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POSCO Co., Ltd.

Review Report

on Summarized Semi-annual Financial Statements

1st half of 53rd period

From Jan. 1, 2020

to Jun. 30, 2020

1st half of 52nd period

From Jan. 1, 2019

to Jun. 30, 2019

Samjong Accounting Corp.

Review Report on Semi-annual Financial Statements

Messrs. Shareholders and Board of Directors of POSCO Co., Ltd.

Aug. 13, 2020

Financial statements subject to review

I have reviewed the summarized Semi-annual Financial Statements of POSCO Co., Ltd. The summarized Semi-annual Financial Statements are composed of summarized Statement of Financial Position as of June 30, 2020, summarized Statements of Comprehensive Income for the three-month and six-month reporting period ending June 30, 2020 and 2019, summarized Statement of Changes in Equity and summarized 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 summarized Semi-annual Financial Statements in accordance with Korean International Financial Reporting Standards (K-IFRS) No. 1034 (Interim Financial Report) and, also, responsible for any internal controls that it determines are necessary to prepare the summarized 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 summarized Semi-annual Financial Statements, and to report the review results on this summary, 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 the 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 above summarized Semi-annual Financial Statements were presented unfairly in terms of materiality were found in accordance with K-IFRS No. 1034 (Interim Financial Report).

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.

152 Teheran-ro (Yeoksam-Dong, Gangnam Finance Center 27 floor), Gangnam-gu, Seoul

Representative Director of Samjong Accounting Corp., Gyo-tae Kim

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 summarized 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 Co., Ltd.

1st half of 53rd period

From Jan. 1, 2020

to Jun. 30, 2020

1st half of 52nd period

From Jan. 1, 2019

to Jun. 30, 2019

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

POSCO Co., Ltd. Representative Director, In-hwa Jang

Head office location: (Road name address)

POSCO Co., Ltd. 6261 Donghaean-ro, Nam-gu, Pohang-si
Gyeongsangbuk-do

(Phone)

054-220-0114

Summarized Semi-annual Statement of Financial Position

Semi-annual period of 53rd period as of June 30, 2020
52nd period as of December 31, 2019

POSCO Co., Ltd.

(Unit: KRW)

Subject	Note	Semi-annual period of 53 rd (current) period	52 nd (previous) period
Assets			
I. Current assets		20,016,741,294,623	18,216,066,010,030
1. Cash and cash equivalents	20	2,446,945,191,531	978,138,798,756
2. Trade receivables	4,14,20,25, 32	3,142,894,236,746	3,987,041,395,595
3. Other receivables	5,20,32	380,258,326,075	321,351,931,552
4. Other financial assets	6,20	9,727,533,474,357	7,858,978,596,860
5. Inventories	7,29	4,215,793,500,041	4,988,529,839,417
6. Assets held for sale	8	69,757,123,260	53,923,984,354
7. Other current assets	13	33,559,442,613	28,101,463,496
II. Non-current assets		37,603,367,654,957	37,494,700,407,090
1. Long-term trade receivables	4,20	6,002,889,176	6,014,418,293
2. Other receivables	5,20	89,054,816,068	56,468,222,327
3. Other financial assets	6,20	1,176,465,553,707	1,257,896,025,839
4. Investment in subsidiaries, associates and joint ventures	9	15,216,813,553,579	15,069,857,442,875
5. Investment property	10	156,377,660,572	158,076,902,701
6. Property, Plant, and Equipment	11	20,187,096,847,697	20,132,198,550,174
7. Intangible assets	12	667,490,947,922	708,914,719,964
8. Other non-current assets	13	104,065,386,236	105,274,124,917
Total assets		57,620,108,949,580	55,710,766,417,120
Liabilities			
I. Current liabilities		4,737,598,075,389	3,331,446,367,137
1. Trade payables	20,32	855,532,691,656	667,550,795,243
2. Borrowings	4,14,20	2,464,650,230,454	1,146,475,925,098
3. Other payables	15,20,32	1,015,322,932,153	1,113,002,704,839
4. Other financial liabilities	16,20	7,556,055,358	10,969,086,444
5. Current tax liabilities		221,791,350,202	237,293,512,210
6. Provisions	17	40,124,580,921	21,006,673,984
7. Other current liabilities	19,25	132,620,234,645	135,147,669,319
II. Non-current liabilities		7,479,748,906,924	6,765,134,918,740
1. Long-term borrowings	14,20	6,097,331,652,595	5,191,536,543,801
2. Other payables	15,20	234,005,025,289	222,802,262,187
3. Other financial liabilities	16,20	36,410,553,382	46,925,496,385
4. Net defined benefit liabilities	18	58,875,189,034	54,146,093,851
5. Deferred tax liabilities		1,003,013,444,197	1,190,553,024,206

6. Provisions	17,33	49,573,183,533	53,941,502,242
7. Other non-current liabilities	19,25	539,858,894	5,229,996,068
Total liabilities		12,217,346,982,313	10,096,581,285,877
Equity			
I. Capital stock	21	482,403,125,000	482,403,125,000
II. Capital surpluses	21	1,252,220,277,524	1,252,220,277,524
III. Hybrid bond	22	199,383,500,000	199,383,500,000
IV. Reserves	23	(341,677,331,481)	(183,929,515,428)
V. Treasury stock	24	(1,573,126,444,280)	(1,508,303,486,780)
VI. Retained earnings		45,383,558,840,504	45,372,411,230,927
Total equity		45,402,761,967,267	45,614,185,131,243
Total liabilities and equity		57,620,108,949,580	55,710,766,417,120

"Notes on the attached summarized Semi-annual Financial Statements are part of this summarized Semi-annual Financial Statements."

Summarized Semi-annual Statement of Comprehensive Income

1st half of 53rd period From Jan. 1, 2020 to Jun. 30, 2020

1st half of 52nd period From Jan. 1, 2019 to Jun. 30, 2019

POSCO Co., Ltd.

(Unit: KRW)

Subject	Note	Semi-annual of 53rd (current) period		Semi-annual of 52nd (previous) period	
		3 months	Cumulative	3 months	Cumulative
I. Sales	25,32	5,884,823,631,004	12,854,679,667,502	7,475,853,979,115	15,292,324,961,893
II. Cost of sales	7,29,32	(5,742,815,978,922)	(11,973,219,615,580)	(6,484,076,647,311)	(13,211,583,334,723)
III. Gross profit on sales		142,007,652,082	881,460,051,922	991,777,331,804	2,080,741,627,170
IV. Selling and administrative expenses	29,32	(250,482,445,548)	(531,824,102,735)	(267,478,922,295)	(523,976,132,210)
1. Bad debt expenses		(5,231,062,096)	(4,967,446,409)	25,646,179	4,636,313,556
2. Other administrative expenses	26	(192,761,869,566)	(391,530,885,462)	(209,609,278,949)	(416,429,270,956)
3. Selling and logistical expenses	26	(52,489,513,886)	(135,325,770,864)	(57,895,289,525)	(112,183,174,810)
V. Operating profit (loss)		(108,474,793,466)	349,635,949,187	724,298,409,509	1,556,765,494,960
VI. Financial gains or losses	20,27	73,230,196,297	287,132,008,807	125,455,751,736	306,901,810,697
1. Financial revenues		110,534,825,394	784,851,713,287	281,484,722,773	575,194,271,842
2. Financial expenses		(37,304,629,097)	(497,719,704,480)	(156,028,971,037)	(268,292,461,145)
VII. Other non-operating gains or losses	32	(15,492,007,666)	(70,548,608,174)	(104,271,531,921)	(196,125,866,953)
1. Other bad debt expenses		168,533,745	(327,182,543)	(140,080,052)	(271,782,758)
2. Other non-operating income	28	81,597,903,074	105,723,098,675	35,915,049,808	56,839,586,953
3. Other non-operating expenses	28,29	(97,258,444,485)	(175,944,524,306)	(140,046,501,677)	(252,693,671,148)
VIII. Income before tax expenses		(50,736,604,835)	566,219,349,820	745,482,629,324	1,667,541,438,704
IX. Income tax revenue (expense)	30	57,382,590,862	(106,553,048,491)	(200,100,880,904)	(450,986,725,855)
X. Semi-annual net income		6,645,986,027	459,666,301,329	545,381,748,420	1,216,554,712,849
XI. Other comprehensive income		33,465,216,703	(161,043,085,046)	36,703,480,967	23,708,765,949
Comprehensive income that will not be reclassified to profit or loss					
1 Remeasurement of the net defined benefit	18	2,627,113,093	(392,809,559)	(1,010,290,811)	(1,881,086,936)
2 Gain (loss) on valuation of equity securities	6,20,23	30,838,103,610	(160,650,275,487)	37,713,771,778	25,589,852,885
XII. Total comprehensive income		40,111,202,730	298,623,216,283	582,085,229,387	1,240,263,478,798
XIII. Earnings per share	31				
1. Basic earnings per share		62	5,700	6,787	15,144
2. Diluted earnings per share		62	5,700	6,787	15,144

"Notes on the attached summarized Semi-annual Financial Statements are part of this summarized Semi-annual Financial Statements."

Summarized Semi-annual Statement of Changes in Equity

1st half of 53rd period From Jan. 1, 2020 to Jun. 30, 2020

1st half of 52nd period From Jan. 1, 2019 to Jun. 30, 2019

POSCO Co., Ltd.

(Unit: KRW)

Subject	Capital stock	Capital surpluses	Hybrid bonds	Reserves	Treasury stock	Retained earnings	Total
2019.1.1 (Beginning of the previous period)	482,403,125,000	1,154,775,257,236	199,383,500,000	(207,190,518,583)	(1,532,728,485,498)	45,175,458,896,631	45,272,101,774,786
Semi-annual comprehensive income:							
Semi-annual net income	-	-	-	-	-	1,216,554,712,849	1,216,554,712,849
Other comprehensive income							
Remeasurement of the defined benefit plan	-	-	-	-	-	(1,881,086,936)	(1,881,086,936)
Gain on valuation of equity securities	-	-	-	31,591,118,993	-	(6,001,266,108)	25,589,852,885
Transactions with the owner directly reflected in the equity:							
Annual dividends	-	-	-	-	-	(400,005,660,000)	(400,005,660,000)
Interim dividends	-	-	-	-	-	(160,231,282,000)	(160,231,282,000)
Hybrid bond interest	-	-	-	-	-	(4,562,191,779)	(4,562,191,779)
Disposal of treasury stock	-	12,576,179,943	-	-	24,424,998,718	-	37,001,178,661
Business combination	-	408,490,000,851	-	-	-	-	408,490,000,851
2019.6.30 (End of the 1st semi-annual period)	482,403,125,000	1,575,841,438,030	199,383,500,000	(175,599,399,590)	(1,508,303,486,780)	45,819,332,122,657	46,393,057,299,317
2020.1.1 (Beginning of the current period)	482,403,125,000	1,252,220,277,524	199,383,500,000	(183,929,515,428)	(1,508,303,486,780)	45,372,411,230,927	45,614,185,131,243
Semi-annual total comprehensive income:							
Semi-annual net income	-	-	-	-	-	459,666,301,329	459,666,301,329
Other comprehensive income							
Remeasurement of the defined benefit plan	-	-	-	-	-	(392,809,559)	(392,809,559)
Gain on valuation of equity securities	-	-	-	(157,747,816,053)	-	(2,902,459,434)	(160,650,275,487)
Transactions with the owner directly reflected in the equity:							
Annual dividends	-	-	-	-	-	(320,462,564,000)	(320,462,564,000)
Interim dividends	-	-	-	-	-	(120,173,461,500)	(120,173,461,500)
Hybrid bond interest	-	-	-	-	-	(4,587,397,259)	(4,587,397,259)
Purchase of treasury stock	-	-	-	-	(64,822,957,500)	-	(64,822,957,500)
2020.6.30 (End of the current semi-annual period)	482,403,125,000	1,252,220,277,524	199,383,500,000	(341,677,331,481)	(1,573,126,444,280)	45,383,558,840,504	45,402,761,967,267

"Notes on the attached summarized Semi-annual Financial Statements are part of this summarized Semi-annual Financial Statements."

Summarized Semi-annual Cash Flow Statements

1st half of 53rd period From Jan. 1, 2020 to Jun. 30, 2020

1st half of 52nd period From Jan. 1, 2019 to Jun. 30, 2019

POSCO Co., Ltd.

