

**Hansae Co., Ltd.**  
**Separate Financial Statements**  
**December 31, 2025 and 2024**

**Hansae Co., Ltd.**  
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**December 31, 2025 and 2024**

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## Independent Auditor's Report

(English Translation of a Report Originally Issued in Korean)

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

### Opinion

We have audited the separate financial statements of Hansae Co., Ltd. (the Company), which comprise the separate statement of financial position as at December 31, 2025, and the separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including material accounting policy information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of Hansae Co., Ltd. as at December 31, 2025, and its separate financial performance and its separate cash flows for the year then ended in accordance with *International Financial Reporting Standards as adopted by the Republic of Korea* (Korean IFRS).

We also have audited, in accordance with Korean Standards on Auditing, the Company's Internal Control over Financial Reporting as of December 31, 2025, based on *Conceptual Framework for Designing and Operating Internal Control over Financial Reporting*, and our report dated March 18, 2026 expressed an unqualified opinion.

### Basis for Opinion

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

### Key Audit Matters

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

## **Impairment assessment on investments in subsidiaries (TEXOLLINI, INC.)**

### ***Reason why the matter was determined to be a Key Audit Matter***

As disclosed in Note 13 to the separate financial statements, the carrying amount of investments in subsidiaries (TEXOLLINI, INC., a subsidiary) amount to ₩ 13,759 million in which impairment loss of ₩ 5,973 million has been deducted for the year ended December 31, 2025.

The Company annually reviews an indication of impairment on the investments in subsidiaries, and performs an impairment assessment for investments in subsidiaries with an indication of impairment. As at December 31, 2025, management of the Company determined that there was an indication of impairment on the investments in TEXOLLINI, INC., and thus, the Company performed an impairment assessment. The Company used an independent external expert to calculate the value-in-use.

We focused on this area due to the significance of size of investment in subsidiaries balance and because the assessment of the value in use involves management's judgments about the future results of the business and the discount rates applied to future cash flow forecast.

### ***How our audit addressed the Key Audit Matter***

We have performed the following audit procedures to address the Key Audit Matter.

We involved an appraisal specialist as part of the audit team in performing these audit procedures.

- Obtained understanding and evaluated the Company's accounting policies and internal controls in relation to impairment assessment
- Test on internal controls such as management's review and approval on estimates on the business plan and significant assumptions in relation to impairment assessment
- Assessed the appropriateness of valuation model used by management in estimating the value-in-use
- Confirmed that future cash flow estimates are consistent with the business plan approved by the management
- Performed a lookback analysis by comparing the current year actual results with the prior year forecasts to assess whether management's forecasts included optimistic assumptions
- Assessed the competence and independence of experts engaged by management involved in value-in-use estimation
  - Assessed the reasonableness of the key assumptions used in estimating the value-in-use
  - Compared the discount rate used by management with the discount rate independently calculated by using observable information

## **Other Matters**

The separate financial statements of the Company for the year ended December 31, 2024, were audited by another auditor who expressed an unqualified opinion on those statements on March 14, 2025.

Auditing standards and their application in practice vary among countries. The procedures and practices used in the Republic of Korea to audit such financial statements may differ from those generally accepted and applied in other countries.

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

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

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in

internal control that we identify during our audit.

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

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

The engagement partner on the audit resulting in this independent auditor's report is KiWon Kim, Certified Public Accountant.

Seoul, Korea  
March 18, 2026

This report is effective as of March 18, 2026, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying separate financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

**Hansae Co., Ltd.**  
**Separate Statements of Financial Position**  
**December 31, 2025 and 2024**

<i>(in Korean won)</i>	<b>Notes</b>	<b>2025</b>	<b>2024</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4,5,6,8,13	₩ 288,987,675,142	₩ 36,109,652,326
Trade and other receivables	5,6,7,9,12,37	224,086,565,173	209,861,230,158
Financial assets at fair value through profit or loss	5,6,12	2,392,309,047	2,928,364,420
Financial assets at fair value through other comprehensive income	5,6,12	-	70,027,165,260
Current investments in associates	13	-	2,000,000,000
Inventories	10	209,921,818,891	219,176,356,433
Other current assets	11,37	115,379,130,265	94,941,823,524
		<u>840,767,498,518</u>	<u>635,044,592,121</u>
<b>Non-current assets</b>			
Long-term other receivables	5,6,9,37	78,705,837,685	92,907,826,646
Financial assets at fair value through profit or loss	5,6,12	42,112,418,898	82,154,225,739
Financial assets at fair value through other comprehensive income	5,6,12	4,501,932,068	124,107,235,651
Investments in subsidiaries and associates	13	169,985,994,799	170,006,350,546
Property, plant and equipment	14	20,494,227,808	20,604,966,138
Right-of-use assets	15	7,756,177,413	6,323,059,174
Investment property	16	1,176,816,320	1,183,714,407
Intangible assets	17	936,772,915	279,537,349
Other non-current assets	11	2,577,568,266	2,494,564,589
Deferred tax assets	24	8,584,170,799	8,156,828,414
		<u>336,831,916,971</u>	<u>508,218,308,653</u>
<b>Total assets</b>		<u>₩ 1,177,599,415,489</u>	<u>₩ 1,143,262,900,774</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	4,5,6,19,37	₩ 85,397,757,193	₩ 76,822,216,210
Borrowings	4,5,6,7,20	298,782,639,410	299,809,972,372
Lease liabilities	4,5,6,18,37	3,013,871,785	2,839,389,724
Current tax liabilities		11,702,463,567	16,644,154,737
Other current liabilities	21	9,936,691,407	8,441,086,574
Other financial liabilities	4,5,6	1,669,636,593	1,445,070,348
		<u>410,503,059,955</u>	<u>406,001,889,965</u>
<b>Non-current liabilities</b>			
Long-term other payables	4,5,6,22,37	1,634,028,145	1,479,000,000
Long-term lease liabilities	4,5,6,18,37	4,392,956,314	3,711,898,704
Net defined benefit liabilities	23	13,749,510,309	14,950,228,985
Long-term other financial liabilities	4,5,6	2,577,568,266	2,494,564,589
		<u>22,354,063,034</u>	<u>22,635,692,278</u>
<b>Total liabilities</b>		<u>432,857,122,989</u>	<u>428,637,582,243</u>
<b>Equity</b>			
Issued capital	1,25	20,000,000,000	20,000,000,000
Other contributed capital	26	(3,097,272,919)	33,002,727,081
Other components of equity	26	8,717,102,585	8,074,976,809
Retained earnings	27	719,122,462,834	653,547,614,641
<b>Total equity</b>		<u>744,742,292,500</u>	<u>714,625,318,531</u>
<b>Total equity and liabilities</b>		<u>₩ 1,177,599,415,489</u>	<u>₩ 1,143,262,900,774</u>

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

**Hansae Co., Ltd.**  
**Separate Statements of Comprehensive Income**  
**Years Ended December 31, 2025 and 2024**

<i>(in Korean won)</i>	<b>Notes</b>	<b>2025</b>	<b>2024</b>
<b>Revenue</b>	28,37	₩ 1,827,932,619,764	₩ 1,719,024,089,082
<b>Cost of sales</b>	10,29,37	<u>(1,569,225,807,578)</u>	<u>(1,421,917,132,843)</u>
<b>Gross profit</b>		258,706,812,186	297,106,956,239
Selling and administrative expenses	29,30,37	<u>(164,796,214,662)</u>	<u>(161,579,431,715)</u>
<b>Operating income</b>		93,910,597,524	135,527,524,524
Other income	31,37	69,699,881,285	61,634,788,150
Other expenses	31,37	(87,589,374,840)	(83,350,942,242)
Finance income	32,37	12,497,437,850	10,257,381,334
Finance costs	32,37	<u>(16,235,109,055)</u>	<u>(16,827,578,539)</u>
Profit before tax		72,283,432,764	107,241,173,227
Income tax expense	24	<u>(21,088,549,046)</u>	<u>(27,240,391,989)</u>
<b>Profit</b>		<u>₩ 51,194,883,718</u>	<u>₩ 80,000,781,238</u>
<b>Other comprehensive income</b>			
<i>Other comprehensive income, that will not be reclassified to profit or loss</i>			
Remeasurements of net defined benefit liabilities	23	₩ (2,848,552,945)	₩ (5,040,137,132)
Tax effect on net defined benefit liabilities	24	819,936,920	1,164,271,677
Gains (losses) on valuation of financial assets at fair value through other comprehensive income	12	133,114,049	(106,372,769)
Tax effect on other comprehensive income	24	(43,970,583)	24,572,109
Tax effect on gains (losses) on valuation of property, plant and equipment	24	(113,280,251)	-
<i>Other comprehensive income, that will be reclassified to profit or loss</i>			
Gains on valuation of financial assets at fair value through other comprehensive income	12	866,401,250	2,188,872,914
Tax effect on other comprehensive income	24	<u>(200,138,689)</u>	<u>(505,629,643)</u>
<b>Other comprehensive loss, net of tax</b>		<u>(1,386,490,249)</u>	<u>(2,274,422,844)</u>
<b>Total comprehensive income</b>		<u>₩ 49,808,393,469</u>	<u>₩ 77,726,358,394</u>
<b>Earnings per share</b>			
Basic and diluted earnings per share	33	₩ 1,300	₩ 2,031

The above separate statements of comprehensive income should be read in conjunction with the accompanying notes.

## Hansae Co., Ltd.

### Separate Statements of Changes in Equity Years Ended December 31, 2025 and 2024

(in Korean won)

	Notes	Issued capital	Other contributed capital	Other components of equity	Retained Earnings	Total Equity
<b>Balance at January 1, 2024</b>		₩ 20,000,000,000	₩ 33,002,727,081	₩ 6,473,534,198	₩ 597,114,118,358	₩ 656,590,379,637
<b>Total comprehensive income</b>						
Profit		-	-	-	80,000,781,238	80,000,781,238
Gains on valuation of financial assets at fair value through other comprehensive income	12,24	-	-	1,601,442,611	-	1,601,442,611
Remeasurements of net defined benefit liabilities	23,24	-	-	-	(3,875,865,455)	(3,875,865,455)
<b>Transactions with owners</b>						
Annual dividends	34	-	-	-	(19,691,419,500)	(19,691,419,500)
<b>Balance at December 31, 2024</b>		<u>₩ 20,000,000,000</u>	<u>₩ 33,002,727,081</u>	<u>₩ 8,074,976,809</u>	<u>₩ 653,547,614,641</u>	<u>₩ 714,625,318,531</u>
<b>Balance at January 1, 2025</b>		₩ 20,000,000,000	₩ 33,002,727,081	₩ 8,074,976,809	₩ 653,547,614,641	₩ 714,625,318,531
<b>Total comprehensive income</b>						
Profit		-	-	-	51,194,883,718	51,194,883,718
Gains on valuation of financial assets at fair value through other comprehensive income	12,24	-	-	755,406,027	-	755,406,027
Losses on valuation of property, plant and equipment	24	-	-	(113,280,251)	-	(113,280,251)
Remeasurements of net defined benefit liabilities	23,24	-	-	-	(2,028,616,025)	(2,028,616,025)
Transfer of capital reserve to retained earnings		-	(36,100,000,000)	-	36,100,000,000	-
<b>Transactions with owners</b>						
Annual dividends	34	-	-	-	(19,691,419,500)	(19,691,419,500)
<b>Balance at December 31, 2025</b>		<u>₩ 20,000,000,000</u>	<u>₩ (3,097,272,919)</u>	<u>₩ 8,717,102,585</u>	<u>₩ 719,122,462,834</u>	<u>₩ 744,742,292,500</u>

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

**Hansae Co., Ltd.**  
**Separate Statements of Cash Flows**  
**Years Ended December 31, 2025 and 2024**

(in Korean won)

	Notes	2025	2024
<b>Cash flows from (used in) operating activities</b>			
Net cash flows from operations	35	₩ 86,378,259,549	₩ 71,893,949,500
Interest received		12,381,496,550	10,534,731,591
Interest paid		(16,302,487,386)	(17,025,466,723)
Income taxes paid		(25,995,035,204)	(34,584,235,669)
Dividends received		8,675,306,281	3,725,766,766
<b>Cash flows from operating activities</b>		<u>65,137,539,790</u>	<u>34,544,745,465</u>
<b>Cash flows from (used in) Investing activities</b>			
Decrease in short-term financial assets		-	20,067,189,177
Decrease in other receivables		3,248,406,685	26,536,250,433
Proceeds from sales of financial assets at fair value through profit or loss	12	408,446,160,654	108,505,327,045
Proceeds from sales of financial assets at fair value through other comprehensive income	12	279,815,813,526	60,152,587,585
Decrease in long-term other receivables		36,370,239,965	8,229,263,714
Proceeds from sales of property, plant and equipment	14	97,863,637	247,338,180
Proceeds from sales of investments in subsidiaries	13	-	38,154,536,893
Proceeds from sales of investments in associates	13	11,669,678,048	5,560,000,000
Increase in other receivables		(30,259,115,040)	(28,603,842,742)
Purchase of financial assets at fair value through profit or loss	12	(371,359,768,526)	(58,263,671,059)
Purchase of financial assets at fair value through other comprehensive income	12	(89,978,692,308)	(70,811,977,656)
Increase in long-term other receivables		(22,654,096,960)	(81,628,985,456)
Purchase of investments in subsidiaries	13	(1,533,121,875)	(85,231,213,087)
Purchase of investments in associates	13	(9,000,000,000)	(1,250,000,000)
Purchase of property, plant and equipment	14	(619,183,581)	(1,081,637,868)
Purchase of intangible assets	17	(933,800,000)	-
<b>Cash flows from (used in) Investing activities</b>		<u>213,310,384,225</u>	<u>(59,418,834,841)</u>
<b>Cash flows from (used in) financing activities</b>			
Proceeds from borrowings	20,35	317,543,555,714	346,865,075,093
Proceeds from payables under supplier finance arrangement	20,35	475,986,533,762	436,808,361,182
Increase in leasehold deposits	35	45,000,000	-
Repayments of borrowings	20,35	(304,268,344,769)	(323,097,437,443)
Repayments of payables under supplier finance arrangement	20,35	(492,434,730,135)	(427,958,322,915)
Repayments of lease liabilities	35	(2,750,496,271)	(2,509,847,703)
Dividends paid	34	(19,691,419,500)	(19,691,419,500)
<b>Cash flows from (used in) financing activities</b>		<u>(25,569,901,199)</u>	<u>10,416,408,714</u>
<b>Increase (decrease) in cash and cash equivalents</b>		252,878,022,816	(14,457,680,662)
Cash and cash equivalents at the beginning of period		36,109,652,326	50,567,332,988
<b>Cash and cash equivalents at the end of period</b>		<u>₩ 288,987,675,142</u>	<u>₩ 36,109,652,326</u>

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

# **Hansae Co., Ltd.**

## **Notes to the Separate Financial Statements**

### **December 31, 2025 and 2024**

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#### **1. General Information**

Hansae Co., Ltd. (hereafter, the “Company”) was established on January 1, 2009, as a newly incorporated Company 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 issued capital amounts to ₩ 20,000 million and the largest shareholder of the Company is Hansae YES24 Holdings Co., Ltd., which, together with its related parties, holds a 64.69% equity interest in the Company as at December 31, 2025.

#### **2. Material Accounting Policies**

The principal accounting policies applied in the preparation of these separate 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 Company maintains its accounting records in Korean won and prepares statutory financial statements in the Korean language (Hangul) in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS). The accompanying separate financial statements have been condensed, restructured and translated into English from the Korean language financial statements.

Certain information attached to the Korean language financial statements, but not required for a fair presentation of the Company's financial position, financial performance or cash flows, is not presented in the accompanying separate financial statements.

The separate financial statements of the Company have been prepared in accordance with Korean 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 financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments), certain classes of property, plant and equipment – measured at fair value, and
- 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 judgment in applying the Company's accounting policies. The areas involving a

# Hansae Co., Ltd.

## Notes to the Separate Financial Statements

### December 31, 2025 and 2024

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higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the separate financial statements are disclosed in Note 3.

#### **2.2 Changes in Accounting Policies and Disclosures**

##### *(a) New and amended standards adopted by the Company*

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing January 1, 2025.

##### *- 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 do not have a significant impact on the separate financial statements.

##### *(b) New standards and interpretations not yet adopted by the Company*

The following new accounting standards and interpretations have been published that are not mandatory for December 31, 2025 reporting periods and have not been early adopted by the Company.

##### *- 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 amendments do not have a significant impact on the separate financial statements. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities 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).

