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POSCO International Co., Ltd.

Review Report

on Semi-annual Financial Statements

1st half of 21st period

From Jan. 1, 2020

to Jun. 30, 2020

1st half of 20th period

From Jan. 1, 2019

to Jun. 30, 2019

Hanyeong Accounting Corporation

Review Report on Semi-Annual Financial Statements

Messrs. Shareholders and board members of POSCO International Co., Ltd.

Financial statements subject to review

I have reviewed the Semi-annual Financial Statements of POSCO International Co., Ltd. (hereinafter referred to as the "Semi-annual Financial Statements"). This Semi-annual Financial Statements are composed of the Statement of Financial Position as of June 30, 2020, the Statements of Comprehensive Income for the three-month and six-month reporting period ending June 30, 2020 and 2019, the Statement of Changes in Equity and the Cash Flow Statement for the six-month reporting period ending June 30, 2020 and 2019, and a summary of significant accounting policies and other descriptive information.

Management's responsibility for financial statements

The management is responsible for preparing and fair presentation of this Semi-annual Financial Statements in accordance with Korean International Financial Reporting Standards No. 1034 and, also, responsible for any internal controls that it determines are necessary to prepare the Semi-annual Financial Statements that are free of material distortions due to fraud or error.

The auditor's responsibility

My responsibility is to conduct a review on the above Semi-annual Financial Statements, and to report the review results on this Semi-annual Financial Statements, based on this review.

I have conducted a review in accordance with the Korean quarterly and semiannual financial statement review guidelines. The review is mainly conducted by questioning Company's financial and accounting officers, analytical procedures, and other review procedures. Additionally, since reviews are more limited in scope than audits conducted in accordance with the audit standards, these procedures do not provide assurance that the auditor will become aware of any significant issues that would have been identified in the audit. Therefore, I do not express an audit opinion.

Review opinion

As a result of my review, no matters in which the Semi-annual Financial Statements were presented unfairly in terms of materiality were found in accordance with Korean International Financial Reporting Standards No. 1034.

Other matters

I have audited the Statement of Financial Position as of December 31, 2019, the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement (not attached to this review report) for the fiscal year ending as of December 31, 2019, in accordance with the Korean accounting audit standards and expressed an appropriate opinion in the audit report dated March 12, 2020. The Statement of Financial Position as of December 31, 2019, attached for comparative purposes, does not differ from the audited Statement of Financial Position above in terms of materiality.

111 Yeouigongwon-ro, Yeongdeungpo-gu, Seoul

Representative Director of Hanyeong Accounting Corp., Yong-geun Park

Aug. 13, 2020

This review report is valid as of the review report date (August 13, 2020). Certain subsequent events or circumstances, which may significantly affect the accompanying semi-annual financial statements, may occur between the review report date and the time the review report is read and may result in modifications to this review report.

(Attached) Semi-annual Financial Statements

POSCO International Co., Ltd.

1st half of 21st period

From Jan. 1, 2020

to Jun. 30, 2020

1st half of 20th period

From Jan. 1, 2019

to Jun. 30, 2019

"

The attached Semi-annual Financial Statements were prepared by the Company."

Representative Director of POSCO International Co., Ltd., Si-bo Joo

| | | |
|-----------------------|---------------------|-----------------------------|
| Head office location: | (Road name address) | 10 Tongil-ro Jung-gu, Seoul |
| | (Phone) | 02-759-2114 |

Semi-annual Statement of Financial Position

1st half of 21st (current) period as of June 30, 2020

20th (previous) period as of December 31, 2019

POSCO International Co., Ltd.

(Unit: thousand KRW)

| Subject | Notes | End of 1st half of 21st (current) period | End of 20th (previous) period |
|---|----------|---|-------------------------------|
| Assets | | | |
| I. Current assets | | 4,216,391,238 | 4,354,171,096 |
| Cash and cash equivalents | 4,29,30 | 499,186,787 | 85,092,442 |
| Trade receivables and other receivables | 5,29,30 | 3,060,099,778 | 3,473,836,072 |
| Other current financial assets | 6,29,30 | 122,809,676 | 310,679 |
| Derivative assets | 19,29,30 | 45,430,041 | 42,073,964 |
| Other current assets | 7 | 129,067,164 | 153,497,495 |
| Inventories | 8 | 359,797,792 | 599,360,444 |
| II. Non-current assets | | 3,532,771,343 | 3,366,940,287 |
| Long-term trade receivables and other receivables | 5,29,30 | 407,661,222 | 489,008,764 |
| Other non-current financial assets | 6,29,30 | 28,763,572 | 28,725,489 |
| Investment in subsidiaries and associates | 9 | 1,288,218,004 | 633,804,332 |
| Property, Plant, and Equipment | 10 | 273,071,552 | 629,892,062 |
| Right-of-use assets | 11 | 31,278,433 | 20,823,986 |
| Intangible assets | 12 | 1,089,561,807 | 1,146,773,717 |
| Investment property | 13 | 149,402,873 | 152,168,301 |
| Net defined benefit assets | 17 | - | 9,100 |
| Deferred tax assets | 27 | 260,270,998 | 260,551,920 |
| Current tax assets | | 4,542,882 | 5,182,616 |
| Total assets | | 7,749,162,581 | 7,721,111,383 |
| Liabilities | | | |
| I. Current liabilities | | 2,803,968,269 | 3,024,828,514 |
| Trade payables and other payables | 14,29,30 | 1,416,211,217 | 1,938,246,378 |
| Borrowings | 15,29,30 | 805,923,000 | 697,346,429 |
| Debenture of current portion | 15,29,30 | 259,887,288 | 130,042,420 |
| Derivative liabilities | 19,29,30 | 47,134,418 | 33,117,042 |
| Current Portion of Provisions | 18 | 7,219,583 | 18,309,305 |
| Other current liabilities | 16 | 210,607,721 | 207,766,940 |
| Current tax liabilities | | 56,985,042 | - |
| II. Non-current liabilities | | 1,921,802,840 | 1,787,163,682 |
| Long-term trade payables and other payables | 14,29,30 | 181,678,785 | 187,944,158 |
| Long-term borrowings | 15,29,30 | 235,185,340 | 232,882,813 |
| Debenture | 15,29,30 | 1,422,808,782 | 1,243,688,371 |
| Other non-current liabilities | 16 | 703,694 | 32,555,975 |
| Net defined benefit liabilities | 17 | 1,366,954 | 4,619,008 |
| Provisions | 18,19 | 80,059,285 | 85,473,357 |
| Total liabilities | | 4,725,771,109 | 4,811,992,196 |
| Equity | | | |
| I. Capital stock | | 616,875,745 | 616,875,745 |
| II. Capital surpluses | | 544,002,741 | 544,002,741 |
| III. Other capital items | 20 | (6,115) | (6,115) |
| IV. Accumulated other comprehensive income | 6,21 | (1,681,126) | (1,896,460) |
| V. Retained earnings | 22 | 1,864,200,227 | 1,750,143,276 |
| Total equity | | 3,023,391,472 | 2,909,119,187 |
| Total liabilities and equity | | 7,749,162,581 | 7,721,111,383 |

"The attached notes are part of this Semi-annual Financial Statements."

Semi-annual Statement of Comprehensive Income

1st half of 21st period, from Jan. 1, 2020 to Jun. 30, 2020

1st half of 20th period, from Jan. 1, 2019 to Jun. 30, 2019

POSCO International Co., Ltd.

(Unit: thousand KRW)

| Notes | Notes | 1st half of 21st (current) period | | 1st half of 20th (previous) period | |
|---|---------|-----------------------------------|-----------------|------------------------------------|------------------|
| | | 3 months | Cumulative | 3 months | Cumulative |
| I.Sales | 3 | 4,685,542,997 | 9,772,900,495 | 6,074,568,949 | 11,810,386,787 |
| II.Cost of sales | | (4,479,671,654) | (9,341,500,740) | (5,804,430,222) | (11,281,879,646) |
| III. Gross profit on sales | | 205,871,343 | 431,399,755 | 270,138,727 | 528,507,141 |
| Selling and administrative expenses | 23,26 | (82,622,101) | (173,398,956) | (91,766,513) | (191,587,143) |
| IV. Operating profit | | 123,249,242 | 258,000,799 | 178,372,214 | 336,919,998 |
| Financial revenues | 24 | 159,952,464 | 614,505,078 | 261,341,444 | 438,121,702 |
| Financial expenses | 24 | (155,323,884) | (588,789,643) | (264,832,918) | (471,772,419) |
| Other non-operating revenues | 25,26 | 2,068,235 | 5,702,008 | 8,833,098 | 11,829,180 |
| Other non-operating expenses | 25,26 | (7,662,722) | (12,599,259) | (37,992,617) | (44,806,464) |
| V. Income before tax expenses | 3 | 122,283,335 | 276,818,983 | 145,721,221 | 270,291,997 |
| Income tax expenses | 27 | (33,706,403) | (76,540,380) | (38,906,633) | (87,830,202) |
| VI. Semi-annual net income | | 88,576,932 | 200,278,603 | 106,814,588 | 182,461,795 |
| VII. Other comprehensive income | | | | | |
| Items that will not be reclassified to profit or loss: | | | | | |
| Financial assets at fair value through other comprehensive income | 6,21,27 | 380,408 | 83,867 | (417,801) | (587,185) |
| Remeasurement of the net defined benefit liabilities (assets) | 17,27 | 166,030 | 272,239 | (13,340) | (153,700) |
| Total other comprehensive income | | 546,438 | 356,106 | (431,141) | (740,885) |
| VII. Total comprehensive income | | 89,123,370 | 200,634,709 | 106,383,447 | 181,720,910 |
| IX. Earnings per share | | | | | |
| Basic earnings per share | 28 | KRW 718 | KRW 1,623 | KRW 866 | KRW 1,479 |
| Diluted earnings per share | 28 | KRW 718 | KRW 1,623 | KRW 866 | KRW 1,479 |

"The attached notes are part of this Semi-annual Financial Statements."

Semi-annual Statement of Changes in Equity

1st half of 21st period, from Jan. 1, 2020 to Jun. 30, 2020

1st half of 20th period, from Jan. 1, 2019 to Jun. 30, 2019

POSCO International Co., Ltd.

(Unit: thousand KRW)

| Subject | Capital stock | Capital surpluses | Other capital items | Accumulated other comprehensive income | Retained earnings | Total |
|--|---------------|-------------------|---------------------|--|-------------------|---------------|
| 2019.1.1 (Beginning of the previous period) | 616,875,745 | 544,002,741 | (6,115) | (1,945,021) | 1,640,218,644 | 2,799,145,994 |
| Semi-annual net income | - | - | - | - | 182,461,795 | 182,461,795 |
| Losses on valuation of financial assets at fair value through other comprehensive income | - | - | - | (587,185) | - | (587,185) |
| Remeasurement of the net defined benefit liabilities (assets) | - | - | - | - | (153,700) | (153,700) |
| Total comprehensive income | - | - | - | (587,185) | 182,308,095 | 181,720,910 |
| Reclassification due to disposals of financial assets at fair value through other comprehensive income | - | - | - | 582,704 | (582,704) | - |
| Annual dividends (KRW 600 per share) | - | - | - | - | (74,024,935) | (74,024,935) |
| 2019.6.30 (End of the 1st half of previous period) | 616,875,745 | 544,002,741 | (6,115) | (1,949,502) | 1,747,919,100 | 2,906,841,969 |
| 2020.1.1 (Beginning of the current period) | 616,875,745 | 544,002,741 | (6,115) | (1,896,460) | 1,750,143,276 | 2,909,119,187 |
| Semi-annual net income | - | - | - | - | 200,278,603 | 200,278,603 |
| Gains on valuation of financial assets at fair value through other comprehensive income | - | - | - | 83,867 | - | 83,867 |
| Remeasurement of the net defined benefit liabilities (assets) | - | - | - | - | 272,239 | 272,239 |
| Total comprehensive income | - | - | - | 83,867 | 200,550,842 | 200,634,709 |
| Reclassification due to disposals of financial assets at fair value through other comprehensive income | - | - | - | 131,467 | (131,467) | - |
| Annual dividends (KRW 700 per share) | - | - | - | - | (86,362,424) | (86,362,424) |
| 2020.6.30 (End of the current semi-annual period) | 616,875,745 | 544,002,741 | (6,115) | (1,681,126) | 1,864,200,227 | 3,023,391,472 |

"The attached notes are part of this Semi-annual Financial Statements."

Semi-annual Cash Flow Statements

1st half of 21st period, from Jan. 1, 2020 to Jun. 30, 2020

1st half of 20th period, from Jan. 1, 2019 to Jun. 30, 2019

POSCO International Co., Ltd.

(Unit: thousand KRW)

| Subject | 1st half of 21st (current) period | 1st half of 20th (previous) period |
|---|-----------------------------------|------------------------------------|
| I. Cash Flows from Operating Activities | 368,199,025 | 1,073,408,206 |
| (1) Cash flow generated from operating activities | 361,119,551 | 1,182,169,784 |
| 1. Semi-annual net income | 200,278,603 | 182,461,795 |
| 2. Non-cash flow adjustment | 227,358,732 | 269,721,453 |
| Depreciation of property, plant and equipment | 13,890,424 | 19,633,793 |
| Amortization of intangible assets | 105,620,328 | 79,666,573 |
| Depreciation of investment property | 2,295,764 | 1,447,372 |
| Depreciation of right-of-use | 6,409,522 | 2,475,257 |
| Severance indemnities | 9,126,192 | 9,007,852 |
| Bad debt expenses | 1,481,763 | 3,323,352 |
| Interest expenses | 35,723,572 | 54,755,119 |
| Losses on investments in subsidiaries and associates | 41,499 | 249,372 |
| Gains on disposition of investments in subsidiaries and associates | (210,805) | (2,827,978) |
| Impairment loss on investments in subsidiaries and associates | 8,249,085 | 31,580,332 |
| Losses on repayment of borrowings | - | 2,237,450 |
| Losses on foreign exchange translations | 76,096,579 | 91,090,758 |
| Losses on transaction of derivatives | 152,771,296 | 108,327,603 |
| Losses on valuation of derivatives | 75,653,735 | 44,451,940 |
| Losses on valuation of accounts receivables | - | 413,425 |
| Losses on valuation of accounts payables | 115,841 | 53,254 |
| Other bad debt expenses | 451,504 | 3,258,906 |
| Losses on disposals of property, plant and equipment | 40,938 | 20,823 |
| Impairment loss on property, plant and equipment | 77,342 | 935,447 |
| Impairment loss on intangible assets | 419,200 | 171,210 |
| Income tax expense | 76,540,380 | 87,830,202 |
| Losses on valuation of inventories | 173,388 | 571,421 |
| Financial guarantee expenses | 1,594,241 | - |
| Contingent losses | 869,059 | 901,830 |
| Reversal of provision for contingent loss | (292,416) | (610,085) |
| Transfer of provision for restoration | 261,640 | 527,280 |
| Gains on valuation of financial assets at fair value through profit or loss | (3,431) | (2,121) |
| Interest revenue | (17,776,300) | (18,418,648) |
| Dividend revenue | (46,821,009) | (16,419,517) |
| Gains on foreign exchange translations | (66,708,546) | (89,167,426) |
| Gains on transaction of derivatives | (134,658,139) | (80,406,601) |
| Gains on valuation of derivatives | (66,242,498) | (61,523,041) |
| Gains on valuation of accounts receivables | (4,571,643) | (440,211) |
| Gains on valuation of accounts payables | (9,509) | (22,138) |
| Revesal of other allowance for bad debt | (284,542) | (1,469,900) |
| Gains on disposals of property, plant and equipment | (40,372) | (166,640) |
| Reversal of losses on valuation of inventories | (1,877,074) | (927,657) |
| Financial guarantee income | (1,048,276) | (807,155) |
| 3. Working capital adjustment | (66,517,784) | 729,986,536 |
| Trade receivables | 297,306,096 | 172,022,667 |
| Other current receivables | (47,970,607) | (34,771,173) |
| Other current assets | 20,857,882 | 58,254 |
| Inventories | 96,874,788 | 305,308,481 |
| Derivative liabilities | (16,863,095) | 2,727,201 |
| Other non-current receivables | 5,544,767 | 32.690 |

| | | |
|--|---------------|-----------------|
| Trade payables | (393,794,527) | 174,716,186 |
| Other current payables | (10,243,211) | 26,758,953 |
| Other current liabilities | 5,827,063 | 78,422,466 |
| Other non-current payables | 2,242,317 | 728,770 |
| Provisions | (16,040,843) | 4,373,729 |
| Retirement benefits paid | (258,414) | (391,688) |
| Contribution paid | (10,000,000) | - |
| (2) Interest received | 7,484,116 | 17,753,800 |
| (3) Dividend received | 47,233,582 | 13,147,619 |
| (4) Interest paid | (26,800,993) | (52,399,424) |
| (5) Income tax paid | (20,837,231) | (87,263,573) |
| II. Cash flows from investing activities | (238,288,453) | (69,719,517) |
| (1) Cash inflow from investing activities | 61,808,544 | 76,208,059 |
| Reduction of long-term financial instrument | 2,000 | - |
| Proceeds from sales of investment shares in subsidiaries and associates | 1,242,211 | 17,496,727 |
| Proceeds from sales of financial assets at fair value through profit or loss | 4,259,542 | 4,500,000 |
| Proceeds from sales of financial assets at fair value through other comprehensive income | - | 667,359 |
| Reduction of long-term deposits | 294,319 | - |
| Proceeds from sales of property, plant and equipment | 3,412,093 | 179,472 |
| Proceeds from sales of intangible assets | 69,137 | - |
| Reduction of short-term loan | 24,706,820 | - |
| Reduction of long-term loan | 369,707 | 34,257,444 |
| Reduction of financial lease receivables | 27,452,715 | 19,107,057 |
| (2) Cash outflow from investing activities | (300,096,997) | (145,927,576) |
| Increase of short-term financial instrument | (122,740,925) | (545,582) |
| Acquisition of investment shares in subsidiaries and associates | (67,916,654) | (70,627,336) |
| Purchase of financial assets at fair value through other comprehensive income | (36) | - |
| Increase of long-term receivables | (4,051,459) | (10,085,837) |
| Increase of deposits | (734,543) | (41,082) |
| Increase of long-term deposits | - | (193,788) |
| Increase of short-term loan | - | (66,610) |
| Increase of long-term loan | (55,160) | (13,984,299) |
| Purchase of property, plant and equipment | (16,382,929) | (10,153,240) |
| Purchase of intangible assets | (84,208,617) | (40,229,802) |
| Purchase of investment property | (3,006,674) | - |
| Split-off | (1,000,000) | - |
| III. Cash flows from financing activities | 284,018,403 | (932,271,626) |
| (1) Cash inflow from financing activities | 412,471,535 | 253,916,600 |
| Net changes of short-term borrowings | 113,476,367 | - |
| Borrowing of long-term borrowings | - | 4,927,000 |
| Issue of debentures | 298,995,168 | 248,989,600 |
| (2) Cash outflow from financing activities | (128,453,132) | (1,186,188,226) |
| Net changes of short-term borrowings | - | (972,334,268) |
| Repayment of current long-term borrowings | (6,901,751) | (4,271,340) |
| Repayment of long-term borrowings | (286,090) | (116,548,942) |
| Dividend paid | (86,362,424) | (74,024,935) |
| Payment of lease liabilities | (34,902,867) | (19,008,741) |
| IV. Net changes in cash and cash equivalents | 413,928,975 | 71,417,063 |
| V. Cash at the beginning of the period | 85,092,442 | 53,760,025 |
| VI. Change in cash due to foreign currency exchange | 165,370 | 2,185,923 |
| VII. Cash at the end of the semi-annual period | 499,186,787 | 127,363,011 |

"The attached notes are part of this Semi-annual Financial Statements."