(Unit: KRW)

Subject	Note	Semi-annual of 53rd (current) period	Semi-annual of 52nd (previous) period
I. Cash Flows from Operating Activities		3,197,757,900,593	1,544,728,203,079
1. Cash flow generated from operating activities		3,316,680,336,556	2,106,709,342,238
A. Semi-annual net income		459,666,301,329	1,216,554,712,849
B. Adjustment		1,284,090,450,906	1,508,697,223,789
Provision for severance indemnities		63,801,171,912	59,749,052,411
Depreciation		1,126,547,288,692	1,071,914,520,200
Amortization of intangible assets		50,851,406,329	38,426,362,779
Bad debt expenses		5,294,628,952	(4,364,530,798)
Financial revenues		(551,379,606,873)	(456,317,287,608)
Financial expenses		360,312,448,992	177,194,089,689
Losses on valuation of inventories		40,801,754,646	1,441,920,773
Gains on disposals of property, plant and equipment		(6,054,253,294)	(14,684,549,020)
Losses on disposals of property, plant and equipment		94,234,274,482	38,537,171,105
Impairment loss on property, plant and equipment		22,687,333,475	161,495,889,682
Gains on disposals of intangible assets		(131,363,636)	(1,010,831,308)
Gains on disposals of investment to subsidiaries, associates and joint ventures		(21,906,798,070)	(1,193,755,849)
Impairment loss on investment to subsidiaries, associates and joint ventures		-	10,421,907,879
Gains on disposals of assets held for sale		(26,942,098,352)	(714,840,248)
Impairment loss on assets held for sale		8,945,479,287	1,794,194,984
Gain on disposals of Certified Emission Reductions		(24,566,418,116)	-
Gains on valuation of Certified Emission Reductions		-	(25,440,087,750)
Transfer of provisions		38,673,914,552	1,053,255,371
Income tax expenses		106,553,048,491	450,986,725,855
Others		(3,631,760,563)	(591,984,358)
C. Net changes in assets and liabilities resulting from operations	34	1,572,923,584,321	(618,542,594,400)
2. Interest received		83,513,337,319	74,330,179,494
3. Interest paid		(106,973,802,430)	(81,228,073,605)
4. Dividends received		152,171,982,534	200,839,722,682
5. Income tax paid		(247,633,953,386)	(755,922,967,730)
II. Cash flows from investing activities		(3,191,265,067,123)	(300,713,012,210)
1. Cash inflows from investing activities		19,422,493,407,126	16,034,465,355,016
A. Reduction in deposit		2,137,922,919,131	1,500,369,286,387
B. Proceeds from sales of short-term financial instruments		16,810,439,952,910	14,496,900,178,457
C. Collection of short-term loan		806,621,704	-
D. Proceeds from sales of current debt securities		235,068,110,000	2,795,000
E. Proceeds from sales of equity securities		7,937,697,417	22,616,211,339
F. Proceeds from sales of other securities		990,099,000	2,772,277,000
G. Proceeds from sales of investment to subsidiaries, associates and joint ventures		1,292,002,735	4,054,711,246
H. Proceeds from sales of intangible assets		66,614,395,196	5,579,031,308
I. Proceeds from sales of assets held for sale		161,421,609,033	-
J. Cash inflows from business combination		-	2,170,864,279
2. Cash outflows from investing activities		(22,613,758,474,249)	(16,335,178,367,226)
A. Increase in deposit		2,676,729,774,481	1,549,036,497,193

B. Purchase of short-term financial instruments	17,649,927,883,542	13,719,308,752,529
C. Payment of long-term loan	14,851,644,508	612,790,700
D. Purchase of debt securities	627,158,865,669	235,011,335,000
E. Purchase of other securities	9,266,007,113	110,408,640
F. Acquisition of investment of subsidiaries, associates and joint ventures	194,274,795,999	41,797,785,625
G. Purchase of property, plant and equipment	1,322,802,187,529	703,191,832,369
H. Proceeds from sales of property, plant and equipment	49,933,905,011	6,885,548,571
I. Purchase of intangible assets	68,813,410,397	79,223,416,599
III. Cash flows from financing activities	1,482,236,559,305	(945,350,195,844)
1. Cash inflows from financing activities	2,433,844,864,081	307,490,355,438
A. Borrowings	2,433,095,908,102	300,000,000,000
B. Increase in long-term financial liabilities	208,948,773	2,975,595,438
C. Proceeds from sales of derivatives	-	4,514,760,000
D. Grant received	540,007,206	-
2. Cash outflows from financing activities	(951,608,304,776)	(1,252,840,551,282)
A. Repayment of borrowings	409,586,901,988	666,980,965,882
B. Repayment of lease payables	31,653,690,949	19,659,670,278
C. Reduction in long-term financial liabilities	284,359,440	1,357,816,443
D. Payment of dividends	440,647,792,160	560,254,701,420
E. Purchase of treasury stock	64,822,957,500	-
F. Hybrid bond interest paid	4,612,602,739	4,587,397,259
IV. Change in cash due to foreign currency exchange	(19,923,000,000)	(1,442,746,768)
V. Increase of cash (I+II+III+IV)	1,468,806,392,775	297,222,248,257
VI. Cash at the beginning of the period	978,138,798,756	259,219,202,425
VII. Cash at the end of the semi-annual period	2,446,945,191,531	556,441,450,682

"Notes on the attached summarized Semi-annual Financial Statements are part of this summarized Semi-annual Financial Statements."

POSCO Co., Ltd.

As of June 30, 2020

1. General information

POSCO Co., Ltd. (hereinafter referred to as "the Company") was established on April 1, 1968 for the purpose of producing and selling rolling materials, iron making and steel making and is the largest integrated steel mill in Korea based on crude steel capacity.

On June 10, 1988, the Company was listed on the Korea Exchange, and as of the end of the current semi-annual period, two steel mills (Pohang and Gwangyang) and one office in Korea and six offices overseas are being established and operated.

As of the end of the current semi-annual period, the Company's stocks are listed on the Korea Exchange and the Stock Depository on the New York Stock Exchange.

2. Financial statement creation standards

(1) Application of accounting standards

The semi-annual financial statements of POSCO Co., Ltd. are summarized interim financial statements prepared in accordance with the K-IFRS. The summarized semi-annual financial statements were prepared in accordance with K-IFRS No. 1034 (Interim Financial Report) and contain less information than the information required in the annual financial statements. Selective notes include explanations of transactions or events that are significant in understanding changes in the financial position and management performance of the Company that occurred after the end of the previous annual reporting period.

The Company's summarized semi-annual financial statements are separate financial statements pursuant to K-IFRS No.1027 (Separate Financial Statements). It is financial statements in which the investor of a parent company or an associate, or a participant of a jointly controlled company presents the investment assets in an accounting treatment based on direct equity investment, not based on the investee's reported performance and net assets.

(2) Estimates and judgments

1) Management's judgments and uncertainties in assumptions and estimates

In the K-IFRS, it is required to use estimates and assumptions based on management's best judgment regarding the matters affecting the reported amounts of assets, liabilities, income and expenses as of the end of the interim reporting period and the application of accounting policies in preparing interim financial statements. If the estimates and assumptions based on management's best judgment as of the end of the interim reporting period differ from actual circumstances, actual results may differ from these estimates.

The estimates and basic assumptions for estimation made are constantly being reviewed. The changes in accounting estimates are recognized for the period in which the estimates are changed and affected in the future.

Management's judgment on the estimated amount and the application of the Company's accounting policy used in summarized semi-annual financial statements was based on the same accounting policies and basis of the estimates as the annual financial statements for the fiscal year ended December 31, 2019.

With the spread of COVID-19 around the world, governments around the world are implementing measures such as factory closures, self-isolation, entry restrictions, and travel bans to control this. The ultimate impact of the COVID-19 pandemic on the Company's operations is not yet known, and it is expected to change depending on the future developments. The duration and severity of COVID-19 are very uncertain and unpredictable, and the protective measures of the government or the Company may result in substantial business disruption and decrease in business size. The financial impact of this cannot be estimated reasonably, but management expects that most of the regions and business units in which the Company operates will be affected to some extent. The extent and duration of the impact of COVID-19 on the Company's operations cannot yet be determined.

2) Fair value measurement

The Company has established policies and procedures for fair value evaluation. These policies and procedures include the

operation of the evaluation department responsible for reviewing all significant fair value measurements, including fair values classified as Level 3 in the fair value hierarchy, and the results are reported directly to the finance officer.

The valuation department regularly reviews significant inputs and evaluation adjustments that are not observable. In the case of using third-party information such as broker prices or evaluation agencies in fair value measurement, evaluation, based on information obtained from third parties by the evaluation department, is being determined whether it can be concluded that the requirements of the relevant standard are met and includes classification by level within the fair value hierarchy.

The Company reports significant evaluation issues to the Audit Committee.

When measuring the fair value of an asset or liability, the Company uses input variables that are observable in the market as much as possible. Fair value is classified within the fair value hierarchy based on the input variables used in valuation techniques as follows:

Level 1	Unadjusted published price in an accessible active market for the same assets or liabilities at the measurement date
Level 2	Directly or indirectly observable input variables to assets or liabilities other than the published price at Level 1
Level 3	Unobservable input variables to assets or liabilities

If multiple inputs used to measure the fair value of an asset or liability are classified at different levels within the fair value hierarchy, the Company classifies the entire fair value measurement at the same level as the lowest level input variable in the fair value hierarchy, which is significant for the entire measurement value, and recognizes a shift between levels in the fair value hierarchy at the end of the reporting period in which the change occurred.

3. Significant accounting policy

The Company applies the same accounting policies as applied when preparing the annual financial statements for the fiscal year ending December 31, 2019, except for the matters specified in K-IFRS No. 1034 (Interim Financial Reporting) and the matters described below. Changes in accounting policies described below will also be reflected in the annual financial statements for the fiscal year ending December 31, 2020.

(1) K-IFRS No.1001 (Expression of Financial Statements) and No.1008 (Accounting Policies, Changes and Errors in Accounting Estimates)

'Definition of materiality' has been clarified, and K-IFRS No.1001 (Expression of Financial Statements) and No. 1008 (Accounting Policies, Changes and Errors in Accounting Estimates) have been revised according to the clear definition. When determining materiality, not only omissions or misrepresentations of important information, but also the impact of non-important information were considered, and the characteristics of information users were taken into account when determining the information to be disclosed. The Company expects that this amendment will not affect the financial statements.

(2) K-IFRS No.1103 (Business Combination)

In the revised standard, the set of acquired activities and assets shall contain inputs and substantive processes with the ability to contribute significantly to the creation of outputs to meet the definition of a business. In addition, if the fair value of most of the total assets acquired is concentrated in a single identifiable asset or set of assets, then the set of acquired activities and assets can be determined as an asset or set of assets rather than a business. The Company expects that this amendment will not affect the financial statements.

4. Trade receivables

As of the end of the current semi-annual period and the previous period, the detail of trade receivables of the Company is as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current)period	52nd (previous) period
[Current items]		
Trade receivables	3,157,907	3,999,991
Allowance for bad debts	(15,013)	(12,950)
Total	3,142,894	3,987,041

[Non-current items]		
Long-term trade receivables	9,516	9,530
Present value discounts	(2,501)	(2,501)
Allowance for bad debts	(1,012)	(1,015)
Total	6,003	6,014

As of the end of the current semi-annual period and the previous period, of the Company's accounts receivables, which were sold to financial institutions, the carrying amount of trade receivables that do not meet the elimination conditions because the financial institution owns claims is KRW 133,188 million and KRW 167,021 million, respectively. The fair value of the trade receivable is close to the carrying amount, which is included in short-term borrowings.

5. Other receivables

As of the end of the current semi-annual period and the previous period, the detail of other receivables of the Company is as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current)period	52nd (previous) period
[Current items]		
Short-term loans	2,950	2,950
Other receivables	312,290	279,093
Others	70,262	47,257
Allowance for bad debts	(5,244)	(7,948)
Total	380,258	321,352
[Non-current items]		
Long-term loans	49,765	34,224
Long-term other receivables	44,473	27,570
Others	4,017	3,555
Allowance for bad debts	(9,200)	(8,881)
Total	89,055	56,468

6. Other financial assets

(1) As of the end of the current semi-annual period and the previous period, the detail of other financial assets of the Company is as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period	52nd (previous) period
[Current items]		
Derivative assets	109,943	15,603
Debt securities	686,479	290,559
Deposit (Note 1)	1,833,331	1,294,525
Short-term financial instruments	7,097,780	6,258,292
Total	9,727,533	7,858,979
[Non-current items]		
Derivative assets	187,985	64,072
Equity securities	918,561	1,128,641
Debt securities	5,348	9,177
Other securities	64,538	55,972
Deposit (Note 2)	34	34
Total	1,176,466	1,257,896

(Note 1) As of the end of the current semi-annual period and the previous period, deposits of KRW 5,689 million and KRW 4,524 million, respectively, are restricted in terms of government consignment projects.

