

HYUNDAI GLOVIS CO., LTD.
AND SUBSIDIARIES

Condensed Consolidated Interim Financial Statements

June 30, 2024

(Unaudited)

(With Independent Auditors' Review Report Thereon)

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Independent Auditors' Review Report

Based on a report originally issued in Korean

The Board of Directors and Stockholders
Hyundai Glovis Co., Ltd.

Reviewed financial statements

We have reviewed the accompanying condensed consolidated interim financial statements of Hyundai Glovis Co., Ltd. and its subsidiaries (the "Group"), which comprise the condensed consolidated statement of financial position as of June 30, 2024, the condensed consolidated statements of income and comprehensive income for the three-month and six-month periods ended June 30, 2024 and 2023, the condensed consolidated statements of changes in equity and cash flows for the six-month periods ended June 30, 2024 and 2023 and notes, comprising of material accounting policy information and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with Korean International Financial Reporting Standards ("K-IFRS") No.1034 'Interim Financial Reporting', 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.

Auditors' review responsibility

Our responsibility is to issue a report on these condensed consolidated interim financial statements based on our reviews.

We conducted our reviews in accordance with Review Standards for Quarterly and Semiannual Financial Statement established by the Securities and Futures Commission of the Republic of Korea. A review of interim financial information consists of making inquiries primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Korean Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements referred to above are not prepared, in all material respects, in accordance with K-IFRS No.1034, 'Interim Financial Reporting'.



Other matters

The consolidated statement of financial position of the Group as of December 31, 2023, and the related consolidated statements of income and comprehensive income, changes in equity and cash flows for the year ended December 31, 2023, which are not accompanied in this report, were audited by us in accordance with Korean Standards on Auditing and our report thereon dated March 12, 2024, expressed an unqualified opinion. The accompanying consolidated statement of financial position of the Group as of December 31, 2023, presented for comparative purposes, is not different from that audited by us from which it was derived in all material respects.

The procedures and practices utilized in the Republic of Korea to review such condensed consolidated interim financial statements may differ from those generally accepted and applied in other countries.

KPMG Samjory Accounting Corp.

Seoul, Korea
August 13, 2024

This report is effective as of August 13, 2024, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the accompanying condensed consolidated interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that the above review report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES
Condensed Consolidated Interim Statements of Financial Position
As of June 30, 2024 and December 31, 2023
(Unaudited)
(In won)

	<u>Note</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Assets			
Cash and cash equivalents	3,4,5,6,26 ₩	2,855,655,941,728	2,290,825,257,508
Other current financial assets	4,5,29	1,319,249,940,659	1,739,928,900,287
Trade receivables	4,5,6,23	2,963,553,583,533	2,867,561,578,869
Contract assets	6,7	198,500,975,128	176,220,553,900
Other receivables	4,5,6,23	179,009,070,948	172,013,546,047
Inventories	8	1,554,617,087,787	1,347,612,791,030
Reimbursement assets	16	38,379,146,592	37,343,473,489
Current tax assets		2,409,309,284	3,497,708,294
Other current assets	9	137,577,992,856	136,514,321,574
Assets held for sale		670,196,104	-
Total current assets		<u>9,249,623,244,619</u>	<u>8,771,518,130,998</u>
Long-term other receivables	4,5,6	25,263,200,211	24,496,291,778
Other non-current financial assets	4,5,6,29	242,224,978,035	223,614,404,712
Investments in associates and joint ventures	10	763,543,566,163	675,699,466,028
Property, plant and equipment	11,25,29	5,250,615,377,881	4,725,890,371,023
Intangible assets	12	151,085,281,087	136,085,560,227
Reimbursement assets	16	106,896,883,773	101,365,902,117
Deferred tax assets	21	22,890,780,511	15,173,447,290
Other non-current assets	9,17	42,737,517,412	51,176,329,765
Total non-current assets		<u>6,605,257,585,073</u>	<u>5,953,501,772,940</u>
Total assets	₩	<u>15,854,880,829,692</u>	<u>14,725,019,903,938</u>

See accompanying notes to the condensed consolidated interim financial statements.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES
Condensed Consolidated Interim Statements of Financial Position, Continued
As of June 30, 2024 and December 31, 2023

(Unaudited)

(In won)

	<u>Note</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Liabilities			
Trade payables	4,5,23	₩ 2,275,291,280,434	1,791,237,337,772
Other payables	4,5,13,23	465,960,121,567	646,028,231,877
Short-term borrowings	4,5,15,26	1,124,831,097,319	1,174,196,992,793
Short-term corporate bonds	4,5,15,26	189,902,384,349	-
Other current financial liabilities	4,5,25,26,29	487,055,167,713	509,032,422,388
Income tax payable		168,611,729,375	92,384,922,267
Provision	16,18	81,259,978,634	52,634,446,757
Contract liabilities	7	172,280,437,486	157,594,824,349
Other current liabilities	14	65,703,889,754	44,479,293,177
Total current liabilities		<u>5,030,896,086,631</u>	<u>4,467,588,471,380</u>
Long-term borrowings	4,5,15,26	669,910,677,697	559,425,528,154
Corporate bonds	4,5,15,26	109,841,144,115	299,645,998,183
Other non-current financial liabilities	4,5,25,26,29	1,375,189,578,035	1,236,513,234,148
Deferred tax liabilities	21	253,410,805,866	251,545,472,818
Defined benefit liabilities	17	3,497,650,941	2,990,511,719
Provision	16	121,337,524,774	109,394,716,925
Other non-current liabilities	14	14,950,074,583	13,992,350,358
Total non-current liabilities		<u>2,548,137,456,011</u>	<u>2,473,507,812,305</u>
Total liabilities		<u>7,579,033,542,642</u>	<u>6,941,096,283,685</u>
Equity			
Common stock	1	18,750,000,000	18,750,000,000
Capital surplus		153,618,863,259	153,618,863,259
Accumulated other comprehensive income		170,299,109,463	61,733,303,527
Retained earnings		7,891,064,979,653	7,512,974,461,311
Other components of equity		8,291,500,143	8,291,500,143
Equity attributable to owners of the Company		<u>8,242,024,452,518</u>	<u>7,755,368,128,240</u>
Non-controlling interests		<u>33,822,834,532</u>	<u>28,555,492,013</u>
Total equity		<u>8,275,847,287,050</u>	<u>7,783,923,620,253</u>
Total liabilities and equity		<u>₩ 15,854,880,829,692</u>	<u>14,725,019,903,938</u>

