

Hansae Co., Ltd. and its subsidiary

Consolidated financial statements
for the year ended December 31, 2024
with the independent auditor's report

Hansae Co., Ltd.

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Independent auditor's report

(English Translation of a Report Originally Issued in Korean)

To the Shareholders and Board of Directors of Hansae Co., Ltd.

Audit Opinion

We have audited the consolidated financial statements of Hansae Co., Ltd. (hereafter the 'Company') and its subsidiary (hereafter collectively referred to as the "Group"), which comprise the consolidated statement of financial position as of December 31, 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with Korean International Financial Reporting Standards ("K-IFRS").

Basis for opinion

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

Key audit matters

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

(1) The appropriateness of the subsequent measurement of the purchase price allocation("PPA") arising from the business combination with Texollini, Inc.

- Reason for determining key audit matters

During the second half of the year, the Group obtained control over Texollini, Inc. In accordance with K-IFRS No. 1103 'Business Combinations', the Group allocated the consideration transferred by measuring the fair values of the acquired assets and assumed liabilities. An independent external expert was engaged to assist in the valuation of major tangible and intangible assets.

The goodwill and other intangible assets recognized from this business combination are material to the Group's consolidated financial statements as of the reporting date. Given the significant management judgment involved in determining the fair values of the acquired assets and assumed liabilities through the purchase price allocation (PPA) process, we identified the assessment of the appropriateness of the subsequent measurement of the PPA related to the Texollini, Inc. business combination as a key audit matter.

- How the matter was addressed in the audit

We performed the following audit procedures in relation to the valuation model, significant assumptions, and management's judgments associated with the value-in-use assessment conducted by the Company.

- Obtained an understanding of and evaluated the internal control processes related to the accounting for the business combination and the fair value measurement of the acquired assets and assumed liabilities

- Performed inquiries and reviews over the valuation model applied by the Group
- Assessed the objectivity and qualifications of the independent external experts engaged by the Group
- Checked whether the projected future cash flows used in the valuation were consistent with the business plans approved by management
- Verified the existence of the acquired assets and the completeness of the assumed liabilities
- Evaluated the valuation of the identified intangible assets and the appropriateness of the estimated useful lives
- Assessed the adequacy of the disclosures in the consolidated financial statements relating to the business combination, determination of the acquisition date, and allocation of the purchase consideration

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 KSAs 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.



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 consolidated 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 Yong Kue Lee.

Samhwa Accounting Corp.

Seoul, Korea

March 14, 2025

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

Hansae Co., Ltd.

The consolidated financial statements
for the years ended December 31, 2024 and 2023

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

Kim, Ik Whan / Kim, Kyung

Chief Executive Officer

Hansae Co., Ltd.

5F, 29, Eunhaeng-ro, Yeongdeungpo-gu, Seoul, South Korea

Hansae Co., Ltd.
Consolidated Statements of Financial Position
as of December 31, 2024 and 2023
(In KRW)

	Notes	2024	2023
Assets			
Current assets			
Cash and cash equivalents	4,5,7,8,10	68,826,194,387	71,934,728,903
Short-term financial assets	5,7	-	20,067,189,177
Trade and other receivables	5,7,8,9,11,42	212,207,362,880	182,966,717,141
Financial assets at fair value through profit or loss('FVTPL')	5,7,15	2,928,364,420	64,508,280,716
Financial assets at fair value through other comprehensive income('FVOCI')	5,7,8,15	70,027,165,260	58,790,960,906
Current investments in associates	16	1,244,645,321	1,304,116,225
Inventories	12	302,818,824,916	258,984,452,978
Other current assets	13	28,577,380,002	19,126,470,178
Current income tax assets		1,846,110,012	1,390,043,632
Total current assets		₩ 688,476,047,198	₩ 679,072,959,856
Non-current assets:			
Other non-current receivables	5,7,14,42	94,948,387,186	22,978,161,963
Financial assets at fair value through profit or loss('FVTPL')	5,7,15	82,154,225,739	72,922,011,054
Financial assets at fair value through other comprehensive income('FVOCI')	5,7,8,15	124,107,235,651	122,150,025,124
Investments in associates	16	23,664,149,420	29,219,779,140
Property, plant and equipment	6, 17	283,335,706,260	218,154,903,658
Right-of-use assets	6, 18, 21	73,856,395,473	60,157,701,278
Investment property	6, 19	9,111,338,407	8,652,916,438
Intangible assets	6, 20	29,070,598,197	11,348,883,365
Other non-current assets	22	5,120,369,725	5,011,762,160
Deferred tax assets	28	10,682,893,032	7,578,506,635
Total non-current assets		₩ 736,051,299,090	₩ 558,174,650,815
Total assets		₩ 1,424,527,346,288	₩ 1,237,247,610,671

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Hansae Co., Ltd.
Consolidated Statements of Financial Position
(cont'd) as of December 31, 2024 and 2023
(In KRW)

(continued)

	Notes	2024	2023
Liabilities			
Current liabilities:			
Trade and other payables	4,5,7,23,42	79,910,531,115	65,511,642,268
Borrowings	4,5,7,9,24	424,491,667,735	368,929,002,093
Lease liabilities	4,7,21	9,924,537,144	10,767,252,900
Current tax liabilities		18,743,644,448	24,591,760,246
Other current liabilities	25	34,873,823,315	30,671,962,346
Total current liabilities		₩ 567,944,203,757	₩ 500,471,619,853
Non-current liabilities:			
Other non-current liabilities	4,5,7,26,42	1,666,829,505	176,991,535
Long-term borrowings	4,5,7,24	71,789,830,074	43,561,262,932
Non-current lease liabilities	4,7,21	31,255,816,449	20,408,922,003
Net defined benefit liabilities	27	39,466,413,080	27,169,238,330
Deferred tax liabilities	28	2,738,499,352	1,765,216,295
Total non-current liabilities		₩ 146,917,388,460	₩ 93,081,631,095
Total liabilities		₩ 714,861,592,217	₩ 593,553,250,948
Equity			
Equity attributable to owners of the company		709,665,754,071	643,694,359,723
Common capital	1,29	20,000,000,000	20,000,000,000
Other contributed capital	30	43,870,018,983	43,870,018,983
Other components of equity	30	34,358,010,838	1,203,171,416
Retained earnings	31	611,437,724,250	578,621,169,324
Non-controlling interests		-	-
Total equity		709,665,754,071	643,694,359,723
Total liabilities and equity		₩ 1,424,527,346,288	₩ 1,237,247,610,671

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

Hansae Co., Ltd.
Consolidated Statements of Profit or Loss and Other Comprehensive
Income for the years ended December 31, 2024 and 2023

(In KRW)

	Notes	2024	2023
Revenue	6,42	₩ 1,797,795,746,533	₩ 1,708,756,427,696
Cost of sales	12,32,42	(1,489,300,519,637)	(1,387,957,566,267)
Gross profit		308,495,226,896	320,798,861,429
Selling and administrative expenses	32,33,42	(166,297,519,011)	(152,573,755,960)
Operating profit(loss)		₩ 142,197,707,885	₩ 168,225,105,469
Non-operating income(expense)			
Other income	34	67,415,257,231	76,264,438,949
Other expenses	35	(104,304,759,016)	(87,166,539,026)
Finance income	36,42	10,768,418,798	10,131,859,958
Finance expenses	37	(29,204,976,602)	(26,828,005,979)
Share of profit(loss) of associates	16	2,259,700,088	298,047,719
Sub-total		(53,066,359,501)	(27,300,198,379)
Loss before income tax		89,131,348,384	140,924,907,090
Income tax expense	28	(30,748,965,705)	(28,889,726,550)
Profit for the period		₩ 58,382,382,679	₩ 112,035,180,540
Other comprehensive income		27,626,304,420	11,112,348,980
Item that will not be reclassified to profit or loss			
Remeasurements of the net defined benefit liability	27	(7,216,486,074)	(2,012,643,485)
Tax effect on above	28	1,687,951,072	496,596,375
Unrealized gains and losses on financial assets at fair value through other comprehensive income	15	(106,372,769)	856,189,438
Tax effect on above	28	24,572,109	(197,460,760)
Revaluation gains and losses on property, plant and equipment	17	-	11,121,506,139
Tax effect on above	28	-	(2,560,011,601)
Item that will not be reclassified to profit or loss			
Unrealized gains and losses on financial assets at fair value through other comprehensive income	15	2,188,872,914	3,000,960,541
Tax effect on above	28	(505,629,643)	(699,278,120)
Exchange differences on translation of foreign operations		31,579,297,591	1,152,425,141
Share of changes in net assets of associates	16	(25,900,780)	(45,934,688)
Total comprehensive income (loss) for the year		₩ 86,008,687,099	₩ 123,147,529,520
Profit for the year attributable to:			
Owners of the parent		58,036,509,428	112,035,180,540
Non-controlling interests		345,873,251	-
Total comprehensive income for the year attributable to:			
Owners of the parent		85,662,813,848	123,147,529,520
Non-controlling interests		345,873,251	-
Earnings per share			
Basic/Diluted profit per share (Korean won)	38	₩ 1,474	₩ 2,850

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

Hansae Co., Ltd.
Consolidated Statements of Changes in Equity
for the years ended December 31, 2024 and 2023

(In KRW)

	Notes	Equity attributable to owners of the company					Non-controlling interest	Total
		Common capital	Other contributed capital	Other components of equity	Retained earnings	Sub-total		
Balance as of January 1, 2023		20,000,000,000	40,789,935,519	(11,425,224,674)	487,721,770,894	537,086,481,739	-	537,086,481,739
Other comprehensive income:								
Profit for the period		-	-	-	112,035,180,540	112,035,180,540	-	112,035,180,540
Disposal of a subsidiary		-	69,334,464	-	-	69,334,464	-	69,334,464
Unrealized gains and losses on financial assets at fair value through other comprehensive income	15	-	-	2,960,411,099	-	2,960,411,099	-	2,960,411,099
Remeasurements of the net defined benefit liability, net of tax	27	-	-	-	(1,516,047,110)	(1,516,047,110)	-	(1,516,047,110)
Exchange differences on translating foreign operations		-	-	1,152,425,141	-	1,152,425,141	-	1,152,425,141
Changes in ownership interests in associates		-	-	(45,934,688)	-	(45,934,688)	-	(45,934,688)
Revaluation gains and losses on property, plant and equipment		-	-	8,561,494,538	-	8,561,494,538	-	8,561,494,538
Transactions with shareholders:								
Treasury shares		-	3,010,749,000	-	-	3,010,749,000	-	3,010,749,000
Annual dividends	39	-	-	-	(19,619,735,000)	(19,619,735,000)	-	(19,619,735,000)
Balance as of December 31, 2023		20,000,000,000	43,870,018,983	1,203,171,416	578,621,169,324	643,694,359,723	-	643,694,359,723
Balance as of January 1, 2024		20,000,000,000	43,870,018,983	1,203,171,416	578,621,169,324	643,694,359,723	-	643,694,359,723
Other comprehensive income:								
Profit for the period		-	-	-	58,036,509,428	58,036,509,428	345,873,251	58,382,382,679
Changes in the scope of consolidation		-	-	-	-	-	(345,873,251)	(345,873,251)
Unrealized gains and losses on financial assets at fair value through other comprehensive income	15	-	-	1,601,442,611	-	1,601,442,611	-	1,601,442,611
Remeasurements of the net defined benefit liability, net of tax	27	-	-	-	(5,528,535,002)	(5,528,535,002)	-	(5,528,535,002)
Exchange differences on translating foreign operations		-	-	31,579,297,591	-	31,579,297,591	-	31,579,297,591
Changes in ownership interests in associates		-	-	(25,900,780)	-	(25,900,780)	-	(25,900,780)
Transactions with shareholders:								
Annual dividends	39	-	-	-	(19,691,419,500)	(19,691,419,500)	-	(19,691,419,500)
Balance as of December 31, 2024		20,000,000,000	43,870,018,983	34,358,010,838	611,437,724,250	709,665,754,071	-	709,665,754,071

The accompanying notes are an integral part of these financial statements

Hansae Co., Ltd.
Consolidated Statements of Cash Flows
for the years ended December 31, 2024 and 2023

(In KRW)

	Notes	2024	2023
Operating activities			
Cash generated from operations	40	109,071,378,235	243,188,203,964
Interest received		12,016,131,321	9,649,617,414
Interest paid		(29,282,722,973)	(24,905,265,801)
Income tax paid		(39,240,985,486)	(38,488,855,557)
Dividend received		3,726,709,966	565,815,284
Net cash flows used in operating activities		₩ 56,290,511,063	₩ 190,009,515,304
Investing activities			
Decrease in short-term financial assets		20,067,189,177	150,000,000,000
Decrease in other receivables		38,522,231,953	38,638,166,030
Disposal of FVTPL assets		159,127,505,430	22,254,730,832
Disposal of FVOCI assets		60,152,587,585	58,931,591,063
Disposal of property, plant and equipment	17	570,728,828	1,209,734,683
Decrease in other non-current receivables		7,711,594,848	-
Disposal of investments in subsidiary	44	-	363,626,261
Disposal of investments in associates	16	5,560,000,000	268,571,429
Acquisition of short-term financial assets		-	(135,067,189,177)
Increase in other receivables		(32,213,676,556)	(29,919,498,490)
Acquisition of FVTPL assets		(108,507,126,109)	(99,490,419,144)
Acquisition of FVOCI assets		(70,811,977,656)	(78,679,186,323)
Increase in other non-current receivables		(83,691,686,471)	(16,560,742,701)
Acquisition of property, plant and equipment	17	(58,810,286,496)	(43,983,376,490)
Acquisition of intangible assets	19	(726,810,940)	(867,005,837)
Acquisition of investments in associates	16	(1,250,000,000)	(13,250,000,000)
Net cash outflow on business combination	43	(19,623,314,533)	(4,175,040,000)
Net cash flows provided by (used in) investing activities		₩ (83,923,040,940)	₩ (150,326,037,864)
Financing activities			
Increase in borrowings		402,260,681,900	214,071,597,428
Proceeds from supplier financing arrangements		534,170,291,377	506,558,100,139
Repayment of borrowings		(370,834,964,672)	(287,150,779,739)
Repayment of supplier financing arrangements		(510,563,674,849)	(545,523,185,954)
Repayment of lease liabilities		(14,821,400,681)	(9,586,117,200)
Dividends paid		(19,691,419,500)	(19,619,735,000)
Net cash flows provided by (used in) financing activities		₩ 20,519,513,575	₩ (141,250,120,326)
Net increase (decrease) in cash and cash equivalents		(7,113,016,302)	(101,566,642,886)
Cash and cash equivalents at the beginning of the year		71,934,728,903	173,103,698,433
Effect of exchange rate changes on cash and cash equivalents		4,004,481,786	397,673,356
Cash and cash equivalents at the end of the year		₩ 68,826,194,387	₩ 71,934,728,903

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

Hansae Co., Ltd. and its subsidiary
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

1. General Information

The general information of Hansae Co., Ltd. (hereafter, the “Company”) and its subsidiaries (hereafter the “Group”) is as follows.

The Company was established on January 1, 2009, as a newly incorporated entity through a spin-off of the apparel business division of Hansae YES24 Holdings Co., Ltd. The Company’s shares were subsequently relisted on the Korea Exchange’s securities market on March 20, 2009.

The Company produces fabric by outsourcing the processing of raw yarn to external partners. The manufactured or imported fabric is then supplied to overseas subsidiaries located in countries such as Vietnam, Nicaragua, and Indonesia for the production of apparel, which is exported to overseas markets.