(Note 2) It is restricted in connection with opening our checking account.

(2) As of the end of the current semi-annual period and the previous period, the detail of equity securities of the Company is as

follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period					52nd (previous) period	
	Number of shares held (shares)	Shareholding ratio (%)	Acquisition cost	Fair value	Accumulated gain or loss on valuation of equity securities	Carrying amount	Carrying amount
[Marketable stock]							
Nippon Steel Corporation	15,698,500	1.65	473,962	177,568	(296,394)	177,568	276,133
KB Financial Group	3,863,520	0.93	178,839	131,167	(47,672)	131,167	184,097
Woori Financial Group	20,280,000	2.81	244,447	178,667	(65,780)	178,667	235,248
Samwon Steel Co., Ltd.	5,700,000	14.25	8,930	11,343	2,413	11,343	17,214
Dongkuk Industries Co., Ltd.	2,611,989	4.82	11,911	6,634	(5,277)	6,634	6,778
Dongkuk Steel Co., Ltd.	-	-	-	-	-	-	8,571
Others (7 companies)			55,759	30,802	(24,957)	30,802	34,157
Subtotal			973,848	536,181	(437,667)	536,181	762,198
[Unmarketable stock]							
Congonhas Minerios S.A.	3,658,394	2.02	221,535	292,453	70,918	292,453	292,453
POSCO Plantec Co., Ltd. (Note 1)	18,337,912	10.99	19,437	19,437	-	19,437	-
Korea Nickel Co., Ltd.	75,600	14.00	10,194	10,194	-	10,194	10,194
Poongsan Special Metal Corp.	315,790	5.00	7,657	7,657	-	7,657	7,657
Hankum Co., Ltd.	21,000	4.99	4,599	4,599	-	4,599	4,599
Koh-a Jung Gong Co., Ltd.	490,000	19.84	4,214	4,214	-	4,214	4,214
AJUSTEEL Co., Ltd	17,000	4.36	4,165	4,165	-	4,165	4,165
Others (28 companies)			144,191	39,661	(104,530)	39,661	43,161
Subtotal			415,992	382,380	(33,612)	382,380	366,443
Total			1,389,840	918,561	(471,279)	918,561	1,128,641

(Note 1) The corporation was evaluated using the fair value calculated by an external professional evaluation agency.

7. Inventories

As of the end of the current semi-annual period and the previous period, the detail of inventories of the Company is as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period	52nd (previous) period
Products	869,670	868,012
Semi-finished products	1,116,624	1,474,153
By-product	12,478	10,763
Raw materials	1,166,238	1,139,517
Fuel and materials	539,754	646,396
Goods to arrive	551,200	856,706
Other inventories	632	660
Subtotal	4,256,596	4,996,207
Provisions for valuation loss	(40,802)	(7,677)
Total	4,215,794	4,988,530

Loss on valuation of inventories reflected in the cost of sales during the current semi-annual period and the previous period, were KRW 40,802 million and KRW 7,677 million, respectively.

8. Assets held for sale

As of the end of the current semi-annual period and the previous period, the detail of assets held for sale of the Company is as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period	52nd (previous) period
Investments in subsidiaries (Note 1, 2)	37,240	17,603
Property, Plant, and Equipment (Note 3, 4)	31,705	36,321
Intangible assets	812	-
Total	69,757	53,924

(Note 1) The Company decided to sell a portion of its subsidiary, POSCO Thainox Public Company Limited, and classified the stake as held for sale. During the current semi-annual period, the Company recognized an impairment loss of KRW 3,915 million for the difference between the carrying amount and fair value less costs to sell of the equity, and sold the portion of the equity.

(Note 2) The Company decided to dissolve the POSCO Family Strategy Fund, which is a subsidiary, in the current semi-annual period, and accordingly, classified the assets of the POSCO Family Strategy Fund as held for sale.

(Note 3) During the previous period, the Company decided to sell the discontinued individual assets such as the CEM plant, and classified the assets as held for sale. The Company recognized an impairment loss of KRW 5,030 million for the difference between the CEM plant's carrying amount and the fair value less costs to sell during the current semi-annual period.

(Note 4) During the previous period, the Company sold all assets, liabilities and rights related to LNG Terminal's operations to POSCO ENERGY. At this time, it was decided to sell the LNG tanks under construction at the time after construction was completed. The sale of the assets was completed as the construction was completed in the current semi-annual period and the Company recognized a disposition gain of KRW 26,633 million for the difference between the carrying amount and the selling price.

9. Subsidiaries, associates and joint ventures

(1) As of the end of the current semi-annual period and the previous period, the status of the Company's subsidiaries and carrying amounts are as follows:

(Unit: million KRW)

Company	Location	Main business	Shareholding ratio (%)	Semi-annual of 53rd (current) period	52nd (previous) period
[Domestic]					
POSCO International Co., Ltd.	Korea	General product wholesale	62.91	3,383,745	3,383,745
POSCO Engineering & Construction Co., Ltd.	Korea	General construction, engineering	52.80	1,014,314	1,014,314
POSCO Energy Co., Ltd.	Korea	Power generation	89.02	658,176	658,176
POSCO Coated & Color Co., Ltd.	Korea	Production and sales of steel plate	56.87	108,421	108,421
POSCO Technology Investment CO., Ltd.	Korea	Investment in new technology	95.00	103,780	103,780
POSCO Chemical Co., Ltd.	Korea	Manufacturing and sales of refractories	61.26	207,631	207,631
POSCO O&M Co., Ltd. (Note 1)	Korea	Business facility maintenance	47.17	73,374	73,374
POSCO ICT Co., Ltd.	Korea	Service related to information and communication	65.38	70,990	70,990
POSCO M-TECH Co., Ltd. (Note 1)	Korea	Production and sales of subsidiary material and steel product packaging, etc.	48.85	107,278	107,278
POSCO Family Strategy Fund (Note 2)	Korea	Investment in new technology	69.91	-	29,596
Busan ENE Co., Ltd. (Note 3)	Korea	Fueling and power generation of domestic waste	70.00	30,148	30,148
Others (10 companies)				117,393	117,393
Subtotal				5,875,250	5,904,846
[Overseas]					
PT. KRAKATAU POSCO	Indonesia	Manufacturing and sales of steel materials	70.00	707,509	707,509
POSCO WA PTY LTD	Australia	Iron ore sales and mine development	100.00	642,434	640,720
POSCO Maharashtra Steel Private Limited	India	Manufacturing and sales of steel materials	100.00	722,569	722,569
POSCO Canada Ltd.	Canada	Coal mine development	100.00	560,879	560,879
POSCO AUSTRALIA PTY LTD	Australia	Raw material sales and mine development	100.00	330,623	330,623
POSCO (Zhangjiagang) Stainless Steel Co., Ltd.	China	Manufacturing and sales of stainless steel sheets	58.60	283,845	283,845
POSCO Thainox Public Company Limited	Thailand	Manufacturing and sales of stainless steel sheets	84.29	212,339	212,339
POSCO-China Holding Corp.	China	Holding company	100.00	593,841	593,841
POSCO-India Private Limited	India	Manufacturing and sales of steel materials	99.99	75,567	75,567
POSCO MEXICO S.A. DE C.V.	Mexico	Manufacturing and sales of automotive	83.28	180,072	180,072

steel plates

POSCO America Corporation	USA	Trade of steel materials	99.45	192,156	192,156
POSCO-VIETNAM Co., Ltd.	Vietnam	Manufacturing and sales of steel materials	100.00	160,572	160,572
POSCO VST CO., LTD.	Vietnam	Manufacturing and sales of stainless steel sheets	95.65	144,573	144,573
POSCO (Guangdong) Automotive Steel Co., Ltd.	China	Production and sales of plated steel sheet	83.64	52,936	52,936
POSCO COATED STEEL (THAILAND) CO., LTD.	Thailand	Manufacturing and sales of automotive steel plates	100.00	121,592	121,592
POSCO Asia Co., Ltd.	Hong kong	Intermediate trade of raw materials and steel materials, etc.	100.00	117,710	117,710
POSCO ASSAN TST STEEL INDUSTRY	Turkey	Processing and sales of steel materials	60.00	92,800	92,800
POSCO JAPAN Co., Ltd.	Japan	Trade of steel materials	100.00	68,436	68,436
Qingdao Pohang Stainless Steel Co., Ltd.	China	Manufacturing and sales of stainless steel sheets	70.00	65,982	65,982
POSCO (Suzhou) Automotive Processing Center Co., Ltd.	China	Manufacturing and sales of steel materials	90.00	62,494	62,494
POSCO AFRICA (PROPRIETARY) LIMITED	South Africa	Mine development	100.00	50,297	50,297
POSCO-Malaysia SDN. BHD.	Malaysia	Processing and sales of steel materials	81.79	45,479	45,479
POSCO Argentina S.A.U.	Argentina	Exploration, production and sales of minerals	100.00	370,250	370,250
POSCO YAMATO VINA STEEL JOINT STOCK COMPANY (Note 4) (formerly, POSCO SS VINA JOINT STOCK COMPANY)	Vietnam	Steel material manufacturing and sales	51.00	130,526	-
Others (28 companies) (Note 5)				510,080	485,668
Subtotal				6,495,561	6,338,909
Total				12,370,811	12,243,755

(Note 1) The Company holds less than half of the voting rights to POSCO M-Tech and POSCO O&M, but considering additional facts and circumstances, such as the relative size of the voting rights held by the Company and the degree of dispersion of other voting rights holders, POSCO M-Tech and POSCO O&M are classified as subsidiary investment stock.

(Note 2) The Company decided to dissolve the subsidiary POSCO Family Strategy Fund due to maturity in the current semi-annual period, and replaced the stake with assets held for sale.

(Note 3) As of the end of the current semi-annual period and the previous period, in relation to the loan agreement of Busan ENE Co., Ltd., a subsidiary investment of KRW 30,148 million has been provided as collateral.

(Note 4) During the current semi-annual period, POSCO SS VINA JOINT STOCK COMPANY changed its name to POSCO YAMATO VINA STEEL JOINT STOCK COMPANY. In addition, the Company sold 49% of POSCO YAMATO VINA STEEL JOINT STOCK COMPANY's stake during the current semi-annual period, and participated in the capital increase and additionally acquired KRW 130,526 million of investment in subsidiaries.

(Note 5) During the current semi-annual period, the Company sold all of POSCO China Dalian Plate Processing Center Co., Ltd.

(2) As of the end of the current semi-annual period and the previous period, the status of the Company's associates and carrying amounts are as follows:

(Unit: million KRW)

Company	Location	Main business	Shareholding ratio (%)	Semi-annual of 53rd (current) period	52nd (previous) period
[Domestic]					
EQP POSCO. Global No. 1 Overseas Resource Development Private Equity Investment Company	Korea	Overseas mining investment	31.64	169,316	169,316
SNNC Co., Ltd.	Korea	Manufacturing and sales of STS raw materials	49.00	100,655	100,655
QS One Co., Ltd.	Korea	Real estate rental	50.00	85,550	85,550
Others (6 companies) (Note 1)				21,177	22,468
Subtotal				376,698	377,989

[Overseas]					
Nickel Mining Company SAS	New Caledonia	Raw material production and sales	49.00	189,197	189,197
9404-5515 Quebec Inc. (formerly, 7623704 Canada Inc.) (Note 2)	Canada	Overseas mining investment	10.40	124,341	124,341
Zhongyue POSCO (Qinhuangdao) Tinplate Industrial Co., Ltd	China	Manufacturing and sales of Tin plate	24.00	11,003	11,003
Others (6 companies)				39,692	39,590
Subtotal				364,233	364,131
Total				740,931	742,120

(Note 1) As of the end of the current semi-annual period, as POSCO Plantec Co., Ltd.'s capital increase caused the company's stake to decline to less than 20% and lose significant influence, the stake was replaced with equity securities.

(Note 2) As of the end of the current semi-annual period, the shareholding ratio is less than 20%, but it has been classified as investment in associates as it has a significant influence when considering the composition of the board of directors. During the current semi-annual period, 7623704 Canada Inc. changed its name to 9404-5515 Quebec Inc.