# Hansae Co., Ltd.

## Notes to the Separate Financial Statements

### December 31, 2025 and 2024

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#### *- Annual Improvements to Korean IFRS -Volume 11*

Annual Improvements to Korean IFRS - *Volume 11* should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The Company does not expect the amendments to have a significant impact on the separate 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*

#### *- Amendments to Korean IFRS 1109 Financial Instruments and Korean IFRS 1107 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity*

Contracts referencing nature-dependent electricity are defined contracts that expose an entity to variability in the underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions (for example, the weather). The amendments clarify that 'contracts to buy or sell such electricity' are assessed for eligibility under the own-use exemption. In addition, the amendments modify hedge accounting requirements by allowing an entity to designate as the hedged item a variable nominal amount of forecast electricity transactions that reflect the nature-dependent variability of electricity and introduce additional disclosure requirements. The amendments should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The amendments do not have a significant impact on the separate financial statements.

#### *- Korean IFRS 1118 Presentation and Disclosure in Financial Statements*

Korean IFRS 1118 *Presentation and Disclosure in Financial Statements* replaces Korean IFRS 1001 *Presentation of Financial Statements*. The new presentation and disclosure requirements will increase comparability of the financial performance of similar entities, and provide more decision-useful information to users. While the requirements are not expected to affect the recognition or measurement of items in the financial statements, they are expected to have a widespread impact on presentation and disclosure, including the statement of comprehensive income and the disclosure of 'management-defined performance measures'.

The standard should be applied for annual periods beginning on or after January 1, 2027, and earlier application is permitted. In accordance with the retrospective application requirements, comparative information for the year ended December 31, 2026, shall be restated under Korean IFRS 1118.

The Company has not yet adopted Korean IFRS 1118 and is in the process of determining the impact

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on the Company of applying Korean IFRS 1118. The Company has prepared a transition plan and is on track to report their first Korean IFRS 1118-compliant interim financial statements for the period ending March 31, 2027 and annual financial statements for the period ending December 31, 2027.

Management is in review for the impact of applying the new standard on separate financial statements. Adoption of the standard is not expected to have an impact on the Company's net profit or loss; however, it will require revenues and expenses in the income statements to be classified into new categories, which is expected to have an impact on the calculation and presentation of operating profit (loss).

**2.3 Subsidiaries, Associates, and Joint Arrangements**

The Company's financial statements are separate financial statements prepared in accordance with Korean IFRS 1027 *Separate Financial Statements*. Investments in subsidiaries, associates, and joint arrangements are measured at cost based on direct equity interests. At the date of transition to Korean IFRS, the carrying amount under previous GAAP was used as the deemed cost. Dividends received from these investments are recognized in profit or loss when the right to receive the dividend is established.

**2.4 Foreign Currency Translation**

*(a) Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in Korean won, which is the Company's functional and presentation currency.

*(b) Transactions and balances*

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 that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was 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.

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**2.5 Financial Assets**

*(a) Classification*

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

- those to be measured at fair value (with changes in fair value recognized in other comprehensive income or profit or loss), and
- those to be 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 Company reclassifies debt investments when, and only when its business model for managing those assets changes.

For investments in equity instruments that are not held for trading, this will depend on whether the Company 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.

*(b) Measurement*

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a 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 liability. Transaction costs of financial assets measured at fair value through profit or loss are expensed in profit or loss.

*A. 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 Company classifies its debt instruments into one of the following three measurement categories:

- **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 'finance income' using the effective interest rate method.
- **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

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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 'finance income' using the effective interest rate method. Foreign exchange gains and losses are presented in 'other income or expenses' and impairment losses are presented in 'other expenses'.

- 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.

*B. Equity instruments*

The Company 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 continues to be recognized in profit or loss as 'other 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 statement 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.

*(c) Impairment*

The Company 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 Company applies the simplified approach, which requires expected lifetime credit losses to be recognized from initial recognition of the receivables.

*(d) Recognition and Derecognition*

Regular way purchases and sales of financial assets are recognized or derecognized on trade-date, the date on which the Company 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 Company has transferred substantially all the risks and rewards of ownership.

If a transfer does not result in derecognition because the Company has retained substantially all the risks and rewards of ownership of the transferred asset, the Company continues to recognize the transferred asset in its entirety and recognizes a financial liability for the consideration received. The

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Company classified the financial liability as 'borrowings' in the statement of financial position (Note 20).

*(e) Offsetting of financial instruments*

Financial assets and liabilities are offset and the net amount reported in the statement 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 Company or the counterparty.

**2.6 Trade Receivables**

Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing 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 realisable value. Cost is determined using the total average 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 Company 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 of all property, plant and equipment, except for land, is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

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**Typical estimated useful lives**

Buildings	50 years
Machinery	8
Other property, plant and equipment	4 – 5

The assets' 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 or construction 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 value where there is a reasonable assurance that the grant will be received and the Company 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**

Intangible assets are initially recognized at their historical cost, and carried at cost less accumulated amortization and accumulated impairment losses. The Company amortizes software and other intangible assets with a limited useful life of 5 years using the straight-line method.

**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. An investment property is measured after initial measurement at depreciated cost (less any accumulated impairment losses). After recognition as an asset, investment property is carried at cost less accumulated depreciation and impairment losses. The Company 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 and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. 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

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recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Non-financial assets that suffered 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 Company 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**

*(a) Classification and measurement*

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

The Company 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 cost and present as 'trade and other payables', and 'borrowings' in the statement of financial position.

Borrowings are classified as current liabilities unless the Company has a substantive right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Company is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Company is required to comply with after the reporting period do not affect the classification at the reporting date.

*(b) Derecognition*

Financial liabilities are removed from the statement 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 Contracts**

- Financial guarantee contracts issued by the Company are initially measured at fair value and subsequently measured at the higher of the following amounts. Such contracts are recognized as 'other financial liabilities': the amount determined in accordance with the expected credit loss model under Korean IFRS 1109 *Financial Instruments* and

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- the amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with Korean IFRS 1115 *Revenue from Contracts with Customers*

**2.18 Provisions**

Provisions are recognized when the Company 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 Company 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 effects 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 Company recognizes a deferred tax liability all taxable temporary differences associated with investments in subsidiaries and associates, except to the extent that the Company 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 Company 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 balances relate to the same taxation authority. Current tax assets and tax liabilities are offset when the Company has a legally enforceable right to

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offset and intends either to settle on a net basis, or to realize the assets and settle the liability simultaneously.

**2.20 Employee Benefits**

*(a) Post-employment benefits*

The Company operates defined benefit plans. A defined benefit plan is a pension plan that is not a defined contribution plan.

Generally, post-employment benefits are payable after the completion of employment, and the benefit amount depends 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 obligation 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 rates 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**

*(a) Identification of performance obligations and timing of revenue recognition*

The Company is engaged in the business of manufacturing or purchasing apparel for export. Revenue from the sale of goods is recognized when the goods are delivered to the customer.

*(b) Variable consideration*

The Company estimates variable consideration using the expected value method, as it is considered to better predict the amount of consideration to which the Company 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.

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**2.22 Leases**

*(a) Lessor*

Lease income from operating leases where the Company is a 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.

*(b) Lessee*

The Company leases various offices and office equipment. Lease contracts are typically entered into for short-term period of one year, but may have extension options as described below.

The Company determines the lease term as the non-cancellable period of a 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 Company (the lessee) under residual value guarantees
- The exercise price of a purchase option if the Company (the lessee) is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the Company (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 Company:

- 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

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- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases, which does not have 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 Company 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 office equipment.

### **2.23 Approval of Issuance of the Separate Financial Statements**

The separate financial statements 2025 were approved for issue by the Board of Directors on February 6, 2026 and are subject to change with the approval of shareholders at their Annual General Meeting.

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**3. Critical Accounting Estimates and Assumptions**

The preparation of financial statements requires the Company to make estimates and assumptions concerning the future. Management also needs to exercise judgment in applying the Company'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, they 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 judgment and assumptions of certain items are included in relevant notes.

*(a) Income tax*

The Company's taxable income generated from these operations is subject to income taxes based on tax laws and interpretations of tax authorities. There are many transactions and calculations for which the ultimate tax determination is uncertain (Note 24).

If certain portion of the taxable income is not used for investments or increase in wages or dividends for a certain period, the Company 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 Company's income tax is dependent on the investments, increase in wages and dividends, there is an uncertainty measuring the final tax effects.

*(b) 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 Company 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).

*(c) 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 23).

*(d) 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).

*(e) Impairment of investments in subsidiaries and associates*

The recoverable amount, used to assess whether investments in subsidiaries and associates are impaired, is determined based on value in use calculations (Note 13).

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*(f) Net realisable value of inventories*

The net realisable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**4. Financial Risk Management**

**4.1 Financial Risk Factors**

The Company 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 Company'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 Company 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**

*(a) Foreign currency risk*

The Company 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 Company 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 Company is exposed is the USD. The Company regularly evaluates, manages, and reports its exposure to foreign currency-denominated assets and liabilities.

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

<i>(in thousands of Korean won)</i>	<b>Net exposure</b>	
	<b>2025</b>	<b>2024</b>
USD	₩ 2,419,377	₩ (93,091,174)

The net exposure represents the difference between foreign currency assets and liabilities.

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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.

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
	<b>Increase 10%</b>	<b>Decrease 10%</b>	<b>Increase 10%</b>	<b>Decrease 10%</b>
USD	₩ 186,050	₩ (186,050)	₩ (9,309,117)	₩ 9,309,117

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.

*(b) Price risk*

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

*(c) Interest rate risk*

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The objective of the Company's interest rate risk management is to maximize corporate value by minimizing interest expense and uncertainty arising from fluctuations in interest rates. The Company's borrowings and receivables are carried at amortized cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market 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 ₩ 2,988 million (2024: ₩ 2,698 million) as at December 31, 2025.

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#### 4.1.2 Credit Risk

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

To manage credit risk, the Company 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 Company enters into transactions only with those that have a credit rating of at least 'A' from independent credit rating agencies (Note 12).

During the year ended December 31, 2025, 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, which may exceed the carrying amount of the financial assets recognized in the statement of financial position, is as follows:

<i>(in thousands of Korean won)</i>	2025	2024
Guaranteed amount under financial guarantee	₩ 383,743,927	₩ 352,146,780

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

#### 4.1.3 Liquidity Risk

The Company'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 Company takes into account its funding plans, covenant compliance, internal target financial ratios, and any legal or regulatory requirements, including currency restrictions.

Based on these forecasts, 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 at December 31, 2025, the Company has invested ₩ 288,988 million (2024: ₩ 36,110 million) in demand deposits and other instruments that are readily available for withdrawal to manage liquidity risk.

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The maturity profile of the Company'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)

	<b>2025</b>			
	<b>Not later than one year</b>	<b>Later than one year and not later than two years</b>	<b>Later than two years</b>	<b>Total</b>
Borrowings	₩ 302,891,395	₩ -	₩ -	₩ 302,891,395
Trade and other payables	84,796,411	1,634,028	-	86,430,439
Lease liabilities	3,094,489	2,886,053	1,900,720	7,881,262
Financial guarantee contracts(*1)	383,743,927	-	-	383,743,927
	<u>₩ 774,526,222</u>	<u>₩ 4,520,081</u>	<u>₩ 1,900,720</u>	<u>₩ 780,947,023</u>

(in thousands of Korean won)

	<b>2024</b>			
	<b>Not later than one year</b>	<b>Later than one year and not later than two years</b>	<b>Later than two years</b>	<b>Total</b>
Borrowings	₩ 299,809,972	₩ -	₩ -	₩ 299,809,972
Trade and other payables	76,822,216	1,479,000	-	78,301,216
Lease liabilities	2,839,390	2,302,017	1,409,882	6,551,289
Financial guarantee contracts(*1)	352,146,780	-	-	352,146,780
	<u>₩ 731,618,358</u>	<u>₩ 3,781,017</u>	<u>₩ 1,409,882</u>	<u>₩ 736,809,257</u>

(\*1) 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.

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**4.2 Capital Risk Management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so the Company 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 Company 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 Company 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 statement of financial position plus net debt.

The gearing ratios at December 31, 2025 and 2024, were as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Total borrowings	₩ 298,782,639	₩ 299,809,972
Less: cash and cash equivalents	<u>288,987,675</u>	<u>36,109,652</u>
Net debt (A)	9,794,964	263,700,320
Total equity (B)	<u>744,742,293</u>	<u>714,625,319</u>
Total capital (C=A+B)	<u>₩ 754,537,257</u>	<u>₩ 978,325,639</u>
Gearing ratio (A/C)	1.30%	26.95%

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**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.

*(a) Fair value of financial instruments by category*

Carrying amount and fair value of financial instruments by category as at December 31, 2025 and 2024, are as follows:

*(in thousands of Korean won)*

	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	₩ 288,987,675	₩ (*1)	₩ 36,109,652	₩ (*1)
Trade and other receivables	302,792,403	(*1)	302,769,057	(*1)
Fund and beneficiary securities	15,815,616	15,815,616	9,361,404	9,361,404
Capital contributions	28,689,112	28,689,112	36,252,886	36,252,886
Contingent convertible bonds	-	-	39,468,300	39,468,300
Government public bonds and others	-	-	189,765,583	189,765,583
Unlisted shares	4,501,932	4,501,932	4,368,818	4,368,818
	<u>₩ 640,786,738</u>		<u>₩ 618,095,700</u>	
Financial liabilities				
Trade and other payables	₩ 85,747,224	₩ (*1)	₩ 78,301,216	₩ (*1)
Borrowings	298,782,639	(*1)	299,809,972	(*1)
Lease liabilities	7,406,828	(*2)	6,551,288	(*2)
Other financial liabilities	4,247,205	(*1)	3,939,635	(*1)
	<u>₩ 396,183,896</u>		<u>₩ 388,602,111</u>	

(\*1) Excluded from disclosures as the carrying amount approximates fair value.

(\*2) Excluded from fair value disclosures in accordance with Korean IFRS 1107 '*Financial Instruments: Disclosures*'.

*(b) 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 (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 not derived from observable market data (Level 3).

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(c) Fair value hierarchy classifications of the financial instruments that are measured at fair value as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

	2025			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Fund and beneficiary securities	₩ -	₩ -	₩ 15,815,616	₩ 15,815,616
Capital contributions	-	-	28,689,112	28,689,112
Financial assets at fair value through other comprehensive income				
Unlisted shares	-	-	4,501,932	4,501,932

(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 securities	₩ -	₩ -	₩ 9,361,404	₩ 9,361,404
Capital contributions	-	-	36,252,886	36,252,886
Contingent convertible bonds	-	-	39,468,300	39,468,300
Financial assets at fair value through other comprehensive income				
Government public bonds and others	189,765,583	-	-	189,765,583
Unlisted shares	-	-	4,368,818	4,368,818

(d) *Valuation techniques and 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, 2025 and 2024, are as follows:

(in thousands of Korean won)

	Fair value		Level	Valuation techniques
	2025	2024		
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Fund and beneficiary securities	₩ 15,815,616	₩ 9,361,404	3	Present value technique and others
Capital contributions	28,689,112	34,409,305	3	Transaction cost
Capital contributions	-	1,843,581	3	Net asset value method
Contingent convertible bonds	-	39,468,300	3	Present value technique
Financial assets at fair value through other comprehensive income				
Unlisted shares	2,750,400	2,702,700	3	Guideline public company method

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<i>(in thousands of Korean won)</i>	Fair value		Level	Valuation techniques
	2025	2024		
Unlisted shares	1,751,532	1,666,118	3	DCF Method

**6. Financial Instruments by Category**

*(a) Financial assets by category*

Carrying amounts of financial assets by category as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025			
	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 equivalents	₩ 288,987,675	₩ -	₩ -	₩ 288,987,675
Trade and other receivables	237,123,598	65,668,805	-	302,792,403
Fund and beneficiary securities	-	-	15,815,616	15,815,616
Capital contributions	-	-	28,689,112	28,689,112
Unlisted shares	-	4,501,932	-	4,501,932

<i>(in thousands of Korean won)</i>	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 equivalents	₩ 36,109,652	₩ -	₩ -	₩ 36,109,652
Trade and other receivables	243,424,295	59,344,762	-	302,769,057
Fund and beneficiary securities	-	-	9,361,404	9,361,404
Capital contributions	-	-	36,252,886	36,252,886
Contingent convertible bonds	-	-	39,468,300	39,468,300
Government public bonds and others	-	189,765,583	-	189,765,583
Unlisted shares	-	4,368,818	-	4,368,818

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*(b) Financial liabilities by category*

Carrying amounts of financial liabilities by category as at December 31, 2025 and 2024, are as follows:

*(in thousands of Korean won)*

	<b>2025</b>		
	<b>Financial liabilities at amortized cost</b>	<b>Other financial liabilities</b>	<b>Total</b>
Trade and other payables	₩ 85,747,224	₩ -	₩ 85,747,224
Borrowings	292,488,236	6,294,403	298,782,639
Lease liabilities	-	7,406,828	7,406,828
Other financial liabilities	-	4,247,205	4,247,205

*(in thousands of Korean won)*

	<b>2024</b>		
	<b>Financial liabilities at amortized cost</b>	<b>Other financial liabilities</b>	<b>Total</b>
Trade and other payables	₩ 78,301,216	₩ -	₩ 78,301,216
Borrowings	236,661,546	63,148,426	299,809,972
Lease liabilities	-	6,551,288	6,551,288
Other financial liabilities	-	3,939,635	3,939,635

*(c) Net gains or losses by category of financial instruments*

Net gains or losses on each category of financial instruments for the years ended December 31, 2025 and 2024, are as follows:

*(in thousands of Korean won)*

	<b>2025</b>	<b>2024</b>
Financial assets at fair value through profit or loss		
Gains(losses) on valuation	₩ 939,693	(2,111,261)
Gains on disposal	521,340	5,215
Interest income	908,500	1,230,000
Dividend income	3,537,129	174,387
Financial assets at fair value through other comprehensive income		
Gains on valuation(*1)	999,515	2,082,500
Gains(losses) on disposal	(590,954)	451,525
Interest income	5,507,053	4,203,338
Dividend income	12,479	12,480
Financial assets at amortized cost		
Interest income	6,081,885	4,824,043

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<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Foreign exchange gains	2,822,080	21,238,298
Bad debt expense	4,258,876	113,794
Other bad debt expense	22,436,693	3,045,688
Gains on disposal of trade receivables	13,019,674	14,121,301
Financial liabilities at amortized cost		
Interest expenses	14,446,878	14,438,205
Foreign exchange gains (losses)	4,676,639	(27,528,579)
Other financial liabilities		
Commission income	1,747,055	2,993,128
Interest expense on foreign currency short-term borrowings	1,407,359	2,049,335
Interest expense on lease liabilities	380,872	340,039
Foreign exchange gains(losses)	129,233	(2,702,805)

(\*1) The amount before income tax effects.