The Company's headquarters is located on Eunhaeng-ro, Yeongdeungpo-gu, Seoul, South Korea. The Company’s common capital amounts to KRW 20,000 million and the largest shareholder of the Company is Hansae YES24 Holdings Co., Ltd., which, together with its related parties, holds a 64.68% equity interest in the Company as of December 31, 2024.

1.1 Details of Subsidiaries

The subsidiaries included in the consolidated financial statements as of the reporting date are as follows:

Name	Principal business activities	Ownership interest			Non-controlling interests	Fiscal year-end	Location
		Ownership held by the Parent	Ownership held by the Subsidiaries	Total			
HANSAE VIETNAM CO., LTD.	Apparel manufacturing	100%	-	100%	-	December	Vietnam
HANSAE TN CO., LTD.	Apparel manufacturing	40%	60%	100%	-	December	Vietnam
HANSAE TG CO., LTD.	Apparel manufacturing	-	100%	100%	-	December	Vietnam
HANSAE HANOI CO., LTD.	Consulting services	-	100%	100%	-	December	Vietnam
HANSAE HCM CO., LTD.	Consulting services	-	100%	100%	-	December	Vietnam
PT. HANSAE INDONESIA UTAMA	Apparel manufacturing	100%	-	100%	-	December	Indonesia
PT. BOMIN PERMATA ABADI	Apparel manufacturing	99.95%	0.05%	100%	-	December	Indonesia
PT. HANSAE INDONESIA SUKSES	Consulting services	99.00%	1.00%	100%	-	December	Indonesia
HANSAE INTERNATIONAL S.A.	Apparel manufacturing	100%	-	100%	-	December	Nicaragua
HANSAE GUATEMALA, S.A.	Apparel manufacturing	-	100%	100%	-	December	Guatemala
HANSAE GLOBAL, S.A.	Apparel manufacturing	-	100%	100%	-	December	Guatemala
HANSAE PINULA, S.A.	Apparel manufacturing	-	100%	100%	-	December	Guatemala
MODAS BI, SOCIEDAD ANONIMA	Apparel manufacturing	-	100%	100%	-	December	Guatemala
HS APPAREL, S.A.	Apparel manufacturing	-	100%	100%	-	December	Guatemala
HANSAE GSN, S.A.	Consulting services	-	100%	100%	-	December	Guatemala
HANSAE HAITI, S.A.	Apparel manufacturing	-	100%	100%	-	September(*2)	Haiti
HANSAE EL SALVADOR, S.A DE C.V.(*1)	Apparel manufacturing	-	100%	100%	-	December	El Salvador
THE GLOBAL GUATEMALA MICHATOYA, S.A.	Leasing, development and services	100%(*3)	-	100%	-	December	Guatemala

Hansae Co., Ltd. and its subsidiary
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

	business						
HANSAE ECOSPIN, S.A.(*1)	Apparel manufacturing	100%	-	100%	-	December	Guatemala
COLOR & TOUCH CO., LTD.	Fabric export	100%	-	100%	-	December	South Korea
C&T VINA COMPANY LTD.	Textile manufacturing and dyeing	-	100%	100%	-	December	Vietnam
C&T G-TECH CO., LTD	Garment dyeing and processing	-	100%	100%	-	December	Vietnam
COLOR&TOUCH HCM CO., LTD.	Consulting services	-	100%	100%	-	December	Vietnam
C&T GUATEMALA, S.A.(*1)	Textile manufacturing and dyeing	-	100%	100%	-	December	Guatemala
HANSAE MYANMAR CO., LTD	Apparel manufacturing	100%	-	100%	-	March (*2)	Myanmar
HANSAE BAGO CO., LTD	Apparel manufacturing	100%	-	100%	-	March (*2)	Myanmar
APPAREL MANUFACTURING PARTNERS INC.	Apparel manufacturing	100%	-	100%	-	December	United States
TEXOLLINI, INC.(*1)	Textile manufacturing and dyeing	100%	-	100%	-	December	United States
HS SOURCING CO., LTD.	Wholesale and Retail Business	100%	-	100%	-	December	South Korea
AALFS DOS S.A.	Leasing, development and services business	100%	-	100%	-	December	Nicaragua
HANSAE SEBACO, S.A.(*1)	Apparel manufacturing	100%	-	100%	-	December	Nicaragua
IGIS INCOMEPLUS Private Investment Trust III (*4)	Investment and asset management	-	-	-	-	March (*2)	South Korea

The subsidiaries included in the consolidated financial statements as of the previous reporting date are as follows:

Name	Principal business activities	Ownership interest			Non-controlling interests	Fiscal year-end	Location
		Ownership held by the Parent	Ownership held by the Subsidiaries	Total			
HANSAE VIETNAM CO., LTD.	Apparel manufacturing	100%	-	100%	-	December	Vietnam
HANSAE TN CO., LTD.	Apparel manufacturing	40%	60%	100%	-	December	Vietnam
HANSAE TG CO., LTD.	Apparel manufacturing	-	100%	100%	-	December	Vietnam
HANSAE HANOI CO., LTD.	Consulting services	-	100%	100%	-	December	Vietnam
HANSAE HCM CO., LTD.	Consulting services	-	100%	100%	-	December	Vietnam
PT. HANSAE INDONESIA UTAMA	Apparel manufacturing	100%	-	100%	-	December	Indonesia
PT. BOMIN PERMATA ABADI	Apparel manufacturing	99.95%	0.05%	100%	-	December	Indonesia
PT. HANSAE INDONESIA SUKSES	Consulting services	99.00%	1.00%	100%	-	December	Indonesia
HANSAE INTERNATIONAL S.A.	Apparel manufacturing	100%	-	100%	-	December	Nicaragua
HANSAE GUATEMALA, S.A.	Apparel manufacturing	-	100%	100%	-	December	Guatemala
HANSAE GLOBAL, S.A.	Apparel	-	100%	100%	-	December	Guatemala

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	manufacturing						
HANSAE PINULA, S.A.	Apparel manufacturing	-	100%	100%	-	December	Guatemala
MODAS BI, SOCIEDAD ANONIMA	Apparel manufacturing	-	100%	100%	-	December	Guatemala
HS APPAREL, S.A.	Apparel manufacturing	-	100%	100%	-	December	Guatemala
HANSAE GSN, S.A.	Consulting services	-	100%	100%	-	December	Guatemala
HANSAE HAITI, S.A.	Apparel manufacturing	-	100%	100%	-	September(*2)	Haiti
THE GLOBAL GUATEMALA MICHATOYA, S.A.	Leasing, development and services business	-	100%	100%	-	December	Guatemala
COLOR & TOUCH CO., LTD.	Fabric export	100%	-	100%	-	December	South Korea
C&T VINA COMPANY LTD.	Textile manufacturing and dyeing	-	100%	100%	-	December	Vietnam
C&T G-TECH CO., LTD	Garment dyeing and processing	-	100%	100%	-	December	Vietnam
COLOR&TOUCH HCM CO., LTD.	Consulting services	-	100%	100%	-	December	Vietnam
HANSAE MYANMAR CO., LTD	Apparel manufacturing	100%	-	100%	-	March (*2)	Myanmar
HANSAE BAGO CO., LTD	Apparel manufacturing	100%	-	100%	-	March (*2)	Myanmar
APPAREL MANUFACTURING PARTNERS INC.	Apparel manufacturing	100%	-	100%	-	December	United States
HS SOURCING CO., LTD.	Wholesale and Retail Business	100%	-	100%	-	December	South Korea
AALFS DOS S.A.	Leasing, development and services business	100%	-	100%	-	December	Nicaragua

(*1) The entity was included in the scope of consolidation as a subsidiary during the current year.

(*2) Although the subsidiary has a different fiscal year-end, its financial statements as of the parent's reporting date were used for consolidation purposes.

(*3) In the current year, the entity acquired full ownership of HANSAE INTERNATIONAL, S.A. and carried out a paid-in capital increase.

(*4) The entity was included as a subsidiary during the current fiscal year but was excluded from the scope of consolidation in July 2024 due to the disposal of shares.

1.2 Changes in the Scope of Consolidation

The following subsidiaries were newly included in or excluded from the consolidated financial statements during the current fiscal year.

Name	Reason for change
IGIS INCOMEPLUS Private Investment Trust III	Included as a subsidiary during the current fiscal year through the acquisition of a 63.64% equity interest
IGIS INCOMEPLUS Private Investment Trust III	Excluded from the scope of consolidation during the current fiscal year due to the disposal of a 63.64% equity interest
HANSAE ECOSPIN, S.A.	Included as a subsidiary during the current fiscal year through the acquisition and capital contribution of a 100% equity interest
TEXOLLINI, INC.	Included as a subsidiary during the current fiscal year through the acquisition and capital contribution of a 100% equity interest
C&T GUATEMALA, S.A.	Included as a subsidiary during the current fiscal year through the acquisition and capital contribution of a 100% equity interest

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HANSAE EL SALVADOR, S.A DE C.V.	Included as a subsidiary during the current fiscal year through the acquisition of a 100% equity interest
HANSAE SEBACO, S.A.	Included as a subsidiary during the current fiscal year through the acquisition of a 100% equity interest

1.3 Details of Financial Information of Major Subsidiaries (Excluding Consolidation Adjustments)

The summary financial information of major subsidiaries included in the consolidation as of the reporting date is as follows:

(in thousands of Korean won)	2024					
	Assets	Liabilities	Equity	Sales	Net income	Total comprehensive income
HANSAE VIETNAM CO., LTD.	20,319,409	25,483,742	(5,164,333)	38,854,928	822,678	149,239
HANSAE TN CO., LTD.	38,128,405	5,065,293	33,063,112	33,754,808	1,800,308	5,156,516
HANSAE TG CO., LTD.	50,050,252	54,908,800	(4,858,548)	50,853,113	670,136	55,817
HANSAE INTERNATIONAL, S.A.	97,100,619	49,481,281	47,619,338	69,951,233	2,821,310	8,355,691
HANSAE PINULA, S.A.	16,188,030	11,850,972	4,337,058	39,080,491	(192,429)	337,966
COLOR & TOUCH CO., LTD.	125,852,051	74,359,100	51,492,951	183,513,736	190,689	85,969
C&T VINA COMPANY LTD.	102,230,482	92,582,247	9,648,236	76,606,662	(1,933,144)	(997,758)

(in thousands of Korean won)	2023					
	Assets	Liabilities	Equity	Sales	Net income	Total comprehensive income
HANSAE VIETNAM CO., LTD.	19,500,403	24,813,974	(5,313,571)	40,330,534	2,909,037	2,822,685
HANSAE TN CO., LTD.	32,246,989	4,340,393	27,906,596	37,867,108	1,786,469	1,902,839
HANSAE TG CO., LTD.	45,998,780	50,913,145	(4,914,365)	47,409,566	448,305	429,065
HANSAE INTERNATIONAL, S.A.	77,768,797	38,505,151	39,263,646	61,807,933	2,127,410	2,232,318
HANSAE PINULA, S.A.	14,093,159	10,094,067	3,999,092	31,730,042	75,108	114,316
COLOR & TOUCH CO., LTD.	102,524,044	51,117,061	51,406,983	150,968,565	5,366,962	5,317,692
C&T VINA COMPANY LTD.	85,766,496	75,120,502	10,645,994	54,443,788	(6,723,405)	(6,555,292)

1.4 Significant Restrictions on Subsidiaries

The subsidiaries located in Myanmar, HANSAE MYANMAR CO., LTD. and HANSAE BAGO CO., LTD., are subject to foreign exchange regulations imposed by the local government with respect to the transfer of cash and cash equivalents outside the country. Under these regulations, repatriation of capital in forms other than dividends is prohibited.

2. Material Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

The Group prepares statutory financial statements in Korean language in accordance with Korean International Financial Reporting Standards ("K-IFRS"). These are the standards, subsequent amendments and related interpretations issued by the International Accounting Standards Board (IASB) that have been adopted by the Republic of Korea. The accompanying consolidated 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 report thereon, the Korean version, which is used for regulatory reporting purposes, shall prevail.

The consolidated financial statements were prepared using historical cost except the below

- Certain financial assets and liabilities (including derivative instruments), certain classes of property, plant and equipment and investment property – measured at fair value
- Defined benefit plans – plan assets measured at fair value

The preparation of financial statements requires the use of critical accounting estimates. Management also needs to

exercise judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

2.2 Changes in Accounting Policies and Disclosures

(1) New and amended K-IFRS Standards, interpretations adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing January 1, 2024.

- Amendments to Korea IFRS 1001 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current Liabilities with Covenants

The amendments clarify that liabilities are classified as either current or non-current, depending on the substantive rights that exist at the end of the reporting period. Classification is unaffected by the likelihood that an entity will exercise right to defer settlement of the liability or the expectations of management. Also, the settlement of liability includes the transfer of the entity's own equity instruments, however, it would be excluded if an option to settle them by the entity's own equity instruments if compound financial instruments is met the definition of equity instruments and recognized separately from the liability. In addition, covenants that an entity is required to comply with after the end of the reporting period would not affect classification of a liability as current or non-current at the reporting date. When an entity classifies a liability that is subject to the covenants which an entity is required to comply with within twelve months of the reporting date as non-current at the end of the reporting period, the entity shall disclose information in the notes to understand the risk that non-current liabilities with covenants could become repayable within twelve months after the reporting period. The amendments do not have a significant impact on the financial statements.

- Amendments to Korean IFRS 1007 Statement of Cash Flows, Korean IFRS 1107 Financial Instruments: Disclosures – Supplier finance arrangements

When applying supplier finance arrangements, an entity shall disclose information about its supplier finance arrangements that enables users of consolidated financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk. The Group has provided new disclosures for liabilities under supplier finance arrangements, as well as the associated cash flows, in Note 22.

- Amendments to Korea IFRS 1116 Leases – Lease Liability in a Sale and Leaseback

When subsequently measuring lease liabilities arising from a sale and leaseback, a seller-lessee shall determine lease payments or revised lease payments in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not have a significant impact on the consolidated financial statements.

- Amendments to Korea IFRS 1001 Presentation of Financial Statements – Disclosure of Cryptographic Assets

The amendments require an additional disclosure if an entity holds cryptographic assets, or holds cryptographic assets on behalf of the customer, or issues cryptographic assets. The amendments do not have a significant impact on the financial statements.

(2) New and amended K-IFRS Standards, interpretations not yet adopted by the Group

The following new accounting standards and interpretations have been published that are not mandatory for December 31, 2024 reporting periods and have not been early adopted by the Company.

- Amendments to Korean IFRS 1021 The Effects of Changes in Foreign Exchange Rates and 1101 First-time Adoption of International Financial Reporting Standards – Lack of Exchangeability

When an entity estimates a spot exchange rate because exchangeability between two currencies is lacking, the entity shall disclose related information. The amendments should be applied for annual periods beginning on or after January 1, 2025, and earlier application is permitted. The amendments do not have a significant impact on the consolidated financial statements.

- Amendments to Korean IFRS 1109 Financial Instruments, Korean IFRS 1107 Financial Instruments: Disclosures

Korean IFRS 1109 Financial Instruments and Korean IFRS 1107 Financial Instruments: Disclosures have been amended to respond to recent questions arising in practice, and to include new requirements. The amendments should be applied for

annual periods beginning on or after January 1, 2026, and earlier application is permitted. The key amendments are as follows. The amendments do not have a significant impact on the consolidated financial statements.

- Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial settled through an electronic cash transfer system;
 - Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
 - Add new disclosures of impact on the entity and the extent to which the entity is exposed for each type of financial instruments if the timing or amount of contractual cash flow changes due to amendment of contract term; and
 - Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).
- Annual Improvement to Korea IFRS – Volume 11

Annual Improvement to Korean IFRS – Volume 11 should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The Group does not expect the amendments to have a significant impact on the consolidated financial statements.

- Korean IFRS 1101 First-time Adoption of International Financial Reporting Standards: Hedge accounting by a first-time adopter
- Korean IFRS 1107 Financial Instruments: Disclosures: Gain or loss on derecognition and implementation guidance
- Korean IFRS 1109 Financial Instruments: Derecognition of lease liabilities and definition of transaction price
- Korean IFRS 1110 Consolidated Financial Statements: Determination of a ‘de facto agent’
- Korean IFRS 1007 Statement of Cash Flows: Cost method

2.3 Consolidation

The Group has prepared the consolidated financial statements in accordance with Korean IFRS 1110 Consolidated Financial Statements.

(1) Subsidiaries

Subsidiaries are all entities over the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred is measured at the fair values of the assets transferred, and identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest’s proportionate share of the acquired entity’s net identifiable assets. All other non-controlling interests are measured at fair values, unless otherwise required by other standards. Acquisition-related costs are expensed as incurred.

If the consideration transferred, amount of any non-controlling interest in the acquired entity and acquisition-date fair value of any previous equity interest in the acquired entity are greater than the fair value of the net identifiable assets acquired, the excess is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in the profit or loss as a bargain purchase.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interest and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the Parent Company.

When the Group ceases to consolidate for a subsidiary because of a loss of control, any retained interest in the subsidiary is remeasured to its fair value with the change in carrying amount recognized in profit or loss.

(2) Associates

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. If the Group's share of losses of an associate equals or exceeds its interest in the associate (including long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If there is an objective evidence of impairment for the investment in the associate, the Group recognizes the difference between the recoverable amount of the associate and its carrying amount as impairment loss. If an associate uses accounting policies other than those of the Group for like transactions and events in similar circumstances, if necessary, adjustments shall be made to make the associate's accounting policies conform to those of the Group when the associate's financial statements are used by the Group in applying the equity method.

2.4 Foreign Currency Translation

(1) Functional currency and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which each entity operates (the "functional currency"). The Group's functional currency is Korean Won, and the consolidated financial statements are presented in Korean Won.

(2) Transactions in foreign currencies and translation as at the reporting date

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognized in profit or loss.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities held at fair value through other comprehensive income are recognized in other comprehensive income.

2.5 Financial Assets

(1) Classification

The Group classifies its financial assets in the following measurement categories:

- Financial assets measured at fair value (changes in fair value recognized in either other comprehensive income, or profit or loss)
- Financial assets measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For financial assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. The Group reclassifies debt investments only when its business model for managing those assets

changes.

For investments in equity instruments that are not held for trading, classification will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. Changes in fair value of non-designated equity investment are recognized in profit or loss.

(2) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset or the issuance of the financial liabilities. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

① Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into one of the following three measurement categories:

(a) Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in 'financial income' using the effective interest rate method.

(b) Fair value through other comprehensive income

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment loss (reversal of impairment loss), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'financial income' using the effective interest rate method. Foreign exchange gains and losses are presented in 'other income' or 'other expense' and impairment losses are presented in 'other expense'.

(c) Fair value through profit or loss

Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the income statement within 'other income or expenses' in the year in which it arises.

② Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividend income from such investments continue to be recognized in profit or loss as 'financial income' when the right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in 'other income and expenses' in the income statements as applicable. Impairment loss (reversal of impairment loss) on equity investments measured at fair value through other comprehensive income are not reported separately from other changes in fair value.

(3) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

(4) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized or derecognized on a trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

If a transfer does not result in derecognition because the Group has retained substantially all the risks and rewards of ownership of the transferred asset, the Group continues to recognize the transferred asset in its entirety and recognizes a financial liability for the consideration received. The Group classified the financial liability as 'borrowings' in the separate statement of financial position (Note 24).

(5) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.6 Trade Receivables

Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant components when they are recognized at fair value. Trade receivables are subsequently measured at amortized cost using the effective interest method, less allowance for credit losses.

2.7 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the average cost method, except for materials in transit.

2.8 Non-current Assets (or Disposal Group) Held for sale

Non-current assets (or disposal group) are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. The assets are measured at the lower amount between their carrying amount and the fair value less costs to sell.

2.9 Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The Group applies the cost model to property, plant and equipment other than land, which are carried at cost less accumulated depreciation and accumulated impairment losses after initial recognition. Land is measured using the revaluation model. After initial recognition, land is carried at its revalued amount, which is the fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, if applicable. Revaluations are performed periodically at the end of the reporting period to ensure that the carrying amount does not differ materially from the fair value of the asset.

Depreciation on tangible assets, except land, is calculated using the straight-line method to allocate the difference between their cost and their residual values over the following estimated useful lives:

Category	Useful lives (years)
Buildings	50
Structures	3-10
Machinery	5-15
Vehicles	4-6
Furniture and Fixtures	2-15
Facilities	5-15

The asset's depreciation method, residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2.10 Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use. Investment income earned on the temporary investment of specific borrowings on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

2.11 Government Grants

Grants from the government are recognized at their fair values when there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants related to assets are presented in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset, and government grants related to income are deferred and later deducted from the related expense.

2.12 Intangible Assets

Goodwill is measured in accordance with the method described in Note 2.3(1) and is presented at cost less accumulated impairment losses.

Intangible assets other than goodwill are initially recognized at historical cost and are presented at cost less accumulated amortization and accumulated impairment losses.

The following intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives.

Category	Useful lives (years)
Software	5-10
Other intangible assets	4-50

2.13 Investment Property

Investment property is property held to earn rentals or for capital appreciation or both. An investment property is measured initially at its cost. After recognition as an asset, investment property is carried at cost less accumulated depreciation and impairment losses. The Group depreciates investment properties, except for land, using the straight-line method over their useful lives of 50 years.

2.14 Impairment of Non-Financial Assets

Goodwill or intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.15 Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of reporting period which are unpaid. Trade and other payables are presented as current liabilities, unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.16 Financial Liabilities

(1) Classification and measurement

The financial liabilities at fair value through profit or loss that held by are the financial instruments for trading. A financial liability is held for trading if it is incurred principally for the purpose of repurchasing in the near term.

The Group classifies non-derivative financial liabilities, except for financial liabilities at fair value through profit or loss, financial guarantee contracts and financial liabilities that arise when a transfer of financial assets does not qualify for derecognition, as financial liabilities carried at amortized costs and present as 'trade and other payables', and 'borrowings' in the statement of financial position.

(2) Derecognition

Financial liabilities are removed from the separate statements of financial position when it is extinguished; for example, when the obligation specified in the contract is discharged or cancelled or expired or when the terms of an existing financial liability are substantially modified. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

2.17 Financial Guarantee Contract

Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- (1) the amount determined in accordance with the expected credit loss model under Korean IFRS 1109 Financial Instruments and
- (2) the amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with K-IFRS 1115 Revenue from Contracts with Customers

2.18 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period, and the increase in the provision due to the passage of time is recognized as interest expense.

2.19 Current and Deferred Tax

The tax expense for the period consists of current and deferred tax. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax expense is measured at the amount expected to be paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

The Group recognizes a deferred tax liability all taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint arrangements, except to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. In addition, the Group recognizes a deferred tax asset for all deductible temporary differences arising

from such investments to the extent that it is probable the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balance relate to the same taxation authority. Current tax assets and tax liabilities are offset when the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the assets and settle the liability.

2.20 Employee Benefits

(1) Post-employment benefits

The Group operates both defined contribution and defined benefit plan.

For defined contribution plans, the Group pays contribution to publicly or privately administered pension insurance plans on mandatory, contractual or voluntary basis. The contribution is recognized as employee benefit expense when they are due.

A defined benefit plan is any post-employment benefit plan other than a defined contribution plan. Generally, post-employment benefits are payable after the completion of employment, and the benefit amount depended on the employee's age, periods of service or salary levels. The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rate of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs.

2.21 Revenue Recognition

(1) Identification of performance obligations and timing of revenue recognition

The Group is engaged in the manufacturing and sale of apparel products ordered by major buyers in the United States. Revenue from the sale of goods is recognized at the point in time when the goods are delivered to the customer.

(2) Variable consideration

The Group estimates variable consideration using the expected value method, as it is considered to better predict the amount of consideration to which the Group will be entitled. Variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal of the cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

2.22 Leases

(1) Lessor

Lease income from operating leases where the Group is lessor is recognized in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

(2) Lessee

The Group leases office and equipment. Lease contracts are typically made for a short-term period of one year, but may have extension options as described below.

The Group determines the lease term as the non-cancellable period of lease, together with both (a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and (b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the Group (the lessee) under residual value guarantees
- The exercise price of a purchase option if the Group (the lessee) is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the Group (the lessee) exercising that option

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

To determine the incremental borrowing rate, the Group:

- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases without recent third-party financing, and
- Makes adjustments specific to the lease, for example term, country, currency and security

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise small items of office furniture.

2.23 Approval of Issuance of the Financial Statements

These financial statements were approved by the Board of Directors on 10 February, 2025 and are subject to change with the approval of shareholders at their Annual General Meeting.

3. Critical Accounting Estimates and Assumptions

The preparation of financial statements requires the Group to make estimates and assumptions concerning the future. Management also needs to exercise judgement in applying the Group's 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.

(1) Estimated goodwill impairment

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations (Note 20)

(2) Income tax

The Group's taxable income generated from these operations are subject to income taxes based on tax laws and interpretations of tax authorities in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain (Note 28).

If certain portion of the taxable income is not used for investments or increase in wages or dividends for a certain period, the Group is liable to pay additional income tax calculated based on the tax laws. Accordingly, the measurement of current and deferred income tax is affected by the tax effects for such period. As the Group's income tax is dependent on the investments, increase in wages and dividends, there is an uncertainty measuring the final tax effects.

(3) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period (Note 5).

(4) Net defined benefit liability

The present value of net defined benefit liability depends on a number of factors that are determined on an actuarial basis using a number of assumptions including the discount rate (Note 27).

(5) Leases

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

4. Financial Risk Management

4.1 Financial Risk Factors

The Group is exposed to various financial risks arising from its activities, including market risk (such as foreign exchange risk, fair value interest rate risk, cash flow interest rate risk, and price risk), credit risk, and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and aims to minimize potential adverse effects on its financial performance. In addition, the Group strives to mitigate the impact of financial risks by regularly reviewing its risk management policies and monitoring financial risks on an ongoing basis.

4.1.1 Market Risk

(1) Foreign currency risk

The Group operates internationally and is exposed to foreign currency risk, primarily the US dollar. Foreign currency risk arises from future commercial transactions, recognized assets and liabilities.

The Group is exposed to foreign currency positions due to borrowings denominated in foreign currencies and revenue and expenditures in currencies other than its reporting currency. The primary foreign currency in which the Group is exposed is the USD. The Group regularly evaluates, manages, and reports its exposure to foreign currency-denominated assets and liabilities.

The Group has made certain investments in overseas operations, and the net assets of these foreign operations are exposed to foreign exchange translation risk.

The Company's exposure to foreign currency risk at the end of reporting period, expressed in Korean won, was as follows:

(in thousands of Korean won)	2024		2023	
	Assets	Liabilities	Assets	Liabilities
USD	257,820,239	514,810,821	262,865,762	439,787,357

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As of the end of the reporting period, assuming all other variables remain constant, the impact on profit or loss resulting from a 10% change in the exchange rate of each foreign currency against the Korean won is as follows.

(in thousands of Korean won)	2024		2023	
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
USD	(25,699,058)	25,699,058	(17,692,159)	17,692,159

The sensitivity analysis includes only outstanding foreign currency-denominated monetary items and is based on the assumption of a 10% change in exchange rates as of the end of the reporting period.

(2) Price risk

The Group is exposed to equity securities price risk arises from investments held by the Group that are classified as at fair value through profit or loss in the separate statement of financial position. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

(3) Interest rate risk

The Group's main interest risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The objective of the Group's interest rate risk management is to maximize corporate value by minimizing interest expense and uncertainty arising from fluctuations in interest rates.

A 100 basis point increase (decrease) in interest rates on borrowings with variable interest rates, with all other variables held constant, would result in a decrease (increase) in profit before tax of KRW 4,516 million (2023: KRW 3,569 million) as of the end of the reporting period.

4.1.2 Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or other counterparty fails to meet its contractual obligations. It arises from the Group's normal operating and investing activities. In particular, the Group is exposed to credit risk on its trade receivables and on its cash and cash equivalents and deposits held with banks and other financial institutions.

To manage credit risk, the Group regularly monitors and evaluates the financial condition of customers and counterparties, taking into account factors such as historical experience. In the case of banks and financial institutions, the Group enters into transactions only with those that have a credit rating of at least 'A' from independent credit rating agencies (Note 8).

During the current period, there were no breaches of credit limits, and management does not anticipate any losses arising from non-performance by the above counterparties.

The maximum exposure to credit risk at the end of the reporting period does not exceed the carrying amount of the financial assets recognized in the statement of financial position.

(in thousands of Korean won)	2024	2023
Guaranteed amount under financial guarantee contracts	4,800,000	4,800,000

The guaranteed amount under financial guarantee liabilities represents the total amount guaranteed by the Group. The maximum exposure related to financial guarantee contracts is the maximum amount the Group would be required to pay if the guarantees were called.

In addition, the carrying amount of financial assets recognized in the financial statements, net of any impairment losses, represents the Group's maximum exposure to credit risk.

4.1.3 Liquidity Risk

Cash flow forecasts are prepared by the individual operating subsidiaries within the Group and consolidated by the Group's treasury team. The Group's treasury team continuously monitors liquidity forecasts to ensure that unused credit lines are maintained at appropriate levels and that operational funding needs are met, thereby avoiding breaches of borrowing limits or covenants. In preparing liquidity forecasts, the Group takes into account its funding plans, covenant compliance, internal target financial ratios, and any legal or regulatory requirements, including currency restrictions.

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Based on the forecasts mentioned above, the treasury team invests surplus funds in financial instruments that provide appropriate maturities and sufficient liquidity, such as interest-bearing deposits, time deposits, demand deposits, and marketable securities, to ensure the availability of adequate liquidity. As of the end of the reporting period, the Group has invested KRW 68,826 million (2023: KRW 71,935 million) in demand deposits and other instruments that are readily available for withdrawal to manage liquidity risk.

4.2 Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so the Group can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is total borrowings less cash and cash equivalents. Total capital is 'equity' as shown in the separate statement of financial position plus net debt.

The gearing ratios at December 31, 2024 and 2023, were as follows:

(in thousands of Korean won)	2024	2023
Total borrowings	496,281,498	412,490,265
Less: cash and cash equivalents	68,826,194	71,934,729
Net debt(A)	427,455,304	340,555,536
Total equity(B)	709,665,754	643,694,360
Total capital(C=A+B)	1,137,121,058	984,249,896
Gearing ratio(A/C)	37.59%	34.60%

5. Fair Value

There were no significant changes in the business or economic environment during the current period that affected the fair value of the Company's financial assets and financial liabilities.