(3) As of the end of the current semi-annual period and the previous period, the status of the Company's joint ventures and carrying amounts are as follows:

(Unit: million KRW)

Company	Location	Main business	Shareholding ratio (%)	Semi-annual of 53rd (current) period	52nd (previous) period
Roy Hill Holdings Pty Ltd (Note 1)	Australia	Mine development	10.00	1,225,464	1,225,464
CSP - Compania Siderurgica do Pecem	Brazil	Manufacturing and sales of steel materials	20.00	343,553	322,463
POSCO-NPS Niobium LLC	USA	Mine development	50.00	364,609	364,609
KOBRASCO	Brazil	Production and sales of steel raw materials	50.00	98,962	98,962
Others (3 companies)				72,484	72,484
Total				2,105,072	2,083,982

(Note 1) As of the end of the current semi-annual period and the previous period, a joint venture investment of KRW 1,225,464 million in Roy Hill Holdings Pty Ltd has been provided as collateral in relation to Project Financing of Roy Hill Holdings Pty Ltd.

10. Investment properties

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

(1) Semi-annual period of 53rd (current) period

(Unit: million KRW)

Classification	Beginning of the period	Amortization (Note 1)	Other (Note 2)	End of the semi-annual period
Land	91,738	-	232	91,970
Buildings	57,228	(2,033)	388	55,583
Structures	9,111	(305)	19	8,825
Total	158,077	(2,338)	639	156,378

(Note 1) The useful life and depreciation method of investment property are the same as those of property, plant and equipment.

(Note 2) It is an account transfer due to a change in the rental ratio of investment property and a change in the purpose of use.

(2) 52nd (previous) period

(Unit: million KRW)

Classification	Beginning of the period	Business combination (Note 1)	Amortization (Note 2)	Other (Note 3)	End of the period
Land	44,637	41,195	-	5,906	91,738
Buildings	54,277	25	(4,070)	6,996	57,228
Structures	9,301	-	(620)	430	9,111
Total	108,215	41,220	(4,690)	13,332	158,077

(Note 1) It is increased due to a business combination between the Company and POSCO P&S.

(Note 2) The useful life and depreciation method of investment property are the same as those of property, plant and equipment.

(Note 3) It is an account transfer due to a change in the rental ratio of investment property and a change in the purpose of use.

11. Property, Plant, and Equipment

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

(1) Semi-annual period of 53rd (current) period

(Unit: million KRW)

Classification	Beginning of the period	Purchase	Disposal	Depreciation	Impairment (Note 1)	Other (Note 2)	End of semi-annual period
Land	1,398,081	-	(6)	-	-	(231)	1,397,844
Buildings	2,100,503	2,228	(1,927)	(103,267)	(268)	107,227	2,104,496
Structures	2,030,853	1,443	(1,276)	(85,825)	(860)	18,284	1,962,619
Machinery	12,602,435	18,329	(9,257)	(890,670)	(9,057)	704,439	12,416,219
Vehicles	9,951	956	(3)	(3,250)	-	3,237	10,891
Tools and equipment	27,288	694	-	(6,042)	-	3,047	24,987
Fixtures	38,329	1,182	-	(5,608)	-	5,543	39,446
Lease assets	262,368	-	-	(29,547)	-	109,986	342,807
Assets under construction	1,662,391	1,251,944	(3,951)	-	(12,502)	(1,010,094)	1,887,788
Total	20,132,199	1,276,776	(16,420)	(1,124,209)	(22,687)	(58,562)	20,187,097

(Note 1) The Company estimated the recoverable amount by calculating net fair value less costs to sell based on the sale price or scrap price for individual asset that has been discontinued due to the establishment of a sale plan during the current semi-annual period, and recognized an impairment loss for assets whose recoverable amount is less than the carrying amount. During the current period, impairment loss was recognized for parts lost due to fire.

(Note 2) It consists of the transfer of assets under construction to the this account, transfer of assets held for sale, and the amount transferred to investment property and intangible assets

(2) 52nd (previous) period

(Unit: million KRW)

Classification	Beginning of the period	Purchase	Business combination (Note 5)	Disposal	Depreciation	Impairment (Note 1)	Other (Note 2, 4)	End of semi-annual period
Land	1,458,632	-	-	(1,805)	-	-	(58,746)	1,398,081
Buildings	2,199,429	7,157	67,751	(7,706)	(202,171)	(25,869)	61,912	2,100,503
Structures	2,244,099	10,777	39,783	(3,125)	(173,181)	(9,585)	(77,915)	2,030,853
Machinery	12,911,467	92,136	696,204	(21,616)	(1,717,864)	(176,295)	818,403	12,602,435
Vehicles	7,340	747	40	-	(6,244)	-	8,068	9,951
Tools and equipment	23,864	5,348	138	(24)	(11,499)	-	9,461	27,288
Fixtures	36,287	4,781	94	(9)	(9,805)	(137)	7,118	38,329
Lease assets (Note 3)	142,801	27,376	-	-	(34,669)	-	126,860	262,368
Assets under construction	1,130,415	1,838,490	696	-	-	(10,150)	(1,297,060)	1,662,391
Total	20,154,334	1,986,812	804,706	(34,285)	(2,155,433)	(222,036)	(401,899)	20,132,199

(Note 1) The Company estimated the recoverable amount by calculating net fair value less costs to sell based on the appraised value or scrap value of the appraisal corporation for individual assets such as CEM factories and Fe-Si factories that were

suspended due to the establishment of a sale plan during the previous period, and recognized an impairment loss for assets whose recoverable amount is less than the carrying amount.

(Note 2) During the previous period, the Company sold all assets, liabilities and rights related to LNG Terminal's operations to POSCO ENERGY. At this time, it was decided to sell the LNG tanks under construction at the time after construction was completed. The sale of the assets was completed as the construction was completed in the current semi-annual period and the Company recognized a disposition gain of KRW 28,626 million for the difference between the carrying amount and the selling price.

(Note 3) Right-of-use assets of KRW 128,610 million recognized on the first application date (January 1, 2019) of K-IFRS 1116 (Lease) are included in other increases or decreases.

(Note 4) It consists of the transfer of assets under construction to the this account, transfer of assets held for sale, and the amount transferred to investment property and intangible assets

(Note 5) The increase was due to the business combination of the Company and POSCO Energy's business department of power generation with by-product gas.

(3) Information on lease contracts to which the Company is a lessee is as follows:

1) Right-of-use assets

① During the current semi-annual period, changes in investment property and right-of-use assets indicated as PPE account are as follows:

(Unit: million KRW)

Classification	Beginning of the period	Addition	Depreciation	Others	End of semi-annual period
Buildings	71,921	-	(3,231)	-	68,690
Structures	64,434	-	(2,607)	-	61,827
Equipment appliance	60,198	-	(2,750)	-	57,448
Vehicles	6,755	-	(250)	-	6,505
Ships	24,082	111,537	(13,826)	-	121,793
Fixtures, etc.	34,978	-	(6,883)	(1,551)	26,544
Total	262,368	111,537	(29,547)	(1,551)	342,807

② During the previous period, changes in investment property and right-of-use assets indicated as PPE account are as follows:

(Unit: million KRW)

Classification	First application date (January 1, 2019)	Addition	Depreciation	Others	End of the period
Buildings	78,384	-	(6,463)	-	71,921
Structures	53,761	13,502	(2,829)	-	64,434
Equipment	65,698	-	(5,500)	-	60,198
Vehicles	7,256	-	(501)	-	6,755
Ships	26,499	-	(2,417)	-	24,082
Fixtures, etc.	39,813	13,874	(16,959)	(1,750)	34,978
Total	271,411	27,376	(34,669)	(1,750)	262,368

2) Amount recognized in profit or loss

The amounts related to lease recognized in profit or loss during the current semi-annual period and the previous semi-annual period are as follows:

(Unit: million KRW)

Classification	Semi-annual period of 53rd (current) period	Semi-annual period of 52nd (previous) period
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	3 months	Cumulative	3 months	Cumulative
Interest expense on lease liabilities	2,399	5,057	2,196	4,461
Expenses related to short-term leases	884	1,890	1,014	1,937
Expenses related to lease of small assets	1,574	3,389	1,323	2,727
Total	4,857	10,336	4,533	9,125

12. Intangible assets

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

(1) Semi-annual period of 53rd (current) period

(Unit: million KRW)

Classification	Beginning of the period	Purchase	Disposal	Amortization	Other (Note 2)	End of semi-annual period
Industrial property right	24,545	-	(1,360)	(2,984)	3,486	23,687
Membership (Note 1)	82,657	-	(345)	-	-	82,312
Development expenses	86,023	102	-	(22,503)	10,982	74,604
Port facility use rights	278,072	-	-	(22,571)	-	255,501
Assets under construction	137,273	50,381	-	-	(13,160)	174,494
Other intangible assets	100,345	19,725	(61,302)	(2,793)	918	56,893
Total	708,915	70,208	(63,007)	(50,851)	2,226	667,491

(Note 1) The useful life of membership is indefinite.

(Note 2) It consists of the transfer of assets under construction to this account and transfers from Property, Plant, and Equipment.

(2) 52nd (previous) period

(Unit: million KRW)

Classification	Beginning of the period	Purchase	Disposal	Amortization	Other (Note 2)	End of semi-annual period
Industrial property right	24,377	-	(1,270)	(5,678)	7,116	24,545
Membership (Note 1)	73,183	9,204	(6)	-	276	82,657
Development expenses	91,758	2,205	-	(41,793)	33,853	86,023
Port facility use rights	305,710	-	(4,674)	(22,964)	-	278,072
Assets under construction	58,561	114,638	-	-	(35,926)	137,273
Other intangible assets	91,633	615	(4,568)	(6,755)	19,420	100,345
Total	645,222	126,662	(10,518)	(77,190)	24,739	708,915

(Note 1) The useful life of membership is indefinite.

(Note 2) It consists of the transfer of assets under construction to this account and transfers from Property, Plant, and Equipment.

13. Other assets

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

(Unit: million KRW)

Classification	Semi-annual of 53 rd (current) period	52 nd (previous) period
[Current items]		
Advance payments	9,901	6,252
Prepaid expenses	23,658	21,849
Total	33,559	28,101
[Non-current items]		
Long-term prepaid expenses	4,735	5,088
Other (Note 1)	99,330	100,186

Total	104,065	105,274
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(Note 1) As of the end of the current semi-annual period and the previous period, the estimated income tax refund amount due to complaints and corrections in tax audits was recognized as KRW 96,312 million and KRW 97,185 million as income tax assets.

14. Borrowings

(1) As of the end of the semi-annual period and the previous period, the detail of borrowings of the Company is as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period	52nd (previous) period
[Current]		
Short-term borrowings	465,153	167,021
Current debentures	2,000,980	980,460
Deduction: Discount on current bond issuance	(1,483)	(1,005)
Total	2,464,650	1,146,476
[Non-current]		
Long-term borrowings	1,225	1,181
Debentures	6,132,211	5,216,681
Deduction: Discount on bond issuance	(36,104)	(26,325)
Total	6,097,332	5,191,537

(2) As of the end of the semi-annual period and the previous period, the detail of the short-term borrowings of the Company is as follows:

(Unit: million KRW)

Classification	Lender	Borrowing date	Maturity date	Interest rate (%)	Semi-annual of 53rd (current) period	52nd (previous) period
Trade receivable discount	-	-	-		113,188	167,021
Trade finance	MUFG, etc.	2020.05.19~ 2020.06.23	2020.08.17~ 2020.09.18	0.84~1.99	351,965	-
Total					465,153	167,021

(3) As of the end of the current semi-annual period, the detail of current long-term borrowings of the Company is as follows:

(Unit: million KRW)

Classification	Lender	Borrowing date / Issue date	Final maturity date	Interest rate (%)	Semi-annual of 53rd (current) period	52nd (previous) period
KRW bonds	Public offering bonds (No. 306- 2 and 1 other)	2013.10.04~ 2016.05.03	2020.10.04~ 2021.05.03	1.88~3.50	319,896	169,930
Foreign currency bonds	Global Bond 2nd and 1 other	2020.05.19~ 2020.06.23	2020.08.17~ 2020.09.18	4.25~5.25	1,679,601	809,525
Total					1,999,497	979,455

(4) As of the end of the current semi-annual period, the detail of long-term borrowings of the Company is as follows:

(Unit: million KRW)

Classification	Lender	Borrowing Date / Issue date	Maturity date	Interest rate (%)	Semi-annual of 53rd (current) period	52nd (previous) period
Foreign currency borrowings	Korea Energy Agency	2007.12.27~ 2008.12.29	2022.12.29	3-year Treasury Bond	1,225	1,181
KRW bonds	Public offering bonds (No. 304-2 and 9 others)	2011.11.28~ 2019.10.16	2021.07.05~ 2029.10.16	1.56~4.12	2,355,147	2,504,194