Notes

1st half of 21st (current) period, from Jan. 1, 2020 to Jun. 30, 2020
1st half of 20th (previous) period, from Jan. 1, 2019 to Jun. 30, 2019

POSCO International Co., Ltd.

1. Overview of the Company

POSCO International Co., Ltd (hereinafter referred to as "the Company") was established on December 27, 2000 through the spin-off of Daewoo's trading division. The Company changed its name from POSCO Daewoo Co., Ltd. to POSCO International Co., Ltd. through a resolution at the regular shareholders' meeting on March 18, 2019.

POSCO International Co., Ltd. (hereinafter referred to as "the Company") are engaged in business such as import and export, its agency, brokerage, manufacturing and sales, resource development and leasing, and others. The main items of Company's business activities are steel, non-ferrous metals, chemical products, automobile parts, machinery, ships and plants, electric and electronic products, special materials, grains, crude oil and others.

Stocks of the Company are traded on the securities market opened by the Korea Exchange (listing date: Mar. 23, 2001). As of the end of the current semi-annual period, Company's capital is KRW 616,876 million. The largest shareholder of the Company is POSCO Co., Ltd. and the ratio of shareholding as of the end of the current semi-annual period is 62.91%.

2. Financial statement preparation standards and important accounting policies

2-1 Criteria for preparing financial statements

The semi-annual financial statements of the Company were prepared in accordance with the K-IFRS No. 1034 "Interim financial report" enacted under the "Act on External Audit of Stock Companies, etc."

Since the interim financial statements do not contain all information and notes required to be included in the annual financial statements, the information in the annual financial statements for the accounting period ending December 31, 2019 shall also be referred.

2-2 Application of the established and revised standards

Except for the following standards and interpretations applicable from January 1, 2020, the important accounting policies adopted to prepare the interim summarized financial statements is the same as those adopted in preparing the annual financial statements for the accounting period ending December 31, 2019. The Company has not applied in advance the standards, interpretations, and amendments that were published but not implemented.

Several amendments and interpretations will be applied for the first time in 2020, and there will be no impact on the interim summarized financial statements of the Company.

2-2-1 K-IFRS No. 1103 "Business Combination" (revised) - Definition of business

Amendments to K-IFRS 1103 state that in order for a set of activities and assets to meet the definition of a business, they shall at least contain a substantive process that generates inputs and outputs or contributes to the creation of outputs. It has also made it clear that a business can exist even if it does not include all of the inputs and processes required to generate the output. Although this amendment has no effect on the financial statements of the Company, it may have an effect if a business combination occurs with the Company in the future.

2-2-2 K-IFRS No. 1107 "Financial Instruments: Public Announcement", No. 1109 "Financial Instruments", No. 1039 "Financial Instruments: Recognition and Measurement" (revised) - Reform of Interest Rate Indicators

These amendments to K-IFRS No. 1109 and No. 1039 provide exceptions to apply to all hedging relationships directly affected by the reform of the interest rate indicator. If the reform of the interest rate indicator creates uncertainty about the timing or amount of cash flows based on the interest rate indicator of the hedged item or hedging instrument, the hedging relationship is affected. Since the Company does not have an interest rate hedging relationship, the amendments have no impact on the financial statements.

2-2-3 K-IFRS No. 1001 "Expression of Financial Statements", No. 1008 "Changes and Errors in Accounting Policies and Accounting Estimates" (amended) - Definition of Materiality

This amendment provides a new definition of materiality. According to the new definition, if any information can be reasonably expected to affect the decision-making of main users based on omission, misrepresentation or obscuration of the information in the general purpose financial statements that provide financial information for a specific reporting entity, it is material information. This amendment clarifies that materiality is determined by the nature or size of the information individually or in combination with other information in the context of the financial statements. If it is reasonably expected that the misrepresentation of the information will influence the decision-making of the main users, it is material information. This amendment has no effect on the financial statements of the Company.

2-2-4 K-IFRS No. 1116 "Lease" (revised) - Exemption, discount, and suspension of rent ("Rent discount, etc.") related to corona virus infection-19 ("Corona 19")

The amendments to K-IFRS No. 1116 provide a practical simple method to avoid evaluating whether the rent discount, etc., as a direct result of the global epidemic of COVID-19, is a lease change. These rent discounts, etc., shall satisfy the application requirements of the practical simple method, and the lessee who chooses the practical simple method shall be accounted for consistently with the method stipulated by this Standard if such changes are not lease changes. These amendments are applied retroactively from the first fiscal year beginning after June 1, 2020, but can be applied early. Since the Company did not incur any discount on rent related to Corona 19, the amendments have no effect on the financial statements of the Company.

2-2-5 Conceptual framework for financial reporting (2018)

The conceptual framework is not an accounting standard, and any content of the conceptual framework does not take precedence over the accounting standard or its requirements. The purpose of the conceptual framework is to help the Accounting Standards Committee enact and amend the K-IFRS, and, when there is no accounting standard to apply, it is to help preparers of financial statements to develop consistent accounting policies. It also helps all stakeholders understand and interpret the accounting standards. This conceptual framework revision incorporates some new concepts, presents changes definitions and in recognition criteria of assets and liabilities and clarifies some important concepts. This amendment has no effect on the financial statements of the Company.

3. Public announcement by sector

3-1 Operating division

The Company has divided into three sectors (trade, energy, and others) for management's decision making. The accounting policies for each sector are the same as those of the Company described in Note2.

3-1-1 The financial results of the operating division during the current semi-annual period and previous semi-annual period are as follows:

(Unit: million KRW)

| Classification | Trade | Energy | Others | Total |
|--------------------------------|------------|---------|--------|------------|
| <Current semi-annual period> | | | | |
| Sales | 9,052,574 | 713,805 | 6,521 | 9,772,900 |
| Income before tax expenses | 54,762 | 221,874 | 183 | 276,819 |
| < Previous semi-annual period> | | | | |
| Sales | 10,893,104 | 910,139 | 7,144 | 11,810,387 |
| Income before tax expenses | 21,530 | 247,731 | 1,031 | 270,292 |

The Company has undergone reorganization during the current semi-annual period, and the contents of the previous period for comparison purposes, have been rewritten based on the reorganized organization.

3-1-2 The assets and liabilities of the operating division at the end of the current semi-annual period and the previous period are as follows:

(Unit: million KRW)

| Classification | Trade | Energy | Others | Total |
|-------------------------------------|-----------|-----------|---------|-----------|
| <End of current semi-annual period> | | | | |
| Total assets | 4,856,338 | 2,428,898 | 199,113 | 7,484,349 |
| Total liabilities | 2,390,293 | 586,638 | 9,159 | 2,986,090 |

<End of previous period>

| | | | | |
|-------------------|-----------|-----------|---------|-----------|
| Total assets | 4,675,641 | 2,577,249 | 202,486 | 7,455,376 |
| Total liabilities | 2,776,835 | 652,030 | 9,397 | 3,438,262 |

3-1-3 Adjustment and removal history

Current tax assets (liabilities), deferred tax assets (liabilities), and certain financial liabilities are not distributed by sector, since they are managed at the Company level.

3-1-3-1 As of the end of the current semi-annual period and the previous period, the adjustments to assets are as follows:

(Unit: million KRW)

| Classification | End of current semi-annual period | End of previous period |
|-----------------------------|-----------------------------------|------------------------|
| Business assets of division | 7,484,349 | 7,455,376 |
| Current tax assets | 4,543 | 5,183 |
| Deferred tax assets | 260,271 | 260,552 |
| Total assets | 7,749,163 | 7,721,111 |

3-1-3-2 As of the end of the current semi-annual period and the previous period, the adjustments to liabilities are as follows:

(Unit: million KRW)

| Classification | End of current semi-annual period | End of previous period |
|----------------------------------|-----------------------------------|------------------------|
| Business liabilities of division | 2,986,090 | 3,438,262 |
| Current tax liabilities | 56,985 | - |
| Debt of current portion | 259,887 | 130,042 |
| Debt | 1,422,809 | 1,243,688 |
| Total liabilities | 4,725,771 | 4,811,992 |

3-2 Revenue generated from contracts with customers

Excluding rental income of KRW 4,599 million (previous period: KRW 4,410 million) from investment property, divisions of sales for the current semi-annual period and the previous semi-annual period are as follows:

3-2-1 The geographical division

(Unit: million KRW)

| Classification | Domestic | Asia (excluding China) | China | North America | Europe | Others | Total |
|--------------------------------|-----------|------------------------|-----------|---------------|-----------|-----------|------------|
| <Current semi-annual period> | | | | | | | |
| Sales | 1,872,356 | 3,815,408 | 1,487,021 | 604,746 | 1,196,919 | 791,851 | 9,768,301 |
| < Previous semi-annual period> | | | | | | | |
| Sales | 2,313,388 | 4,429,826 | 1,538,657 | 772,190 | 1,544,115 | 1,207,801 | 11,805,977 |

3-2-2 Main product/service

(Unit: million KRW)

| Classification | Steel business | Energy | Food materials | Others | Total |
|--------------------------------|----------------|---------|----------------|---------|------------|
| <Current semi-annual period> | | | | | |
| Sales | 5,054,577 | 713,805 | 3,790,545 | 209,374 | 9,768,301 |
| < Previous semi-annual period> | | | | | |
| Sales | 6,112,102 | 910,139 | 4,355,764 | 427,972 | 11,805,977 |

3-2-3 Classification by sales type

(Unit: million KRW)

| Classification | Export | Domestic sales | Sales between the three countries | Total |
|--------------------------------|-----------|----------------|-----------------------------------|------------|
| <Current semi-annual period> | | | | |
| Sales | 3,406,234 | 1,607,786 | 4,754,281 | 9,768,301 |
| < Previous semi-annual period> | | | | |
| Sales | 4,199,216 | 1,955,902 | 5,650,859 | 11,805,977 |

3-2-4 The composition of sales classified by the timing of revenue recognition

(Unit: million KRW)

| Classification | Temporary sales | Period sales | Total |
|--------------------------------|-----------------|--------------|------------|
| <Current semi-annual period> | | | |
| Sales | 9,456,430 | 311,871 | 9,768,301 |
| < Previous semi-annual period> | | | |
| Sales | 11,455,764 | 350,21302 | 11,805,977 |

3-3 Information on key customers

(Unit: million KRW)

| Classification | Current semi-annual period | Previous semi-annual period |
|--|----------------------------|-----------------------------|
| POSCO INTERNATIONAL SINGAPORE PTE LTD. | 1,312,690 | 1,027,044 |

4. Cash and cash equivalents

Cash and cash equivalents of the Company are managed so that the amounts in the statement of financial position and cash flow are the same. The detail of cash and cash equivalents as of the end of the current semi-annual period and the previous period is as follows:

(Unit: million KRW)

| Classification | End of current semi-annual period | End of previous period |
|--|-----------------------------------|------------------------|
| Ordinary deposits and current deposits | 375,839 | 56,389 |
| Other cash equivalents | 123,348 | 28,703 |
| Total | 499,187 | 85,092 |

5. Trade receivables and other receivables

5-1 Account receivables and other receivables of the Company as of the end of the current semi-annual period and the previous year are as follows:

(Unit: million KRW)

| Classification | End of current semi-annual period | End of previous period |
|-------------------------------------|-----------------------------------|------------------------|
| <Current> | | |
| Trade receivables | 2,811,124 | 3,284,017 |
| Allowance for bad debt | (6,193) | (6,827) |
| Receivables | 130,200 | 74,607 |
| Allowance for bad debt | (1,119) | (936) |
| Accrued income | 718 | 528 |
| Deposits | 1,091 | 3,577 |
| Short-term loans | 19,071 | 17,864 |
| Current financial lease receivables | 51,009 | 48,744 |
| Current long-term loan | 54,199 | 52,262 |
| Subtotal | 3,060,100 | 3,473,836 |
| < Non-current> | | |

| | | |
|---------------------------------------|-----------|-----------|
| Long-term trade receivables | 15,967 | 17,267 |
| Allowance for bad debt | (11,708) | (10,103) |
| Long-term loans | 174,139 | 242,719 |
| Allowance for bad debt | (3,363) | (3,297) |
| Long-term receivables (note1) | 135,452 | 137,856 |
| Allowance for bad debt | (53,456) | (51,546) |
| Long-term financial lease receivables | 169,230 | 179,315 |
| Allowance for bad debt | (28,045) | (27,043) |
| Long-term deposits | 9,445 | 3,841 |
| Subtotal | 407,661 | 489,009 |
| Total | 3,467,761 | 3,962,845 |

(Note1) The Company recorded a payment of KRW 19,303 million, which was deposited by Kerman Motor Company but was rejected by Woori Bank due to US sanctions against Iran, as long-term receivables.

5-2 Changes in allowance for bad debts for trade receivables and long-term receivables during the current semi-annual period and the previous period are as follows:

(Unit: million KRW)

| Classification | Current semi-annual period | Previous period |
|--|----------------------------|-----------------|
| Beginning of the period | 16,930 | 61,281 |
| Bad debt expenses | 1,531 | 19,478 |
| Removal amount during the year | (463) | (65,030) |
| Gains or losses on foreign exchange translations | 202 | (30) |
| Division | (2,177) | - |
| Others | 1,878 | 1,231 |
| End of current semi-annual period | 17,901 | 16,930 |

5-3 Financial assets that have been transferred but not removed

As of the end of the current semi-annual period, the Company continues to recognize the carrying amount of trade receivables sold at KRW 573,201 million (as of the end of the previous period: KRW 407,350 million), and recognized cash received from the sale as collateral.

The Company transferred the trade receivable as a condition of granting claims to the transferee, and therefore continues to bear the credit risk, arising from ownership of the trade receivables, such as the debtor default. On the other hand, the fair value of the transferred assets and the fair value of related borrowings do not differ significantly from the carrying amount.

6. Other financial assets

6-1 Company's other current financial assets as of the end of the current semi-annual period and the previous period are as follows:

(Unit: million KRW)

| Classification | End of current semi-annual period | End of previous period |
|---|-----------------------------------|------------------------|
| Financial assets at fair value through profit or loss | 114,080 | - |
| Deposits to financial institutions | 8,730 | 311 |
| Total | 122,810 | 311 |

6-2 Company's other non-current financial assets as of the end of the current semi-annual period and the previous periods are as follows:

(Unit: million KRW)

| Classification | End of current semi-annual period | End of previous period |
|---|-----------------------------------|------------------------|
| Financial assets measured at amortized cost | 920 | 869 |

| | | |
|--|--------|--------|
| Financial assets at fair value through other comprehensive income (Equity instruments) (Note1) | 27,247 | 27,139 |
| Financial assets at fair value through profit or loss (Long-term investment) (Note1) | 570 | 632 |
| Financial assets at fair value through profit or loss (Other securities) (Note1) | 17 | 73 |
| Deposits to financial institutions | 10 | 12 |
| Total | 28,764 | 28,725 |

(Note 1) The detail of financial assets at fair value as of the end of the current semi-annual period and the previous period is as follows:

(Unit: million KRW)

| Classification | End of current semi-annual period | End of previous period |
|---|-----------------------------------|------------------------|
| Financial assets at fair value through other comprehensive income | | |
| Long-term equity securities | 27,247 | 27,139 |
| Financial assets at fair value through profit or loss | | |
| Long-term investment | 570 | 632 |
| Other Long-term securities | 17 | 73 |
| Subtotal | 587 | 705 |
| Total | 27,834 | 27,844 |

Among the financial assets at fair value through other comprehensive income above, Maruichi Steel Pipe Co., Ltd., a listed company, was evaluated at the closing price as of the end of the current semi-annual period. It resulted in an valuation gain of KRW 108 million for the current semi-annual period, from which deferred income tax effect, KRW 28 million, was deducted and, to which the average tax rate change effect, KRW 4 million, was added. As a result, KRW 84 million was reflected in accumulated other comprehensive income.

In addition, the Private Equity Export-Import Bank of Korea Special Fund 1, a financial asset at fair value through profit or loss, was evaluated at the price as of the end of the current semi-annual period, and the valuation gain of KRW 3 million for the current semi-annual period was reflected in profit or loss.

Among the financial asset at fair value through other comprehensive income, accumulated valuation gains and losses of KRW131 million from the disposal of Miju Steel, Daewoo Display, Shinpyeong, and Daehan Minerals have been transferred from accumulated other comprehensive income to retained earnings.

6-3 Restricted Deposit

Among the deposits to financial institutions above, KRW 10 million (as of the end of the previous period: KRW 12 million) is restricted due to financial agreements and provision as collateral.