(1) Fair value of financial instruments by category

Carrying amount and fair value of financial instruments by category as at December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)	2024		2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	68,826,194	(*1)	71,934,729	(*1)
Short-term financial assets	-	(*1)	20,067,189	(*1)
Trade and other receivables	212,207,363	(*1)	182,966,717	(*1)
Financial assets at fair value through profit or loss	85,082,590	85,082,590	137,430,292	137,430,292
Financial assets at fair value through other comprehensive income	194,134,401	194,134,401	180,940,986	180,940,986
Other non-current receivables	94,948,387	(*1)	22,978,162	(*1)
Sub total	655,198,935		616,318,075	
Financial liabilities				
Trade and other payables	79,910,531	(*1)	65,511,642	(*1)
Borrowings	424,491,668	(*1)	368,929,002	(*1)
Lease liabilities	41,180,353	(*1)	31,176,175	(*1)
Other non-current payables	1,666,830	(*1)	176,992	(*1)
Long-term borrowings	71,789,830	72,875,602	43,561,263	44,001,896
Sub total	619,039,212		509,355,074	

(*1) Financial instruments for which the carrying amounts are a reasonable approximation of fair value have been excluded from the fair value disclosures.

(2) Fair value hierarchy

Items that are measured at fair value are categorized by the fair value hierarchy levels, and the defined levels are as follows:

-Quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date. The quoted market price incorporates the market's assumptions with respect to changes in economic climate such as rising interest rates and inflation, as well as changes due to ESG risk (Level 1).

-All inputs other than quoted prices included in level 1 that are observable (either directly that is, prices, or indirectly that is, derived from prices) for the asset or liability (Level 2).

-Unobservable inputs for the asset or liability. This is the case for unlisted equity securities and for instruments where ESG risk gives rise to a significant unobservable adjustment (Level 3).

Fair value hierarchy classifications for the financial instruments that are measured at fair value as at December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)	2024			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
-Fund and beneficiary certificates	-	-	9,361,404	9,361,404
-Capital contributions	-	-	36,252,886	36,252,886
-Contingent consideration	-	-	39,468,300	39,468,300
Financial assets at fair value through other comprehensive income				
-Government bonds	189,765,583	-	-	189,765,583
-Unquoted equity instruments	-	-	4,368,818	4,368,818
Disclosed fair value measurements				
-Long-term borrowings	-	72,875,602	-	72,875,602

(in thousands of Korean won)	2023			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
-Fund and beneficiary certificates	-	-	64,508,281	64,508,281
-Capital contributions	-	-	32,098,683	32,098,683
-Redeemable convertible preferred shares	-	-	1,315,400	1,315,400
-Convertible bonds	-	-	1,078,128	1,078,128
-Contingent consideration	-	-	38,429,800	38,429,800
Financial assets at fair value through other comprehensive income				
-Government bonds	176,465,795	-	-	176,465,795
-Unquoted equity instruments	-	-	4,475,191	4,475,191
Disclosed fair value measurements				
-Long-term borrowings	-	44,001,896	-	44,001,896

(3) Valuation techniques and the inputs

Valuation techniques and inputs used in the recurring and non-recurring fair value measurements categorized within Level 2 and Level 3 of the fair value hierarchy as at December 31, 2024 and 2023, are as follows:

The Group has not changed its valuation techniques in measuring fair values classified as Level 2 and Level 3 in the fair value hierarchy.

(in thousands of Korean won)	Fair value		Level	Valuation techniques
	2024	2023		
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
-Fund and beneficiary certificates	9,361,404	64,508,281	3	Present value technique

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-Capital contributions	34,409,305	29,676,144	3	Transaction cost
-Capital contributions	1,843,581	2,422,539	3	Net asset value method
-Redeemable convertible preferred shares	-	1,315,400	3	Transaction cost
-Convertible bonds	-	1,078,128	3	LSMC model
-Contingent consideration	39,468,300	38,429,800	3	Present value technique
Financial assets at fair value through other comprehensive income				
-Unquoted equity instruments	2,702,700	2,762,400	3	Guideline public company method
-Unquoted equity instruments	1,666,118	1,712,791	3	DCF Method
Disclosed fair value measurements				
-Long-term borrowings	72,875,602	44,001,896	2	Present value technique

6. Segment Information

The segment information of the Group is presented below in accordance with Korean International Financial Reporting Standards (K-IFRS) No. 1108 Operating Segments.

(1) Information on segment revenue, operating profit, and other related items

(in thousands of Korean won)	2024	2023
	Apparel manufacturing	Apparel manufacturing
Revenue	1,797,795,747	1,708,756,428
Revenue recognized at a point in time	1,797,698,427	1,708,659,108
Revenue from other sources	97,320	97,320
Operating income	142,197,708	168,225,105
Depreciation and amortization, etc.	34,281,183	31,693,353

(2) Information on segment assets and segment liabilities

(in thousands of Korean won)	2024	2023
	Apparel manufacturing	Apparel manufacturing
Assets	1,424,527,346	1,237,247,611
Liabilities	714,861,592	593,553,251

(3) Geographical information

(in thousands of Korean won)	Revenue from external customers		Non-current assets (*)	
	2024	2023	2024	2023
South Korea	75,262,341	45,757,915	29,747,033	28,309,790
United States	1,722,533,406	1,662,998,513	20,291,621	-
Vietnam	-	-	152,628,607	141,924,926
Indonesia	-	-	47,249,876	30,337,630
Nicaragua	-	-	49,253,920	24,917,225
Guatemala	-	-	53,373,778	37,192,035
Myanmar	-	-	37,613,111	29,081,218
Haiti	-	-	3,143,092	6,551,580
El Salvador	-	-	2,073,001	-
Total	1,797,795,747	1,708,756,428	395,374,039	298,314,404

(*) Non-current assets include property, plant and equipment, right-of-use assets, investment property, and intangible assets.

(4) Information about major customers

Revenue from major customers that accounted for 10% or more of total operating revenue during the current and prior years is as follows:

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(in thousands of Korean won)	2024	2023
Customer A	610,697,052	532,803,838
Customer B	287,925,296	310,018,925
Customer C	130,520,233	111,311,672
Total	1,029,142,581	954,134,435

7. Financial Instruments by Category

(1) Financial assets by category

(in thousands of Korean won) 2024	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Total
Cash and cash equivalent	68,826,194	-	-	68,826,194
Trade and other receivables	152,862,601	59,344,762	-	212,207,363
Current financial assets at fair value through profit or loss	-	-	2,928,364	2,928,364
Current financial assets at fair value through other comprehensive income	-	70,027,165	-	70,027,165
Non-current other receivables	94,948,387	-	-	94,948,387
Financial assets at fair value through profit or loss	-	-	82,154,226	82,154,226
Financial assets at fair value through other comprehensive income	-	124,107,236	-	124,107,236

(in thousands of Korean won) 2023	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Total
Cash and cash equivalent	71,934,729	-	-	71,934,729
Short-term financial assets	20,067,189	-	-	20,067,189
Trade and other receivables	128,365,777	54,600,940	-	182,966,717
Current financial assets at fair value through profit or loss	-	-	64,508,281	64,508,281
Current financial assets at fair value through other comprehensive income	-	58,790,961	-	58,790,961
Non-current other receivables	22,978,162	-	-	22,978,162
Financial assets at fair value through profit or loss	-	-	72,922,011	72,922,011
Financial assets at fair value through other comprehensive income	-	122,150,025	-	122,150,025

(2) Financial liabilities by category

(in thousands of Korean won) 2024	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Total
Trade and other payables	79,910,531	-	79,910,531
Short-term borrowings	361,343,242	63,148,426	424,491,668
Lease liabilities	-	41,180,353	41,180,353
Other non-current liabilities	1,666,830	-	1,666,830
Long-term borrowings	71,789,830	-	71,789,830

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(in thousands of Korean won) 2023	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Total
Trade and other payables	65,511,642	-	65,511,642
Short-term borrowings	337,251,019	31,677,983	368,929,002
Lease liabilities	-	31,176,175	31,176,175
Other non-current liabilities	176,992	-	176,992
Long-term borrowings	43,561,263	-	43,561,263

(3) Net gains or losses by category of financial instruments

(in thousands of Korean won)	2024	2023
Financial assets at fair value through profit or loss		
Gains(losses) on valuation recognized in profit or loss	(2,111,261)	2,582,359
Gains(losses) on disposal recognized in profit or loss	383,939	(702)
Interest income	1,230,000	1,230,000
Dividend income	175,331	507,615
Financial assets at fair value through other comprehensive income		
Gains(losses) on valuation (*)	2,082,500	3,857,150
Gains(losses) on disposal (*)	451,525	(45,040)
Interest income	4,203,338	4,008,356
Dividend income	12,479	58,200
Financial assets at amortized cost		
Interest income	5,335,081	4,893,504
Foreign exchange gains(losses)	4,346,343	(2,812,889)
Impairment loss(reversal)	129,586	5,540,073
Loss on disposal of trade receivable	14,121,301	14,372,185
Financial liabilities at amortized cost		
Interest expense	25,259,665	20,593,014
Foreign exchange gains(losses)	(19,396,642)	2,122,964
Other financial liabilities		
Commission income	2,993,128	2,244,497
Interest expense on foreign currency short-term borrowings	2,049,335	2,049,335
Interest expense on lease liabilities	1,895,977	4,185,657
Foreign exchange gains(losses)	(2,702,805)	339,347

(*) The amount is presented before the effect of income taxes.

8. Credit Quality of Financial Assets

(1) Trade receivables

Where external credit ratings were available, the credit quality of financial assets that were neither past due nor impaired was assessed by reference to those external ratings or to historical information on default rates of counterparties.

(in thousands of Korean won)	2024	2023
Counter parties without external ratings		
Group 1	845,357	5,586,180
Group 2	203,705,476	172,590,866
Trade receivables that are not past due	204,550,833	178,177,046

To assess credit quality, the Group classified counterparties into the following groups based on their credit characteristics:

Group 1 – New customers with less than one year of transaction history

Group 2 – Existing customers with more than one year of transaction history and no history of default, including related parties

(2) The Group's bank deposits and short- and long-term time deposits are mostly held with financial institutions that have credit ratings of AA or higher.

(3) The Group's financial assets at fair value through other comprehensive income (FVOCI) consist of government bonds and financial debentures issued by institutions with a credit rating of AAA.

9. Transfer of financial assets

(1) Transferred financial assets that are not entirely derecognized

During the current and prior periods, the Group discounted trade receivables with banks through export bill discounting arrangements. As the Group retains the obligation to repay the discounted amounts to the banks in the event of customer default, the transactions are considered with recourse, and have been accounted for as secured borrowings (Note 24).

(in thousands of Korean won)	Discounted export bills	
	2024	2023
Carrying amount of the asset (Note11)	63,148,426	31,677,983
Carrying amount of the related liability (Note24)	63,148,426	31,677,983
Recourse liabilities limited to the transferred assets		
Fair value of the asset	63,148,426	31,677,983
Fair value of the related liability	63,148,426	31,677,983

(2) Transferred financial assets that are entirely derecognized

The Group transferred trade receivables to financial institutions, substantially transferring the risks and rewards associated with the receivables. Accordingly, the transferred receivables were derecognized from the financial statements, and a loss on disposal of KRW 14,121 million (2023: KRW 14,372 million) was recognized. As of the reporting date, the outstanding amount of receivables transferred but not yet matured is KRW 188,510 million (2023: KRW 151,688 million).

10. Cash and Cash Equivalents

(1) Cash and cash equivalents

(in thousands of Korean won)	2024	2023
Cash in bank and on hand	756,513	557,093
Short-term bank deposits	68,069,681	71,377,636
Total	68,826,194	71,934,729

(2) As of the end of the reporting period, cash and cash equivalents of KRW 2,087,156 thousand held by HANSAE MYANMAR CO., LTD and HANSAE BAGO CO., LTD in Myanmar are subject to foreign exchange control regulations imposed by the local government (Note 1.4).

11. Trade and Other Receivables

(1) Composition of trade and other receivables

(in thousands of Korean won)	2024			2023		
	Receivable amount	Loss allowance	Book value	Receivable amount	Loss allowance	Book value
Trade receivables (*)	213,093,272	(8,542,439)	204,550,833	186,005,757	(7,828,711)	178,177,046
Short-term loans receivable	4,614,219	-	4,614,219	1,546,783	-	1,546,783
Other receivables	2,249,652	-	2,249,652	1,911,001	(15,115)	1,895,886
Accrued income	792,659	-	792,659	1,347,002	-	1,347,002
Total	220,749,802	(8,542,439)	212,207,363	190,810,543	(7,843,826)	182,966,717

(*) As of the end of the reporting period, the Group had transferred trade receivables amounting to KRW 63,148 million (2023: KRW 31,678 million) to a bank and received cash in return. The transaction was accounted for as a secured borrowing (Notes 9 and 24). Under the terms of the loan agreement, the Group is obligated to reimburse the bank in the event of default by the underlying customers.

(2) Fair value of trade and other receivables

The carrying amount of trade and other receivables classified as current assets does not differ significantly from their fair value.

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(3) Aging analysis of trade and other receivables

(in thousands of Korean won)	2024			2023		
	Trade receivables	Other receivables	Total	Trade receivables	Other receivables	Total
Financial assets that are not past due	204,550,833	7,656,530	212,207,363	178,177,046	4,789,671	182,966,717
Financial assets that are past due but not impaired						
Less than 3 months	-	-	-	-	-	-
3 to 6 months	-	-	-	-	-	-
6 to 12 months	-	-	-	-	-	-
More than 1 year	-	-	-	-	-	-
Sub-total	204,550,833	7,656,530	212,207,363	178,177,046	4,789,671	182,966,717
Impaired financial assets (*)	8,542,439	-	8,542,439	7,828,711	15,115	7,843,826
Total	213,093,272	7,656,530	220,749,802	186,005,757	4,804,786	190,810,543

(*) The Group establishes an allowance for doubtful accounts by considering the aging of receivables past due from the contractual maturity date, historical loss rates, and forward-looking estimates of expected credit losses.

(4) Movements in allowance for expected credit losses on trade and other receivables

(in thousands of Korean won)	2024	2023
Beginning balance	7,843,826	7,375,764
Provision for expected credit losses	129,586	5,540,073
Write-off (*)	(348,334)	(5,082,654)
Effects of foreign exchange	917,361	10,643
Ending balance	8,542,439	7,843,826

(*) Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the debtor's failure to engage in restructuring negotiations with the Group.

As of the reporting date, the maximum exposure to credit risk related to trade receivables is the carrying amount. The Group does not hold any collateral in respect of these receivables.

12. Inventories

(in thousands of Korean won)	2024	2023
Merchandise	158,192	-
Finished goods	48,109,131	41,481,189
Work in progress	128,949,689	120,228,381
Allowance for valuation losses on work in progress	(397,940)	(687,293)
Raw materials	119,920,431	92,506,369
Allowance for valuation losses on raw materials	(7,912,250)	(7,837,034)
Goods-in-transit	13,991,572	13,292,841
Total	302,818,825	258,984,453

The cost of inventories recognized as an expense during the year and included in cost of sales amounted to KRW 1,441,068 million (2023: KRW 1,356,911 million). The Group recognized a reversal of inventory write-downs of KRW 214 million during the current year, compared to write-downs of KRW 4,683 million recognized at the end of the prior year.

13. Other Current Assets

(in thousands of Korean won)	2024	2023
Advance payments	5,348,136	3,592,851
Prepaid expenses	2,739,030	1,366,507
VAT receivables	20,347,771	14,075,057
Other current assets	142,443	92,055
Total	28,577,380	19,126,470

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14. Other Non-current Receivables

(in thousands of Korean won)	2024	2023
Deposit	9,012,256	7,792,100
Long-term loans receivable	85,936,131	15,186,062
Total	94,948,387	22,978,162

As of the reporting date, no allowance for doubtful accounts has been recognized for non-current other receivables, and there are no receivables past due.

