded as capital adjustment due to the difference in equity changes arising from the acquisition of non-controlling interests.

Appropriated retained earnings as of December 31, 2020 and 2019 consist of the following (Korean won in thousands):

	2020	2019
Legal reserve (*1)	₩ 19,010,785	₩ 15,941,317
Reserve for redemption of preferred stock (*2)	51,257,582	68,840,137
	₩ 70,268,367	₩ 84,781,454

(*1) In accordance with the Korean Commercial Code, an amount equal to at least 10% of cash dividends is required to be appropriated as a legal reserve until the reserve equals 50% of paid-in capital. The legal reserve may not be utilized for cash dividends but may only be used to offset a deficit, if any, or be transferred to capital.

(*2) For the redemption of the RPS which will mature on March 23, 2023 and November 19, 2023 payment of upcoming dividends for RPS, the required amounts were appropriated as a reserve for redemption of preferred stock.

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19. Statements of appropriation of retained earnings

Details of the appropriation of retained earnings for the years ended December 31, 2020 and 2019 are as follows (Korean won in thousands):

	2020		2019	
Retained earnings before appropriations:				
Unappropriated retained earnings carried forward from the prior year	₩	354,981,201	₩	277,036,968
Net income for the year		120,658,663		192,868,242
		475,639,864		469,905,210
Transfers from voluntary reserves				
Redemption reserve carried over from prior year		51,257,582		68,840,137
Appropriations (2019 proposed):				
Legal reserve		2,325,275		3,069,468
Dividends to common stockholders		20,383,376		20,383,376
Dividends to redeemable preferred stockholders		2,869,372		10,311,302
Reserve for redemption of preferred stock		-		150,000,000
		(25,578,023)		(183,764,146)
Unappropriated retained earnings to be carried forward to the next year	₩	501,319,423	₩	354,981,201

The proposed date of appropriation of retained earnings for 2020 is March 26, 2021 and the approved date of appropriation of retained earnings for 2019 was March 27, 2020.

20. Cumulative translation adjustments

The summarized financial statements of overseas projects as of December 31, 2020 and 2019, and the resulting cumulative translation gains are as follows (Korean won in thousands):

Statements of financial position

	2020		2019	
Assets	₩	1,028,457,799	₩	1,193,273,540
Liabilities and equity		1,089,838,787		1,177,633,870
Cumulative translation gains		(61,380,988)		15,639,670

Statements of operations

	2020		2019	
Revenue	₩	1,212,124,812	₩	1,412,608,805
Expense		1,487,032,758		1,562,729,925
Net loss		(274,907,946)		(150,121,120)

21. Income taxes

For the financial year ended December 31, 2020, the Company is subject to corporate income taxes, including resident surtax, at the aggregate rates of 11% on taxable income of up to ₩200,000 thousand and 22% on taxable income between ₩200,000 thousand and ₩20,000,000 thousand and 24.2% on taxable income between ₩20,000,000 thousand and ₩300,000,000 thousand and 27.5% on taxable income in excess of ₩300,000,000 thousand.

Provision for income taxes for the years ended December 31, 2020 and 2019 consisted of the following (Korean won in thousands):

	2020		2019	
Current income taxes	₩	49,312,935	₩	14,530,873
Deferred income tax assets arising from temporary differences		(2,267,221)		4,384,820
Deferred income taxes arising from tax loss carry forwards		7,231,381		18,510,066
Deferred income taxes assets arising from tax credit carry forwards		-		2,271,006
Deferred income taxes charged or credited directly to equity		61,125,641		(3,884,186)
Provision for income taxes	₩	115,402,736	₩	35,812,579

A reconciliation of provision for income taxes applicable to income before income taxes at the Korea statutory tax rate to provision for income taxes at the effective income tax rate of the Company for the years ended December 31, 2020 and 2019 are summarized as follows (Korean won in thousands):

	2020		2019	
Earnings before income taxes	₩	236,061,399	₩	228,680,821
Tax at the statutory income tax rate of 24.2% in 2020 and 2019		56,664,859		49,889,781
Adjustments:		58,737,877		(14,077,202)
Expenses not deductible for tax purposes and others (₩65,608,421 thousand in 2020, ₩(-)36,501,959 thousand in 2019)		15,877,238		(8,833,474)
Deferred income tax assets not recognized		31,734,141		(13,823,384)
Additional tax refund, net		12,901,887		7,261,435
Others		(1,775,389)		1,318,221
Provision for income taxes	₩	115,402,736	₩	35,812,579
Effective income tax rate		48.89%		15.66%