Foreign currency bonds	Yen currency private equity bonds and 6 others	2011.12.22~ 2020.01.17	2021.12.22~ 2025.01.17	0.50~4.00	3,740,960	2,686,162
Total					6,097,332	5,191,537

15. Other payables

As of the end of the semi-annual period and the previous period, the detail of other payables of the Company is as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period	52nd (previous) period
[Current items]		
Outstanding Expenses	461,508	630,162
Accrued Expenses	432,256	432,835
Dividends payables	2,259	2,296
Lease liabilities	108,874	40,463
Deposit received	10,426	7,247
Total	1,015,323	1,113,003
[Non-current items]		
Long-term accrued Expenses	43	842
Long-term lease liabilities	230,239	216,508
Long-term deposit received	3,723	5,452
Total	234,005	222,802

16. Other financial liabilities

As of the end of the semi-annual period and the previous period, the detail of other financial liabilities of the Company is as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period	52nd (previous) period
[Current items]		
Financial guarantee liabilities	7,556	10,969
[Non-current items]		
Derivative liabilities	-	8,285
Financial guarantee liabilities	36,411	38,640
Total	36,411	46,925

17. Provisions

(1) As of the end of the semi-annual period and the end of the previous period, the detail of provisions of the Company is as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period		52nd (previous) period	
	Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
Provisions for bonuses (Note 1, 2)	12,621	27,845	14,020	35,816
Provisions for restoration (Note 3)	4,902	15,087	6,783	15,942
Provisions for contingent losses (Note 4)	-	2,052	204	2,184
Sales guarantee liabilities (Note 5)	22,602	4,589	-	-
Total	40,125	49,573	21,007	53,942

(Note 1) The Company estimates short-term and long-term business performance of executives and recognizes provisions within

the limit of 33% to 67% of the basic annual salary.

(Note 2) In relation to the long-term service reward system in operation, the Company recognizes provisions by applying the actuarial evaluation method to the present value of the expected payment for each year of service.

(Note 3) Part of the land, including the site of the Company's magnesium smelting plant located in Gangneung City, was contaminated, and the present value of the estimated cost to restore the contaminated land was recognized as a provision. In order to calculate the estimated cost, the Company used the assumption that land pollution would be restored using currently available technologies and materials, and the present value of the cost is measured using a discount rate of 1.45% to 1.60%.

(Note 4) The Company recognizes provisions for litigation and other contingent situations where the likelihood of winning is not higher than the likelihood of losing out of the litigation accused

(Note 5) The Company has set claim costs expected to be charged to the Company at the end of the current semi-annual period as provisions.

(2) Changes in provision during the current semi-annual period and previous period are as follows:

1) Semi-annual period of 53rd (current) period

(Unit: million KRW)

Classification	Beginning of the period	Transferred	Reversed	Used	End of semi-annual period
Provisions for bonuses	49,836	8,373	-	(17,743)	40,466
Provisions for restoration	22,725	221	(340)	(2,617)	19,989
Provisions for contingent losses	2,388	424	(709)	(51)	2,052
Sales guarantee liabilities	-	39,077	-	(11,886)	27,191
Total	74,949	48,095	(1,049)	(32,297)	89,698

2) 52nd (previous) period

(Unit: million KRW)

Classification	Beginning of the period	Transferred	Reversed	Used	Others	End of semi-annual period
Provisions for bonuses	36,749	23,523	-	(18,038)	7,602	49,836
Provisions for restoration	29,703	549	(277)	(7,250)	-	22,725
Provisions for contingent losses	46,432	538	(11,207)	(33,375)	-	2,388
Total	112,884	24,610	(11,484)	(58,663)	7,602	74,949

18. Retirement benefit plan

(1) Defined contribution retirement benefit plan

During the current semi-annual period and the previous semi-annual period, the amount recognized by the Company as an expense under the defined contribution retirement benefit plan is as follows:

(Unit: million KRW)

Classification	Semi-annual period of 53rd (current) period		52nd (previous) period	
	3 months	Cumulative	3 months	Cumulative
Defined contribution retirement benefit expenses	8,710	18,907	8,515	17,621

(2) Defined retirement benefit plan

1) The amounts recognized in the statement of financial position related to net defined benefit liabilities as of the end of the current semi-annual period and the previous period are as follows:

(Unit: million KRW)

Classification	Semi-annual period of 53rd (current) period	52nd (previous) period
The present value of the defined benefit obligation arising from the funded plan	1,424,326	1,435,942
Fair value of plan assets	(1,365,451)	(1,381,796)
Total	58,875	54,146

2) Changes in the present value of the defined benefit obligation during the current semi-annual period and the previous period are as follows:

(Unit: million KRW)

Classification	Semi-annual period of 53rd (current) period	52nd (previous) period
Opening balance	1,435,942	1,265,675
Current service cost	63,559	119,957
Interest expenses	13,856	31,567
Remeasurement (Note 1)	-	104,442
Business combination	-	317
Transfer of liabilities included in disposal groups classified as held for sale	-	(1,448)
Payment	(89,031)	(84,568)
Ending balance	1,424,326	1,435,942

(Note 1) The Company has not remeasured defined benefit obligations for interim reporting purposes, and no remeasurement component of defined benefit obligations has occurred.

3) Changes in the fair value of plan assets during the current semi-annual period and the previous period are as follows:

(Unit: million KRW)

Classification	Semi-annual period of 53rd (current) period	52nd (previous) period
Opening balance	1,381,796	1,264,812
Interest income on plan assets	13,614	32,347
Remeasurement of plan assets	(542)	(6,668)
User contribution	61,585	161,500
Business combination	-	670
Transfer of liabilities included in disposal groups classified as held for sale	-	(1,448)
Payment	(91,002)	(69,417)
Ending balance	1,365,451	1,381,796

4) During the current semi-annual period and the previous semi-annual period, gains or losses recognized in relation to defined benefit plans are as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period		Semi-annual of 52nd (previous) period	
	3 months	Cumulative	3 months	Cumulative
Current service cost	31,355	63,559	28,775	60,139
Net interest price	121	242	(195)	(390)
Total	31,476	63,801	28,580	59,749

19. Other liabilities

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

(Unit: million KRW)

Classification	Semi-annual period of	52nd (previous) period
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53rd (current) period		
[Current items]		
Advances	5,493	5,112
Deposit received	108,777	106,474
Unearned revenue	18,350	23,562
Total	132,620	135,148
[Non-current items]		
Unearned revenue	540	5,230

20. Financial instrument

(1) Classification of financial instruments and fair value

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

① Semi-annual period of 53rd (current) period

(Unit: million KRW)

Classification		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
[Financial assets]						
Fair value through profit or loss	Derivative assets	297,928	-	297,928	-	297,928
	Short-term financial instruments	7,097,780	-	7,097,780	-	7,097,780
	Debt securities	8,050	-	-	8,050	8,050
	Other securities	64,538	-	-	64,538	64,538
	Other receivables	2,000	-	-	2,000	2,000
Fair value through other comprehensive income	Equity securities	918,561	536,181	-	382,380	918,561
	Debt securities	1,648	-	-	1,648	1,648
Measured at amortized cost (Note 1)	Cash and cash equivalents	2,446,945	-	-	-	-
	Trade receivables	3,144,814	-	-	-	-
	Other receivables	682,129	-	-	-	-
	Debt securities	316,419	-	-	-	-
	Deposit	1,833,365	-	-	-	-
Total		16,814,177	536,181	7,395,708	458,616	8,390,505
[Financial liabilities]						
Measured at amortized cost (Note 1)	Trade payables	855,533	-	-	-	-
	Borrowings	8,561,982	-	8,807,627	-	8,807,627
	Financial guarantee liabilities	43,967	-	-	-	-
	Other payables	1,177,012	-	-	-	-
Total		10,638,494	-	8,807,627	-	8,807,627

(Note 1) Financial assets and financial liabilities that are measured at amortized cost, excluding borrowings, have their fair value approximating their carrying amount.

② 52nd (previous) period

(Unit: million KRW)

Classification		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
[Financial assets]						
Fair value through profit or loss	Derivative assets	79,675	-	79,675	-	79,675
	Short-term financial instruments	6,258,292	-	6,258,292	-	6,258,292

	Debt securities	8,050	-	-	8,050	8,050
	Other securities	55,972	-	-	55,972	55,972
	Other receivables	2,000	-	-	2,000	2,000
Fair value through other comprehensive income	Equity securities	1,128,641	762,198	-	366,443	1,128,641
	Debt securities	1,686	-	-	1,686	1,686
	Cash and cash equivalents	978,139	-	-	-	-
Measured at amortized cost (Note 1)	Trade receivables	3,983,573	-	-	-	-
	Other receivables	290,000	-	-	-	-
	Debt securities	202,819	-	-	-	-
	Deposit	1,294,559	-	-	-	-
Total		14,283,406	762,198	6,337,967	434,151	7,534,316
[Financial liabilities]						
	Trade payables	8,285	-	8,285	-	8,285
	Borrowings	667,551	-	-	-	-
Measured at amortized cost (Note 1)	Financial guarantee liabilities	6,338,012	-	6,525,464	-	6,525,464
	Other payables	49,609	-	-	-	-
Total		8,388,793	-	6,533,749	-	6,533,749

(Note 1) Financial assets and financial liabilities that are measured at amortized cost, excluding borrowings, have their fair value approximating their carrying amount.

2) As of the end of the current semi-annual period, the financial guarantee contracts recognized by the Company as financial guarantee liabilities are as follows:

(KRW Unit: million KRW)

Guaranteed company	Guarantee provider	Currency	Guarantee Ceiling		Guaranteed amount	
			Foreign currency	KRW converted amount	Foreign currency	KRW converted amount
[Subsidiaries]						
POSCO Maharashtra Steel Private Limited	SCB	USD	33,784,000	40,564	33,784,000	40,564
	ING	USD	50,000,000	60,035	50,000,000	60,035
POSCO ASSAN TST STEEL INDUSTRY	SMBC	USD	62,527,500	75,077	56,274,750	67,569
	ING	USD	60,000,000	72,042	54,000,000	64,838
	BNP	USD	24,000,000	28,817	21,600,000	25,935
POSCO Asia Co., Ltd.	Credit Agricole	USD	50,000,000	60,035	50,000,000	60,035
POSCO MEXICO S.A. DE C.V	CITI BANAMEX	USD	30,000,000	36,021	30,000,000	36,021
	BOA	USD	30,000,000	36,021	30,000,000	36,021
	SMBC	USD	20,000,000	24,014	20,000,000	24,014
	MIZUHO	USD	20,000,000	24,014	20,000,000	24,014
	ANZ	USD	20,000,000	24,014	20,000,000	24,014
POSCO-VIETNAM Co., Ltd.	SMBC	USD	50,000,000	60,035	50,000,000	60,035
	Credit Agricole	USD	40,000,000	48,028	40,000,000	48,028
	BTMU	USD	26,000,000	31,218	26,000,000	31,218
	Citi	USD	20,000,000	24,014	20,000,000	24,014
	MIZUHO	USD	20,000,000	24,014	20,000,000	24,014
PT. KRAKATAU POSCO	Export-Import Bank of Korea	USD	567,000,000	680,797	363,264,797	436,172
	SMBC	USD	140,000,000	168,098	89,832,217	107,862
	BTMU	USD	119,000,000	142,883	75,125,217	90,203
	MIZUHO	USD	105,000,000	126,074	66,286,957	79,591
	SCB	USD	107,800,000	129,435	69,504,217	83,454
	Credit Suisse AG	USD	91,000,000	109,264	57,448,696	68,979