See accompanying notes to the condensed consolidated interim financial statements.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES
Condensed Consolidated Interim Statements of Income
For the three-month and six-month periods ended June 30, 2024 and 2023

(Unaudited)

(In won)

	Note	2024		2023	
		Three-month period	Six-month period	Three-month period	Six-month period
Sales	27,28 ₩	7,064,318,730,070	13,650,754,573,440	6,534,823,929,391	12,835,658,869,005
Cost of sales	20	6,462,134,573,142	12,511,389,720,698	5,991,892,883,643	11,772,417,985,819
Gross profit		<u>602,184,156,928</u>	<u>1,139,364,852,742</u>	<u>542,931,045,748</u>	<u>1,063,240,883,186</u>
Selling, general and administrative expenses	19,20	162,893,692,607	315,305,207,524	130,366,786,175	244,106,195,997
Operating profit		<u>439,290,464,321</u>	<u>824,059,645,218</u>	<u>412,564,259,573</u>	<u>819,134,687,189</u>
Finance income	4,19	44,726,715,085	91,961,926,926	46,349,136,582	85,097,708,118
Other operating income	4,19	262,202,234,664	512,229,234,795	241,051,051,236	526,706,812,316
Finance costs	4,19	46,159,555,197	86,706,344,012	52,231,902,142	92,256,976,422
Other operating expenses	4,19	263,464,993,129	521,333,320,788	258,764,384,672	593,293,115,255
Share of profit of associates and joint ventures	10	(11,333,360,559)	34,755,090,310	1,671,149,505	2,685,240,552
Profit before income tax		<u>425,261,505,185</u>	<u>854,966,232,449</u>	<u>390,639,310,082</u>	<u>748,074,356,498</u>
Income tax expense	21	112,221,275,982	235,758,132,527	99,942,465,204	173,744,522,728
Profit for the period	₩	<u>313,040,229,203</u>	<u>619,208,099,922</u>	<u>290,696,844,878</u>	<u>574,329,833,770</u>
Profit attributable to:					
Owners of the Parent Company	22 ₩	310,826,249,693	615,080,935,538	288,636,149,768	569,937,837,687
Non-controlling interests		2,213,979,510	4,127,164,384	2,060,695,110	4,391,996,083
Earnings per share:					
Basic and diluted earnings per share attributable to owners of the Parent Company	22 ₩	4,144	8,201	3,848	7,599

See accompanying notes to the condensed consolidated interim financial statements.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES
Condensed Consolidated Interim Statements of Comprehensive Income
For the three-month and six-month periods ended June 30, 2024 and 2023

(Unaudited)

(In won)

	Note	2024		2023	
		Three-month period	Six-month period	Three-month period	Six-month period
Profit for the period	₩	313,040,229,203	619,208,099,922	290,696,844,878	574,329,833,770
Other comprehensive income:					
Items that may be subsequently reclassified to profit or loss:					
Equity adjustment in equity method	21	5,467,363,779	9,197,283,191	1,361,823,741	5,074,007,613
Exchange differences on translation of foreign operations		42,280,051,900	90,792,254,562	12,563,904,073	66,248,716,401
		<u>47,747,415,679</u>	<u>99,989,537,753</u>	<u>13,925,727,814</u>	<u>71,322,724,014</u>
Items that will not be reclassified to profit or loss:					
Net profit (loss) on valuation of financial assets at fair value through OCI	21	(836,823,647)	9,716,446,318	5,970,919,427	14,955,698,889
Changes in retained earnings adjustment in equity method	21	(2,802,022)	(393,479,691)	1,033,979,701	451,362,173
Remeasurement loss on defined benefit plans	21	(26,186,952)	(346,937,505)	(183,402,349)	(560,958,778)
		<u>(865,812,621)</u>	<u>8,976,029,122</u>	<u>6,821,496,779</u>	<u>14,846,102,284</u>
Total comprehensive income for the period attributable to:					
Owners of the Company		357,056,324,980	722,906,324,278	309,299,767,786	653,928,696,269
Non-controlling interests		2,865,507,281	5,267,342,519	2,144,301,685	6,569,963,799
	₩	<u>359,921,832,261</u>	<u>728,173,666,797</u>	<u>311,444,069,471</u>	<u>660,498,660,068</u>

See accompanying notes to the condensed consolidated interim financial statements.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES
Condensed Consolidated Interim Statements of Changes in Equity
For the six-month periods ended June 30, 2024 and 2023

(Unaudited)
(In won)