**7. Transfer of Financial Assets**

*(a) Transferred Financial Assets that are not Derecognized in their Entirety*

Under export bill discounting arrangements, the Company has discounted trade receivables with banks for the years ended December 31, 2025 and 2024. As the Company has an obligation to compensate the banks in the event of default by the customers, the transactions meet the definition of receivables with recourse and are therefore accounted for as collateralized borrowings (Note 20).

<i>(in thousands of Korean won)</i>	<b>Discounted trade receivables</b>	
	<b>2025</b>	<b>2024</b>
Carrying amount of assets (Notes 9)	₩ 6,294,404	₩ 63,148,426
Carrying amount of the associated liabilities (Notes 20)	6,294,404	63,148,426
For those liabilities that have recourse only to the transferred assets		
Fair value of assets	6,294,404	63,148,426
Fair value of the associated liabilities	6,294,404	63,148,426

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*(b) Transferred Financial Assets that are Derecognized in their Entirety*

The Company 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 ₩ 13,020 million (2024: ₩ 14,121 million) was recognized. As at December 31, 2025, the outstanding amount of receivables transferred but not yet matured is ₩ 384,916 million (2024: ₩ 188,510 million).

*(c) Transfer of Financial Assets*

For the year ended December 31, 2025, the Company lent government public bonds and corporate bonds under a securities lending agreement with a financial institution. As the Company has not transferred substantially all the risks and rewards associated with the bonds, it continues to recognize the full carrying amount of the government public bonds and corporate bonds. The consideration received from the financial institution is recognized as finance income, and no collateral was received in relation to the transaction.

<i>(in thousands of Korean won)</i>	<b>Financial assets at fair value through other comprehensive income</b>	
	<b>2025</b>	<b>2024</b>
Carrying amount of assets	₩ -	₩ 189,765,583
Fair value of assets	-	189,765,583
Net position	<u>₩ -</u>	<u>₩ 189,765,583</u>

**8. Cash and Cash Equivalents**

(a) Cash and cash equivalents as at December 31, 2025 and 2024, consist of:

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Cash in bank and on hand	₩ 10,929	₩ 13,786
Short-term bank deposits	288,976,746	36,095,866
	<u>₩ 288,987,675</u>	<u>₩ 36,109,652</u>

(b) There were no restricted amounts as at December 31, 2025.

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**9. Trade and Other Receivables**

*(a) Composition of trade and other receivables*

*(in thousands of Korean won)*

	2025			2024		
	Receivable amount	Allowance for doubtful accounts	Book amount	Receivable amount	Allowance for doubtful accounts	Book amount
Current assets						
Trade receivables (*1)	₩ 203,423,978	₩ (11,916,766)	₩ 191,507,212	₩ 197,585,040	₩ (7,818,965)	₩ 189,766,075
Short-term loans	31,669,600	-	31,669,600	12,113,267	-	12,113,267
Non-trade receivables	5,302,630	(5,069,277)	233,353	6,398,718	-	6,398,718
Accrued income (*2)	1,891,249	(1,214,849)	676,400	1,583,170	-	1,583,170
	<u>242,287,457</u>	<u>(18,200,892)</u>	<u>224,086,565</u>	<u>217,680,195</u>	<u>(7,818,965)</u>	<u>209,861,230</u>
Non-current assets						
Deposit	5,649,177	-	5,649,177	5,605,596	-	5,605,596
Long-term loans (*2)	83,760,784	(10,704,123)	73,056,661	90,347,918	(3,045,688)	87,302,230
	<u>89,409,961</u>	<u>(10,704,123)</u>	<u>78,705,838</u>	<u>95,953,514</u>	<u>(3,045,688)</u>	<u>92,907,826</u>
	<u>₩ 331,697,418</u>	<u>₩ (28,905,015)</u>	<u>₩ 302,792,403</u>	<u>₩ 313,633,709</u>	<u>₩ (10,864,653)</u>	<u>₩ 302,769,056</u>

(\*1) As at December 31, 2025, the Company had transferred trade receivables amounting to ₩ 6,294 million (2024: ₩ 63,148 million) to a bank and received cash in return. The transaction was accounted for as a secured borrowing (Notes 7 and 20). Under the terms of the loan agreement, the Company is obligated to reimburse the bank in the event of default by the underlying customers.

(\*2) The Company has established an allowance for doubtful accounts of ₩ 11,919 million for HANSAE MYANMAR CO., LTD. as at December 31, 2025, and there are no overdue receivables.

*(b) 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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(c) Aging analysis of trade and other receivables

(in thousands of Korean won)

	2025			2024		
	Trade receivables	Other receivables	Total	Trade receivables	Other receivables	Total
Financial assets that are not past due	₩ 163,849,601	₩ 111,285,191	₩ 275,134,792	₩ 137,298,429	₩ 113,002,981	₩ 250,301,410
Financial assets that are past due but not impaired						
Less than 3 months	20,995,702	-	20,995,702	51,435,611	-	51,435,611
3 to 6 months	2,635,990	-	2,635,990	300,771	-	300,771
6 to 12 months	3,751,479	-	3,751,479	-	-	-
More than 1 year	274,440	-	274,440	731,264	-	731,264
	<u>191,507,212</u>	<u>111,285,191</u>	<u>302,792,403</u>	<u>189,766,075</u>	<u>113,002,981</u>	<u>302,769,056</u>
Impaired financial assets (*1)	<u>11,916,766</u>	<u>16,988,249</u>	<u>28,905,015</u>	<u>7,818,965</u>	<u>3,045,688</u>	<u>10,864,653</u>
	<u>₩ 203,423,978</u>	<u>₩ 128,273,440</u>	<u>₩ 331,697,418</u>	<u>₩ 197,585,040</u>	<u>₩ 116,048,669</u>	<u>₩ 313,633,709</u>

(\*1) The Company 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.

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

(in thousands of Korean won)

	2025		2024	
	Trade receivables	Other receivables	Trade receivables	Other receivables
<b>Beginning balance</b>	₩ 7,818,965	₩ 3,045,688	₩ 6,876,694	₩ -
Bad debt expense	4,258,876	13,863,146	113,794	3,045,688
Exchange differences	(161,075)	79,415	828,477	-
<b>Ending balance</b>	<u>₩ 11,916,766</u>	<u>₩ 16,988,249</u>	<u>₩ 7,818,965</u>	<u>₩ 3,045,688</u>

As at December 31, 2025, the maximum exposure to credit risk related to trade receivables is the carrying amount. The Company does not hold any collateral in respect of these receivables.

**Hansae Co., Ltd.**  
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**10. Inventories**

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Finished goods	₩ 32,150,364	₩ 26,317,717
Work in progress	82,074,869	88,953,461
Allowance for valuation losses on work in progress	(487,818)	(397,940)
Raw materials	97,002,669	101,792,482
Allowance for valuation losses on raw materials	(8,047,492)	(7,912,250)
Goods-in-transit	7,229,227	10,422,886
	<u>₩ 209,921,819</u>	<u>₩ 219,176,356</u>

The cost of inventories recognized as cost of sales for the year ended December 31, 2025 amounted to ₩ 1,569,226 million (2024: ₩ 1,421,917 million). For the year ended December 31, 2025, the Company recognized a loss on valuation of inventories of ₩ 225 million based on the net realisable value of inventories (2024: reversal of loss on valuation ₩ 214 million) as an expense (income), which was included in cost of sales in the statement of comprehensive income.

**11. Other current Assets and Other Non-current Assets**

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Other current assets		
Advance payments	₩ 129,007,766	₩ 100,294,625
Allowance for doubtful advances	(17,534,767)	(8,961,220)
Prepaid expenses	2,973,436	2,580,026
VAT receivables	932,695	1,028,392
	<u>₩ 115,379,130</u>	<u>₩ 94,941,823</u>
Other non-current assets		
Long-term prepaid expenses	₩ 2,577,568	₩ 2,494,565

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**12. Financial Assets**

*(a) Financial assets measured at fair value*

*(in thousands of Korean won)*

		<b>2025</b>		<b>2024</b>	
<b>Current assets</b>					
Financial assets at fair value through profit or loss	Fund and beneficiary securities	₩	2,392,309	₩	2,928,364
Financial assets at fair value through other comprehensive income	Government public bonds, corporate bonds and others		-		70,027,165
			<u>2,392,309</u>		<u>72,955,529</u>
<b>Non-current assets</b>					
Financial assets at fair value through profit or loss	Fund and beneficiary securities		13,423,307		6,433,040
	Capital contributions		28,689,112		36,252,886
	Contingent convertible bonds		-		39,468,300
Financial assets at fair value through other comprehensive income	Government public bonds, corporate bonds and others		-		119,738,418
	Unlisted shares		4,501,932		4,368,818
			<u>46,614,351</u>		<u>206,261,462</u>
		₩	<u>49,006,660</u>	₩	<u>279,216,991</u>

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(b) Movements in financial assets measured at fair value

(in thousands of Korean won)

	2025		2024	
	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	₩ 85,082,590	₩ 194,134,401	₩ 137,430,291	₩ 180,940,986
Acquisition	371,359,769	89,978,692	58,263,671	70,811,978
Fair value gain or loss recognized in profit or loss	939,693	-	(2,111,260)	-
Fair value gain or loss recognized in other comprehensive income	-	592,748	-	2,082,500
Amortization	-	(203,909)	-	-
Disposal	(407,924,820)	(280,000,000)	(108,500,112)	(59,701,063)
Others	(4,952,504)	-	-	-
Ending balance	44,504,728	4,501,932	85,082,590	194,134,401
Less: current portion	(2,392,309)	-	(2,928,364)	(70,027,165)
Non-current portion	₩ 42,112,419	₩ 4,501,932	₩ 82,154,226	₩ 124,107,236

(c) As at December 31, 2025, the maximum exposure to credit risk in respect of debt securities classified as financial assets is equal to their carrying amount.

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(d) *Credit Quality of Financial Assets*

i) 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.

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Counterparties without external ratings		
Group 1	₩ 8,145,052	₩ 845,357
Group 2	<u>155,704,549</u>	<u>136,453,072</u>
Trade receivables that are neither past due nor impaired	<u>₩ 163,849,601</u>	<u>₩ 137,298,429</u>

To assess credit quality, the Company 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

- ii) The Company's bank deposits and short- and long-term time deposits are mostly held with financial institutions that have credit ratings of AA or higher.
- iii) The Company's financial assets at fair value through other comprehensive income consist of government public bonds and financial debentures issued by institutions with a credit rating of AAA.

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**13. Investments in Subsidiaries and Associates**

(a) Details of investments in subsidiaries

(in thousands of Korean won)

	Location	2025		2024	
		Percentage of ownership (%)	Book amount	Percentage of ownership (%)	Book amount
HANSAE VIETNAM CO., LTD.	Vietnam	100.00%	₩ 25,913,206	100.00%	₩ 25,913,206
HANSAE TN CO., LTD. (*1)	Vietnam	40.00%	491,184	40.00%	491,184
PT. HANSAE INDONESIA UTAMA (*2)	Indonesia	100.00%	-	100.00%	-
PT. BOMIN PERMATA ABADI (*1)	Indonesia	99.95%	2,549,259	99.95%	2,549,259
PT. HANSAE INDONESIA SUKSES (*1)	Indonesia	99.00%	220,097	99.00%	220,097
HANSAE INTERNATIONAL, S.A.	Nicaragua	100.00%	4,575,261	100.00%	4,575,261
AALFS DOS, S.A.	Nicaragua	100.00%	4,175,040	100.00%	4,175,040
HANSAE SEBACO S.A.	Nicaragua	100.00%	196,127	100.00%	196,127
THE GLOBAL GUATEMALA MICHATOYA, S.A.	Guatemala	100.00%	18,047,798	100.00%	18,047,798
HANSAE ECOSPIN, S.A.	Guatemala	100.00%	9,705,709	100.00%	9,705,709
HANSAE MYANMAR CO., LTD. (*2)	Myanmar	100.00%	-	100.00%	-
HANSAE BAGO CO., LTD.	Myanmar	100.00%	23,783,590	100.00%	23,783,590
APPAREL MANUFACTURING PARTNERS INC.	United States	100.00%	116,760	100.00%	116,760
TEXOLLINI, INC. (*3)	United States	100.00%	13,759,460	100.00%	19,732,320
COLOR & TOUCH CO., LTD.	South Korea	100.00%	35,000,000	100.00%	35,000,000
HS SOURCING CO., LTD. (*4)	South Korea	100.00%	1,500,000	100.00%	500,000
			<u>₩ 140,033,491</u>		<u>₩ 145,006,351</u>

(\*1) The Company holds 100% ownership interest, including shares held by its subsidiaries.

(\*2) The investment was fully impaired in 2024.

(\*3) For the year ended December 31, 2025, the Company conducted an impairment test on the investment in the subsidiary due to expected future underperformance. As the recoverable amount was lower than the carrying amount, an impairment loss of ₩ 5,973 million was recognized.

(\*4) For the year ended December 31, 2025, the Company made new capital contributions of ₩ 1,000 million.

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(b) Movements in investments in subsidiaries

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Beginning balance	₩	145,006,351	₩	97,380,398
Acquisitions and capital contributions (*1)		1,000,000		85,231,213
Impairment (*2)		(5,972,860)		(2,605,260)
Reversal (*3)		-		2,549,259
Disposal (*4)		-		(37,549,259)
Ending balance	₩	<u>140,033,491</u>	₩	<u>145,006,351</u>

(\*1) For the year ended December 31, 2025, the Company made additional capital contributions of ₩ 1,000 million to HS SOURCING CO., LTD.

For the year ended December 31, 2024, the Company acquired or additionally invested ₩ 18,048 million in THE GLOBAL GUATEMALA MICHATOYA, S.A. and ₩ 19,732 million in TEXOLLINI, INC. The Company also made new capital contributions of ₩ 35,000 million to IGIS INCOMEPLUS Private Investment Trust III, ₩ 9,706 million to HANSAE ECOSPIN, S.A., and ₩ 196 million to HANSAE SEBACO, S.A.

(\*2) For the year ended December 31, 2025, the Company recognized an impairment loss of ₩ 5,973 million on its investment in TEXOLLINI, INC. For the year ended December 31, 2024, the Company recognized an impairment loss of ₩ 2,605 million on its investment in HANSAE MYANMAR CO., LTD.