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Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax reporting purposes. The changes in cumulative temporary differences for the year ended December 31, 2020 are as follows (Korean won in thousands):

Temporary differences	2020			
	Jan. 1	Changes in tax filling	Net changes	Dec. 31
Deductible temporary differences:				
Allowance for doubtful accounts	₩ 692,244,914	₩ 17,761,060	₩ (235,840,429)	₩ 474,165,545
Provision for construction warranty	63,860,033	-	(4,433,195)	59,426,838
Provision for construction losses	36,358,386	-	93,926,923	130,285,309
Severance and retirement benefits	281,668,058	-	1,573,060	283,241,118
Equity adjustments arising from valuation of derivatives	7,889,219	(431,057)	8,317,470	15,775,632
Loss carried forward	29,881,741	(10,295,075)	(19,586,666)	-
Other	468,206,733	(22,961,811)	169,168,386	614,413,308
	1,580,109,084	(15,926,883)	13,125,549	1,577,307,750
Taxable temporary differences:				
Accrued income	(2,046,165)	(6,123)	329,140	(1,723,148)
Deposit for severance and retirement benefits	(281,668,058)	-	(1,573,060)	(283,241,118)
Revaluation surplus	(57,544,869)	-	16,449,256	(41,095,613)
Other	(164,758,098)	1,565,744	(34,476,683)	(197,669,037)
	(506,017,190)	1,559,621	(19,271,347)	(523,728,916)
Net balance	₩ 1,074,091,894	₩ (14,367,262)	₩ (6,145,798)	₩ 1,053,578,834
Temporary difference not subject to deferred income tax (*)	(122,303,869)	(1,633,707)	253,130,193	129,192,617
	₩ 951,788,025	₩ (16,000,969)	₩ 246,984,395	₩ 1,182,771,451

(*) The Company did not recognize deferred income tax assets for the temporary differences of ₩129,192,617 thousand, for which the possibility of realization is not certain in the near future.

Details of deferred income tax assets and liabilities as of December 31, 2020 are as follows (Korean won in thousands):

	Temporary differences as of Dec. 31, 2020	Temporary differences			
		Beginning balance		Ending balance	
		Current	Non-current	Current	Non-current
Deductible temporary differences:					
Allowance for doubtful accounts	₩ 474,165,545	₩ 557,062,833	₩ 135,182,081	₩ 349,686,364	₩ 124,479,181
Provision for construction warranty	59,426,838	63,860,033	-	59,426,838	-
Provision for construction losses	130,285,309	36,358,386	-	130,285,309	-
Severance and retirement benefits	283,241,118	-	281,668,058	-	283,241,118
Equity adjustments arising from valuation of derivatives	15,775,632	7,889,219	-	15,775,632	-
Loss carried forward	-	29,881,741	-	-	-
Other	614,413,308	378,066,684	90,140,049	349,004,151	265,409,157
	1,577,307,750	1,073,118,896	506,990,188	904,178,294	673,129,456
Taxable temporary differences:					
Accrued income	(1,723,148)	(2,046,165)	-	(1,723,148)	-
Deposit for severance and retirement benefits	(283,241,118)	-	(281,668,058)	-	(283,241,118)
Revaluation surplus	(41,095,613)	(21,556,603)	(35,988,266)	(5,107,347)	(35,988,266)
Other	(197,669,037)	(71,250,623)	(93,507,475)	(6,894,399)	(190,774,638)
	(523,728,916)	(94,853,391)	(411,163,799)	(13,724,894)	(510,004,022)
Net balance	₩ 1,053,578,834	₩ 978,265,505	₩ 95,826,389	₩ 890,453,400	₩ 163,125,434
Tax rate		24.20%	24.20%	24.20%	24.20%
Deferred income tax assets arising from temporary difference		₩ 236,740,253	₩ 23,189,985	₩ 215,489,723	₩ 39,476,355
Deferred income tax assets arising from tax credit carry forwards		-	13,038,155	-	13,038,155
Total deferred income tax assets		₩ 236,740,253	₩ 36,228,140	₩ 215,489,723	₩ 52,514,510

The Company recognized fully deferred income tax assets for all the deductible temporary differences above because the aggregate amount of the total amount of taxable temporary differences and the expected taxable income before reflecting tax adjustment items exceed the total amount of deductible temporary differences.