7. Other assets

The detail of Company's other current assets as of the end of the current semi-annual period and the previous period is as follows:

(Unit: million KRW)

| Classification | End of current semi-annual period | End of previous period |
|------------------|-----------------------------------|------------------------|
| <Current> | | |
| Advance payment | 71,853 | 108,664 |
| Prepaid expenses | 57,214 | 44,833 |
| Total | 129,067 | 153,497 |

8. Inventories

The detail of Company's inventories as of the end of the current semi-annual period and the previous period is as follows:

(Unit: million KRW)

| Classification | End of current semi-annual period | End of previous period |
|----------------------------|-----------------------------------|------------------------|
| Merchandise | 291,118 | 414,589 |
| Accumulated valuation loss | (1,329) | (2,818) |

| | | |
|--|---------|---------|
| Finished goods | 3,673 | 30,069 |
| Accumulated valuation loss | - | (4,424) |
| Half-finished goods and work in progress | - | 30,200 |
| Accumulated valuation loss | - | (781) |
| Raw materials | 12,744 | 73,604 |
| Accumulated valuation loss | - | (592) |
| Goods in transit | 51,627 | 53,035 |
| Others | 1,965 | 6,478 |
| Total | 359,798 | 599,360 |

9. Investment in subsidiaries and associates

The detail of Company's investment to subsidiaries and associates as of the end of the current semi-annual period and the previous period is as follows:

(Unit: million KRW, %)

| Company | End of current semi-annual period | | End of previous period | |
|--|-----------------------------------|-----------------|---------------------------|-----------------|
| | Ratio of shareholding (%) | Carrying amount | Ratio of shareholding (%) | Carrying amount |
| <Subsidiaries> | | | | |
| POSCO INTERNATIONAL AMERICA CORP. | 100.0 | 29,590 | 100.0 | 29,590 |
| POSCO INTERNATIONAL DEUTSCHLAND GmbH | 100.0 | 9,724 | 100.0 | 9,724 |
| POSCO INTERNATIONAL JAPAN CORP. | 100.0 | 4,729 | 100.0 | 4,729 |
| POSCO INTERNATIONAL SINGAPORE PTE. LTD. | 100.0 | 3,711 | 100.0 | 3,711 |
| POSCO INTERNATIONAL ITALIA S.R.L. | 100.0 | 3,621 | 100.0 | 3,621 |
| POSCO INTERNATIONAL CHINA CO.,LTD. | 100.0 | 20,979 | 100.0 | 20,979 |
| POSCO INTERNATIONAL MYANMAR CORP. LTD. | 100.0 | 5,403 | 100.0 | 5,403 |
| POSCO INTERNATIONAL MEXICO S.A. de C.V. | 100.0 | 2,905 | 100.0 | 2,905 |
| POSCO INTERNATIONAL MALAYSIA SDN BHD | 100.0 | 2,192 | 100.0 | 2,192 |
| POSCO INTERNATIONAL SHANGHAI CO.,LTD. | 100.0 | 8,807 | 100.0 | 8,807 |
| POSCO INTERNATIONAL INDIA PVT.,LTD. | 100.0 | 2,299 | 100.0 | 2,299 |
| POSCO INTERNATIONAL VIETNAM CO.,LTD. | 100.0 | 4,613 | 100.0 | 4,613 |
| POSCO INTERNATIONAL TEXTILE LLC. | 100.0 | 24,808 | 100.0 | 24,808 |
| POSCO INTERNATIONAL AUSTRALIA HOLDINGS PTY. LTD. | 100.0 | 124,422 | 100.0 | 124,422 |
| POSCO International (Thailand) Co., Ltd.(Note2) | 100.0 | 5,785 | - | - |
| PT POSCO INTERNATIONAL INDONESIA(Note2) | 99.0 | 9,314 | - | - |
| PT. BIO INTI AGRINDO | 85.0 | 58,481 | 85.0 | 58,481 |
| DAEWOO AAPC CORP. | 100.0 | 5,027 | 100.0 | 5,027 |
| BRASIL SAO PAULO STEEL PROCESSING CENTER | 51.0 | - | 51.0 | - |
| POSCO INTERNATIONAL POWER(PNGPOM) LTD. | 100.0 | 553 | 100.0 | 8,217 |
| POSCO INTERNATIONAL POWER (PNGLA) LTD. | 100.0 | 14,686 | 100.0 | 14,686 |
| GOLDEN LACE POSCO INTERNATIONAL CO.,LTD. | 60.0 | 6,781 | 60.0 | 6,781 |
| POSCO INTERNATIONAL UKRAINE, LLC. | 100.0 | 3,205 | 100.0 | 3,205 |
| GRAIN TERMINAL HOLDING PTE. LTD.(Note7) | 75.0 | 42,743 | 75.0 | 42,402 |
| POSCO SOUTH EAST ASIA PTE. LTD. | 100.0 | - | 100.0 | - |
| DAEWOO GLOBAL DEVELOPMENT PTE. LTD.(Note7) | 75.0 | 53,305 | 55.5 | 9,232 |
| LA SRDC (Note3) | - | - | 85.7 | 150 |
| POHANG SRDC CO., LTD | 51.0 | 4,550 | 51.0 | 4,550 |
| POSCO TMC INDIA PVT.,LTD. | 73.6 | 861 | 73.6 | 861 |
| POSCO SPS (Note2) | 100.0 | 548,663 | - | - |
| Subtotal | | 1,001,757 | | 401,395 |
| <Associates> | | | | |
| Blue Ocean Corporate Financial Stabilization No. 1 Private Equity Investment Company | 27.5 | - | 27.5 | - |
| POSCO MEXICO PROCESSING CENTER HOLDING,LLC.(Note1) | 19.6 | 11,509 | 19.6 | 11,509 |
| POSCO-ESDC LTD. | 20.0 | 1,160 | 20.0 | 1,160 |
| POSCO IJPC(Note7) | 21.7 | 12,187 | 20.0 | 4,665 |
| Shanghai Lansheng DAEWOO CORP. | 49.0 | - | 49.0 | - |
| Shanghai Waigaoqiao Free Trade Zone Lansheng Daewoo International Trading Co.,Ltd | 49.0 | 876 | 49.0 | 876 |
| GENERAL MEDICINES CO.,LTD. | 33.0 | 2,990 | 33.0 | 2,990 |
| KOREA LNG LTD. | 20.0 | 2,749 | 20.0 | 2,749 |
| KG POWER(M) SDN. BHD. | 20.0 | - | 20.0 | - |

| | | | | |
|--|------|-----------|------|---------|
| KWANIKA COPPER CORP. | 34.0 | 1,237 | 35.0 | 7,358 |
| GLOBAL KOMSCO DAEWOO LLC | 35.0 | 4,445 | 35.0 | 4,445 |
| SOUTH-EAST ASIA GAS PIPELINE CO.,LTD. | 25.0 | 135,899 | 25.0 | 135,899 |
| HyunSon Engineering & Construction(Note1) | 4.9 | 281 | 4.9 | 281 |
| SPH CO., LTD. | 50.0 | 500 | 50.0 | 500 |
| YULCHON MEXICO S.A. DE C. V.(Note1) | 10.0 | 1,349 | 10.0 | 1,349 |
| DMSA/AMSA(Note1)(Note6)(Note7) | 4.1 | 64,881 | 4.0 | 12,189 |
| PT. BATUTUA TEMBAGA RAYA | 22.0 | 20,381 | 22.0 | 20,381 |
| CURO CO., LTD. (Note1)(Note5) | 0.5 | 882 | - | - |
| IT ENGINEERING (Note1) (Note5) | - | - | 5.0 | 923 |
| INCOTECH (Note1) | 10.0 | 350 | 10.0 | 350 |
| TK CHEMICALS CO., LTD. (Note1) | 5.0 | 8,428 | 5.0 | 8,428 |
| DAEWOO HANIL CEMENT (Note)(Note1)(Note4) | - | - | 15.0 | - |
| SHINPOONG DAEWOO PHARMA CO.,LTD.(Note1) | 3.4 | 343 | 3.4 | 343 |
| POSCO-MALAYSIA SDN. BHD.(Note1) | 13.6 | 7,577 | 13.6 | 7,577 |
| POSCO-ITPC S.p.A(Note1) | 10.0 | 781 | 10.0 | 781 |
| Hunchun POSCO HYUNDAI International Logistics(Note1) | 10.0 | 7,656 | 10.0 | 7,656 |
| Subtotal | | 286,461 | | 232,409 |
| Total | | 1,288,218 | | 633,804 |

(Note1) Although Company's ownership of the relevant corporations is less than 20%, it has been classified as an investment in associates because the Company can exert a significant influence on the corporation's major decisions.

(Note2) It was newly acquired during the current semi-annual period.

(Note3) It was liquidated during the current semi-annual period.

(Note4) It was sold during the current semi-annual period.

(Note5) During the current semi-annual period, IT ENGINEERING was merged with Curo Co., Ltd.

(Note6) In order to defer repayment of borrowings, the investors of the joint commitments provides fund replenishment commitment. However, the Company is proceeding with arbitration because the Company determined that the resolution to provide supplementary funds was invalid. Company's obligation to supplement funds has been suspended and may vary depending on the arbitration result. During the current semi-annual period, the borrowings were converted to equity.

(Note7) It was additionally acquired during the current semi-annual period

9-1 Impairment detail of subsidiaries and associates

(Unit: million KRW, %)

| Company | Carrying amount before impairment | Recoverable amount | Impairment loss |
|---|--------------------------------------|--------------------|-----------------|
| POSCO INTERNATIONAL POWER (PNGPOM) LTD. (Note1) | 8,217 | 6,089 | 2,128 |
| KWANIKA COPPER CORP. (Note2) | 7,358 | 1,237 | 6,121 |

(Note 1) As POSCO INTERNATIONAL POWER (PNGPOM) LTD., a subsidiary of the Company, is in the process of liquidation in the current semi-annual period, impairment loss was recognized for the amount below the carrying amount by estimating the recoverable amount resulting from liquidation. In the current semi-annual period, the carrying amount decreased to 553 million won due to a capital reduction with refund of KRW 5,536 million.

(Note 2) The Company is considering the sale of KWANIKA COPPER CORP., a subsidiary of the Company, in the current semi-annual period, and the Company estimated the recoverable value from the sale and recognized an impairment loss for the amount below the carrying amount.

10. Property, Plant, and Equipment

10-1 The detail of Property, Plant, and Equipment as of the end of the current semi-annual period and the previous period is as follows:

(Unit: million KRW)

| Classification | End of current semi-annual period | End of previous period |
|-----------------------------|-----------------------------------|------------------------|
| Acquisition cost | 387,386 | 919,675 |
| Accumulated depreciation | (113,406) | (284,505) |
| Accumulated impairment loss | (708) | (5,040) |

| | | |
|-------------------|---------|---------|
| Government grants | (200) | (238) |
| Carrying amount | 273,072 | 629,892 |

10-2 Changes in the Carrying amount of Property, Plant, and Equipment during the current and previous semi-annual period are as follows:

(Unit: million KRW)

| Classification | Current semi-annual period | Previous semi-annual period |
|---------------------------------------|----------------------------|-----------------------------|
| Beginning of the period | 629,892 | 645,853 |
| Division | (354,042) | - |
| Acquisition | 14,520 | 9,241 |
| Disposition, etc. | (3,331) | (34) |
| Depreciation | (13,890) | (19,634) |
| Impairment | (77) | (935) |
| Other increase or decrease | - | (100) |
| End of the current semi-annual period | 273,072 | 634,391 |

11. Right-of-use assets

11-1 Accounting as a lessee

11-1-1 The carrying amounts and changes in the right-of-use assets and lease liabilities of the Company during the current and previous semi-annual period are as follows:

<Current semi-annual period>

(Unit: million KRW)

| Classification | Right-of-use assets | | | | Lease receivables | Lease liabilities |
|-----------------------------------|--------------------------|----------|---------|---------|-------------------|-------------------|
| | Buildings and structures | Aviation | Others | Total | | |
| Beginning of the period | 6,767 | 13,139 | 918 | 20,824 | 228,059 | 233,248 |
| Division | (10) | - | - | (10) | - | (10) |
| Acquisition | 9,531 | - | 8,368 | 17,899 | 8,040 | 25,939 |
| Contract termination/cancellation | (688) | - | - | (688) | - | (697) |
| Depreciation | (2,590) | (2,482) | (1,338) | (6,410) | - | - |
| Interest revenue | - | - | - | - | 4,059 | - |
| Interest expenses | - | - | - | - | - | 4,955 |
| Foreign currency translation | - | - | - | - | 7,534 | 7,330 |
| Payment of lease liabilities | - | - | - | - | - | (34,903) |
| Reception of lease receivables | - | - | - | - | (27,453) | - |
| Substitution | 31 | (337) | (31) | (337) | - | - |
| End of semi-annual period | 13,041 | 10,320 | 7,917 | 31,278 | 220,239 | 235,862 |
| | Current | | | | 51,009 | 65,936 |
| | Non-current | | | | 169,230 | 169,926 |

< Previous semi-annual period>

(Unit: million KRW)

| Classification | Right-of-use assets | | | Lease receivables | Lease liabilities |
|-----------------------------------|--------------------------|--------|---------|-------------------|-------------------|
| | Buildings and structures | Others | Total | | |
| Beginning of the period | 3,322 | 1,620 | 4,942 | 225,198 | 230,140 |
| Acquisition | 4,648 | 2,105 | 6,753 | - | 6,753 |
| Contract termination/cancellation | - | - | - | - | - |
| Depreciation | (2,064) | (411) | (2,475) | - | - |
| Interest revenue | - | - | - | 4,960 | - |
| Interest expenses | - | - | - | - | 5,077 |
| Foreign currency translation | - | - | - | 7,133 | 7,359 |

| | | | | | |
|--------------------------------|-------|-------|-------|----------|----------|
| Payment of lease liabilities | - | - | - | - | (24,112) |
| Reception of lease receivables | - | - | - | (24,067) | - |
| Substitution | (36) | - | (36) | - | - |
| End of semi-annual period | 5,870 | 3,314 | 9,184 | 213,224 | 225,217 |
| Current | | | | 45,431 | 49,965 |
| Non-current | | | | 167,793 | 175,252 |

11-1-2 The amounts recognized in the income statement for the current and previous period are as follows:

(Unit: million KRW)

| Classification | Current semi-annual period | Previous semi-annual period |
|---|----------------------------|-----------------------------|
| <Revenue> | | |
| Interest income on lease receivables | 4,059 | 4,960 |
| <Expenses> | | |
| Depreciation of right-of-use assets | 6,410 | 2,475 |
| Interest expense on lease liabilities | 4,955 | 5,077 |
| Lease - short-term lease | 96 | 243 |
| Lease-small base asset lease | 727 | 89 |
| Net amount recognized in income statement | (8,129) | (2,924) |

11-2 Position of the lessor

11-2-1 As of the end of the current semi-annual period and the previous period, the detail of the financial lease receivables is as follows:

(Unit: million KRW)

| Classification | End of current semi-annual period | | End of previous period | |
|-----------------------------|-----------------------------------|-------------|------------------------|-------------|
| | Current | Non-current | Current | Non-current |
| Financial lease receivables | 51,009 | 169,230 | 48,744 | 179,315 |
| Allowance for bad debt | - | (28,045) | - | (27,043) |
| Subtotal | 51,009 | 141,185 | 48,744 | 152,272 |

11-2-2 Maturity analysis financial lease receivables as of the end of the current semi-annual period and the previous period is as follows: The amount by maturity is non-discounted contractual cash flow and includes interest received.

(Unit: million KRW)

| Classification | End of current semi-annual period | End of previous period |
|----------------------------|-----------------------------------|------------------------|
| Within 1 year | 59,540 | 56,795 |
| Within 5 years over 1 year | 170,641 | 178,698 |
| Over 5 years | 8,348 | 16,089 |
| Subtotal | 238,529 | 251,582 |

11-2-3 Lease income recognized by the Company in relation to operating lease contracts during the current and the previous semi-annual period is KRW 4,599 million and KRW 4,410 million.

12. Intangible assets

12-1 The detail of intangible assets as of the end of the current semi-annual period and the previous period is as follows:

(Unit: million KRW)

| Classification | End of current semi-annual period | End of previous period |
|--|-----------------------------------|------------------------|
| Acquisition cost | 1,838,855 | 2,312,654 |
| Accumulated amortization and accumulated impairment losses | (705,186) | (1,153,059) |
| Government grants | (44,107) | (12,821) |

| | | |
|-----------------|-----------|-----------|
| Carrying amount | 1,089,562 | 1,146,774 |
|-----------------|-----------|-----------|

12-2 Changes in the carrying amount of the intangible assets during the current and the previous period are as follows:

(Unit: million KRW)

| Classification | Current semi-annual period | Previous semi-annual period |
|-----------------------------------|----------------------------|-----------------------------|
| Beginning of the period | 1,146,774 | 1,358,280 |
| Division | (2,899) | - |
| Acquisition | 83,951 | 39,752 |
| Disposition, etc. | (69) | - |
| Amortization | (105,620) | (79,667) |
| Impairment loss | (419) | (171) |
| Others increase or decrease | (32,156) | (462) |
| End of current semi-annual period | 1,089,562 | 1,317,732 |

12-2 Joint commitments

The mining rights of the above intangible assets and the machinery of property, Plant, and Equipment include Company's share of the jointly held assets held by participation in the joint commitments. As of the end of the current semi-annual period, major joint agreements of the Company are as follows:

| Classification | Main business activities | Participation share (%) | Location |
|-----------------------|--------------------------------------|-------------------------|----------|
| Myanmar A-1/A-3 block | Block development and gas production | 51.0 | Myanmar |
| Offshore midstream | Gas transport facility | 51.0 | Myanmar |

13. Investment property

13-1 As of the end of the current semi-annual period and the previous period, the investment property is as follows:

(Unit: million KRW)

| Classification | End of current semi-annual period | End of previous period |
|--------------------------|-----------------------------------|------------------------|
| Acquisition cost | 167,033 | 167,963 |
| Accumulated depreciation | (17,630) | (15,795) |
| Carrying amount | 149,403 | 152,168 |

13-2 Changes in the carrying amount of investment properties during the current and the previous period are as follows:

(Unit: million KRW)

| Classification | Current semi-annual period | Previous semi-annual period |
|-----------------------------------|----------------------------|-----------------------------|
| Beginning of the period | 152,168 | 154,736 |
| Division | (3,476) | - |
| Acquisition | 3,007 | - |
| Depreciation | (2,296) | (1,448) |
| End of current semi-annual period | 149,403 | 153,288 |

13-3 The detail of revenues and expenses related to investment property during the current and the previous period is as follows:

(Unit: million KRW)

| Classification | Current semi-annual period | Previous semi-annual period |
|----------------|----------------------------|-----------------------------|
|----------------|----------------------------|-----------------------------|

| | | |
|--------------------|---------|---------|
| Rental income | 4,599 | 4,410 |
| Operating expenses | (3,247) | (2,400) |
| Total | 1,352 | 2,010 |

13-4 Joint operation

The Company owns POSCO Tower Songdo, located in Yeonsu-gu, Incheon, through a joint agreement. As of the end of the current semi-annual period, the Company owns a 60% stake in this real estate, and it is recognized as property, plant and equipment and investment property. The Company classifies these joint agreements as joint operations and accounts for them. Rental income and expenses incurred from joint operations are accounted for as income and expenses as Company's shares.

