

Macquarie Korea Infrastructure Fund

Financial Statements

December 31, 2022 and 2021

Macquarie Korea Infrastructure Fund
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December 31, 2022 and 2021

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Independent Auditor's Report

(English Translation of a Report Originally Issued in Korean)

To the Board of Directors and Shareholders of
Macquarie Korea Infrastructure Fund

Opinion

We have audited the accompanying financial statements of Macquarie Korea Infrastructure Fund (the Company), which comprise the statements of financial position as at December 31, 2022 and 2021, and the statements of profit or loss, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Macquarie Korea Infrastructure Fund as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with Korean Accounting Standards 5003 (collective investment vehicle).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Estimation of recoverable amount of investment assets

We focused on recoverable amounts of investment assets due to the significant size of the assets (₩3,014,172 million total amount of loans receivable(notes 4), equity securities(notes 5), Interest receivable(notes 7) as at December 31, 2022), and because the assessment of the recoverable amounts of the assets involves management's judgements about growth rates and discount rates applied to future cash flow forecast. See Note 2 of the financial statements for the related accounting policies.

How our audit addressed the Key Audit Matter

We have performed the following audit procedures for the key audit matter

- We assessed the appropriateness of valuation model used by management for the estimation of recoverable amounts.
- We understood and assessed the procedures and controls in relation to estimation of recoverable amounts of management.
- We confirmed whether the estimates of recoverable amounts are approved by the Chief Executive Officer and reported to the Board of Directors.
- We compared the actual performance of the current period with the estimates of the prior period to ensure whether the estimates included optimistic assumptions.
- We assessed the reasonableness of the key assumptions used in the estimations of future cash flows.
 - Consistency of the sales growth rate, operation margin and investment forecasts with the past performance and market conditions.
 - Compared the inflation rate applied independently with the inflation rate of the Company.
 - Compared the discount rate computed independently using the observable information with

- the discount rate applied by management.
- Reviewed completeness and accuracy in the concession agreements used in the estimations.
- We assessed the results of a sensitivity analysis on discount rate and growth rate used by management in order to assess the impact of changes in key assumptions on the evaluation of recoverable amounts.
- We compared the recoverable amounts computed with the book amounts.

Other Matter

Accounting principles and auditing standards and their application in practice vary among countries. The accompanying financial statements are not intended to present the financial position, financial performance and cash flows in conformity with accounting principles and practices generally accepted in countries and jurisdictions other than the Republic of Korea. In addition, the procedures and practices used in the Republic of Korea to audit such financial statements may differ from those generally accepted and applied in other countries.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Korean Accounting Standards 5003 (collective investment vehicle), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Korean Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Hwi-Chul Jin, Certified Public Accountant.

The signature is written in a cursive, handwritten style. It reads "Samil PricewaterhouseCoopers". The "S" is large and loops around the "am". The "PricewaterhouseCoopers" part is written in a more fluid, connected script.

Seoul, Korea
January 31, 2023

This report is effective as of January 31, 2023, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

Macquarie Korea Infrastructure Fund
Statements of Financial Position
December 31, 2022 and 2021

MACQUARIE KOREA INFRASTRUCTURE FUND
Statements of Financial Position
December 31, 2022 and 2021

(Unit : in Korean Won)

	2022	2021
Assets		
Invested assets:		
Cash and deposits (Note 3)	₩ 27,546,914,776	₩ 53,509,690,772
Loans (Note 4, 7, 19)	1,707,252,696,407	1,628,613,766,884
Equity securities (Note 5, 7, 9, 19)	571,032,426,884	511,834,693,779
Total invested assets	2,305,832,038,067	2,193,958,151,435
Other assets:		
Interest receivable (Note 7)	735,892,257,347	621,743,659,680
Other receivables	2,350,111,540	2,347,967,260
Advance payments	2,121,049,646	2,094,193,596
Prepaid expenses (Note 6)	1,894,576,630	2,581,947,267
Total other assets	742,257,995,163	628,767,767,803
Total assets	₩ 3,048,090,033,230	₩ 2,822,725,919,238
Liabilities:		
Operating liabilities		
Corporate bond (Note 11)	₩ 348,914,225,749	₩ 250,408,871,396
Long-term debt (Note 10)	137,151,167,119	20,105,616,435
Other liabilities (Note 12)		
Fees payable (Note 8)	10,236,775,833	12,323,737,064
Accrued expense	1,998,934,474	632,681,696
Advance receipt	5,367,846,216	5,739,311,159
Other payable	3,414,000,380	2,276,360
Total liabilities	507,082,949,771	289,212,494,110
Shareholders' equity:		
Share capital (Note 13)	2,448,936,527,780	2,448,936,527,780
Retained earnings (Note 13) (Total shares 2022: 404,845,547 shares 2021: 404,845,547 shares) (Net asset value per share in Korean Won 2022: ₩6,276 2021: ₩6,258)	92,070,555,679	84,576,897,348
Total shareholders' equity	2,541,007,083,459	2,533,513,425,128
Total liabilities and shareholders' equity	₩ 3,048,090,033,230	₩ 2,822,725,919,238

The above statements of financial position should be read in conjunction with the accompanying notes.

Macquarie Korea Infrastructure Fund
Statements of Profit or Loss
Years Ended December 31, 2022 and 2021

MACQUARIE KOREA INFRASTRUCTURE FUND
Statements of Profit or Loss
For the years ended December 31, 2022 and 2021

(Unit : in Korean Won)

	2022	2021
Revenue:		
Interest income (Note 4,7)	₩ 268,303,082,095	₩ 235,380,636,276
Dividend income (Note 5,7)	108,033,001,253	112,761,811,895
Other income (Note 4)	289,873,238	209,960,675
Total Income	376,625,956,586	348,352,408,846
Expenses:		
Management fees (Note 8)	44,340,538,246	41,607,436,684
Custodian fees (Note 8)	501,729,256	454,143,113
Administrator fees (Note 8)	313,580,784	283,839,444
Interest expense(Note 10,11)	13,615,558,006	7,079,411,784
Other expenses (Note 7, 15)	2,678,276,243	2,257,092,488
Total expenses	61,449,682,535	51,681,923,513
Profit before tax	315,176,274,051	296,670,485,333
Income tax expense (Note 16)	-	-
Profit for the period (Note 18)	₩ 315,176,274,051	₩ 296,670,485,333
Earnings per share (Note 18)	₩ 779	₩ 771

The above statements of profit or loss should be read in conjunction with the accompanying notes.