15. Financial Instruments

(1) Financial assets at fair value through profit or loss

(in thousands of Korean won)	Classification	2024	2023
Current assets			
Financial assets at fair value through profit or loss	Fund and beneficiary certificates	2,928,364	64,508,281
Financial assets at fair value through other comprehensive income	Government bonds	70,027,165	58,790,961
Sub-total		72,955,529	123,299,242
Non-current assets			
Financial assets at fair value through profit or loss	Fund and beneficiary certificates	6,433,040	-
	Capital contributions and convertible bonds	36,252,886	34,492,211
	Contingent consideration	39,468,300	38,429,800
Financial assets at fair value through other comprehensive income	Government bonds	119,738,418	117,674,834
	Unquoted equity instruments	4,368,818	4,475,191
Sub-total		206,261,462	195,072,036
Total		279,216,991	318,371,278

(2) Movements in financial assets measure at fair vale through profit or loss

(in thousands of Korean won)	2024		2023	
	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income
Beginning balance	137,430,291	180,940,986	57,612,946	157,381,281
Acquisition	108,507,126	70,811,978	99,490,419	78,679,186
Fair value gain or loss recognized in profit or loss	(2,111,260)	-	2,582,359	-
Fair value gain or loss recognized in other comprehensive income	-	2,082,500	-	3,857,150
Disposal	(158,743,567)	(59,701,063)	(22,255,433)	(58,976,631)
Ending balance	85,082,590	194,134,401	137,430,291	180,940,986
Less: current portion	(2,928,364)	(70,027,165)	(64,508,280)	(58,790,961)
Non-current portion	82,154,226	124,107,236	72,922,011	122,150,025

(3) At the end of the reporting period, the maximum exposure to credit risk in respect of debt securities classified as financial assets is equal to their carrying amount

(4) Transfer of financial assets

During the current period, the Group lent government bonds under a securities lending agreement with a financial institution. As the Group has not transferred substantially all the risks and rewards associated with the bonds, it continues to recognize the full carrying amount of the government bonds. The consideration received from the financial institution is recognized as finance income, and no collateral was received in relation to the transaction.

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(in thousands of Korean won)	Financial assets at fair value through other comprehensive income	
	2024	2023
Book value	189,765,583	176,465,795
Fair value	189,765,583	176,465,795
Net position	189,765,583	176,465,795

(5) The maturity profile of the Group's non-derivative financial liabilities, based on the remaining period to contractual maturity from the reporting date, is as follows:

(in thousands of Korean won) 2024	Less than 1 year	1 to 2 years	Over 2 years	Total
Borrowings	427,803,578	28,641,108	54,631,754	511,076,440
Trade and other payables	79,910,531	-	-	79,910,531
Financial guarantee contract(*)	4,800,000	-	-	4,800,000
Lease liabilities	10,207,881	12,642,795	31,793,252	54,643,928
Other long-term liabilities	-	1,666,830	-	1,666,830
Total	522,721,990	42,950,733	86,425,006	652,097,729

(in thousands of Korean won) 2023	Less than 1 year	1 to 2 years	Over 2 years	Total
Borrowings	375,302,390	14,312,945	37,385,740	427,001,075
Trade and other payables	65,511,642	-	-	65,511,642
Financial guarantee contract(*)	4,800,000	-	-	4,800,000
Lease liabilities	11,068,323	7,376,534	17,368,210	35,813,067
Other long-term liabilities	-	176,992	-	176,992
Total	456,682,355	21,866,471	54,753,950	533,302,776

(*) In the case of financial guarantee contracts, the maximum exposure under the guarantee has been allocated to the earliest period in which the guarantee may be required to be honored.

The non-derivative financial liabilities included in the above maturity analysis are presented based on the remaining period to contractual maturity as at the end of the reporting period. The maturity analysis reflects undiscounted cash flows, comprising both principal and interest amounts.

16. Investments in Associates

(1) The following table presents the details of investments in associates accounted for under the equity method as of the reporting date.

(in thousands of Korean won) Company name	2024			2023		
	Ownership interest	Acquisition cost	Book value	Ownership interest	Acquisition cost	Book value
Woori Global Blockchain Investment Fund No.15	28.57%	2,000,000	1,244,645	28.57%	2,000,000	1,304,116
Hansae YES24 Rising Star Investment Fund	34.62%	3,500,000	2,325,875	34.62%	3,500,000	3,060,120
Leading D New Technology Investment Fund No.1	-	-	-	28.57%	560,000	632,268
VTI Partners Healthcare Investment Fund	-	-	-	23.81%	5,000,000	4,928,545
NH Rhinos Mezzanine General Private Equity Trust	45.73%	4,000,000	4,091,699	45.73%	4,000,000	4,194,485
BNK Aone Convertible Mezzanine General Private Equity Trust C-s	49.17%	3,000,000	3,148,495	49.17%	3,000,000	3,201,466
Hansae YES24 Rising Investment Fund No.2	49.46%	2,500,000	2,220,544	49.46%	1,250,000	1,145,982
GVA Mezz-J General Private Equity Trust	29.41%	3,000,000	3,161,867	29.41%	3,000,000	3,141,108
VTI Partners EV Investment Fund	36.10%	5,000,000	4,790,247	36.10%	5,000,000	4,886,592
Aone Platinum KOSDAQ Venture General Private Equity Trust	37.57%	4,000,000	3,925,423	37.57%	4,000,000	4,029,213
Total		27,000,000	24,908,795		31,310,000	30,523,895

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(2) The following table summarizes the changes in investments in associates accounted for under the equity method for the current and prior reporting periods.

(in thousands of Korean won) Company name 2024	Beginning balance	Acquisition , etc	Share of profit(loss) of associates	Changes in equity of associates	Dividends and other returns of investment	Ending balance
Woori Global Blockchain Investment Fund No.15	1,304,116	-	(59,471)	-	-	1,244,645
Hansae YES24 Rising Star Investment Fund	3,060,119	-	(734,244)	-	-	2,325,875
Leading D New Technology Investment Fund No.1	632,269	-	(49,870)	(19,110)	(563,289)	-
VTI Partners Healthcare Investment Fund	4,928,546	-	3,432,328	-	(8,360,874)	-
NH Rhinos Mezzanine General Private Equity Trust	4,194,486	-	(55,577)	(47,210)	-	4,091,699
BNK Aone Convertible Mezzanine General Private Equity Trust C-s	3,201,467	-	23,762	77,130	(153,864)	3,148,495
Hansae YES24 Rising Investment Fund No.2	1,145,982	1,250,000	(175,438)	-	-	2,220,544
GVA Mezz-J General Private Equity Trust	3,141,108	-	78,342	(36,710)	(20,873)	3,161,867
VTI Partners EV Investment Fund	4,886,592	-	(96,345)	-	-	4,790,247
Aone Platinum KOSDAQ Venture General Private Equity Trust	4,029,212	-	(103,789)	-	-	3,925,423
Total	30,523,897	1,250,000	2,259,698	(25,900)	(9,098,900)	24,908,795

(in thousands of Korean won) Company name 2023	Beginning balance	Acquisition , etc	Share of profit(loss) of associates	Changes in equity of associates	Dividends and other returns of investment	Ending balance
Woori Global Blockchain Investment Fund No.15	1,405,179	-	(101,063)	-	-	1,304,116
Hansae YES24 Rising Star Investment Fund	3,194,841	-	(134,722)	-	-	3,060,119
Leading D New Technology Investment Fund No.1	798,875	-	74,124	27,841	(268,571)	632,269
VTI Partners Healthcare Investment Fund	4,848,393	-	80,153	-	-	4,928,546
NH Rhinos Mezzanine General Private Equity Trust	4,028,508	-	211,693	(45,715)	-	4,194,486
BNK Aone Convertible Mezzanine General Private Equity Trust C-s	3,014,558	-	190,234	(3,325)	-	3,201,467
Hansae YES24 Rising Investment Fund No.2	-	1,250,000	(104,018)	-	-	1,145,982
GVA Mezz-J General Private Equity Trust	-	3,000,000	167,577	(26,469)	-	3,141,108
VTI Partners EV Investment Fund	-	5,000,000	(113,408)	-	-	4,886,592
Aone Platinum KOSDAQ Venture General Private Equity Trust	-	4,000,000	27,478	1,734	-	4,029,212
Total	17,290,354	13,250,000	298,048	(45,934)	(268,571)	30,523,897

(3) Details of financial information of associates

(in thousands of Korean won)	Assets	Liabilities	Sales	Net income
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Woori Global Blockchain Investment Fund No.15	4,400,821	44,426	2,353	(208,148)
Hansae YES24 Rising Star Investment Fund	6,718,456	-	-	(1,020,521)
NH Rhinos Mezzanine General Private Equity Trust	8,947,390	37	40,742	(121,529)
BNK Aone Convertible Mezzanine General Private Equity Trust C-s	6,417,661	14,115	125,365	48,329
Hansae YES24 Rising Investment Fund No.2	4,489,940	-	-	(354,735)
GVA Mezz-J General Private Equity Trust	10,750,400	51	266,947	266,366
VTI Partners EV Investment Fund	13,268,983	-	7,874	(266,877)
Aone Platinum KOSDAQ Venture General Private Equity Trust	10,475,475	27,580	171,813	(276,247)

17. Property, Plant and Equipment

(1) Changes in property, plant and equipment

(in thousands of Korean won) 2024	Land	Buildings	Structures	Machinery	Others	Assets under construction	Total
Opening net book amount	22,877,102	61,159,165	8,351,980	39,400,839	9,661,516	76,704,301	218,154,903
Acquisitions	-	1,931,906	230,777	6,102,520	4,285,558	43,875,014	56,425,775
Business combination (*1)	-	-	359,455	3,525,587	11,073	-	3,896,115
Disposals	-	(9,833)	-	(206,658)	(156,783)	(34,114)	(407,388)
Impairment (*2)	-	-	(287,787)	(1,070,442)	(5,645)	-	(1,363,874)
Depreciation	-	(5,366,162)	(805,347)	(10,503,463)	(4,103,385)	-	(20,778,357)
Replacement	21,350,456	12,171,326	459,212	727,245	174,065	(35,255,168)	(372,864)
Foreign currency translation	2,475,386	7,467,246	1,198,035	4,731,292	1,076,029	10,833,408	27,781,396
Closing net book amount	46,702,944	77,353,648	9,506,325	42,706,920	10,942,428	96,123,441	283,335,706
Acquisition cost	46,702,944	126,229,570	19,042,863	182,958,892	46,061,695	96,123,441	517,119,405
Accumulated depreciation	-	(48,875,922)	(9,223,252)	(139,086,688)	(35,113,122)	-	(232,298,984)
Accumulated impairment	-	-	(313,286)	(1,165,284)	(6,145)	-	(1,484,715)

(in thousands of Korean won) 2023	Land	Buildings	Structures	Machinery	Others	Assets under construction	Total
Opening net book amount	11,663,409	60,061,572	7,613,910	44,782,382	9,437,178	43,433,490	176,991,941
Acquisitions	-	898,665	516,153	3,291,931	3,306,915	40,469,617	48,483,281
Revaluation (*3)	11,121,506	-	-	-	-	-	11,121,506
Disposals	-	-	-	(525,817)	(129,762)	(284,749)	(940,328)
Depreciation	-	(4,707,073)	(767,069)	(9,543,650)	(4,225,885)	-	(19,243,677)
Replacement	-	4,288,643	1,045,765	348,877	1,328,393	(7,025,425)	(13,747)
Foreign currency translation	92,187	617,358	(56,779)	1,047,116	(55,323)	111,368	1,755,927
Closing net book amount	22,877,102	61,159,165	8,351,980	39,400,839	9,661,516	76,704,301	218,154,903
Acquisition cost	22,877,102	99,905,395	12,136,683	126,425,947	36,468,693	76,704,301	374,518,121
Accumulated depreciation	-	(38,746,230)	(3,784,703)	(87,025,108)	(26,807,177)	-	(156,363,218)

(*1) This increase resulted from the business combination with TEXOLLINI, INC (Note 43).

(*2) The Group performed an impairment assessment on the assets of its subsidiary, HANSAE HAITI, S.A., due to the expectation of deteriorating future performance. The recoverable amount, determined based on value in use, was compared with the carrying amount. As the recoverable amount was lower than the carrying amount, the Group recognized an impairment loss of KRW 1,364 million on property, plant and equipment, which was recorded as other expenses.

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(*3) The Group measures land at its revalued amount, which represents the fair value at the date of revaluation. The fair value of land as of December 31, 2023, was determined based on a valuation performed by an independent appraisal firm. As a result of the revaluation, an increase of KRW 11,121,506 thousand was recognized in other comprehensive income.

(2) Of the depreciation expense, KRW 19,055 million was included in cost of sales and KRW 1,723 million was included in selling and administrative expenses. In the prior year, KRW 17,669 million of depreciation expense was included in cost of sales and KRW 1,574 million was included in selling and administrative expenses.

(3) Land revaluation

The revaluation surplus on land is recognized in other comprehensive income, net of the effect of deferred income taxes, and presented under 'Accumulated Other Comprehensive Income' within equity. The changes in the revaluation surplus on property, plant and equipment during the current and prior period are as follows. Revaluation surplus arising from asset revaluation is restricted from being distributed as dividends to shareholders.

(in thousands of Korean won) 2024	Beginning balance	Increase	Tax effect	Disposal	Ending balance
Revaluation surplus	8,561,494	-	-	-	8,561,494

(in thousands of Korean won) 2023	Beginning balance	Increase	Tax effect	Disposal	Ending balance
Revaluation surplus	-	11,121,506	(2,560,012)	-	8,561,494

The carrying amount of land under the cost model would be as follows.

(in thousands of Korean won) 2024	Carrying amount before revaluation	Carrying amount after revaluation
Land	35,581,438	46,702,944

18. Right-of-use Asset

(1) Changes in right-of-use asset

(in thousands of Korean won) 2024	Properties	Vehicles	Total
Opening net book amount	59,804,577	353,125	60,157,702
Acquisitions	23,773,828	305,196	24,079,024
Disposals	(3,069,252)	-	(3,069,252)
Impairment (*)	(1,270,344)	-	(1,270,344)
Depreciation	(12,299,886)	(211,221)	(12,511,107)
Foreign currency translation	6,442,635	27,737	6,470,372
Closing net book amount	73,381,558	474,837	73,856,395
Acquisition cost	128,861,101	1,558,576	130,419,677
Accumulated depreciation	(54,096,644)	(1,083,739)	(55,180,383)
Accumulated impairment	(1,382,899)	-	(1,382,899)

(in thousands of Korean won) 2023	Properties	Vehicles	Total
Opening net book amount	61,073,974	340,824	61,414,798
Acquisitions	13,348,729	190,135	13,538,864
Disposals	(3,073,784)	-	(3,073,784)
Depreciation	(11,444,708)	(188,990)	(11,633,698)
Foreign currency translation	(99,634)	11,155	(88,479)
Closing net book amount	59,804,577	353,124	60,157,701
Acquisition cost	98,529,114	1,113,634	99,642,748
Accumulated depreciation	(38,724,537)	(760,510)	(39,485,047)

(*) The Group performed an impairment assessment on the assets of its subsidiary, HANSAE HAITI, S.A., due to the expectation of deteriorating future performance. The recoverable amount, determined based on value in use, was compared to the carrying amount. As the recoverable amount was lower than the carrying amount, an impairment loss of KRW 1,270

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million was recognized on right-of-use assets and recorded as other expenses.