14. Trade payables and other payables

The detail of trade payables and other payables as of the end of the current semi-annual period and the previous period is as follows:

(Unit: million KRW)

| Classification | End of current semi-annual period | End of previous period |
|---|-----------------------------------|------------------------|
| <Current> | | |
| Trade payables | 1,182,608 | 1,684,028 |
| Other payables | 142,347 | 176,529 |
| Accrued expenses | 13,120 | 22,096 |
| Disclosure of deposits | 11,527 | 1,372 |
| Current lease liabilities | 65,936 | 54,221 |
| Current financial guarantee liabilities | 673 | - |
| Subtotal | 1,416,211 | 1,938,246 |
| < Non-current> | | |
| Long-term payables | 2,589 | - |
| Long-term accrued expenses | - | 1,447 |
| Long-term disclosure of deposits | 6,513 | 2,614 |
| Financial guarantee liabilities | 2,651 | 4,855 |
| Long-term lease liabilities | 169,926 | 179,028 |
| Subtotal | 181,679 | 187,944 |
| Total | 1,597,890 | 2,126,190 |

15. Borrowings and debentures

15-1 The detail of Company's borrowings as of the end of the current semi-annual period and the previous period is as follows:

(Unit: million KRW)

| Classification | | Lender | Interest rate | Longest maturity | End of current semi-annual period | End of previous period |
|------------------------------|---|--|---|------------------|-----------------------------------|------------------------|
| <Current borrowings> | | | | | | |
| Short-term borrowings | BANKER'S USANCE | Woori Bank and others | 6M Libor+(0.5~0.8%) | - | 138,686 | 124,525 |
| | General Loan (import) | MFG and others | Libor by period + (0.5~0.6%) | - | - | 26,413 |
| | Korean currency borrowings | Korea Development Bank and others | 2.54% | - | - | 45,000 |
| | NEGO borrowings | Woori Bank and others | Libor by period + (0.45~3.24%) | - | 573,201 | 407,350 |
| | Subtotal | | | | 711,887 | 603,288 |
| Current long-term borrowings | Borrowings from Energy Special Account Loan | Korea Energy Agency | Treasury Bond (3-year) yield-2.25% and others | 2021.06.30 | 90,117 | 87,012 |
| | Other borrowings | Korea Rural Community Corporation and others | 2.00% | 2021.06.30 | 1,650 | 1,650 |

| | | | | | | |
|---------------------------------------|--|--|---|-------------|-----------|---------|
| | Foreign currency borrowings to be paid if successful | Korea Energy Agency | Treasury Bond (3-year) yield-2.25% etc. (Note1) | 2021.06.30 | 2,575 | 3,442 |
| | General Loan (facility cost) | Korea Development Bank and others | 1 year industrial financial bond +1.53% | 2021.06.30 | - | 2,250 |
| | Deduction: current value discount | | | | (306) | (296) |
| | Subtotal | | | | 94,036 | 94,058 |
| | Total current borrowings | | | | 805,923 | 697,346 |
| <Non-current borrowings> | | | | | | |
| Korean currency long-term borrowings | Borrowings from Energy Special Account Loan | Korea Energy Agency | Treasury Bond (3-year) yield-2.25% and others | 2027.12.15 | 44,094 | 46,293 |
| | Korean currency borrowings to be paid if successful | Korea Energy Agency | Treasury Bond (3-year) yield-1.25% and others. | Unconfirmed | 1,237 | - |
| | Other borrowings | Korea Rural Community Corporation and others | 2.00% and others | 2033.09.15 | 36,777 | 36,777 |
| | Total Korean currency long-term borrowings | | | | 82,108 | 83,070 |
| Foreign currency long-term borrowings | Borrowings from Energy Special Account Loan | Korea Energy Agency | Treasury Bond (3-year) yield-2.25% and others | 2027.12.15 | 13,258 | 15,163 |
| | Foreign currency borrowings to be paid if successful | Korea Energy Agency | Treasury Bond (3-year) yield-2.25% and others (Note1) | Unconfirmed | 50,448 | 48,734 |
| | Other borrowings | Korea Development Bank and others | 3.42% | 2022.10.01 | 90,053 | 86,835 |
| | Total foreign currency long-term borrowings | | | | 153,759 | 150,732 |
| | Subtotal | | | | 235,867 | 233,802 |
| | Deduction: current value discount | | | | (682) | (919) |
| | Total non-current borrowings | | | | 235,185 | 232,883 |
| | Total borrowings | | | | 1,041,108 | 930,229 |

(Note1) It is a foreign currency loan to be paid if successful related to resource development exploration, and includes expected special charges.

15-2 The detail of bonds as of the end of the current semi-annual period and the previous period is as follows:

(Unit: million KRW)

| Classification | Interest rate | Maturity | End of current semi-annual period | End of previous period |
|--------------------------------------|------------------|------------|-----------------------------------|------------------------|
| <Current bonds> | | | | |
| The 16-1st Unguaranteed Bond | 2.26% | 2020.07.17 | 130,000 | 130,000 |
| The 18-1st Unguaranteed Bond | 2.67% | 2021.03.02 | 130,000 | - |
| Subtotal | | | 260,000 | 130,000 |
| Deduction: Discount on bond issuance | | | (113) | 42 |
| Total current bonds | | | 259,887 | 130,042 |
| <Non-current bonds> | | | | |
| The 16-2nd Unguaranteed Bond | 2.69% | 2022.07.17 | 70,000 | 70,000 |
| The 18-1st Unguaranteed Bond | 2.67% | 2021.03.02 | - | 130,000 |
| The 18-2nd Unguaranteed Bond | 3.08% | 2023.03.02 | 70,000 | 70,000 |
| The 19-1st Unguaranteed Bond | 2.22% | 2021.09.13 | 70,000 | 70,000 |
| The 19-2nd Unguaranteed Bond | 2.53% | 2023.09.13 | 80,000 | 80,000 |
| The 20th Unguaranteed Bond | 3M LIBOR + 90bp | 2021.10.15 | 240,140 | 231,560 |
| The 21-1st Unguaranteed Bond | 2.12% | 2022.03.07 | 120,000 | 120,000 |
| The 21-2nd Unguaranteed Bond | 2.27% | 2024.03.07 | 130,000 | 130,000 |
| The 22-1st Unguaranteed Bond | 1.68% | 2022.07.04 | 70,000 | 70,000 |
| The 22-2nd Unguaranteed Bond | 1.73% | 2024.07.04 | 80,000 | 80,000 |
| The 22-3rd Unguaranteed Bond | 1.95% | 2026.07.04 | 50,000 | 50,000 |
| The 23rd Unguaranteed Bond | 6M SGD SOR+100bp | 2022.10.25 | 146,496 | 145,953 |
| The 24-1st Unguaranteed Bond | 1.75% | 2023.05.26 | 250,000 | - |
| The 24-2nd Unguaranteed Bond | 1.94% | 2025.05.28 | 50,000 | - |

| | | |
|--------------------------------------|-----------|-----------|
| Subtotal | 1,426,636 | 1,247,513 |
| Deduction: Discount on bond issuance | (3,827) | (3,825) |
| Total non-current bonds | 1,422,809 | 1,243,688 |
| Total bonds | 1,682,696 | 1,373,730 |

16. Other liabilities

The detail of other liabilities as of the end of the current semi-annual period and the previous period is as follows:

(Unit: million KRW)

| Classification | End of current semi-annual period | End of previous period |
|------------------------------|-----------------------------------|------------------------|
| <Current> | | |
| Advances customers | 119,848 | 137,781 |
| Accrued income | 35,998 | 28,217 |
| Withholdings banks | 54,762 | 41,769 |
| Subtotal | 210,608 | 207,767 |
| < Non-current> | | |
| Long-term withholdings banks | 704 | 32,556 |
| Total | 211,312 | 240,323 |

17. Severance indemnities

The Company operates a defined benefit type retirement benefit plan for its employees. In this regard, the projected unit credit method is used for the actuarial evaluation of the defined benefit obligation.

17-1 During the current and previous semi-annual period, the amount recognized as expenses under the defined benefit type retirement benefit plan is as follows.

(Unit: million KRW)

| Classification | End of current semi-annual period | End of previous period |
|--|-----------------------------------|------------------------|
| defined benefit type retirement benefit expenses | 11 | 34 |

17-2 As of the end of the current semi-annual period and the previous period, the carrying amount of the net defined benefit liabilities and the net defined benefit assets is as follows:

(Unit: million KRW)

| Classification | End of current semi-annual period | End of previous period |
|---|-----------------------------------|------------------------|
| Present value of the defined benefit obligation | 137,226 | 168,985 |
| Fair value of plan assets | (135,859) | (164,375) |
| Net defined benefit liabilities | 1,367 | 4,619 |
| Net defined benefit assets | - | (9) |

17-3 Changes in net defined benefit liabilities (assets) during the current and the previous semi-annual period are as follows:

(Unit: million KRW)

| Classification | Current semi-annual period | Previous semi-annual period |
|---|----------------------------|-----------------------------|
| Beginning of the period | 4,610 | (970) |
| Contributions paid | (10,000) | (392) |
| Retirement benefit paid | (258) | - |
| Total expenses recognized in profit or loss | 9,126 | 9,008 |
| Remeasurement of the net defined benefit | (320) | 191 |

| | | |
|---------------------------|---------|-------|
| liabilities (assets) | | |
| Division | (2,686) | - |
| Others | 895 | 683 |
| End of semi-annual period | 1,367 | 8,520 |

18. Provisions

18-1 The detail of the provisions as of the end of the current semi-annual period and the previous period is as follows:

(Unit: million KRW)

| Classification | End of current semi-annual period | End of previous period |
|--|-----------------------------------|------------------------|
| <Current> | | |
| Current Portion of Provisions | 7,219 | 18,309 |
| Subtotal | 7,219 | 18,309 |
| < Non-current> | | |
| Provision for contingent losses <See Notes 19> | 49,453 | 52,652 |
| Provision for restoration | 29,952 | 28,759 |
| Other long-term provisions | 654 | 4,062 |
| Subtotal | 80,059 | 85,473 |
| Total | 87,278 | 103,782 |

18-2 Changes in provision for the current semi-annual period are as follows:

(Unit: million KRW)

| Classification | Current Portion of Provisions | Provision for contingent losses | Provision for restoration | Other long-term provisions | Total |
|-----------------------------------|-------------------------------|---------------------------------|---------------------------|----------------------------|----------|
| Beginning of the period | 18,309 | 52,652 | 28,759 | 4,062 | 103,782 |
| Transfer | 7,440 | 869 | 262 | 655 | 9,226 |
| Reversal | - | (292) | - | - | (292) |
| Use | (18,349) | (4,911) | (129) | (4,043) | (27,432) |
| Division | (181) | - | - | (20) | (201) |
| Foreign currency translation | - | 1,135 | 1,060 | - | 2,195 |
| End of current semi-annual period | 7,219 | 49,453 | 29,952 | 654 | 87,278 |

19. Contingent liabilities and Commitments

19-1 Provision for contingent losses Agreement

Changes in provision for contingent losses during the current semi-annual period are as follows:

(Unit: million KRW)

| Classification | Beginning of the period | Transfer | Reversal | Use /replacement | Conversion profit or loss | End of current semi-annual period | Debt principal |
|---|-------------------------|----------|----------|------------------|---------------------------|-----------------------------------|----------------|
| Contingent liabilities related to Daewoo (EXIM India, etc.) | 29,308 | 436 | - | - | 583 | 30,327 | 276,142 |
| Provisions for litigation | 2,563 | - | - | (566) | 74 | 2,071 | - |
| Provisions for loss | 20,654 | 433 | (292) | (4,345) | 478 | 16,928 | - |
| Provisions for defect compensation | 127 | - | - | - | - | 127 | - |
| Total | 52,652 | 869 | (292) | (4,911) | 1,135 | 49,453 | 276,142 |

19-1-1 Before the split-off of contingent liabilities, related to the liabilities of Daewoo Co., Ltd. before division, Daewoo Co., Ltd. approved a plan to divide the company into surviving companies and two newly established companies, each in charge of the trade

and construction sectors, through the shareholders' meeting on July 22, 2000. The Company was established on December 27, 2000 by dividing the trading division of Daewoo Co., Ltd. into POSCO International Co., Ltd. According to the spin-off plan, the new company, the Company and Daewoo E&C Co., Ltd., are not obligated to repay any other debts of Daewoo Co., Ltd., which had not been transferred to the new company.

Before the spin-off, Daewoo Co., Ltd. notified creditors and guarantee creditors whether or not they had objections. As a result, some creditors, including domestic creditors and foreign creditors who did not sign up for the corporate improvement commitment, raised objections. Daewoo Co., Ltd. accounted for some of the borrowings related to the objectionable creditors, etc. as borrowings of the newly established The Company and Daewoo E&C Co. Ltd., or succeeded as a guaranteed debt. However, this was not achieved by full agreement or consent with the creditor.

Accordingly, as of the end of the current semi-annual period, the Company has reasonably estimated the amount the Company is liable, based on currently available information, such as the possibility of contingent liabilities due to objection or not and the results of existing agreements with some creditors. As of the end of the current semi-annual period, KRW 30,326 million is recognized as provision for contingent losses.

Provision for contingent losses related to Daewoo Co., Ltd. is the amount recognized after allocating the contingent loss that was reasonably estimated by the Company and Daewoo E&C Co., Ltd. at a ratio of 34 to 66.

Among the creditors mentioned above, IDBI, a creditor of the Daewoo Motors India Corporation (DMIL), which Daewoo Co., Ltd. provided the guaranteed debt, filed a lawsuit against DMIL, Daewoo Co., Ltd., Daewoo E&C Co., Ltd., and the Company in a court in Delhi/Mumbai, India, in May 2002, for the right to dispose of DMIL's assets and to determine debt. In response, the Company has reasonably estimated the probability and amount of the occurrence and reflected it in the provision for contingent losses.

Meanwhile, Daewoo Co., Ltd. filed for bankruptcy in the Seoul Central District Court on May 25, 2006 in accordance with the Debtor Rehabilitation and Bankruptcy Act, and was declared bankrupt on June 16, 2006, and the bankruptcy was terminated on May 25, 2017.

19-2 Pending litigation case

As of the end of the current semi-annual period, the Company has 17 cases pending as defendants (8 domestic, 9 overseas), and the total litigation value is KRW 25,347 million, USD 23,316 thousand, INR 4,518,694 thousand, CAD 79,000 thousand, PKR 124,775 thousand. The Company recognizes the expected amount of KRW 32,397 million to be paid in accordance with some litigation cases as a provision for contingent loss. Excluding this, the final results of the pending litigation cases cannot be reasonably predicted at this time, so the impact of the litigation results has not been reflected in the financial statements. Meanwhile, as of the end of the current semi-annual period, there are 19 cases pending by the Company as plaintiffs.

19-3 Major commitments, such as opening a letter of credit

As of the end of the current semi-annual period, the commitments that the Company concluded with Woori Bank to open L/C are as follows:

(Unit: million KRW, thousand USD)

| Classification | Financial institution | Currency | Credit line |
|--|-----------------------|----------|-------------|
| LOCAL L/C | Woori Bank and others | USD | 183,226 |
| Import L/C | Woori Bank and others | USD | 1,497,000 |
| D/A purchase | Woori Bank and others | USD | 1,961,442 |
| General foreign currency borrowing limit | Woori Bank and others | USD | 396,000 |
| P-BOND and others | Woori Bank and others | USD | 666,428 |
| Overdraft and others | Woori Bank and others | KRW | 7,000 |

19-4 Pledged note and check

As of the end of the current semi-annual period, 33 blank notes and 17 blank checks issued by the Company have been provided to the Korea Energy Agency in connection with the contract performance guarantee.

19-5 Derivatives

As of the end of the current semi-annual period, the Company has entered into forward currency contracts and product futures

contracts with Citibank Korea for the purpose of avoiding exchange hedging of foreign currency receivables and avoiding the risk of fluctuations in fair value due to purchases and sales of inventories.