(\*3) For the year ended December 31, 2024, the Company fully reversed a previously recognized impairment loss of ₩ 2,549 million on its investment in PT. BOMIN PERMATA ABADI.

(\*4) The Company disposed of ₩ 35,000 million of its investment in IGIS INCOMEPLUS Private Investment Trust III for the year ended December 31, 2024.

(c) Details of financial information of major subsidiaries

<i>(in thousands of Korean won)</i>	<b>2025</b>					
	<b>Assets</b>	<b>Liabilities</b>	<b>Equity</b>	<b>Sales</b>	<b>Profit (loss)</b>	<b>Total comprehensive income</b>
HANSAE VIETNAM CO., LTD.	₩ 19,639,410	₩ 18,654,216	₩ 985,194	₩ 42,913,779	₩ 5,736,388	₩ 6,149,527
HANSAE TN CO., LTD.	23,450,488	4,202,717	19,247,771	36,282,094	2,216,119	(880,108)
HANSAE TG CO., LTD.	44,820,484	50,124,774	(5,304,290)	54,902,689	(878,790)	(445,743)
HANSAE INTERNATIONAL, S.A.	100,667,978	54,431,085	46,236,893	67,658,068	(196,031)	(1,382,445)
PT. HANSAE INDONESIA UTAMA	52,333,541	59,291,962	(6,958,421)	36,292,950	(2,233,717)	(1,884,012)
COLOR & TOUCH CO., LTD.	139,411,947	81,582,982	57,828,965	235,102,798	6,397,237	6,336,014
C&T VINA COMPANY LTD.	106,339,291	97,475,582	8,863,709	96,276,922	172,818	(784,526)

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(d) Details of investments in associates

(in thousands of Korean won)

	2025		2024	
	Percentage of ownership (%)	Book amount	Percentage of ownership (%)	Book amount
WTIC 15th Fund for Global Blockchain	28.57%	₩ 2,000,000	28.57%	₩ 2,000,000
Newborn-HansaeYes24 Risingstar 1st Fund (*1)	34.62%	3,500,000	34.62%	3,500,000
NH Rhinos Mezzanine General Private Equity Trust	-	-	45.73%	4,000,000
BNK Aone Convertible Mezzanine General Private Equity Trust C-s	-	-	49.17%	3,000,000
Newborn-HansaeYes24 Risingstar 2nd Fund (*2)	49.46%	4,500,000	49.46%	2,500,000
GVA Mezz-J General Private Equity Trust	29.41%	3,000,000	29.41%	3,000,000
VTI Partners EV PEF	36.10%	5,000,000	36.10%	5,000,000
Aone Platinum KOSDAQ Venture General Private Equity Trust	37.57%	4,000,000	37.57%	4,000,000
IGIS GreenON General Private Equity Trust No.2 (*3)	-	-	-	-
Aone Convertible KOSDAQ Venture General Private Equity Trust No.3	24.62%	3,000,000	-	-
Bricks Capital Sion Investors Private Equity Fund	41.62%	4,952,504	-	-
		<u>₩ 29,952,504</u>		<u>₩ 27,000,000</u>

(\*1) For the year ended December 31, 2025, Hansae YES24 Rising Star Investment Fund was renamed to Newborn-HansaeYes24 Risingstar 1st Fund.

(\*2) For the year ended December 31, 2025, Hansae YES24 Rising Star Investment Fund No.2 was renamed to Newborn-HansaeYes24 Risingstar 2nd Fund.

(\*3) The Company acquired and disposed of the investment during the year ended December 31, 2025.

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(e) Movements in investments in associates

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Beginning balance	₩	27,000,000	₩	31,310,000
Acquisition (*1)		9,000,000		1,250,000
Disposal (*2)		(11,000,000)		(5,560,000)
Others		4,952,504		-
Ending balance	₩	<u>29,952,504</u>	₩	<u>27,000,000</u>

(\*1) For the year ended December 31, 2025, the Company made new capital contributions of ₩ 4,000 million to IGIS GreenON General Private Equity Trust No.2 and ₩ 3,000 million to Aone Convertible KOSDAQ Venture General Private Equity Trust No.3. The Company also made an additional capital contribution of ₩ 2,000 million to Newborn-Hansae YES24 Rising Star Investment Fund No.2. For the year ended December 31, 2024, the Company made an additional capital contribution of ₩ 1,250 million to Newborn-Hansae YES24 Rising Star Investment Fund No.2.

(\*2) For the year ended December 31, 2025, the Company disposed of ₩ 4,000 million in IGIS GreenON General Private Equity Trust No.2, ₩ 4,000 million in NH Rhinos Mezzanine General Private Equity Trust, and ₩ 3,000 million in BNK Aone Convertible Mezzanine General Private Equity Trust C-s. For the year ended December 31, 2024, the Company disposed of ₩ 560 million in Leading D New Technology Investment Fund No.1 and ₩ 5,000 million in VTI Partners Healthcare Investment Fund.

(f) Details of financial information of associates

<i>(in thousands of Korean won)</i>	<b>2025</b>				
	<b>Assets</b>	<b>Liabilities</b>	<b>Equity</b>	<b>Sales</b>	<b>Profit (loss)</b>
WTIC 15th Fund for Global Blockchain	₩ 4,400,293	₩ 5,073	₩ 4,395,220	₩ 103,835	₩ 38,826
Newborn-HansaeYes24 Risingstar 1st Fund (*1)	6,440,611	-	6,440,611	-	(177,837)
Newborn-HansaeYes24 Risingstar 2nd Fund (*2)	8,401,161	-	8,401,161	-	(132,779)
GVA Mezz-J General Private Equity Trust	12,190,497	225	12,190,272	278,616	1,577,027
VTI Partners EV PEF	13,079,948	70,142	13,009,806	16,975	(259,178)
Aone Platinum KOSDAQ Venture General Private Equity Trust	12,988,113	272,871	12,715,242	224,443	2,267,347
Aone Convertible KOSDAQ Venture General Private Equity Trust No.3	12,883,589	11,122	12,872,467	73,311	687,267
Bricks Capital Sion Investors Private Equity Fund	12,303,175	11,377	12,291,798	(300,461)	(563,742)

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(\*1) For the year ended December 31, 2025, Hansae YES24 Rising Star Investment Fund was renamed to Newborn-HansaeYes24 Risingstar 1st Fund.

(\*2) For the year ended December 31, 2025, Hansae YES24 Rising Star Investment Fund No.2 was renamed to Newborn-HansaeYes24 Risingstar 2nd Fund.

**14. Property, Plant and Equipment**

(a) Movements in property, plant and equipment for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

	2025						
	Land	Buildings	Machinery	Furniture and supplies	Construction -in-progress	Vehicles	Total
Opening net book amount	₩ 17,252,709	₩ 1,737,222	₩ 13,870	₩ 627,955	₩ 286,971	₩ 686,240	₩ 20,604,967
Acquisitions	-	-	-	330,582	121,629	166,972	619,183
Disposals	-	-	-	-	-	(52,717)	(52,717)
Depreciation	-	(50,728)	(2,267)	(400,197)	-	(224,014)	(677,206)
Replacement	-	-	-	408,600	(408,600)	-	-
Closing net book amount	₩ 17,252,709	₩ 1,686,494	₩ 11,603	₩ 966,940	₩ -	₩ 576,481	₩ 20,494,227
Acquisition cost	₩ 17,252,709	₩ 2,536,410	₩ 233,890	₩ 8,025,858	₩ -	₩ 1,133,232	₩ 29,182,099
Accumulated depreciation	-	(849,916)	(222,287)	(7,058,918)	-	(556,751)	(8,687,872)

(in thousands of Korean won)

	2024						
	Land	Buildings	Machinery	Furniture and supplies	Construction -in-progress	Vehicles	Total
Opening net book amount	₩ 17,252,709	₩ 1,787,950	₩ 13,800	₩ 646,227	₩ -	₩ 532,994	₩ 20,233,680
Acquisitions	-	-	4,730	288,750	286,971	501,187	1,081,638
Disposals	-	-	-	-	-	(120,106)	(120,106)
Depreciation	-	(50,728)	(4,660)	(307,022)	-	(227,835)	(590,245)
Closing net book amount	₩ 17,252,709	₩ 1,737,222	₩ 13,870	₩ 627,955	₩ 286,971	₩ 686,240	₩ 20,604,967
Acquisition cost	₩ 17,252,709	₩ 2,536,410	₩ 233,890	₩ 7,317,935	₩ 286,971	₩ 1,197,280	₩ 28,825,195
Accumulated depreciation	-	(799,188)	(220,020)	(6,689,980)	-	(511,040)	(8,220,228)

(b) The depreciation expense of ₩ 677 million was included in selling and administrative expenses for the year ended December 31, 2025. The depreciation expense of ₩ 590 million was included in selling and administrative expenses for the year ended December 31, 2024.

(c) *Land revaluation*

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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 for the years ended December 31, 2025 and 2024 are as follows. Revaluation surplus arising from asset revaluation is restricted from being distributed as dividends to shareholders.

*(in thousands of Korean won)*

	<b>2025</b>				
	<b>Beginning balance</b>	<b>Increase</b>	<b>Tax effect</b>	<b>Disposal</b>	<b>Ending balance</b>
Revaluation surplus	₩ 7,919,319	₩ -	₩ (113,280)	₩ -	₩ 7,806,039

*(in thousands of Korean won)*

	<b>2024</b>				
	<b>Beginning balance</b>	<b>Increase</b>	<b>Tax effect</b>	<b>Disposal</b>	<b>Ending balance</b>
Revaluation surplus	₩ 7,919,319	₩ -	₩ -	₩ -	₩ 7,919,319

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

*(in thousands of Korean won)*

	<b>2025</b>	
	<b>Carrying amount before revaluation</b>	<b>Carrying amount after revaluation</b>
Land	₩ 6,954,504	₩ 17,252,709

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**15. Right-of-use Assets and Leases**

Changes in right-of-use assets for the years ended December 31, 2025 and 2024, are as follows:

*(in thousands of Korean won)*

	<b>2025</b>		
	<b>Real estate</b>	<b>Vehicles</b>	<b>Total</b>
Opening net book amount	₩ 6,323,059	₩ -	₩ 6,323,059
Increase	4,289,252	-	4,289,252
Depreciation	(2,856,133)	-	(2,856,133)
Closing net book amount	₩ 7,756,178	₩ -	₩ 7,756,178
Acquisition cost	₩ 9,141,216	₩ 130,331	₩ 9,271,547
Accumulated depreciation	(1,385,038)	(130,331)	(1,515,369)

*(in thousands of Korean won)*

	<b>2024</b>		
	<b>Real estate</b>	<b>Vehicles</b>	<b>Total</b>
Opening net book amount	₩ 5,667,275	₩ -	₩ 5,667,275
Increase	6,381,011	-	6,381,011
Disposals	(3,069,252)	-	(3,069,252)
Depreciation	(2,655,975)	-	(2,655,975)
Closing net book amount	₩ 6,323,059	₩ -	₩ 6,323,059
Acquisition cost	₩ 8,678,854	₩ 130,331	₩ 8,809,185
Accumulated depreciation	(2,355,795)	(130,331)	(2,486,126)

Depreciation expense of ₩ 2,856 million (2024: ₩ 2,656 million) was charged to 'selling and administrative expenses'.

The future minimum lease payments expected to be received in relation to the operating lease agreement as at December 31, 2025 and 2024, are as follows:

*(in thousands of Korean won)*

	<b>2025</b>	<b>2024</b>
Not later than one year	₩ 98,880	₩ 83,880

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**16. Investment Properties**

Changes in investment properties for the years ended December 31, 2025 and 2024, are as follows:

*(in thousands of Korean won)*

	<b>2025</b>		
	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
Opening net book amount	₩ 945,682	₩ 238,032	₩ 1,183,714
Depreciation	-	(6,898)	(6,898)
Closing net book amount	<u>₩ 945,682</u>	<u>₩ 231,134</u>	<u>₩ 1,176,816</u>
Acquisition cost	<u>₩ 945,682</u>	<u>₩ 344,904</u>	<u>₩ 1,290,586</u>
Accumulated depreciation	-	(113,770)	(113,770)

*(in thousands of Korean won)*

	<b>2024</b>		
	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
Opening net book amount	₩ 945,682	₩ 244,930	₩ 1,190,612
Depreciation	-	(6,898)	(6,898)
Closing net book amount	<u>₩ 945,682</u>	<u>₩ 238,032</u>	<u>₩ 1,183,714</u>
Acquisition cost	<u>₩ 945,682</u>	<u>₩ 344,904</u>	<u>₩ 1,290,586</u>
Accumulated depreciation	-	(106,872)	(106,872)

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

Details of profit or loss arising from investment properties for the years ended December 31, 2025 and 2024, are as follows:

*(in thousands of Korean won)*

	<b>2025</b>	<b>2024</b>
Rental income	₩ 118,320	₩ 97,320
Rental expense	(6,898)	(6,898)
	<u>₩ 111,422</u>	<u>₩ 90,422</u>

The valuation of investment properties is performed by an independent valuer who holds a recognized and relevant professional qualification, or is based on the official land price and depreciation adjustments reflecting residual value. As at December 31, 2025, the fair value of the investment properties is ₩ 1,955 million (2024: ₩ 1,955 million).

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**17. Intangible Assets**

Changes in intangible assets for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>Software</b>	
	<b>2025</b>	<b>2024</b>
Opening net book amount	₩ 279,538	₩ 456,171
Acquisitions	933,800	-
Amortization	<u>(276,565)</u>	<u>(176,633)</u>
Closing net book amount	₩ 936,773	₩ 279,538
Acquisition cost	₩ 3,451,402	₩ 2,517,602
Accumulated amortization	(2,514,629)	(2,238,064)

Amortization expense of ₩ 277 million (2024: ₩ 177 million) was charged to 'selling and administrative expenses'.

**18. Lease liabilities**

*(a) Amounts recognized in the statement of financial position*

The separate statement of financial position shows the following amounts relating to leases:

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Lease liabilities		
Current	₩ 3,013,872	₩ 2,839,390
Non-current	<u>4,392,956</u>	<u>3,711,899</u>
	₩ 7,406,828	₩ 6,551,289

*(b) Amounts recognized in the statement of comprehensive income*

The statement of comprehensive income shows the following amounts relating to leases:

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Interest expense on lease liabilities (included in finance cost)	₩ 380,872	₩ 340,039
Expense relating to short-term leases and leases of low-value assets (included in selling and administrative expenses)	120,200	184,368

The total cash outflow for leases in 2025 was ₩ 3,252 million (2024: ₩ 3,034 million).

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**19. Trade and Other Payables**

(in thousands of Korean won)

	2025		2024	
Trade payables	₩	63,452,943	₩	58,148,456
Non-trade payables		19,751,438		15,932,223
Accrued expenses		2,193,376		2,741,537
	₩	<u>85,397,757</u>	₩	<u>76,822,216</u>

**20. Borrowings**

Details of borrowings as at December 31, 2025 and 2024 are as follows:

(in thousands of Korean won)

Category	Creditor	Interest rate (%)	Latest maturity date	2025	2024
Usance borrowings (*1)	KB Kookmin bank and others	3.15 ~ 4.94	Jul 6, 2026	₩ 192,488,236	₩ 206,661,546
Export bill discounting (*2)	Hana bank and others	4.05 ~ 4.80	Mar 25, 2026	6,294,403	63,148,426
General borrowings	Woori Bank and others	3.30 ~ 4.17	Sep 30, 2026	100,000,000	30,000,000
				<u>₩ 298,782,639</u>	<u>₩ 299,809,972</u>

(\*1) As at December 31, 2025, this amount represents the Company's payables under supplier finance 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 Company's trade receivables are pledged as collateral for this liability (Notes 7, 9 and 36).

The Company imports raw materials from overseas suppliers using import letters of credit (L/C) and has entered into supplier-finance arrangements under which a finance provider pays the amounts owed to suppliers and the Company settles the related obligations with the finance provider after a specified period following the acceptance of the L/C. These arrangements operate primarily to allow the Company to defer settlement of payments associated with its import transactions, rather than to provide suppliers with accelerated collection. Suppliers receive payment in accordance with the import L/C, and the timing and conditions of settlement are not affected by whether they participate in the arrangements.

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Upon acceptance of the import L/C, the Company assumes an obligation to the finance provider and settles this obligation on the originally agreed settlement date, bearing the related fees and interest under the terms of the arrangement. The payment terms with suppliers are not renegotiated as a result of the arrangement, and the Company has not provided any collateral to the finance provider. All liabilities arising from the supplier financing arrangements are classified as 'borrowings' in the statement of financial position.