22. Per share amounts

The Company's per share amounts for the years ended December 31, 2020 and 2019 are computed as follows (Korean won in thousands, except per share amounts):

	2020		2019	
Net income	₩	120,658,663	₩	192,868,24
Dividends attributable to preferred shares		(3,676,885)		(10,312,489)
Net income attributable to common stock		116,981,778		182,555,753
Weighted-average number of shares of common stock outstanding	shares	33,972,293	shares	33,972,293
Profit per share	₩	3,443	₩	5,374

The number of issued shares of common stock and weighted-average number of shares common stock are equal as of December 31, 2020 and 2019.

SK Engineering & Construction Co., Ltd.
Notes to the non-consolidated financial statements
December 31, 2020 and 2019

23. Dividends

Details of the dividend calculation for the approval of the shareholders' meeting in 2020 and 2019 are as follows (Korean won in thousands except per share amounts):

	2020		2019	
	Common Stock	Preferred Stock	Common Stock	Preferred Stock
Shares of dividend stocks (*1)	33,972,293	2,000	33,972,293	4,000
Par value	₩ 5,000	₩ 5,000	₩ 5,000	₩ 5,000
Dividend rate	12%	28,694%	12%	51.557%
Dividends	₩ 20,383,376	₩ 2,869,372	₩ 20,383,376	₩ 10,311,302

(*1) It was calculated by excluding shares of treasury stocks from the total number of issued shares.

Dividend payouts as of December 31, 2020 and 2019 are as follows (Korean won in thousands):

	2020	2019
Dividends	₩ 23,252,748	₩ 30,694,678
Net income for the year	120,658,663	192,868,242
Dividend payout ratio	19.27%	15.91%

24. Comprehensive income (loss)

Details of comprehensive income (loss) for the years ended December 31, 2020 and 2019 are as follows (Korean won in thousands):

	2020	2019
Net income	₩ 120,658,663	₩ 192,868,242
Other comprehensive:		
Loss on valuation of available-for-sale securities, net	(53,416,316)	(2,998,481)
Equity adjustment in equity method	(32,314,181)	(10,141,752)
Gain on valuation of derivative instruments	140,863	887,161
Foreign currency translation adjustments	(77,020,657)	12,268,399
Changes in revaluation surplus	(12,468,537)	16,339,905
	(175,078,828)	16,355,232
Total comprehensive income (loss)	₩ (54,420,165)	₩ 209,223,474

25. Segment information

Revenue by business segments for the years ended December 31, 2020 and 2019 are as follow (Korean won in thousands):

	2020	2019
Infrastructure	₩ 861,314,250	₩ 1,117,129,515
Construction	1,946,455,202	1,904,879,344
Petrochemical plant	2,991,582,454	3,179,283,403
Industrial plant	1,694,205,938	1,616,308,499
Others	35,342,674	26,368,577
	₩ 7,528,900,518	₩ 7,843,969,338

All revenues derive from external customers and there have been no intercompany sales transactions.

26. Supplementary cash flow information

Significant transactions not involving cash flow for the years ended December 31, 2020 and 2019 are as follows (Korean won in thousands):

	2020	2019
Changes in gain (loss) on valuation of available-for-sale securities	₩ (70,470,074)	₩ (3,955,780)
Changes in equity adjustment in equity method	(32,314,181)	(10,141,752)
Write-off of trade accounts and notes receivable	165,239,123	91,019,097
Transfer of current portion of long-term debt	320,615,202	447,875,457
Transfer of construction in progress to construction equipment	1,440,957	1,437,139
Acquisition of land as a substitute for receivables	-	3,492,720

27. Uncertainty of COVID-19 impact

Various prevention and control measures, including travel restrictions, are being implemented worldwide to prevent the spread of COVID-19, and as a result, the global economy is affected extensively. In addition, the government is announcing various support policies in order to address COVID-19. The Company is primarily engaged in the construction business. The matter related to construction contracts (see Note 17) such as the estimation of total expected costs are mainly affected by COVID-19. The Company has prepared the non-consolidated financial statements for the year ended December 31, 2020 by reasonably estimating the additional costs due to delay and reflecting them on the expected costs. However, there exist uncertainties in the termination of COVID-19 and the estimation of impact therefrom.