Macquarie Korea Infrastructure Fund
Statements of Changes in Equity
Years Ended December 31, 2022 and 2021

MACQUARIE KOREA INFRASTRUCTURE FUND
 Statements of Changes in Equity
 For the years ended December 31, 2022 and 2021

(Unit : in Korean won)

	Share capital	Retained earnings	Total
Balance at January 1, 2021	₩2,057,517,050,278	₩59,606,926,065	₩2,117,123,976,343
Paid-in capital increase (Note 13)	393,469,397,100	-	393,469,397,100
Stock issuance cost (Note 13)	(2,049,919,598)	-	(2,049,919,598)
Profit for the period	-	296,670,485,333	296,670,485,333
Cash distribution (Note 14)	-	(271,700,514,050)	(271,700,514,050)
Balance at December 31, 2021 (Total shares: 404,845,547 shares, Net asset value per share in Korean Won : ₩6,258) (Note 13)	₩2,448,936,527,780	₩84,576,897,348	₩2,533,513,425,128
Balance at January 1, 2022	₩2,448,936,527,780	₩84,576,897,348	₩2,533,513,425,128
Profit for the period	-	315,176,274,051	315,176,274,051
Cash distribution (Note 14)	-	(307,682,615,720)	(307,682,615,720)
Balance at December 31, 2022 (Total shares: 404,845,547 shares, Net asset value per share in Korean Won : ₩6,276) (Note 13)	₩2,448,936,527,780	₩92,070,555,679	₩2,541,007,083,459

The above statements of changes in equity should be read in conjunction with the accompanying notes.

Macquarie Korea Infrastructure Fund
Statements of Cash Flows
Years Ended December 31, 2022 and 2021

MACQUARIE KOREA INFRASTRUCTURE FUND
Statements of Cash Flows
For the year ended December 31, 2022 and 2021

(Unit : in Korean Won)

Cash flows from operating activities:	2022	2021
Cash inflows from operating activities	₩ 278,150,820,173	₩ 264,565,845,080
Collection of loans	16,000,000,000	13,000,000,000
Interest income	153,830,089,962	138,594,072,510
Dividend income	108,036,451,253	112,761,811,895
Other income	284,278,958	209,960,675
Cash outflows from operating activities:	(199,693,328,649)	(463,986,010,186)
Purchase of equity securities	(55,785,233,105)	(47,925,000,000)
Purchase of loans	(94,686,000,000)	(375,900,000,000)
Prepayment	(26,856,050)	(135,363,990)
Management fee	(46,437,860,145)	(37,940,836,727)
Custodian fee	(501,445,768)	(422,245,365)
Administrator fee	(313,403,604)	(220,696,341)
Payment of deferred costs	(82,748,000)	(75,640,660)
Other expenses	(1,859,781,977)	(1,366,227,103)
Net cash inflows(outflows) from operating activities	78,457,491,524	(199,420,165,106)
Cash flows from financing activities:		
Cash inflows from financing activities	934,070,526,036	811,924,533,545
Proceeds from long-term debt	285,000,000,000	150,000,000,000
Proceeds from bond	649,070,526,036	268,455,136,445
Proceeds from capital increase	-	393,469,397,100
Cash outflows from financing activities	(1,038,490,793,556)	(630,356,752,464)
Repayment of long-term debt	(168,141,780,817)	(130,274,923,285)
Repayment of bond	(550,673,756,175)	(217,799,185,757)
Interest expense	(11,912,640,844)	(6,421,506,000)
Stock issuance cost	-	(4,080,623,372)
Costs of borrowings	(80,000,000)	(80,000,000)
Distribution	(307,682,615,720)	(271,700,514,050)
Net cash inflows(outflows) from financing activities	(104,420,267,520)	181,567,781,081
Net increase(decrease) in cash and cash equivalents	(25,962,775,996)	(17,852,384,025)
Cash and cash equivalents at the beginning of the year	53,509,690,772	71,362,074,797
Cash and cash equivalents at the end of the year	₩ 27,546,914,776	₩ 53,509,690,772

The above statements of cash flows should be read in conjunction with the accompanying notes.

Macquarie Korea Infrastructure Fund

Notes to the Financial Statements

December 31, 2022 and 2021

1. Organization and Description of Business

Macquarie Korea Infrastructure Fund (the “Company”) was incorporated on December 12, 2002, under the Securities Investment Company Act (the “SICA”) and the Act on Public-Private Participation in Infrastructure (the “PPIA”). The Company is an investment company that operates by investing in entities that have entered into infrastructure developments with central, provincial and city governments in Korea implemented under the framework of the PPIA. The Company, which was classified as an investment company under the Indirect Investment Asset Management Business Act (“IIAMBA”), was registered as an investment company under the Financial Investment Services and Capital Markets Act (the “FSCMA”) on April 30, 2009 and amended its Articles of Incorporation on June 15, 2009.

Under the Article 184 of the the FSCMA, the Company shall not have any employees and full-time directors. Instead, the Company is required under the the FSCMA to appoint a manager, custodian, administrator and sales agents. Macquarie Korea Asset Management Co., Ltd. (Former, Macquarie Shinhan Infrastructure Asset Management Co., Ltd.) is the Company’s asset manager. Macquarie Korea Asset Management Co., Ltd. (the “Manager”) had been a joint venture between the Macquarie Group and Shinhan Financial Group and Shinhan Financial Group transferred its total share to Macquarie Group and changed its name to Macquarie Korea Asset Management Co., Ltd. on February 28, 2012.

In November 2005, the Manager was licensed as an infrastructure fund asset management company under the IIAMBA and on February 4, 2009, the Manager was re-licensed as an infrastructure fund asset management company under the the FSCMA. On June 24, 2010, the Manager was authorized as the manager of special asset collective investment vehicle under the the FSCMA. Also on November 27, 2013, the Manager was authorized as the manager of real estate collective investment vehicle under the the FSCMA and expanded its business scope. On October 26, 2015, the Company additionally completed registration of professional private collective investment business according to revision of the FSCMA.

The Company listed its Depository Receipts (“DR”) on the London Stock Exchange Professional Securities Market on March 14, 2006 and listed its ordinary share on the Korea Stock Exchange on March 15, 2006. Also, the Company delisted from the London Stock Exchange Professional Securities Market on March 24, 2016.

2. Summary of Significant Accounting Policies and Basis of Presenting Financial Statements

The Company maintains its accounting records in Korea and prepares financial statements in conformity with the the FSCMA, the Statement of Accounting Standards (“SAS”) No. 5003, “Collective Investment Vehicle”.

(1) Revenue Recognition

Revenue is recognized when the Company’s revenue-earning activities have been substantially completed, the amount of revenue can be measured reliably, and it is highly probable that the economic benefits associated with the transaction will flow to the Company.