(2) Of the depreciation expense, KRW 8,327 million was included in cost of sales and KRW 4,184 million was included in selling and administrative expenses. In the prior year, KRW 7,509 million of depreciation expense was included in cost of sales and KRW 4,124 million was included in selling and administrative expenses.

19. Investment Properties

(1) Changes in investment properties

(in thousands of Korean won) 2024	Land	Buildings	Total
Opening net book amount	1,151,134	7,501,782	8,652,916
Depreciation	-	(399,750)	(399,750)
Foreign currency translation	28,777	829,395	858,172
Closing net book amount	1,179,911	7,931,427	9,111,338
Acquisition cost	1,179,911	11,102,153	12,282,064
Accumulated depreciation	-	(3,170,726)	(3,170,726)

(in thousands of Korean won) 2023	Land	Buildings	Total
Opening net book amount	1,149,802	7,833,145	8,982,947
Depreciation	-	(387,335)	(387,335)
Foreign currency translation	1,332	55,972	57,304
Closing net book amount	1,151,134	7,501,782	8,652,916
Acquisition cost	1,151,134	9,966,006	11,117,140
Accumulated depreciation	-	(2,464,224)	(2,464,224)

The Group has entered into agreements to provide operating leases in relation to its investment properties.

(2) Details of profit or loss arising from investment properties

(in thousands of Korean won)	2024	2023
Rental income	1,934,649	2,614,789
Rental expense	(399,750)	(387,335)
Total	1,534,899	2,227,454

(3) As of the end of the reporting period, the fair value of investment property is KRW12,132 million (KRW9,327 million as of the prior year-end).

(4) Future minimum lease payments expected to be received under operating leases

(in thousands of Korean won)	2024	2023
Less than 1 year	83,880	83,880

20. Intangible Assets

(1) Changes in intangible assets

(in thousands of Korean won) 2024	Goodwill	Software	Others	Total
Opening net book amount	8,062,399	824,468	2,462,017	11,348,884
Acquisitions	-	561,041	165,770	726,811
Business combination (*1)	11,515,661	-	3,089,661	14,605,322
Amortization	-	(386,067)	(205,902)	(591,969)
Foreign currency translation	2,309,137	30,258	642,155	2,981,550
Closing net book amount	21,887,197	1,029,700	6,153,701	29,070,598
Acquisition cost	21,887,197	5,609,284	6,153,701	33,650,182
Accumulated depreciation	-	(4,579,584)	-	(4,579,584)

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(in thousands of Korean won) 2024	Goodwill	Software	Others	Total
Opening net book amount	5,480,430	658,661	-	6,139,091
Acquisitions	-	589,806	277,200	867,006
Business combination (*2)	2,445,952	-	2,184,817	4,630,769
Amortization	-	(428,643)	-	(428,643)
Foreign currency translation	136,017	4,644	-	140,661
Closing net book amount	8,062,399	824,468	2,462,017	11,348,884
Acquisition cost	8,062,399	5,183,695	2,462,017	15,708,111
Accumulated depreciation	-	(4,359,227)	-	(4,359,227)

(*1) This increase resulted from the business combination with TEXOLLINI, INC (Note 43).

(*2) This increase resulted from the business combination with AALFS DOS S.A. (Note 43).

(2) Of the amortization of intangible assets, KRW 79 million was included in cost of sales and KRW 513 million was included in selling and administrative expenses. In the prior year, KRW 1 million was included in cost of sales and KRW 427 million was included in selling and administrative expenses.

(3) Impairment test of goodwill

1) Goodwill is allocated to the following cash-generating units (CGUs), which represent the units at which the Group's management monitors goodwill.

(in thousands of Korean won)	2024	2023
Fabric manufacturing and sales	13,651,504	736,397
Apparel manufacturing	8,235,693	7,326,002
Total	21,887,197	8,062,399

2) The Group performs an annual impairment test of goodwill. The recoverable amount of each cash-generating unit (CGU) was determined based on its value in use. In calculating value in use, the Group used cash flow projections based on financial budgets approved by management covering a five-year period.

3) For the fabric manufacturing and sales segment, a terminal growth rate of 0% was applied to cash flows beyond the five-year projection period, and a pre-tax discount rate of 14.42% was used in the value-in-use calculation. For the garment manufacturing segment, a terminal growth rate of 0% was applied to cash flows beyond the five-year projection period, and a pre-tax discount rate of 12.04% was used in the value-in-use calculation.

21. Leases

(1) Amounts recognized in the statement of financial position

The amounts recognized in the statement of financial position in relation to leases as of the current period are as follows:

(in thousands of Korean won)	2024	2023
Right-of-use		
Properties	73,381,559	59,804,577
Vehicles	474,836	353,124
Total	73,856,395	60,157,701

(in thousands of Korean won)	2024	2023
Lease liabilities		
Current	9,924,537	10,767,253
Non-current	31,255,816	20,408,922
Total	41,180,353	31,176,175

During the current period, right-of-use assets increased by KRW24,079 million (2023: KRW12,921 million).

(2) Amounts recognized in the statement of comprehensive income

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The amounts recognized in the statement of comprehensive income in relation to leases as of the current period are as follows:

(in thousands of Korean won)	2024	2023
Depreciation of right-of-use assets		
Properties	12,299,885	11,491,461
Vehicles	211,221	142,238
Impairment loss on right-of-use assets	1,270,344	-
Interest expense on lease liabilities (included in finance costs)	1,895,977	4,185,657
Lease expenses for short-term and low-value asset leases (included in selling and administrative expenses)	2,526,822	2,199,663

Total cash outflows for leases during the current period amounted to KRW19,244 million (2023: KRW10,581 million).

22. Other Non-current Assets

(in thousands of Korean won)	2024	2023
Long-term prepaid expenses	5,120,370	5,011,762

23. Trade and Other payables

(in thousands of Korean won)	2024	2023
Trade payables	61,357,577	48,564,620
Other payables	13,759,575	11,887,131
Accrued expenses	4,793,379	5,059,891
Total	79,910,531	65,511,642

24. Borrowings

(1) Details of short-term borrowings

(in thousands of Korean won, in thousands of USD)	Lender	Interest rate	Maturity date	2024	2023
Usance financing(*1)	KB Kookmin bank and others	4.88%~6.15%	2025-12-02	265,704,812	228,837,749
Export bill discounting(*2)	Hana bank and others	5.31%~5.46%	2025-11-11	63,148,426	31,677,983
General borrowings	Korea Development Bank and others	4.02%~6.20%	2025-12-21	91,815,254 (USD 40,050 included)	101,911,130 (USD 50,486 included)
Current portion of long-term borrowings	Hana bank	5.71%~6.61%	2029-08-24	3,823,176	6,502,140
Total				424,491,668	368,929,002

(*1) As of the end of the current period, this amount represents liabilities subject to the Group's supplier financing arrangements.

(*2) This represents a financial liability recognized in relation to the transfer of foreign currency trade receivables that did not meet the criteria for derecognition. The Group's trade receivables have been pledged as collateral for this liability (Notes 9 and 11).

(2) Details of long-term borrowings

(in thousands of Korean won, in thousands of USD)	Lender	Interest rate	Maturity date	2024	2023
General borrowings	Hana bank	5.71%~6.61%	2029-09-24	75,613,006 (USD 50,436 included)	50,063,403 (USD 38,922 included)
Less: Current portion of long-term borrowings				(3,823,176)	(6,502,140)
Total				71,789,830	43,561,263

(3) Details of supplier financing arrangements

The Group has entered into supplier financing arrangements with certain major domestic suppliers. Participation in the program is at the discretion of the suppliers. Under the arrangement, participating suppliers may elect to receive early payment of their receivables from financial institutions. If a supplier opts for early payment, the related fees are borne by the supplier and paid to the financial institution, not the Group. For the financial institution to make early payments, the Group must first receive the goods or services and approve the related invoices. The financial institution then settles the amount with the supplier before the original due date.

In all cases, the Group settles its payables by remitting the full invoice amount to the financial institution on the originally agreed payment date. The payment terms with suppliers are not renegotiated as a result of the arrangement. The Group does not provide any collateral to the financial institutions. All liabilities arising from the supplier financing arrangements are included in borrowings in the statement of financial position.

As of the end of the reporting period, the outstanding balance of liabilities under the supplier financing arrangements is as follows:

(in thousands of Korean won)	2024	2023
Carrying amount of borrowings under supplier financing arrangements	265,704,812	228,837,749

As of the end of the current period, the range of payment due dates for liabilities under supplier financing arrangements, as well as for comparable trade payables not subject to such arrangements, is as follows:

(in thousands of Korean won)	Range of payment due dates
Financial liabilities under supplier financing arrangements	180 days
Comparable financial liabilities not subject to supplier financing arrangements	30~60 days

25. Other Current Liabilities

(in thousands of Korean won)	2024	2023
Unearned revenue (*)	2,365,138	1,430,673
Withholdings	4,608,551	6,123,750
Other current liabilities	27,900,134	23,117,539
Total	34,873,823	30,671,962

(*) The amount includes liabilities related to contracts with customers.

26. Other Non-current Liabilities

(in thousands of Korean won)	2024	2023
Non-current payables	1,470,000	-
Rental deposits	196,830	176,992
Total	1,666,830	176,992

As of the end of the reporting period, there is no significant difference between the carrying amount and the fair value of the Group's other non-current liabilities.

27. Net Defined Benefit Liability

(1) Details of net defined benefit liability

(in thousands of Korean won)	2024	2023
Present value of defined benefit obligation	42,446,912	41,459,831
Present value of unfunded defined benefit obligations	24,000,043	9,006,046
Less: Fair value of plan assets	(26,976,506)	(23,292,602)
Less: Transferred amount to national pension fund	(4,036)	(4,036)
Net defined benefit liability	39,466,413	27,169,239

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(2) Changes in defined benefit liability

(in thousands of Korean won)	2024	2023
Beginning balance	50,465,877	47,083,645
Current service	8,286,510	5,509,231
Interest cost	1,341,610	1,750,245
Past service cost and gains or losses on settlement	2,655,873	-
Remeasurements:		
-Actuarial gains and losses arising from changes in demographic assumptions	(45,233)	(31,795)
-Actuarial gains and losses arising from changes in financial assumptions	6,050,140	2,483,459
-Actuarial gains and losses arising from experience adjustments	1,073,713	(557,157)
Payments made by the plan:		
-Benefits paid	(6,092,374)	(6,484,632)
Transfers to/from related parties	(45,038)	173,565
Changes in scope of consolidation	-	-
Foreign currency translation	2,755,877	539,316
Ending balance	66,446,955	50,465,877

(3) Changes in plan assets

(in thousands of Korean won)	2024	2023
Beginning balance	23,292,602	20,570,223
Interest income	961,867	984,346
Remeasurements:		
- Return on plan assets, excluding amounts included in net interest	(137,866)	(118,137)
Contributions:		
-Employer	4,820,000	4,448,981
Payments made by the plan:		
-Benefits paid	(2,111,340)	(2,606,082)
Transfers to/from related parties	151,243	13,271
Ending balance	26,976,506	23,292,602

(4) Details of plan assets

(in thousands of Korean won)	2024		2023	
	Amount	Proportion(%)	Amount	Proportion(%)
Interest-guaranteed insurance contracts	2,323,875	9	5,866,916	25
Principal-protected equity-linked product	19,748,389	73	5,819,612	25
Term deposits and other interest-bearing instruments	4,904,241	18	11,606,074	50
Total	26,976,505	100	23,292,602	100

(5) Key actuarial assumptions

	2024	2023
Discount rate	3.78% ~ 4.05%	4.34% ~ 4.59%
Salary increase rate	2% ~ 4.55%	4.2% ~ 5.47%

(6) Sensitivity analysis of the defined benefit obligation to changes in key actuarial assumptions

	Impact on the defined benefit obligation		
	Changes in key actuarial assumptions	Increase in assumptions	Decrease in assumptions
Discount rate	1%	- 4.9%	+ 5.56%
Salary increase rate	1%	+ 5.6%	- 5.03%

The above sensitivity analysis is based on the assumption that all other actuarial assumptions remain unchanged. However, in practice, assumptions are interrelated and may change simultaneously. The sensitivity of the defined benefit obligation

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to changes in key actuarial assumptions has been calculated using the same projected unit credit method that is applied in the measurement of the defined benefit obligation recognized in the statement of financial position.

The methods and assumptions used in the sensitivity analysis are consistent with those applied in the prior year.

(7) Effect of the defined benefit plan on future cash flows

The expected contributions to the defined benefit plan for the year ending December 31, 2025, amount to KRW 3,376 million.

A maturity analysis of the undiscounted pension benefit payments as at the end of the reporting period is as follows:

(in thousands of Korean won)	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Benefit payments	5,186,216	5,273,843	15,117,618	67,541,585	93,119,262

The weighted average duration of the defined benefit obligation is 5 years and 11 months.

28. Income Tax Expense and Deferred Tax

(1) Details of income tax expense

(in thousands of Korean won)	2024	2023
Current income tax		
Current tax on profit or loss	30,900,767	32,224,855
Adjustments in respect of prior years	772,409	(701,750)
Additional corporate income tax on undistributed earnings	-	(2,307,352)
Total current income tax	31,673,176	29,215,753
Deferred tax		
Changes in temporary differences	(924,210)	(326,026)
Total deferred tax effect	(924,210)	(326,026)
Income tax expense	30,748,966	28,889,727

(2) Reconciliation of income tax expense and accounting profit

(in thousands of Korean won)	2024	2023
Profit before income tax	89,131,348	140,924,907
Income tax expense calculated based on the domestic tax rates applicable in each country	26,291,644	32,993,916
Adjustment details:		
Non-deductible expenses	1,048,681	372,037
Non-taxable income	(2,686)	(79,326)
Change in unrecognized deferred tax assets	1,333,065	(1,363,204)
Adjustments in respect of prior years	772,409	(701,750)
Additional tax (refund) under retained earnings recapture scheme	-	(2,307,352)
Other differences	1,305,853	(24,594)
Total income tax expense	30,748,966	28,889,727
Effective tax rate (Income tax expense / Profit before income tax)	34.50%	20.50%

(3) Income tax effect related to components of other comprehensive income

(in thousands of Korean won)	2024			2023		
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
Gain (loss) on FVOCI financial assets	2,082,501	(481,058)	1,601,443	3,857,150	(896,739)	2,960,411
Remeasurements of net defined benefit liability	(7,216,486)	1,687,951	(5,528,535)	(2,012,643)	496,596	(1,516,047)
Revaluation surplus of property, plant and equipment	-	-	-	11,121,506	(2,560,012)	8,561,494

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Total	(5,133,985)	1,206,893	(3,927,092)	12,966,013	(2,960,155)	10,005,858
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(4) Deferred tax recognized directly in equity

(in thousands of Korean won)	2024	2023
Gain (loss) on FVOCI financial assets	(481,058)	(896,739)
Remeasurements of net defined benefit liability	1,687,951	496,596
Revaluation surplus of property, plant and equipment	-	(2,560,012)

(5) Expected timing of realization and settlement of deferred tax assets and liabilities

(in thousands of Korean won)	2024	2023
Deferred tax assets		
Expected to be realized after more than 12 months	6,474,160	4,419,756
Expected to be realized within 12 months	5,645,566	5,373,654
Gross deferred tax assets	12,119,726	9,793,410
Deferred tax liabilities		
Expected to be realized after more than 12 months	(3,593,146)	(3,426,417)
Expected to be realized within 12 months	(582,187)	(553,704)
Gross deferred tax liabilities	(4,175,333)	(3,980,121)
Net deferred tax assets (liabilities)	7,944,393	5,813,289