	Attributable to owners of the Company							
	Common stock	Capital surplus	Accumulated other comprehensive income (loss)	Retained earnings	Other components of equity	Total	Non-controlling interests	Total equity
Balance at January 1, 2023	₩ 18,750,000,000	153,618,863,259	(99,734,436)	6,679,226,432,679	14,511,750,412	6,866,007,311,914	13,604,976,044	6,879,612,287,988
Total comprehensive income (loss) for the period	-	-	-	569,937,837,687	-	569,937,837,687	4,391,996,083	574,329,833,770
Profit for the period	-	-	-	-	-	-	-	-
Net profit on valuation of financial assets at fair value through OCI	-	-	14,955,698,889	-	-	14,955,698,889	-	14,955,698,889
Remeasurement loss on defined benefit plans	-	-	-	(560,958,778)	-	(560,958,778)	-	(560,958,778)
Changes in equity adjustment in equity method	-	-	5,074,007,613	-	-	5,074,007,613	-	5,074,007,613
Changes in retained earnings adjustment in equity method	-	-	-	451,362,173	-	451,362,173	-	451,362,173
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-
Transactions with owners of the Company, recognized directly in equity	-	-	64,070,748,685	-	-	64,070,748,685	2,177,967,716	66,248,716,401
Dividends (Note 30)	-	-	-	(213,750,000,000)	-	(213,750,000,000)	-	(213,750,000,000)
Balance at June 30, 2023	₩ 18,750,000,000	153,618,863,259	84,000,720,751	7,035,304,673,761	14,511,750,412	7,306,186,008,183	20,174,939,843	7,326,360,948,026
Balance at January 1, 2024	₩ 18,750,000,000	153,618,863,259	61,733,303,527	7,512,974,461,311	8,291,500,143	7,755,368,128,240	28,555,492,013	7,783,923,620,253
Total comprehensive income (loss) for the period	-	-	-	615,080,935,538	-	615,080,935,538	4,127,164,384	619,208,099,922
Profit for the period	-	-	-	-	-	-	-	-
Net profit on valuation of financial assets at fair value through OCI	-	-	9,716,446,318	-	-	9,716,446,318	-	9,716,446,318
Remeasurement loss on defined benefit plans	-	-	-	(346,937,505)	-	(346,937,505)	-	(346,937,505)
Changes in equity adjustment in equity method	-	-	9,197,283,191	-	-	9,197,283,191	-	9,197,283,191
Changes in retained earnings adjustment in equity method	-	-	-	(393,479,691)	-	(393,479,691)	-	(393,479,691)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-
Transactions with owners of the Company, recognized directly in equity	-	-	89,652,076,427	-	-	89,652,076,427	1,140,178,135	90,792,254,562
Dividends (Note 30)	-	-	-	(236,250,000,000)	-	(236,250,000,000)	-	(236,250,000,000)
Balance at June 30, 2024	₩ 18,750,000,000	153,618,863,259	170,299,109,463	7,891,064,979,653	8,291,500,143	8,242,024,452,518	33,822,834,532	8,275,847,287,050

See accompanying notes to the condensed consolidated interim financial statements.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES
Condensed Consolidated Interim Statements of Cash Flow
For the six-month periods ended June 30, 2024 and 2023

(Unaudited)
(In won)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
Cash flows from operating activities			
Profit for the period	₩	619,208,099,922	574,329,833,770
Adjustments to reconcile profit for the period to net cash flows provided by operating activities	26	724,366,162,156	647,609,006,086
Changes in operating assets and liabilities	26	(5,907,314,922)	600,913,976,498
Interest received		87,751,839,067	33,565,387,974
Interest paid		(80,821,296,243)	(73,847,228,341)
Dividends received		50,035,311,679	8,596,335,790
Income taxes paid		(92,338,219,141)	(43,845,803,285)
Net cash provided by operating activities		<u>1,302,294,582,518</u>	<u>1,747,321,508,492</u>
Cash flows from investing activities			
Decrease in other current financial assets		431,637,154,411	1,291,336,517
Increase in other current financial assets		(20,273,030,309)	(709,555,582,881)
Decrease in other non-current financial assets		95,266,654	616,787,461
Increase in other non-current financial assets		(11,186,899,681)	(4,392,482,985)
Decrease in other current trade receivables		518,870,740	553,934,175
Increase in other current trade receivables		(645,711,484)	(1,053,786,146)
Decrease in other non-current trade receivables		1,343,291,809	2,443,414,833
Increase in other non-current trade receivables		(2,525,915,713)	(1,115,332,603)
Acquisition of investments in associates		(131,237,610,633)	(25,384,047,722)
Proceeds from disposal of investments in associates		42,789,097,905	3,022,994,606
Acquisition of property, plant and equipment		(557,686,272,643)	(109,335,290,413)
Proceeds from disposal of property, plant and equipment		1,443,342,793	1,137,690,924
Acquisition of intangible assets		(8,364,497,041)	(730,911,471)
Proceeds from disposal of intangible assets		2,739,800,000	227,272,727
Government subsidies received		630,000,000	-
Net cash used in investing activities		<u>(250,723,113,192)</u>	<u>(842,274,002,978)</u>
Cash flows from financing activities			
Decrease in lease liabilities		(203,756,916,179)	(153,709,676,415)
Decrease in other current financial liabilities		-	(287,681,927)
Decrease in long-term outstanding payments		(4,611,625,812)	-
Decrease in other non-current financial liabilities		-	(833,906,291)
Repayment of current portion of long-term other accounts payable		(24,998,512,912)	(14,232,742,448)
Net decrease in short-term borrowings		(243,771,963,754)	(142,565,445,145)
Decrease of current portion of long-term borrowings		(65,473,134,880)	(92,146,229,433)
Increase in long-term borrowings		303,904,701,000	17,986,281,344
Cash inflow from capital transactions within the Group		-	1,143,216,000
Payment of dividends		(236,250,000,000)	(213,750,000,000)
Net cash used in financing activities		<u>(474,957,452,537)</u>	<u>(598,396,184,315)</u>
Net increase in cash and cash equivalents		<u>576,614,016,789</u>	<u>306,651,321,199</u>
Effects of exchange rate changes on cash and cash equivalents		(11,783,332,569)	(111,024,962,587)
Cash and cash equivalents at January 1		<u>2,290,825,257,508</u>	<u>2,059,783,220,532</u>
Cash and cash equivalents at June 30	₩	<u>2,855,655,941,728</u>	<u>2,255,409,579,144</u>