Interest income on loans is recognized on an accrual basis. In principle, the Company recognizes interest income using the effective interest rate method over the term of the loan. Dividend income due to the liquidation of special purpose company is recognized when it is received.

(2) Cash and Deposits

The Company considers cash and deposits to include funds deposited in cash and cash equivalent, deposits, and time deposits.

(3) Loans Receivable

The acquisition costs of loans receivable are initially carried at cost. The costs and revenues

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Notes to the Financial Statements

December 31, 2022 and 2021

related to loan acquisitions are deferred and amortized over the term of the respective loan.

According to the Regulations on Financial Investment Business established by the Financial Services Commission, the Company assesses the potential impairment of loans receivable when there is evidence that events or changes in circumstances have made the recovery of an asset's carrying value unlikely. The carrying value of the asset is reduced to its estimated realizable value by recording an impairment loss charged to current operations and presenting it as a reduction from the said carrying value.

(4) Investment Securities

Under the SAS No. 5003, "Collective Investment Vehicle", investment securities are initially recognized at cost, including incidental expenses. Investment securities in accordance with SAS No. 5003 are classified into equity securities, debt securities, beneficiary certificates and other securities.

(5) Valuation on Invested Assets

Invested assets are subsequently measured at fair value under SAS No. 5003 and changes in the fair values of the securities are recognized in the profit(loss) for the period. However, in case the valuation methodologies are stipulated in the FSCMA and its presidential decree, invested assets are measured according to such methodologies. Under the provision of the FSCMA, invested securities are measured at market price, but when a reliable market price is not readily determinable at the measurement date, collective investment assets are measured at fair value which is the price stipulated in the presidential decree of FSCMA.

According to the presidential decree of FSCMA, the fair value of loans and unlisted equity securities are determined by the Collective Investment Property Appraisal Committee ("Appraisal Committee") of Macquarie Korea Asset Management Co., Ltd. based on acquisition cost, transaction price, etc. As at December 31, 2022, the Appraisal Committee has chosen to adopt acquisition cost as its fair value for the loans and unlisted equity securities.

(6) Distributions

Distributions are declared and recorded upon approval by the Company's board of directors as defined under the Company's Articles of Incorporation.

(7) Provisions

When there is a probability that an outflow of economic benefits will occur due to a present obligation resulting from a past event, and whose amount is reasonably estimable, a corresponding amount of provision is recognized in the financial statements. However, when such outflow is dependent upon a future event, is not certain to occur, or cannot be reliably estimated, a disclosure regarding the contingent liability is made in the notes to the financial statements. In addition, when the difference in value is important between the present value and current nominal value of provision, the Company values the provision at the present value of the expenditures expected to fulfill the obligation.

Where some or all of the expenditure required settling a provision is expected to be reimbursed by another party, the reimbursement shall be recognized when, and only when, it is virtually certain that reimbursement will be received if the Company settles the obligation. The reimbursement shall be treated as a separate asset and the corresponding income is offset against the related recognized expense due to the recognition of provision.

(8) Net Asset Value per Share

Net asset value per share is calculated as the carrying value of net assets of the Company divided by the outstanding numbers of shares.

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Notes to the Financial Statements

December 31, 2022 and 2021

(9) Earnings per Share

Earnings per share is calculated by dividing profit for the period by the weighted-average numbers of shares outstanding during each period.

(10) Income Taxes

As described in Note 1, the Company is an investment company under the the FSCMA, which is defined as a collective investment vehicle established in the form of a corporation under the Korean Commercial Code to distribute to its shareholders the profits made by managing investments. Accordingly, for Korean corporate income tax purposes, the Company, as an investment company under the the FSCMA, is entitled to deduct from its taxable income (up to an amount equal to its taxable income) for any fiscal year the amount of distributions the Company declares in the same year as long as such amount is equal to 90% or more of the Company's distributable income for such year.

(11) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes. Therefore, actual results could differ from those estimates. The recoverable amounts are calculated in accordance with historical experience of the Company, current market trend, future forecast information which are the key factors considered in future cashflow assumptions and valuation model. The preparation of financial statements requires making estimates and assumptions concerning the future. Management also needs to exercise judgement in applying the accounting policies. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. As the resulting accounting estimates will, by definition, seldom equal the related actual results, it can contain a significant risk of causing a material adjustment. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. Additional information of significant judgement and assumptions of certain items are included in relevant notes.

Financial instrument	Valuation Methodology	Input factor
Loan	DCF	CPI, discount rate, growth rate
Equity		

(12) Approval of Financial Statements

The financial statements 2022 of the Company were approved by the board of directors on January 31, 2023.

3. Cash and Deposits

Cash and deposits as at December 31, 2022 and 2021 are as follows:

	(in thousands of Korean Won)	
	2022	2021
Money Market Deposit Accounts ("MMDA") (*1)		
Standard Chartered Bank	24,126,187	53,506,285
Standard Chartered Bank	8,228	3,406
Ordinary deposit		
Woori Bank	3,412,500	-
Total	27,546,915	53,509,691

(*1) As at December 31, 2022, interest rate on MMDA is 2.00%.

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Notes to the Financial Statements

December 31, 2022 and 2021

4. Loans Receivable

Loans receivable as at December 31, 2022 and 2021 are as follows:

	Maturity Date	Annual interest rate (%)	(In thousands of Korean Won)	
			2022	2021
Senior loans:				
Kwangju Beltway Investment Co., Ltd.(*1)	2024	10	45,325,000	61,325,000
Woomyunsan Infraway Co., Ltd.(*2)	2032	12	14,976,000	14,976,000
Baekyang Tunnel Ltd.	2024	13~15	1,047,969	1,095,039
Subordinated loans:				
Kwangju Beltway Investment Co., Ltd.	2026	10.5~20	81,950,000	81,950,000
MCB Co., Ltd. (*3)	2035	11.38	79,000,000	79,000,000
New Airport Hiway Co., Ltd.	2028	13.5	51,670,400	51,670,400
Cheonan Nonsan Expressway Co., Ltd. (*4)	2029	6~20	182,250,000	182,250,000
Incheon Bridge Co., Ltd. (*5)	2037	12	241,000,000	241,000,000
Seoul Chuncheon Highway Co., Ltd (*6)	2038	11~13.9	161,777,000	161,777,000
Gyungso Highway Co., Ltd	2039	15.5	99,633,333	99,633,333
BNCT Co., Ltd. (*7)	2032	10~12	193,000,000	193,000,000
Busan New Port the 2nd Rear Road Co., Ltd. (*8)	2046	10	69,226,253	69,226,253
Dongbuk LRT Co., Ltd. (*9)	2055	9~14	35,700,000	19,850,000
Yongsan Clean Energy Ltd. (*10)	2051	7	290,200,000	290,200,000
Bomun Clean Energy Ltd. (*11)	2051	8	78,400,000	78,400,000
Incheon Gimpo Expressway Co., Ltd.(*12)	2047	11.5	78,836,000	-
Working capital loan:				
Kwangju Beltway Investment Co., Ltd.	2027	15	3,260,741	3,260,741
			1,707,252,696	1,628,613,766

(*1) In 2022, the Company collected part of its senior loan amounting to ₩16,000 million from Kwangju Beltway Investment Co., Ltd. and received prepayment fee amounting to ₩240 million.