(6) Movements in deferred tax assets and liabilities before offsetting

(in thousands of Korean won) 2024	Beginning	Increase (Decrease)		Ending
		Recognized in profit or loss	Recognized in OCI	
Deferred tax assets				
Net defined benefit liability	2,442,540	291,505	-	2,734,045
Remeasurements of net defined benefit liability	1,931,778	-	1,687,951	3,619,729
Fair value gain(loss) on financial assets	1,463,736	789,683	(481,057)	1,772,362
Compensation for unused annual leave	571,833	53,635	-	625,468
Others	3,383,523	(15,401)	-	3,368,122
Sub-total	9,793,410	1,119,422	1,206,894	12,119,726
Deferred tax liabilities				
Tangible and intangible assets	(866,404)	(166,730)	-	(1,033,134)
Accrued income	(553,705)	(28,482)	-	(582,187)
Revaluation surplus of property, plant and equipment	(2,560,012)	-	-	(2,560,012)
Sub-total	(3,980,121)	(195,212)	-	(4,175,333)
Net deferred tax assets (liabilities)	5,813,289	924,210	1,206,894	7,944,393

(in thousands of Korean won) 2023	Beginning	Increase (Decrease)		Ending
		Recognized in profit or loss	Recognized in OCI	
Deferred tax assets				
Net defined benefit liability	2,633,502	(190,962)	-	2,442,540
Remeasurements of net defined benefit liability	1,435,182	-	496,596	1,931,778
Fair value gain(loss) on financial assets	3,079,326	(718,851)	(896,739)	1,463,736
Compensation for unused annual leave	628,770	(56,937)	-	571,833
Others	1,832,287	1,551,236	-	3,383,523

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Sub-total	9,609,067	584,486	(400,143)	9,793,410
Deferred tax liabilities				
Tangible and intangible assets	(882,920)	16,516	-	(866,404)
Accrued income	(278,729)	(274,976)	-	(553,705)
Revaluation surplus of property, plant and equipment	-	-	(2,560,012)	(2,560,012)
Sub-total	(1,161,649)	(258,460)	(2,560,012)	(3,980,121)
Net deferred tax assets (liabilities)	8,447,418	326,026	(2,960,155)	5,813,289

(7) As of the end of the reporting period, the temporary differences for which deferred tax assets or liabilities have not been recognized are as follows:

(in thousands of Korean won)	Details	2024	2023	Explanation
Taxable temporary differences	Investment in subsidiaries	(106,852,678)	(98,049,478)	Undistributed earnings are intended to be permanently reinvested.
Deductible temporary differences	Investment in subsidiaries	146,584,355	132,397,382	No plan to dispose

(8) The recoverability of deferred tax assets depends on various factors, including the Group's ability to generate taxable income during the periods in which the temporary differences are expected to reverse, as well as the overall outlook for the economy and the industry. The Group concluded that the deferred tax assets are recoverable based on projected future taxable income derived from approved business plans and budgets.

(9) OECD BEPS 2.0 – Pillar Two effect of income taxes

Starting from 2024, under the Global Minimum Tax regime and the Act on International Tax Coordination, the Group is required to pay additional top-up tax for each constituent entity, corresponding to the shortfall between the effective tax rate in the relevant jurisdiction and the minimum tax rate of 15%.

The Group has assessed the impact of the implementation of the Global Minimum Tax regime in the jurisdictions where its constituent entities operate. Based on the assessment, it was concluded that either the jurisdictions qualify for transitional safe harbor relief or the effective tax rates are above the 15% minimum rate. As the Group has continued to operate the same business during the year ended December 31, 2024, as in the previous year, no top-up tax is expected to arise for the current year.

Accordingly, no amount related to the Global Minimum Tax has been recognized as the current income tax expense for the year.

29. Equity

(1) The total number of shares the Group is authorized to issue is 50,000,000 shares. The number of issued and outstanding shares is 40,000,000 ordinary shares (2023: 40,000,000 ordinary shares), with a par value of KRW 500 per share.

(2) Changes in equity

(in thousands of Korean won)	Number of shares	Amount		
		Share capital	Share premium	Total
Jan 1, 2023	40,000,000	20,000,000	47,632,939	67,632,939
Dec 31, 2023	40,000,000	20,000,000	47,632,939	67,632,939
Jan 1, 2024	40,000,000	20,000,000	47,632,939	67,632,939
Dec 31, 2024	40,000,000	20,000,000	47,632,939	67,632,939

30. Other Contributed Capital and Other Components of Equity

(1) Details of other contributed capital

(in thousands of Korean won)	2024	2023
Capital surplus	47,632,939	47,632,939

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Treasury shares	(14,316,007)	(14,316,007)
Other paid-in capital	10,978,377	10,978,377
Other capital adjustments	(111,085)	(111,085)
Loss on disposal of treasury shares	(314,205)	(314,205)
Total	43,870,019	43,870,019

(2) Details of other components of equity

(in thousands of Korean won)	2024	2023
Changes in equity of associates	(69,448)	(43,547)
Fair value gain on FVOCI financial assets	1,329,145	1,471,735
Fair value loss on FVOCI financial assets	(1,173,487)	(2,917,520)
Revaluation surplus of property, plant and equipment	8,561,495	8,561,495
Exchange differences on translation of foreign operations	25,710,306	(5,868,991)
Total	34,358,011	1,203,172

31. Retained Earnings

(1) Details of retained earnings

(in thousands of Korean won)	2024	2023
Legal reserve (*1)	18,534,266	16,565,125
Unappropriated retained earnings	592,903,458	562,056,045
Total	611,437,724	578,621,170

(*1) In accordance with the Korean Commercial Code, the Group appropriates at least 10% of cash dividends each fiscal year to a legal reserve, until the reserve equals 50% of the Group's paid-in capital. The legal reserve is not available for distribution as cash dividends but may be utilized to offset retained losses or to increase capital through a capitalization of reserves. If the total amount of the capital reserve and legal reserve exceeds 1.5 times the Company's paid-in capital, the excess amount may be reversed or reclassified by a resolution of the general meeting of shareholders.

(2) Changes in retained earnings

(in thousands of Korean won)	2024	2023
Beginning balance	578,621,170	487,721,771
Net income attributable to owners of the parent	58,036,509	112,035,181
Remeasurements of net defined benefit liability	(5,528,535)	(1,516,047)
Dividends paid	(19,691,420)	(19,619,735)
Ending balance	611,437,724	578,621,170

32. Classification of expense by nature

(in thousands of Korean won)	2024	2023
Changes in inventories	(15,507,441)	30,701,778
Purchases of raw materials and merchandise	872,762,035	839,406,478
Outsourcing costs	292,994,609	242,236,728
Employee benefits expense	284,708,141	242,248,764
Freight and transportation expenses	31,003,217	15,299,630
Commission expenses	33,120,314	26,320,505
Packaging and sample expenses	5,771,001	4,377,235
Rental and building management expenses	2,650,241	2,221,843
Depreciation and amortization	34,281,183	31,693,353
Advertising and promotion expenses	559,196	500,990
Share-based compensation expense	-	3,010,749
Other expenses	113,255,543	102,513,269
Total of cost of sales and selling and administrative expenses	1,655,598,039	1,540,531,322

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33. Selling and Administrative Expenses

(in thousands of Korean won)	2024	2023
Salaries and wages	68,110,895	69,482,992
Retirement benefit expenses	6,312,702	4,183,387
Employee welfare expenses	9,799,132	9,994,355
Travel and transportation expenses	832,844	754,642
Overseas travel expenses	5,251,295	5,110,161
Entertainment expenses	1,428,594	1,284,007
Communication expenses	824,256	741,946
Depreciation expenses	1,723,028	1,574,223
Depreciation of right-of-use assets	4,183,888	4,124,399
Depreciation of investment property	399,750	387,335
Amortization of intangible assets	512,678	428,384
Lease payments	1,226,974	976,024
Freight and transportation expenses	15,250,960	7,562,121
Commission expenses	33,005,401	26,252,947
Export-related expenses	175,529	196,485
Samples and packaging expenses	5,759,825	4,272,320
Bad debt expenses	113,794	717,995
Share-based compensation expenses	-	3,010,749
Other expenses	11,385,974	11,519,284
Total	166,297,519	152,573,756

34. Other Income

(in thousands of Korean won)	2024	2023
Foreign exchange gains	43,520,840	46,383,290
Gain on foreign currency translation	17,841,923	12,614,513
Fair value gain on financial assets at FVTPL	1,805,160	3,990,120
Gain on disposal of financial assets at FVTPL	398,946	-
Dividend income	187,810	565,815
Gain on disposal of property, plant and equipment	231,680	393,584
Others	3,428,898	12,317,117
Total	67,415,257	76,264,439

35. Other Expenses

(in thousands of Korean won)	2024	2023
Foreign exchange losses	46,923,919	47,028,795
Loss on foreign currency translation	32,191,948	12,319,587
Loss on business transfer	-	1,785,226
Loss on disposal of trade receivables	14,121,301	14,372,185
Loss on disposal of property, plant and equipment	68,339	124,177
Impairment loss on property, plant and equipment	1,363,874	-
Impairment loss on right-of-use assets	1,270,344	-
Fair value loss on financial assets at FVTPL	3,916,421	1,407,761
Loss on disposal of financial assets at FVTPL	15,007	702
Other expenses	4,433,606	10,128,106
Total	104,304,759	87,166,539

36. Financial Income

(in thousands of Korean won)	2024	2023
Interest income from financial assets measured at amortized cost	5,335,081	4,893,504
Interest income from financial assets measured at fair value	5,433,338	5,238,356
Total	10,768,419	10,131,860

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37. Financial Expenses

(in thousands of Korean won)	2024	2023
Interest expense on financial liabilities	29,204,977	26,828,006

38. Earnings per Share

(1) Basic earnings per share

Basic earnings per share is calculated by dividing the Group's net income for the period by the weighted average number of ordinary shares outstanding during the period.

(in Korean won, shares)	2024	2023
Profit attributable to ordinary equity holders of the parent	58,036,509,428	112,035,180,540
Weighted average number of ordinary shares (*)	39,382,839	39,312,136
Basic earnings per share	1,474	2,850

(*) The weighted average number of ordinary shares outstanding for the current year was calculated based on the total number of issued shares (40,000,000 shares), adjusted for changes in treasury shares during the period.

(2) Diluted earnings per share

The Group did not have any dilutive potential ordinary shares during the reporting period. Accordingly, basic earnings per share is equal to diluted earnings per share.

39. Dividends

The Group paid dividends of KRW 19,691 million for the current year and KRW 19,620 million for the prior year, corresponding to KRW 500 per share in both years.

The dividends per share and total dividends for the current fiscal year are KRW 500 and KRW 19,691 million, respectively. These dividends are to be proposed as an agenda item at the annual general meeting of shareholders scheduled on March 26, 2025. The consolidated financial statements for the current year do not reflect the proposed dividends, as they have not yet been approved.

40. Cash Flows

(1) Cash generated from operations

(in thousands of Korean won)	2024	2023
Net income for the year	58,382,383	112,035,181
Adjustments:		
Income tax expense(income)	30,748,966	28,889,726
Financial income	(10,768,419)	(10,131,860)
Financial expense	29,204,977	26,828,006
Dividend income	(187,810)	(565,815)
Equity method gain	(3,534,434)	(751,258)
Equity method loss	1,274,734	453,210
Depreciation	20,778,357	19,243,677
Depreciation of investment assets	399,750	387,335
Depreciation of right-of-use property	12,511,107	11,633,698
Amortization of intangible assets	591,969	428,643
Impairment loss on property, plant and equipment	1,363,874	-
Impairment loss on right-of-use assets	1,270,344	-
Retirement benefit expense	11,322,127	6,275,130
Inventory valuation loss	8,310,190	8,524,327
Reversal of inventory valuation loss	(8,524,327)	(3,841,411)
Fair value loss on financial assets at FVTPL	3,916,421	1,407,761

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Fair value gain on financial assets at FVTPL	(1,805,160)	(3,990,120)
Loss on disposal of financial assets at FVTPL	15,007	702
Gain on disposal of financial assets at FVTPL	(398,946)	-
Loss on disposal of financial assets at FVOCI	(451,525)	(478,802)
Gain on disposal of financial assets at FVOCI	-	523,842
Bad debt expense	113,794	717,995
Foreign currency translation loss	32,191,948	12,319,587
Foreign currency translation gain	(17,841,923)	(12,614,513)
Changes in trade receivables	(11,152,129)	(6,124,824)
Changes in other receivables	1,240,853	3,747,586
Changes in inventories	(36,586,754)	45,789,571
Changes in other current assets	(2,888,712)	2,838,577
Changes in other non-current assets	147,253	(294,676)
Changes in trade payables	7,004,274	4,844,993
Changes in other payables	6,266,608	(2,648,078)
Changes in other current liabilities	(15,993,170)	3,301,156
Retirement benefits paid	(3,981,035)	(3,878,550)
Loss on disposal of property, plant and equipment	68,339	124,177
Gain on disposal of property, plant and equipment	(231,680)	(393,584)
Increase in plan assets	(4,702,005)	(4,448,981)
Share-based compensation expense	-	3,010,749
Loss on business transfer	-	1,785,226
Others	996,132	(1,760,179)
Net cash generated from operating activities	109,071,378	243,188,204

(2) Changes in liabilities arising from financing activities

(in thousands of Korean won) 2024	Beginning balance	Financing cash flows	Non-cash changes		Ending balance
			Effect of exchange rate changes	Increase in right-of-use assets, etc.	
Borrowings	183,652,516	31,425,717	-	15,498,453	230,576,686
Supplier financing arrangement	228,837,749	23,606,617	-	13,260,446	265,704,812
Lease liabilities	31,176,175	(14,821,401)	20,156,656	4,668,923	41,180,353
Total	443,666,440	40,210,933	20,156,656	33,427,822	537,461,851

(in thousands of Korean won) 2024	Beginning balance	Financing cash flows	Non-cash changes		Ending balance
			Effect of exchange rate changes	Increase in right-of-use assets, etc.	
Borrowings	244,707,958	(73,079,182)	-	12,023,740	183,652,516
Supplier financing arrangement	276,031,829	(38,965,086)	-	(8,228,994)	228,837,749
Lease liabilities	28,749,144	(9,586,117)	4,802,057	7,211,091	31,176,175
Total	549,488,931	(121,630,385)	4,802,057	11,005,837	443,666,440

(3) Significant non-cash transactions

(in thousands of Korean won)	2024	2023
Reclassification of FVOCI financial assets between current and non-current	70,025,106	19,491,364
Increase (decrease) in payables related to acquisition of property, plant and equipment	(2,384,510)	4,499,905

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Increase in right-of-use assets	24,079,024	13,538,864
Transfer of long-term borrowings to current liabilities	3,823,176	6,502,140
Transfer of construction-in-progress to property, plant and equipment	35,255,168	7,025,425
Revaluation increase (decrease) in property, plant and equipment	-	11,121,506

41. Contingent Liabilities and Commitments

(1) As of the end of the reporting period, the Group has received the following guarantees provided by third parties.

(in USD)	Guarantor	Type of guarantee	Guaranteed amount			
			2024		2023	
Joint and several guarantee	CEO	Personal joint and several guarantee	USD	24,000,000	USD	24,000,000
Total			USD	24,000,000	USD	24,000,000

(2) As of the end of the reporting period, details of guarantees provided by the Group to third parties are disclosed in Note 42 – Related Party Transactions.

