



SK Holdings Co., Ltd.

Interim condensed separate financial statements
for the three-month and nine-month periods ended September 30, 2020 and
2019 with the independent auditor's review report

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Independent auditor's review report

The Shareholders and Board of Directors SK Holdings Co., Ltd.

We have reviewed the accompanying interim condensed separate financial statements of SK Holdings Co., Ltd. (the "Company"), which comprise the interim condensed separate statement of financial position as of September 30, 2020, and the interim condensed separate statements of comprehensive income for the three-month and nine-month periods ended September 30, 2020 and 2019, interim condensed separate statements of changes in equity and interim condensed separate statements of cash flows for the nine-month periods then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the interim condensed separate financial statements

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

Auditors' responsibility

Our responsibility is to express a conclusion on these interim condensed separate financial statements based on our review.

We conducted our review in accordance with the review standard for interim financial statements in the Republic of Korea. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Korean Auditing Standards (KGAAS), consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed separate financial statements presented in Korean won are not presented fairly, in all material respects, in accordance with KIFRS 1034.

Other matter

We have audited the separate statement of financial position of the Company as of December 31, 2019, and the related separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended (not presented herein) in accordance with KGAAS, and our report dated March 10, 2020 expressed an unqualified opinion thereon. The accompanying separate statement of financial position as of December 31, 2019, presented for comparative purposes is not different, in all material respects, from the above audited separate statement of financial position.

Ernst & Young Han Young

November 16, 2020

This review report is effective as of November 16, 2020, the independent auditor's review report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's review report to the time this review report is used. Such events and circumstances could significantly affect the accompanying interim condensed separate financial statements and may result in modifications to this review report.

SK Holdings Co., Ltd.

Interim condensed separate financial statements
for the three-month and nine-month periods ended September 30,
2020 and 2019

“The accompanying interim condensed separate financial statements, including all footnote disclosures,
have been prepared by, and are the responsibility of the Company.”

Tae-won Chey and Dong-Hyun Jang and Sungha Park
Chief Executive Officers
SK Holdings Co., Ltd.

SK Holdings Co., Ltd.
Interim condensed separate statements of financial position
as of September 30, 2020 and December 31, 2019
(Korean won in millions and U.S. dollar in thousands)

	Notes	Korean won		Translation into U.S. dollar (Note 2)	
		September 30, 2020 (Unaudited)	December 31, 2019	September 30, 2020 (Unaudited)	December 31, 2019
Assets					
Current assets:					
Cash and cash equivalents	4	₩ 412,571	₩ 57,805	\$ 351,573	\$ 49,259
Short-term financial instruments	4,30	140,197	152,952	119,469	130,338
Trade receivables	4,5,26,30	511,217	476,271	435,634	405,855
Other receivables	4,26,30	5,865	1,117	4,998	952
Inventories	6	251	147	214	125
Short term investment securities	4,7	-	17,339	-	14,775
Other current assets	4,17,18,26,30	64,323	76,744	54,813	65,398
Assets held for sales	9, 27	288,279	-	245,657	-
Total current assets		<u>1,422,703</u>	<u>782,375</u>	<u>1,212,358</u>	<u>666,702</u>
Non-current assets:					
Long-term investment securities	4,7,30	675,845	565,688	575,922	482,052
Investments in subsidiaries	8	17,677,447	17,305,770	15,063,866	14,747,141
Investments in associates and joint ventures	9	364,992	787,657	311,029	671,203
Property, plant and equipment	10	533,735	520,222	454,823	443,308
Right-of-use assets	11	57,728	40,393	49,193	34,421
Investment property, net	12	7,607	7,927	6,482	6,755
Intangible assets	13	2,146,751	2,122,103	1,829,357	1,808,354
Other non-current assets	4,17,18,26,30	399,205	402,951	340,183	343,375
Total non-current assets		<u>21,863,310</u>	<u>21,752,711</u>	<u>18,630,855</u>	<u>18,536,609</u>
Total assets		<u>₩ 23,286,013</u>	<u>₩ 22,535,086</u>	<u>\$ 19,843,213</u>	<u>\$ 19,203,311</u>
Liabilities and equity					
Liabilities					
Current liabilities:					
Short-term borrowings	4,14,30	₩ 420,000	₩ 1,680,000	\$ 357,904	\$ 1,431,615
Trade payables	4,26,30	87,015	160,253	74,150	136,560
Other payables	4,26,30	95,659	111,254	81,516	94,805
Accrued expenses	4,26,30	54,530	76,116	46,468	64,863
Provisions	15	3,020	6,546	2,573	5,578
Current portion of long-term debt	4,14,30	1,262,427	1,132,548	1,075,779	965,103
Other current liabilities	4,11,17,18,26,30	529,054	146,365	450,834	124,725
Total current liabilities		<u>2,451,705</u>	<u>3,313,082</u>	<u>2,089,224</u>	<u>2,823,249</u>
Non-current liabilities:					
Bonds payable	4,14,30	5,326,829	5,192,962	4,539,266	4,425,191
Defined benefit liabilities	16	85,314	32,147	72,700	27,394
Deferred income tax liabilities	24	333,974	336,100	284,597	286,408
Provisions	15	2,161	-	1,841	-
Other non-current liabilities	4,11,17,18,26,30	265,535	258,233	226,276	220,054
Total non-current liabilities		<u>6,013,813</u>	<u>5,819,442</u>	<u>5,124,680</u>	<u>4,959,047</u>
Total liabilities		<u>8,465,518</u>	<u>9,132,524</u>	<u>7,213,904</u>	<u>7,782,296</u>
Equity:					
Issued capital	1,19	15,385	15,385	13,110	13,110
Other paid-in capital	19	3,505,941	3,504,680	2,987,594	2,986,519
Retained earnings	19	11,287,484	9,870,812	9,618,648	8,411,429
Other components of equity	19	11,685	11,685	9,957	9,957
Total equity		<u>14,820,495</u>	<u>13,402,562</u>	<u>12,629,309</u>	<u>11,421,015</u>
Total liabilities and equity		<u>₩ 23,286,013</u>	<u>₩ 22,535,086</u>	<u>\$ 19,843,213</u>	<u>\$ 19,203,311</u>

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

SK Holdings Co., Ltd.
Interim condensed separate statements of comprehensive income
for the three-month and nine-month periods ended September 30, 2020 and 2019
(Korean won in millions and U.S. dollar in thousands, except earnings per share)

	Notes	Korean won			
		September 30, 2020 (Unaudited)		September 30, 2019 (Unaudited)	
		Three months	Nine months	Three months	Nine months
Operating revenue	20,26	₩ 988,058	₩ 2,931,090	₩ 571,451	₩ 2,679,054
Operating expenses	21,22,26	455,359	1,302,437	428,685	1,238,087
Operating income		532,699	1,628,653	142,766	1,440,967
Finance income	23	2,793	9,232	3,071	11,290
Finance costs	23	43,440	139,280	44,697	140,107
Other non-operating income	23	264,998	524,129	476	2,113
Other non-operating expenses	23	11,088	27,214	3,375	15,831
Profit before income tax expense		745,962	1,995,520	98,241	1,298,432
Income tax expense (benefit) from continuing operations	24	85,771	299,071	(33,618)	70,832
Profit for the period from continuing operations		660,191	1,696,449	131,859	1,227,600
Profit from discontinued operation		-	-	-	-
Profit for the period		<u>₩ 660,191</u>	<u>₩ 1,696,449</u>	<u>₩ 131,859</u>	<u>₩ 1,227,600</u>
Other comprehensive income:					
Items that will not be reclassified to profit or loss in subsequent periods:					
Remeasurement loss on defined	16	(1,568)	(15,405)	(1,040)	(20,596)
Net gain (loss) on valuation of financial assets at FVOCI		-	-	-	-
		<u>(1,568)</u>	<u>(15,405)</u>	<u>(1,040)</u>	<u>(20,596)</u>
Total comprehensive income		<u>₩ 658,623</u>	<u>₩ 1,681,044</u>	<u>₩ 130,819</u>	<u>₩ 1,207,004</u>
Earnings per share (Korean won and U.S. dollar):	25				
Basic earnings per share		₩ 12,611	₩ 32,390	₩ 2,352	₩ 21,950
Diluted earnings per share		₩ 12,599	₩ 32,371	₩ 2,352	₩ 21,950

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

SK Holdings Co., Ltd.

Interim condensed separate statements of comprehensive income
for the three-month and nine-month periods ended September 30, 2020 and 2019 (cont'd)
(Korean won in millions and U.S. dollar in thousands, except earnings per share)

	Notes	Translation into U.S. dollar (Note 2)			
		September 30, 2020 (Unaudited)		September 30, 2019 (Unaudited)	
		Three months	Nine months	Three months	Nine months
Operating revenue	20, 26	\$ 841,975	\$ 2,497,733	\$ 486,963	\$ 2,282,960
Operating expenses	21, 22, 26	388,035	1,109,874	365,305	1,055,038
Operating income		453,940	1,387,859	121,658	1,227,922
Finance income	23	2,380	7,867	2,617	9,621
Finance costs	23	37,017	118,688	38,089	119,392
Other non-operating income	23	225,818	446,637	406	1,801
Other non-operating expenses	23	9,449	23,190	2,876	13,490
Profit before income tax expense		635,672	1,700,485	83,716	1,106,462
Income tax expense from continuing operations	24	73,090	254,854	(28,648)	60,360
Profit for the period from continuing operations		562,582	1,445,631	112,364	1,046,102
Profit from discontinued operation		-	-	-	-
Profit for the period		\$ 562,582	\$ 1,445,631	\$ 112,364	\$ 1,046,102
Other comprehensive income:					
Items that will not be reclassified to profit or loss in subsequent periods:					
Remeasurement loss on defined	16	(1,336)	(13,127)	(886)	(17,551)
Net gain (loss) on valuation financial assets at FVOCI		-	-	-	-
		<u>(1,336)</u>	<u>(13,127)</u>	<u>(886)</u>	<u>(17,551)</u>
Total comprehensive income		\$ 561,246	\$ 1,432,504	\$ 111,478	\$ 1,028,551
Earnings per share (Korean won and U.S. dollar):	25				
Basic earnings per share		\$ 10.75	\$ 27.60	\$ 2.00	\$ 18.70
Diluted earnings per share		\$ 10.74	\$ 27.59	\$ 2.00	\$ 18.70

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

SK Holdings Co., Ltd.
interim condensed separate statements of changes in equity
for the nine-month periods ended September 30, 2020 and 2019
(Korean won in millions)

	Issued capital	Other paid-in capital	Retained earnings	Other components of equity	Total equity
As of January 1, 2019	₩ 15,385	₩ 4,411,253	₩ 8,743,527	₩ (2,029)	₩ 13,168,136
Effect of changes in accounting policies	-	-	5,246	-	5,246
Beginning balance after amendment	<u>₩ 15,385</u>	<u>₩ 4,411,253</u>	<u>₩ 8,748,773</u>	<u>₩ (2,029)</u>	<u>₩ 13,173,382</u>
Total comprehensive income:					
Profit for the period	-	-	1,227,600	-	1,227,600
Remeasurement loss on defined benefit	-	-	(20,596)	-	(20,596)
Dividends	-	-	(281,972)	-	(281,972)
Stock option	-	778	-	-	778
As of September 30, 2019 (Unaudited)	<u>₩ 15,385</u>	<u>₩ 4,412,031</u>	<u>₩ 9,673,805</u>	<u>₩ (2,029)</u>	<u>₩ 14,099,192</u>
As of January 1, 2020	₩ 15,385	₩ 3,504,680	₩ 9,870,812	₩ 11,685	₩ 13,402,562
Effect of changes in accounting policies	-	-	-	-	-
Beginning balance after amendment	<u>₩ 15,385</u>	<u>₩ 3,504,680</u>	<u>₩ 9,870,812</u>	<u>₩ 11,685</u>	<u>₩ 13,402,562</u>
Total comprehensive income:					
Profit for the period	-	-	1,696,449	-	1,696,449
Remeasurement loss on defined benefit	-	-	(15,405)	-	(15,405)
Dividends	-	-	(284,372)	-	(284,372)
Stock option	-	653	-	-	653
Acquisition and disposal of treasury stock	-	608	-	-	608
As of September 30, 2020 (Unaudited)	<u>₩ 15,385</u>	<u>₩ 3,505,941</u>	<u>₩ 11,287,484</u>	<u>₩ 11,685</u>	<u>₩ 14,820,495</u>

(Continued)

SK Holdings Co., Ltd.
Interim condensed separate statements of changes in equity
for the nine-month periods ended September 30, 2020 and 2019 (cont'd)
(U.S. dollar in thousands)

	Issued capital	Other paid-in capital	Retained earnings	Other components of equity	Total equity
As of January 1, 2019	\$ 13,110	\$ 3,759,057	\$ 7,450,811	\$ (1,729)	\$ 11,221,249
Effect of changes in accounting policies	-	-	4,470	-	4,470
Beginning balance after amendment	<u>13,110</u>	<u>3,759,057</u>	<u>7,455,281</u>	<u>(1,729)</u>	<u>11,225,719</u>
Total comprehensive income:					
Profit for the period	-	-	1,046,102	-	1,046,102
Remeasurement loss on defined benefit	-	-	(17,551)	-	(17,551)
Dividends	-	-	(240,283)	-	(240,283)
Stock option	-	663	-	-	663
As of September 30, 2019 (Unaudited)	<u>\$ 13,110</u>	<u>\$ 3,759,720</u>	<u>\$ 8,243,549</u>	<u>\$ (1,729)</u>	<u>\$ 12,014,650</u>
As of January 1, 2020	\$ 13,110	\$ 2,986,519	\$ 8,411,429	\$ 9,957	\$ 11,421,015
Effect of changes in accounting policies	-	-	-	-	-
Beginning balance after amendment	<u>13,110</u>	<u>2,986,519</u>	<u>8,411,429</u>	<u>9,957</u>	<u>11,421,015</u>
Total comprehensive income:					
Profit for the period	-	-	1,445,631	-	1,445,631
Remeasurement loss on defined benefit	-	-	(13,127)	-	(13,127)
Dividends	-	-	(225,285)	-	(225,285)
Stock option	-	557	-	-	557
Acquisition and disposal of treasury stock	-	518	-	-	518
As of September 30, 2020 (Unaudited)	<u>\$ 13,110</u>	<u>\$ 2,987,594</u>	<u>\$ 9,618,648</u>	<u>\$ 9,957</u>	<u>\$ 12,629,309</u>

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

SK Holdings Co., Ltd.
Interim condensed separate statements of cash flows
for the nine-month periods ended September 30, 2020 and 2019
(Korean won in millions and U.S. dollar in thousands)

Notes	For the Nine months ended September 30			
	Korean won		Translation into U.S. dollar (Note 2)	
	2020 (Unaudited)	2019 (Unaudited)	2020 (Unaudited)	2019 (Unaudited)
Cash flows from operating activities:				
	₩ 1,696,449	₩ 1,227,600	\$ 1,445,631	\$ 1,046,102
	(1,455,029)	(947,396)	(1,239,905)	(807,325)
28	(30,685)	64,230	(26,148)	54,734
	3,528	4,391	3,006	3,742
	(136,630)	(146,321)	(116,429)	(124,688)
	1,472,885	1,247,460	1,255,121	1,063,025
	(10,281)	(158,992)	(8,761)	(135,485)
	1,540,237	1,290,972	1,312,515	1,100,105
Cash flows from investing activities:				
	12,756	(98,312)	10,870	(83,777)
	3,036	-	2,587	-
	-	2,371	-	2,020
	303,255	-	258,419	-
	470,067	-	400,569	-
	338	217	288	185
	700	180	597	153
	(109,896)	(105,814)	(93,648)	(90,170)
	(388,628)	(687,989)	(331,170)	(586,271)
	(82,647)	(11,427)	(70,428)	(9,738)
	(47,628)	(33,146)	(40,586)	(28,245)
	(44,495)	(28,530)	(37,916)	(24,312)
	(2,418)	152	(2,061)	130
	114,440	(962,298)	97,521	(820,025)
Cash flows from financing activities:				
	(1,260,000)	(150,000)	(1,073,711)	(127,823)
	955,928	956,111	814,596	814,752
	(264,372)	(281,974)	(225,285)	(240,285)
	(690,000)	(830,000)	(587,985)	(707,286)
	(42,073)	(42,996)	(35,853)	(36,639)
	608	-	518	-
	(1,299,909)	(348,859)	(1,107,720)	(297,281)
	354,768	(20,185)	302,316	(17,201)
	(2)	417	(2)	355
	57,805	123,858	49,259	105,546
	₩ 412,571	₩ 104,090	\$ 351,573	\$ 88,700

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

1. Corporate information

SK Holdings Co., Ltd. (the “Company”) was established on April 13, 1991, and is engaged in providing systems integration, software design and development, information processing and consulting services, and is headquartered at 26, Jong-ro, Jongno-gu, Seoul. The Company’s ordinary shares have been listed on the Korea Exchange since November 11, 2009.