(*2) In January 2016, the Company entered into definitive agreements to restructure capital of Woomyunsan Infraway Co., Ltd. ("WIC refinancing"). Also, the Company invested ₩14,976 million into a new shareholder loan of which interest rate per annum is 12%.

(*3) The business restructuring of MCB Co., Ltd. completed in January 2017. Despite the restructuring, the amount of loans and equity securities in the MCB Co., Ltd. invested by the Company remains unchanged

(*4) Interest rates per annum range between 6% to 20% during the investment period, and 20% is currently applied. Effective interest rate of 11.58% is used to recognize interest income.

(*5) In August 2017, the Company entered into definitive agreements to restructure capital of Incheon Bridge Co., Ltd. ("IBC refinancing"). Also, the Company invested ₩241,000 million into a new subordinated loan of which interest rate per annum is 12%.

(*6) The interest rates of subordinated loans during the construction period was 11% per annum and it increases to 11.59% per annum from the commencement of operation (August 12, 2009).

Macquarie Korea Infrastructure Fund

Notes to the Financial Statements

December 31, 2022 and 2021

In August 2018, the Company entered into definitive agreements to restructure capital of Seoul-Chuncheon Expressway Co., Ltd ("SCE"). In December 2020, SCE signed the Amended Concession Agreement with the MOLIT. There is no change in the shareholding structure and the amount and terms of investment in SCE.

(*7) The interest rates of loans during the construction period was 10% per annum and thereafter increases to 12% per annum from the commencement of operation (December 24, 2011). In 2013, the Company entered into a junior subordinated loan agreement (fixed rate of 14% per annum) with a total commitment of ₩50,000 million and by refinancing in 2019, all of junior subordinated loan amounting to ₩44,600 million has been repaid. As at December 31 2019, subordinated loan amounting to ₩193,000 million has been drawn down. In September 2022, the company entered into the amended subordinated loan agreement to change the interest application method from compound interest to simple interest.

(*8) In September 2020, the company made investment in Busan New Port the 2nd Rear Road Co., Ltd. ("B2RR") to purchase subordinated loan and interest receivable amounting to ₩69,226 million and ₩22,965 million, respectively.

(*9) In 2022, the company additionally invested ₩15,850 million in subordinated loan to Dongbuk LRT Co., Ltd. ("DBR") of which interest rate per annum is 9% during construction period and 14% afterward the operation commencement.

(*10) In July 2021, the company made initial investment in Youngsan Clean Energy Ltd. ("YCEL"), established to invest Haeyang Energy Co. Ltd. In July and August 2021, the Company invested ₩254,400 million and ₩35,800 million respectively in subordinated loan of which interest rate per annum is 7%.

(*11) In July 2021, the company made initial investment in Bomun Clean Energy Ltd. ("BCEL"), established to invest Sorabol City gas Co Ltd.. In July and August 2021, the Company invested ₩68,500 million and ₩9,900 million respectively in subordinated loan of which interest rate per annum is 8%.

(*12) In March 2022, the company made initial investment in Incheon Gimpo Expressway Ltd ("IGEX"), to purchase subordinated loans amounting to ₩78,656 million. In December 2022, the company invested ₩180 million in junior subordinated loan out of committed amount of ₩5,690 million. Interest rate applied is 11.5% per annum both in subordinated loan and junior subordinated loan.

5. Equity Securities

Equity securities as at December 31, 2022 and 2021 are as follows:

	Owner- ship (%)	(In thousands of Korean Won)	
		2022	2021
Kwangju Beltway Investment Co., Ltd. (*1)	100	33,050,000	33,050,000
Kwangju Ring Road Co., Ltd. (*2)	75	29,494,767	29,494,767
MCB Co., Ltd. (*3)	70	33,925,039	33,925,039
New Airport Hiway Co., Ltd. (*4)	24.1	25,234,813	25,234,813
Baekyang Tunnel Ltd. (*5)	100	1,231,000	1,231,000
Soojungsan Investment Co., Ltd. (*6)	100	47,247,830	47,247,830
Cheonan-Nonsan Expressway Co., Ltd. (*7)	60	93,815,060	93,815,060
Woomyunsan Infraway Co., Ltd. (*8)	36	-	-

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Incheon Bridge Co., Ltd. (*9)	64.05	58,052,970	58,052,970
Seoul-Chuncheon Expressway Co., Ltd.(*10)	15.8	1,422,597	1,422,597
BNCT Co.,Ltd.(*11,14)	30	67,048,056	67,048,056
Gyungso Highway Co., Ltd (*12,14)	43.75	52,095,263	52,095,263
BYT Securitization Specialty Co., Ltd. (*13,14)	0.5	50	50
Busan New Port the 2nd Rear Road Co., Ltd. (*15)	47.56	18,873,248	18,873,248
Dongbuk LRT Co., Ltd. (*16)	25.41	24,380,500	9,344,000
Youngsan Clean Energy Ltd. (*14,17)	100	32,286,000	32,286,000
Bomun Clean Energy Ltd. (*14,18)	100	8,714,000	8,714,000
Incheon Gimpo Expressway Co., Ltd.(*14,19)	22.8	44,161,233	-
		<u>571,032,426</u>	<u>511,834,693</u>

All of the above equity securities are non-marketable securities.

(*1) Kwangju Beltway Investment Co., Ltd. ("KBICL") operates the Kwangju Second Beltway, Section 1 and collects toll revenues generated by the beltway under the concession agreement with the Kwangju Metropolitan City.

(*2) Kwangju Ring Road Co., Ltd. ("KRRCL") operates the Kwangju Second Beltway, Section 3-1 and collects toll revenues generated by the beltway under the concession agreement with the Kwangju Metropolitan City.

(*3) MCB Co., Ltd. ("MCB") holds the concession right to operate Machang Bridge under a concession agreement with the Gyeongsangnam-do Province.