See accompanying notes to the condensed consolidated interim financial statements.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements
As of and for the six-month periods ended June 30, 2024 and 2023
(Unaudited)

1. Corporate information

1.1 Summary of parent company

Hyundai Glovis Co., Ltd. ("Parent Company") was established on February 22, 2001 under the laws of the Republic of Korea to engage in rendering logistics, transportation, sale of Complete Knock Down (CKD) parts and related activities. The Parent Company listed its ordinary shares on the Korea Exchange ("KRX") on December 26, 2005. As of June 30, 2024, the Parent Company has 37,500,000 ordinary shares of issued capital amounting to ₩18,750,000 thousand.

The shareholders of the Parent Company and their shareholdings as of June 30, 2024 are as follows:

Shareholders	Number of shares (In shares)	Ownership interest
Eui Sun Chung	7,499,991	20.00%
Hyundai Motor Chung Mong Koo Foundation	1,671,018	4.46%
Hyundai Motor Co., Ltd.	1,830,939	4.88%
Den Norske Amerikalinje AS	4,125,000	11.00%
PROJECT GUARDIAN HOLDINGS LIMITED	3,750,000	10.00%
Others	18,623,052	49.66%
	37,500,000	100.00%

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements, Continued
As of and for the six-month periods ended June 30, 2024 and 2023
(Unaudited)

1. Corporate information, Continued

1.2 Summary of subsidiaries

The consolidated subsidiaries as of June 30, 2024 and December 31, 2023 are as follows:

Name of subsidiaries	Equity interest (%)		Location	Year end	Type of business
	June 30, 2024	December 31, 2023			
Glovis America, Inc.	100	100	America	Dec. 31	Port service and transportation
Glovis Alabama LLC (*1)	100	100	America	Dec. 31	Transportation and C/C operation
Glovis Georgia LLC (*1)	100	100	America	Dec. 31	Transportation and C/C operation
Glovis Canada, Inc. (*1)	100	100	Canada	Dec. 31	Logistics and transportation
Global Expedited Transportation, Inc. (*2)	-	100	America	Dec. 31	Logistics and transportation
Global Expedited Transportation Freight Corp, Inc. (*1)	100	100	America	Dec. 31	Logistics and transportation
Extreme Transportation Inc. (*1)	100	100	America	Dec. 31	Logistics and transportation
Greater Erie Auto Auction LLC (*1)	100	100	America	Dec. 31	Purchase and sale of used cars, etc.
Glovis EV logistics America, LLC (*1)	100	100	America	Dec. 31	Global sourcing
Glovis Slovakia s.r.o.	100	100	Slovakia	Dec. 31	Transportation and C/C Operation
Beijing Glovis Warehousing & Transportation Co., Ltd.	100	100	China	Dec. 31	Logistics and transportation
Tianjin Glovis Automotive Parts Co., Ltd. (*3)	100	100	China	Dec. 31	Global sourcing
Chengdu Glovis Supply Chain Management Co., Ltd. (*3)	100	100	China	Dec. 31	Logistics and transportation
Jiangsu Shichuang Logistics Co., Ltd. (*4)	51	51	China	Dec. 31	Logistics and transportation
Glovis Europe, GmbH	100	100	Germany	Dec. 31	Logistics and transportation
Adampol S.A. (*5)	70	70	Poland	Dec. 31	Logistics and transportation
Adampol Slovakia S.R.O. (*6)	100	100	Slovakia	Dec. 31	VPC Operation
Adampol Czech S.R.O. (*6)	100	100	Czech	Dec. 31	VPC Operation
Vectura LLC (*6)	100	100	Russia	Dec. 31	Logistics and transportation
Hyundai Glovis Czech Republic s.r.o.	100	100	Czech	Dec. 31	Transportation and C/C Operation
Glovis India, Pvt. Ltd.	100	100	India	Mar. 31	Logistics and transportation
Glovis Russia LLC	100	100	Russia	Dec. 31	Logistics and transportation
Hyundai Glovis Lojistik Sanayi ve Ticaret. Ltd. Sti.	100	100	Turkey	Dec. 31	Logistics and transportation
Glovis Australia, Pty, Ltd.	100	100	Australia	Dec. 31	Logistics and transportation
Glovis Brazil Logistica LTDA	100	100	Brazil	Dec. 31	Logistics and transportation
Hyundai Glovis Mexico S de RL de CV	100	100	Mexico	Dec. 31	Logistics and transportation
Glovis India Anantapur Pvt. Ltd.	100	100	India	Mar. 31	Logistics and transportation
G-Marine Service Co.,Ltd.	100	100	Republic of Korea	Dec. 31	Ship management
Hyundai Glovis Vietnam Co., Ltd.	100	100	Vietnam	Dec. 31	Logistics and transportation
Pt. GLOVIS Indonesia International	100	100	Indonesia	Dec. 31	C/C and VPC operations, etc.
Pt. GLOVIS INDONESIA LOGISTICS (*7)	100	100	Indonesia	Dec. 31	Logistics and transportation
Hyundai Glovis Logistics (Thailand) Co., Ltd. (*8)	49	49	Thailand	Dec. 31	Logistics and transportation
Altiall Co., Ltd. (*9)	70	70	Republic of Korea	Dec. 31	Software development, Supply Business, etc.
GL NV20 Shipping Inc. and 16 others (*10)	-	-	Panama and others	Dec. 31	Shipping finance