Changes in derivatives assets (liabilities) during the current semi-annual period are as follows:

(Unit: million KRW)

| Classification | Derivative assets (liabilities) at the beginning of the period | Transaction close | Gains on valuation of derivatives | Losses on valuation of derivatives | Derivative assets (liabilities) at the end of the current semi-annual period |
|------------------|--|-------------------|-----------------------------------|------------------------------------|--|
| Currency forward | 14,355 | (14,354) | 14,692 | (9,359) | 5,334 |
| Product futures | (8,575) | 7,623 | 13,884 | (25,498) | (12,566) |
| Firm commitment | 2,227 | 5,482 | 37,666 | (36,075) | 9,300 |
| Currency swap | 950 | - | - | (4,722) | (3,772) |
| Total | 8,957 | (1,249) | 66,242 | (75,654) | (1,704) |

19-6 Payment guarantee provided

As of the end of the current semi-annual period, the detail of guarantees provided by the Company in relation to borrowings of local corporations and others is as follows:

(Korean currency unit: million KRW, Foreign currency unit: thousand)

| Guaranteed company | | Credit line | | | Running amount | | | Maturity (Year) |
|--|----------------------------------|-------------------------|---------|---------------------------------------|-------------------------|---------|---------------------------------------|-----------------|
| | | Foreign currency amount | | Amount converted into Korean currency | Foreign currency amount | | Amount converted into Korean currency | |
| PT. BIO INTI AGRINDO | Export-Import Bank of Korea | USD | 115,000 | 138,081 | USD | 115,000 | 138,081 | 2026 |
| | POSCO-Asia | USD | 10,000 | 12,007 | USD | 10,000 | 12,007 | 2021 |
| | PT Bank Woori Saudara Indonesia | USD | 10,531 | 12,645 | USD | 10,531 | 12,645 | 2021 |
| | Citibank N. A Indonesia | USD | 12,638 | 15,174 | USD | 10,531 | 12,645 | 2020 |
| Daewoo Global Development Pte. Ltd. | Export-Import Bank of Korea | USD | 82,500 | 99,058 | USD | 82,500 | 99,058 | 2021 |
| | KDB, Singapore | USD | 34,125 | 40,974 | USD | 26,250 | 31,518 | 2021 |
| | SMBC, Singapore | USD | 70,000 | 84,049 | USD | 70,000 | 84,049 | 2021 |
| GLOBAL KOMSCO Daewoo LLC | KEB Hana, Bahrain | USD | 8,225 | 9,876 | USD | 7,875 | 9,456 | 2022 |
| SHERRITT INTERNATIONAL CORP. | Export-Import Bank of Korea | USD | 21,818 | 26,197 | USD | 3,020 | 3,626 | 2023 |
| POSCO INTERNATIONAL POWER (PGLAE) LTD. | KDB, Singapore | USD | 48,317 | 58,015 | USD | 37,167 | 44,627 | 2022 |
| POSCO ASSAN TST STEEL INDUSTRY | ING, Seoul and others | USD | 14,653 | 17,594 | USD | 14,653 | 17,594 | 2020 |
| GOLDEN LACE POSCO INTERNATIONAL CO., LTD | Shinhan Bank, Yangon | USD | 6,500 | 7,805 | USD | 6,500 | 7,805 | 2021 |
| | Shinhan Bank, Yangon | USD | 2,500 | 3,002 | USD | 2,500 | 3,002 | 2021 |
| | SMBC, Yangon | USD | 2,000 | 2,401 | USD | 2,000 | 2,401 | 2021 |
| Mykolaevskiy Kombinat Hlyboproduktiv Private Joint Stock Company | Black Sea Trade Development Bank | USD | 26,145 | 31,392 | USD | 26,145 | 31,392 | 2025 |
| POSCO International Singapore Pte., Ltd. | | | | | USD | - | - | - |
| POSCO International Deutschland GmbH | | | | | USD | 8,996 | 10,802 | 2020 |
| POSCO International America Corporation | | | | | USD | 20,000 | 24,014 | 2020 |
| POSCO International Japan Corporation | BMG, Amsterdam | USD | 50,000 | 60,035 | USD | 9,295 | 11,161 | 2021 |
| POSCO International Malaysia SDN BHD | | | | | USD | - | - | - |
| POSCO International Italia S.R.L | | | | | USD | - | - | - |
| POSCO International Mexico S.A de C.V | | | | | USD | - | - | - |
| Total | | USD | 514,952 | 618,305 | USD | 462,963 | 555,883 | |

The above guaranteed companies, except for SHERRITT INTERNATIONAL CORP., are related parties of the Company.

On the other hand, as of the end of the current semi-annual period, detail of assets provided as collateral in relation to the borrowings of associates DMSA/AMSA are as follows:

(Unit: million KRW)

| Collateral provider | Assets provided as collateral | Carrying amount | Recipient | Reason for Provision |
|---------------------|-------------------------------|-----------------|-------------------------|----------------------|
| DMSA/AMSA | DMSA/AMSA stocks | 64,881 | PF syndicate of lenders | PF collateral |

19-7 Other commitments

19-7-1 SPH Co., Ltd. Fund replenishment commitment

In 2014, the Company and POSCO E&C invested 50% of each, and established SPH Co., Ltd. to run a private construction rental housing business in the Songdo International Business Complex for the purpose of providing employee housing. In accordance with the fund replenishment commitment signed by SPH Co., Ltd. with the syndicate of lenders on December 20, 2018, the joint control company (the Company and POSCO E&C) shall jointly repay the principal and interest of the borrowings from the SPC of Park Avenue 1st Co., Ltd. The fund replenishment commitment amount is KRW 20,000 million, and the balance of the borrowings of SPH Co., Ltd. to the SPC of Park Avenue 1st Co., Ltd. is KRW 20,000 million as of the end of the reporting period.

19-7-2 Korea Ambatovy Consortium (KAC) Commitment

The Company has invested in the Ambatovy Nickel Project in Madagascar (DMSA/ASMA) through the KAC formed with Korea Resources Corporation (KORES) and STX Co., Ltd. SHERRITT INTERNATIONAL CORP., a company with operating rights, transferred a portion of the project's shares to Sumitomo and new corporation, Ambatovy Holdings Limited, in November 2017 and KAC has rights and obligations, including call options, for the new corporation's stake (12.83%)..

19-7-3 Cost of environmental restoration in Peru Block 8

The company with the right to operate has entered into a contract with the former operating rights holders on the share of environmental restoration expenses. However, as environmental restoration expenses are expected to increase due to the revision of local environmental laws, the former operating rights holders refused to bear the environmental restoration expenses, and the Company and mining companies applied for arbitration against the former operating rights holders. As a result of the arbitral award in June 2018, the former operating rights holder are also obligated to bear the burden of environmental restoration, so they shall bear 94% of the restoration expenses for the areas where the responsibility of the former operating rights holders has already been proven and areas where the responsibility for pollution will be proven in the future. As the procedure for obtaining approval of the environmental restoration plan from the Peruvian government is in progress, the restoration expenses to be borne by the Company, the mining companies, and the former operating rights holder has not yet been determined.

19-7-4 Acquisition of status under the ship purchase commitment contract

The Company is operating a vessel rental and lease business, which charters ships from ship owners and lease them to shipping companies. The Company has entered vessel purchase commitment with ship-owner and the shipping company. According to the commitment, the shipping company is obligated to pay the contract amount to the ship-owner and to receive the ownership of the ship from the ship-owner when the term of the charter party contract expires or terminate. In the event that a shipping company fails to fulfill its obligations to purchase a vessel, such as failure of payment of the vessel acquisition price, the Company is obligated to take over the vessel by transferring the contractual obligations and rights of the shipping company. Vessel purchase commitments concluded as of the end of the current semi-annual period are as follows:

(Unit: thousand USD)

| Vessel | Shipowner | Shipping company | Contract period | Purchase agreement amount |
|--|-----------------|---------------------------|-------------------------|---------------------------|
| Container ship, Heung-A Janice | D&G Shipping SA | Heungaline Co., Ltd. | 2014.10.28 ~ 2025.03.16 | 7,700 |
| Container ship, Heung-A Haiphong | D&M Shipping SA | Heungaline Co., Ltd. | 2014.12.29 ~ 2025.03.16 | 7,700 |
| Container ship, Heung-A Xiamen | D&F Shipping SA | Heungaline Co., Ltd. | 2015.02.05 ~ 2025.05.16 | 7,700 |
| Container ship, Heung-A Akita | D&S Shipping SA | Heungaline Co., Ltd. | 2015.03.05 ~ 2025.05.16 | 7,700 |
| Chemical tanker ship, Busan Pioneer | HIDHC No.1 S.A. | Heung-A Shipping Co. Ltd. | 2015.09.16 ~ 2025.12.29 | 6,500 |
| Chemical tanker ship, Ulsan Pioneer | HIDHC No.2 S.A. | Heung-A Shipping Co. Ltd. | 2016.01.29 ~ 2026.03.29 | 6,500 |
| Chemical tanker ship, Asian Pioneer | HIDHC No.3 S.A. | Heung-A Shipping Co. Ltd. | 2015.12.28 ~ 2026.03.29 | 12,752 |
| Chemical tanker ship, No.2 Asian Pioneer | HIDHC No.4 S.A. | Heung-A Shipping Co. Ltd. | 2016.03.31 ~ 2026.05.29 | 12,752 |
| Container ship, MSC Paloma | HIDM No.1 S.A. | MSC | 2013.12.23 ~ 2023.12.20 | 69,500 |
| Container ship, MSC Melatilde | HIDM No.2 S.A. | MSC | 2013.12.23 ~ 2023.12.20 | 69,500 |

20. Other capital items

The detail of other assets as of the end of the current semi-annual period and the previous period is as follows:

(Unit: million KRW)

| Classification | End of current semi-annual period | End of previous period |
|----------------|-----------------------------------|------------------------|
| Treasury stock | (6) | (6) |

21. Accumulated other comprehensive income

The detail of accumulated other comprehensive income as of the end of the current semi-annual period and the previous period is as follows:

(Unit: million KRW)

| Classification | End of current semi-annual period | End of previous period |
|---|-----------------------------------|------------------------|
| Gains or losses on valuation of equity instruments at fair value through other comprehensive income | (1,681) | (1,896) |

22. Retained earnings

The detail of Company's retained earnings as of the end of the current semi-annual period and the previous period is as follows:

(Unit: million KRW)

| Classification | End of current semi-annual period | End of previous period |
|----------------------------------|-----------------------------------|------------------------|
| Profit reserves (Note1) | 61,380 | 52,744 |
| Voluntary reserves (Note2) | 1,600,400 | 1,511,000 |
| Unappropriated retained earnings | 202,420 | 186,399 |
| Total | 1,864,200 | 1,750,143 |

(Note1) In accordance with the regulations of the Commercial Act, the Company is required to accumulate more than 10% of the profit dividend by money as profit reserves at each settlement period until it reaches 50% of the capital, and the profit reserves cannot be distributed in cash, but can be used for capital transfer or loss compensation.

(Note2) Company's voluntary reserves are all business expansion reserves.

23. Selling and administrative expenses

The selling and administrative expenses incurred during the current and the previous semi-annual period are as follows.

(Unit: million KRW)

| Classification | Current semi-annual period | | Previous semi-annual period | |
|-----------------------------------|----------------------------|------------|-----------------------------|------------|
| | 3 months | Cumulative | 3 months | Cumulative |
| Salaries wages | 31,305 | 65,957 | 34,969 | 69,990 |
| Severance indemnities | 4,636 | 8,881 | 3,785 | 7,648 |
| Employee benefits | 6,434 | 14,492 | 8,150 | 16,302 |
| Travel expenses | 141 | 852 | 2,624 | 4,991 |
| Communication expenses | 705 | 1,490 | 829 | 1,648 |
| Utility expenses | 16 | 116 | 88 | 185 |
| Taxes dues | 1,860 | 2,984 | 1,765 | 2,657 |
| Rent paid | 2,933 | 3,362 | 1,583 | 3,781 |
| Depreciation | 1,021 | 2,271 | 1,199 | 2,635 |
| Amortization of intangible assets | 1,186 | 2,309 | 1,061 | 2,112 |

| | | | | |
|------------------------------|--------|---------|--------|---------|
| Depreciation of right-of-use | 995 | 2,050 | 1,728 | 2,473 |
| Repair expenses | 69 | 228 | 357 | 494 |
| Insurance premiums | 5,193 | 11,647 | 5,787 | 12,234 |
| Entertainment expenses | 71 | 164 | 97 | 221 |
| Advertising expenses | 158 | 460 | 358 | 907 |
| Packing expenses | 189 | 245 | 183 | 349 |
| Export shipping expenses | 9,475 | 17,494 | 6,307 | 16,379 |
| Commissions | 15,087 | 33,675 | 17,313 | 36,531 |
| Bad debt expenses (reversal) | (183) | 1,482 | 243 | 3,323 |
| Supply expenses | 61 | 253 | 413 | 815 |
| Vehicle maintenance expenses | 334 | 915 | 326 | 714 |
| Publication expenses | 51 | 111 | 52 | 133 |
| Training expenses | 401 | 627 | 1,177 | 1,505 |
| Ordinary development expense | - | 48 | 280 | 1,340 |
| Sales promotion expenses | 348 | 925 | 828 | 1,742 |
| Fair expenses | 3 | 3 | 40 | 70 |
| Sample expenses | 16 | 50 | 62 | 126 |
| Miscellaneous expenses | 16 | 40 | 33 | 57 |
| Conference expenses | 101 | 268 | 130 | 225 |
| Total | 82,622 | 173,399 | 91,767 | 191,587 |

24. Financial profit or loss

The financial profit or loss incurred during the current and the previous semi-annual period is as follows:

(Unit: million KRW)

| Classification | Current semi-annual period | | Previous semi-annual period | |
|---|----------------------------|------------|-----------------------------|------------|
| | 3 months | Cumulative | 3 months | Cumulative |
| <Financial revenue> | | | | |
| Interest revenue | 8,483 | 17,776 | 10,804 | 18,419 |
| Financial guarantee income | 528 | 1,048 | 359 | 807 |
| Dividend revenue | 17,117 | 46,821 | 11,893 | 16,420 |
| Foreign exchange gains | 145,983 | 276,666 | 134,676 | 170,915 |
| Gains on foreign exchange translations | (72,793) | 66,709 | 40,628 | 89,167 |
| Gains on valuation of derivatives | (19,568) | 66,242 | 15,179 | 61,523 |
| Gains on transaction of derivatives | 76,195 | 134,658 | 48,245 | 80,407 |
| Gains on valuation of accounts receivables | 4,192 | 4,572 | (466) | 440 |
| Gains on valuation of accounts payables | (187) | 10 | 22 | 22 |
| Gains on valuation of financial assets at fair value through profit or loss | 2 | 3 | - | 2 |
| Total | 159,952 | 614,505 | 261,340 | 438,122 |
| <Financial expenses> | | | | |
| Losses on repayment of borrowings | - | - | - | 2,237 |
| Losses on disposals of trade receivables | 3,466 | 8,023 | 7,588 | 15,417 |
| Interest expenses | 19,215 | 35,724 | 24,725 | 54,755 |
| Financial guarantee expenses | 1,594 | 1,594 | - | - |
| Losses foreign currency transactions | 120,095 | 238,811 | 117,428 | 155,026 |
| Losses on foreign exchange translations | (37,917) | 76,097 | 41,736 | 91,091 |
| Losses on valuation of derivatives | (36,883) | 75,654 | 4,177 | 44,452 |
| Losses on transaction of derivatives | 86,019 | 152,771 | 69,319 | 108,328 |
| Losses on valuation of accounts receivables | (381) | - | (193) | 413 |
| Losses on valuation of accounts payables | 116 | 116 | 53 | 53 |
| Total | 155,324 | 588,790 | 264,833 | 471,772 |

25. Other non-operating gain or loss

The amounts of other non-operating gain or loss incurred during the current and the previous semi-annual period are as follows:

(Unit: million KRW)

| Classification | Current semi-annual period | | Previous semi-annual period | |
|--|----------------------------|------------|-----------------------------|------------|
| | 3 months | Cumulative | 3 months | Cumulative |
| <Other non-operating revenues> | | | | |
| Commission received | 24 | 54 | - | - |
| Gains on disposals of investment assets | 211 | 211 | 2,828 | 2,828 |
| Gains on disposals of property, plant and equipment | 10 | 40 | 32 | 167 |
| Reversal of other allowance for bad debts | 285 | 285 | 339 | 1,470 |
| Reversal of allowance for contingent losses | 14 | 292 | 312 | 610 |
| Miscellaneous profit | 1,524 | 4,820 | 5,322 | 6,754 |
| Total | 2,068 | 5,702 | 8,833 | 11,829 |
| <Other non-operating expenses> | | | | |
| Transfer of provision for restoration | 135 | 262 | 273 | 527 |
| Other bad debt expenses | 256 | 452 | - | 3,259 |
| Losses on disposals of property, plant and equipment | - | 41 | 3 | 21 |
| Impairment loss on property, plant and equipment | - | 77 | 689 | 936 |
| Impairment loss on intangible assets | - | 419 | 167 | 171 |
| Donations | 314 | 356 | 27 | 130 |
| Contingent losses | 430 | 869 | 461 | 902 |
| Impairment loss on investment in associates | 6,121 | 8,249 | 30,190 | 31,580 |
| Losses on disposal of investment stocks accounted in equity method | 41 | 41 | 249 | 249 |
| Defect compensation expenses | (60) | - | - | - |
| Miscellaneous losses | 426 | 1,833 | 5,933 | 7,031 |
| Total | 7,663 | 12,599 | 37,992 | 44,806 |

26. Impairment loss on financial assets

The contents related to impairment losses on financial assets during the current and the previous period are as follows:

(Unit: million KRW)

| Classification | Current semi-annual period | Previous semi-annual period |
|---|----------------------------|-----------------------------|
| Bad debt expenses | 1,482 | 3,323 |
| Other bad debt expenses | 452 | 3,259 |
| Reversal of other allowance for bad debts | (285) | (1,470) |
| Total | 1,649 | 5,112 |

27. Income tax expense

27-1 The compositions of income tax expenses during the current and the previous period are as follows:

(Unit: million KRW)

| Classification | Current semi-annual period | Previous semi-annual period |
|---|----------------------------|-----------------------------|
| Income tax burden | 76,331 | 104,635 |
| Changes in deferred income tax due to temporary differences, etc. | (22,055) | (17,106) |
| Division | 2,131 | - |
| Changes in deferred income tax due to tax credit | 20,205 | - |
| Income tax expenses directly reflected in capital | (72) | 301 |
| Income tax expense | 76,540 | 87,830 |
| Effective income tax rate | 27.65% | 32.49% |

27-2 The detail of income tax added to or subtracted from capital during the current and the previous period is as follows:

(Unit: million KRW)

| Classification | Current semi-annual period | Previous semi-annual period |
|--|----------------------------|-----------------------------|
| Gains on valuation of equity instruments at fair value through other comprehensive income | (74) | 53 |
| Remeasurement of net defined benefit assets | (48) | 38 |
| Reclassification due to disposals of equity instruments at fair value through other comprehensive income | 50 | 210 |
| Total | (72) | 301 |