28. Subsequent Event

In accordance with the resolution of the board of directors held on January 7, 2021, the Company has signed a contract to sell all 160,000 shares of common stocks of SK TNS Co., Ltd. held by the Company to Alchemist Capital Partners Korea Co., Ltd. ("the Buyer"). The carrying value and disposal amount of the common stocks are ₩97,432 million and ₩290,000 million, respectively. In addition, in accordance with the terms of the contract, the Company decided to make a subordinated investment in a private equity firm (PEF) that the Buyer will establish for this transaction for up to ₩60,000 million. The transaction completion date is undecided, and the disposal amount is subject to change.

On January 8, 2021, the Company participated in the capital increase of the subsidiary The Eco Platform Co., Ltd., and made an additional investment amount of ₩90,000 million to 1,800 shares of common stocks.

On February 26, 2021, the Company issued the 166th non-guaranteed bond with interest for ₩300,000 million.

29. Approval of financial statements

The accompanying 2020 financial statements are scheduled to be approved by the Company's stockholders at their annual ordinary meeting to be held on March 26, 2021.

INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Representative Director
SK Engineering & Construction Co., Ltd.

We have reviewed the accompanying management's report on the operations of the internal control over financial reporting ("ICFR") of SK Engineering & Construction Co., Ltd. (the "Company") as of December 31, 2020. The Company's management is responsible for the design and operations of its ICFR, including the reporting of its operations. Our responsibility is to review management's ICFR report and issue a report based on our review. Management's report on the operations of the ICFR of the Company states that "Based on the assessment of the CEO and Internal Accounting Manager, they concluded that the Company's ICFR is designed and operated effectively as of December 31, 2020, in all material respects, in accordance with the 'Conceptual Framework for Designing and Operating Internal Control over Financial Reporting.'"

We conducted our review in accordance with the ICFR review standards established by the Korean Institute of Certified Public Accountants. These standards require that we plan and perform our review to obtain less assurance than an audit as to management's report on the operations of the ICFR. A review includes the procedures of obtaining an understanding of the ICFR, inquiring as to management's report on the operations of the ICFR and performing a review of related documentation within limited scope, if necessary.

A company's ICFR consists of an establishment of related policies and organization to ensure that it is designed to provide reasonable assurance on the reliability of financial reporting and the preparation of financial statements for external financial reporting purposes in accordance with accounting principles generally accepted in the Republic of Korea. However, because of its inherent limitations, the ICFR may not prevent or detect material misstatements of the financial statements. Also, projections of any assessment of the ICFR on future periods are subject to the risk that ICFR may become inadequate due to the changes in conditions, or that the degree of compliance with the policies or procedures may be significantly reduced.

Based on our review of management's report on the operations of the ICFR, nothing has come to our attention that causes us to believe that management's report referred to above is not presented fairly, in all material respects, in accordance with the ICFR standards.

We conducted our review of the ICFR in existence as of December 31, 2020, and we did not review the ICFR subsequent to December 31, 2020. This report has been prepared for Korean regulatory purposes pursuant to the Act on External Audit for Stock Companies, and may not be appropriate for other purposes or for other users.

March 11, 2021

Ernst & Young Han Young

REPORT ON THE OPERATIONS OF THE INTERNAL CONTROL OVER FINANCIAL REPORTING

The Shareholders, Board of Directors,
and Auditor Committee of SK Engineering & Construction Co., Ltd.

We as the Chief Executive Officer and Internal Accounting Manager of SK Engineering & Construction Co., Ltd. ("the Company"), assessed operating status of the Company's Internal Control over Financial Reporting ("ICFR") for the year ending December 31, 2020.

Design and operation of ICFR is the responsibility of the Company's management, including the Chief Executive Officer and the Internal Accounting Manager (Collectively, "We", "Our" or "Us"). We evaluated whether the Company effectively designed and operated its ICFR to prevent and detect errors or frauds which may cause a misstatement in financial statements to ensure preparation and disclosure of reliable financial information.