Resulting from the acquisition of SK Holdings Co., Ltd. by SK C&C Co., Ltd. effective August 1, 2015, the Company added the investment business to its existing operations for the purpose of holding the securities of its subsidiaries. Furthermore, the Company changed its name to its current form as of the acquisition date.

As of September 30, 2020, the issued capital of the Company amounts to ₩15,385 million (including ₩113 million of preferred shares), and the major shareholders are Tae-won Chey, National Pension Service and Ki-won Choi, holding equity ownership of 18.44%, 7.87% and 6.85%, respectively.

2. Basis of preparation and summary of significant accounting policies

2.1 Basis of preparation

The Company prepares statutory interim condensed separate financial statements in the Korean language in accordance with KIFRS 1034 *Interim Financial Reporting* enacted by the Act on External Audit of Stock Companies. The accompanying interim condensed separate financial statements have been translated into English from the Korean language financial statements. In the event of any differences in interpreting the financial statements or the independent auditor’s review report thereon, the Korean version, which used for regulatory reporting purposes, shall prevail.

The interim condensed separate financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual financial statements as of December 31, 2019.

The accompanying interim condensed separate financial statements are stated in Korean won, the currency of the country in which the Company is incorporated and operates. The translation of Korean won amounts into U.S. dollar amounts is included solely for the convenience of readers of the interim condensed separate financial statements and has been made at the rate of ₩1,173.50 to USD 1.00, the basic exchange rate in the Seoul Money Brokerage Service for cable transfers in Korean won on the last business day of the year ended September 30, 2020. Such translations into U.S. dollar should not be construed as representations that the Korean won amounts could be converted into U.S. dollar at that or any other rate.

Pursuant to KIFRS 1027, the interim condensed separate financial statements are accounted for, by parent, investor in an associate or a joint venture on the basis of the direct equity interest rather than on the basis of the reported results and net assets of the investees.

2.2 Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed separate financial statements are consistent with those followed in the preparation of the Company's annual separate financial statements for the year ended December 31, 2019, except for the adoption of new standards and interpretations effective as of January 1, 2020.

2.2.1 New and revised KIFRSs adopted in the current period

The Company has applied amendments to KIFRS issued that are mandatorily effective for accounting periods beginning on or after January 1, 2020.

KIFRS 1001 *Presentation of Financial Statements* and KIFRS 1008 *Accounting Policies, Changes in Accounting Estimates and Errors* (Amended)

The amendments align the definition of 'material' across the standards and clarify certain aspects of the definition. The new definition states that, 'information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'. These amendments had no significant impact on the Company's financial position or management performance.

KIFRS 1103 *Definition of a Business* (Amended)

The amendment to KIFRS 1103 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no significant impact on the Company's financial position or management performance.

KIFRS 1107 *Financial Instruments: Disclosures*, KIFRS 1109 *Financial Instruments*, KIFRS 1039 *Financial Instruments: Recognition and Measurements* (Amended)

The amendments provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments had no significant impact on the Company's financial position or management performance.

Amendment to KIFRS 1116: *COVID-19 related Rent Concessions*

The amendments provide a practical expedient that may not evaluate whether rent fee discounts, etc. are subject to lease changes as a direct result of the global epidemic of COVID-19. These rent fee discounts, etc., must satisfy the application requirements of the practical expedient, and the lessee who chooses the practical expedient must account for consistently with the method prescribed by this standard if such changes are not lease changes. The amendments will be applied retrospectively from the first fiscal year beginning after June 1, 2020 but may be applied early. These amendments had no significant impact on the Company's financial position or management performance.

2.2.2 New and revised KIFRSs issued, but not yet effective

The Company has no new and revised KIFRSs that have been issued, but are not yet effective for this accounting periods.

3. Significant accounting judgements, estimates and assumptions

When preparing the interim condensed separate financial statements, management is required to make judgments, estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses. Actual results may be different from those estimates.

Those accounting judgments made by management in the preparation of the interim condensed separate financial statements for the nine-month period ended September 30, 2020, are consistent with those followed in the preparation of the separate financial statements for the year ended December 31, 2019.

In order to prevent the spread of COVID-19, various prevention and control measures including restrictions on movement are being implemented worldwide, and as a result, the global economy is widely affected. In particular, in the case of the petroleum refining, telecommunications, wholesale and retail, chemicals, construction and other industries operated by the Company, the volatility of the market increased abnormally under the influence of COVID-19. As of the end of the reporting period, uncertainties due to the effects of COVID-19 have not been resolved, and these uncertainties can significantly affect the financial performance and cash flows of the Company.

SK Holdings Co., Ltd.
Notes to the interim condensed separate financial statements
September 30, 2020 and 2019 (Unaudited)

4. Financial instruments

4.1 Financial assets

Details of financial assets as of September 30, 2020 and December 31, 2019 are as follows (Korean won in millions):

	September 30, 2020			
	Financial assets measured at FVTPL	Financial assets measured at FVOCI	Financial assets measured at amortized cost	Total
Current assets:				
Cash and cash equivalents	₩ 105,486	₩ -	₩ 307,085	₩ 412,571
Short-term financial instruments	102,297	-	37,900	140,197
Trade receivables (*1)	-	-	287,637	287,637
Other receivables	-	-	5,865	5,865
Accrued income	-	-	111	111
Guarantee deposits	-	-	9,816	9,816
Lease receivables	-	-	16,886	16,886
Derivative financial assets	594	-	-	594
	<u>208,377</u>	<u>-</u>	<u>665,300</u>	<u>873,677</u>
Non-current assets:				
Long-term financial instruments	-	-	268	268
Long-term investment securities	375,728	299,649	468	675,845
Long-term guarantee deposits	-	-	14,146	14,146
Long-term lease receivables	-	-	84	84
Derivative financial assets	384,580	-	-	384,580
	<u>760,308</u>	<u>299,649</u>	<u>14,966</u>	<u>1,074,923</u>
	<u>₩ 968,685</u>	<u>₩ 299,649</u>	<u>₩ 680,266</u>	<u>₩ 1,948,600</u>

(*1) Contract assets (unbilled receivables) amounting to ₩223,580 million as of September 30, 2020 are not included in the financial instruments.

	December 31, 2019			
	Financial assets measured at FVTPL	Financial assets measured at FVOCI	Financial assets measured at amortized cost	Total
Current assets:				
Cash and cash equivalents	₩ 42,106	₩ -	₩ 15,699	₩ 57,805
Short-term financial instruments	103,052	-	49,900	152,952
Trade receivables (*1)	-	-	320,138	320,138
Short-term investment securities	17,339	-	-	17,339
Short-term loans	-	-	2,871	2,871
Other receivables	-	-	1,117	1,117
Accrued income	-	-	142	142
Guarantee deposits	-	-	11,698	11,698
Lease receivables	-	-	32,190	32,190
Derivative financial assets	351	-	-	351
	<u>162,848</u>	<u>-</u>	<u>433,755</u>	<u>596,603</u>
Non-current assets:				
Long-term financial instruments	-	-	269	269
Long-term investment securities	269,158	296,095	435	565,688
Long-term guarantee deposits	-	-	9,846	9,846
Long-term lease receivables	-	-	8,064	8,064
Derivative financial assets	384,645	-	-	384,645
	<u>653,803</u>	<u>296,095</u>	<u>18,614</u>	<u>968,512</u>
	<u>₩ 816,651</u>	<u>₩ 296,095</u>	<u>₩ 452,369</u>	<u>₩ 1,565,115</u>

(*1) Contract assets (unbilled receivables) amounting to ₩156,133 million as of December 31, 2019 are not included in the financial instruments.

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4.3 Fair values of financial instruments by hierarchy level

The Company categorized financial instruments measured at fair value based on the inputs to measure the fair value. The level of hierarchy of fair value is as follows:

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
 Level 2: inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
 Level 3: inputs are unobservable inputs for the asset or liability.

Details of fair value of financial instruments by hierarchy level as of September 30, 2020 and December 31, 2019 are as follows (Korean won in millions):

	September 30, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL	₩ 207,783	₩ -	₩ 375,728	₩ 583,511
Financial assets measured at FVOCI	-	-	299,649	299,649
Derivative financial assets	-	594	384,580	385,174
	<u>₩ 207,783</u>	<u>₩ 594</u>	<u>₩ 1,059,957</u>	<u>₩ 1,268,334</u>
Financial liabilities:				
Derivative financial liabilities	₩ -	₩ 170	₩ 222,356	₩ 222,526

	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL	₩ 145,158	₩ -	₩ 286,497	₩ 431,655
Financial assets measured at FVOCI	-	-	296,095	296,095
Derivative financial assets	-	416	384,580	384,996
	<u>₩ 145,158</u>	<u>₩ 416</u>	<u>₩ 967,172</u>	<u>₩ 1,112,746</u>
Financial liabilities:				
Derivative financial liabilities	₩ -	₩ 20	₩ 222,356	₩ 222,376

Changes in Level 3 financial assets for the nine-month periods ended September 30, 2020 and 2019 are as follows (Korean won in millions):

	For the nine-month period ended September 30, 2020				
	Beginning balance	Acquisition	Valuation	Replacement	Ending balance
Financial assets at FVTPL	₩ 286,497	₩ 106,523	₩ 213	₩ (17,505)	₩ 375,728
Financial assets at FVOCI	296,095	3,554	-	-	299,649
Derivative financial assets	384,580	-	-	-	384,580
	<u>₩ 967,172</u>	<u>₩ 110,077</u>	<u>₩ 213</u>	<u>₩ (17,505)</u>	<u>₩ 1,059,957</u>

	For the nine-month period ended September 30, 2019				
	Beginning balance	Acquisition	Disposal	Valuation	Ending balance
Financial assets at FVTPL	₩ 162,475	₩ 105,814	₩ (2,466)	₩ 1,141	₩ 266,964
Financial assets at FVOCI	232,216	-	-	-	232,216
Derivative financial assets	175,993	-	-	-	175,993
	<u>₩ 570,684</u>	<u>₩ 105,814</u>	<u>₩ (2,466)</u>	<u>₩ 1,141</u>	<u>₩ 675,173</u>

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5. Trade receivables

Details of trade receivables as of September 30, 2020 and December 31, 2019 are as follows (Korean won in millions):

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Trade receivables:		
Trade receivables	₩ 288,328	₩ 320,709
Contract assets (unbilled receivables)	<u>223,580</u>	<u>156,133</u>
	511,908	476,842
Allowance for doubtful accounts:		
Trade receivables	<u>(691)</u>	<u>(571)</u>
	<u>₩ 511,217</u>	<u>₩ 476,271</u>

6. Inventories

Details of inventories as of September 30, 2020 and December 31, 2019 are as follows (Korean won in millions):

	<u>September 30, 2020</u>			<u>December 31, 2019</u>		
	<u>Cost</u>	<u>Valuation allowance</u>	<u>Book value</u>	<u>Cost</u>	<u>Valuation allowance</u>	<u>Book value</u>
Raw materials	₩ 251	₩ -	₩ 251	₩ 147	₩ -	₩ 147

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7. Long-term investment securities

(1) Details of long-term investment securities as of September 30, 2020 and December 31, 2019 are as follows (Korean won in millions):

	September 30, 2020		December 31, 2019	
	Cost	Book value	Cost	Book value
Financial assets measured at FVTPL:				
Equity instruments	₩ 90,790	₩ -	₩ 90,790	₩ -
Debt securities (*1)	287,245	310,923	203,596	229,606
Money invested and others	61,931	64,805	54,066	56,891
Financial assets measured at FVOCI:				
Equity instruments (*2)	284,232	299,649	280,678	296,095
Financial assets measured at amortized cost:				
Debt securities	394	468	394	435
	<u>₩ 724,592</u>	<u>₩ 675,845</u>	<u>₩ 629,524</u>	<u>₩ 583,027</u>

(*1) Represents convertible redeemable preference shares of GRAB Holdings Inc., convertible bonds of Kinestral Technologies Inc. and Remedi. The convertible bonds of Socar, Co., Ltd. were converted into common stock and as a result, the investment in securities was transferred to investment in associates.

(*2) The Company applied the irrevocable option to designate the equity instruments held for strategic investment, not for held-for-trading purpose, as financial assets measured at FVOCI.