28. Earning per share

28-1 Basic earnings per share

The calculation detail of basic earnings per share is as follows:

| Classification | Current semi-annual period | Previous semi-annual period |
|--|----------------------------|-----------------------------|
| Semiannual net income of common stock | KRW 200,279 million | KRW 182,462 million |
| Weighted number of common shares outstanding | 123,374,891 shares | 123,374,891 shares |
| Basic earnings per share | KRW 1,623 | KRW 1,479 |

28-2 Diluted earnings per share

Diluted earnings per share are same as basic earnings per share, since there are no potential common stocks that can be converted to common stocks during the current and previous semi-annual period

29. Financial instruments at fair value

29-1 Carrying amount and fair value of financial instruments

As of the end of the current semi-annual and the previous period, the carrying amount and fair value of financial instruments of the Company are as follows:

(Unit: million KRW)

| Classification | End of current semi-annual period | | End of previous period | |
|--|-----------------------------------|------------|------------------------|------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| <Financial assets> | | | | |
| Financial assets recognized at amortized cost | | | | |
| - Cash and cash equivalents | 499,187 | 499,187 | 85,092 | 85,092 |
| - Trade receivables and other receivables (Note1) | 3,047,077 | 3,047,077 | 3,427,378 | 3,427,378 |
| - Other current financial assets | 8,730 | 8,730 | 311 | 311 |
| - Long-term receivables and other receivables (Note1) | 407,661 | 407,661 | 489,009 | 489,009 |
| - Other non-current financial assets | 930 | 930 | 882 | 882 |
| Total financial assets recognized at amortized cost | 3,963,585 | 3,963,585 | 4,002,672 | 4,002,672 |
| Financial assets recognized at fair value | | | | |
| - Trade receivables and other receivables | 13,023 | 13,023 | 46,458 | 46,458 |
| - Derivative financial assets | 45,430 | 45,430 | 42,074 | 42,074 |
| - Financial assets at fair value through other comprehensive income | 27,247 | 27,247 | 27,139 | 27,139 |
| - Financial assets (long-term investment) at fair value through profit or loss | 570 | 570 | 632 | 632 |
| - Financial assets (other securities) at fair value through profit or loss | 17 | 17 | 73 | 73 |

| | | | | |
|--|-----------|-----------|-----------|-----------|
| - Financial assets (other financial assets) at fair value through profit or loss | 114,080 | 114,080 | - | - |
| Total financial assets recognized at fair value | 200,367 | 200,367 | 116,376 | 116,376 |
| Total financial assets | 4,163,952 | 4,163,952 | 4,119,048 | 4,119,048 |
| <Financial liabilities> | | | | |
| Financial liabilities recognized at amortized cost | | | | |
| - Trade payables and other payables (Note2) | 1,416,211 | 1,416,211 | 1,938,246 | 1,938,246 |
| - Borrowings | 805,923 | 805,923 | 697,346 | 697,346 |
| - Debenture of current portion | 259,887 | 263,286 | 130,042 | 131,217 |
| - Long-term trade payables and other payables (Note2) | 181,679 | 181,679 | 187,944 | 187,944 |
| - Long-term borrowings | 235,185 | 235,185 | 232,883 | 232,883 |
| - Debenture | 1,422,809 | 1,439,688 | 1,243,688 | 1,258,714 |
| Total financial liabilities recognized at amortized cost | 4,321,694 | 4,341,972 | 4,430,149 | 4,446,350 |
| Financial liabilities recognized at fair value | | | | |
| - Derivative financial liabilities | 47,134 | 47,134 | 33,117 | 33,117 |
| Total financial liabilities recognized at fair value | 47,134 | 47,134 | 33,117 | 33,117 |
| Total financial liabilities | 4,368,828 | 4,389,106 | 4,463,266 | 4,479,467 |

(Note1) The above trade receivables and other receivables, long-term receivables and other receivables include the current portion of lease receivables of KRW 51,009 million and long-term lease receivables of KRW 169,230 million, respectively.

(Note2) The above trade payables and other payables, long-term trade payables and other payables include the current portion of lease liabilities of KRW 65,936 million and long-term lease liabilities of KRW 169,926 million, respectively.

29-2 Fair value hierarchy levels

The following is the criteria for classifying fair values from Level 1 to Level 3 according to the degree to which they are observable in the market.

| | |
|---------|---|
| Level 1 | The published price (unadjusted) in the active market for the same asset or liability |
| Level 2 | Inputs to an asset or liability, observable directly (e.g. price) or indirectly (e.g. derived from price) However, the published price included in Level 1 is excluded. |
| Level 3 | Inputs to assets or liabilities that are not based on observable market data (non-observable inputs) |

The value of the financial instruments measured at fair value according to the above hierarchy as of the end of the current semi-annual period is as follows:

(Unit: million KRW)

| Classification | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|---------|
| <End of current semi-annual period> | | | | |
| [Financial assets] | | | | |
| Trade receivables and other receivables | - | - | 13,023 | 13,023 |
| Financial assets at fair value through other comprehensive income | 4,038 | - | - | 4,038 |
| Financial assets at fair value through profit or loss | - | 114,097 | - | 114,097 |
| Derivative assets | - | 45,430 | - | 45,430 |
| [Financial liabilities] | | | | |
| Derivative liabilities | - | 47,134 | - | 47,134 |
| <End of previous period> | | | | |
| [Financial assets] | | | | |
| Trade receivables and other receivables | - | - | 46,458 | 46,458 |
| Financial assets at fair value through other comprehensive income | 3,931 | - | - | 3,931 |
| Financial assets at fair value through profit or loss | - | 73 | - | 73 |
| Derivative assets | - | 42,074 | - | 42,074 |
| [Financial liabilities] | | | | |
| Derivative liabilities | - | 33,117 | - | 33,117 |

29-3 Assumption of valuation techniques applied to fair value measurement

The fair value of financial instruments traded in an active market is calculated based on the market price announced at the end of the reporting period. These instruments are included in Level 1 and consist mostly of listed stocks classified as financial assets measured at fair value through other comprehensive income.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. This valuation technique uses as much observable market information as possible and minimizes company-specific information. At this time, if all significant inputs required to measure the fair value of the product are observable, the product will be included in level 2.

If one or more of the significant inputs are not based on observable market information, the instrument will be included in level 3.

The valuation techniques used to measure the fair value of financial instruments include:

- Published market price or dealer price of similar products
- The fair value of derivatives is measured by discounting the amount to the present value using the forward exchange rate as of the end of the reporting period.
- For the rest of financial instruments, cash flow discount techniques, etc.

The carrying amount of financial instruments in the same category such as trade receivables and other receivables, which are current assets, is estimated as a reasonable approximation of fair value.

On the other hand, when calculating the fair value of derivative assets and liabilities of level 2 above, the Company used the interest rate of U.S. government bonds (T-bill), taking into account the credit risk of the counterparty, and, when calculating the fair value of bonds, the Company considers the interest rates by maturity.

30. Financial instruments risk management

30-1 Risk management for financial products

The purpose of capital management of the Company is to maintain an optimal capital structure that can reduce capital expenses and maintain the ability to continuously provide profits to shareholders and stakeholders as a going concern. In order to maintain or adjust the capital structure, the Company applies policies such as adjusting dividends.

Company's capital structure consists of equity and net borrowings less cash and cash equivalents from borrowings, and the overall capital risk management policy is the same as in the previous period. Meanwhile, as of the end of the current semi-annual period and the previous period, the detail of the items managed by the Company as equity is as follows:

(Unit: million KRW)

| Classification | End of current semi-annual period | End of previous period |
|--------------------------------------|-----------------------------------|------------------------|
| Total borrowings and debentures | 2,723,804 | 2,303,960 |
| Deduction: Cash and cash equivalents | (499,187) | (85,092) |
| Net borrowings | 2,224,617 | 2,218,868 |
| Total capital | 3,023,391 | 2,909,119 |
| Total capital borrowing ratio | 74% | 76% |

30-2 Financial risk management

The Company is exposed to various financial risks related to financial instruments such as market risk (foreign exchange risk, interest rate risk), credit risk, and liquidity risk. Company's risk management aims to identify potential risks affecting Company's financial performance and reduce, eliminate and avoid them to an acceptable level. The Company uses derivative financial instruments to avoid specific risks such as currency risk. Company's overall financial risk management strategy is the same as in the previous period.

30-2-1 Market risk

Market risk is the risk that the fair value of a financial instrument will fluctuate due to fluctuations in market price. Market risk is composed of three types: foreign exchange risk, interest rate risk and other price risk.

30-2-1-1 Foreign exchange risk

The Company is exposed to exchange rate fluctuations because it conducts transactions denominated in foreign currency. As of the end of the current semi-annual period and the previous period, the carrying amounts of monetary assets and liabilities of the Company denominated in major foreign currencies other than the functional currency are as follows:

(Unit: million KRW)

| Classification | End of current semi-annual period | | End of previous period | |
|----------------|-----------------------------------|-------------|------------------------|-------------|
| | Assets | Liabilities | Assets | Liabilities |
| USD | 2,471,249 | 2,073,722 | 2,678,058 | 2,364,831 |
| JPY | 92,314 | 70,754 | 73,088 | 66,298 |
| EUR | 524,376 | 221,289 | 495,777 | 151,894 |

In case that the exchange rate of the functional currency for each foreign currency changes by 10% as of the end of the current semi-annual period, the effects of the exchange rate change on the profit or loss for the current semi-annual period are as follows:

(Unit: million KRW)

| Classification | increased by 10% | decreased by 10% |
|----------------|------------------|------------------|
| USD | 39,753 | (39,753) |
| JPY | 2,156 | (2,156) |
| EUR | 30,309 | (30,309) |

30-2-1-2 Interest rate risk

Company's interest rate risk comes from borrowings and debentures. Short-term borrowings issued at variable interest rates expose the Company to cash flow interest rate risk.

As of the end of the semi-annual period, if other variables are constant and the interest rate on borrowings under variable interest rates rises or falls by 1% point, gains or losses before income tax for the current semi-annual period would be reduced or increased by KRW 2,848 million due to the interest expenses on the borrowings with variable interest rate.

30-2-2 Credit risk

Credit risk is the risk of financial loss due to the counterparty's failure to fulfill its obligations. The Company is exposed to credit risk in its business and financial activities.

30-2-2-1 Trade receivables and other receivables

The Company conducts credit verification procedures for all counterparties that wish to make credit transactions, and conducts transactions only with counterparties with sound credit standing. In addition, the Company continuously manages the balance of accounts receivables by continuously re-evaluating creditworthiness so that the level of exposure of the Company to bad debt risk is maintained at an unimportant level.

30-2-2-2 Other assets

Credit risk arising from other assets of the Company consisting of cash, short-term deposits, and long- and short-term loans arise from bankruptcy of the counterparty. In this case, the level of credit risk exposure of the Company will be the same as the maximum carrying amount of the relevant financial instrument. On the other hand, the Company deposits cash and cash equivalents and short-term financial instruments in financial institutions such as Woori Bank and deals with financial institutions with excellent credit ratings, so credit risk from financial institutions is limited.

30-2-2-3 Maximum exposure to credit risk

The carrying amount of a financial asset represents the maximum degree of exposure to credit risk, and if a financial guarantee is

provided, the maximum degree of exposure to credit risk is the maximum amount to be paid at the request of the principal debtor. For borrowing commitments, the maximum exposure to credit risk is the total amount of the contracts. As of the end of the current semi-annual period and the previous period, the maximum exposure to credit risk of the Company is as follows:

(Unit: million KRW)

| Classification | End of current semi-annual period | End of previous period |
|---|-----------------------------------|------------------------|
| Cash and cash equivalents | 499,187 | 85,092 |
| Trade receivables and other receivables (Note1) | 3,060,100 | 3,473,836 |
| Other current financial assets | 122,810 | 311 |
| Derivative assets | 45,430 | 42,074 |
| Long-term receivables and other receivables (Note1) | 407,661 | 489,009 |
| Other non-current financial assets | 28,764 | 28,725 |
| Financial guarantee contract | 575,883 | 528,228 |
| Total | 4,739,835 | 4,647,275 |

(Note1) The above trade receivables and other receivables, long-term receivables and other receivables include the current portion of lease receivables of KRW 51,009 million and long-term lease receivables of KRW 169,230 million, respectively.

30-2-2-4 Aging analysis for financial assets

As of the end of the current semi-annual period, the aging analysis for non-derivative financial assets is as follows:

(Unit: million KRW)

| Classification | Total | Not yet reached maturity | Lapse of the maturity | | | |
|---|-----------|--------------------------|-----------------------|-------------------|--------------------|----------------|
| | | | Within 1 month | Within 1~3 months | Within 3~12 months | Over 12 months |
| Cash and cash equivalents | 499,187 | 499,187 | - | - | - | - |
| Trade receivables and other receivables (Note1) | 3,067,411 | 2,840,940 | 87,061 | 52,102 | 62,812 | 24,496 |
| Other current financial assets | 122,810 | 122,810 | - | - | - | - |
| Long-term trade receivables and other receivables (Note1) | 504,232 | 375,120 | 22 | 2,681 | 65,518 | 60,891 |
| Other non-current financial assets | 28,764 | 28,764 | - | - | - | - |
| Total | 4,222,404 | 3,866,821 | 87,083 | 54,783 | 128,330 | 85,387 |

(Note1) The above trade receivables and other receivables, long-term receivables and other receivables include the current portion of lease receivables of KRW 51,009 million and long-term lease receivables of KRW 169,230 million, respectively.

30-2-3 Liquidity risk

To manage liquidity risk, the Company establishes short-term and mid- to long-term fund management plans, and continuously analyzes and reviews cash outflow budgets and actual cash outflows to maintain and manage appropriate liquidity. The management of the Company believes that financial liabilities can be repaid through cash inflows from operating activities and financial assets.

30-2-3-1 As of the end of the current semi-annual period, the maturity analysis according to the remaining contract maturity of financial liabilities of the Company is as follows: The amount by maturity is non-discounted contractual cash flow and includes interest payments.

(Unit: million KRW)

| Classification | Total | Less than 1 year | 1~5 years | Over 5 years |
|---|-----------|------------------|-----------|--------------|
| Trade payables and other payables (Note1) | 1,416,211 | 1,416,211 | - | - |
| Derivative liabilities | 47,134 | 47,134 | - | - |
| Borrowings | 1,085,146 | 811,205 | 133,433 | 140,508 |
| Debenture | 1,765,522 | 290,996 | 1,423,470 | 51,056 |
| Long-term trade payables and other payables (Note1) | 199,915 | - | 190,670 | 9,245 |
| Total | 4,513,928 | 2,565,546 | 1,747,573 | 200,809 |

(Note1) The above trade payables and other payables, long-term trade payables and other payables include the current portion of

lease liabilities of KRW 65,936 million and long-term lease liabilities of KRW 169,926 million, respectively.

30-2-3-2 As of the end of the current semi-annual period, the analysis of maturity according to the guarantee period of the financial guarantee contract is as follows:

(Unit: million KRW)

| Classification | Less than 1 year | 1~5 years | Over 5 years |
|--------------------------------------|------------------|-----------|--------------|
| Financial guarantee contract (Note1) | 575,883 | 247,182 | 138,081 |

(Note1) The Company provides payment guarantee commitments and fund replenishment commitments to associates and other related parties. For detailed information, refer to Notes 19 on contingent liabilities and commitments.

31. Transactions with related parties

31-1 As of the end of the current semi-annual period and the previous period, the status of related parties of the Company is as follows:

| Classification | End of current semi-annual period | End of previous period |
|---------------------|--|--|
| Controlling company | POSCO Co., Ltd. | POSCO Co., Ltd. |
| Subsidiaries | POSCO INTERNATIONAL AMERICA CORP. | POSCO INTERNATIONAL AMERICA CORP. |
| | POSCO INTERNATIONAL DEUTSCHLAND GmbH | POSCO INTERNATIONAL DEUTSCHLAND GmbH |
| | POSCO INTERNATIONAL JAPAN CORP. | POSCO INTERNATIONAL JAPAN CORP. |
| | POSCO INTERNATIONAL SINGAPORE PTE LTD. | POSCO INTERNATIONAL SINGAPORE PTE LTD. |
| | POSCO INTERNATIONAL ITALIA S.R.L. | POSCO INTERNATIONAL ITALIA S.R.L. |
| | POSCO INTERNATIONAL CHINA CO.,LTD. | POSCO INTERNATIONAL CHINA CO.,LTD. |
| | POSCO INTERNATIONAL MYANMAR CORP. LTD. | POSCO INTERNATIONAL MYANMAR CORP. LTD. |
| | POSCO INTERNATIONAL MEXICO S.A. de C.V. | POSCO INTERNATIONAL MEXICO S.A. de C.V. |
| | POSCO INTERNATIONAL MALAYSIA SDN BHD | POSCO INTERNATIONAL MALAYSIA SDN BHD |
| | POSCO INTERNATIONAL SHANGHAI CO.,LTD. | POSCO INTERNATIONAL SHANGHAI CO.,LTD. |
| | DAEWOO INTERNATIONAL SHANGHAI WAIGAOQIAO CO., LTD. | DAEWOO INTERNATIONAL SHANGHAI WAIGAOQIAO CO., LTD. |
| | POSCO INTERNATIONAL INDIA PVT.,LTD. | POSCO INTERNATIONAL INDIA PVT.,LTD. |
| | POSCO INTERNATIONAL VIETNAM CO.,LTD. | POSCO INTERNATIONAL VIETNAM CO.,LTD. |
| | POSCO INTERNATIONAL TEXTILE LLC. | POSCO INTERNATIONAL TEXTILE LLC. |
| | POSCO INTERNATIONAL AUSTRALIA HOLDINGS PTY. LTD. | POSCO INTERNATIONAL AUSTRALIA HOLDINGS PTY. LTD. |
| | PT. BIO INTI AGRINDO | PT. BIO INTI AGRINDO |
| | DAEWOO AAPC CORP. | DAEWOO AAPC CORP. |
| | BRASIL SAO PAULO STEEL PROCESSING CENTER | BRASIL SAO PAULO STEEL PROCESSING CENTER |
| | POSCO INTERNATIONAL POWER (PNGPOM) LTD. | POSCO INTERNATIONAL POWER (PNGPOM) LTD. |
| | POSCO INTERNATIONAL POWER (PNGLA) LTD. | POSCO INTERNATIONAL POWER (PNGLA) LTD. |
| | GOLDEN LACE POSCO INTERNATIONAL CO.,LTD. | GOLDEN LACE POSCO INTERNATIONAL CO.,LTD. |
| | POSCO INTERNATIONAL UKRAINE, LLC. | POSCO INTERNATIONAL UKRAINE, LLC. |
| | POSCO SOUTH EAST ASIA PTE. LTD. | POSCO SOUTH EAST ASIA PTE. LTD. |
| | DAEWOO GLOBAL DEVELOPMENT PTE. LTD. | DAEWOO GLOBAL DEVELOPMENT PTE. LTD. |
| | POSCO INTERNATIONAL AMARA CO., LTD. | POSCO INTERNATIONAL AMARA CO., LTD. |
| | (Note1) | LA SRDC |
| | POHANG SRDC CO., LTD. | POHANG SRDC CO., LTD. |
| | POSCO TMC INDIA PVT.,LTD. | POSCO TMC INDIA PVT.,LTD. |
| | GRAIN TERMINAL HOLDING PTE. LTD. | GRAIN TERMINAL HOLDING PTE. LTD. |
| | Mykolaiv Milling Works PJSC. | Mykolaiv Milling Works PJSC. |
| | Yuzhnaya Stevedoring Company Limited LLC. | Yuzhnaya Stevedoring Company Limited LLC. |
| | POSCO International (Thailand) Co., Ltd. (Note2) | - |
| | PT POSCO INTERNATIONAL INDONESIA (Note2) | - |
| | POSCO SPS CO., LTD. (Note2) | - |
| Associates | Blue Ocean Corporate Financial Stabilization No. 1 Private Equity Investment Company | Blue Ocean Corporate Financial Stabilization No. 1 Private Equity Investment Company |
| | POSCO MEXICO PROCESSING CENTER HOLDING, LLC. | POSCO MEXICO PROCESSING CENTER HOLDING, LLC. |