The carrying amount of liabilities under supplier finance arrangements is as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Carrying amount of borrowings that are part of the supplier finance arrangements	₩ 192,488,236	₩ 206,661,546

As at December 31, 2025, the range of payment due dates for liabilities under supplier finance arrangements, as well as for comparable trade payables not subject to such arrangements, is as follows:

	<u>Range of payment due dates</u>
Financial liabilities under supplier finance arrangements	30~180 days
Comparable financial liabilities not subject to supplier finance arrangements	30~60 days

**21. Other Current Liabilities**

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Advance received (*1)	₩ 1,512,835	₩ 1,408,270
Withholdings	2,808,369	2,374,126
Other current liabilities	5,615,487	4,658,690
	<u>₩ 9,936,691</u>	<u>₩ 8,441,086</u>

(\*1) The amount includes liabilities related to contracts with customers.

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**22. Other Non-Current Liabilities**

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Non-current payables	₩ 896,812	₩ 1,470,000
Rental deposits	54,000	9,000
Provision for restoration costs	683,216	-
	<u>₩ 1,634,028</u>	<u>₩ 1,479,000</u>

**23. Net Defined Benefit Liability**

Details of net defined benefit liabilities recognized in the statement of financial position as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Present value of funded defined benefit obligations	₩ 44,540,107	₩ 40,352,339
Less: Fair value of plan assets	(30,786,560)	(25,398,074)
Less: Contributions to the National Pension Fund	(4,036)	(4,036)
Net defined benefit liabilities	<u>₩ 13,749,511</u>	<u>₩ 14,950,229</u>

Movements in the defined benefit obligations for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Beginning balance	₩ 40,352,339	₩ 31,769,205
Current service cost	3,562,019	2,629,663
Interest expense	1,045,203	952,211
Past service cost and gains or losses on settlements	-	2,655,873
Remeasurements:		
Actuarial loss arising from change in demographic assumptions	-	1,129
Actuarial loss arising from change in financial assumptions	1,412,092	3,774,785
Actuarial loss arising from experience adjustments	2,006,881	1,138,927
Payments from plans:		
Benefit payments	(3,193,259)	(2,849,994)
Transfers to/from related parties	(645,168)	280,540
Ending balance	<u>₩ 44,540,107</u>	<u>₩ 40,352,339</u>

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Movements in the fair value of plan assets for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Beginning balance	₩	25,398,074	₩	22,132,947
Interest income		920,174		907,603
Remeasurements:				
Return on plan assets (excluding amounts included in interest income)		570,420		(125,296)
Contributions:				
Employers		6,500,000		4,500,000
Payments from plans:				
Benefit payments		(2,258,191)		(1,993,345)
Transfers to/from related parties		(343,917)		(23,835)
Ending balance	₩	<u>30,786,560</u>	₩	<u>25,398,074</u>

Plan assets as at December 31, 2025 and 2024, consist of:

<i>(in thousands of Korean won and %)</i>	<b>2025</b>		<b>2024</b>	
	<b>Amount</b>	<b>In %</b>	<b>Amount</b>	<b>In %</b>
Interest-guaranteed insurance contracts	₩ 37,554	-	₩ 1,929,725	7
Principal-protected equity-linked product	28,927,918	94	19,748,389	78
Term deposits and others	1,821,088	6	3,719,959	15
	<u>₩ 30,786,560</u>	<u>100</u>	<u>₩ 25,398,073</u>	<u>100</u>

The significant actuarial assumptions as at December 31, 2025 and 2024, are as follows:

<i>(in percentage)</i>	<b>2025</b>	<b>2024</b>
Discount rate	4.13%	3.78%
Salary growth rate	5.05%	4.02%

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

<i>(in percentage)</i>	<b>Impact on defined benefit obligation</b>		
	<b>Changes in assumption</b>	<b>Increase in assumption</b>	<b>Decrease in assumption</b>
Discount rate	1%	4.64% decrease	5.20% increase
Salary growth rate	1%	5.07% increase	4.61% decrease

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The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. However, in practice, assumptions are interrelated and may change simultaneously. The sensitivity of the defined benefit obligation to changes in principal actuarial assumptions is calculated using the projected unit credit method, the same method applied when calculating the defined benefit obligations recognized on the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Expected contributions to post-employment benefit plans for the year ending December 31, 2026, are ₩ 4,168 million.

The expected maturity analysis of undiscounted pension benefits as at December 31, 2025, is as follows:

<i>(in thousands of Korean won)</i>	<b>Less than 1 year</b>	<b>Between 1-2 years</b>	<b>Between 2-5 years</b>	<b>Over 5 years</b>	<b>Total</b>
Benefit payments	₩ 5,113,571	₩ 5,104,138	₩ 14,862,413	₩ 36,901,924	₩ 61,982,046

The weighted average duration of the defined benefit obligation is 4.60 years.

**24. Tax Expense and Deferred Tax**

Income tax expense for the years ended December 31, 2025 and 2024, consists of:

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Current tax:		
Current tax on profit for the year	₩ 23,745,814	₩ 28,016,330
Adjustments in respect of prior years	(2,932,186)	768,809
Global Minimum Tax	239,716	-
Total current tax	<u>21,053,344</u>	<u>28,785,139</u>
Deferred tax:		
Origination and reversal of temporary differences	35,205	(1,544,747)
Total deferred tax	<u>35,205</u>	<u>(1,544,747)</u>
Income tax expense	<u>₩ 21,088,549</u>	<u>₩ 27,240,392</u>

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Reconciliation of income tax expense and the Company's profit before tax is as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Profit before income tax	₩	72,283,433	₩	107,241,173
Tax at domestic tax rates applicable to profits in the respective countries		16,235,473		24,310,711
Tax effects of:				
Expenses not deductible for tax purposes		879,644		920,267
Income not subject to tax		(1,130,760)		(2,686)
Change in unrecognized deferred tax assets		8,364,486		1,333,065
Adjustments in respect of prior years		(2,932,186)		768,809
Global Minimum Tax		239,716		-
Others		(567,824)		(89,774)
Income tax expense	₩	<u>21,088,549</u>	₩	<u>27,240,392</u>
Effective tax rate (Income tax expense / Profit before income tax) <i>(in %)</i>		29.17%		25.40%

The tax effect relating to components of other comprehensive income (expenses) for the years ended December 31, 2025 and 2024, is as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>			<b>2024</b>		
	<b>Before tax</b>	<b>Tax effect</b>	<b>After tax</b>	<b>Before tax</b>	<b>Tax effect</b>	<b>After tax</b>
Gains (losses) on valuation of equity instruments at fair value through other comprehensive income	₩ 999,515	₩ (244,109)	₩ 755,406	₩ 2,082,500	₩ (481,058)	₩ 1,601,442
Remeasurements of net defined benefit liabilities	(2,848,553)	819,937	(2,028,616)	(5,040,137)	1,164,272	(3,875,865)
Losses on valuation of property, plant and equipment	-	(113,280)	(113,280)	-	-	-
	<u>₩ (1,849,038)</u>	<u>₩ 462,548</u>	<u>₩ (1,386,490)</u>	<u>₩ (2,957,637)</u>	<u>₩ 683,214</u>	<u>₩ (2,274,423)</u>

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The deferred tax relating to items that are charged or credited directly to equity for the years ended December 31, 2025 and 2024, is as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Losses on valuation of equity instruments at fair value through other comprehensive income	₩ (244,109)	₩ (481,058)
Remeasurements of net defined benefit liabilities	819,937	1,164,272
Losses on valuation of property, plant and equipment	(113,280)	-

The expected timings for recovery and settlement of deferred tax assets and liabilities as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
<b>Deferred tax assets</b>		
Deferred tax asset to be recovered after more than 12 months	₩ 3,381,528	₩ 3,496,784
Deferred tax asset to be recovered within 12 months	7,694,809	7,219,408
	<u>11,076,337</u>	<u>10,716,192</u>
<b>Deferred tax liabilities</b>		
Deferred tax liability to be settled after more than 12 months	(2,492,166)	(2,378,885)
Deferred tax liability to be settled within 12 months	-	(180,479)
	<u>(2,492,166)</u>	<u>(2,559,364)</u>
Deferred tax assets, net	<u>₩ 8,584,171</u>	<u>₩ 8,156,828</u>

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The movements in deferred tax assets and liabilities for the years ended December 31, 2025 and 2024, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

(in thousands of Korean won)

	<b>2025</b>			
	<b>Beginning balance</b>	<b>Profit or loss</b>	<b>Other comprehensive income (loss)</b>	<b>Ending balance</b>
<b>Deferred tax assets</b>				
Net defined benefit liabilities	₩ 711,174	₩ (946,058)	₩ -	₩ (234,884)
Remeasurements of net defined benefit liabilities	2,742,330	-	819,937	3,562,267
Gains (losses) on valuation of financial assets at fair value	1,772,361	(785,943)	(244,109)	742,309
Inventory valuation allowance	1,919,655	145,891	-	2,065,546
Allowance for doubtful accounts	1,050,386	986,096	-	2,036,482
Others	2,520,287	384,329	-	2,904,616
	<u>10,716,193</u>	<u>(215,685)</u>	<u>575,828</u>	<u>11,076,336</u>
<b>Deferred tax liabilities</b>				
Accrued income	(180,479)	180,479	-	-
Losses on valuation of property, plant and equipment	(2,378,885)	-	(113,280)	(2,492,165)
	<u>(2,559,364)</u>	<u>180,479</u>	<u>(113,280)</u>	<u>(2,492,165)</u>
<b>Net deferred tax assets (liabilities)</b>	<u>₩ 8,156,829</u>	<u>₩ (35,206)</u>	<u>₩ 462,548</u>	<u>₩ 8,584,171</u>

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	2024			
	Beginning balance	Profit or loss	Other comprehensive income (loss)	Ending balance
<i>(in thousands of Korean won)</i>				
<b>Deferred tax assets</b>				
Net defined benefit liabilities	₩ 646,985	₩ 64,188	₩ -	₩ 711,173
Remeasurements of net defined benefit liabilities	1,578,059	-	1,164,272	2,742,331
Gains (losses) on valuation of financial assets at fair value	1,463,735	789,683	(481,058)	1,772,360
Inventory valuation allowance	1,969,120	(49,466)	-	1,919,654
Allowance for doubtful accounts	896,154	154,232	-	1,050,386
Others	2,058,685	461,602	-	2,520,287
	<u>8,612,738</u>	<u>1,420,239</u>	<u>683,214</u>	<u>10,716,191</u>
<b>Deferred tax liabilities</b>				
Accrued income	(304,985)	124,507	-	(180,478)
Losses on valuation of property, plant and equipment	(2,378,885)	-	-	(2,378,885)
	<u>(2,683,870)</u>	<u>124,507</u>	<u>-</u>	<u>(2,559,363)</u>
<b>Net deferred tax assets</b>	<u>₩ 5,928,868</u>	<u>₩ 1,544,746</u>	<u>₩ 683,214</u>	<u>₩ 8,156,828</u>

Details of unrecognized deductible temporary differences as deferred tax assets (liabilities) as at December 31, 2025 and 2024, are as follows:

		2025		2024		Remarks
<i>(in thousands of Korean won)</i>						
Deductible temporary differences	Bad debt expense	₩	34,775,977	₩	23,154,594	Non-tax-deductible
Deductible temporary differences	Interests in subsidiaries		64,263,716		50,569,930	No plan for disposal

The recoverability of deferred tax assets depends on various factors, including the Company'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 Company concluded that the deferred tax assets are recoverable based on projected future taxable income derived from approved business plans and budgets.

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Starting from 2024, under the Global Minimum Tax regime and the Act on International Tax Coordination, the Company 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%.

Certain jurisdictions in which the Company's constituent entities operate—such as Haiti and other territories—are expected to have GloBE effective tax rates below the 15% minimum rate. As a result, the Company, as both the Ultimate Parent and the partially-owned Parent Company, recognized an additional top-up tax amounting to ₩ 240 million as current income tax expense for the year ended 31 December 2025. This amount represents the expected top-up tax liability arising under the global minimum tax regime.

The Company applied the exception to recognizing and disclosing information about deferred tax and assets and liabilities related to Pillar Two income Taxes. In certain jurisdictions, such as Indonesia and Vietnam, a Qualified Domestic Minimum Top-up Tax (QDMMT) has been enacted for 2025. As a result, subsidiaries operating in those jurisdictions are responsible for paying the additional top-up tax under the domestic regime in place of the Ultimate Parent and the partially-owned Parent Company.

**25. Issued Capital**

The Company's total number of authorized shares is 50,000,000 shares and the total number of ordinary shares issued is 40,000,000 shares (2024: 40,000,000 shares) with a par value of ₩ 500 per share.

Changes in issued capital

<i>(in thousands of Korean won and in number of shares)</i>	<b>Number of shares</b>	<b>Issued capital</b>
January 1, 2024	40,000,000	₩ 20,000,000
December 31, 2024	40,000,000	20,000,000
January 1, 2025	40,000,000	20,000,000
December 31, 2025	40,000,000	20,000,000

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**26. Other Contributed Capital and Other Components of Equity**

Details of other contributed capital as at December 31, 2025 and 2024 are as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Share premium (*1)	₩ 11,532,939	₩ 47,632,939
Treasury shares	(14,316,007)	(14,316,007)
Loss on disposal of treasury shares	(314,206)	(314,206)
	<u>₩ (3,097,274)</u>	<u>₩ 33,002,726</u>

(\*1) In accordance with Article 461-2 of the Commercial Code of the Republic of Korea, the Company transferred ₩ 36,100 million from capital reserves to retained earnings for the year ended December 31, 2025.

Details of other components of equity as at December 31, 2025 and 2024 are as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Gains on valuation of property, plant and equipment	₩ 7,806,039	₩ 7,919,319
Gains on valuation of financial assets at fair value through other comprehensive income	939,683	1,329,145
Losses on valuation of financial assets at fair value through other comprehensive income	(28,619)	(1,173,487)
	<u>₩ 8,717,103</u>	<u>₩ 8,074,977</u>

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**27. Retained earnings**

Retained earnings as at December 31, 2025 and 2024, consist of:

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Earned profit reserves (*1)	₩ 20,503,408	₩ 18,534,266
Unappropriated retained earnings	<u>698,619,054</u>	<u>635,013,348</u>
	<u>₩ 719,122,462</u>	<u>₩ 653,547,614</u>

(\*1) The Commercial Code of the Republic of Korea requires the Company to appropriate for each financial period, as a legal reserve, an amount equal to a minimum of 10% of cash dividends paid until such reserve equals 50% of its issued capital. The reserve is not available for cash dividends payment, but may be transferred to issued capital or used to reduce accumulated deficit. When the accumulated legal reserves (the sum of capital reserves and earned profit reserves) are greater than 1.5 times the paid-in capital amount, the excess legal reserves may be distributed (in accordance with a resolution of the shareholders' meeting).

The appropriation of retained earnings for the year ended December 31, 2025, is expected at the shareholders' meeting on March 26, 2026. The appropriation date for the year ended December 31, 2024, was March 26, 2025.

The appropriation of retained earnings for the years ended December 31, 2025 and 2024, is as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Unappropriated retained earnings carried over from prior year	₩ 613,352,786	₩ 558,888,432
Profit	51,194,884	80,000,781
Remeasurements of net defined benefit liabilities	(2,028,616)	(3,875,865)
Transferred from capital reserves (*1)	<u>36,100,000</u>	<u>-</u>
Retained earnings available for appropriation	<u>698,619,054</u>	<u>635,013,348</u>
Appropriation of retained earnings		
Earned profit reserves	2,362,970	1,969,142
Dividends (Cash dividend (%):		
2025: ₩ 600 (120%)	23,629,703	19,691,420
(2024: ₩ 500 (100%))		
Unappropriated retained earnings to be carried forward	<u>₩ 672,626,381</u>	<u>₩ 613,352,786</u>

(\*1) In accordance with Article 461-2 of the Commercial Code of the Republic of Korea, the Parent Company transferred ₩ 36,100 million from capital reserves to retained earnings for the year ended December 31, 2025.

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**28. Revenue from Contracts with Customers and Relevant Contract Liabilities**

**28.1 Revenue from Contracts with Customers**

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Revenue recognized at a point in time	₩ 1,827,814,300	₩ 1,718,926,769
Revenue from other sources: rental income	<u>118,320</u>	<u>97,320</u>
	<u>₩ 1,827,932,620</u>	<u>₩ 1,719,024,089</u>

**28.2 Contract Liabilities**

Contract liabilities related to contracts with customers have been presented as advance received (Note 21).