(*4) New Airport Hiway Co., Ltd. ("NAHC") operates the Incheon International Airport Expressway under a concession agreement with the Ministry of Land, Infrastructure and Transport ("MOLIT").

(*5) Baekyang Tunnel Ltd. ("BYTL") operates and manages Baekyang Tunnel under a concession agreement with the Busan Metropolitan City.

(*6) Soojungsan Investment Co., Ltd. ("SICL") operates Soojungsan Tunnel under a concession agreement with the Busan Metropolitan City.

(*7) Cheonan-Nonsan Expressway Co., Ltd. ("CNEC") operates Cheonan-Nonsan Expressway under a concession agreement with the MOLIT. In December 2019, CNEC entered into the amendment of the Concession Agreement to reduce toll fare and Korea expressway Corporation ("KEC") to fully compensate toll revenue loss and minimum revenue guarantee. Labors hired by a toll collection service provider company (the "Service Provider") who are dispatched to CNEC in accordance with the toll collection service agreement by and between the Service Provider and CNEC filed lawsuits against CNEC, two times in February and March 2020, seeking for a declaratory judgment as to the confirmation of his/her legal status of labors hired by CNEC along with his/her unpaid salary payments, and the lawsuits are currently pending in the first instance court.

(*8) Woomyunsan Infraway Co., Ltd. ("WIC") operates Woomyunsan Tunnel under a concession agreement with the Seoul Special City. In 2016, the Company entered into definitive agreements to restructure capital of WIC and WIC reduced its capital according to the refinancing agreement. Therefore, the number of respective holding shares declined from 1,915,200 to 835,200 shares and the Company received ₩12,852 million as capital reduction cost. As received capital reduction exceeds the acquisition cost, book value as at December 31, 2019 is ₩0.

(*9) The Company received ₩834 million in cash and 7,826,100 IBC shares from liquidation of Private Infrastructure Investment Korea ("PIIK"). As a result, the Company directly holds IBC

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shares.

(*10) Seoul-Chuncheon Expressway Co., Ltd. ("SCE") has the right to operate and manage Seoul-Chuncheon Expressway under a concession agreement with MOLIT. The Company acquired additional 2,350,381 shares of SCE from third parties at purchase price of ₩15,429 million in July 2018. SCE implemented capital decrease in August 2018 and the number of shares held by the Company decreased from 12,064,381 shares to 3,128,435 shares. For capital decrease, the Company received ₩63,445 million which was invested in a new subordinated loan to SCE. The Company decided to acquire additional shares by participating in the paid-in capital increase resolved at the shareholders' meeting of the SCE held in December 2022.

(*11) Busan New Container Terminal Co., Ltd. ("BNCT") has been granted a concession from Ministry of Oceans and Fisheries to construct, operate and manage Busan New Port Phase 2-3.

(*12) Gyungso Highway Co., Ltd. ("YSE") has the right to operate and manage Yongin-Seoul Expressway under the concession agreement with MOLIT.

(*13) In December 2007, the Company acquired 0.5% of the shares of BYT SPC.

(*14) The Company provided this equity shares as collaterals for the invested company's long-term debts (Note 9).

(*15) In September 2020, the Company invested ₩18,873 million for equity securities of in B2RR which operates Busan New Port the 2nd Rear Road under concession agreement with MOLIT.

(*16) In 2022, the Company invested ₩15,037 million out of committed amount for equity securities of in DBR which operates Dongbuk Light Rail Transit under concession agreement with Seoul metropolitan city. Remaining commitment is ₩11,002 million as at December 2022.

(*17) In July 2021, the company made initial investment in Youngsan Clean Energy Ltd. ("YCEL"), established to invest Haeyang Energy Co. Ltd. In July and August 2021, the company invested ₩28,286 million and ₩4,000 million in equity securities respectively.

(*18) In July 2021, the company made initial investment in Bomun Clean Energy Ltd. ("BCEL"), established to invest Sorabol City Gas Co. Ltd. In July and August 2021, the company invested ₩7,614 million and ₩1,100 million in equity securities respectively.

(*19) In March 2022, the company made initial investment in Incheon Gimpo Expressway Ltd. ("IGEX") amounting of ₩22,346 million. In December 2022, the Company invested additional ₩21,815 million in the equity securities.

6. Prepaid Expenses

Prepaid expenses as at December 31, 2022 and 2021 are as follows:

	(In thousands of Korean Won)	
	2022	2021
Costs deferred on investments prior to acquisition	1,272,678	1,409,547
Others (*1)	621,899	1,172,400
Total	1,894,577	2,581,947

(*1) Consist of insurance expense, arrangement fee for long term debt, and etc.

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7. Transactions with Invested Companies

(1) Details of invested companies as at December 31, 2022 are as follows:

Significant invested companies (*1)	Ownership (%)	Principal business
Kwangju Beltway Investment Co., Ltd.	100	Operation of toll road
Kwangju Ring Road Co., Ltd.	75	Operation of toll road
MCB Co., Ltd.	70	Operation of toll road
New Airport Hiway Co., Ltd.	24.1	Operation of toll road
Baekyang Tunnel Ltd.	100	Operation of tunnel
Cheonan-Nonsan Expressway Co., Ltd.	60	Operation of toll road
Soojungsan Investment Co., Ltd.	100	Operation of tunnel
Woomyunsan Infraway Co., Ltd.	36	Operation of tunnel
Gyungso Highway Co., Ltd	43.75	Operation of toll road
Incheon Bridge Co., Ltd. (*2)	64.05	Operation of toll road
Seoul-Chuncheon Expressway Co., Ltd.	15.83	Operation of toll road
Busan New Container Terminal Co., Ltd.	30	Operation of port
Busan New Port the 2nd Rear Road Co., Ltd.	47.56	Operation of toll road
Dongbuk LRT Co., Ltd.	25.41	Operation of urban railway (Under construction, to be completed in 2026)
Youngsan Clean Energy Ltd.	100	Holding company to invest in a city gas operator
Bomun Clean Energy Ltd.	100	Holding company to invest in a city gas operator
Incheon Gimpo Expressway Co., Ltd.	22.8	Operation of toll road

(*1) The Company invests to social overhead capital entities in accordance with the PPIA. Majority portion of the business of these entities is operated in limited scale in accordance with shareholders' agreements and government concessions.

(*2) PIK was liquidated in 2017, the Company received IBC shares, due to the distribution of remaining assets. With this transaction, the Company directly owns IBC shares (Note 5).