	HSBC	USD	91,000,000	109,264	57,448,696	68,979
	ANZ	USD	73,500,000	88,251	47,850,478	57,454
	BOA	USD	35,000,000	42,025	22,095,652	26,530
	The Tokyo Star Bank, Ltd	USD	21,000,000	25,215	13,257,391	15,918
POSCO COATED STEEL (THAILAND) CO., LTD.	Citi	THB	801,000,000	31,143	801,000,000	31,143
	ANZ	THB	1,175,000,000	45,684	1,175,000,000	45,684
	MUFG	THB	1,175,000,000	45,684	1,175,000,000	45,684
	SC	THB	1,175,000,000	45,684	1,175,000,000	45,684
	SMBC	THB	1,175,000,000	45,684	1,175,000,000	45,684
[Associates]						
LLP POSUK Titanium	SMBC	USD	13,500,000	16,209	13,500,000	16,209
Nickel Mining Company SAS	SMBC	EUR	46,000,000	62,109	46,000,000	62,109
[Joint ventures]						
CSP - Companhia Siderurgica do Pecem	Export-Import Bank of Korea	USD	182,000,000	218,527	162,772,945	195,441
	Santander	USD	47,600,000	57,153	41,873,544	50,278
	BNP	USD	47,600,000	57,153	41,873,544	50,278
	MIZUHO	USD	47,600,000	57,153	41,873,544	50,278
	Credit Agricole	USD	20,000,000	24,014	17,593,933	21,125
	SOCIETE GENERALE	USD	20,000,000	24,014	17,593,933	21,125
	KfW	USD	20,000,000	24,014	17,593,933	21,125
	BBVA Seoul	USD	17,600,000	21,132	15,482,645	18,590
	ING	USD	17,600,000	21,132	15,482,645	18,590
	BNDES (Brazil Industrial Bank)	BRL	464,060,000	103,114	464,060,000	103,114
Total		USD	2,340,111,500	2,809,770	1,789,413,734	2,148,550
		EUR	46,000,000	62,109	46,000,000	62,109
		THB	5,501,000,000	213,879	5,501,000,000	213,879
		BRL	464,060,000	103,114	464,060,000	103,114

3) Financial income by the category of financial instrument during the current semi-annual period and the previous semi-annual period is as follows:

① Semi-annual period of 53rd (current) period

(Unit: million KRW)

Classification	Financial gains or losses							Other comprehensive income
	Revenue (expenses) from interest	Revenue from dividend (Note 1)	Foreign exchange gains and losses	Disposal gains or losses	Valuation gains or losses	Others	Total	
Financial assets at fair value through profit or loss	77,159	-	-	485	223,151	-	300,795	-
Fair value through other comprehensive income	-	24,483	-	-	-	-	24,483	(160,650)
Financial assets at amortized cost	24,207	-	94,915	-	-	-	119,122	-
Financial liabilities measured at fair value through profit or loss	-	-	-	447	13,977	-	14,424	-
Financial liabilities at amortized cost	(113,808)	-	(217,448)	-	-	11,840	(319,416)	-
Total	(12,442)	24,483	(122,533)	932	237,128	11,840	139,408	(160,650)

(Note 1) Financial income in the statement of comprehensive income includes dividend income of KRW 147,724 million from subsidiaries, associates and joint ventures.

② Semi-annual period of 52nd (previous) period

(Unit: million KRW)

Classification	Financial gains or losses						Total	Other comprehensive income
	Revenue (expenses) from interest	Revenue from dividend (Note 1)	Foreign exchange gains and losses	Disposal gains or losses	Valuation gains or losses	Others		
Financial assets at fair value through profit or loss	64,673	-	-	461	68,545	-	133,679	-
Fair value through other comprehensive income	-	41,088	-	-	-	-	41,088	25,590
Financial assets at amortized cost	16,948	-	84,249	-	-	-	101,197	-
Financial liabilities measured at fair value through profit or loss	-	-	-	19	34,744	-	34,763	-
Financial liabilities at amortized cost	(73,589)	-	(122,843)	-	-	4,666	(191,766)	-
Total	8,032	41,088	(38,594)	480	103,289	4,666	118,961	25,590

(Note 1) Financial income in the statement of comprehensive income includes dividend income of KRW 187,941 million from subsidiaries, associates and joint ventures.

4) Financial income by the category of financial instrument during each 3 months of the current semi-annual period and the previous semi-annual period is as follows:

① 2nd quarter of 53rd (current) period

(Unit: million KRW)

Classification	Financial gains or losses						Total	Other comprehensive income
	Revenue (expenses) from interest	Revenue from dividend (Note 1)	Foreign exchange gains and losses	Disposal gains or losses	Valuation gains or losses	Others		
Financial assets at fair value through profit or loss	38,444	-	-	289	(29,542)	-	9,191	-
Fair value through other comprehensive income	-	237	-	-	-	-	237	30,838
Financial assets at amortized cost	13,798	-	(46,814)	-	-	-	(33,016)	-
Financial liabilities measured at fair value through profit or loss	-	-	-	422	2,435	-	2,857	-
Financial liabilities at amortized cost	(56,712)	-	108,704	-	-	3,903	55,895	-
Total	(4,470)	237	61,890	711	(27,107)	3,903	35,164	30,838

(Note 1) Financial income in the statement of comprehensive income includes dividend income of KRW 38,066 million from subsidiaries, associates and joint ventures.

② 2nd quarter of 52nd (previous) period

(Unit: million KRW)

Classification	Financial gains or losses						Total	Other comprehensive income
	Revenue (expenses) from interest	Revenue from dividend (Note 1)	Foreign exchange gains and losses	Disposal gains or losses	Valuation gains or losses	Others		
Financial assets at fair value through profit or loss	31,220	-	-	461	17,190	-	48,871	-
Fair value through other comprehensive income	-	13,301	-	-	-	-	13,301	37,714
Financial assets at amortized cost	9,415	-	33,449	-	-	-	42,864	-
Financial liabilities measured at fair value through profit or loss	-	-	-	-	31,109	-	31,109	-
Financial liabilities at amortized cost	(36,677)	-	(64,875)	-	-	2,356	(99,196)	-
Total	3,958	13,301	(31,426)	461	48,299	2,356	36,949	37,714

(Note 1) Financial income in the statement of comprehensive income includes dividend income of KRW 88,506 million from

subsidiaries, associates and joint ventures.

(2) Financial risk management

With regard to financial instruments, the Company is exposed to credit risk, liquidity risk and market risk. The Company's financial risk management objectives and policies are the same for the fiscal year ending December 31, 2019.

21. Capital and capital surplus

(1) As of the end of the current semi-annual period and the previous period, the parent company's capital stock is as follows:

(Unit: KRW)

Classification	Semi-annual of 53rd (current) period	52nd (previous) period
Authorized capital stock	200,000,000 shares	200,000,000 shares
Amount per share	5,000	5,000
Shares outstanding (Note 1)	87,186,835 shares	87,186,835 shares
Common stock (Note 2)	482,403,125,000	482,403,125,000

(Note 1) As of the end of the current semi-annual period, the total number of American Depository Receipt (ADR) of the company traded on overseas exchanges totaled 30,935,880 shares (number of common shares: 7,733,970 shares).

(Note 2) As the Company incinerates profits of 9,293,790 shares by the end of the current semi-annual period, the total par value of common stock and issued shares differs by KRW 46,469 million.

(2) As of the end of the current semi-annual period and the previous period, the detail of capital surplus is as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period	52nd (previous) period
Capital in excess of par value	463,825	463,825
Gains on sale of treasury stock	796,623	796,623
Losses on disposals of hybrid bonds	(1,787)	(1,787)
Merger loss	(6,441)	(6,441)
Total	1,252,220	1,252,220

22. Hybrid bonds

The detail of Hybrid Tier 1 classified as equity of the Company as of the end of the current semi-annual period and the previous period is as follows:

(Unit: million KRW)

Classification	Issue date	Maturity date	Interest rate (%)	Semi-annual of 53rd (current) period	52nd (previous) period
1st and 2nd hybrid bonds	2013-06-13	2043-06-13	4.60	200,000	200,000
Issuance costs				(616)	(616)
Total				199,384	199,384

(Note 1) The conditions for issuance of Hybrid Tier 1 are as follows:

Classification	1st and 2nd hybrid bonds
Maturity	30 years (when the maturity arrives, the maturity can be extended according to the Company's decision)
Interest rate	Issue date ~ 2023-06-12: annual fixed rate 4.60% After that, it is recalculated and applied every 10 years, and the 10-year treasury bond yield + 1.40% per year According to the step-up clause, +0.25% after 10 years and an additional +0.75% after 30 years
Interest payment conditions	3 months' post-payment and optional delay of payment is possible.
Others	Issuer can exercise call option at 10 years after issuance and every interest payment date thereafter

As of the end of the current semi-annual period, the balance of interest payables related to the above hybrid bonds is KRW 454

million.

23. Reserves

As of the end of the semi-annual period and the previous period, the detail of reserves is as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period	52nd (previous) period
Gain on valuation of equity securities	(341,677)	(183,930)

24. Treasury stock

During the current semi-annual period, according to the resolution of the board of directors, the Company decided to enter into a trust contract to acquire treasury stock. The contract amount of this trust contract is KRW 1,000 billion, and the contract period is from April 13, 2020 to April 12, 2021, and the number of treasury shares acquired during the current semi-annual period is 358,953 shares.

As of the end of the current semi-annual period, the number of treasury shares held by the Company for the purposes of stock price stabilization is 7,430,147 shares according to the resolution of the board of directors.

25. Revenue

(1) Classification of revenue

1) The composition of sales classified according to the type of revenue and the timing of revenue recognition of the Company during the current semi-annual period and the previous semi-annual period is as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period		52nd (previous) period	
	3 months	Cumulative	3 months	Cumulative
[Type of Goods and services]				
Sales of steel	5,683,303	12,422,165	7,221,131	14,771,099
Transportation services	161,641	348,051	193,164	389,835
Others	39,880	84,464	61,559	131,391
Total	5,884,824	12,854,680	7,475,854	15,292,325
[Revenue recognition timing]				
Revenue recognized temporarily	5,709,534	12,477,283	7,264,321	14,866,745
Revenue recognized over time	175,290	377,397	211,533	425,580
Total	5,884,824	12,854,680	7,475,854	15,292,325

(2) Contract balances

As of the end of the current semi-annual period and the previous period, receivables, contract assets and contract liabilities arising from contracts with customers are as follows:

(Unit: million KRW)

Classification		Semi-annual of 53rd (current) period	52nd (previous) period
Receivables	Trade receivables	3,144,814	3,983,573
Contract assets	Trade receivables	4,083	9,482
Contract liabilities	Advances	5,493	5,112
	Unearned revenue	18,634	28,484

26. Selling and administrative expenses

(1) Other administrative expenses

The detail of other general administrative expenses of the Company during the current semi-annual period and the previous semi-annual period is as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period		Semi-annual of 52nd (previous) period	
	3 months	Cumulative	3 months	Cumulative
Salaries wages	54,435	115,690	56,073	113,307
Retirement benefits	6,539	14,182	5,906	15,193
Employee benefits	11,052	23,287	13,167	26,493
Travel expenses	1,822	4,607	3,780	6,814
Depreciation	6,809	13,662	6,451	12,928
Amortization expense	9,039	18,456	9,144	18,288
Rent paid	10,946	24,204	9,509	18,452
Repair expenses	1,581	3,831	3,345	5,817
Advertising expenses	14,490	29,384	19,263	32,902
Ordinary research and development expense	15,586	31,392	19,267	42,276
Commissions	40,068	77,441	41,147	82,727
Supplies expenses	126	360	585	3,091
Vehicle maintenance expenses	1,166	2,448	1,816	3,117
Association membership fee	1,244	3,220	908	2,631
Education & training expenses	3,863	8,182	6,228	11,763
Conference expenses	885	1,967	1,496	2,991
Others	13,111	19,218	11,524	17,639
Total	192,762	391,531	209,609	416,429

(2) Selling and logistical expenses

The detail of selling and logistics expenses of the Company during the current semi-annual period and the previous semi-annual period is as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period		Semi-annual of 52nd (previous) period	
	3 months	Cumulative	3 months	Cumulative
Freight and storage expenses	29,401	63,102	29,976	63,685
Intermediate base operation expenses	1,439	3,158	2,387	4,743
Sales commissions	19,535	64,788	21,865	37,431
Sales advertising expenses	219	305	489	621
Sales promotion expenses	302	696	1,257	2,261
Samples	157	333	331	545
Sales insurance premiums	1,437	2,944	1,590	2,897
Total	52,490	135,326	57,895	112,183

27. Financial gains or losses

The detail of financial gains and losses during the current semi-annual period and the previous semi-annual period is as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period		Semi-annual of 52nd (previous) period	
	3 months	Cumulative	3 months	Cumulative
[Financial revenues]				
Revenue from interest (Note 1)	52,242	101,366	40,635	81,621
Dividends received	38,303	172,207	101,807	229,029
Gains foreign currency transactions	85,665	232,829	83,938	118,877

Gain on foreign exchange translations	(43,959)	27,339	3,276	35,939
Gains on valuation of derivatives instruments	(27,107)	237,128	48,316	102,788
Other financial revenues	5,391	13,983	3,513	6,940
Total	110,535	784,852	281,485	575,194
[Financial expenses]				
Interest expenses	56,712	113,808	36,677	73,589
Losses foreign currency transactions	59,730	136,197	60,011	89,805
Losses on foreign exchange translations	(79,914)	246,504	58,629	103,605
Other financial expenses	777	1,211	712	1,293
Total	37,305	497,720	156,029	268,292

(Note 1) Revenue from interest measured by the effective interest method during the current semi-annual period and the previous semi-annual period are KRW 24,207 million and KRW 16,948 million, respectively.