We used the 'Conceptual Framework for Designing and Operating Internal Control over Financial Reporting' established by the Operating Committee of Internal Control over Financial Reporting in Korea (the "ICFR Committee") as the criterion for design and operation of the Company's ICFR. And we conducted an evaluation of ICFR based on the 'Management Guideline for Evaluating and Reporting Effectiveness of Internal Control over Financial Reporting' established by the ICFR Committee.

Based on our assessment, we concluded that the Company's ICFR is designed and operated effectively as of December 31, 2020, in all material respects, in accordance with the 'Conceptual Framework for Designing and Operating Internal Control over Financial Reporting.'

We certify that this report does not contain any untrue statement of a fact, or omit to state a fact necessary to be presented herein. We also certify that this report does not contain or present any statements which might cause material misunderstandings of the readers, and we have reviewed and verified this report with sufficient care.



Ahn Jae Hyun
Chief Executive Officer



Kim Jin Gon
Internal Control over Financial Reporting Officer

March 04, 2021

COMPANY MILESTONES

1977 - 1989



1990 - 1999



2000 - 2009



2010 - 2020

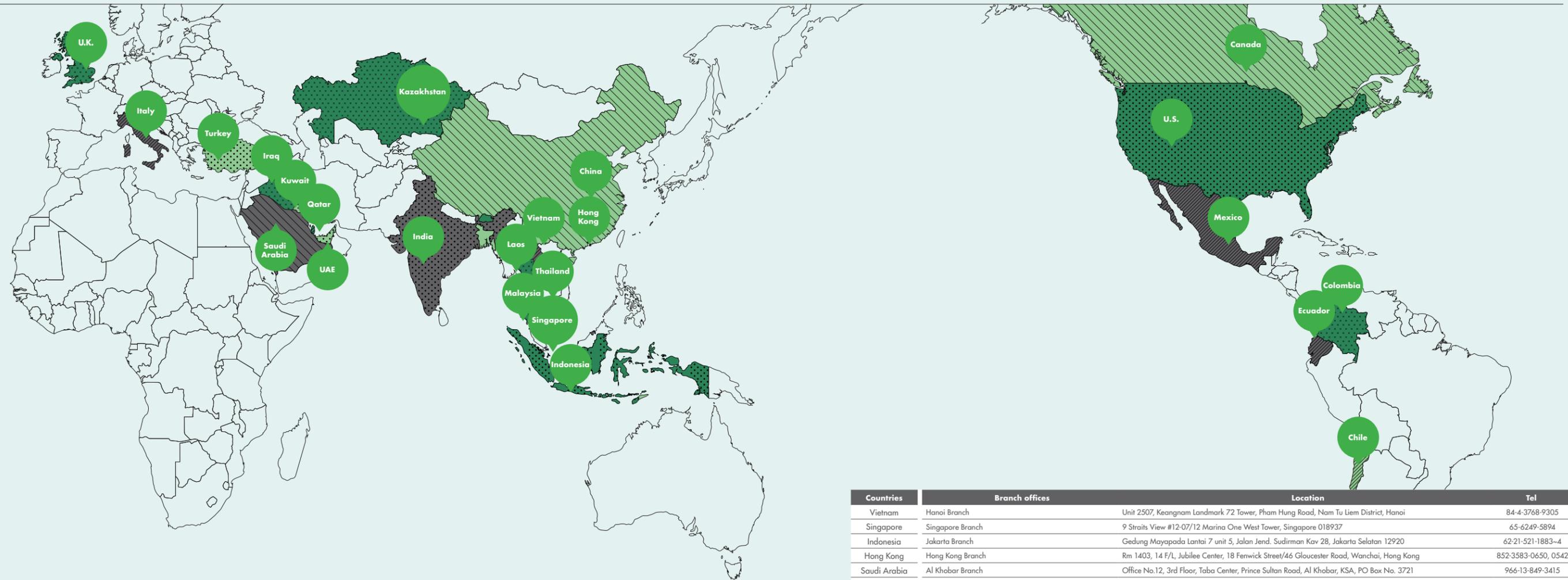
- 1977** - Founded as Sunkyung Construction Co., Ltd.
- Commenced for the Walker Hill Apartment complexes
- 1980** - Secured the construction project for Banwol New Town Residential Area
- 1984** - Entered the Malaysian market
- Advanced into engineering & construction services
- 1985** - Carried out the modernization project for the Korea Oil Corporation
- 1987** - Entered the Indonesian market (with then) Sunkyung Synthetic Fiber DMT/PTA)
- 1988** - Completed construction of the Korea Oil Corporation's LPG underground storage base in Ulsan
- 1989** - Established the Sunkyung Construction Research Institute