For the year ended December 31, 2025, revenue recognized in the reporting period includes ₩ 142,523 thousand of revenue that was included in the contract liability balance at the beginning of the period and recognized as revenue as the performance obligation was satisfied during the period.

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**29. Breakdown of Expenses by Nature**

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Changes in finished goods and work in progress	₩	1,135,824	₩	(5,069,078)
Raw materials used		940,384,085		866,823,263
Outsourcing costs		593,566,875		533,320,647
Employee benefits expense		47,183,994		47,611,472
Freight expenses		20,425,444		26,660,480
Commission expenses		78,967,526		76,777,857
Packaging and sample expenses		9,357,991		8,306,104
Rental and building management expenses		861,238		945,540
Depreciation and other amortization		3,816,802		3,429,751
Advertising and sales promotion expenses		538,459		593,502
Other expenses		37,783,784		24,097,027
	₩	<u>1,734,022,022</u>	₩	<u>1,583,496,565</u>

**30. Selling and Administrative Expenses**

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Salaries	₩	40,239,210	₩	38,786,440
Post-employment benefits		3,687,048		5,330,145
Employee benefits		6,886,689		6,883,816
Travel and transportation expenses		129,561		142,947
Overseas travel expenses		3,468,606		3,618,807
Entertainment expenses		455,095		655,556
Communication expenses		288,716		286,338
Depreciation		677,206		590,244
Depreciation of right-of-use assets		2,856,133		2,655,975
Depreciation of investment properties		6,898		6,898
Amortization		276,565		176,634
Rental expenses		47,032		95,535
Freight expenses		9,468,892		12,756,792
Commission expenses		78,967,526		76,777,857
Export-related expenses		137,126		139,421
Sample expenses		9,357,991		8,294,928
Bad debt expense		4,258,876		113,794
Other expenses		3,587,045		4,267,305
	₩	<u>164,796,215</u>	₩	<u>161,579,432</u>

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**31. Other Income and Expenses**

**31.1 Other Income**

*(in thousands of Korean won)*

	<b>2025</b>		<b>2024</b>
Foreign exchange gains	₩ 44,060,687	₩	32,882,172
Gain on foreign currency translation	3,323,856		12,796,807
Gain on valuation of financial assets at fair value through profit or loss	2,202,913		1,805,160
Gain on disposals of financial assets at fair value through profit or loss	546,135		5,215
Gain on disposals of financial assets at fair value through other comprehensive income	203,463		451,525
Gain on disposals of investments in associates	669,678		-
Gain on disposals of property, plant and equipment	56,171		139,026
Gain on disposals of investments in subsidiaries	-		605,278
Reversal of impairment loss on investment in subsidiaries	-		2,549,259
Dividend income	8,675,306		3,725,767
Gain on lease termination	-		93,475
Reversal of allowance for doubtful accounts	-		1,930,592
Others	9,961,672		4,650,513
	<u>₩ 69,699,881</u>	₩	<u>61,634,789</u>

**31.2 Other Expenses**

*(in thousands of Korean won)*

	<b>2025</b>		<b>2024</b>
Foreign exchange losses	₩ 33,282,289	₩	36,593,144
Loss on foreign currency translation	6,474,302		18,078,921
Loss on disposals of trade receivables	13,019,674		14,121,301
Loss on valuation of financial assets at fair value through profit or loss	1,263,219		3,916,421
Loss on disposals of financial assets at fair value through profit or loss	24,795		-
Loss on disposals of financial assets at fair value through other comprehensive income	794,417		-
Impairment loss on investment in subsidiaries	5,972,859		2,605,260
Loss on disposals of property, plant and equipment	11,023		11,793
Other bad debt expense	22,436,693		3,045,688
Other expenses	4,310,104		4,978,414
	<u>₩ 87,589,375</u>	₩	<u>83,350,942</u>

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**32. Finance Income and Expenses**

**32.1 Finance Income**

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Interest income from financial assets measured at amortized cost	₩ 6,081,885	₩ 4,824,043
Interest income from financial assets measured at fair value	6,415,553	5,433,338
Total	<u>₩ 12,497,438</u>	<u>₩ 10,257,381</u>

**32.2 Finance Expenses**

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Interest expense on financial liabilities	₩ 16,235,109	₩ 16,827,579

**33. Earnings per Share**

*(a) Basic earnings per share*

Basic earnings per share are calculated by dividing the profit attributable to owners of the Company by the weighted average shares outstanding during the financial year.

<i>(in Korean won and in number of shares)</i>	<b>2025</b>	<b>2024</b>
Profit attributable to the ordinary equity holders of the Parent Company (A)	₩ 51,194,883,718	₩ 80,000,781,238
Weighted average shares (*1) (B)	39,382,839	39,382,839
Basic earnings per share (A/B)	1,300	2,031

(\*1) 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 (617,161 shares) for the year ended December 31, 2025.

*(b) Diluted earnings per share*

The Company did not issue any potential ordinary shares. Therefore, basic earnings per share are identical to diluted earnings per share.

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**34. Dividends**

The Company paid dividends of ₩ 19,691 million for the year ended December 31, 2025, and ₩ 19,691 million for the prior year, corresponding to ₩ 500 per share in both years.

A dividend in respect of the year ended December 31, 2025, of ₩ 600 per share, amounting to a total dividend of ₩ 23,630 million, is to be proposed to shareholders at the annual general meeting on March 26, 2026. These financial statements do not reflect this dividend payable.

**35. Cash Flows**

*(a) Cash generated from operations*

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Profit	₩ 51,194,884	₩ 80,000,781
Adjustments:		
Income tax expense	21,088,549	27,240,392
Financial income	(12,497,438)	(10,257,381)
Financial costs	16,235,109	16,827,579
Dividend income	(8,675,306)	(3,725,767)
Loss on valuation of inventories (reversal)	225,120	(214,137)
Depreciation	677,206	590,244
Depreciation of right-of-use assets	2,856,133	2,655,975
Depreciation of investment properties	6,898	6,898
Amortization	276,565	176,633
Bad debt expense	4,258,876	3,159,482
Other bad debt expenses (reversal)	22,436,693	(1,930,592)
Retirement benefit expense	3,687,048	5,330,145
Gain on disposals of investments in associates	(669,678)	-
Impairment loss on investment in subsidiaries	5,972,859	2,605,260
Reversal of impairment loss on investment in subsidiaries	-	(2,549,259)
Gain on disposals of investments in subsidiaries	-	(605,278)
Loss on valuation of financial assets at fair value through profit or loss	1,263,219	3,916,421
Gain on valuation of financial assets at fair value through profit or loss	(2,202,912)	(1,805,160)
Loss on disposals of financial assets at fair value through profit or loss	24,795	-
Gain on disposals of financial assets at fair value through profit or loss	(546,135)	(5,215)
Loss on disposals of financial assets at fair value through other comprehensive income	794,417	-
Gain on disposals of financial assets at fair value through other comprehensive income	(203,463)	(451,525)

**Hansae Co., Ltd.**  
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Gain on disposals of property, plant and equipment	(56,171)	(139,026)
Loss on disposals of property, plant and equipment	11,023	11,793
Commission income	(1,747,055)	(2,330,061)
Financial guarantee expense	1,747,055	2,330,061
Gain on lease termination	-	(93,475)
Foreign exchange losses	13,035	-
Foreign exchange gains	(3,123)	-
Loss on foreign currency translation	6,474,302	18,078,921
Gain on foreign currency translation	(3,323,856)	(12,796,807)
Changes in trade receivables	(8,260,687)	(7,448,612)
Changes in other receivables	2,304,523	(299,045)
Changes in inventories	9,029,417	(26,530,471)
Changes in other current assets	(29,050,642)	(16,032,807)
Changes in other non-current assets	(83,004)	-
Changes in trade payables	5,803,112	1,209,933
Changes in other payables	3,256,355	2,562,445
Changes in other current liabilities	1,495,605	(2,237,747)
Retirement benefits paid	(935,068)	(856,649)
Increase in plan assets	(6,500,000)	(4,500,000)
Cash generated from operations	<u>₩ 86,378,260</u>	<u>₩ 71,893,949</u>

Changes in liabilities arising from financial activities for the years ended December 31, 2025 and 2024, are as follows:

*(in thousands of  
Korean won)*

	2025				
	Beginning balance	Financing cash flows	Effect of exchange rate changes	Increase in right-of-use assets, etc.	Ending balance
Borrowings	₩ 93,148,427	₩ 13,275,211	₩ (129,233)	₩ -	₩ 106,294,405
Supplier finance arrangements	206,661,545	(16,448,197)	2,274,886	-	192,488,234
Lease liabilities	6,551,288	(2,750,497)	-	3,606,037	7,406,828
Leasehold deposits	9,000	45,000	-	-	54,000
	<u>₩ 306,370,260</u>	<u>₩ (5,878,483)</u>	<u>₩ 2,145,653</u>	<u>₩ 3,606,037</u>	<u>₩ 306,243,467</u>

**Hansae Co., Ltd.**  
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(in thousands of  
Korean won)

	2024					
	Beginning balance	Financing cash flows	Effect of exchange rate changes	Non-cash changes	Increase in right-of-use assets, etc.	Ending balance
Borrowings	₩ 66,677,984	₩ 23,767,638	₩ 2,702,805	₩ -	₩ -	₩ 93,148,427
Supplier finance arrangements	184,993,204	8,850,037	12,818,304	-	-	206,661,545
Lease liabilities	5,844,126	(2,509,848)	-	3,217,010	3,217,010	6,551,288
	₩ 257,515,314	₩ 30,107,827	₩ 15,521,109	₩ 3,217,010	₩ 3,217,010	₩ 306,361,260

(c) Non-cash transactions

(in thousands of Korean won)

	2025	2024
Transfer of retirement benefit obligations to/from related parties	₩ (645,168)	₩ 280,540
Increase in right-of-use assets	4,289,252	6,381,011
Increase in financial guarantee liabilities	2,054,625	3,336,482

**36. Contingent Liabilities and Commitments**

(a) As at the end of the reporting period, certain foreign currency trade receivables were pledged as collateral in connection with the transfer of such receivables for export bill discounting arrangements. Apart from the above, no other assets have been pledged as collateral in relation to the Company's obligations.

(b) Details of payment guarantees provided by third parties to the Company as at the end of the reporting period are as follows:

(in thousands of Korean  
won and in USD)

	Guarantor	Type of guarantee	Guaranteed amount	
			2025	2024
Joint guarantee	CEO	Personal joint and several guarantee	USD 24,000,000	USD 24,000,000
Performance guarantee	Seoul Guarantee Insurance Company	Performance guarantee	₩ 30,000	₩ 20,000

(c) As at the end of the reporting period, details of guarantees provided by the Company to third parties are disclosed in Note 37 - Related Party Transactions.

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- (d) As at the end of the reporting period, the Company has entered into credit limit agreements amounting to ₩ 636,334 million (including USD 436,500 thousand) with financial institutions including KEB Hana Bank, in relation to import of raw materials (including USANCE borrowings), opening of letters of credit, and discounting of export receivables. (At the end of the prior year: ₩ 764,404 million, including USD 513,200 thousand)
- (e) As at the end of the reporting period, the Company has entered into general loan agreements with financial institutions including Woori Bank, with a total credit limit of ₩ 128,698 million (including USD 20,000 thousand). (At the end of the prior year: ₩ 59,400 million, including USD 20,000 thousand).
- (f) The Company has entered into management consulting service and trademark license agreements with Hansae YES24 Holdings Co., Ltd.
- (g) The Company has entered into production consulting service agreements with HANSAE HCM CO., LTD., HANSAE HANOI CO., LTD., PT. HANSAE INDONESIA SUKSES, and HANSAE GSN S.A.

**37. Related Party Transactions**

As at December 31, 2025, the Parent Company is Hansae YES24 Holdings Co., Ltd., (percentage of ownership: 50.49%).

Interests in subsidiaries as at December 31, 2025 and 2024, are as follows:

	<u>Percentage of ownership (%)</u>		Remark
	2025	2024	
HANSAE VIETNAM CO., LTD.	100%	100%	
HANSAE TN CO., LTD.	40%	40%	(*1)
HANSAE TG CO., LTD.	-	-	(*1)
HANSAE HANOI CO., LTD.	-	-	(*1)
HANSAE HCM CO., LTD.	-	-	(*1)
PT. HANSAE INDONESIA UTAMA	100%	100%	
PT. BOMIN PERMATA ABADI	99.95%	99.95%	(*1)
PT. HANSAE INDONESIA SUKSES	99%	99%	(*1)
HANSAE INTERNATIONAL, S.A.	100%	100%	
HANSAE GUATEMALA, S.A	-	-	(*1)
HANSAE GLOBAL, S.A.	-	-	(*1)
HANSAE PINULA, S.A.	-	-	(*1)
HS APPAREL, S.A.	-	-	(*1)
HANSAE GSN, S.A.	-	-	(*1)
THE GLOBAL GUATEMALA MICHATOYA, S.A.	100%	100%	
HANSAE ECOSPIN, S.A.	100%	100%	
AALFS DOS, S.A.	100%	100%	
HANSAE SEBACO, S.A.	100%	100%	
HANSAE HAITI, S.A.	-	-	(*1)

**Hansae Co., Ltd.**  
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HANSAE EL SALVADOR, S.A DE C.V.	-	-	(*1)
MODAS B.I. APPAREL, S.A.	-	-	(*1)
HANSAE MYANMAR CO., LTD.	100%	100%	
HANSAE BAGO CO., LTD.	100%	100%	
APPAREL MANUFACTURING PARTNERS INC.	100%	100%	
TEXOLLINI, INC.	100%	100%	
COLOR & TOUCH CO., LTD.	100%	100%	
C&T VINA CO., LTD.	-	-	(*1)
C&T G-TECH CO., LTD.	-	-	(*1)
COLOR&TOUCH HCM CO., LTD.	-	-	(*1)
C&T GUATEMALA, S.A.	-	-	(*1)
COLOR&TOUCH GUATEMALA, S.A.	-	-	(*1) (*2)
HS SOURCING CO., LTD.	100%	100%	

(\*1) The Company holds 100% of the ownership interest, including shares held indirectly through its subsidiaries.

(\*2) Reclassified to a subsidiary of the Company during the year.

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Details of associates and other related parties that have sales, purchases and other transactions with the Company or have outstanding balances as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

	2025	2024	Remark
Other 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
	Hansae Mobility Co.,Ltd.	-	Subsidiaries of the Parent Company
Associates	Newborn-HansaeYes24 Risingstar 2nd Fund(*1)	Newborn-HansaeYes24 Risingstar 2nd Fund(*1)	-
	GVA Mezz-J General Private Equity Trust	GVA Mezz-J General Private Equity Trust	-
	IGIS GreenON General Private Equity Trust No.2 (*2)	-	-
	Aone Convertible KOSDAQ Venture General Private Equity Trust No.3	-	-
	BNK Aone Convertible Mezzanine General Private Equity Trust C-s (*2)	-	-
	NH Rhinos Mezzanine General Private Equity Trust (*2)	-	-
	-	Leading D New Technology Investment Fund No. 1	-
	-	VTI Partners Healthcare Investment Fund	-

(\*1) For the year ended December 31, 2025, the name of the partnership was changed from Hansae YES24 Rising Star Investment Fund No.2 to Newborn-HansaeYes24 Risingstar 2nd Fund.

(\*2) The entire equity shares were disposed during the year; however, fund transactions existed prior to the disposal.