(2) Income from the invested companies for the periods ended December 31, 2022 and 2021 are summarized as follows:

(in thousands of Korean Won)	2022		2021	
	Interest income	Dividend income	Interest Income	Dividend income
Kwangju Beltway Investment Co., Ltd.	18,052,844	-	19,558,049	-
Kwangju Ring Road Co., Ltd.	-	11,250,000	-	3,000,000
MCB Co., Ltd.	12,791,669	-	12,539,151	-
New Airport Hiway Co., Ltd.	7,033,905	19,283,001	7,033,905	13,249,962
Baekyang Tunnel Ltd.	297,422	-	274,986	-
Cheonan-Nonsan Expressway Co., Ltd.	22,477,772	60,000,000	23,929,721	84,011,850
Soojungsan Investment Co., Ltd.	-	17,500,000	-	12,500,000

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Woomyunsan Infraway Co., Ltd.	1,797,120	-	1,797,107	-
Gyungso Highway Co., Ltd	24,432,159	-	22,450,282	-
Incheon Bridge Co., Ltd.	39,436,021	-	36,008,925	-
Seoul-Chuncheon Expressway Co., Ltd.	20,415,926	-	20,428,677	-
Busan New Container Terminal Co., Ltd.	73,663,895	-	68,209,152	-
Busan New Port the 2nd Rear Road Co., Ltd.	9,970,139	-	9,471,691	-
Dongbuk LRT Co., Ltd.	2,286,247	-	1,203,103	-
Youngsan Clean Energy Ltd.	21,533,033	-	9,456,812	-
Bomun Clean Energy Ltd.	6,703,486	-	2,921,320	-
Incheon Gimpo Expressway Co., Ltd.	7,285,890	-	-	-
Total	<u>268,177,528</u>	<u>108,033,001</u>	<u>235,282,881</u>	<u>112,761,812</u>

(3) Loans related balances with the invested companies as at the periods ended December 31, 2022 and 2021 are summarized as follows:

(in thousands of Korean Won)	2022		2021	
	Loans	Interest receivable	Loans	Interest receivable
Kwangju Beltway Investment Co., Ltd.	130,535,741	91,296	146,535,741	50,032
MCB Co., Ltd.	79,000,000	34,457,222	79,000,000	32,575,553
New Airport Hiway Co., Ltd.	51,670,400	649,773	51,670,400	630,662
Baekyang Tunnel Ltd.	1,047,969	1,430,899	1,095,039	1,260,807
Cheonan-Nonsan Expressway Co., Ltd.	182,250,000	5,597,294	182,250,000	19,469,659
Woomyunsan Infraway Co., Ltd.	14,976,000	457,896	14,976,000	4,924
Gyungso Highway Co., Ltd	99,633,333	69,234,202	99,633,333	53,566,625
Incheon Bridge Co., Ltd.	241,000,000	81,195,049	241,000,000	72,225,245
Seoul-Chuncheon Expressway Co., Ltd.	161,777,000	5,385,059	161,777,000	346,078
Busan New Container Terminal Co., Ltd.	193,000,000	457,765,152	193,000,000	399,101,258
Busan New Port the 2nd Rear Road Co., Ltd.	69,226,253	35,425,206	69,226,253	30,128,492
Dongbuk LRT Co., Ltd.	35,700,000	299,293	19,850,000	4,895
Youngsan Clean Energy Ltd.	290,200,000	30,989,844	290,200,000	9,456,812
Bomun Clean Energy Ltd.	78,400,000	9,624,807	78,400,000	2,921,320

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Incheon Gimpo Expressway Co., Ltd.	78,836,000	3,283,695	-	-
Total	<u>1,707,252,696</u>	<u>735,886,689</u>	<u>1,628,613,767</u>	<u>621,742,361</u>

(4) Cash transactions with the invested companies for the periods ended December 31, 2022 and 2021 are summarized as follows:

(in thousands of Korean Won)

	2022			
	Equity		Loan	
	Investment	Collection	Investment	Collection
Kwangju Beltway Investment Co., Ltd.	-	-	-	16,000,000
Dongbuk LRT Co., Ltd	15,036,500	-	15,850,000	-
Incheon Gimpo Expressway Co., Ltd.	40,748,733	-	78,836,000	-
Total	<u>55,785,233</u>	<u>-</u>	<u>94,686,000</u>	<u>16,000,000</u>

(in thousands of Korean Won)

	2021			
	Equity		Loan	
	Investment	Collection	Investment	Collection
Kwangju Beltway Investment Co., Ltd.	-	-	-	13,000,000
Dongbuk LRT Co., Ltd	6,925,000	-	7,300,000	-
Youngsan Clean Energy Ltd.	32,286,000	-	290,200,000	-
Bomun Clean Energy Ltd.	8,714,000	-	78,400,000	-
Total	<u>47,925,000</u>	<u>-</u>	<u>375,900,000</u>	<u>13,000,000</u>

(5) As at December 31, 2022, the Company provides collaterals to the invested companies (Note 9).

(6) Compensation to the supervisory directors for the periods ended December 31, 2022 and 2021 consist of:

	(In thousands of Korean Won)	
	2022	2021
Salaries (*1)	166,000	216,000

(*1) In April 2022, one of supervisory director resigned due to the expiration of his term, and a new supervisory director was appointed through an extraordinary general shareholders' meeting in March 2022.

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8. Related Party Transactions and Balances with the Manager and its Related of Parties

(1) On December 13, 2002, the Company appointed Macquarie Korea Asset Management Co., Ltd. as the Company's Manager. The management agreement was amended and restated on February 8, 2019 (the "Management Agreement"). Pursuant to the amended Management Agreement, the Company paid management fees and performance fees to the Manager on the following basis:

(i) Management Fees:

Management fee is calculated by following methodology.

The net investment value of the Company ("Net Investment Value") is the aggregate of the market value of the Company plus the amount of any external borrowings of the Company minus cash or cash equivalents.

The management fee is calculated at the rate of 0.85% per annum of the net investment value where net investment value plus commitments.

If net debt (debt incurred by the Company less cash and cash equivalent) is greater than zero, the amount of net debt shall be deemed to be zero. Cash and cash equivalent include cash, deposits, and certificate of deposit.

(ii) Termination of Management Agreement:

Under the terms of the Management Agreement, the Company may only terminate the agreement upon 90 days' prior written notice to the Manager and approval by the holders of more than 50% of the Company's shares. However, if the Company terminates the Management Agreement for reasons other than willful misconduct, gross negligence by the Manager or underperformance, the Company is required to pay the Manager an amount equal to the management fees paid to the Manager over the four quarters immediately preceding termination.