- 1991** - Received an order for the Polymer Plant from Eastman Chemical Company, USA
- Received an order for the Sriracha Petroleum Expansion Project in Thailand
- 1992** - Entered the Mexican and Ghana markets
- Received an order for construction of Ansan New Town Phase 2
- Obtained certification from the American Society of Mechanical Engineers (ASME)
- 1993** - Received an order for the Seoul-Busan High-Speed Railway (Section 5-3)
- 1994** - Acquired the ISO 9001 certificate
- Received a turnkey order for Thailand's ATC aromatic production facility complex
- 1996** - Completed expansion of the Honam Expressway
- Completed construction of the Yeosu oil reservoir base
- Received an order for the ABS plant project in Tianjin, China
- 1997** - Entered the Brazilian market
- Patented the SUPEX-CUT blasting mechanism
- Completed construction of Government Complex Building No. 3 in Daejeon
- Received an order for Mexico's Cadereyta oil refinery for PEMEX
- 1998** - Received an order for Mexico's Madero oil refinery
- Renamed SK Engineering & Construction
- Acquired KEPIC certification
- 1999** - Completed construction on sections 1-4 and 1-5 of the Incheon subway system

- 2000** - Launched the apartment brand SK VIEW
- Received an order to construct an additional storage base in Yeosu
- 2001** - Completed construction of the SK Bukhansan City apartment complex
- Completed construction of the Donghae Thermal Power Plant
- Received an order for the RPMAA project in Kuwait
- 2002** - Completed construction of section 2 of the Jungbu-Naeryuk Expressway
- Developed LNG underground storage technology
- Launched the SK HUB brand name
- Received an order to construct section 5 of Siwha Techno Valley
- 2003** - Participated in the construction of Shin-Kori Nuclear Power Plant units 1 & 2
- Received an order for the KOCR project in Kuwait
- 2004** - Received orders for the VGO Hydrotreating Unit and Sulphuric Acid Alkylation Unit in Romania
- Received orders for the 14-3 section of the Express Railway and Gwangju River cleanup project
- 2005** - Received orders to improve facilities at the Crude Oil Gathering Center and Booster Station in Kuwait
- 2006** - Received a turnkey order for an aromatics complex for KPC in Kuwait
- 2007** - Received an order for the project financing for the Dowha District Urban Development Complex Project in Incheon
- Received an order to construct the Jurong Aromatics Complex in Singapore
- 2008** - Received an order for mixed-use development project financing in Paju
- Completion of the L-Project in Indonesia ahead of schedule
- 2009** - Received an order for the relocation construction project of the U.S. Military Base to Pyeongtaek
- Received an order to expand the Ruwais Refinery in the UAE
- Won the order for constructing the C-13 block of the Al Reem Island Development Project in Abu Dhabi, UAE
- Received an order to construct a crude oil storage base in India

- 2010** - Received an order for the Manabi Front-End Engineering Design (FEED) project in Ecuador
- Received an order for the construction of the main facilities for the Shin-Uljin nuclear power plants units 1 & 2
- Received an order for the Tufanbeyli Thermal Power Plant in Turkey
- 2011** - Received an order for the Wasit Gas Plant in Saudi Arabia
- Received an order for the Sentosa Gateway Tunnel, DTL3 C930, in Singapore
- 2012** - Received an order for the PACO Thermal Plant in Panama
- Received an order for the Jazan Refinery Project in Saudi Arabia
- Received an order for the North-South and East-West Transmission Cable Tunnel Project in Singapore
- 2013** - Received an order for the Karbala Refinery Project in Iraq
- Received an order for the NSRP Project in Vietnam
- 2014** - Received an order for the Goseong Hai Thermal Power Plant Project
- Received an order for the Clean Fuel Project in Kuwait
- 2015** - Received an order for the New Refinery Project in Kuwait
- Received an order for the Magnolia LNG Project in the U.S.
- 2016** - Received an order for the SK Hynix M14 ph-2 project
- Received an order to construct an underground storage base in Ulsan
- 2017** - Received an order for the Canakkale Project in Turkey
- Received an order for the PTTGC Polyols Project in Thailand
- Received an order for the Noryangjin Area 7 Housing Redevelopment Project in Seoul
- 2018** - Received an order for the Long Son Petrochemical Complex Project in Vietnam
- Received an order for the west/east section of the Yau Ma Tei Highway in Hong Kong
- Received an order for the LU1 City Residential-Commercial Complex Project
- 2019** - Received an order for the Seoul Metropolitan Great Train Express Project (Line A)
- Received an order for the Silvertown Tunnel project in the UK
- Received an order for the LU1 City Residential-Commercial Complex Project II
- 2020** - Received an order for the Hynix Cogeneration Plants in Icheon/Cheongju
- Received an order for the SK Battery America Phase-2
- Received an order for the Poland LiBS Project
- Acquisition of the Environmental Management Corporation (EMC)