28. Other non-operating gains or losses

The detail of other non-operating gains and losses during the current semi-annual period and the previous semi-annual period is as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period		Semi-annual of 52nd (previous) period	
	3 months	Cumulative	3 months	Cumulative
[Other non-operating income]				
Gains on disposals of property, plant and equipment	2,232	6,054	3,196	14,685
Gains on disposals of investment of subsidiaries, associates and joint ventures	21,907	21,907	-	1,194
Gains on sale of assets held for sale	26,644	26,942	680	715
Insurance income	6,027	6,886	131	258
Gains on valuation of certified emission reduction	-	-	25,440	25,440
Gains on disposals of certified emission reduction	16,823	24,566	-	-
Others	7,965	19,368	6,468	14,548
Total	81,598	105,723	35,915	56,840
[Other non-operating expenses]				
Losses on disposals of property, plant and equipment	42,935	94,234	25,422	38,537
Impairment loss on property, plant and equipment	22,687	22,687	88,681	161,496
Losses on disposals of investment of subsidiaries, associates and joint ventures	-	-	3,987	10,422
Donations	3,000	11,709	1,000	8,400
Impairment loss on assets held for sale	2,616	8,945	(713)	1,794
Others	26,020	38,370	21,670	32,045
Total	97,258	175,945	140,047	252,694

29. Classification of expenses by nature

The Company classifies expenses by function, and the expenses during the current semi-annual period and the previous semi-annual period are classified by nature as follows: However, financial expenses and income tax expenses among the Company's expenses are not considered in this note.

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period		Semi-annual of 52nd (previous) period	
	3 months	Cumulative	3 months	Cumulative
Changes in inventories (Note 1)	289,400	387,281	(217,026)	1,681
Changes in raw material usage	3,578,505	7,724,146	4,606,866	9,018,589

Employee benefits	437,550	897,134	436,959	868,661
Cooperative work costs	568,597	1,227,456	628,682	1,227,096
Depreciation (Note 2)	565,690	1,126,547	533,300	1,071,915
Amortization expense	25,235	50,851	19,336	38,426
Electricity and water expenses	49,901	116,551	135,567	288,587
Commissions	61,282	119,628	63,620	124,861
Rent paid	20,162	42,908	13,481	26,569
Advertising expenses	14,490	29,384	19,263	32,902
Freight and storage expenses	164,813	380,504	212,431	440,291
Sales commissions	19,535	64,788	21,865	37,431
Losses on disposals of property, plant and equipment	42,935	94,234	25,422	38,537
Impairment loss on property, plant and equipment	22,687	22,687	88,681	161,496
Impairment loss on investment to subsidiaries, associates and joint ventures	-	-	3,987	10,422
Others	229,606	397,216	299,332	601,085
Total	6,090,388	12,681,315	6,891,766	13,988,549

(Note 1) Changes in inventories are changes in products, semi-finished products and by-products.

(Note 2) Depreciation of investment property is included.

30. Income tax expense

Income tax expense was calculated by adjusting the income tax expense (revenue) related to adjustments recognized in the current semi-annual period for the current income tax as of the past period, deferred tax expense (revenue) due to the occurrence and extinguishment of temporary differences and items recognized other than profit or loss. The average effective tax rates of income tax expenses during the current semi-annual period and the previous semi-annual period are 18.82% and 27.05%, respectively.

31. Earnings per share

The calculation details of earnings per share for the current semi-annual period and the previous semi-annual period are as follows:

(Unit: KRW)

Classification	Semi-annual of 53rd (current) period		Semi-annual of 52nd (previous) period	
	3 months	Cumulative	3 months	Cumulative
Semi-annual profit (loss) of common shares	6,645,986,027	459,666,301,329	545,381,748,420	1,216,554,712,849
Hybrid bond interest	(1,662,931,506)	(3,325,863,013)	(1,662,931,506)	(3,307,589,040)
Weighted common shares outstanding (Note 1)	80,006,436 shares	80,061,039 shares	80,115,641 shares	80,111,845 shares
Basic earnings per share	62	5,700	6,787	15,144

(Note 1) The weighted common shares outstanding used in calculating basic earnings per share are as follows:

(Unit: share)

Classification	Semi-annual of 53rd (current) period		Semi-annual of 52nd (previous) period	
	3 months	Cumulative	3 months	Cumulative
Shares outstanding	87,186,835	87,186,835	87,186,835	87,186,835
Weighted treasury stock	(7,180,399)	(7,125,796)	(7,071,194)	(7,074,990)
Weighted common shares outstanding	80,006,436	80,061,039	80,115,641	80,111,845

As of the end of the current semi-annual period and the previous semi-annual period, the Company does not have any potential common shares that have a diluting effect, so diluted earnings per share is the same as basic earnings per share.

32. Related party transactions

(1) Important transactions between the Company and related parties for the current semi-annual period and the previous semi-annual period are as follows:

1) Semi-annual period of 53rd (current) period

(Unit: million KRW)

Company	Sales, etc. (Note 1)		Purchase etc. (Note 2)			
	Sales	Others	Purchase of raw materials	Purchase of fixed assets	Cooperative work costs	Others
[Subsidiaries] (Note 3)						
POSCO Engineering & Construction Co., Ltd.	3,548	11,096	15	442,305	60	12,835
POSCO Coated & Color Co., Ltd.	205,766	1,695	-	-	15,176	208
POSCO ICT Co., Ltd. (Note 4)	1,429	4,991	-	184,310	20,941	87,668
eNtoB Co., Ltd.	7	60	113,378	18,848	28	12,493
POSCO Chemical Co., Ltd.	144,466	24,770	229,721	12,830	154,424	4,362
POSCO Energy Co., Ltd.	1,553	1,216	9,995	3	-	11,110
POSCO International Co., Ltd.	2,795,437	54,331	110,798	-	11,371	2,083
POSCO Thainox Public Company Limited	106,717	137	3,454	-	-	-
POSCO America Corporation	96,266	-	-	-	-	3
POSCO Canada Ltd.	-	816	90,805	-	-	-
POSCO Asia Co., Ltd.	719,978	965	81,671	2,272	1,162	1,419
Qingdao Pohang Stainless Steel Co., Ltd.	70,768	66	-	-	-	176
POSCO JAPAN Co., Ltd.	548,842	-	16,420	2,959	-	1,088
POSCO-VIETNAM Co., Ltd.	101,105	223	-	-	-	20
POSCO MEXICO S.A. DE C.V. DE C.V.	68,574	99	-	-	-	304
POSCO Maharashtra Steel Private Limited	153,754	847	-	-	-	185
POSCO (Suzhou) Automotive Processing Center Co., Ltd.	57,645	-	-	-	-	-
POSCO VST CO., LTD.	132,216	56	-	-	-	20
POSCO INTERNATIONAL SINGAPORE PTE LTD.	-	804	291,649	-	-	-
Others	573,063	18,184	41,106	25,580	128,557	58,065
Subtotal	5,781,134	120,356	989,012	689,107	331,719	192,039
[Associates and joint ventures] (Note 3)						
POSCO Plantec Co., Ltd. (Note 5)	65	41	916	84,839	4,086	12,431
SNNC Co., Ltd.	2,901	3,478	219,060	-	-	-
POSCO-SAMSUNG-Slovakia Processing Center Processing Center	17,154	-	-	-	-	-
Roy Hill Holdings Pty Ltd	-	-	625,545	-	-	-
Others	14,332	54,933	28,954	-	-	13,348
Subtotal	34,452	58,452	874,475	84,839	4,086	25,779
Total	5,815,586	178,808	1,863,487	773,946	335,805	217,818

(Note 1) It consists of sales of steel products to subsidiaries, associates and joint ventures.

(Note 2) It consists of providing construction services to subsidiaries and purchasing raw and subsidiary materials for the production of steel products.

(Note 3) As of the end of the current semi-annual period, the Company is providing payment guarantees for related parties. (See Notes 20)

(Note 4) Most of others of the purchases from POSCO ICT Co., Ltd. consist of fees related to maintenance and repair of the ERP system.

(Note 5) POSCO PLANTEC Co., Ltd. was excluded from associates due to the loss of significant influence during the current semi-annual period.

2) Semi-annual period of 52nd (previous) period

(Unit: million KRW)

Company	Sales, etc.		Purchase etc.			
	Sales	Others	Purchase of raw materials	Purchase of fixed assets	Cooperative work costs	Others
[Subsidiaries]						
POSCO Engineering & Construction Co., Ltd.	3,608	11,089	-	139,349	21	5,233
POSCO Coated & Color Co., Ltd.	233,408	1,707	-	-	7,684	491
POSCO ICT Co., Ltd.	1,509	4,989	-	148,817	17,055	88,838
eNtoB Co., Ltd.	7	60	159,576	16,936	59	13,431
POSCO Chemical Co., Ltd.	197,793	25,129	255,299	7,578	156,383	2,010
POSCO Energy Co., Ltd.	106,602	624	-	-	-	62
POSCO International Co., Ltd.	2,841,376	46,572	330,044	-	26,037	2,569
POSCO Thainox Public Company Limited	120,032	13,675	3,733	-	-	3
POSCO America Corporation	184,517	-	-	-	-	39
POSCO Canada Ltd.	340	604	151,892	-	-	-
POSCO Asia Co., Ltd.	861,771	585	248,431	-	987	2,796
Qingdao Pohang Stainless Steel Co., Ltd.	59,410	-	-	-	-	-
POSCO JAPAN Co., Ltd.	756,357	-	21,553	3,021	-	1,487
POSCO-VIETNAM Co., Ltd.	141,535	181	-	-	-	37
POSCO MEXICO S.A. DE C.V. DE C.V.	153,766	31	-	-	-	5
POSCO Maharashtra Steel Private Limited	333,608	187	-	-	-	256
POSCO (Suzhou) Automotive Processing Center Co., Ltd.	43,313	-	1,481	-	-	-
POSCO VST CO., LTD.	137,025	-	-	-	-	62
POSCO INTERNATIONAL SINGAPORE PTE LTD.	-	180	322,210	-	-	-
Others	425,315	14,560	81,055	10,572	133,582	60,791
Subtotal	6,601,292	120,173	1,575,274	326,273	341,808	178,110
[Associates and joint ventures]						
POSCO Plantec Co., Ltd.	183	65	1,399	110,614	9,326	9,362
SNNC Co., Ltd.	2,747	3,380	244,626	-	-	10
POSCO-SAMSUNG-Slovakia Processing Center	31,764	-	-	-	-	-
Roy Hill Holdings Pty Ltd	-	-	482,848	-	-	-
Others	6,985	86,037	27,127	-	-	-
Subtotal	41,679	89,482	756,000	110,614	9,326	9,372
Total	6,642,971	209,655	2,331,274	436,887	351,134	187,482

(2) Important transactions between the Company and related parties during each 3 months of the current semi-annual period and the previous semi-annual period are as follows:

1) 2nd quarter of 53rd (current) period

(Unit: million KRW)

Company	Sales, etc.		Purchase etc.			
	Sales	Others	Purchase of raw materials	Purchase of fixed assets	Cooperative work costs	Others
[Subsidiaries]						
POSCO Engineering & Construction Co., Ltd.	2,011	17	-	198,832	60	5,123
POSCO Coated & Color Co., Ltd.	89,666	1	-	-	6,818	91
POSCO ICT Co., Ltd.	718	2	-	85,004	10,483	41,213
eNtoB Co., Ltd.	3	-	55,786	9,743	9	6,931
POSCO Chemical Co., Ltd.	61,232	4,828	105,977	8,690	71,609	653
POSCO Energy Co., Ltd.	266	537	5,385	-	-	5,598