**Hansae Co., Ltd.**  
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Sales and purchases with related parties for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

		<b>2025</b>					
<b>Company name</b>		<b>Sales</b>	<b>Other income</b>	<b>Outsourcing charges</b>	<b>Purchases</b>	<b>Other expenses</b>	
Parent	Hansae YES24 Holdings Co., Ltd	₩	-	₩ 2,476,051	₩	-	₩ 7,310,540
	HANSAE VIETNAM CO., LTD.		-	-	40,632,157	-	2,518,966
	HANSAE TN CO., LTD.		-	5,124,000	36,542,365	-	-
	HANSAE TG CO., LTD.		-	118,083	54,501,457	-	1,018,870
	HANSAE HANOI CO., LTD.		-	-	-	-	8,352,374
	HANSAE HCM CO., LTD.		-	-	-	-	28,949,765
	PT. HANSAE INDONESIA UTAMA		-	222,255	35,849,944	-	309,060
	PT. BOMIN PERMATA ABADI		-	-	21,433,394	-	-
	PT. HANSAE INDONESIA SUKSES		-	-	-	-	6,887,544
	HANSAE INTERNATIONAL, S.A.		-	-	67,698,571	-	-
	HANSAE PINULA, S.A.		-	-	16,688,260	-	365,406
	HS APPAREL S.A.		-	-	17,068,545	-	-
	Subsidiaries	HANSAE GSN, S.A.		-	-	-	-
THE GLOBAL GUATEMALA MICHATOYA, S.A.			-	644,872	-	-	433,914
TEXOLLINI, INC.			-	416,709	-	-	9,327
HANSAE HAITI, S.A.			-	-	2,900,849	-	-
C&T VINA CO., LTD.			-	325,686	-	-	325,686
HANSAE MYANMAR CO., LTD.			-	488,442	679,805	-	-
HANSAE BAGO CO., LTD.			-	34,737	-	-	34,737
APPAREL MANUFACTURING PARTNERS INC.		2,948,552	-	2,444	-	-	-
HANSAE EL SALVADOR, S.A DE C.V.			-	-	1,070,018	-	-
HANSAE SEBACO S.A.			-	-	1,248,303	-	-
HS SOURCING CO., LTD.			-	354,230	-	-	73,733
COLOR & TOUCH CO., LTD.		118,649	-	831,680	-	154,894,847	478,390
HANSAE MK CO.,LTD (*1)			-	-	-	-	14,578
Other related parties	Yes24 Co., Ltd		-	-	-	-	180,668
	Dong-A Publishing Co.,Ltd		-	-	-	-	106,285
	Hansae Mobility Co.,Ltd.		-	21,000	-	-	-
Associates	GVA Mezz-J General Private Equity Trust		-	1,698	-	-	-
		<u>₩ 3,067,201</u>	<u>₩ 11,061,887</u>	<u>₩ 296,313,668</u>	<u>₩ 154,894,847</u>	<u>₩ 66,561,090</u>	

(\*1) The interest expense on the lease liability related to the warehouse lease agreement with HANSAE MK Co., Ltd. amounted to ₩ 3,234 thousand for the year ended December 31, 2025.

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		<b>2024</b>				
	<b>Company name</b>	<b>Other income</b>	<b>Outsourcing charges</b>	<b>Purchases</b>	<b>Other expenses</b>	
Parent	Hansae YES24 Holdings Co., Ltd	₩ 1,706,350	₩ -	₩ -	₩ 7,021,740	
	HANSAE VIETNAM CO., LTD.	18,974	35,154,510	-	2,076,023	
	HANSAE TN CO., LTD.	-	32,776,484	-	-	
	HANSAE TG CO., LTD.	311,199	48,409,643	-	1,145,796	
	HANSAE HANOI CO., LTD.	-	-	-	8,171,743	
	HANSAE HCM CO., LTD.	-	-	-	27,948,608	
	PT. HANSAE INDONESIA UTAMA	198,719	27,838,267	-	365,629	
	PT. BOMIN PERMATA ABADI	18,739	19,644,946	-	18,739	
	PT. HANSAE INDONESIA SUKSES	-	-	-	6,312,173	
	HANSAE INTERNATIONAL, S.A.	19,480	68,788,340	-	-	
Subsidiaries	HANSAE PINULA, S.A.	-	38,167,111	-	308,580	
	HS APPAREL S.A.	-	971,800	-	-	
	HANSAE GSN, S.A.	-	-	-	8,544,523	
	THE GLOBAL GUATEMALA MICHATOYA, S.A.	271,656	-	-	271,656	
	TEXOLLINI, INC.	44,273	-	-	-	
	HANSAE HAITI, S.A.	-	10,293,198	-	-	
	C&T VINA CO., LTD.	256,711	-	-	256,711	
	HANSAE MYANMAR CO., LTD.	482,430	617,471	-	56,775	
	HANSAE BAGO CO., LTD.	4,861	-	-	-	
	COLOR & TOUCH CO., LTD.	1,517,023	-	117,530,450	1,158,911	
	HS SOURCING CO., LTD.	119,331	-	-	84,363	
	Yes24 Co., Ltd	-	-	-	206,680	
	Other related parties	Dong-A Publishing Co.,Ltd	-	-	-	82,148
		HANSAE MK CO.,LTD (*1)	-	-	-	35,464
			<u>₩ 4,969,746</u>	<u>₩ 282,661,770</u>	<u>₩ 117,530,450</u>	<u>₩ 64,066,262</u>

(\*1) The interest expense on the lease liability related to the warehouse lease agreement with HANSAE MK Co., Ltd. amounted to ₩ 5,940 thousand for the year ended December 31, 2024.

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Outstanding balances arising from sales/purchases of goods and services as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

		2025				
		Receivables				
Type	Name of entity	Trade receivables	Non-trade receivables	Advance payments	Loans	Others
Parent	Hansae YES24 Holdings Co., Ltd	₩ -	₩ 35,342	₩ -	₩ 65,000,000	₩ -
	HANSAE VIETNAM CO., LTD. (*1)	-	1,281,349	10,090,483	-	-
	HANSAE TN CO., LTD.	-	-	-	-	-
	HANSAE TG CO., LTD. (*1)	-	523,546	16,923,329	-	-
	HANSAE HANOI CO., LTD. (*1)	-	244,123	-	-	-
	HANSAE HCM CO., LTD. (*1)	-	1,580,930	-	-	-
	PT. HANSAE INDONESIA UTAMA (*1)	-	202,989	29,527,648	-	-
	PT. BOMIN PERMATA ABADI (*1)	-	522,835	9,638,318	-	-
	PT. HANSAE INDONESIA SUKSES	-	495,872	-	-	-
	HANSAE INTERNATIONAL, S.A.	-	-	28,206,361	-	-
	HANSAE PINULA, S.A.	-	-	3,227,038	-	-
	HS APPAREL S.A.	-	-	-	-	-
	Subsidiaries	HANSAE GSN, S.A.	-	-	113,083	-
THE GLOBAL GUATEMALA MICHATOYA, S.A.		-	-	-	18,653,700	209,590
TEXOLLINI, INC.		-	-	-	12,914,100	457,110
HANSAE HAITI, S.A.		-	-	2,295,326	-	-
C&T VINA CO., LTD. (*1)		-	206,018	-	-	-
HANSAE MYANMAR CO., LTD. (*1)		-	11,616	8,573,547	10,704,124	1,214,850
HANSAE BAGO CO., LTD.		-	91,408	-	-	-
APPAREL MANUFACTURING PARTNERS INC.		3,070,495	-	-	286,980	2,414
HANSAE EL SALVADOR, S.A DE C.V.		-	-	3,610,872	-	-
HANSAE SEBACO S.A.		-	-	675,667	-	-
HS SOURCING CO., LTD.		-	6,413	-	5,000,000	-
COLOR & TOUCH CO., LTD.		-	34,008	10,778,634	-	-
HANSAE MK CO.,LTD		-	-	-	-	40,000
Other related parties	Yes24 Co.,Ltd	-	-	-	-	-
	Dong-A Publishing Co.,Ltd	-	-	-	-	-
	Hansae Mobility Co.,Ltd.	-	3,300	-	-	-
		₩ 3,070,495	₩ 5,239,749	₩ 123,660,306	₩ 112,558,904	₩ 1,923,964

**Hansae Co., Ltd.**  
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Type	Name of entity	2025		
		Payables		
		Trade payables	Non-trade payables	Others
Parent	Hansae YES24 Holdings Co., Ltd	₩ -	₩ 869,200	₩ -
	HANSAE VIETNAM CO., LTD. (*1)	-	133,907	-
	HANSAE TN CO., LTD.	8,874,351	54,845	-
	HANSAE TG CO., LTD. (*1)	-	101,681	-
	HANSAE HANOI CO., LTD. <sup>1</sup>	-	3,845,749	-
	HANSAE HCM CO., LTD. (*1)	-	7,777,908	-
	PT. HANSAE INDONESIA UTAMA (*1)	-	4,708	-
	PT. BOMIN PERMATAABADI (*1)	-	-	-
	PT. HANSAE INDONESIA SUKSES	-	1,020,545	-
	HANSAE INTERNATIONAL, S.A.	-	-	-
	HANSAE PINULA, S.A.	-	21,146	-
	HS APPAREL S.A.	4,562,958	-	-
	Subsidiaries	HANSAE GSN, S.A.	-	-
THE GLOBAL GUATEMALA MICHATOYA, S.A.		-	-	-
TEXOLLINI, INC.		-	-	-
HANSAE HAITI, S.A.		-	-	-
C&T VINA CO., LTD. (*1)		-	-	-
HANSAE MYANMAR CO., LTD. (*1)		-	-	-
HANSAE BAGO CO., LTD.		-	-	-
APPAREL MANUFACTURING PARTNERS INC.		-	-	-
HANSAE EL SALVADOR, S.A DE C.V.		-	-	-
HANSAE SEBACO S.A.		-	-	-
HS SOURCING CO., LTD.		-	-	-
COLOR & TOUCH CO., LTD.		-	-	-
HANSAE MK CO.,LTD		-	10,419	28,828
Yes24 Co.,Ltd		-	2,933	-
Other related parties		Dong-A Publishing Co.,Ltd	-	93,328
	Hansae Mobility Co.,Ltd.	-	-	45,000
		₩ 13,437,309	₩ 13,936,369	₩ 73,828

**Hansae Co., Ltd.**  
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(\*1) The above receivables are presented before deduction of allowance for doubtful accounts. At the end of the reporting period, an allowance for doubtful accounts of ₩ 34,523 million has been recognized in relation to the above receivables, and bad debt expense of ₩ 22,437 million was recognized during the year.

(in thousands of Korean won)

		<b>2024</b>									
Type	Name of entity	<b>Receivables</b>									
		<b>Trade receivables</b>	<b>Non-trade receivables</b>	<b>Advance payments</b>	<b>Loans</b>	<b>Others</b>					
Parent	Hansae YES24 Holdings Co., Ltd	₩	-	₩	11,642	₩	-	₩	80,000,000	₩	-
	HANSAE VIETNAM CO., LTD.		-		1,312,693		8,832,809		-		-
	HANSAE TN CO., LTD.		-		-		-		-		-
	HANSAE TG CO., LTD (*1)		-		536,353		17,558,551		-		-
	HANSAE HANOI CO., LTD.		-		250,094		-		-		-
	HANSAE HCM CO., LTD.		-		1,619,602		-		-		-
	PT. HANSAE INDONESIA UTAMA (*1)		-		207,955		23,085,178		-		-
	PT. BOMIN PERMATA ABADI (*1)		-		535,624		9,589,112		-		-
	PT. HANSAE INDONESIA SUKSES		-		508,001		-		-		-
Subsidiaries	HANSAE INTERNATIONAL, S.A.		-		10,759		18,486,791		-		-
	HANSAE PINULA, S.A.		-		-		2,307,853		-		-
	HS APPAREL S.A.		-		-		-		-		-
	HANSAE GSN, S.A.		-		-		-		-		-
	TEXOLLINI, INC.		-		-		-	4,410,000		46,741	
	HANSAE HAITI, S.A.		108,161		-		4,175,584		-		-
	C&T VINA CO., LTD.		-		211,058		-		-		-
	HANSAE MYANMAR CO., LTD. (*1)		-		11,900		6,542,565	11,011,828		743,770	
	COLOR & TOUCH CO., LTD.		-		29,334		7,235,490		-		-
	HS SOURCING CO., LTD.		-		3,780		-	2,600,000		-	
Other related parties	HANSAE MK CO.,LTD		-		-		-		-		40,000
	Yes24 Co.,Ltd		-		-		-		-		-
	Dong-A Publishing Co.,Ltd		-		-		-		-		-
		₩	108,161	₩	5,248,795	₩	97,813,933	₩	98,021,828	₩	830,511

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(in thousands of Korean won)

		2024			
		Payables			
Type	Name of entity	Trade payables	Non-trade payables	Others	
Parent	Hansae YES24 Holdings Co., Ltd	₩ -	₩ 763,200	₩ -	-
	HANSAE VIETNAM CO., LTD.	-	258,924	-	-
	HANSAE TN CO., LTD.	14,016,424	56,187	-	-
	HANSAE TG CO., LTD (*1)	-	788	-	-
	HANSAE HANOI CO., LTD.	-	3,738,181	-	-
	HANSAE HCM CO., LTD.	-	5,089,971	-	-
	PT. HANSAE INDONESIA UTAMA (*1)	-	10,048	-	-
	PT. BOMIN PERMATA ABADI (*1)	-	-	-	-
	PT. HANSAE INDONESIA SUKSES	-	939,751	-	-
	HANSAE INTERNATIONAL, S.A.	-	-	-	-
Subsidiaries	HANSAE PINULA, S.A.	-	36,156	-	-
	HS APPAREL S.A.	985,957	-	-	-
	HANSAE GSN, S.A.	-	123,946	-	-
	TEXOLLINI, INC.	-	-	-	-
	HANSAE HAITI, S.A.	-	-	-	-
	C&T VINA CO., LTD.	-	-	-	-
	HANSAE MYANMAR CO., LTD. (*1)	-	-	-	-
	COLOR & TOUCH CO., LTD.	-	-	-	-
	HS SOURCING CO., LTD.	-	-	-	-
	HANSAE MK CO.,LTD	-	4,911	75,994	-
Other related parties	Yes24 Co.,Ltd	-	2,102	-	-
	Dong-A Publishing Co.,Ltd	-	80,078	-	-
		₩ 15,002,381	₩ 11,104,243	₩ 75,994	

(\*1) The above receivables are presented before deduction of allowance for doubtful accounts. As at the end of the reporting period, an allowance for doubtful accounts of ₩ 12,007 million has been recognized in relation to the prior year receivables, and bad debt expense of ₩ 3,046 million was recognized during the prior year.

**Hansae Co., Ltd.**  
**Notes to the Separate Financial Statements**  
**December 31, 2025 and 2024**

Financial transactions with related parties for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

Type	Name of entity	2025						Recovery of investment assets including dividends
		Equity contribution	Dividend paid	Repayment of lease liabilities	Loan provided	Loan recovery		
Parent	Hansae YES24 Holdings Co., Ltd	₩ -	₩ 10,097,654	₩ -	₩ 20,000,000	₩ 35,000,000	₩ -	
	HANSAE TN CO., LTD.	-	-	-	-	-	5,124,000	
	HANSAE MYANMAR CO., LTD.	-	-	-	-	45,864	-	
Subsidiaries	THE GLOBAL GUATEMALA MICHATOYA, S.A	-	-	-	18,338,300	-	-	
	TEXOLLINI, INC.	-	-	-	8,649,365	-	-	
	APPAREL MANUFACTURING PARTNERS INC.	-	-	-	286,930	-	-	
	HS SOURCING CO., LTD.	1,000,000	-	-	2,900,000	500,000	-	
	GVA Mezz-J General Private Equity Trust	-	-	-	-	-	1,698	
	IGIS GreenON General Private Equity Trust No.2 (*2)	4,000,000	-	-	-	-	4,476,418	
	Aone Convertible KOSDAQ Venture General Private Equity Trust No.3	3,000,000	-	-	-	-	-	
Associates	Newborn-HansaeYes24 Risingstar 2nd Fund (*1)	2,000,000	-	-	-	-	-	
	BNK Aone Convertible Mezzanine General Private Equity Trust C-s (*2)	-	-	-	-	-	3,099,416	
	NH Rhinos Mezzanine General Private Equity Trust (*2)	-	-	-	-	-	4,093,844	
Other related parties	HANSAE MK CO.,LTD	-	-	47,166	-	-	-	
		₩ 10,000,000	₩ 10,097,654	₩ 47,166	₩ 50,174,595	₩ 35,545,864	₩ 16,795,376	

(\*1) For the year ended December 31, 2025, the name of the partnership was changed from Hansae YES24 Rising Star Investment Fund No.2 to Newborn-HansaeYes24 Risingstar 2nd Fund.

(\*2) Excluded from associates as the Company sold all of its equity shares during the year.