GLOBAL NETWORK



Countries	Subsidiaries	Location	Tel
China	SK Engineering and Construction(Nanjing)	Room No. 1202, ACT building, Longpanzhonglu Road, Qinhuai District, Nanjing, China (Zip code : 210000)	86-25-8470-1223
Kuwait	SBC General Trading & Contracting	Office No. C5, 3rd floor, Ajial Mall, P.O. Box 46069, Code 64011, Fahaheel, Kuwait	965-9722-3475
UAE	CB&I SK E&C Middle East LTD (Shaw SKE&C Middle East Ltd)	Industrial City of Abu Dhabi III, 29WR7, ICAD III, Abu Dhabi, UAE	971-50-44-33-515
Saudi Arabia	SK E&C SAUDIARABIA	5th Fl, Sadat Tower, Al Khobar-Damman Highway, Golden Belt Area, P.O Box 2017, Al Khobar 31952, KSA	966-0-3-887-2333
Kazakhstan	BAKAD Investment & Operation LLP	Office 403, 55/1, Zhangozin Str., Kaskelen City, Almaty Region, 040900, Republic of Kazakhstan	7-727-335-83-42
Turkey	ATAS (Avrasya Tunneli A.S)	Barbaros Mah. Dr. Eyüp Aksoy Cad. No: Kat:2 Üsküdar/ stanbul 34662	90-216-474-0520
	SKEC Anadolu LLC	Dereboyu cad. Beybi Giz Plaza Kat:31 No:119-120 Maslak / Sariyer / stanbul / Turkey	90-212-290-2660
Laos	CANAKKALE HIGHWAY AND BRIDGE	Levent Mahallesi Büyükdere Caddesi Yapı Kredi Plaza B Blok, Kat: 12, Daire 30 Be itka , STANBUL	90-212-270-4766
	Xe-Pian Xe-Namnoy Power Company(PNPC)	6th Floor, Capital Tower, 23 Singha Road, Nongbone Village, Saysettha District, Vientiane Capital, Lao PDR	856-21-455-025
Thailand	Thai Woo Ree Engineering	140 One Pacific Place Building, Room 1904, 19th Floor Sukhumvit Road, Khwang Klongtoey, Khet Klongtoey,	66-033-103-142
	SKEC (THAI)	Bangkok 10110	66-2-254-7211
U.S.	BETEK CORPORATION	3 Park Plaza Sute 430 Irvine, CA 92614	1-949-336-5100
Canada	Sunlake	2700 Dome Tower, 333 - 7th Ave. SW Calgary, AB T2P2Z1	1-587-779-2688
Ecuador	SK E&C Consultores Ecuador	Avenida Republica del Salvador N35-40 y Portugal, Edificio Athos piso 7 oficina 701, Quito, Ecuador	593-2-600-4680
UK	Silvertown Investco. Limited	SUITE 1, 3RD FLOOR 11-12 ST. JAMES'S SQUARE, LONDON, UK, SW1Y 4LB	44-075-0117-7959