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements, Continued
As of and for the six-month periods ended June 30, 2024 and 2023
(Unaudited)

1. Corporate information, Continued

1.2 Summary of subsidiaries, Continued

- (*1) Wholly owned by Glovis America, Inc., a subsidiary of the Parent Company.
(*2) Glovis America, Inc. completely was liquidated its wholly-owned subsidiary, Global Expedited Transportation, Inc., for the six-month period ended June 30,2024.
(*3) Wholly owned by Beijing Glovis Warehousing & Transportation Co., Ltd., a subsidiary of the Parent Company.
(*4) The Parent Company gained the ownership by changing in decision-making structure of Jiangsu Gelian Logistics Co.,Ltd. Jiangsu Gelian Logistics Co.,Ltd. was reclassified from joint venture to a subsidiary and changed its name to Jiangsu Shichuang Logistics Co.,Ltd. for the period ended December 31,2023.
(*5) Glovis Europe, GmbH., a subsidiary of the Parent Company, owns a 70% stake.
(*6) Wholly owned by Adampol S.A. a subsidiary of the Parent Company.
(*7) Wholly owned by Pt. GLOVIS Indonesia International, a subsidiary of the Parent Company.
(*8) Although the stake in the company is less than 50%, it is included in the consolidated subsidiary because the Parent Company can exercise practical control.
(*9) The Parent Company acquired the 69.84% of the Altiall Co., Ltd. for the period ended December 31,2023.
(*10) The Parent Company does not hold a majority of the voting shares, but the Company is a structured company established at the needs and included as a subsidiary because the Parent Company is exposed to the variable profits and has the ability to influence those profits.

1.3 Changes in the scope of consolidated subsidiaries

- 1.3.1** No subsidiaries have been newly added to the companies subject to the preparation of consolidated financial statements for the six-month period ended June 30, 2024.
1.3.2 The status of subsidiaries excluded from the companies subject to the consolidated financial statements for the six-month period ended June 30, 2024 is as follows:

Subsidiaries	Reason
Global Expedited Transportation, Inc.	Liquidation

1.4 Condensed financial information of consolidated subsidiaries (Before internal transaction removal)

- (i) Condensed financial information of significant consolidated subsidiaries as of and for the six-month period ended June 30, 2024 is summarized as follows:

(In thousands of won)

Name of subsidiaries	As of June 30, 2024			For the six-month period ended June 30, 2024	
	Assets	Liabilities	Equity	Sales	Profit for the period
Glovis America Inc. (*)	₩ 1,543,540,739	717,033,117	826,507,622	1,607,111,786	95,906,898
Beijing Glovis Warehousing & Transportation Co., Ltd. (*)	233,231,156	110,405,589	122,825,567	243,383,250	12,088,394
Glovis Europe, GmbH. (*)	557,173,570	257,840,452	299,333,118	618,578,566	46,876,569
Glovis India, Pvt. Ltd.	341,904,999	127,652,736	214,252,263	318,672,275	16,482,536
Glovis India Anantapur Pvt. Ltd.	154,036,279	105,827,715	48,208,564	188,615,242	8,920,682

(*) This is the consolidated financial information of the subsidiaries.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements, Continued
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(Unaudited)

1. Corporate information, Continued

1.4 Condensed financial information of consolidated subsidiaries (Before internal transaction removal), Continued

(ii) Condensed financial information of significant consolidated subsidiaries as of December 31, 2023 and for the six-month period ended June 30, 2023 is summarized as follows:

(In thousands of won)

Name of subsidiaries	As of December 31, 2023			For the six-month period ended June 30, 2023	
	Assets	Liabilities	Equity	Sales	Profit for the period
Glovis America Inc. (*)	₩ 1,265,987,956	550,518,984	715,468,972	1,571,430,751	101,927,666
Beijing Glovis Warehousing & Transportation Co., Ltd. (*)	183,061,959	78,124,423	104,937,536	162,427,820	4,934,880
Glovis Europe, GmbH. (*)	538,408,351	226,551,263	311,857,088	599,225,232	35,057,821
Glovis India, Pvt. Ltd.	289,016,428	105,322,969	183,693,459	291,601,492	19,890,070
Glovis India Anantapur Pvt. Ltd.	127,141,314	90,792,426	36,348,888	136,521,954	6,423,639

(*) This is the consolidated financial information of the subsidiaries.

2. Basis of financial statement preparation and changes to the Group's accounting policies

2.1 Basis of Preparation

The Parent Company and its subsidiaries (collectively referred to as the "Group") prepares the condensed consolidated interim financial statements for the three-month and six-month periods ended June 30, 2024 in Korean language in accordance with Korean International Financial Reporting Standards ("K-IFRS") No. 1034 'Interim Financial Reporting'. The accompanying consolidated financial statements have been translated into English from the Korean language financial statements. In the event of any differences in interpreting the financial statements or the independent auditors' report thereon, the Korean version, which is used for regulatory reporting purposes, shall prevail.

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as of December 31, 2023.

2.2 Use of judgements and estimates

Korean-adopted International Financial Reporting Standards (K-IFRS) require the use of management's best estimates and assumptions based on the management's best judgment regarding the application of accounting policies and matters affecting the reported amounts of assets, liabilities, revenues, and expenses as of the end of the interim reporting period. If the actual circumstances differ from these estimates and assumptions based on management's best judgment as of the end of the interim reporting period, the reported amounts may vary from the actual results.

The management's judgment regarding the application of the Company's accounting policies and estimates used in the interim consolidated financial statements is based on the same accounting policies and rationale used in the annual financial statements as of December 31, 2023.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements, Continued
As of and for the six-month periods ended June 30, 2024 and 2023
(Unaudited)

2. Basis of financial statement preparation and changes to the Group's accounting policies, Continued

2.3 New and amended standards and interpretations

A number of new accounting standards and amendments to accounting standards are effective for the annual period beginning after 1 January, 2024 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended accounting standards in preparing these condensed consolidated interim financial statements.