(2) Details of Long-term investment securities as of September 30, 2020 and December 31, 2019 are as follows (Korean won in millions):

	September 30, 2020		December 31, 2019	
	Acquisition cost	Book value	Acquisition cost	Book value
Non-marketable equity instruments	₩ 375,022	₩ 299,649	₩ 371,468	₩ 296,095
Debt securities	287,639	311,391	203,990	230,041
Money invested and others	61,931	64,805	54,066	56,891
	<u>₩ 724,592</u>	<u>₩ 675,845</u>	<u>₩ 629,524</u>	<u>₩ 583,027</u>

(3) Changes in long-term investment securities and available-for-sale financial assets for the nine-month periods ended September 30, 2020 and 2019 are as follows (Korean won in millions):

	For the nine-month period ended	
	September 30, 2020	September 30, 2019
Beginning balance	₩ 583,027	₩ 395,085
Acquisitions	110,077	105,814
Gain on valuation and interest income	246	1,171
Disposal	-	(2,466)
Transfers	(17,505)	-
Ending balance	<u>₩ 675,845</u>	<u>₩ 499,604</u>

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8. Investments in subsidiaries

(1) Details of investments in subsidiaries as of September 30, 2020 and December 31, 2019 are as follows (Korean won in millions):

	Domicile	Principal business activity	Equity ownership (%) (*1)	September 30, 2020		December 31,
				Acquisition cost	Book value	2019
						Book value
SK Innovation Co., Ltd. (*2)	Korea	Resource development	33.40	₩ 3,072,937	₩ 3,072,937	₩ 3,072,937
SK Telecom Co., Ltd. (*2)	Korea	Mobile	26.78	5,416,019	5,416,019	5,416,019
		Tele-communication				
SK Networks Co., Ltd. (*2)	Korea	Trading and distribution	39.14	706,229	706,229	706,229
SKC Co., Ltd. (*2)	Korea	Petrochemicals	41.00	548,654	548,654	548,654
SK E&S Co., Ltd.	Korea	City gas business	90.00	2,600,000	2,600,000	2,600,000
SK Engineering & Construction Co., Ltd. (*2)	Korea	Construction	44.48	545,300	545,300	545,300
SK Siltron Co., Ltd.	Korea	Manufacturing and sales of silicon thin sheet	51.00	622,606	622,606	622,606
SK Biopharmaceuticals Co., Ltd. (*3)	Korea	Life science	75.00	432,562	432,562	478,702
SK Materials Co., Ltd. (*2)	Korea	Special-gas manufacturing and sales	49.10	473,335	473,335	473,335
SK Forest Co., Ltd.	Korea	Landscape construction	100.00	61,387	61,387	61,387
HWEECHAN Co., Ltd.	Korea	Resort business	100.00	28,483	28,483	28,483
SK Pharmteco Inc.	USA	Investment	100.00	875,245	875,245	875,245
Plutus Capital NY, Inc.	USA	Investment	100.00	587,542	587,542	587,542
SK China Company, Ltd. (*4)	Hong Kong	Consulting and investment	27.42	557,117	557,117	557,117
SK South East Asia Investment Pte. Ltd. (*4,5)	Singapore	Investment	20.00	345,010	345,010	224,350
Golden Pearl EV Solutions Limited	Hong Kong	Investment	100.00	281,360	281,360	281,360
Einstein Cayman Limited (*6)	Cayman	Investment	100.00	178,801	178,801	-
Plutus Fashion NY, Inc.	USA	Fashion	100.00	74,113	74,113	74,113
Saturn Agriculture Investment Co., Ltd.	Hong Kong	Investment	81.00	67,093	67,093	67,093
I Cube Capital II, Inc. (*6)	USA	Investment	100.00	52,667	52,667	-
Energy Solution Holdings Inc. (*4,6)	USA	Investment	39.97	36,432	36,432	-
Socar Mobility Malaysia, SDN. BHD. (*7)	Malaysia	Rental of cars	79.43	29,221	29,221	-
SK S.E.Asia Pte. Ltd.	Singapore	Investment	100.00	25,847	25,847	25,847
SK C&C Beijing Co., Ltd.	China	Computer system	100.00	25,481	25,481	25,481
SK GI Management	Cayman	Investment	100.00	9,523	9,523	9,523
SK Investment Management Co., Ltd.	Hong Kong	Investment	80.76	9,201	9,201	9,201
Gemini Partners Pte. Ltd. (*4)	Singapore	Consulting	20.00	6,018	2,601	2,601
SK MENA Investment B.V. (*4)	Netherlands	Investment	11.54	5,178	5,178	5,178
SK Latin Americas Investment S.A. (*4)	Spain	Investment	11.54	5,135	5,135	5,135
SK C&C India Pvt. Ltd.	India	Computer system	100.00	3,442	382	382
SK Technology Innovation Company (*4)	Cayman	Research and development	2.12	1,876	1,876	1,876
S&G Technology	Saudi Arabia	Computer system	51.00	74	74	74
I Cube Capital, Inc. (*6)	USA	Investment	100.00	36	36	-
				<u>₩ 17,683,924</u>	<u>₩ 17,677,447</u>	<u>₩ 17,305,770</u>

(*1) Equity ownership is based on ordinary shares.

(*2) SK Innovation Co., Ltd. and 5 others were classified as investments in subsidiaries as the Company is able to exercise de facto control. The remaining voting rights of SK Innovation Co., Ltd. and five other companies are widely dispersed, and the Company's voting rights are deemed sufficient to have majority control over the entities.

(*3) During the current period, the IPO of SK Biopharmaceuticals Co., Ltd., a subsidiary company, was completed. In the process of IPO, a change in share ratio resulted due to the sale of a portion of the shares held by the Company.

(*4) Classified as investments in subsidiaries as control can be exercised using indirect equity ownership through the Company's subsidiaries.

(*5) Additional investment was made during the current period.

(*6) Newly established during the current period.

(*7) During the current period, the Company acquired an additional 29% stake in Socar Mobility Malaysia, SDN. BHD, which was held by Socar Co., Ltd. Accordingly, the investment was reclassified from investment in joint ventures to investments in subsidiaries.

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8. Investments in subsidiaries (cont'd)

(2) Fair value of marketable investments in subsidiaries as of September 30, 2020 is as follows (Korean won in millions):

	<u>September 30, 2020</u>
SK Innovation Co., Ltd.	₩ 4,292,847
SK Telecom Co., Ltd.	5,146,541
SK Networks Co., Ltd.	461,914
SKC Co., Ltd.	1,277,370
SK Materials Co., Ltd.	1,178,117
SK Biopharmaceuticals Co., Ltd.	9,192,018

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9. Investments in associates and joint ventures

Details of investments in associates and joint ventures as of September 30, 2020 and December 31, 2019 are as follows (Korean won in millions):

	Domicile	Principal business activity	September 30, 2020			December 31, 2019
			Equity ownership (%)	Acquisition cost	Book value	Book value
Investments in associates:						
Socar, Inc. (*1,2)	Korea	Rental of cars	22.48	₩ 109,304	₩ 109,304	₩ 91,800
SMCore Inc.	Korea	Manufacturing and sales of automated logistics system	26.60	39,419	39,419	39,419
Ksolar Inc. (*1,3)	Korea	Solar power generation	49.00	30,948	30,948	-
Standigm Inc. (*1,4)	Korea	Software development	12.94	9,402	9,402	9,402
Cloocus Co., Ltd. (*1,4)	Korea	Information and communication service	16.75	6,500	6,500	6,500
Begas Co., Ltd. (*1, 4)	Korea	Management consulting	17.86	5,000	5,000	5,000
THiRA-UTECH Co., Ltd. (*4)	Korea	Service manufacturing	13.80	4,200	4,200	4,200
PUMP Co., Ltd. (*1,4)	Korea	Electric kickboard rental	12.87	3,000	3,000	3,000
ACRYL Inc. (*1,4)	Korea	Information service	17.14	2,500	2,500	2,500
TWO LINE CODE Inc. (*3)	Korea	Software development	33.77	2,500	2,500	-
Daehan Kanggun BcN Co., Ltd. (*1,5)	Korea	Wired communication	0.20	58	-	-
ESR Cayman Limited (*6)	Cayman	Investment	-	-	-	493,627
9352-7281 Quebec Inc.	Canada	Investment	40.09	31,558	31,558	31,558
SES Holdings Pte. Ltd. (*1,4)	Singapore	Investment	12.65	28,791	28,791	28,791
Belstar Superfreeze Holdings, LLC (*1,3)	Cayman	Warehouse business	20.00	25,232	25,232	-
FSK Holdings Co., Ltd.	Hong Kong	IT service	30.00	11,937	6,245	6,245
Kinestral Technologies Inc. (*1,4)	USA	Manufacturing discolored glass	4.66	8,498	8,498	8,498
Hummingbird Bioscience Holdings Pte. Ltd. (*1,3,4)	Singapore	Antibody drugs development	10.95	7,434	7,434	-
Mozido Corfire, Inc. (*4)	USA	System consulting	19.94	6,767	-	-
Visible Patient S.A.S. (*1,4)	France	Manufacturing related to medicine	17.86			
				<u>4,461</u>	<u>4,461</u>	<u>2,928</u>
				<u>337,509</u>	<u>324,992</u>	<u>733,468</u>
Investments in joint ventures:						
Hana Land Chip PEF 33 (*5)	Korea	Real estate	13.51	₩ 40,000	₩ 40,000	₩ 40,000
Socar Mobility Malaysia, SDN. BHD. (*7)	Malaysia	Rental of cars	-	-	-	14,189
				<u>40,000</u>	<u>40,000</u>	<u>54,189</u>
				<u>₩ 377,509</u>	<u>₩ 364,992</u>	<u>₩ 787,657</u>

(*1) It is the equity share that takes preferred share with voting rights into consideration.

(*2) During the current period, the convertible bonds of Socar, Co., Ltd. were converted into common stock and as a result the investment in securities was transferred to investment in associates.

(*3) During the current period, the Company newly acquired the investee.

(*4) As the Company is able to exercise significant influence over the entity although its ownership interest is less than 20%, the investment in the entity was classified as investments in associates.

(*5) The investment in the entity was classified as investments in associates and joint ventures based on the indirect ownership interest of the Company's subsidiary.

(*6) For the nine-month period ended September 30, 2020, the Group decided to sell its entire equity interest in ESR Cayman Limited, which is classified as an investment in associate. As of September 30, 2020, a partial disposal of the shareholding has been completed and the shares that have not yet been disposed of have been classified as assets held for sale (See note 27)

(*7) During the current period, the Company acquired an additional 29% stake in Socar Mobility Malaysia, SDN. BHD, which was held by Socar Co., Ltd. Accordingly, the investment was reclassified from investment in joint ventures to investments in subsidiaries.

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10. Property, plant and equipment

(1) Details of property, plant and equipment as of September 30, 2020 and December 31, 2019 are as follows (Korean won in millions):

	September 30, 2020			December 31, 2019		
	Acquisition cost	Accumulated depreciation	Book value	Acquisition cost	Accumulated depreciation	Book value
Land	₩ 96,347	₩ -	₩ 96,347	₩ 95,831	₩ -	₩ 95,831
Buildings	353,115	(64,771)	288,344	338,945	(57,356)	281,589
Structures	9,734	(1,424)	8,310	9,734	(1,128)	8,606
Vehicles	12,498	(3,069)	9,429	12,548	(2,666)	9,882
Furniture and fixtures	378,423	(260,335)	118,088	341,698	(237,447)	104,251
Construction-in-progress	13,217	-	13,217	20,063	-	20,063
	<u>₩ 863,334</u>	<u>₩ (329,599)</u>	<u>₩ 533,735</u>	<u>₩ 818,819</u>	<u>₩ (298,597)</u>	<u>₩ 520,222</u>

(2) Details of changes in property, plant and equipment nine-month periods ended September 30, 2020 and 2019 are as follows (Korean won in millions):

	For the nine-month period ended September 30, 2020					
	Beginning balance	Acquisition	Depreciation	Disposal	Transfer(*1)	Ending balance
Land	₩ 95,831	₩ -	₩ -	₩ (303)	₩ 819	₩ 96,347
Buildings	281,589	1,706	(7,415)	-	12,464	288,344
Structures	8,606	-	(296)	-	-	8,310
Vehicles	9,882	191	(644)	-	-	9,429
Furniture and fixtures	104,251	25,652	(25,955)	(45)	14,815	118,088
Construction-in-progress	20,063	20,622	-	-	(27,468)	13,217
	<u>₩ 520,222</u>	<u>₩ 48,171</u>	<u>₩ (34,310)</u>	<u>₩ (348)</u>	<u>₩ -</u>	<u>₩ 533,735</u>

	For the nine-month period ended September 30, 2019					
	Beginning balance	Acquisition	Depreciation	Disposal	Transfer(*1)	Ending balance
Land	₩ 84,251	₩ -	₩ -	₩ -	₩ -	₩ 84,251
Buildings	275,643	-	(6,845)	-	6,637	275,435
Structures	8,031	-	(280)	-	568	8,319
Vehicles	5,025	255	(254)	-	-	5,026
Furniture and fixtures	104,183	14,172	(24,905)	(143)	-	93,307
Construction-in-progress	17,670	18,051	-	-	(7,535)	28,186
	<u>₩ 494,803</u>	<u>₩ 32,478</u>	<u>₩ (32,284)</u>	<u>₩ (143)</u>	<u>₩ (330)</u>	<u>₩ 494,524</u>

(*1) Includes transfers from construction-in-progress to other property, plant and equipment accounts or investment properties.

11. Right-of-use assets and lease liabilities

(1) Details of right-of-use assets as of September 30, 2020 are as follows (Korean won in millions):

	September 30, 2020			December 31, 2019		
	Acquisition cost	Accumulated depreciation	Book value	Acquisition cost	Accumulated depreciation	Book value
Land and buildings	₩ 87,870	₩ (36,134)	₩ 51,736	₩ 56,405	₩ (19,931)	₩ 36,474
Vehicles	8,602	(2,703)	5,899	5,383	(1,808)	3,575
Machinery	-	-	-	183	(61)	122
Furniture and fixtures	329	(236)	93	335	(113)	222
	<u>₩ 96,801</u>	<u>₩ (39,073)</u>	<u>₩ 57,728</u>	<u>₩ 62,306</u>	<u>₩ (21,913)</u>	<u>₩ 40,393</u>

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11. Right-of-use assets and lease liabilities (cont'd)

(2) Changes in right-of-use assets for the nine-month periods ended September 30, 2020 and 2019 are as follows (Korean won in millions):

	For the nine-month period ended September 30, 2020					Ending balance
	Beginning balance	Increase	Depreciation	Others (*1)		
Land and buildings	₩ 36,474	₩ 22,880	₩ (22,338)	₩ 14,720	₩	₩ 51,736
Vehicles	3,575	5,025	(1,965)	(736)		5,899
Machinery	122	-	-	(122)		-
Furniture and fixtures	222	-	(126)	(3)		93
	<u>₩ 40,393</u>	<u>₩ 27,905</u>	<u>₩ (24,429)</u>	<u>₩ 13,859</u>	<u>₩</u>	<u>₩ 57,728</u>

	For the nine-month period ended September 30, 2019					Ending balance
	Beginning balance	Change of accounting policies	Increase	Depreciation	Others (*1)	
Land and buildings	₩ -	₩ 64,375	₩ 3,718	₩ (21,120)	₩ (3,877)	₩ 43,096
Vehicles	-	2,802	2,165	(1,320)	(243)	3,404
Machinery	-	183	-	(46)	-	137
Furniture and fixtures	-	425	51	(134)	(78)	264
	<u>₩ -</u>	<u>₩ 67,785</u>	<u>₩ 5,934</u>	<u>₩ (22,620)</u>	<u>₩ (4,198)</u>	<u>₩ 46,901</u>

(*1) The amounts include adjustments of the right-to-use assets according to the remeasurement of the lease liabilities and others.