Countries	Branch offices	Location	Tel
Vietnam	Hanoi Branch	Unit 2507, Keangnam Landmark 72 Tower, Pham Hung Road, Nam Tu Liem District, Hanoi	84-4-3768-9305
Singapore	Singapore Branch	9 Straits View #12-07/12 Marina One West Tower, Singapore 018937	65-6249-5894
Indonesia	Jakarta Branch	Gedung Mayapada Lantai 7 unit 5, Jalan Jend. Sudirman Kav 28, Jakarta Selatan 12920	62-21-521-1883-4
Hong Kong	Hong Kong Branch	Rm 1403, 14 F/L, Jubilee Center, 18 Fenwick Street/46 Gloucester Road, Wanchai, Hong Kong	852-3583-0650, 0542
Saudi Arabia	Al Khobar Branch	Office No.12, 3rd Floor, Taba Center, Prince Sultan Road, Al Khobar, KSA, PO Box No. 3721	966-13-849-3415
Dubai (UAE)	Dubai Branch	SK Engineering & Construction. 1206, Damac Executive Heights, Tecom, Barsha Heights, Dubai, UAE	971-4-370-0038
Fujaira (UAE)	Fujairah Branch	PO BOX 1068, Fujairah, UAE	971-9-201-9600
Qatar	Doha Branch	Office No. 27, Al Emadi Business Center, C-Ring Road, P.O. Box 24162, Doha, Qatar	972-4477-2664
Kuwait	Kuwait Branch	G-112, Al-Areen Complex G-Tower, Building No. 443, Block 1, Street 1010, Sabah Al-Salem, Kuwait	965-2543-4709
Turkey	Istanbul Branch	Beybi Giz Plaza Kat 31 No 119/120, 34398 Maslak, Istanbul, Turkey	90-212-290-2660
U.S.	Houston Branch	10497 Town and Country Way #700, Houston, TX 77024	1-281-258-2600
	Georgia Branch	2000 Riveredge Pkwy NW Suite 885, Atlanta, GA, 30328, USA	1-281-258-2600
Mexico	Mexico City Branch	Paseo de la Reforma 404, Piso 3, Col, Juarez 06600 Mexico, D.F.	52-55-5241-1120
Thailand	Bangkok Branch	Unit 2702, 27th Floor, Two Pacific Place, 142 Sukhumvit Road, Klomtoey, Bangkok 10110, Thailand	66-2254-7211-4
Iraq	Iraq Branch	Al Mansour M 601 Z11 N11, Baghdad, Iraq	964-78-2782-0186
Kazakhstan	Kazakhstan Branch	14F, 5b, Business Center 'Nurly-Tau', Al-Farabi 17-1, Almaty city, Kazakhstan	7-727-390-7301
Malaysia	Malaysia Branch	C-107-3A, level7, KL Trillion, Corporate Tower Block C, No 338 Jalan Tun Razak, Kuala Lumpur	60-03-2775-4875
Hungary	Hungary Branch	1134 Budapest Vaci ut 33, Hungary	36-30-120-5991
Poland	Poland Branch	5th floor Chorzowska 150 str. Katowice 40-101 Poland	48-668-789-505
U.K.	London Branch	705, Adagio Aparthotel, Ealing, Brentford, London, TW80FL, UK	44-079-302-11380

Countries	Overseas branches	Location	Tel
Ecuador	Quito Office	Republica del Salvador N35-40 y Portugal, Edificio Athos, Piso 7 Oficina 701, Quito, Ecuador	593-2-245-7053
China	Shanghai Office	Room No. 2312, International Trade Center, 2201 Yan An Road(W) Shanghai, China	86-21-6278-1772
India	New Delhi Office	Unit No. 940, JMD Megapolis, Sector-48, Sohna Road, Gurgaon -122 001, Haryana, India	91-124-423-9000
Iraq	Karbala Office	35Km Southern Strategic Road, Karbala City, Republic of Iraq	964-78-2782-0186
Italy	Milano Office	Viale Milanofori Strada 1, Palazzo F1, 3 Piano, 20090 Assago(MI) Italy	39-02-6666-8370
	Roma Office	VIALE DELL'ARTE 66 ROMA (RM) CAP 00144	39-6-6598-5408
Chile	Santiago Office	Av. Providencia 1208 Oficina 316, Providencia, Santiago, Chile	562-2768-7144
Colombia	Colombia Office	CRA. 7 #74-21 PISO 6 Santafe de Bogota, Colombia	571-7444-441

Good Impact for Tomorrow

Published by

SK ecoplant

Publisher

Ahn Jae Hyun

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