| | | |
|--------|---|---|
| | POSCO-ESDC LTD. | POSCO-ESDC LTD. |
| | POSCO IJPC | POSCO IJPC |
| | Shanghai Lansheng DAEWOO CORP. | Shanghai Lansheng DAEWOO CORP. |
| | Shanghai Waigaoqiao Free Trade Zone Lansheng Daewoo International Trading Co.,Ltd | Shanghai Waigaoqiao Free Trade Zone Lansheng Daewoo International Trading Co.,Ltd |
| | GENERAL MEDICINES CO.,LTD. | GENERAL MEDICINES CO.,LTD. |
| | KOREA LNG LTD. | KOREA LNG LTD. |
| | KG POWER (M) SDN. BHD. | KG POWER (M) SDN. BHD. |
| | KWANIKI COPPER CORP. | KWANIKI COPPER CORP. |
| | GLOBAL KOMSCO DAEWOO LLC | GLOBAL KOMSCO DAEWOO LLC |
| | SOUTH-EAST ASIA GAS PIPELINE CO.,LTD. | SOUTH-EAST ASIA GAS PIPELINE CO.,LTD. |
| | HyunSon Engineering & Construction | HyunSon Engineering & Construction |
| | SPH Co., Ltd. | SPH Co., Ltd. |
| | YULCHON MEXICO S. A. DE C. V. | YULCHON MEXICO S. A. DE C. V. |
| | DMSA/AMSA | DMSA/AMSA |
| | PT. BATUTUA TEMBAGA RAYA | PT. BATUTUA TEMBAGA RAYA |
| | INCOTECH Co., Ltd. | INCOTECH Co., Ltd. |
| | TK Chemical Co., Ltd. | TK Chemical Co., Ltd. |
| | (Note3) | Daewoo-HANIL Co., Ltd. |
| | SHINPOONG DAEWOO PHARMA VIETNAM CO.,LTD. | SHINPOONG DAEWOO PHARMA VIETNAM CO.,LTD. |
| | POSCO-MALAYSIA SDN.BHD. | POSCO-MALAYSIA SDN.BHD. |
| | POSCO-ITPC S.p.A | POSCO-ITPC S.p.A |
| | Hunchun POSCO HYUNDAI International Logistics | Hunchun POSCO HYUNDAI International Logistics |
| | Curo Co., Ltd. (Note4) | IT engineering |
| Others | POSCO ASIA CO., LTD. | POSCO ASIA CO., LTD. |
| | POSCO-VIETNAM CO.,LTD. | POSCO-VIETNAM CO.,LTD. |
| | POSCO-THAINOX | POSCO-THAINOX |
| | POSCO ASSAN TST STEEL INDUSTRY | POSCO ASSAN TST STEEL INDUSTRY |
| | POSCO-AAPC | POSCO-AAPC |
| | POSCO COATED & COLOR CO. LTD. | POSCO COATED & COLOR CO. LTD. |
| | POSCO AMERICA CORP. | POSCO AMERICA CORP. |
| | ZHANGJIAGANG POHANG STAINLESS STEEL CO., LTD. | ZHANGJIAGANG POHANG STAINLESS STEEL CO., LTD. |
| | POSCO-Foshan Steel Processing Center CO., LTD. | POSCO-Foshan Steel Processing Center CO., LTD. |
| | COMPANHIA SIDERURGICA DO PECÉM | COMPANHIA SIDERURGICA DO PECÉM |
| | POSCO ENERGY Co. LTD. | POSCO ENERGY Co. LTD. |
| | POSCO VST CO., LTD. | POSCO VST CO., LTD. |
| | POSCO SS-VINA | POSCO SS-VINA |
| | PT. KRAKATAU POSCO | PT. KRAKATAU POSCO |
| | POSCO Maharashtra Steel PVT. LTD. | POSCO Maharashtra Steel PVT. LTD. |
| | Daewoo Human Resources S.A. DE C.V. | Daewoo Human Resources S.A. DE C.V. |
| | POSCO HUMANS CO.,LTD. | POSCO HUMANS CO.,LTD. |
| | DAEWOO LOGISTICS CORP. and others | DAEWOO LOGISTICS CORP. and others |

(Note1) It was liquidated during the current semi-annual period.

(Note2) They were added during the current semi-annual period.

(Note3) It was sold during the current semi-annual period.

(Note4) During the current semi-annual period, IT ENGINEERING was merged with Curo Co., Ltd.

31-2 Important transactions between the Company and related parties during the current and previous semi-annual period are as follows:

(Unit: million KRW)

| Company | Sales | Purchase |
|---------|-------|----------|
|---------|-------|----------|

| | Sales | Others | Total | Purchase of merchandise | Others | Total |
|---|-----------|--------|-----------|----------------------------|--------|-----------|
| <Current semi-annual period> | | | | | | |
| [Controlling company] | | | | | | |
| POSCO Co., Ltd. (Note1) | 122,121 | 911 | 123,032 | 2,722,211 | 71,497 | 2,793,708 |
| [Subsidiaries] | | | | | | |
| DAEWOO INTERNATIONAL SHANGHAI WAIGAOQIAO CO., LTD. | 3,179 | - | 3,179 | - | - | - |
| PT. BIO INTI AGRINDO | - | 1,710 | 1,710 | 11,842 | - | 11,842 |
| POSCO INTERNATIONAL VIETNAM CO.,LTD. | 18,109 | - | 18,109 | 583 | 1,752 | 2,335 |
| POSCO INTERNATIONAL MYANMAR CORP. LTD. | - | - | - | 483 | 522 | 1,005 |
| POSCO INTERNATIONAL POWER (PNGLAE) LTD. | 327 | 4,171 | 4,498 | - | - | - |
| POSCO INTERNATIONAL POWER (PNGPOM) LTD. | - | 6,918 | 6,918 | - | - | - |
| POSCO INTERNATIONAL AMERICA CORP. | 416,017 | - | 416,017 | 94,756 | 948 | 95,704 |
| POSCO INTERNATIONAL DEUTSCHLAND GmbH | 238,463 | - | 238,463 | - | 467 | 467 |
| POSCO INTERNATIONAL JAPAN CORP. | 182,064 | - | 182,064 | 90,868 | 227 | 91,095 |
| POSCO INTERNATIONAL SINGAPORE PTE LTD. | 1,312,690 | - | 1,312,690 | 17,439 | 2,534 | 19,973 |
| POSCO INTERNATIONAL ITALIA S.R.L. | 261,382 | - | 261,382 | - | 1,015 | 1,015 |
| POSCO INTERNATIONAL CHINA CO.,LTD. | 96,243 | - | 96,243 | - | 2,987 | 2,987 |
| POSCO INTERNATIONAL TEXTILE LLC. | 4,886 | - | 4,886 | 28,671 | - | 28,671 |
| POSCO INTERNATIONAL MEXICO S.A. de C.V. | 74,531 | - | 74,531 | 746 | 1,269 | 2,015 |
| POSCO INTERNATIONAL MALAYSIA SDN BHD | 135,176 | - | 135,176 | 54,120 | 604 | 54,724 |
| POSCO INTERNATIONAL SHANGHAI CO.,LTD. | 69,463 | - | 69,463 | - | 1,912 | 1,912 |
| POSCO INTERNATIONAL INDIA PVT.,LTD. | 5,227 | - | 5,227 | - | 1,255 | 1,255 |
| POHANG SRDC CO., LTD. | 1 | - | 1 | 152 | 712 | 864 |
| GOLDEN LACE POSCO INTERNATIONAL CO.,LTD. | - | 16 | 16 | 9,755 | 1 | 9,756 |
| DAEWOO GLOBAL DEVELOPMENT PTE. LTD. | 604 | 628 | 1,232 | - | - | - |
| POSCO INTERNATIONAL UKRAINE, LLC. | - | - | - | 13,270 | 234 | 13,504 |
| Mykolaiv Milling Works PJSC. | - | 42 | 42 | 920 | 1,246 | 2,166 |
| POSCO INTERNATIONAL (THAILAND) CO., LTD. | 5,638 | - | 5,638 | 1,215 | 306 | 1,521 |
| PT POSCO INTERNATIONAL INDONESIA | 363 | - | 363 | 373 | 367 | 740 |
| POSCO SPS CO., LTD. | 2,986 | - | 2,986 | 12,621 | 15 | 12,636 |
| [Associates] | | | | | | |
| POSCO MEXICO PROCESSING CENTER HOLDING, LLC. | 72,337 | - | 72,337 | - | 29 | 29 |
| SPH Co., Ltd. | 50 | 10 | 60 | - | - | - |
| POSCO-ESDC LTD. | - | - | - | - | 1,122 | 1,122 |
| POSCO IIPC | 52,126 | - | 52,126 | - | - | - |
| GENERAL MEDICINES CO.,LTD. | 5,130 | 252 | 5,382 | - | - | - |
| KOREA LNG LTD. | - | 5,331 | 5,331 | - | - | - |
| DMSA/AMSA | - | 60 | 60 | 29,198 | - | 29,198 |
| SOUTH-EAST ASIA GAS PIPELINE CO.,LTD. | 14 | 37,554 | 37,568 | - | - | - |
| PT. BATUTUA TEMBAGA RAYA | - | 244 | 244 | 16,575 | - | 16,575 |
| GLOBAL KOMSCO DAEWOO LLC | - | 14 | 14 | 9,377 | - | 9,377 |
| YULCHON MEXICO S. A. DE C. V. | 739 | - | 739 | - | - | - |
| POSCO-MALAYSIA SDN.BHD. | 24,460 | - | 24,460 | 2,394 | - | 2,394 |
| POSCO-ITPC S.p.A | 25,691 | - | 25,691 | - | - | - |
| TK Chemical Co., Ltd. | 59,752 | - | 59,752 | 18,743 | - | 18,743 |
| Curo Co., Ltd. | 94 | - | 94 | 111 | - | 111 |
| [Others related parties] | | | | | | |
| POSCO ASIA CO., LTD. | 28,796 | - | 28,796 | 118,674 | 24 | 118,698 |
| POSCO-VIETNAM CO.,LTD. | 24,345 | - | 24,345 | 24,601 | - | 24,601 |
| POSCO-THAINOX | 50,364 | - | 50,364 | 38,265 | - | 38,265 |
| POSCO ASSAN TST STEEL INDUSTRY | 1,410 | 21 | 1,431 | 26,638 | - | 26,638 |
| POSCO COATED & COLOR CO. LTD. | 15,759 | - | 15,759 | 108,318 | 17 | 108,335 |
| POSCO AMERICA CORP. | 93,424 | - | 93,424 | - | - | - |
| ZHANGJIAGANG POHANG STAINLESS STEEL CO., LTD. | 10,042 | - | 10,042 | 982 | - | 982 |

| | | | | | | |
|---|-----------|--------|-----------|-----------|---------|-----------|
| POSCO COATED & COLOR CO. LTD. | 39,233 | - | 39,233 | 109,845 | 148 | 109,993 |
| POSCO AMERICA CORP. | 61,334 | - | 61,334 | - | - | - |
| POSCO ASIA CO.,LTD. | 27,491 | - | 27,491 | 243,465 | 131 | 243,596 |
| ZHANGJIAGANG POHANG STAINLESS STEEL CO.,LTD. | 18,095 | - | 18,095 | 1,394 | - | 1,394 |
| POSCO ENERGY Co. LTD. | 568 | - | 568 | 18 | - | 18 |
| POSCO-Foshan Steel Processing Center CO.,LTD. | 14,775 | - | 14,775 | - | - | - |
| POSCO-VIETNAM CO.,LTD. | 57,447 | - | 57,447 | 63,134 | - | 63,134 |
| COMPANHIA SIDERURGICA DO PECÉM | 72,576 | - | 72,576 | 193,779 | 621 | 194,400 |
| POSCO-THAINOX | 61,568 | - | 61,568 | 39,039 | - | 39,039 |
| POSCO VST CO.,LTD. | 68,059 | - | 68,059 | 24,397 | - | 24,397 |
| POSCO Maharashtra Steel PVT. LTD. | - | - | - | 9,692 | - | 9,692 |
| POSCO-AAPC | 434 | - | 434 | - | - | - |
| POSCO SS-VINA | 144,121 | - | 144,121 | 2,413 | - | 2,413 |
| POSCO ASSAN TST STEEL INDUSTRY | 138,358 | - | 138,358 | 48,522 | - | 48,522 |
| PT. KRAKATAU POSCO | 31,737 | - | 31,737 | 93,426 | - | 93,426 |
| Others | 456,940 | 379 | 457,319 | 23,787 | 6,155 | 29,942 |
| Total | 4,978,176 | 29,487 | 5,007,663 | 3,957,918 | 100,080 | 4,057,998 |

31-3 As of the end of the current semi-annual period and the previous period, the balance of receivables and payables between the Company and related parties is as follows:

(Unit: million KRW)

| Company | Receivables | | | Payables | | |
|--|-------------------|--------|---------|----------------|--------|---------|
| | Trade receivables | Others | Total | Trade payables | Others | Total |
| <End of the current semi-annual period> | | | | | | |
| [Controlling company] | | | | | | |
| POSCO Co., Ltd. (Note1) | 1,315 | 54 | 1,369 | 427,669 | 10,971 | 438,640 |
| [Subsidiaries] | | | | | | |
| DAEWOO INTERNATIONAL SHANGHAI WAIGAOQIAO CO., LTD. | 2,099 | - | 2,099 | 35 | 101 | 136 |
| PT. BIO INTI AGRINDO | - | 62,513 | 62,513 | - | 772 | 772 |
| POSCO INTERNATIONAL VIETNAM CO.,LTD. | 7,229 | 50 | 7,279 | - | 328 | 328 |
| POSCO INTERNATIONAL POWER (PNGLA) LTD. | 400 | 6,053 | 6,453 | - | 255 | 255 |
| POSCO SOUTH EAST ASIA PTE. LTD. | - | 12,007 | 12,007 | - | - | - |
| POSCO INTERNATIONAL POWER (PNGPOM) LTD. | - | 12,235 | 12,235 | - | - | - |
| POSCO INTERNATIONAL AMERICA CORP. | 177,529 | 7,881 | 185,410 | 5,637 | 8,690 | 14,327 |
| POSCO INTERNATIONAL DEUTSCHLAND GmbH | 227,997 | - | 227,997 | - | 2,917 | 2,917 |
| POSCO INTERNATIONAL JAPAN CORP. | 91,340 | 1,945 | 93,285 | 18,637 | 449 | 19,086 |
| POSCO INTERNATIONAL SINGAPORE PTE LTD. | 323,917 | - | 323,917 | 6,081 | 10,093 | 16,174 |
| POSCO INTERNATIONAL ITALIA S.R.L. | 169,374 | - | 169,374 | - | 2,897 | 2,897 |
| POSCO INTERNATIONAL CHINA CO.,LTD. | 26,474 | 544 | 27,018 | - | 1,214 | 1,214 |
| POSCO INTERNATIONAL TEXTILE LLC. | 3,335 | 12,907 | 16,242 | 55 | - | 55 |
| POSCO INTERNATIONAL AUSTRALIA HOLDINGS PTY. LTD. | 47 | 1,801 | 1,848 | - | - | - |
| POSCO INTERNATIONAL MEXICO S.A. de C.V. | 56,408 | - | 56,408 | - | 2,271 | 2,271 |
| POSCO INTERNATIONAL MALAYSIA SDN BHD | 19,472 | 30,162 | 49,634 | - | 4,963 | 4,963 |
| POSCO INTERNATIONAL SHANGHAI CO.,LTD. | 28,196 | - | 28,196 | - | 475 | 475 |
| POSCO INTERNATIONAL INDIA PVT.,LTD. | 331 | 46 | 377 | - | 210 | 210 |
| POSCO INTERNATIONAL MYANMAR CORP. LTD. | - | - | - | - | 181 | 181 |
| POHANG SRDC CO., LTD. | - | - | - | - | 78 | 78 |
| GOLDEN LACE POSCO INTERNATIONAL CO.,LTD. | - | 8,874 | 8,874 | 93 | 31 | 124 |
| DAEWOO GLOBAL DEVELOPMENT PTE. LTD. | - | - | - | - | 1,050 | 1,050 |
| POSCO TMC INDIA PVT.,LTD. | - | - | - | - | - | - |
| POSCO INTERNATIONAL UKRAINE, LLC. | - | 4,267 | 4,267 | - | 49 | 49 |
| Mykolaiv Milling Works PJSC. | - | - | - | - | 385 | 385 |