(3) Changes in lease liabilities for the three-month periods ended September 30, 2020 and 2019 are as follows (Korean won in millions):

	For the nine-month period ended September 30, 2020					Ending balance
	Beginning balance	Increase	Interest expenses	Decrease (payment)	Others (*1)	
Lease liabilities	₩ 76,582	₩ 27,625	₩ 1,204	₩ (43,277)	₩ 15,877	₩ 78,011

	For the nine-month period ended September 30, 2019					Ending balance
	Beginning Balance	Change of accounting policies	Increase	Interest expenses	Decrease (payment)	
Lease liabilities	₩ -	₩ 132,448	₩ 5,934	₩ 1,702	₩ (44,698)	₩ 90,343

(*1) The amounts include adjustments of the remeasurement of the lease liabilities which is lease modification that is not accounted for as a separate lease and others.

During the current period, the Company recognized lease payments of ₩ 1,848 million for short-term leases and ₩ 905 million for leases for low-value assets.

12. Investment properties

(1) Details of investment properties as of September 30, 2020 and December 31, 2019 are as follows (Korean won in millions):

	September 30, 2020			December 31, 2019		
	Acquisition cost	Accumulated depreciation	Book value	Acquisition cost	Accumulated depreciation	Book value
Buildings	₩ 9,810	₩ (2,203)	₩ 7,607	₩ 9,810	₩ (1,883)	₩ 7,927

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12. Investment properties (cont'd)

(2) Changes in investment properties for the nine-month periods ended September 30, 2020 and 2019 are as follows (Korean won in millions):

	For the nine-month period ended September 30, 2020				
	Beginning balance	Increase (decrease)	Depreciation		Ending balance
Buildings	₩ 7,927	₩ -	₩ (320)		₩ 7,607

	For the nine-month period ended September 30, 2019				
	Beginning balance	Account policy changes (*1)	Depreciation	Transfer (*2)	Ending balance
Buildings	₩ 8,353	₩ 666	₩ (800)	₩ (186)	₩ 8,033

(*1) Consist of transfers from right-of-use asset that meets the definition of investment properties according to the initial application of KIFRS 1116.

(*2) Includes transfers from property, plant and equipment to investment properties.

13. Intangible assets

(1) Details of intangible assets as of September 30, 2020 and December 31, 2019 are as follows (Korean won in millions):

	September 30, 2020				December 31, 2019			
	Acquisition cost	Accumulated amortization	Accumulated impairment	Book value	Acquisition cost	Accumulated amortization	Accumulated impairment	Book value
Development costs	₩ 159,967	₩ (66,325)	₩ (2,518)	₩ 91,124	₩ 125,917	₩ (50,978)	₩ (2,518)	₩ 72,421
Memberships	62,676	-	(13,648)	49,028	56,639	-	(13,648)	42,991
Brand-related assets	1,975,000	-	-	1,975,000	1,975,000	-	-	1,975,000
Others	44,491	(12,892)	-	31,599	40,798	(9,107)	-	31,691
	<u>₩ 2,242,134</u>	<u>₩ (79,217)</u>	<u>₩ (16,166)</u>	<u>₩ 2,146,751</u>	<u>₩ 2,198,354</u>	<u>₩ (60,085)</u>	<u>₩ (16,166)</u>	<u>₩ 2,122,103</u>

(2) Changes in intangible assets for the nine-month periods ended September 30, 2020 and 2019 are as follows (Korean won in millions):

	For the nine-month period ended September 30, 2020				
	Beginning balance	Acquisition	Depreciation	Disposal	Ending balance
Development costs	₩ 72,421	₩ 34,050	₩ (15,347)	₩ -	₩ 91,124
Memberships (*1)	42,991	6,752	-	(715)	49,028
Brand-related assets (*1)	1,975,000	-	-	-	1,975,000
Others	31,691	3,693	(3,785)	-	31,599
	<u>₩ 2,122,103</u>	<u>₩ 44,495</u>	<u>₩ (19,132)</u>	<u>₩ (715)</u>	<u>₩ 2,146,751</u>

	For the nine-month period ended September 30, 2019				
	Beginning balance	Acquisition	Depreciation	Disposal	Ending balance
Development costs	₩ 57,993	₩ 22,833	₩ (11,731)	₩ (584)	₩ 68,511
Memberships (*1)	40,543	2,632	-	(184)	42,991
Brand-related assets (*1)	1,975,000	-	-	-	1,975,000
Others	32,162	3,073	(3,074)	-	32,161
	<u>₩ 2,105,698</u>	<u>₩ 28,538</u>	<u>₩ (14,805)</u>	<u>₩ (768)</u>	<u>₩ 2,118,663</u>

(*1) Memberships and brand-related assets are classified as intangible assets with infinite useful lives and are not amortized.

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14. Borrowings and bonds payable

(1) Short-term borrowings

Details of short-term borrowings as of September 30, 2020 and December 31, 2019 are as follows (Korean won in millions):

Description	Financial institution	Interest rate (%)	September 30, 2020	December 31, 2019
Working capital loan	Shinhan Bank	-	₩ -	₩ 250,000
Working capital loan	KB Bank	-	-	250,000
Working capital loan	Woori Bank	-	-	240,000
Working capital loan	Industrial & Commercial Bank of China	-	-	100,000
Working capital loan	Hana Bank	-	-	50,000
Commercial paper	SK Securities	0.70 ~ 0.71	310,000	330,000
Commercial paper	Woori investment bank	2.15 ~ 2.46	110,000	-
Commercial paper	KB Securities	-	-	340,000
Commercial paper	Korea Investment & Securities	-	-	100,000
Commercial paper	NH Investment & Securities	-	-	20,000
			₩ 420,000	₩ 1,680,000

(2) Bonds payable

Details of bonds payable as of September 30, 2020 and December 31, 2019 are as follows (Korean won in millions):

Issuance number	Interest rate (%)	Maturity	Security	September 30, 2020	December 31, 2019
259-2nd	-	2020-06-03	Unsecured	₩ -	₩ 100,000
260-2nd	-	2020-09-06	Unsecured	-	100,000
261-2nd	3.97	2020-12-03	Unsecured	100,000	100,000
262-2nd	3.68	2021-02-12	Unsecured	100,000	100,000
263-2nd	3.36	2021-05-30	Unsecured	100,000	100,000
264-2nd	3.25	2021-08-05	Unsecured	170,000	170,000
265-3rd	2.66	2021-12-02	Unsecured	100,000	100,000
266-1st	-	2020-02-06	Unsecured	-	150,000
266-2nd	2.39	2022-02-06	Unsecured	100,000	100,000
270-3rd	3.80	2022-11-02	Unsecured	50,000	50,000
271-2nd	-	2020-02-27	Unsecured	-	100,000
272-3rd	-	2020-08-30	Unsecured	-	60,000
273-2nd	3.79	2021-03-25	Unsecured	100,000	100,000
273-3rd	4.26	2024-03-25	Unsecured	100,000	100,000
274-2nd	-	2020-09-30	Unsecured	150,000	150,000
274-3rd	2.34	2022-09-30	Unsecured	80,000	80,000
275-2nd	2.52	2020-12-07	Unsecured	120,000	120,000
275-3rd	2.66	2022-12-07	Unsecured	60,000	60,000
276-2nd	2.02	2021-03-07	Unsecured	120,000	120,000
276-3rd	2.26	2023-03-07	Unsecured	150,000	150,000
277-2nd	1.93	2021-06-01	Unsecured	120,000	120,000
277-3rd	2.16	2023-06-01	Unsecured	120,000	120,000
277-4th	2.43	2026-06-01	Unsecured	60,000	60,000
278-2nd	1.65	2021-09-07	Unsecured	110,000	110,000
278-3rd	1.80	2023-09-07	Unsecured	110,000	110,000
279-1st	-	2020-03-06	Unsecured	-	90,000
279-2nd	2.34	2022-03-06	Unsecured	190,000	190,000
279-3rd	2.58	2024-03-06	Unsecured	120,000	120,000
280-1st	-	2020-06-01	Unsecured	-	90,000
280-2nd	2.39	2022-06-01	Unsecured	200,000	200,000

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14. Borrowings and bonds payable (cont'd)

Issuance number	Interest rate (%)	Maturity	Security	September 30,	December 31,
				2020	2019
280-3rd	2.67	2024-06-01	Unsecured	₩ 110,000	₩ 110,000
281-2nd	2.40	2022-08-04	Unsecured	130,000	130,000
281-3rd	2.62	2024-08-04	Unsecured	70,000	70,000
282-1st	-	2020-10-25	Unsecured	70,000	70,000
282-2nd	2.79	2022-10-25	Unsecured	150,000	150,000
282-3rd	2.86	2024-10-25	Unsecured	80,000	80,000
283-1st	2.88	2023-02-27	Unsecured	150,000	150,000
283-2nd	2.99	2025-02-27	Unsecured	60,000	60,000
283-3rd	3.26	2028-02-27	Unsecured	100,000	100,000
284-1st	2.87	2023-06-08	Unsecured	170,000	170,000
284-2nd	3.01	2025-06-08	Unsecured	60,000	60,000
284-3rd	3.09	2028-06-08	Unsecured	100,000	100,000
285-1st	2.36	2023-09-06	Unsecured	150,000	150,000
285-2nd	2.47	2025-09-06	Unsecured	60,000	60,000
285-3rd	2.55	2028-09-06	Unsecured	120,000	120,000
286-1st	2.20	2021-11-29	Unsecured	130,000	130,000
286-2nd	2.37	2023-11-29	Unsecured	100,000	100,000
287-1st	2.17	2024-02-27	Unsecured	150,000	150,000
287-2nd	2.23	2026-02-27	Unsecured	70,000	70,000
287-3rd	2.35	2029-02-27	Unsecured	80,000	80,000
288-1st	1.81	2024-06-04	Unsecured	170,000	170,000
288-2nd	1.83	2026-06-04	Unsecured	60,000	60,000
288-3rd	1.87	2029-06-04	Unsecured	110,000	110,000
289-1st	1.62	2022-09-20	Unsecured	130,000	130,000
289-2nd	1.76	2024-09-20	Unsecured	120,000	120,000
289-3rd	1.84	2029-09-20	Unsecured	70,000	70,000
290-1st	1.74	2022-11-28	Unsecured	80,000	80,000
290-2nd	1.83	2024-11-28	Unsecured	90,000	90,000
290-3rd	1.89	2029-11-28	Unsecured	70,000	70,000
291-1st	1.52	2023-02-20	Unsecured	70,000	-
291-2nd	1.63	2025-02-20	Unsecured	160,000	-
291-3rd	1.70	2027-02-20	Unsecured	40,000	-
291-4th	1.80	2030-02-20	Unsecured	60,000	-
292-1st	1.50	2023-06-03	Unsecured	110,000	-
292-2nd	1.69	2025-06-03	Unsecured	120,000	-
292-3rd	1.79	2030-06-03	Unsecured	50,000	-
293-1st	1.57	2025-09-07	Unsecured	200,000	-
293-2nd	1.74	2027-09-07	Unsecured	30,000	-
293-3rd	1.83	2030-09-07	Unsecured	120,000	-
				6,600,000	6,330,000
Less: Discount on bonds payable				(10,744)	(4,490)
Less: current portion				(1,262,427)	(1,132,548)
				<u>₩ 5,326,829</u>	<u>₩ 5,192,962</u>

(3) The Company's bonds payable repayment schedule as of September 30, 2020 is as follows (Korean won in millions):

Year ending	Amount of repayment
October 1, 2020 ~ September 30, 2021	₩ 1,260,000
October 1, 2021 ~ September 30, 2022	1,060,000
October 1, 2022 ~ September 30, 2023	1,370,000
October 1, 2023 ~ September 30, 2024	940,000
October 1, 2024 and thereafter	1,970,000
	<u>₩ 6,600,000</u>

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15. Provisions

Changes in provisions for the nine-month periods ended September 30, 2020 and 2019 are as follows (Korean won in millions):

	For the nine-month period ended September 30, 2020						
	Beginning balance	Increase	Decrease	Ending balance	Current	Non-current	
Provision for service warranties	₩ 3,948	₩ 1,058	₩ (2,095)	₩ 2,911	₩ 2,911	₩	-
Others	₩ 2,598	₩ 280	₩ (608)	₩ 2,270	₩ 109	₩	2,161
	₩ 6,546	₩ 1,338	₩ (2,703)	₩ 5,181	₩ 3,020	₩	2,161

	For the nine-month period ended September 30, 2019						
	Beginning Balance	Change of accounting policies	Increase	Decrease	Ending balance	Current	Non-current
Provision for service warranties	₩ 3,038	₩ -	₩ 4,162	₩ (3,454)	₩ 3,746	₩ 3,746	₩ -
Other	₩ 166	₩ 1,882	₩ 358	₩ (216)	₩ 2,190	₩ 308	₩ 1,882
	₩ 3,204	₩ 1,882	₩ 4,520	₩ (3,670)	₩ 5,936	₩ 4,054	₩ 1,882

The Company estimates a provision for service warranties for revenue from projects based on historical claim rates and past experiences. Meanwhile, other provisions consist of restructuring liabilities and provision for losses. If the underlying asset must be restored to its original value after the expiration of the contract period based on the lease contract, the restoration obligation is recognized as the present value of the estimated cost of removing, dismantling, and repairing the facility. In the event that future losses are expected to be incurred with respect to an ongoing project, the Company recognized the expected loss as provision for losses immediately.

16. Defined benefit liabilities

(1) Defined contribution plans

The Company partly operates a defined contribution plan for certain employees. The expenses related to the defined contributions plans recognized for the nine-month period ended September 30, 2020, were ₩47 million.

(2) Defined benefit plans

Those employees selecting the defined benefit plans shall be paid fixed amounts upon retirement, where certain conditions are met. In addition, the Company uses the projected unit credit method based on actuarial assumptions for the defined obligation and plan assets.