- Classification of Liabilities as Current or Non-current (K-IFRS No.1001 'Presentation of Financial Statements')
- Virtual asset disclosure (K-IFRS No.1001 'Presentation of Financial Statements')
- Measurement of lease liabilities arising from sales leases under variable lease terms (K-IFRS No.1116 'Lease')
- Disclosure of Supplier Financial Agreement (K-IFRS No.1007 'Cash Flow Statement', K-IFRS No.1107 'Disclosure of Financial Instruments')
- International Tax Reform – Pillar 2 Model Rules (K-IFRS No.1012 'Income Taxes')

3. Cash and cash equivalents

Cash and cash equivalents as of June 30, 2024 and December 31, 2023 are as follows:

(In thousands of won)

		June 30, 2024	December 31, 2023
Cash on hand	₩	28,336	27,724
Current and general deposits		1,231,803,709	1,091,801,335
Installment and other deposits		1,623,848,627	1,199,626,203
Government grants		(24,730)	(630,004)
	₩	<u>2,855,655,942</u>	<u>2,290,825,258</u>

4. Financial assets and liabilities by category

4.1 Financial assets by category

(i) Details of financial assets by category as of June 30, 2024 are as follows:

(In thousands of won)

		June 30, 2024			Total
		Financial assets measured at amortized cost	Financial assets at fair value through OCI	Financial assets at fair value through profit or loss	
Financial assets					
Cash and cash equivalents	₩	2,855,655,942	-	-	2,855,655,942
Other current financial assets (*)		1,316,336,051	-	2,913,890	1,319,249,941
Trade receivables		2,963,553,584	-	-	2,963,553,584
Other accounts receivable		179,009,071	-	-	179,009,071
Other non-current accounts receivable		25,263,200	-	-	25,263,200
Other non-current financial assets (*)		15,204,991	219,918,008	7,101,979	242,224,978
	₩	<u>7,355,022,839</u>	<u>219,918,008</u>	<u>10,015,869</u>	<u>7,584,956,716</u>

(*) Other financial assets include finance lease receivables, etc.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements, Continued
As of and for the six-month periods ended June 30, 2024 and 2023
(Unaudited)

4. Financial assets and liabilities by category, Continued

4.1 Financial assets by category, Continued

(ii) Details of financial assets by category as of December 31, 2023 are as follows:

(In thousands of won)

Financial assets	December 31, 2023			
	Financial assets measured at amortized cost	Financial assets at fair value through OCI	Financial assets at fair value through profit or loss	Total
Cash and cash equivalents	₩ 2,290,825,258	-	-	2,290,825,258
Other current financial assets (*)	1,727,104,262	-	12,824,638	1,739,928,900
Trade receivables	2,867,561,579	-	-	2,867,561,579
Other accounts receivable	172,013,546	-	-	172,013,546
Other non-current accounts receivable	24,496,292	-	-	24,496,292
Other non-current financial assets (*)	16,474,148	206,538,115	602,142	223,614,405
	₩ 7,098,475,085	206,538,115	13,426,780	7,318,439,980

(*) Other financial assets include finance lease receivables, etc.

4.2 Financial liabilities by category

(i) Details of financial liabilities by category as of June 30, 2024 are as follows:

(In thousands of won)

Financial liabilities	June 30, 2024		
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Total
Trade payables	₩ 2,275,291,280	-	2,275,291,280
Other payables	465,960,122	-	465,960,122
Short-term borrowings	1,124,831,097	-	1,124,831,097
Short-term corporate bonds	189,902,384	-	189,902,384
Other current financial liabilities (*)	460,029,629	27,025,539	487,055,168
Long-term borrowings	669,910,678	-	669,910,678
Corporate bonds	109,841,144	-	109,841,144
Other non-current financial liabilities (*)	1,367,678,228	7,511,350	1,375,189,578
	₩ 6,663,444,562	34,536,889	6,697,981,451

(*) Other financial liabilities include finance lease payables.

(ii) Details of financial liabilities by category as of December 31, 2023 are as follows:

(In thousands of won)

Financial liabilities	December 31, 2023		
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Total
Trade payables	₩ 1,791,237,338	-	1,791,237,338
Other payables	646,028,232	-	646,028,232
Short-term borrowings	1,174,196,993	-	1,174,196,993
Other current financial liabilities (*)	499,843,955	9,188,467	509,032,422
Long-term borrowings	559,425,528	-	559,425,528
Corporate bonds	299,645,998	-	299,645,998
Other non-current financial liabilities (*)	1,212,422,301	24,090,933	1,236,513,234
	₩ 6,182,800,345	33,279,400	6,216,079,745

(*) Other financial liabilities include finance lease payables.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements, Continued
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(Unaudited)

4. Financial assets and liabilities by category, Continued

4.3 Revenues and expenses for financial assets and liabilities by category

- (i) Revenues and expenses for financial assets and liabilities by category for the six-month period ended June 30, 2024 are as follows:

(In thousands of won)