(3) As of the end of the reporting period, the Group has entered into credit limit agreements amounting to KRW 945,570 million (including USD 570,200 thousand) with financial institutions including KEB Hana Bank, in relation to import of raw materials (including USANCE financing), opening of letters of credit, and discounting of export receivables. (At the end of the prior year: KRW 774,896 million, including USD 598,700 thousand)

(4) Certain foreign currency trade receivables were pledged as collateral in connection with discounting or assignment of export receivables (Note 24).

(5) As of the end of the reporting period, the Group has entered into general loan agreements with financial institutions including The Export-Import Bank of Korea (hereafter, “Korea Eximbank”), with a total credit limit of KRW 121,287 million (At the end of the prior year: KRW 163,424 million).

(6) The Group has received a payment guarantee of KRW 20,000 thousand from Seoul Guarantee Insurance Company in connection with contract performance.

(7) The Group has entered into management consulting service and trademark license agreements with Hansae YES24 Holdings Co., Ltd.

(8) As of the end of the reporting period, the details of assets pledged as collateral for the Group’s borrowings and other obligations are as follows:

(in thousands of Korean won, in USD)	Book value	Maximum secured amount		Related account	Secured party
		2024	2023		
Land, buildings and machinery	46,046,291	19,698,000 USD 13,400,000	21,661,920 USD 16,800,000	Borrowings (Note 24)	Shinhan Bank, Binh Duong Branch, etc.
Total		19,698,000 USD 13,400,000	21,661,920 USD 16,800,000		

42. Related Party Transactions

(1) Status of parent and subsidiaries

1) As of the end of the reporting period, the Group’s parent company is Hansae YES24 Holdings Co., Ltd., which holds 50.49% of the Company’s shares.

2) Related parties and affiliates having sales, purchases, or financial transactions with the Group

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Classification	2024	2023	Remark
Related parties	Yes24 Co.,Ltd	Yes24 Co.,Ltd	Subsidiaries of the parent company
	Dong-A Publishing Co.,Ltd	Dong-A Publishing Co.,Ltd	Subsidiaries of the parent company
	HANSAE MK CO.,LTD	HANSAE MK CO.,LTD	Subsidiaries of the parent company
Affiliates	Woori Global Blockchain Investment Fund No.15	Woori Global Blockchain Investment Fund No.15	-
	Hansae YES24 Rising Star Investment Fund	Hansae YES24 Rising Star Investment Fund	-
	-	Leading D New Technology Investment Fund No.1	-
	-	VTI Partners Healthcare Investment Fund	-
	NH Rhinos Mezzanine General Private Equity Trust	NH Rhinos Mezzanine General Private Equity Trust	-
	BNK Aone Convertible Mezzanine General Private Equity Trust C-s	BNK Aone Convertible Mezzanine General Private Equity Trust C-s	-
	Hansae YES24 Rising Investment Fund No.2	Hansae YES24 Rising Investment Fund No.2	-
	GVA Mezz-J General Private Equity Trust	GVA Mezz-J General Private Equity Trust	-
	VTI Partners EV Investment Fund	VTI Partners EV Investment Fund	-
	Aone Platinum KOSDAQ Venture General Private Equity Trust	Aone Platinum KOSDAQ Venture General Private Equity Trust	-

(2) Details of transactions with related parties, including sales and purchases

1) 2024

(in thousands of Korean won)	Company name	Other income	Other expenses
Parent company	Hansae YES24 Holdings Co., Ltd	1,706,350	7,026,440
Others	HANSAE MK CO., LTD (*)	-	35,464
	Yes24 Co., Ltd	-	209,128
	Dong-A Publishing Co.,Ltd	-	82,733
Total		1,706,350	7,353,765

(*) The interest expense on the lease liability related to the warehouse lease agreement with HANSAE MK Co., Ltd. amounted to KRW 5,940 thousand for the current year.

2) 2023

(in thousands of Korean won)	Company name	Other income	Other expenses	Acquisition of right-of-use assets
Parent company	Hansae YES24 Holdings Co., Ltd	184,889	5,572,546	-
Others	HANSAE MK CO., LTD (*)	-	8,918	138,218
	Yes24 Co., Ltd	-	179,990	-
	Dong-A Publishing Co.,Ltd	-	60,370	-
Total		184,889	5,821,824	138,218

(*) The interest expense on the lease liability related to the warehouse lease agreement with HANSAE MK Co., Ltd. amounted to KRW 3,513 thousand in the prior year.

(3) Significant balances of receivables and payables with related parties

1) 2024

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(in thousands of Korean won)	Company name	Receivables				Payables	
		Trade receivables	Other receivables	Loans receivable	Other assets	Other payables	Lease liabilities
Parent company	Hansae YES24 Holdings Co., Ltd	-	117,012	80,000,000	-	842,252	-
Others	HANSAE MK CO.,LTD	87,136	-	-	42,500	4,911	87,356
	Yes24 Co.,Ltd	-	-	-	-	2,150	-
	Dong-A Publishing Co.,Ltd	-	-	-	-	80,721	-
Total		87,136	117,012	80,000,000	42,500	930,034	87,356

2) 2023

(in thousands of Korean won)	Company name	Receivables		Payables	
		Other receivables	Other assets	Other payables	Lease liabilities
Parent company	Hansae YES24 Holdings Co., Ltd	100,301	-	589,805	-
Others	HANSAE MK CO.,LTD	-	40,000	4,719	120,454
	Yes24 Co.,Ltd	-	-	1,440	-
	Dong-A Publishing Co.,Ltd	-	-	66,407	-
Total		100,301	40,000	662,371	120,454

As of the end of the reporting period, no allowance for doubtful accounts has been recognized in relation to receivables from related parties.

(4) Financing transactions with related parties

1) 2024

(in thousands of Korean won)	Company name	Equity contribution	Repayment of lease liabilities	Dividend payment	Loan provided	Loan repayment	Recovery of investment assets including dividends
Parent company	Hansae YES24 Holdings Co., Ltd	-	-	10,097,654	80,000,000	-	-
Associate	Leading D New Technology Investment Fund No.1	-	-	-	-	-	563,289
	VTI Partners Healthcare Investment Fund	-	-	-	-	-	8,360,874
	Hansae YES24 Rising Investment Fund No.2	1,250,000	-	-	-	-	-
	BNK Aone Convertible Mezzanine General Private Equity Trust C-s	-	-	-	-	-	153,864
	GVA Mezz-J General Private Equity Trust	-	-	-	-	-	20,873
Others	HANSAE MK CO.,LTD	-	44,460	-	-	-	-
Total		1,250,000	44,460	10,097,654	80,000,000	-	9,098,900

2) 2023

(in thousands of Korean won)	Company name	Capital contribution in cash	Repayment of lease liabilities	Dividend payment	Loan provided	Loan repayment	Recovery of investment assets including dividends
Parent company	Hansae YES24 Holdings Co., Ltd	-	-	8,489,079	20,000,000	20,000,000	-

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Associate	Leading D New Technology Investment Fund No.1	-	-	-	-	-	268,571
	Hansae YES24 Rising Investment Fund No.2 (*)	1,250,000	-	-	-	-	-
	GVA Mezz-J General Private Equity Trust (*)	3,000,000	-	-	-	-	-
	VTI Partners EV Investment Fund (*)	5,000,000	-	-	-	-	-
	Aone Platinum KOSDAQ Venture General Private Equity Trust (*)	4,000,000	-	-	-	-	-
Others	HANSAE MK CO.,LTD	-	46,887	-	-	-	-
Total		13,250,000	46,887	8,489,079	20,000,000	20,000,000	268,571

(*) The entity was classified as an associate in the prior year through a new equity investment.

(5) Guarantees and collateral provided

1) Guarantees received

As of the end of the reporting period, the details of payment guarantees provided by related parties to the Group for financing and other purposes are as follows:

(in USD)	Guarantor	Beneficiary	Maximum guarantee period	Guaranteed amount				Guarantee details
				2024		2023		
Joint and several guarantee	CEO	Korea Eximbank	2025-05-29	USD	24,000,000	USD	24,000,000	Loan guarantee
Total				USD	24,000,000	USD	24,000,000	

2) Guarantees provided

As of the end of the reporting period, the Group has provided the following guarantees and collateral in support of the financing and other activities of related parties.

(in thousands of Korean won,in USD)	Company name	Beneficiary	Maximum guarantee period	Guaranteed amount						Guarantee details
				2024			2023			
				Unit	Guarantee limit	Amount utilized	Unit	Guarantee limit	Amount utilized	
Parent company	Hansae YES24 Holdings Co., Ltd	KEB Hana bank	2025-04-17	KRW	4,800,000	-	KRW	4,800,000	1,019,000	Loan guarantee

(6) Compensation of key management personnel

The Group considers registered and non-registered executive officers, including outside directors, who have authority and responsibility for planning, directing, and controlling the Group's operations, as key management personnel. The details of compensation for key management personnel during the current and prior years are as follows:

(in thousands of Korean won)	2024	2023
Short-term employee benefits	10,375,617	9,453,723
Post-employment benefits	976,439	1,682,414
Total	11,352,056	11,136,137

43. Business Combination

(1) 2024

1) TEXOLLINI, INC.

On September 30, 2024, the Group acquired 100% of the equity interests in TEXOLLINI, INC., a U.S.-based company primarily engaged in weaving and dyeing of fabrics, for KRW 19,732 million (USD 14,400 thousand). Through the acquisition, the Group expects to expand its production capacity by utilizing TEXOLLINI's dyeing facilities and achieving economies of scale.

Goodwill of KRW 11,516 million arising from the acquisition reflects anticipated synergies including increased sales through access to new buyers. The recognized goodwill is not deductible for tax purposes.

The consideration transferred and the fair values of the identifiable assets acquired and liabilities assumed at the acquisition date are as follows:

(in thousands of Korean won)	Amount
Consideration transferred	
Cash	19,732,320
Recognized Amounts of Identifiable Assets Acquired and Liabilities Assumed	
Cash and cash equivalents	109,005
Trade and other receivables	2,164,141
Inventories	3,389,584
Property, plant and equipment	3,896,115
Intangible assets	3,089,661
Other assets	109,577
Trade and other payables	(2,540,363)
Borrowings	(1,583,520)
Deferred tax liabilities	(772,415)
Other liabilities	(375,206)
Total fair value of net identifiable assets	7,486,579
Goodwill	11,515,661
Foreign currency translation difference	730,080
Total	19,732,320
Direct acquisition costs	335,250

2) Net cash outflow from business combination

(in thousands of Korean won)	Amount
Cash consideration paid	19,732,320
Less: Cash and cash equivalents acquired from the subsidiary	(109,005)
Net cash outflow	19,623,315

3) Revenue contributed by the acquired business

(in thousands of Korean won)	Amount
Revenue	3,077,031
Net loss for the period	1,999,203

If TEXOLLINI, INC. had been consolidated from January 1, 2024, the Group's consolidated statement of comprehensive income for the year ended December 31, 2024 would have reflected additional revenue of KRW 11,903 million and an additional net loss of KRW 5,094 million.

(2) 2023

1) AALFS DOS, S.A.

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On December 31, 2023, the Group acquired 100% of the equity interests in AALFS DOS, S.A. for KRW 4,175 million (USD 3.2 million). AALFS DOS, S.A. is primarily engaged in leasing land from local entities in Nicaragua, developing industrial parks, and leasing buildings to manufacturing subsidiaries. Through this acquisition, the Group aims to expand its production base in Central America by securing development rights within the industrial park and establishing new production facilities.

Goodwill amounting to KRW 2,445 million was recognized as a result of the acquisition, which is attributable to expected increases in sales through the acquisition of new customers. The recognized goodwill is not deductible for tax purposes.

The consideration transferred and the fair values of the identifiable assets acquired and liabilities assumed at the acquisition date are as follows:

(in thousands of Korean won)	Amount
Consideration transferred	
Cash	4,175,040
Recognized Amounts of Identifiable Assets Acquired and Liabilities Assumed	
Intangible assets	2,184,817
Deferred tax liabilities	(504,693)
Total fair value of net identifiable assets	1,680,124
Goodwill	2,445,952
Total	4,126,076
Direct acquisition costs	35,334

Since the acquisition date, AALFS DOS, S.A. has not contributed any revenue or net income to the Group's consolidated statement of comprehensive income.

44. Divestment of a Subsidiary

(1) 2024

During the current year, the Group disposed of its subsidiary, IGIS INCOMEPLUS Private Investment Trust III.

1) The fair value of the consideration received is as follows:

(in thousands of Korean won)	2024
Consideration received in cash and cash equivalents	35,605,278

2) The carrying amounts of the assets and liabilities of the subsidiary on the date control was lost are as follows:

(in thousands of Korean won)	2024
Current asset	55,951,151
Cash and cash equivalent	55,951,151
Non-current asset	-
Liability	-
Total carrying amount of net assets disposed of	55,951,151

3) The gain (or loss) on disposal of the subsidiary is as follows:

(in thousands of Korean won)	2024
Fair value of consideration received	35,605,278
Carrying amount of net assets disposed of	55,951,151
Non-controlling interests	(20,345,873)
Loss on business transfer	-

4) The net cash inflow from the disposal of the subsidiary is as follows:

(in thousands of Korean won)	2024
Consideration received in cash and cash equivalents	35,605,278

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Carrying amount of net assets disposed of	(55,951,151)
Non-controlling interests	20,345,873
Net cash flow	-

(2) 2023

During the prior year, the Group disposed of its subsidiary, MYANMAR AYEYARWADDY MANUFACTURING CO., LTD.

1) The fair value of the consideration received is as follows:

(in thousands of Korean won)	2023
Consideration received in cash and cash equivalents	50,000

2) The carrying amounts of the assets and liabilities of the subsidiary on the date control was lost are as follows:

(in thousands of Korean won)	2023
Current asset	1,955,047
Cash and cash equivalent	136,374
Trade and other receivables	1,818,673
Non-current asset	330,179
Tangible assets	330,179
Liability	-
Total carrying amount of net assets disposed of	2,285,226

3) The gain (or loss) on disposal of the subsidiary is as follows:

(in thousands of Korean won)	2024
Fair value of consideration received	500,000
Carrying amount of net assets disposed of	2,285,226
Non-controlling interests	-
Cumulative exchange differences related to the net assets of the subsidiary and the related hedging instruments reclassified from equity upon loss of control	(537,254)
Loss on business transfer	(1,785,226)

4) The net cash inflow from the disposal of the subsidiary is as follows:

(in thousands of Korean won)	2024
Consideration received in cash and cash equivalents	500,000
Carrying amount of net assets disposed of	(136,374)
Net cash flow	363,626

45. Treasury Shares

During the prior year, the Group disposed of 143,369 treasury shares by contributing them to the employee stock ownership association (ESOA). These shares are subject to a mandatory holding period of four years. The transaction is classified as an equity-settled share-based payment in accordance with Korean International Financial Reporting Standard (K-IFRS) No. 1102, with the grant date being June 29, 2023. The shares were fully vested immediately on the grant date, and accordingly, KRW 3,010,749 thousand was recognized in full as share-based payment expense on that date. After offsetting a gain on disposal of treasury shares of KRW 633 thousand, the Group recognized a loss on disposal of treasury shares of KRW 314,206 thousand. The fair value at the grant date was estimated based on the closing price of the common shares on the grant date, which was KRW 21,000 per share.