(3) Details of defined benefit liabilities as of September 30, 2020 and December 31, 2019 are as follows (Korean won in millions):

	September 30, 2020	December 31, 2019
Present value of defined benefit obligation	₩ 399,797	₩ 355,114
Fair value of plan assets	(314,483)	(322,967)
	₩ 85,314	₩ 32,147

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16. Defined benefit liabilities (cont'd)

(4) Changes in the defined benefit liabilities for the nine-month periods ended September 30, 2020 and 2019 are as follows (Korean won in millions):

	<u>For the nine-month period ended September 30, 2020</u>		
	Present value of defined <u>benefit obligation</u>	Fair value of <u>plan assets</u>	<u>Total</u>
Beginning balance	₩ 355,114	₩ (322,967)	₩ 32,147
Pension benefits:			
Current service cost	30,810	-	30,810
Net interest expense (income)	5,609	(5,428)	181
Remeasurement:			
Return on plan assets (excluding amounts included in net interest expense)	-	482	482
Actuarial changes arising from changes in financial assumptions and others	6,331	-	6,331
Experience adjustments and others	13,510	-	13,510
Benefit paid	(19,231)	19,085	(146)
Others	7,654	(5,655)	1,999
Ending balance	<u>₩ 399,797</u>	<u>₩ (314,483)</u>	<u>₩ 85,314</u>

	<u>For the nine-month period ended September 30, 2019</u>		
	Present value of defined <u>benefit obligation</u>	Fair value of <u>plan assets</u>	<u>Total</u>
Beginning balance	₩ 297,845	₩ (253,442)	₩ 44,403
Provision for pension benefits:			
Current service cost	26,304	-	26,304
Net interest expense (income)	5,173	(4,644)	529
Remeasurement:			
Return on plan assets (excluding amounts included in net interest expense)	-	766	766
Actuarial changes arising from changes in financial assumptions and others	17,230	-	17,230
Experience adjustments and others	9,176	-	9,176
Contributions by employer directly to plan assets	-	(3,000)	(3,000)
Benefit paid	(6,893)	9,274	2,381
Others	3,811	(1,672)	2,139
Ending balance	<u>₩ 352,646</u>	<u>₩ (252,718)</u>	<u>₩ 99,928</u>

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17. Other assets and liabilities

(1) Details of other assets as of September 30, 2020 and December 31, 2019 are as follows (Korean won in millions):

	September 30, 2020	December 31, 2019
Current assets:		
Accrued income	₩ 111	₩ 142
Advanced payments	2,635	3,240
Prepaid expenses	33,836	19,526
Short-term loans	-	2,871
Current tax assets	-	6,548
Guarantee deposits	9,816	11,698
Lease receivables	16,886	32,190
Derivative financial assets	594	351
Others	445	178
	<u>₩ 64,323</u>	<u>₩ 76,744</u>
Non-current assets:		
Long-term financial instruments	₩ 268	₩ 269
Long-term guarantee deposits	14,146	9,846
Long-term lease receivables	84	8,064
Derivative financial assets	384,580	384,645
Others	127	127
	<u>₩ 399,205</u>	<u>₩ 402,951</u>

(2) Details of other liabilities as of September 30, 2020 and December 31, 2019 are as follows (Korean won in millions):

	September 30, 2020	December 31, 2019
Current liabilities:		
Advances received	₩ 183,876	₩ 67,861
Withholdings	15,197	21,760
Income tax payable	278,859	-
Leasehold deposits received	5,447	192
Lease liabilities	45,524	56,535
Derivative financial liabilities	151	17
	<u>₩ 529,054</u>	<u>₩ 146,365</u>
Non-current liabilities:		
Leasehold deposits received	₩ 192	₩ 5,385
Long-term lease liabilities	32,487	20,047
Derivative financial liabilities	222,375	222,359
Long-term employee benefits	10,481	10,442
	<u>₩ 265,535</u>	<u>₩ 258,233</u>

18. Derivative financial assets and liabilities

The Company has entered into foreign currency forward contracts to manage fluctuations in currency exchange rates relating to its contracts denominated in foreign currencies, and has entered total return swap contracts with certain of subsidiaries' common share investors and others. Details of assets and liabilities after valuation as of September 30, 2020 and December 31, 2019 are as follows (Korean won in millions):

	September 30, 2020		December 31, 2019	
	Assets	Liabilities	Assets	Liabilities
Forward contract	₩ 594	₩ 170	₩ 416	₩ 20
Total return swap contract (see Note 29)	384,580	222,356	384,580	222,356
	<u>₩ 385,174</u>	<u>₩ 222,526</u>	<u>₩ 384,996</u>	<u>₩ 222,376</u>

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19. Equity

19.1 Issued capital

Details of issued capital as of September 30, 2020 and December 31, 2019 are as follows (Korean won in millions):

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Number of shares authorized for issue	400,000,000	400,000,000
Par value per share (Korean won)	₩ 200	₩ 200
Number of shares issued:		
Ordinary share	70,360,297	70,360,297
Preferred share	566,135	566,135
Issued capital:		
Ordinary share	₩ 15,272	₩ 15,272
Preferred share	113	113
	<u>₩ 15,385</u>	<u>₩ 15,385</u>

The Company retired 6,000,000 shares of its treasury share (par value: ₩1,200 million) in 2015 by reducing retained earnings, which resulted in a difference between total par value of ordinary shares and issued capital.

19.2 Other paid-in capital

Details of other paid-in capital as of September 30, 2020 and December 31, 2019 are as follows (Korean won in millions):

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Additional paid-in capital (*1)	₩ 5,605,831	₩ 5,605,831
Treasury share (*2)	(1,811,454)	(1,812,042)
Stock option	4,436	3,783
Others	(292,892)	(292,892)
	<u>₩ 3,505,941</u>	<u>₩ 3,504,680</u>

(*1) During the year ended December 31, 2015, the Company repurchased treasury shares of ₩3,369,395 million from merger with the former SK Holdings Co., Ltd. which was recognized as a contra-equity account on additional paid-in capital.

(*2) During the current period, a portion of treasury stocks (2,546 common stocks and 31 preferred stocks) acquired through exercise of the stock purchase right were disposed. Treasury stocks retained after disposal are composed of treasury stocks acquired for the purpose of enhancing corporate value and stabilizing stock prices (7,034,276 common stocks) and treasury stocks acquired through a exercise of stock purchase and single share during the merger in 2015 (11,019,129 common stocks, 1,787 preferred stocks).

19.3 Retained earnings

Details of retained earnings as of September 30, 2020 and December 31, 2019 are as follows (Korean won in millions):

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Legal reserve (*1)	₩ 7,693	₩ 7,693
Voluntary reserve	62,897	62,897
Unappropriated retained earnings	11,216,894	9,800,222
	<u>₩ 11,287,484</u>	<u>₩ 9,870,812</u>

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19.3 Retained earnings (cont'd)

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

19.4 Other components of equity

Details of other components of equity as of September 30, 2020 and December 31, 2019 are as follows (Korean won in millions):

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Gain on financial assets measured at FVOCI	₩ 11,685	₩ 11,685

19.5 Stock option

Upon resolution by the shareholders and the Board of Directors, the Company established a stock option program that entitles key management personnel an option to purchase ordinary shares. The terms and conditions related to the stock options granted under the share option program are as follows:

	<u>1-1</u>	<u>1-2</u>	<u>1-3</u>	<u>2</u>
Grant date	2017-03-24	2017-03-24	2017-03-24	2020-03-25
Type of shares to be issued	Ordinary shares			
Grant method	Reissue of treasury shares, but if the stock option's exercise price is lower than the stock's real price (evaluated based on exercise date), the Company may settle the difference in cash or with treasury share equivalent to the difference amount.			
Number of shares (shares)	41,429	41,430	41,431	214,038
Exercise price (Korean won)	₩ 226,290	₩ 244,400	₩ 263,950	₩ 153,450
Contractual life of options	2019.03.25 ~2022.03.24	2020.03.25 ~2023.03.24	2021.03.25 ~2024.03.24	2023.03.26 ~2027.03.25
Vesting conditions	2 year service from the grant date	3 year service from the grant date	4 year service from the grant date	2 year service from the grant date

Share compensation expense recognized during the current reporting period is ₩653 million (accumulated share compensation expense: ₩4,436 million) and the remaining share compensation expense to be recognized in later periods are ₩1,612 million.

The Company used the binomial option pricing model, and the inputs used in the measurement of the fair values at the grant date of the share-based payment plans are as follows:

	<u>1-1</u>	<u>1-2</u>	<u>1-3</u>	<u>2</u>
Risk-free interest rate	1.86%	1.95%	2.07%	1.61%
Option life	5 years	6 years	7 years	7 years
Expected price (Closing price on the preceding day in Korean won)	₩ 236,000	₩ 236,000	₩ 236,000	₩ 134,000
Expected volatility	16.78%	16.78%	16.78%	15.35%
Rate of returns	1.60%	1.60%	1.60%	1.55%
Exercise price (Korean won)	₩ 226,290	₩ 244,400	₩ 263,950	₩ 154,450
Fair value per share (Korean won)	₩ 38,317	₩ 34,200	₩ 30,962	₩ 8,226

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20. Operating revenues

(1) Details of operating revenues for the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows (Korean won in millions):

	September 30, 2020		September 30, 2019	
	Three months	Nine months	Three months	Nine months
Revenue from contracts with customers:				
IT service (*1)	₩ 449,645	₩ 1,273,883	₩ 429,779	₩ 1,223,649
Trademark usage income	60,601	181,892	68,565	205,991
Others	-	-	-	246
	<u>510,246</u>	<u>1,455,775</u>	<u>498,344</u>	<u>1,429,886</u>
Revenue from other sources:				
Dividend income	477,566	1,474,542	72,701	1,247,460
Rental income	246	773	406	1,708
	<u>477,812</u>	<u>1,475,315</u>	<u>73,107</u>	<u>1,249,168</u>
	<u>₩ 988,058</u>	<u>₩ 2,913,090</u>	<u>₩ 571,451</u>	<u>₩ 2,679,054</u>

(*1) Includes contract revenue of ₩817,794 and ₩769,340 million recognized from the cost-based input method for the nine-month periods ended September 30, 2020 and 2019.

(2) Details of revenue from contracts with customers for the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows (Korean won in millions):

	September 30, 2020		September 30, 2019	
	Three months	Nine months	Three months	Nine months
Revenue from contracts with customers:				
IT service	₩ 449,645	₩ 1,273,883	₩ 429,779	₩ 1,223,649
Trademark usage income	60,601	181,892	68,565	205,991
Others	-	-	-	246
	<u>₩ 510,246</u>	<u>₩ 1,455,775</u>	<u>₩ 498,344</u>	<u>₩ 1,429,886</u>
Geographical location:				
Korea	₩ 488,069	₩ 1,373,405	₩ 465,373	₩ 1,357,357
Asia	11,178	46,762	28,138	57,516
Europe	6,420	19,335	4,135	13,463
North America	4,579	16,273	698	1,550
	<u>₩ 510,246</u>	<u>₩ 1,455,775</u>	<u>₩ 498,344</u>	<u>₩ 1,429,886</u>
Timing of revenue recognition:				
Recognized at a point in time	₩ 40,428	₩ 121,618	₩ 30,213	₩ 76,068
Recognized over a period	469,818	1,334,157	468,131	1,353,818
	<u>₩ 510,246</u>	<u>₩ 1,455,775</u>	<u>₩ 498,344</u>	<u>₩ 1,429,886</u>

(3) Details of contract assets, contract liabilities related to revenue from contracts with customers as of September 30, 2020 and December 31, 2019 are as follows (Korean won in millions):

	September 30, 2020	December 31, 2019
Contract assets from IT service contract	₩ 223,580	₩ 156,133
Contract liabilities from IT service contract (*1)	60,202	67,606

(*1) The amount recognized as revenue in the current period in relation to the contract liabilities in the beginning of the current period is ₩58,679 million (₩57,518 million for the nine-month period ended September 30, 2019)

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20. Operating revenues (cont'd)

(4) Details of profit variation by changes of accounting estimates related to the cost-based input method contracts as of September 30, 2020 are as follows (Korean won in millions):

	Change in estimated construction revenue	Change in estimated cost	Impact on current period profit (loss)	Impact on future period profit (loss)
IT Service contracts	₩ 30,033	₩ 20,735	₩ 7,147	₩ 2,151

Impact on profit of current and future period has been calculated by the estimated costs based on the situations which occurred from the inception of IT service contract to current reporting period and the estimated revenue as of current reporting period. Estimated cost and revenue can be changed in the future period.

(5) Contracts applying the cost-based input method to measure the percentage-of-completion with total contract revenue exceeding prior year's operating income by more than 5% as of September 30, 2020 are as follows (Korean won in millions):

Business division	Construction	Contract date	Due date	Percentage of completion	Contract assets		Trade receivables	
					Total amount	Impairment	Total amount	Allowance for doubtful accounts
ICT business	The K project	2019. 01	2020. 10	90.15%	₩ 29,399	₩ -	₩ 12,643	₩ -

21. Operating expenses

Details of operating expenses for the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows (Korean won in millions):

	September 30, 2020		September 30, 2019	
	Three months	Nine months	Three months	Nine months
Material costs	₩ 33,974	₩ 104,747	₩ 31,359	₩ 86,286
Outsourcing costs	214,314	599,281	205,089	577,844
Salaries	96,834	276,295	91,910	262,794
Provision for pension benefits	8,932	30,682	8,666	25,731
Depreciation	19,672	58,219	18,000	54,820
Amortization	3,298	9,960	2,804	8,134
Rents	1,541	2,549	1,567	2,844
Communications	5,055	14,038	4,613	13,989
Employee welfare benefits	14,089	43,147	13,568	40,587
Commissions	18,799	41,680	10,434	41,465
Education and training	6,315	18,390	6,300	16,046
Research and development	7,744	28,600	9,376	31,638
Office management	9,312	26,630	8,276	26,432
Travel	2,305	7,221	3,468	10,162
Others	13,175	40,998	13,255	39,315
Total	₩ 455,359	₩ 1,302,437	₩ 428,685	₩ 1,238,087

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22. Expenses classified based on nature of expense

Details of classification based on nature of expenses for the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows (Korean won in millions):

	September 30, 2020		September 30, 2019	
	Three months	Nine months	Three months	Nine months
Material costs	₩ 33,974	₩ 104,755	₩ 31,395	₩ 86,467
Outsourcing costs	214,314	599,300	205,533	578,727
Salaries	99,948	290,114	95,656	277,343
Provision for pension benefits	9,410	32,057	221	27,058
Depreciation and amortization	26,371	78,104	23,418	70,391
Rents	1,541	2,549	1,567	2,844
Communications	5,055	14,039	4,661	14,127
Employee welfare benefits	14,717	45,011	14,298	42,606
Commissions	18,815	42,706	11,365	45,970
Education and training	6,374	18,582	6,452	16,384
Office management	9,312	26,630	8,276	26,432
Travel	2,311	7,247	3,515	10,309
Others	13,217	41,343	13,328	39,429
	<u>₩ 455,359</u>	<u>₩ 1,302,437</u>	<u>₩ 428,685</u>	<u>₩ 1,238,087</u>

23. Finance income (costs) and other non-operating income (expenses)

23.1 Finance income and costs

Details of finance income and costs for the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows (Korean won in millions):

	September 30, 2020		September 30, 2019	
	Three months	Nine months	Three months	Nine months
Financial income:				
Interest income	₩ 1,207	₩ 3,855	₩ 1,521	₩ 5,295
Gain on foreign currency transactions	1,141	3,485	1,216	3,476
Gain on foreign currency translation	(203)	299	71	732
Gain on valuation of FVTPL measured at fair value	-	213	383	1,141
Gain on valuation of derivative instruments	30	592	(300)	106
Gain on transactions of derivative instruments	618	788	180	540
	<u>₩ 2,793</u>	<u>₩ 9,232</u>	<u>₩ 3,071</u>	<u>₩ 11,290</u>
Financial costs:				
Interest expenses	₩ 42,239	₩ 135,026	₩ 43,797	₩ 135,805
Loss on foreign currency transactions	1,140	2,464	307	2,445
Loss on foreign currency translation	(33)	370	(346)	86
Loss on valuation of FVTPL measured at fair value	-	-	95	95
Loss on valuation of derivative instruments	(74)	236	(243)	258
Loss on transactions of derivative instruments	168	1,184	1,087	1,418
	<u>₩ 43,440</u>	<u>₩ 139,280</u>	<u>₩ 44,697</u>	<u>₩ 140,107</u>

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23.2 Other non-operating income and expenses

Details of other non-operating income and expenses for the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows (Korean won in millions):

	September 30, 2020		September 30, 2019	
	Three months	Nine months	Three months	Nine months
Other non-operating income:				
Gain on disposal of investments in Subsidiaries and associates	₩ 264,719	₩ 521,834	₩ -	₩ -
Gain on disposal of property, plant and equipment	51	53	87	95
Others	228	2,242	389	2,018
	<u>₩ 264,998</u>	<u>₩ 524,129</u>	<u>₩ 476</u>	<u>₩ 2,113</u>
Other non-operating expenses:				
Loss on impairment of investments in associates	-	-	-	58
Loss on disposal of property, plant and equipment	-	63	17	21
Loss on disposal of intangible assets	15	15	3	4
Donations	10,492	25,350	3,003	13,668
Others	581	1,786	352	2,080
	<u>₩ 11,088</u>	<u>₩ 27,214</u>	<u>₩ 3,375</u>	<u>₩ 15,831</u>

24. Income taxes

The Company calculated corporate income tax expense by adding the current period adjustments to the accumulated interim tax expense, reflecting deferred tax expense (income) due to changes in temporary differences and considering adjustments not related to the interim profit or loss.