**Hansae Co., Ltd.**  
**Notes to the Separate Financial Statements**  
**December 31, 2025 and 2024**

(in thousands of Korean won)

		2024					
Type	Name of entity	Equity contribution	Dividend paid	Repayment of lease liabilities	Loan provided	Loan recovery	Recovery of investment assets including dividends
Parent	Hansae YES24 Holdings Co., Ltd	₩ -	₩ 10,097,654	₩ -	₩ 80,000,000	₩ -	₩ -
	HANSAE INTERNATIONAL, S.A.	-	-	-	-	4,857,336	-
	HANSAE SEBACO, S.A.(*2)	196,127	-	-	-	-	-
	HANSAE MYANMAR CO., LTD.	-	-	-	8,128,311	3,335,725	-
	HANSAE BAGO CO., LTD.	-	-	-	-	290,115	-
	HS SOURCING CO., LTD.	-	-	-	2,600,000	500,000	-
	Subsidiaries	THE GLOBAL GUATEMALA MICHATOYA, S.A. (*1)	18,047,120	-	-	-	-
IGIS INCOMEPLUS Private Investment Trust III		35,000,000	-	-	-	-	35,000,000
HANSAE ECOSPIN S.A (*2)		9,705,709	-	-	-	-	-
TEXOLLINI, INC. (*2)		19,732,320	-	-	4,410,000	-	-
COLOR & TOUCH CO., LTD.		-	-	-	18,023,200	18,023,200	-
Newborn-HansaeYes24 Risingstar 2nd Fund (*3)		1,250,000	-	-	-	-	-
Associates		Leading D New Technology Investment Fund No. 1	-	-	-	-	-
	VTI Partners Healthcare Investment Fund	-	-	-	-	-	8,360,874
Other related parties	HANSAE MK CO.,LTD	-	-	44,460	-	-	-
		₩ 83,931,276	₩ 10,097,654	₩ 44,460	₩ 113,161,511	₩ 27,006,376	₩ 43,924,163

(\*1) For the year ended December 31, 2024, the Company acquired full ownership of HANSAE INTERNATIONAL, S.A. and carried out a paid-in capital increase.

(\*2) Reclassified to a subsidiary for the year ended December 31, 2024.

(\*3) For the year ended December 31, 2025, the name of the partnership was changed from Hansae YES24 Rising Star Investment Fund No.2 to Newborn-HansaeYes24 Risingstar 2nd Fund.

**Hansae Co., Ltd.**  
**Notes to the Separate Financial Statements**  
**December 31, 2025 and 2024**

Details of payment guarantees provided by the related parties for the financial supports to the Company as at December 31, 2025, are as follows:

*Payment guaranteed provided to the Company*

(in USD)

	Guarantor	Beneficiary bank	Maximum guarantee period	Guarantee limit		Remark
				2025	2024	
				Joint guarantee	CEO	

*Payment guaranteed provided by the Company*

(in thousands of Korean won and in USD)

Type	Guaranteed company	Beneficiary bank	Maximum guarantee period	Guaranteed amount				Remark
				2025				
				Guarantee limit	Amount utilized			
Parent	Hansae YES24 Holdings Co., Ltd	KEB Hana bank	2026-04-17	₩	4,800,000	₩	-	
Subsidiaries	HANSAE TG CO.,LTD.	KB Kookmin bank	2026-04-26	USD	4,950,000	USD	4,500,000	
		Korea Eximbank	2026-06-15	USD	4,000,000	USD	4,000,000	
		Shinhan bank	2026-12-15	USD	5,640,000	USD	7,000,000	
	C&T VINA CO.,LTD.	KB Kookmin bank	2026-04-24	USD	8,860,000	USD	8,600,000	
		Korea Eximbank	2026-10-23	USD	6,000,000	USD	6,000,000	
		KEB Hana bank	2032-06-06	USD	40,800,000	USD	32,750,000	
		Shinhan bank	2026-12-22	USD	4,800,000	USD	4,000,000	
		KEB Hana bank	2029-02-22	USD	23,000,000	USD	15,976,605	
	PT.HANSAE INDONESIA UTAMA	KEB Hana bank	2026-05-16	₩	600,000	₩	-	
		KEB Hana bank	2026-05-16	USD	13,200,000	USD	10,934,680	
		Shinhan bank	2026-12-02	₩	600,000	₩	-	
		Shinhan bank	2026-12-02	USD	16,200,000	USD	13,004,090	Borrowings guarantee
	COLOR & TOUCH CO., LTD.	Woori bank	2026-06-03	USD	12,000,000	USD	9,976,550	
		KDB	2026-11-21	USD	9,600,000	USD	6,534,900	
		NH Bank	2026-11-15	USD	15,600,000	USD	12,541,740	
KB Kookmin bank		2026-11-06	USD	3,300,000	USD	2,789,000		
Suhyup Bank		2026-03-23	USD	584,532	USD	487,110		
THE GLOBAL GUATEMALA MICHATOYA, S.A HS SOURCING CO., LTD.	IM BANK	2026-12-24	USD	4,800,000	USD	416,000		
	KEB Hana bank	2029-08-09	USD	72,000,000	USD	60,000,000		
HANSAE BAGO CO., LTD.	Woori bank	2026-09-08	USD	3,420,000	USD	2,456,724		
	Shinhan bank	2026-04-10	USD	5,000,000	USD	770,000		
TEXOLLINI, INC.	SMBC	2026-04-05	USD	5,500,000	USD	476,190		
	KEB Hana bank	2026-09-02	USD	4,000,000	USD	750,000		
				₩	6,000,000	₩	-	
				USD	263,254,532	USD	203,963,589	

**Hansae Co., Ltd.**  
**Notes to the Separate Financial Statements**  
**December 31, 2025 and 2024**

(in thousands of Korean won and in USD)

Type	Guaranteed company	Beneficiary bank	Maximum guarantee period	Guaranteed amount			Remark	
				2024				
				Guarantee limit	Amount utilized			
Parent	Hansae YES24 Holdings Co., Ltd	KEB Hana bank	2026-04-17	₩	4,800,000	₩	-	
Subsidiaries		KB Kookmin bank	2026-04-26	USD	4,950,000	USD	4,500,000	
	HANSAE TG CO.,LTD.	Korea Eximbank	2026-06-15	USD	4,000,000	USD	4,000,000	
		Shinhan bank	2026-12-15	USD	8,400,000	USD	7,000,000	
		KB Kookmin bank	2026-04-24	USD	8,860,000	USD	8,600,000	
		Korea Eximbank	2026-10-23	USD	6,000,000	USD	6,000,000	
	C&T VINA CO.,LTD.	KEB Hana bank	2032-06-06	USD	31,200,000	USD	25,949,813	
		Shinhan bank	2026-12-22	USD	4,800,000	USD	4,000,000	
	PT.HANSAE INDONESIA UTAMA	KEB Hana bank	2029-02-22	USD	23,000,000	USD	11,102,802	
		KEB Hana bank	2026-05-16	₩	600,000	₩	-	
		KEB Hana bank	2026-05-16	USD	13,200,000	USD	10,446,951	
		Shinhan bank	2026-12-02	₩	600,000	₩	-	
		Shinhan bank	2026-12-02	USD	16,200,000	USD	12,741,838	Borrowings guarantee
		Woori bank	2026-06-03	USD	12,000,000	USD	9,052,792	
	COLOR & TOUCH CO., LTD.	KDB	2026-11-21	USD	9,600,000	USD	7,226,693	
		NH Bank	2026-11-15	USD	12,000,000	USD	9,919,010	
		KB Kookmin bank	2026-11-06	USD	3,300,000	USD	2,486,144	
		Suhyup Bank	2026-03-23	USD	2,400,000	USD	1,779,932	
		IM BANK	2026-12-24	USD	-	USD	-	
	THE GLOBAL GUATEMALA MICHATOYA, S.A HS SOURCING CO., LTD.	KEB Hana bank	2029-08-09	USD	72,000,000	USD	19,333,000	
		Woori bank	2026-09-08	USD	3,564,000	USD	2,314,000	
HANSAE BAGO CO., LTD.	Shinhan bank	2026-04-10	USD	-	USD	-		
	SMBC	2026-04-05	USD	-	USD	-		
TEXOLLINI, INC.	KEB Hana bank	2026-09-02	USD	-	USD	-		
				₩	6,000,000	₩	-	
				USD	235,474,000	USD	146,452,974	

**Hansae Co., Ltd.**  
**Notes to the Separate Financial Statements**  
**December 31, 2025 and 2024**

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(a) Compensation of key management personnel

The Company considers registered and non-registered executive officers, including outside directors, who have authority and responsibility for planning, directing, and controlling the Company's operations, as key management personnel. The compensation paid or payable to key management for employee services for the years ended December 31, 2025 and 2024, consists of:

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Short-term employee benefits	₩	6,222,094	₩	7,120,453
Post-employment benefits		749,812		714,158
	₩	<u>6,971,906</u>	₩	<u>7,834,611</u>



## Independent Auditor's Report on Internal Control over Financial Reporting

(English Translation of a Report Originally Issued in Korean)

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

### Opinion on Internal Control over Financial Reporting

We have audited Hansae Co., Ltd.'s (the Company) Internal Control over Financial Reporting as at December 31, 2025, based on *Conceptual Framework for Designing and Operating Internal Control over Financial Reporting*.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as at December 31, 2025, based on *Conceptual Framework for Designing and Operating Internal Control over Financial Reporting*.

We also have audited, in accordance with Korean Standards on Auditing, the separate financial statements of the Company, which comprise the separate statement of financial position as at December 31, 2025, and the separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements including material accounting policy information, and our report dated March 18, 2026, expressed an unqualified opinion.

### Basis for Opinion on Internal Control over Financial Reporting

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

### Responsibilities of Management and Those Charged with Governance for Internal Control over Financial Reporting

Management is responsible for designing, implementing and maintaining effective internal control over financial reporting, and for its assessment about the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on the Effectiveness of Internal Control over Financial Reporting.

Those charged with governance have the responsibilities for overseeing internal control over financial reporting.

### Auditor's Responsibilities for the Audit of Internal Control over Financial Reporting

Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We conducted the audit in accordance with Korean Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

An audit of internal control over financial reporting involves performing procedures to obtain audit evidence about whether a material weakness exists. The procedures selected depend on the auditor's judgment, including the assessment of the risks that a material weakness exists. An audit includes obtaining an understanding of internal control over financial reporting and testing and evaluating the design and operating effectiveness of internal control over financial reporting based on the assessed risk.

**Definition and Inherent Limitations of Internal Control over Financial Reporting**

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and directors of the entity; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements. Also, projections of any assessment of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The engagement partner on the audit resulting in this independent auditor's report is KiWon Kim, Certified Public Accountant.



Seoul, Korea

March 18, 2026

This report is effective as at March 18, 2026, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the Company's internal control over financial reporting thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

## Management's Report on the Effectiveness of Internal Control over Financial Reporting

(English Translation of a Report Originally Issued in Korean)

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

We, as the Chief Executive Officer (CEO) and the Internal Control over Financial Reporting Officer of Hansae Co., Ltd. (the Company), assessed the effectiveness of the design and operation of the Company's Internal Control over Financial Reporting (ICFR) for the year ended December 31, 2025.

The Company's management, including the undersigned, is responsible for designing and operating the ICFR. We assessed the design and operating effectiveness of ICFR in the prevention and detection of an error or fraud which may cause material misstatements in the preparation and disclosure of reliable financial statements.

We designed and operated ICFR in accordance with *Conceptual Framework for Designing and Operating Internal Control over Financial Reporting* established by the Operating Committee of Internal Control over Financial Reporting in Korea (the ICFR Committee). And, we conducted an evaluation of ICFR based on the Annex 6 'Standards for Evaluating and Reporting on Internal Control over Financial Reporting' for the Detailed Enforcement Rule of the Regulation on External Audit and Accounting.

Based on the assessment results, we believe that the Company's ICFR, as at December 31, 2025, is designed and operated effectively, in all material respects, in accordance with *Conceptual Framework for Designing and Operating Internal Control over Financial Reporting*.

We certify that this report does not contain any untrue statement of a fact, or omit to state a fact necessary to be presented herein. We also certify that this report does not contain or present any statements which cause material misunderstandings, and we have reviewed and verified this report with sufficient due care.

<Attachment>

- Internal control activities implemented to address treasury-related fraud risks, including embezzlement

February 6, 2026

Kim, Ik Whan  
Chief Executive Officer

Kang, Yeon Jin  
Internal Control over Financial Reporting Officer

(Attachment)

Internal control activities implemented to address treasury-related fraud risks, including embezzlement

Category	Control Activities Performed by the Company	Design and Operating Effectiveness Assessment Results (Department, Timing, etc.)
Entity-Level Controls	<p>&lt;Operation of Internal Whistleblowing System&gt;</p> <p>The Company maintains a 'Whistleblowing' channel at the Group level to enable internal/external stakeholders to anonymously report violations of ethics regulations or irregularities, including fraud.</p>	<p>Testing results: No material weaknesses identified (ICFR team, Jan 2026)</p>
	<p>&lt; Fraud Risk Assessment &gt;</p> <p>The Company assesses fraud risk by considering incentives /pressures, opportunities, and rationalization factors related to fraud in designing and planning ICFR. The Company identifies and prevents/detects the possibility of material omissions, key account misstatements, and fraud in the design of control procedures for financial statements.</p>	<p>Testing results: No material weaknesses identified (ICFR team, Jan 2026)</p>
	<p>&lt;Segregation of Duties Management&gt;</p> <p>Management ensures that the same individual does not handle incompatible duties by establishing Segregation of Duties rules (SOD Rules). The ICFR Team periodically reviews and updates the segregation of duties for controls, considering changes in the Company's organization, personnel, processes, and systems.</p>	<p>Testing results: No material weaknesses identified (ICFR team, Jan 2026)</p>
Treasury Controls	<p>&lt;Customer Account Registration/Change Approval&gt;</p> <p>Registration and changes of customer accounts are subject to the appropriate approval procedures of the Treasury Team before being registered in the system.</p>	<p>Testing results: No material weaknesses identified (ICFR team, Jul 2025, Nov 2025, Jan 2026)</p>
	<p>&lt; Management of Seal and OTP Devices&gt;</p> <p>Physical access to seals and OTP devices is restricted to the designated personnel of the responsible department. Use is permitted only after the requesting department's intended purpose and approval details are reviewed and confirmed.</p>	<p>Testing results: No material weaknesses identified (ICFR team, Jul 2025, Nov 2025, Jan 2026)</p>
	<p>&lt;Fund Execution Review&gt;</p> <p>Treasury Manager reviews whether the daily payment plan and the payment approval request are consistent, and verifies the consistency between the key details (payee identifier, account) on the supporting documents, such as purchase requisitions, and approves accordingly.</p>	<p>Testing results: No material weaknesses identified (ICFR team, Jul 2025, Nov 2025, Jan 2026)</p>
	<p>&lt; Segregation of Duties for Fund Execution and Voucher Approval &gt;</p> <p>The voucher preparer and the approver for fund vouchers are segregated, and the fund execution approver and the final voucher approver are segregated.</p>	<p>Testing results: No material weaknesses identified (ICFR team, Jul 2025, Nov 2025, Jan 2026)</p>
	<p>&lt;Daily Fund Deposit/Withdrawal Management&gt;</p> <p>Treasury Manager reviews whether the daily fund closing report balance on ERP matches the deposit and withdrawal details, and if discrepancies exist, reviews the appropriateness of the stated reasons and approves accordingly.</p>	<p>Testing results: No material weaknesses identified (ICFR team, Jul 2025, Nov 2025, Jan 2026)</p>
	<p>&lt; Financing and Borrowing Review &gt;</p> <p>Treasury Manager reviews the appropriateness of key terms and conditions for borrowings and bond issuances, approves accordingly, and presents the matter to the Board of Directors when a Board resolution is required.</p>	<p>Testing results: No material weaknesses identified (ICFR team, Jul 2025, Nov 2025, Jan 2026)</p>

Category	Control Activities Performed by the Company	Design and Operating Effectiveness Assessment Results (Department, Timing, etc.)
Treasury Controls	<p data-bbox="415 254 870 275">&lt;Vendor Master Creation and Modification Review&gt;</p> <p data-bbox="415 300 878 411">Treasury Manager reviews key information (e.g., business registration number, bank account number) included in Vendor Master creation and modification requests to ensure consistency with supporting documents before approval.</p>	<p data-bbox="927 300 1344 369">Testing results: No material weaknesses identified (ICFR team, Jul 2025, Nov 2025, Jan 2026)</p>
Other Process-Level Controls	<p data-bbox="415 417 695 438">&lt;Inventory Count Confirmation&gt;</p> <p data-bbox="415 464 906 684">The Accounting Manager reviews the inventory physical count results and related reports to confirm that the count procedures were appropriately performed and that no deficiencies exist in the inventory count process. The Accounting Manager also reviews the appropriateness of variances between the physical inventory quantities and the quantities recorded in the ERP system prior to the physical count, and approves the related inventory adjustment entries in the ERP system</p>	<p data-bbox="927 531 1317 575">Testing results: No material weaknesses identified (ICFR team, Jan 2026)</p>