(2) As at December 31, 2022, the Company has the Korean Securities Finance Corporation and Hana Investors Services Company as its custodian and administrator, respectively. The Company also has Shinhan Investment Corp., Hanwha Securities Co., Ltd., Samsung Securities Co., Ltd., Yuanta Securities Korea Co., Ltd., Kyobo Securities Co., Ltd. and NH Investment & Securities Co., Ltd. as its sales agents. Pursuant to the relevant service provider agreements, the Company pays administrator fees, custodian fees and sales agent fees. The details are as follows:

(i) Custodian fees: 0.02% per annum of the average balance of the net asset value of the Company. This fee is paid in arrears on a quarterly basis.

(ii) Administrator fees: 0.0125% per annum of the average balance of the net asset value of the Company. This fee is paid in arrears on a quarterly basis.

(iii) Sales agent fees: According to sales agent agreements, no fee is payable.

(3) Significant transactions and account balances which occurred with the Manager and its related parties as at and for the periods ended December 31, 2022 and 2021 are summarized as follows:

		(In thousands of Korean Won)	
		2022(*1)	2021
Transaction:			
Macquarie Korea Asset Management	Management fee	44,340,538	41,607,437

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Macquarie UK Holdings Limited	Dividend	11,103,601	9,805,085
Macquarie Bank Limited	Dividend	-	26,321

Assets and liabilities:

Macquarie Korea Asset Management	Management fee payable	9,898,118	11,995,440
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(*1) There was a related party transaction of AUD 90,760 regarding the video production work used at the general shareholders' meeting in 2022 with the affiliate of the Manager(Macquarie Group Service Australia Pty Ltd).

9. Pledged Assets and Guarantees Provided by Others

The following assets are pledged as collaterals for the invested company's long-term debts as at December 31, 2022:

(In thousands of Korean Won)

Asset	Lender	Borrower	Borrowing	Book value	Pledged
Equity and debt securities					
BNCT Co., Ltd	Shinhan Bank and others	BNCT Co., Ltd	583,137,102	67,048,056	820,690,000
Gyungso Highway Co., Ltd	KDB and others	Gyungso Highway Co., Ltd	334,700,000	52,095,263	500,110,000
BYT Securitization Specialty Co., Ltd.	Shinhan Bank	Securitization Specialty Co., Ltd.	27,550,118	50	223,600,000
Youngsan Clean Energy Ltd.	KB kookmin bank and others	Youngsan Clean Energy Ltd.	321,800,000	322,486,000	411,240,000
Bomun Clean Energy Ltd.	KB kookmin bank and others	Bomun Clean Energy Ltd.	86,800,000	87,114,000	110,760,000
Incheon Gimpo Expressway Co. Ltd	Shinhan Bank	Incheon Gimpo Expressway Co. Ltd	634,328,000	44,161,233	765,600,000
Total			1,988,315,220	572,904,602	2,832,000,000

The following assets are pledged as collaterals for the invested company's long-term debts as at December 31, 2021:

(In thousands of Korean Won)

Asset	Lender	Borrower	Borrowing	Book value	Pledged
Equity and debt securities					
BNCT Co., Ltd	Shinhan Bank and	BNCT Co., Ltd	608,577,101	67,048,056	820,690,000

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	others				
Gyungso Highway Co., Ltd	KDB and others	Gyungso Highway Co., Ltd	346,240,000	52,095,263	500,110,000
BYT Securitization Specialty Co., Ltd.	Shinhan Bank	BYT Securitization Specialty Co., Ltd.	42,909,958	50	223,600,000
Youngsan Clean Energy Ltd.	KB kookmin bank and others	Youngsan Clean Energy Ltd.	327,220,000	322,486,000	411,240,000
Bomun Clean Energy Ltd.	KB kookmin bank and others	Bomun Clean Energy Ltd.	88,260,000	87,114,000	110,760,000
Total			1,413,207,059	528,743,369	2,066,400,000

10. Long-term Debts

- (1) As at December 31, 2022, the Company entered into a corporate credit facility agreement ("Facility") with Lenders for a limit of ₩250,000 million. Detail terms and conditions of the Facility are as follows:

	Long term debt
Lender	Shinhan Bank and others
Credit limit	₩250,000 million
Drawdown as at December 31, 2022	₩137,151 million
Interest rate (*1)	Base rate+1.8%
Maturity (*2)	January 28, 2024

(*1) The base rate is the arithmetic average of the 91-day negotiable certificate of deposit rates (provided by Korea Financial Investment Association) quoted on each of the three consecutive banking days immediately prior to the first day of each interest period. Interest accrued during each interest period may be paid or capitalized, at the election of the Company, on each interest payment date.

(*2) Related to the facility, the Company and Lenders agreed to refinance the existing corporate credit facility with a new corporate credit facility agreement with the maturity date of January 28, 2024 and refinanced it on February 7, 2019. The Company paid the refinancing fees of 1.1% (₩2,750 million) of the facility limit to Lenders. The Company is able to make an early repayment of loan. Also, the Company is able to redraw at any time within the limit.

- (2) Long-term debts as at December 31, 2022 and 2021 are as follows:

		(In thousands of Korean Won)	
	Commitment	Interest (%)	2022
Shinhan Bank	60,000,000	Base Rate + 1.8%	32,916,280

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National Agricultural Cooperative Federation	30,000,000	Base Rate + 1.8%	16,458,140
Industrial and Commercial Bank of China	50,000,000	Base Rate + 1.8%	27,430,233
Samsung Fire and Marine Insurance Co.,Ltd.	50,000,000	Base Rate + 1.8%	27,430,233
Mirae Asset Life Insurance Co.,Ltd.	60,000,000	Base Rate + 1.8%	32,916,280
Total	250,000,000		137,151,167

(In thousands of Korean Won)

	Commitment	Interest (%)	2021
Shinhan Bank	60,000,000	Base Rate + 1.8%	4,825,348
National Agricultural Cooperative Federation	30,000,000	Base Rate + 1.8%	2,412,674
Industrial and Commercial Bank of China	50,000,000	Base Rate + 1.8%	4,021,123
Samsung Fire and Marine Insurance Co.,Ltd.	50,000,000	Base Rate + 1.8%	4,021,123
Mirae Asset Life Insurance Co.,Ltd.	60,000,000	Base Rate + 1.8%	4,825,348
Total	250,000,000		20,105,616

11. Bonds Issued

Bonds issued as at December 31, 2022 and 2021 are as follows:

			(In thousands of Korean Won)	
	Interest rate (%)	Maturity Date	2022	2021
Unsecured Bond Tranche 2-1 (5 year) (*1)	2.98	2023-06-11	100,000,000	100,000,000
Unsecured Bond Tranche 2-2 (7 year)(*2)	3.205	2025-06-11	100,000,000	100,000,000
Electronic short-term bond (*3)	Base Rate + 1.2%	2023-09-11	149,052,721	50,655,951
			349,052,721	250,655,951
Bond issuance cost			(138,495)	(247,079)
			348,914,226	250,408,871

The principal amount will be repaid in full on the maturity date. The bond issuance cost, which is

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recognized as a bond discount, will be amortized until the maturity date.