Effective tax rates for the nine-month periods ended September 30, 2020 and 2019 were 14.99% and 5.46%, respectively.

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25. Earnings per share

(1) Basic earnings per share for the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows (Korean won in millions, except per share information):

	September 30, 2020		September 30, 2019	
	Three months	Nine months	Three months	Nine months
Net income	₩ 660,191	₩ 1,696,449	₩ 131,859	₩ 1,227,600
Less: Preferred share dividends	(571)	(2,279)	(571)	(2,278)
Net income attributable to ordinary share owners of the Company	₩ 659,620	₩ 1,694,170	₩ 131,288	₩ 1,225,322
Weighted-average number of issued shares outstanding (*1)	52,306,283	52,304,997	55,824,347	55,824,347
Basic earnings per share (In Korean Won)	₩ 12,611	₩ 32,390	₩ 2,352	₩ 21,950

(*1) Weighted-average number of issued shares represents the number of shares less treasury shares from the total number of issued shares of ordinary share.

The weighted-average number of issued shares outstanding for the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows:

	September 30, 2020		September 30, 2019	
	Three months	Nine months	Three months	Nine months
Weighted-average number of shares outstanding	70,360,297	70,360,297	70,360,297	70,360,297
Weighted-average number of treasury shares	(18,054,014)	(18,055,300)	(14,535,950)	(14,535,950)
Weighted-average number of issued shares outstanding	52,306,283	52,304,997	55,824,347	55,824,347

(2) The details of the calculation of ordinary stock dilution per share for the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows (Korean won in millions, except per share information):

	September 30, 2020		September 30, 2019	
	Three months	Nine months	Three months	Nine months
Net income attributable to ordinary shares	₩ 659,620	₩ 1,694,170	₩ 131,288	₩ 1,225,322
Addition: Share-based payments	125	258	-	-
Net income diluted quarterly Income of common stock	₩ 659,745	₩ 1,694,428	₩ 131,288	₩ 1,225,322
Weighted-average number of diluted common shares outstanding	52,363,580	52,344,664	55,824,347	55,824,347
Diluted earnings per common share (In Korean Won) (*1)	₩ 12,599	₩ 32,371	₩ 2,352	₩ 21,950

(*1) For the nine-months period ended September 30, 2019 as there was no dilution effect on stock options, diluted earnings per share for the nine-months period ended September 30, 2019 was the same as basic earnings per share.

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25. Earnings per share (cont'd)

The weighted-average diluted number of ordinary shares outstanding for calculating diluted earnings for the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows:

	September 30, 2020		September 30, 2019	
	Three months	Nine months	Three months	Nine months
Weighted-average number of shares outstanding	52,306,283	52,304,997	55,824,347	55,824,347
Effect of exercise of stock option (*1)	57,297	39,667	-	-
Weighted-average number of diluted common shares outstanding	52,363,580	52,344,664	55,824,347	55,824,347

(*1) For the nine-months period ended September 30, 2019, the effect of exercising stock options was not considered as there was no dilution effect on stock options.

26. Transactions with related parties

Details of significant transactions with related parties for the nine-month periods ended September 30, 2020 and 2019, and significant balances with related parties as of September 30, 2020 and December 31, 2019 are as follows (Korean won in millions):

(1) The subsidiaries of the Company as of September 30, 2020 are as follows:

	Subsidiary
Ultimate controlling party	Tae-won, Chey and related parties
Subsidiary (total 311)	SK Innovation Co., Ltd., SK Energy Co., Ltd., Netruck Co., Ltd., Jeju United FC Corporation, Happydidim Co., Ltd., SK Energy Road Investment Co., Ltd., SK Energy Hong Kong Co., Ltd., SK Energy Road Investment (HK) Co., Ltd., Ningbo SK Baoying Asphalt Storage Co., Ltd., Hefei SK Baoying Asphalt Co., Ltd., Chongqing SK Asphalt Co., Ltd., SK Asphalt (Shanghai) Co., Ltd., SK Global Chemical Co., Ltd., SK Global Chemical (China) Holding Co., Ltd., SK Global Chemical China Limited, SK Global Chemical International Trading (Shanghai) Co., Ltd., SK Global Chemical International Trading (Guangzhou) Co., Ltd., SK Global Chemical Americas, Inc., SK Primacor Americas LLC, SK Primacor Europe, S.L.U., SK Saran Americas LLC, SK Global Chemical Japan Co., Ltd., SK Global Chemical Singapore Pte. Ltd., SK Global Chemical Investment Hong Kong Ltd., Ningbo SK Performance Rubber Co., Ltd., HAPPYMOEUM, SK Functional Polymer, S.A.S, SK Incheon Petrochem Co., Ltd., SK Trading International Co., Ltd., SK Energy International Pte. Ltd., SK Energy Europe, Ltd., SK Energy Americas, Inc., SK Terminal B.V., SK Lubricants Co., Ltd., Yubase Manufacturing Asia Corporation, SK Energy Lubricants (Tianjin) Co., Ltd., SK Lubricants Americas, Inc., SK Lubricants Europe B.V., SK Lubricants Japan Co., Ltd., SK Lubricants & Oils India Pte. Ltd., Iberian Lube Base Oils S.A., SK Lubricants Russia LLC, SK ie technology Co., Ltd., SK Hi-tech Battery Materials(Jiang Su) Co., Ltd., SK Hi-tech Battery Materials Poland Sp. Zo.o., SK Mobile Energy Co., Ltd., SK Innovation Insurance (Bermuda), Ltd., SK USA, Inc., Super Seed NY, LLC, Blue Dragon Energy Co., Limited., Jiangsu SK Battery Certification Center, SK Battery Hungary Kft., SK Battery America, Inc., SK Battery Manufacturing Kft., Happykium Co., Ltd., SK Future Energy(Shanghai) Co.,Ltd., SK E&P Company, Ltd., SK E&P America, Inc., SK Plymouth, LLC, SK Permian, LLC, SK E&P Operations America, LLC, SK Nemaha, LLC, Blue Sky United Energy Co., Ltd., SK Telecom Co., Ltd., SK Telink Co., Ltd., SK Broadband Co., Ltd., Home&Service Co., Ltd., Broadband Nowon Broadcasting Co., Ltd., SK stoa Co., Ltd., PS&Marketing Corp., Serviceace Co., Ltd., Service Top Co., Ltd., SK O&S Co., Ltd., One store Co., Ltd., SK Communications Co., Ltd., 11Street Co., Ltd., Life and Security Holdings Co., Ltd., ADT Caps Co., Ltd., Capstek Co., Ltd., Quantum Innovation Private Equity Joint Venture I , Pan Asia Semiconductor Materials Ltd., SK Infosec Co., Ltd., SK Infosec Information Technology(wuxi) Co., Ltd., SK Planet Co., Ltd., SK M & Service Co., Ltd., SK Planet Global Holdings Pte. Ltd., SKP America, LLC, K-Net Culture & Contents Venture Fund, SK Telecom China Holdings Co., Ltd., SK Global Healthcare Business Group, Ltd., SKT Americas Inc., YTK Investment Ltd., Atlas Investment Ltd., SK Telecom Innovation Fund, L.P., SK Telecom China Fund I L.P., SK Telecom TMT Investment Corp., Dreamuscompany Co., Ltd., Iriver Enterprise Ltd., Iriver China Co., Ltd.,

26. Transactions with related parties (cont'd)

Subsidiary (total 311)	Subsidiary
	<p>Dongguan Iriver Electronics Co., Ltd., Life Design Company Japan Inc., SK telecom Japan Inc., SK Planet Japan, K. K., id Quantique Ltd., id Quantique LLC, FSK L&S Co., Ltd., FSK L&S(Shanghai) Co., Ltd., FSK L&S(Hungary) Co., Ltd., FSK L&S Vietnam Co., Ltd., Incross Co., Ltd., Infracoms Co., Ltd., Mindknock Co., Ltd., Happy Hanool Co., Ltd., SK MENA investment B.V., SK Latin Americas Investment S.A., SK Technology Innovation Company, SK Networks Co., Ltd., SK Networks Service Co., Ltd., SK Pinx Co., Ltd., SK Magic Co., Ltd., SK Magic Service Co., Ltd., SK Magic Vietnam Company Limited, SK Networks Retails Malaysia Sdn. Bhd., SK Rent-A-car Co., Ltd., SK Rent-a-Car Service Co., Ltd., SK Networks (China) Holdings Co., Ltd., Liaoning SK Networks Real Industrial Estate Development Co., Ltd., Shenyang SK Bus Terminal Co., Ltd., SK Networks (Liaoning) Logistics Co., Ltd., SK Networks (Dandong) Energy Co., Ltd., Shenyang SK Networks Energy Co., Ltd., SK (GZ FreeZone) Co., Ltd., SK Networks (Shanghai) Co., Ltd., POSK (Pinghu) Steel Processing Center Co., Ltd., SK Networks Hong Kong Ltd., SK (Guangzhou) Metal Co., Ltd., SK Networks (Xiamen) Steel Processing Center Co., Ltd., SK Networks Japan Co., Ltd., SK Networks Deutschland GmbH, Daiyang SK Networks SAN. VE TIC. Ltd. STI, SK Networks Resources Australia Pty. Ltd., SK Networks Middle East FZE, SK Brasil Ltda, SK Networks Trading Malaysia Sdn Bhd, SK Networks America Inc., SK Networks Brasil Intermediacao De Negocios Ltda., Networks Tejarat Pars, MINTIT, MINTIT VINA(舊, SK Telink Vietnam Co., Ltd.), TenX Capital, SKC Co., Ltd., Woori Fine Chem Co., Ltd., SK Telesys Co., Ltd., Techdream Co., Ltd., SKC Infra Service Co., Ltd., SKC Solmics Co., Ltd., Solmics Taiwan Co., Ltd., Solmics Shanghai Co., Ltd., SKC solmics Hong Kong Co., Ltd, SKC Semiconductor Materials (Wuxi) Co., Ltd., SKC-Eco Solution Co., Ltd., SKC (Jiangsu) High tech Plastics Co., Ltd., SKC, Inc., SKC Europe GmbH, SK Bioland Co., Ltd., Bioland Biotech Co., Ltd., Bioland Haimen Co., Ltd., SKC Hi-Tech&Marketing Co., Ltd., SKC Hi-Tech&Marketing (Suzhou) Co., Ltd., SKC Hi-Tech&Marketing Taiwan Co., Ltd., SKC Hi-Tech&Marketing Polska SP.Z.O.O, SKC Hi-Tech&Marketing USA LLC, SKC PU Specialty Co., Ltd., SKC (Nantong) PU Specialty Co., Ltd., SKC-ENF Electronic Materials Ltd., SKC(Nantong) Semiconductor Materials Technology, Co., Ltd., SE (Jiangsu) Electronic Materials Co., Ltd., SK PICGLOBAL CO., LTD., SKCFTH CO., LTD., SK Nexlis, SK E&S Co., Ltd., Kangwon City Gas Co., Ltd., Yeongnam Energy Service Co., Ltd., Ko-one Energy Service Co., Ltd., Narae Energy Service Co., Ltd., Pusan City Gas Co., Ltd., Jeonbuk Energy Service Co., Ltd., Chonnam City Gas Co., Ltd., Chungcheong Energy Service Co., Ltd., Paju Energy Service Co., Ltd., Yeosu Energy Service Co., Ltd., SHINAN JEUNGDO SOLAR POWER CO., LTD., SK E&S Hong Kong Co., Ltd., SK E&S Australia Pty. Ltd., SK E&S Americas, Inc., SK E&S LNG, LLC, DewBlaine Energy, LLC, CAILIP Gas Marketing, LLC, Rnes Holdings, LLC, Storage Solution Holdings, LLC, CAES, LLC, Prism Energy International Pte. Ltd., Prism Energy International Zhoushan Limited, Prism Energy International Pte., Ltd., Fajar Energy International Pte. Ltd., Prism Energy International Hong Kong Ltd., PT Prism Nusantara International, SK E&S Dominicana S.R.L., HAE-SSAL SOLAR POWER CO., LTD., Prism DLNG Pte. Ltd., BU12 Australia Pty. Ltd., BU13 Australia Pty. Ltd., Energy Solution Holdings Inc., SK Engineering & Construction Co., Ltd., Seosuwon Development Company, SK TNS Co., Ltd., SKEC Nanjing Co., Ltd., SKEC (Thai), Ltd., Thai Woo Ree Engineering Co., Ltd., SKEC Anadolu, LLC, SK E&C Betek Corporation, Mesa Verde RE Ventures, LLC, SKEC Consultores Ecquador, S.A., Sunlake Co., Ltd., SK Holdco Pte. Ltd., Silvertown Investco Limited, SK Materials Co., Ltd., SK Materials Japan Co., Ltd., SK Materials Taiwan Co., Ltd., SK Materials (Jiangsu) Co., Ltd., SK Materials (Xian) Co., Ltd., SK Airgas Co., Ltd., SK Tri Chem Co.,Ltd, SK Showa Denko Co.,Ltd, SK Materials (Shanghai) Co., Ltd., Happycompanion Co., Ltd., HANYU CHEMICAL CO.,LTD., SK Materials Performance Co.,Ltd, SK Siltron Co., Ltd., SK Siltron America, Inc., SK Siltron Japan, Inc., SK Siltron Shanghai Co., Ltd., SK Siltron USA, Inc, SK Siltron CSS, LLC., Happy Chaem Co., Ltd., SK Biopharmaceuticals Co., Ltd., SK Life Science, Inc., SK Bio-Pharma Tech (Shanghai) Co., Ltd., SK S.E.Asia Pte. Ltd., Essencore Limited, Essencore (Shenzhen) Limited, SK China Company, Ltd., SK Bio Energy Hong Kong Co., Ltd., SK Property Investment Management Co., Ltd., SK Industrial Development China Co., Ltd., Beijing Lizhi Weixin Technology Co., Ltd., Shanghai SKY Real Estate Development Co., Ltd., SK China Investment Management Co., Ltd., SK International Agro-Products Logistics Development Co., Ltd., SK International Agro-Sideline Products Park Co., Ltd., SK Auto Service Hong Kong Co., Ltd., SK (Shenyang) auto rental Co.,</p>

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26. Transactions with related parties (cont'd)

Subsidiary (total 311)	Subsidiary
	Ltd., SK (Beijing) auto rental Co., Ltd., SK Rent-A-Car (Qingdao) Co., Ltd., Skyline Auto Financial Leasing Co., Ltd., SK Financial Leasing Co., Ltd., SK China (Beijing) Co., Ltd., SKY Property Management Ltd., SKY Investment Co., Ltd., SK China Real Estate Co., Ltd., SK C&C Beijing Co., Ltd., SK C&C Chengdu Co., Ltd., SK C&C India Pvt. Ltd., S&G Technology, Saturn Agriculture Investment Co., Ltd., SK Investment Management Co., Ltd., SK Semiconductor Investments Co., Ltd., SK Investment Vina II Pte. Ltd., SK Investment Vina III Pte. Ltd., SK Pharmteco Inc., SK Biotek Co., Ltd., SK Biotek Ireland Limited, SK Biotek USA, Inc., Abrasax Investment Inc., Socar Mobility Malaysia, Sdn. Bhd., Future Mobility Solutions Sdn. Bhd., PT Future Mobility Solutions, Einstein Cayman Limited, I Cube Capital Inc., I Cube Capital II, Inc., Primero Protein LLC, SK Forest Co., Ltd., HWEECHAN Co., Ltd.