	2024			
	Financial assets/liabilities measured at amortized cost	Financial assets at fair value through OCI	Financial assets/liabilities at fair value through profit or loss	Total
Interest income	₩ 88,350,011	-	-	88,350,011
Dividends	-	3,611,916	-	3,611,916
Gain on foreign currency transactions	409,346,665	-	-	409,346,665
Gain on foreign currency translations	84,774,062	-	-	84,774,062
Gain on derivatives transactions	-	-	3,970,657	3,970,657
Gain on derivatives valuations	-	-	3,107,429	3,107,429
Financial guarantee income	67,813	-	-	67,813
Interest expenses	(86,706,344)	-	-	(86,706,344)
Loss on foreign currency transactions	(218,184,652)	-	-	(218,184,652)
Loss on foreign currency translations	(238,367,856)	-	-	(238,367,856)
Loss on derivatives transactions	-	-	(45,468,374)	(45,468,374)
Loss on derivatives valuations	-	-	(9,895,678)	(9,895,678)
Bad debt expense	(7,567,690)	-	-	(7,567,690)
Other Bad debt expenses	(78,948)	-	-	(78,948)
	₩ 31,633,061	3,611,916	(48,285,966)	(13,040,989)

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES

Notes to the Condensed Consolidated Interim Financial Statements, Continued

As of and for the six-month periods ended June 30, 2024 and 2023

(Unaudited)

4. Financial assets and liabilities by category, Continued

4.3 Revenues and expenses for financial assets and liabilities by category, Continued

(ii) Revenues and expenses for financial assets and liabilities by category for the six-month period ended June 30, 2023 are as follows:

(In thousands of won)

	2023			Total
	Financial assets/liabilities measured at amortized cost	Financial assets at fair value through OCI	Financial assets/liabilities at fair value through profit or loss	
Interest income	₩ 48,823,899	-	-	48,823,899
Dividends	-	3,117,621	-	3,117,621
Gain on fair value measurement financial asset valuation	-	-	2,798,964	2,798,964
Gain on disposal of financial assets measured fair value	-	-	30,357,223	30,357,223
Gain on foreign currency transactions	447,590,126	-	-	447,590,126
Gain on foreign currency translations	47,091,338	-	-	47,091,338
Gain on derivatives transactions	-	-	9,911,642	9,911,642
Gain on derivatives valuations	-	-	6,373,642	6,373,642
Reversal of allowance for doubtful accounts	2,185,098	-	-	2,185,098
Other non-recurring of bad debt	75,557	-	-	75,557
Interest expenses	(80,118,815)	-	-	(80,118,815)
Loss on fair value measurement financial asset valuation	-	-	(267,845)	(267,845)
Loss on disposal of financial assets measured at fair value	-	-	(11,870,316)	(11,870,316)
Loss on foreign currency transactions	(287,819,540)	-	-	(287,819,540)
Loss on foreign currency translations	(272,697,456)	-	-	(272,697,456)
Loss on derivatives transactions	-	-	(13,745,787)	(13,745,787)
Loss on derivatives valuations	-	-	(6,735,795)	(6,735,795)
Other bad debt expenses	(33,459)	-	-	(33,459)
	₩ <u>(94,903,252)</u>	<u>3,117,621</u>	<u>16,821,728</u>	<u>(74,963,903)</u>

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements, Continued
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5. Other financial assets and liabilities

5.1 Other financial assets

Other financial assets as of June 30, 2024 and December 31, 2023 are as follows:

(In thousands of won)

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Current:		
Short-term financial instruments	₩ 1,303,096,760	1,714,146,820
Financial derivative assets	2,913,890	12,824,638
Current portion of finance lease receivables	11,238,272	11,346,924
Current loans	2,001,019	1,610,518
	<u>₩ 1,319,249,941</u>	<u>1,739,928,900</u>
	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Non-current:		
Non-current financial instruments	₩ 7,778	15,959
Non-current financial derivative assets	101,929	602,142
Non-current finance lease receivables	1,708,299	6,191,775
Non-current loans	13,488,914	10,266,414
Financial assets at fair value	7,000,050	-
Financial assets at fair value through OCI	219,918,008	206,538,115
	<u>₩ 242,224,978</u>	<u>223,614,405</u>

5.2 Details of financial assets at fair value through profit or loss and OCI

(i) Details of financial asset at fair value through OCI as of June 30, 2024 are as follows:

(In thousands of won)

	<u>June 30, 2024</u>		
	<u>Acquisition cost</u>	<u>Fair value</u>	<u>Book value</u>
Equity instruments (listed shares)	₩ 113,813,889	197,961,725	197,961,725
Equity instruments (non-listed shares)	25,542,205	21,956,283	21,956,283
	<u>₩ 139,356,094</u>	<u>219,918,008</u>	<u>219,918,008</u>

(ii) Details of financial assets at fair value through OCI as of December 31, 2023 are as follows:

(In thousands of won)

	<u>December 31, 2023</u>		
	<u>Acquisition cost</u>	<u>Fair value</u>	<u>Book value</u>
Equity instruments (listed shares)	₩ 113,813,889	184,499,233	184,499,233
Equity instruments (non-listed shares)	25,364,004	22,038,882	22,038,882
	<u>₩ 139,177,893</u>	<u>206,538,115</u>	<u>206,538,115</u>

(iii) Details of financial assets at fair value through profit or loss as of June 30, 2024 are as follows:

(In thousands of won)

	<u>June 30, 2024</u>		
	<u>Acquisition cost</u>	<u>Fair value</u>	<u>Book value</u>
Equity instruments (listed shares)	₩ -	-	-
Equity instruments (non-listed shares)	7,000,050	7,000,050	7,000,050
	<u>₩ 7,000,050</u>	<u>7,000,050</u>	<u>7,000,050</u>

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements, Continued
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(Unaudited)

5. Other financial assets and liabilities, Continued

5.2 Details of financial assets at fair value through profit or loss and OCI, Continued

5.2.1 Details of non-listed equity instruments at fair value through profit or loss

	June 30, 2024					
	Number of shares (In shares)	Equity interest (%)	Acquisition cost	Fair value	Book value	Unrealized gain or loss held
ER Co., Ltd.	101,450	8.21	₩ 7,000,050	7,000,050	7,000,050	-
			₩ 7,000,050	7,000,050	7,000,050	-