POSCO International Co., Ltd.	1,274,878	-	31,102	-	-	941
POSCO Thainox Public Company Limited	55,096	71	792	-	-	-
POSCO America Corporation	32,624	-	-	-	-	-
POSCO Canada Ltd.	-	753	51,250	-	-	-
POSCO Asia Co., Ltd.	402,677	746	36,185	504	766	910
Qingdao Pohang Stainless Steel Co., Ltd.	35,299	66	-	-	-	119
POSCO JAPAN Co., Ltd.	230,608	-	9,698	2,339	-	650
POSCO-VIETNAM Co., Ltd.	37,517	108	-	-	-	-
POSCO MEXICO S.A. DE C.V. DE C.V.	17,483	63	-	-	-	249
POSCO Maharashtra Steel Private Limited	36,314	44	-	-	-	-
POSCO (Suzhou) Automotive Processing Center Co., Ltd.	25,094	-	-	-	-	-
POSCO VST CO., LTD.	62,622	56	-	-	-	-
POSCO INTERNATIONAL SINGAPORE PTE LTD.	-	462	136,882	-	-	-
Others	304,164	3,644	14,283	12,622	67,484	28,998
Subtotal	2,668,272	11,398	447,340	317,734	157,229	91,476
[Associates and joint ventures]						
SNNC Co., Ltd.	1,491	443	98,634	-	-	-
POSCO-SAMSUNG-Slovakia Processing Center	3,229	-	-	-	-	-
Roy Hill Holdings Pty Ltd	-	-	303,358	-	-	-
Others	4,625	39,739	16,589	-	-	5,695
Subtotal	9,345	40,182	418,581	-	-	5,695
Total	2,677,617	51,580	865,921	317,734	157,229	97,171

2) 2nd quarter of 52nd (previous) period

(Unit: million KRW)

Company	Sales, etc.		Purchase etc.			
	Sales	Others	Purchase of raw materials	Purchase of fixed assets	Cooperative work costs	Others
[Subsidiaries]						
POSCO Engineering & Construction Co., Ltd.	2,198	16	-	72,852	-	2,519
POSCO Coated & Color Co., Ltd.	116,211	1	-	-	5,315	119
POSCO ICT Co., Ltd.	729	-	-	87,989	8,498	42,677
eNtoB Co., Ltd.	3	-	81,080	10,952	33	7,907
POSCO Chemical Co., Ltd.	93,869	5,799	124,303	5,513	78,253	1,881
POSCO Energy Co., Ltd.	49,714	310	-	-	-	42
POSCO International Co., Ltd.	1,423,768	1	154,881	-	13,381	1,629
POSCO Thainox Public Company Limited	54,928	13,616	2,063	-	-	-
POSCO America Corporation	89,516	-	-	-	-	21
POSCO Canada Ltd.	340	529	75,279	-	-	-
POSCO Asia Co., Ltd.	445,133	498	100,397	-	429	2,235
Qingdao Pohang Stainless Steel Co., Ltd.	5,363	-	-	-	-	-
POSCO JAPAN Co., Ltd.	350,682	-	12,033	707	-	853
POSCO-VIETNAM Co., Ltd.	66,995	96	-	-	-	-
POSCO MEXICO S.A. DE C.V. DE C.V.	75,553	17	-	-	-	-
POSCO Maharashtra Steel Private	142,945	92	-	-	-	256

Limited

POSCO(Suzhou) Automotive Processing Center Co., Ltd.	25,309	-	957	-	-	-
POSCO VST CO., LTD.	58,204	-	-	-	-	19
POSCO INTERNATIONAL SINGAPORE PTE LTD.	-	41	198,168	-	-	-
Others	204,728	3,439	25,317	4,790	66,424	34,354
Subtotal	3,206,188	24,455	774,478	182,803	172,333	94,512
[Associates and joint ventures]						
POSCO Plantec Co., Ltd.	67	5	648	59,868	4,411	6,651
SNNC Co., Ltd.	1,399	1,100	128,978	-	-	-
POSCO-SAMSUNG-Slovakia Processing Center	7,901	-	-	-	-	-
Roy Hill Holdings Pty Ltd	-	-	280,820	-	-	-
Others	2,993	74,784	13,962	-	-	-
Subtotal	12,360	75,889	424,408	59,868	4,411	6,651
Total	3,218,548	100,344	1,198,886	242,671	176,744	101,163

(3) As of the end of the current semi-annual period and the previous period, the balances of related receivables and payables due to important transactions between the Company and related parties are as follows:

1) Semi-annual period of 53rd (current) period

(Unit: million KRW)

Company	Receivables			Payables			
	Trade receivables	Others	Total	Trade payables	Outstanding Expenses	Others	Total
[Subsidiaries]							
POSCO Engineering & Construction Co., Ltd.	3,005	56	3,061	-	55,360	381	55,741
POSCO Coated & Color Co., Ltd.	35,652	-	35,652	-	9	3,089	3,098
POSCO ICT Co., Ltd.	123	-	123	2,602	70,313	35,076	107,991
eNtoB Co., Ltd.	-	34	34	2,698	31,539	18	34,255
POSCO Chemical Co., Ltd.	20,537	2,904	23,441	11,092	45,121	17,606	73,819
POSCO Energy Co., Ltd.	166	214	380	-	2,563	13,630	16,193
POSCO International Co., Ltd.	438,989	10	438,999	756	238	-	994
POSCO Thainox Public Company Limited	34,981	3	34,984	-	-	-	-
POSCO America Corporation	4,432	-	4,432	-	-	-	-
POSCO Asia Co., Ltd.	295,369	847	296,216	3,810	257	-	4,067
Qingdao Pohang Stainless Steel Co., Ltd.	21,523	-	21,523	-	-	-	-
POSCO MEXICO S.A. DE C.V. DE C.V.	40,423	707	41,130	-	-	-	-
POSCO Maharashtra Steel Private Limited	196,825	477	197,302	-	-	-	-
Others	597,632	43,367	640,999	15,367	28,726	85,326	129,419
Subtotal	1,689,657	48,619	1,738,276	36,325	234,126	155,126	425,577
[Associates and joint ventures]							
SNNC Co., Ltd.	340	216	556	10,364	-	-	10,364
Roy Hill Holdings Pty Ltd	-	-	-	169,954	-	-	169,954
Others	408	38,077	38,485	4,042	-	-	4,042
Subtotal	748	38,293	39,041	184,360	-	-	184,360
Total	1,690,405	86,912	1,777,317	220,685	234,126	155,126	609,937

2) 52nd (previous) period

(Unit: million KRW)

Company	Receivables			Payables			
	Trade receivables	Others	Total	Trade payables	Outstanding Expenses	Others	Total
[Subsidiaries]							
POSCO Engineering & Construction Co., Ltd.	5,702	65	5,767	-	78,512	385	78,897
POSCO Coated & Color Co., Ltd.	57,792	-	57,792	-	11	3,828	3,839
POSCO ICT Co., Ltd.	225	1	226	1,147	129,424	42,844	173,415
eNtoB Co., Ltd.	-	-	-	3,459	27,431	-	30,890
POSCO Chemical Co., Ltd.	35,102	3,578	38,680	17,839	52,710	19,369	89,918
POSCO Energy Co., Ltd.	1,876	4	1,880	-	3,229	14,912	18,141
POSCO International Co., Ltd.	633,073	-	633,073	345	2,218	3,839	6,402
POSCO Thainox Public Company Limited	52,826	2	52,828	916	-	-	916
POSCO America Corporation	8,448	-	8,448	-	-	-	-
POSCO Asia Co., Ltd.	508,962	748	509,710	12,784	171	-	12,955
Qingdao Pohang Stainless Steel Co., Ltd.	29,842	-	29,842	-	-	-	-
POSCO MEXICO S.A. DE C.V. DE C.V.	90,351	702	91,053	-	-	-	-
POSCO Maharashtra Steel Private Limited	235,917	444	236,361	-	-	-	-
Others	470,734	33,851	504,585	14,397	40,233	87,652	142,282
Subtotal	2,130,850	39,395	2,170,245	50,887	333,939	172,829	557,655
[Associates and joint ventures]							
POSCO Plantec Co., Ltd.	84	10	94	471	49,511	-	49,982
SNNC Co., Ltd.	297	65	362	19,769	-	-	19,769
Roy Hill Holdings Pty Ltd	-	-	-	93,383	-	-	93,383
Others	942	706	1,648	3,447	586	-	4,033
Subtotal	1,323	781	2,104	117,070	50,097	-	167,167
Total	2,132,173	40,176	2,172,349	167,957	384,036	172,829	724,822

(4) Compensation for key management includes usual salaries and bonuses. Compensation detail for major management of the Company for the current semi-annual period and the previous semi-annual period is as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period	Semi-annual of 52nd (previous) period
Short-term employee benefits	21,409	23,896
Long-term employee benefits	2,172	3,123
Retirement benefits	4,836	6,173
Total	28,417	33,192

The main management above includes directors (including outside directors) and executive officers who have important authority and responsibility for the planning, operation and control of the activities of the Company.

33. Contingent liabilities and commitments

(1) Main commitments

1) The Company has long-term purchase contracts for major raw materials such as iron ore, coal and nickel. The Company's long-term purchase contract is more than 3 years, and nickel is more than 1 year. Each quarter, the purchase price is adjusted according to changes in the market price. As of the end of the current semi-annual period, the remaining amount available for purchase under a long-term purchase contract is 81 million tons of iron ore and 12 million tons of coal.

2) The Company has concluded a long-term purchase contract with Indonesia's Tangguh LNG consortium for LNG, a major fuel for operation and power generation. The purchase contract period is 20 years from August 2005, and the purchase volume is 550,000 tons per year. The purchase price is adjusted according to the changes in the base oil price (JCC in Japan) every month, and when the base oil price rises above a certain level, a ceiling price is applied.

3) The Company has long-term charter parties for the transportation of raw materials. As of the end of the current semi-annual period, there are 39 vessels under charter party, and the average remaining period of charter party is about 9 years.

4) As of the end of the current semi-annual period, the Company has entered into a long-term foreign currency loan to be paid if successful agreement with credit line of USD 4.12 million with the Korea Energy Agency in connection with the exploration of the West Fergana-Chinabad mine and gas field. The above borrowings will be deducted from all or part of the principal and interest of loan in the event of a failure in the mine exploration, and if successful, a certain amount of the business proceeds will be paid a special charge. As of the end of the current semi-annual period, the balance of the Company's borrowings is USD 1.02 million.

5) The Company has provided a funding replenishment agreement as the largest shareholder at the request of creditors such as Norddeutsche Landesbank to smoothly finance the construction of power plants of POSCO Energy, a subsidiary of the Company.

6) The Company is providing a funding replenishment agreement with credit line of KRW 9.8 billion to Busan E&E, a subsidiary of the Company, at the request of creditors such as the Korea Development Bank.

(2) In relation to long-term foreign currency loans, 3 blank checks are provided as pledged checks to the Korea Energy Agency

(3) Litigation case in progress

As of the end of the current semi-annual period, there are 21 cases (Litigation value: KRW 38.9 billion) of lawsuits pending for the Company's suspicion, including a lawsuit to confirm the status of workers. For one of these cases, the Company reasonably estimated the possibility and amount of resource outflow due to the litigation, and recorded KRW 2.1 billion as provision for contingent losses. The Company did not recognize provisions as it judged that there was no present obligation arising from the litigation other than 1 lawsuit that included provision for contingent losses.

34. Cash flow from operating activities

Changes in assets and liabilities arising from operating activities during the current semi-annual period and the previous semi-annual period are as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period	Semi-annual of 52nd (previous) period
Reduction (increase) of trade receivables	830,252	(307,715)
Reduction (increase) of receivables	(5,207)	(25,342)
Reduction (increase) of inventories	740,396	(139,320)
Reduction (increase) of prepaid expenses	(1,924)	(24,988)
Reduction (increase) of other current assets	(3,652)	152
Reduction (increase) of long-term deposit	(448)	58
Reduction (increase) of derivative assets	4,898	-
Reduction (increase) of other non-current assets	444	548
Increase (reduction) of trade payables	193,651	(25,513)
Increase (reduction) of payables	(89,951)	(92,763)
Increase (reduction) of accrued expenses	(16,670)	22,413
Increase (reduction) of advances	381	82
Increase (reduction) of deposit received	2,303	(251)
Increase (reduction) of unearned revenue	(5,227)	2,876
Increase (reduction) of other current liabilities	(14,429)	(4,835)
Increase (reduction) of derivative liabilities	5,692	-
Payment of severance pay	(89,031)	(48,921)
Reduction (increase) of plan assets	29,417	29,487
Increase (reduction) of other non-current liabilities	(7,971)	(4,511)
Total	1,572,924	(618,543)

35. Events after the reporting period

In accordance with the resolution of the board of directors on August 7, 2020, the Company decided a quarterly cash dividend of

KRW 500 per common share (total dividend: KRW 39.9 billion).