| | | | | | | |
|---|-----------|---------|-----------|---------|--------|---------|
| POSCO INTERNATIONAL (THAILAND) CO., LTD. | 5,551 | - | 5,551 | 2 | 176 | 178 |
| PT POSCO INTERNATIONAL INDONESIA | 358 | - | 358 | - | 106 | 106 |
| POSCO SPS CO., LTD. | 1,787 | - | 1,787 | 6,007 | 161 | 6,168 |
| [Associates] | | | | | | |
| POSCO MEXICO PROCESSING CENTER HOLDING,LLC. | 49,052 | - | 49,052 | - | 417 | 417 |
| SPH Co., Ltd. | 11 | - | 11 | - | 103 | 103 |
| PT. BATUTUA TEMBAGA RAYA | - | 52,378 | 52,378 | 1,399 | - | 1,399 |
| YULCHON MEXICO S. A. DE C. V. | 729 | - | 729 | - | 19 | 19 |
| POSCO IJPC | 12,747 | - | 12,747 | - | 9 | 9 |
| Shanghai Lansheng DAEWOO CORP. | 2,606 | - | 2,606 | - | 357 | 357 |
| Shanghai Waigaoqiao Free Trade Zone Lansheng Daewoo International Trading Co.,Ltd | - | - | - | - | 589 | 589 |
| GENERAL MEDICINES CO.,LTD. | 4,078 | 238 | 4,316 | - | 4 | 4 |
| KOREA LNG LTD. | - | 720 | 720 | - | - | - |
| DMSA/AMSA | 112 | 9,379 | 9,491 | - | - | - |
| SOUTH-EAST ASIA GAS PIPELINE CO.,LTD. | - | 126,628 | 126,628 | - | - | - |
| GLOBAL KOMSCO DAEWOO LLC | - | 971 | 971 | - | 54 | 54 |
| POSCO-ITPC S.p.A | 6,789 | - | 6,789 | - | 70 | 70 |
| TK Chemical Co., Ltd. | 21,953 | - | 21,953 | 835 | - | 835 |
| POSCO-MALAYSIA SDN.BHD. | 5,520 | - | 5,520 | 212 | 65 | 277 |
| Curo Co., Ltd. | - | - | - | 5 | 9 | 14 |
| [Others related parties] | | | | | | |
| POSCO COATED & COLOR CO. LTD. | 4,940 | 557 | 5,497 | 18,967 | 2 | 18,969 |
| POSCO AMERICA CORP. | 25,326 | - | 25,326 | - | 1,618 | 1,618 |
| POSCO ASIA CO., LTD. | 3,094 | 301 | 3,395 | 64,073 | 2 | 64,075 |
| ZHANGJIAGANG POHANG STAINLESS STEEL CO., LTD. | 2,717 | - | 2,717 | - | - | - |
| POSCO ENERGY Co. LTD. | - | - | - | - | 1,694 | 1,694 |
| POSCO-FOSHAN STEEL PROCESSING CENTER CO., LTD. | 2,759 | - | 2,759 | - | 7 | 7 |
| POSCO-VIETNAM CO.,LTD. | 23,946 | 54 | 24,000 | 1,290 | - | 1,290 |
| COMPANHIA SIDERURGICA DO PECEM | - | - | - | - | - | - |
| POSCO-THAINOX | 2,350 | - | 2,350 | 7,475 | 32 | 7,507 |
| POSCO VST CO., LTD. | 39,438 | - | 39,438 | 2,487 | 14 | 2,501 |
| POSCO SS-VINA | 29,400 | 1,844 | 31,244 | 1,217 | - | 1,217 |
| POSCO ASSAN TST STEEL INDUSTRY | 41,836 | 31 | 41,867 | 2,085 | 19 | 2,104 |
| PT. KRAKATAU POSCO | 10,167 | 682 | 10,849 | 10,716 | - | 10,716 |
| Others | 203,311 | 87,305 | 290,616 | 8,046 | 8,459 | 16,505 |
| Total | 1,636,040 | 442,427 | 2,078,467 | 583,023 | 62,366 | 645,389 |
| <End of the previous semi-annual period> | | | | | | |
| [Controlling company] | | | | | | |
| POSCO Co., Ltd. (Note1) | 6,342 | 396 | 6,738 | 620,073 | 12,887 | 632,960 |
| [Subsidiaries] | | | | | | |
| DAEWOO INTERNATIONAL SHANGHAI WAIGAOQIAO CO., LTD. | 392 | - | 392 | 34 | - | 34 |
| PT. BIO INTI AGRINDO | - | 60,431 | 60,431 | - | 2,538 | 2,538 |
| POSCO INTERNATIONAL VIETNAM CO.,LTD. | 7,114 | 48 | 7,162 | - | 273 | 273 |
| POSCO INTERNATIONAL POWER (PNGLAE) LTD. | 208 | 4,923 | 5,131 | - | 310 | 310 |
| POSCO SOUTH EAST ASIA PTE. LTD. | - | 11,578 | 11,578 | - | - | - |
| POSCO INTERNATIONAL POWER (PNGPOM) LTD. | - | 6,065 | 6,065 | - | 75 | 75 |
| POSCO INTERNATIONAL AMERICA CORP. | 214,068 | 7,653 | 221,721 | 6,908 | 10,287 | 17,195 |
| POSCO INTERNATIONAL DEUTSCHLAND GmbH | 230,788 | - | 230,788 | - | 5,402 | 5,402 |
| POSCO INTERNATIONAL JAPAN CORP. | 102,237 | 3,532 | 105,769 | 7,220 | 531 | 7,751 |
| POSCO INTERNATIONAL SINGAPORE PTE. LTD. | 301,766 | 661 | 302,427 | - | 7,001 | 7,001 |
| POSCO INTERNATIONAL ITALIA S.R.L. | 152,241 | - | 152,241 | - | 3,574 | 3,574 |
| POSCO INTERNATIONAL CHINA CO.,LTD. | 23,957 | 316 | 24,273 | - | 402 | 402 |
| POSCO INTERNATIONAL TEXTILE L.L.C. | 6,745 | 18,974 | 25,719 | - | 12 | 12 |
| POSCO INTERNATIONAL AUSTRALIA HOLDINGS | 46 | 3,473 | 3,519 | - | - | - |

| | | | | | | |
|---|-----------|---------|-----------|---------|--------|---------|
| PTY. LTD. | | | | | | |
| POSCO INTERNATIONAL MEXICO S.A. de C.V. | 48,139 | - | 48,139 | 183 | 1,995 | 2,178 |
| POSCO INTERNATIONAL MALAYSIA SDN BHD | 17,257 | - | 17,257 | 9,714 | 10,856 | 20,570 |
| POSCO INTERNATIONAL SHANGHAI CO.,LTD. | 72,280 | - | 72,280 | - | 320 | 320 |
| POSCO INTERNATIONAL INDIA PVT.,LTD. | 9,806 | 51 | 9,857 | - | 182 | 182 |
| POSCO INTERNATIONAL MYANMAR CORP. LTD. | 3 | - | 3 | - | 116 | 116 |
| POHANG SRDC CO., LTD. | - | - | - | 7 | 261 | 268 |
| GOLDEN LACE POSCO INTERNATIONAL CO.,LTD. | - | 3,673 | 3,673 | 123 | 33 | 156 |
| LA SRDC | 237 | - | 237 | - | - | - |
| DAEWOO GLOBAL DEVELOPMENT PTE. LTD. | 4,631 | 2,672 | 7,303 | - | 1,377 | 1,377 |
| POSCO INTERNATIONAL UKRAINE LLC | - | 3,553 | 3,553 | - | 37 | 37 |
| Mykolaiv Milling Works PJSC. | - | 672 | 672 | - | 426 | 426 |
| [Associates] | | | | | | |
| POSCO MEXICO PROCESSING CENTER HOLDING, L.L.C. | 65,956 | - | 65,956 | - | 779 | 779 |
| SPH Co., Ltd. | 2 | - | 2 | - | 18 | 18 |
| PT BATUTUA TEMBAGA RAYA | - | 56,424 | 56,424 | 56 | - | 56 |
| YULCHON MEXICO S.A. DE C.V. | 542 | - | 542 | - | 16 | 16 |
| POSCO IIPC | 17,347 | - | 17,347 | - | 113 | 113 |
| Shanghai Lansheng DAEWOO CORP. | 2,606 | - | 2,606 | - | 344 | 344 |
| Shanghai Waigaoqiao Free Trade Zone Lansheng Daewoo International Trading Co ,Ltd | 265 | - | 265 | - | 568 | 568 |
| GENERAL MEDICINES CO.,LTD. | 2,949 | - | 2,949 | - | 7 | 7 |
| KOREA LNG LTD. | - | 1,366 | 1,366 | - | - | - |
| DMSA/AMSA | 48 | 59,671 | 59,719 | - | - | - |
| SOUTH-EAST ASIA GAS PIPELINE CO.,LTD. | 14 | 147,367 | 147,381 | - | - | - |
| GLOBAL KOMSCO DAEWOO L.L.C. | - | 2,291 | 2,291 | - | 67 | 67 |
| POSCO-Malaysia SDN. BHD. | 17,179 | - | 17,179 | 156 | 183 | 339 |
| POSCO-ITPC | 14,703 | - | 14,703 | - | 188 | 188 |
| TK Chemical Co., Ltd. | 37,373 | - | 37,373 | 110 | - | 110 |
| [Others related parties] | | | | | | |
| POSCO COATED & COLOR CO. LTD. | 2,332 | 1,048 | 3,380 | 20,102 | - | 20,102 |
| POSCO AMERICA CORP. | 8,688 | - | 8,688 | - | 1,222 | 1,222 |
| POSCO ASIA CO.,LTD. | 8,249 | 136 | 8,385 | 218,378 | 2 | 218,380 |
| ZHANGJIAGANG POHANG STAINLESS STEEL CO.,LTD. | 1,596 | - | 1,596 | - | - | - |
| POSCO ENERGY Co. LTD. | 122 | 1,424 | 1,546 | - | 1,791 | 1,791 |
| POSCO-Foshan Steel Processing Center CO.,LTD. | 11,889 | - | 11,889 | - | 42 | 42 |
| POSCO-VIETNAM CO.,LTD. | - | 47 | 47 | 3,147 | - | 3,147 |
| COMPANHIA SIDERURGICA DO PECÉM | 5,293 | - | 5,293 | - | 33 | 33 |
| POSCO-THAINOX | 23,348 | - | 23,348 | 3,617 | 103 | 3,720 |
| POSCO VST CO.,LTD. | 52,665 | - | 52,665 | 2,285 | 29 | 2,314 |
| POSCO SS-VINA | 78,298 | 102 | 78,400 | - | - | - |
| POSCO ASSAN TST STEEL INDUSTRY | 188,083 | 78 | 188,161 | 3,065 | 44 | 3,109 |
| PT. KRAKATAU POSCO | 25,800 | 280 | 26,080 | 2,309 | - | 2,309 |
| Others | 194,823 | 85,093 | 279,916 | 10,012 | 5,235 | 15,247 |
| Total | 1,958,427 | 483,998 | 2,442,425 | 907,499 | 69,679 | 977,178 |

(Note1) As of the end of the current semi-annual period, the allowance for bad debt set for the above receivables is KRW 57,259 million (as of the end of the previous period: KRW 55,613 million).

(Note2) The above amounts of other receivables include the loan investment amount according to the related commitments, and the changes during the current semi-annual period are as follows:

(Unit: million KRW)

| Classification | Beginning of the period | Additional loan (including interest in principal) | Collection | Equity conversion | Others (Foreign currency conversion, etc.) | End of semi-annual period |
|--------------------------|-------------------------|---|------------|-------------------|--|---------------------------|
| PT. BATUTUA TEMBAGA RAYA | 36,291 | - | - | - | 2,726 | 39,017 |
| DMSA/AMSA | 57,999 | - | - | (52,692) | 2,338 | 7,645 |

| | | | | | | |
|--|---------|-------|----------|----------|--------|---------|
| SOUTH-EAST ASIA GAS PIPELINE COMPANY LIMITED | 147,367 | - | (24,416) | - | 3,677 | 126,628 |
| POSCO-SOUTH EAST ASIA PTE LTD. | 11,578 | - | - | - | 429 | 12,007 |
| PT. BIO INTI AGRINDO | 56,674 | - | - | - | 2,100 | 58,774 |
| POSCO INTERNATIONAL POWER (PNGLAE) LTD. | - | 1,733 | (1,130) | - | 7 | 610 |
| Total | 309,909 | 1,733 | (25,546) | (52,692) | 11,277 | 244,681 |

31-4 Compensation for main management

The compensations for directors and main management during the current and previous period are as follows:

(Unit: million KRW)

| Classification | Current semi-annual period | Previous semi-annual period |
|---------------------------|----------------------------|-----------------------------|
| Short-term salaries wages | 7,303 | 8,740 |
| Long-term salaries wages | 654 | 971 |
| Severance indemnities | 863 | 1,150 |
| Total | 8,820 | 10,861 |

31-5 Payment guarantees provided to related parties and others

As of the end of the current semi-annual period, the payment guarantees provided by the Company to related parties are disclosed in Notes19-6.

32. Cash flow statements

32-1 Changes in liabilities arising from financial activities of the Company during the current and the previous semi-annual period are as follows:

(Unit: million KRW)

| Classification | Beginning of the period | Cash flow from financing activities | Non-cash flow | | | End of current semi-annual period |
|--------------------------------|-------------------------|-------------------------------------|------------------------|----------------------------|---------|-----------------------------------|
| | | | Liquidity substitution | Exchange rate fluctuations | Others | |
| <Current semi-annual period> | | | | | | |
| Current lease liabilities | 54,221 | (10,436) | 19,791 | 1,825 | 535 | 65,936 |
| Short-term borrowings | 603,288 | 113,476 | - | (4,877) | - | 711,887 |
| Current long-term borrowings | 94,059 | (6,902) | 4,972 | 3,361 | (1,454) | 94,036 |
| Debenture of current portion | 130,042 | - | 129,717 | - | 128 | 259,887 |
| Long-term lease liabilities | 179,028 | (24,467) | (19,791) | 5,505 | 29,651 | 169,926 |
| Debenture | 1,243,688 | 298,995 | (129,717) | 9,078 | 765 | 1,422,809 |
| Long-term borrowings | 232,883 | (286) | (4,972) | 5,482 | 2,078 | 235,185 |
| Total | 2,537,209 | 370,380 | - | 20,374 | 31,703 | 2,959,666 |
| < Previous semi-annual period> | | | | | | |
| Current lease liabilities | 46,270 | (19,009) | 22,704 | - | - | 49,965 |
| Short-term borrowings | 1,896,815 | (972,334) | - | 7,071 | - | 931,552 |
| Current long-term borrowings | 39,975 | (4,271) | (6,342) | 1,158 | - | 30,520 |
| Debenture of current portion | 538,509 | - | - | 6,186 | 400 | 545,095 |
| Long-term lease liabilities | 183,870 | - | (22,704) | 7,359 | 6,727 | 175,252 |
| Debenture | 770,515 | 248,990 | - | 7,692 | 658 | 1,027,855 |
| Long-term borrowings | 336,310 | (111,622) | 6,342 | 6,101 | 5,113 | 242,244 |
| Total | 3,812,264 | (858,246) | - | 35,567 | 12,898 | 3,002,483 |

32-2 During the current and the previous semi-annual period, Company's major investment and financial activities that do not involve the use of cash and cash equivalents are as follows:

(Unit: million KRW)

| Details | Current semi-annual period | Previous semi-annual period |
|--|----------------------------|-----------------------------|
| Liquidity substitution of long-term trade receivables | 38,881 | 7,721 |
| Equity conversion of long-term borrowings | 52,692 | 16,370 |
| Liquidity substitution of long-term borrowings | 22,925 | 23,223 |
| Substitution long-term deposits with government subsidies | 31,852 | - |
| Liquidity substitution of debentures | 129,717 | - |
| Liquidity substitution of lease liabilities | 19,791 | 22,704 |
| Recognition of right-of-use assets and lease liabilities through acquisition during the period | 25,939 | 6,753 |
| Acquisition of investment in subsidiaries through split-off | 547,663 | - |

33. Uncertainty of the impact of COVID 19

Various prevention and controls, including movement restrictions, are being implemented around the world to block the spread of COVID19, and as a result, the global economy has been widely affected. In addition, various forms of government support policies are being announced to cope with COVID19. However, as of the end of the reporting period, it was not possible to reasonably estimate the impact of COVID19 and the impact of government support policies on the Company in the future, and the resulting impact was not reflected in the financial statements.

34 Split-off

At the board of directors held on October 25, 2019, the board of directors decided that STS, TMC, and thick plate processing business divisions among the business divisions operated by the Company were simply and physically divided and transferred to a new company, POSCO SPS Co., Ltd., and the Company owned 100% of the stake.

| Description | Contents |
|---|-------------------------------|
| Division type | Simple split-off |
| Split surviving company | POSCO International Co., Ltd. |
| Split-off new company | POSCO SPS Co., Ltd. |
| Date of approval at the general shareholders' meeting | 30-Mar-20 |
| Split Date | 31-Mar-20 |

The Company determined the acquisition cost of investments in subsidiaries based on the carrying amount of net assets decreased due to the split-off. The carrying amounts of net assets transferred due to the split-off and acquisition costs of investments in subsidiaries are as follows:

(Unit: million KRW)

| Classification | Amount |
|---|---------|
| <Assets> | |
| Cash and cash equivalent | 1,000 |
| trade receivables and other receivables | 168,404 |
| Inventories | 144,392 |
| Other current assets | 3,572 |
| Property, plant and equipment | 354,042 |
| Intangible assets | 2,899 |
| Other non-current assets | 6,529 |
| Total assets | 680,838 |
| <Liabilities> | |
| Trade payables and other payables | 125,255 |
| Borrowings | 1,500 |
| Other current liabilities | 1,279 |
| Severance indemnities liabilities | 2,686 |

| | |
|--|---------|
| Other non-current liabilities | 1,455 |
| Total liabilities | 132,175 |
| Carrying amount of transferred net assets (investment in subsidiaries) | 548,663 |