(2) Details of transactions with the related parties for the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows (Korean won in millions):

Subsidiary	Company name	September 30, 2020			
		Sales (*1)		Purchase (*2)	
		Three months	Nine months	Three months	Nine months
	SK Innovation Co., Ltd.	₩ 26,615	₩ 119,642	₩ 1,623	₩ 5,497
	SK Energy Co., Ltd.	28,836	81,570	-	62
	SK Global Chemical Co., Ltd.	10,397	26,761	-	-
	SK Incheon Petrochem Co., Ltd.	6,657	17,036	-	-
	SK Lubricants Co., Ltd.	4,953	12,136	-	-
	SK Hi-tech Battery Materials (Jiang su) Co., Ltd.	1,658	7,815	-	-
	SK Battery America, Inc.	3,253	9,876	-	-
	SK Engineering & Construction Co., Ltd.	8,723	34,467	150	150
	SKC Co., Ltd.	2,725	22,993	-	-
	SK E&S Co., Ltd.	459,554	1,127,413	-	-
	SK Biopharmaceuticals Co., Ltd.	1,246	5,085	-	-
	SK Infosec Co., Ltd.	707	2,250	2,960	10,282
	SK C&C Beijing Co., Ltd.	847	11,466	694	4,905
	SK S.E.ASIA Pte. Ltd.	-	37,219	-	-
	SK Networks Co., Ltd.	13,108	45,881	1,441	4,173
	SK Telecom Co., Ltd.	103,898	451,108	3,061	10,391
	SK Broadband Co., Ltd.	22,292	67,172	2,166	6,075
	SK Planet Co., Ltd.	3,725	12,195	1	65
	SK Matrics Co., Ltd.	1,789	24,837	-	-
	SK Siltron Co., Ltd.	8,685	21,003	-	-
	Others	42,202	92,512	3,495	13,046
Other related parties	Hana Land Chip PEF 33	1,657	3,350	9,724	26,911
	SK hynix Inc.	121,013	342,514	3,731	11,129
	SK hynix system ic (Wuxi) Co., Ltd.	558	4,876	-	-
	Socar, Co., Ltd. (*4)	-	-	-	15,000
	THiRA-UTECH Co., Ltd.	-	-	3,522	8,220
	Others	2,546	8,259	1,879	7,754
Others (*3)	SK Gas Co., Ltd.	3,780	10,825	-	-
	SK Chemicals Co., Ltd.	2,713	6,119	-	-
	Others	2,250	9,476	112	428
		<u>₩ 886,387</u>	<u>₩ 2,615,856</u>	<u>₩ 34,559</u>	<u>₩ 124,088</u>

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26. Transactions with related parties (cont'd)

		September 30, 2019			
		Sales (*1)		Purchase (*2)	
	Company name	Three months	Nine months	Three months	Nine months
Subsidiary	SK Innovation Co., Ltd.	₩ 73,952	₩ 323,064	₩ 1,636	₩ 2,557
	SK Energy Co., Ltd.	30,684	77,931	-	-
	SK Global Chemical Co., Ltd.	8,370	22,582	-	-
	SK Incheon Petrochem Co., Ltd.	6,430	18,082	-	-
	SK Lubricants Co., Ltd.	4,643	10,993	-	-
	SK Battery Hungary Kft.	3,190	9,499	-	-
	SK Engineering & Construction Co., Ltd.	6,842	30,312	-	1,739
	SKC Co., Ltd.	2,487	23,472	-	-
	SK E&S Co., Ltd.	3,962	616,853	-	-
	SK Biopharmaceuticals Co., Ltd.	3,210	6,767	-	-
	SK Infosec Co., Ltd.	965	2,982	2,767	9,448
	SK C&C Beijing Co., Ltd.	3,023	13,257	1,645	5,334
	SK S.E.ASIA Pte. Ltd.	-	113,920	-	-
	SK Networks Co., Ltd.	11,023	43,484	442	2,898
	SK Telecom Co., Ltd.	107,167	466,417	6,655	23,629
	SK Broadband Co., Ltd.	27,727	74,775	1,946	6,001
	SK Planet Co., Ltd.	3,978	13,364	-	286
	11Street Co., Ltd.	1,733	4,258	245	245
	SK Matrics Co., Ltd.	1,747	23,919	-	-
	SK Siltron Co., Ltd.	4,787	12,874	-	-
	Others	18,885	51,217	2,431	8,315
Other related parties	Hana Land Chip PEF 33	1,662	3,328	9,696	26,883
	SK hynix Inc.	113,319	327,581	3,822	11,843
	SK hynix Semiconductor (China) Ltd.	4,589	16,073	-	-
	Happyrae Co., Ltd.	282	960	1,182	6,520
	THIRA-UTECH Co., Ltd.	-	-	1,907	3,860
	Others	2,113	7,058	651	6,045
Others	SK Gas Co., Ltd.	2,453	8,530	-	-
	Others	4,637	8,460	4	4
		<u>₩ 453,860</u>	<u>₩ 2,332,012</u>	<u>₩ 35,029</u>	<u>₩ 115,607</u>

(*1) Consists of dividends income received from subsidiaries and others, trademark usage income, rental income and others.

(*2) Consists of rental expenses, outsourcing costs and others.

(*3) Although, not designated as related parties as defined in paragraph 9 of KIFRS 1024, the entity is designated as related parties based on the resolution made by the Securities and Futures Commission that conglomerate affiliates designated by the Fair Trade Commission are related parties based on the substance of relation as regulated by paragraph 10 of KIFRS 1024.

(*4) During the current reporting period, the Company acquired equity ownership of Socar Mobility Malaysia, SDN. BHD. from Socar, Inc.

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26. Transactions with related parties (cont'd)

(3) Details of outstanding balances of receivables and payables with the related parties as of September 30, 2020 and December 31, 2019 are as follows (Korean won in millions):

		September 30, 2020					
		Receivables			Payables		
		Trade	Other	Total	Trade	Other	Total
Subsidiary	Company name	receivables	receivables		payables	payables	
	SK Innovation Co., Ltd.	₩ 29,422	₩ 17,225	₩ 46,647	₩ -	₩ 13,571	₩ 13,571
	SK Energy Co., Ltd.	1,395	-	1,395	-	191	191
	SK Global Chemical Co., Ltd.	124	-	124	-	6,736	6,736
	SK Incheon Petrochem Co., Ltd.	604	-	604	-	1,328	1,328
	SK Lubricants Co., Ltd.	-	-	-	-	4,546	4,546
	SK Hi-tech Battery Materials (Jiang su) Co., Ltd.	5,496	-	5,496	-	6	6
	SK Battery America, Inc.	6,333	-	6,333	-	97	97
	SK Engineering & Construction Co., Ltd.	3,418	-	3,418	-	114	114
	SKC Co., Ltd.	2,386	-	2,386	-	2,068	2,068
	SK E&S Co., Ltd.	4,909	20	4,929	-	218	218
	SK Biopharmaceuticals Co., Ltd.	734	-	734	-	2	2
	SK Infosec Co., Ltd.	776	-	776	1,783	1,424	3,207
	SK C&C Beijing Co., Ltd.	4,761	-	4,761	253	875	1,128
	SK Networks Co., Ltd.	6,584	20	6,604	-	1,389	1,389
	SK Telecom Co., Ltd.	41,500	361	41,861	802	5,963	6,765
	SK Broadband Co., Ltd.	22,073	-	22,073	443	512	955
	SK Planet Co., Ltd.	4,078	-	4,078	-	8	8
	SK Materials Co., Ltd.	1,132	-	1,132	-	515	515
	SK Siltron Co., Ltd.	6,362	-	6,362	-	82	82
	Others	39,153	872	40,025	86	10,757	10,843
Other related parties	Hana Land Chip PEF 33	-	5,983	5,983	-	17,115	17,115
	SK hynix Inc.	171,118	8,380	179,498	-	37,627	37,627
	SK hynix system ic (Wuxi) Co., Ltd.	1,096	-	1,096	-	36	36
	THIRA-UTECH Co., Ltd.	-	-	-	582	-	582
	Others	1,973	146	2,119	1,161	1,385	2,546
Others (*1)	SK Gas Co., Ltd.	2,716	-	2,716	-	720	720
	SK Chemicals Co., Ltd.	2,255	-	2,255	-	-	-
	Others	4,719	-	4,719	-	936	936
		<u>₩ 365,117</u>	<u>₩ 33,007</u>	<u>₩398,124</u>	<u>₩ 5,110</u>	<u>₩ 108,221</u>	<u>₩ 113,331</u>

(*1) Although, not designated as related parties as defined in paragraph 9 of KIFRS 1024, the entity is designated as related parties based on the resolution made by the Securities and Futures Commission that conglomerate affiliates designated by the Fair Trade Commission are related parties based on the substance of relation as regulated by paragraph 10 of KIFRS 1024.

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26. Transactions with related parties (cont'd)

		December 31, 2019					
		Receivables			Payables		
Company name		Trade	Other	Total	Trade	Other	Total
		receivables	receivables		payables	payables	
Subsidiary	SK Innovation Co., Ltd.	₩ 23,415	₩ 40,517	₩ 63,932	₩ -	₩ 11,787	₩ 11,787
	SK Energy Co., Ltd.	10,543	-	10,543	-	2,466	2,466
	SK Global Chemical Co., Ltd.	4,816	-	4,816	-	5,691	5,691
	SK Incheon Petrochem Co., Ltd.	1,644	-	1,644	-	2,002	2,002
	SK Lubricants Co., Ltd.	2,093	-	2,093	-	4,869	4,869
	SK Battery Hungary Kft.	324	-	324	-	407	407
	SK Engineering & Construction Co., Ltd.	3,474	-	3,474	-	1,324	1,324
	SKC Co., Ltd.	2,664	-	2,664	-	24	24
	SK E&S Co., Ltd.	6,017	153	6,170	-	600	600
	SK Biopharmaceuticals Co., Ltd.	2,231	-	2,231	-	113	113
	SK Infosec Co., Ltd.	1,520	-	1,520	1,375	3,161	4,536
	SK C&C Beijing Co., Ltd.	6,412	-	6,412	488	1,563	2,051
	SK Networks Co., Ltd.	6,043	20	6,063	1	2,858	2,859
	SK Telecom Co., Ltd.	54,408	357	54,765	216	6,987	7,203
	SK Broadband Co., Ltd.	34,868	-	34,868	397	5,959	6,356
	SK Planet Co., Ltd.	5,229	-	5,229	686	169	855
	11Street Co., Ltd.	1,312	-	1,312	-	90	90
	SK Materials Co., Ltd.	1,023	-	1,023	-	428	428
	SK Siltron Co., Ltd.	7,449	-	7,449	-	381	381
	Others	21,553	629	22,182	319	9,713	10,032
Other related parties	Hana Land Chip PEF 33	-	5,983	5,983	-	42,464	42,464
	SK hynix Inc.	166,543	8,154	174,697	-	28,412	28,412
	SK hynix Semiconductor (China) Ltd.	2,932	-	2,932	-	628	628
	SK hynix system ic (Wuxi) Co., Ltd.	1,766	-	1,766	-	-	-
	THIRA-UTECH Co., Ltd.	-	-	-	628	20	648
	Others	2,667	3,019	5,686	1,268	2,872	4,140
Others (*1)	SK Gas Co., Ltd.	455	-	455	-	153	153
	SK Chemicals Co., Ltd.	976	-	976	-	-	-
	Others	1,290	-	1,290	-	-	-
		<u>₩ 373,667</u>	<u>₩ 58,832</u>	<u>₩432,499</u>	<u>₩ 5,378</u>	<u>₩ 135,141</u>	<u>₩ 140,519</u>

(*1) Although, not designated as related parties as defined in paragraph 9 of KIFRS 1024, the entity is designated as related parties based on the resolution made by the Securities and Futures Commission that conglomerate affiliates designated by the Fair Trade Commission are related parties based on the substance of relation as regulated by paragraph 10 of KIFRS 1024.

(4) Compensation for key management personnel of the Company for the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows (Korean won in millions):

	September 30, 2020		September 30, 2019	
	Three months	Nine months	Three months	Nine months
Salaries	₩ 3,848	₩ 10,978	₩ 2,904	₩ 8,686
Provision for pension benefits	514	6,172	367	2,175
Share compensation expense	227	653	198	778
Total	<u>₩ 4,589</u>	<u>₩ 17,803</u>	<u>₩ 3,469</u>	<u>₩ 11,639</u>

Key management consists of registered executives who are responsible for the planning, operation and control of the Company's business activities.

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26. Transactions with related parties (cont'd)

(5) Details of significant transactions with related parties in relation to the investments for the nine-month period ended September 30, 2020 are as follows (U.S. dollars in thousands):

	<u>Currency</u>	<u>Amount</u>	<u>Transactions</u>
SK South East Asia Investment Pte. Ltd.	USD	100,000	Share capital increase

(6) Details of significant treasury transactions with related parties for the nine-month periods ended September 30, 2020 and 2019 are as follows (U.S. dollars in thousands):

<u>Company</u>	<u>Currency</u>	<u>September 30, 2020</u>		<u>September 30, 2019</u>	
		<u>Loans</u>	<u>Collection</u>	<u>Loans</u>	<u>Collection</u>
Kinestral Technologies Inc.	USD	-	2,483	-	-

(7) Guarantees provided to related parties are described in Note 29.