(*1) The Company issued Tranche 2-1 unguaranteed general bonds of ₩100 billion by public offering on June 11, 2018.

(*2) The Company issued Tranche 2-2 unguaranteed general bonds of ₩100 billion by public offering on June 11, 2018.

(*3) The Company made an underwriting agreement of electronic short-term bond with KB Securities Co. Ltd., NH Investment&Securities Co. Ltd., Shinhan Securities Co. Ltd., Samsung Securities Co., Ltd., and Korea Investment&Securities Co. Ltd. for total commitment of ₩248.6 billion on March 11, 2022. The electronic short-term bond was issued at discount of 91-day CD rate plus 1.3%(Korea Investment&Securities Co. Ltd.) or 1.2%(KB securities Co. Ltd., NH Investment&Securities Co. Ltd., Shinhan Securities Co. Ltd., Samsung Securities Co., Ltd.) without coupon interest. The entire underwriting period is 18 months from the agreement date and it can be revolved with 90 days maturity or less within the total commitment of ₩248.6 billion.

(*4) The Company reports compliance status of Tranche 2-1 and Tranche 2-2 bonds to the trust company under trustee agreement.

12. Other Liabilities

Other liabilities as at December 31, 2022 and 2021 are as follows:

	(In thousands of Korean Won)	
	2022	2021
Fee payable	10,236,776	12,323,737
Management fee payable	9,898,118	11,995,440
Administrator fee payable	79,230	79,053
Custodian fee payable	126,768	126,485
Other fee payable	132,660	122,760
Advance receipt	5,367,846	5,739,311
Accrued expenses	1,998,934	632,682
Accrued interest	1,936,574	529,573
Other accrued expense	62,360	103,108
Other payable (*1)	3,414,000	2,276
Total	21,017,557	18,698,006

(*1) Other payable as at December 31, 2022 includes KRW 3,412 million which has been reserved, out of total purchase price for additional shares of Incheon-Gimpo expressway.

13. Paid-in Capital and Net Asset Value per Share

(1) As at December 31, 2022, the number of outstanding shares of the Company is 404,845,547.

(2) The Company issued 32,653,062 ordinary shares at ₩12,050 per share on August 12, 2021, and the new shares were listed on the Korea Exchange on August 23, 2021. Stock issuance cost of ₩2,050 million was deducted from share capital.

(3) Net asset value per share as at December 31, 2022 and 2021 are as follows:

	(In thousands of Korean Won)	
	2022	2021

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Total assets	3,048,090,033	2,822,725,919
Total liabilities	507,082,950	289,212,494
Net assets	2,541,007,083	2,533,513,425
Number of outstanding shares	404,845,547	404,845,547
Net asset value per share	6,276	6,258

14. Distribution

The Company paid cash distributions amounting to ₩307,683 million and ₩271,701 million in 2022 and 2021, respectively.

15. Other Expenses

Other expenses for the periods ended December 31, 2022 and 2021 are as follows:

	(In thousands of Korean Won)	
	2022	2021
Amortization of deferred cost	217,393	208,246
Fees related to borrowing	1,315,964	1,324,045
Others	1,144,920	724,802
Total	2,678,276	2,257,092

16. Income Taxes

As described under Note 1, the Company operates its business under the FSCMA. As long as the Company distributes 90% or more of its distributable income in the form of a distribution to its shareholders, such distributions are deducted from taxable income under the Corporate Tax Act.

For the periods ended December 31, 2022 and 2021, the Company did not pay income taxes, because it deducted distributions from taxable income by distributing 90% or more of its distributable income.

17. Insurance

As at December 31, 2022, the Company carries directors and officers compensation liability insurance amounting to ₩20,000 million with Hyundai Marine & Fire Insurance Co., Ltd.

18. Earnings per Share

Earnings per share for the periods ended December 31, 2022 and 2021 are calculated by dividing profit for the period by the weighted-average number of shares outstanding as follows:

	(In thousands of Korean Won)	
	2022	2021
Profit for the period	315,176,274	296,670,485
Weighted-average number of shares outstanding(*1)	404,845,547	384,895,868
Earnings per share in Korean Won	779	771

Macquarie Korea Infrastructure Fund

Notes to the Financial Statements

December 31, 2022 and 2021

(*1) The weighted average number of shares outstanding was calculated by weighted average the number of shares outstanding during the period. On August 12, 2021, the weighted average number of shares outstanding considering the paid-in-capital increase was calculated as follows.

① 2022 : 404,845,547shares

② 2021 : $((372,192,485\text{shares} \times 223\text{days}) + (404,845,547\text{shares} \times 142\text{days})) / 365\text{days}$

19. Commitment

Commitment to the investments as at December 31, 2022 is as below.

	(In thousands of Korean Won)		
	Commitment	Invested	Commitment balance
Dongbuk LRT Co., Ltd – equity(*1)	35,382,600	24,380,500	11,002,100
Dongbuk LRT Co., Ltd - subordinated loan(*1)	47,300,000	35,700,000	11,600,000
Incheon Gimpo Expressway Co. Ltd – Junior Sub Loan(*2)	5,690,000	180,000	5,510,000
Total	88,372,600	60,260,500	28,112,100

(*1) On December 26, 2019, the Company committed to invest total of ₩82,683 million to acquire 30% equity (₩35,383 million) and 50% subordinated loan (₩47,300 million) in Dongbuk LRT Co., Ltd. Commitment of ₩22,602 million remains as at December 31, 2022 since the initial investment in December 2020.

(*2) In March 2022, the company committed to invest in Incheon Gimpo Expressway Co., Ltd, by purchasing equity securities and subordinated loans. Remaining commitment of junior subordinated loan remains as at December 31, 2022 is ₩5,510 million.

20. Event after Reporting Period

Following the resolution at the shareholders' meeting convened by Seoul-Chuncheon Highway Co., Ltd. on December 13, 2022, the Company decided to acquire additional 459,683 shares of Seoul-Chuncheon Highway Co., Ltd. On January 6, 2023, the Company completed acquisition of the new shares at ₩3,640 million.