27. Assets held for sale

Details of assets held for sale as of September 30, 2020 are as follows (Korean won in millions):

<u>Division</u>	<u>Assets</u>	
Investment in associates: ESR Cayman Limited (*1)	₩	288,279

(*1) As the Company decided to sell its entire investment in ESR Cayman Limited during the current period, the Company sold a portion of the shares and classified the remaining shares as held-for-sale assets, measured at the lower of fair value less costs to sell and the carrying amount.

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28. Cash flow information

(1) Details of non-cash adjustments for the nine-month periods ended September 30, 2020 and 2019 are as follows (Korean won in millions):

	For the nine-month period ended	
	September 30, 2020	September 30, 2019
Provision for pension benefits	₩ 30,991	₩ 26,833
Depreciation	59,059	55,704
Amortization	19,132	14,805
(Reversal of) bad debt expenses	120	(154)
Provisions transferred in	1,058	4,520
Interest expenses	135,026	135,805
Loss on foreign currency translation	370	86
Loss on valuation of financial assets measured at FVTPL	-	95
Loss on valuation of derivative instruments	236	258
Loss on impairment of investments in associates and joint ventures	-	58
Loss on disposal of property, plant and equipment	63	21
Loss on disposal of intangible assets	15	4
Share-based payment expenses	653	778
Income tax expense	299,071	70,832
Dividends income	(1,474,542)	(1,247,460)
Interest income	(3,855)	(5,295)
Gain on foreign currency translation	(299)	(732)
Gain on valuation of financial assets measured at FVTPL	(213)	(1,141)
Gain on valuation of derivative instruments	(592)	(106)
Gain on disposal of investments in subsidiaries and associates and joint ventures	(521,834)	-
Gain on disposal of property, plant and equipment	(53)	(95)
Others	565	(2,212)
	₩ (1,455,029)	₩ (947,396)

SK Holdings Co., Ltd.
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28. Cash flow information (cont'd)

(2) Details of working capital adjustments for the nine-month periods ended September 30, 2020 and 2019 are as follows (Korean won in millions):

	For the nine-month period ended	
	September 30, 2020	September 30, 2019
Trade receivables	₩ (35,303)	₩ 19,159
Other receivables	(3,260)	(28,689)
Inventories	(104)	(61)
Advance payments	606	5,073
Lease receivables	25,157	24,233
Prepaid expenses	(15,968)	(32,654)
Trade payables	(73,236)	5,161
Advance received	116,016	79,446
Withholdings	(6,564)	(19,574)
Other payables	(16,164)	(9,712)
Accrued expenses	(21,099)	25,243
Leasehold deposits received	62	(632)
Provisions	(2,703)	(3,313)
Retirement benefits paid	(11,577)	(3,082)
Plan assets	13,430	4,602
Others	22	(970)
	<u>₩ (30,685)</u>	<u>₩ 64,230</u>

(3) Details of significant non-cash transactions for the nine-month periods ended September 30, 2020 and 2019 are as follows (Korean won in millions):

	For the nine-month period ended	
	September 30, 2020	September 30, 2019
Account reclassification of lease receivables from changes in accounting policies	-	(71,125)
Account reclassification of lease liabilities from changes in accounting policies	-	132,448
Transfer of long-term bonds payable to current-portion	822,102	841,778
Payables regarding the acquisition of property, plant and equipment and intangible assets	543	(668)

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29. Commitments and contingencies

(1) Guarantees provided by others for the Company's obligations and indebtedness as of September 30, 2020 and December 31, 2019 are as follows (Korean won in millions, USD in thousands):

	Currency	September 30, 2020	December 31, 2019
Seoul Guarantee Insurance	KRW	2,239	300
Korea Software Financial Cooperative	KRW	358,806	291,860

(2) Pending litigation

There are no major pending litigations as of September 30, 2020.

(3) Significant commitments

- 1) SK Innovation Co., Ltd., SK Energy Co., Ltd., SK Global Chemical Co., Ltd., SK Lubricants Co., Ltd., SK Incheon Petrochem Co., Ltd., SK Trading International Co., Ltd. and SK ie technology Co., Ltd. are collectively responsible for any obligations arising before the spin-off on July 1, 2007. The Company and SK Biopharmaceuticals Co., Ltd. are collectively responsible for any obligations that occurred before the spin-off on April 1, 2011.
- 2) The Company entered into a contract to lease the headquarters building from NH Bank, the trustee of Hana Asset Management Co., Ltd. Under the terms of the lease, the lease period is until March 27, 2021, and the Company has the preemptive right to purchase the building at the fair value when the lessor elects to dispose the property.
- 3) The Company holds IT outsourcing and IT system maintenance agreements to provide hardware and information systems maintenance, and development service entered into between the Company and the affiliates of SK Group and others.
- 4) The Company entered into a contract with Gyeonggi province on May 31, 2011 to purchase land located in Pangyo Land Development District. The total agreement amount is ₩82,964 million (the Company's portion: ₩45,536 million (54.9%)), which will be used for the construction of urban infrastructure facilities ("designated purpose" of the land). The contract includes requirements to be complied with and restrictions in transfer of ownership of the land. Should there be non-compliance, the contract may be terminated or cancelled.

29. Commitments and contingencies (cont'd)

- 5) The Company has total return swap contracts in regards to SK Shipping Co., Ltd.'s issuance of ordinary shares and sale of existing shares, and details are as follows:

	Subscription of new shares	Sale of existing shares
Investor	Special Situation 1 st Fund	Corporate Turnaround 1 st Fund
Number of shares	6,548,672	4,808,259
Contract date	April 11, 2017	May 11, 2017
Expiry date	April 10, 2022	May 10, 2022
Settlement	The Company and the investors settle the amount that deducts the issue price from the net selling price in cash. If the amount is positive, the investor shall pay to the Company, and if the amount is negative, the Company shall pay to the investor. In case where the sale is not complete, the selling price of the shares is considered to be 0.	
Premium	The Company shall pay to the investors the amount equivalent to 3.14% of the total shares held by investors annually. When the investor receives dividends on the shares held, the amount shall be paid to the Company.	
Call option	The Company has the right to purchase the shares held by the investors at the issued price of the ordinary shares with certain level of additional charges.	

- 6) The Company entered into total return swap contracts with ordinary share investors of SK Siltron Co., Ltd., one of the subsidiaries. The details are as follows:

	Total return swap
Investor	Warmachine Sixth Co., Ltd. and others
Number of shares	13,140,440
Contract date	August 25, 2017
Expiry date	August 24, 2022
Settlement	The Company and the investors settle the amount that deducts the issue price from the net selling price in cash. If the amount is positive, the investor shall pay to the Company, and if the amount is negative, the Company shall pay to the investor. In case where the sale is not complete, the selling price of the shares is considered to be 0.
Premium	The Company shall pay 0.5% of the initial contract amount on the closing date of the transaction and shall pay to the investors the amount equivalent to 3.20% of the total shares held by investors annually. When the investor receives dividends on the shares held, the amount shall be paid to the Company.
Call option	On the three-month basis from the closing date of sale ("the quarterly payment day"), the Company has the right to purchase the shares held by the investors at the initial contract price of the ordinary shares with certain level of additional charges.

29. Commitments and contingencies (cont'd)

- 7) The Company entered into total return swap contracts with ordinary share investors of SK E&S Co., Ltd., one of the subsidiaries. The details are as follows.

	Total return swap
Investor	MD Prime 1st Co., Ltd. and others
Number of shares	4,640,199
Contract date	November 14, 2017
Expiry date	November 13, 2022
Settlement	The Company and the investors settle the amount that deducts the issue price from the net selling price in cash. If the amount is positive, the investor shall pay to the Company, and if the amount is negative, the Company shall pay to the investor. In case where the sale is not complete, the selling price of the shares is considered to be 0.
Premium	The Company shall pay to the investors the amount equivalent to 3.07% of the total shares held by investors annually. When the investor receives dividends on the shares held, the amount shall be paid to the Company.
Call option	On the premium payment date and on the three-month basis between the date on which the resolution is made by the Board of Directors with regards to designation of IPO supervisor and the submission date of demand of preliminary assessment for listing ("the quarterly payment day"), the Company has the right to purchase the shares held by the investors at the initial contract price of the ordinary shares with certain level of additional charges.

- 8) SK E&S LNG, LLC, one of the subsidiaries, is scheduled to be provided with liquefaction service for 20 years from FLNG Liquefaction 3, LLC, which plans to operate natural gas liquefaction plants in Texas starting from 2019. As of September 30, 2020, SK E&S Co., Ltd., one of the subsidiaries, is responsible for performance guarantee in case of SK E&S LNG, LLC's inability to make payments for service or for claims against breach of obligation. In regard to this, the Company provides performance guarantee for SK E&S Co., Ltd.'s guarantee.
- 9) The Company entered into a cash deficiency support agreement with Hudson Energy NY, LLC, a subsidiary of Plutus Capital NY, Inc., to lend funds for the shortfall of payment for loans and credit limit of USD 226,000 thousand.
- 10) The Company entered into a cash deficiency support agreement with Abrasax Investment Inc., a subsidiary of Alchemy Acquisition Corp., which is a subsidiary of the Company, to lend funds for the shortfall of payment for loans and credit of up to USD 315,000 thousand.
- (4) The Company has provided 7 blank checks and 10 blank notes as collateral in relation to sales and other transactions as of September 30, 2020.

30. Financial risk management

The principal financial liabilities of the Company comprise borrowings, bonds payable, trade and other payables. The main purpose of these financial liabilities is to finance the operations of the Company. Further, the Company has various financial assets, including trade and other receivables that are directly related to its operations.

The Company's financial assets and liabilities are exposed to mainly market risk, credit risk and liquidity risk. The Company's key management is responsible for the Company's financial risk-taking activities, and that such activities are governed by appropriate policies and procedures.

(1) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks comprise three types of risk: interest rate, foreign currency and other price.

1) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company's risk hedging activities are evaluated periodically in order to consider the status of interest rates and degree of risk aversion and fulfill optimal risk hedging strategies. The Company does not believe the fluctuation in market interest rate other than those mentioned above has a material impact on its financial statements.

2) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The exposure to the risk of changes in foreign exchange rates relates primarily to selling and purchasing. The Company manages its foreign currency risk periodically.

Significant monetary assets and liabilities denominated in foreign currencies as of September 30, 2020 and December 31, 2019 are as follows (Korean won in millions, and USD, EUR and Others in thousands):

	Currency	September 30, 2020		December 31, 2019	
		Foreign currencies	Korea won equivalent	Foreign currencies	Korea won equivalent
Assets	USD	21,020	₩ 24,667	19,519	₩ 22,599
	EUR	393	538	573	743
	Others		5,524		7,058
			₩ 30,729		₩ 30,400
Liabilities	USD	1,752	₩ 2,056	5,918	₩ 6,851
	EUR	9	12	11	14
	Others		23,856		1,407
			₩ 25,924		₩ 8,272

Should the exchange rate of the aforementioned currencies fluctuate by 10%, the effects on income before income tax expense would be as follows (Korean won in millions):

	September 30, 2020		December 31, 2019	
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
Increase (decrease) in income before tax expense	₩ 481	₩ (481)	₩ 2,213	₩ (2,213)

3) Other price risk

Other price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices other than from interest rate risk and foreign currency risk. The Company has not determined that the effect of changes in other price would have materially affected the Company.

(2) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment assets.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as of September 30, 2020 and December 31, 2019 is as follows and for cash and cash equivalents, credit risk exposure is low (Korean won in millions):

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Short-term and long-term financial instruments	₩ 140,465	₩ 153,221
Trade receivables	287,637	320,138
Other receivables	5,865	1,117
Accrued income	111	142
Investment securities	376,196	286,932
Short-term and long-term guarantee deposits	23,962	21,544
Short-term and long-term lease receivables	16,970	40,254
Short-term loans	-	2,871
Financial derivatives asset	385,174	384,996
	<u>₩ 1,236,380</u>	<u>₩ 1,211,215</u>

1) Trade and other receivables

Customer credit risk is managed by each business unit subject to the Company's established policies, procedures and control related to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

Maximum exposure to credit risk at the reporting date is the book value of each class of financial assets. The Company apply a simple method that recognizes lifetime expected credit losses as a provision for losses on account receivables and other receivables. To measure expected credit losses, trade receivables and contract assets were separated by credit risk characteristics and past due dates.

2) Other financial assets

Credit risk arising from other financial assets consists of long-term and short-term financial instruments, occurrence of trade opponent arising from the bankruptcy, etc. In this case, the credit risk exposure of the Company will be the same as the book value of the maximum applicable financial instruments. On the other hand, the management of the Company's credit rating, because it is excellent to deal with financial institutions, is judged to have limited impact on the credit risk of the financial institutions of the Company.

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(3) Liquidity risk

Liquidity risk refers to the risk that the Company may default on the contractual obligations that become due. The Company manages its risk to a shortage of funds using a recurring liquidity planning tool.

The contractual maturity of financial liabilities as of September 30, 2020 is as follows. Amounts include interests paid and presented at gross amounts (Korean won in millions):

	Book value	Contractual cash flow	Less than 3 months	3-12 months	1-5 years	More than 5 years
Short-term borrowings	₩ 420,000	₩ 421,900	₩ 311,569	₩ 110,331	₩ -	₩ -
Bonds payable	6,589,256	7,094,759	477,879	920,055	4,482,804	1,214,021
Financial derivatives liabilities	222,526	222,526	60	91	222,375	-
Trade accounts payable	87,015	87,015	87,015	-	-	-
Lease liabilities	78,011	79,681	13,521	30,817	35,343	-
Other liabilities	155,828	155,828	86,849	68,787	192	-
	<u>₩ 7,552,636</u>	<u>₩ 8,061,709</u>	<u>₩ 976,893</u>	<u>₩ 1,130,081</u>	<u>₩ 4,740,714</u>	<u>₩ 1,214,021</u>

(4) Capital management

The fundamental goal of capital risk management is to maintain a solid financial structure. In addition, as the Company is a holding company, it should maintain a debt ratio of less than 200% under Article 8 of *Monopoly Regulations and Fair Trade Law*. The debt ratio is calculated as total liabilities divided by total equity.

The Company maintains a debt ratio of 57.12% as of September 30, 2020. The maturity of the debt is dispersed in the long-term and the borrowings mainly consist of long-term bonds, which do not present significant risks for unexpected payment for debts.

The Company's debt ratio as of September 30, 2020 and December 31, 2019 is as follows (Korean won in millions):

	September 30, 2020	December 31, 2019
Total liabilities	₩ 8,465,518	₩ 9,132,524
Total equity	14,820,495	13,402,562
Debt ratio	57.12%	68.14%