5.2.2 Details of listed equity instruments at fair value through OCI

(i) Details of listed equity instruments as of June 30, 2024 are as follows:

(In thousands of won, except share data)

	June 30, 2024					
	Number of shares (In shares)	Equity interest (%)	Acquisition cost	Fair value	Book value	Unrealized gain or loss held
Hyundai Mobis Co., Ltd.	656,293	0.71	₩ 72,520,376	165,057,690	165,057,690	92,537,314
Hyundai G.F. Holdings Co., Ltd.	2,974,855	1.91	26,964,664	13,416,596	13,416,596	(13,548,068)
Hyundai Green Food Co., Ltd.	1,579,209	4.66	14,328,849	19,487,439	19,487,439	5,158,590
			₩ 113,813,889	197,961,725	197,961,725	84,147,836

(ii) Details of listed equity instruments as of December 31, 2023 are as follows:

(In thousands of won, except share data)

	December 31, 2023					
	Number of shares (In shares)	Equity interest (%)	Acquisition cost	Fair value	Book value	Unrealized gain or loss held
Hyundai Mobis Co., Ltd.	656,293	0.70	₩ 72,520,376	155,541,441	155,541,441	83,021,065
Hyundai G.F. Holdings Co., Ltd. (*)	2,974,855	1.91	26,964,664	10,828,472	10,828,472	(16,136,192)
Hyundai G.F. Holdings Co., Ltd.	1,579,209	4.66	14,328,849	18,129,320	18,129,320	3,800,471
			₩ 113,813,889	184,499,233	184,499,233	70,685,344

(*) Hyundai G.F. Holdings Co., Ltd. (split surviving company) established a new split company (Hyundai Green Food Co., Ltd.) by dividing the business units for the purpose of food services, distribution business, and planting business for the period ended December 31, 2023. The consolidated company was allocated new shares of the consolidated company, and the number of shares held and acquisition cost were divided by the division ratio.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements, Continued
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(Unaudited)

5. Other financial assets and liabilities, Continued

5.2 Details of financial assets at fair value through profit or loss and OCI, Continued

5.2.3 Details of non-listed equity instruments at fair value through OCI

(i) Details of non-listed equity instruments as of June 30, 2024 are as follows:

(In thousands of won, except share data)

	June 30, 2024					
	Number of shares (In shares)	Equity interest (%)	Acquisition cost	Fair value	Book value	Unrealized gain or loss held
Hyundai A&I Haevichi Hotels & Resort Co., Ltd.	39,000	16.20	₩ 6,202,935	10,972,764	10,972,764	4,769,829
Hyundai Green Development Co., Ltd.	155,000	2.91	1,078,946	1,078,946	1,078,946	-
Dangjin Harbor Co., Ltd.	40,000	4.00	200,000	200,000	200,000	-
KMV Shipping Artisan Spirit Alloy Technology Co., Ltd.	77,999	13.00	389,995	389,995	389,995	-
Korea Maritime Guarantee Co., Ltd.	100,000	2.00	37,531	-	-	(37,531)
Seil Machinery Installation Co., Ltd.	255,251	12.22	5,105,020	-	-	(5,105,020)
Daebo L&S Co., Ltd.	1,172,179	0.19	8,925,904	8,890,504	8,890,504	(35,400)
Discovermixtech manufacturing Co., Ltd.	372	0.14	18,605	-	-	(18,605)
Professional Construction Mutual Aid Association	7,187	1.39	12,792	-	-	(12,792)
Surff company Co.,Ltd.	3,150,515	1.88	3,150,523	-	-	(3,150,523)
Bravobeaver Co., Ltd.	235	0.004	218,354	222,474	222,474	4,120
	6,517	2.17	23,400	23,400	23,400	-
	17,820	18.00	178,200	178,200	178,200	-
			₩ 25,542,205	21,956,283	21,956,283	(3,585,922)

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES
Notes to the Condensed Consolidated Interim Financial Statements, Continued
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5. Other financial assets and liabilities, Continued

5.2. Details of financial assets at fair value through profit or loss and OCI, Continued

5.2.3 Details of non-listed equity instruments at fair value through OCI, Continued

(ii) Details of non-listed equity instruments as of December 31, 2023 are as follows:

(In thousands of won, except share data)

	December 31, 2023					
	Number of shares (In shares)	Equity interest (%)	Acquisition cost	Fair value	Book value	Unrealized gain or loss held
Hyundai A&I	39,000	16.20	₩ 6,202,935	11,233,808	11,233,808	5,030,873
Haevichi Hotels & Resort Co., Ltd.	155,000	2.91	1,078,946	1,078,946	1,078,946	-
Hyundai Green Development Co., Ltd.	40,000	4.00	200,000	200,000	200,000	-
Dangjin Harbor Co., Ltd.	77,999	13.00	389,995	389,995	389,995	-
KMV Shipping Artisan Spirit Alloy Technology Co., Ltd.	100,000	2.00	37,531	-	-	(37,531)
Korea Maritime Guarantee Co., Ltd.	255,251	12.22	5,105,020	-	-	(5,105,020)
Seil Machinery Installation Co., Ltd.	1,172,179	0.19	8,925,904	8,890,504	8,890,504	(35,400)
Daebo L&S Co., Ltd.	372	0.15	18,605	-	-	(18,605)
Discovermixtech manufacturing Co., Ltd.	7,187	1.39	12,792	-	-	(12,792)
Professional Construction Mutual Aid Association	3,150,515	1.88	3,150,522	-	-	(3,150,522)
Surff company Co.,Ltd.	235	0.004	218,354	222,229	222,229	3,875
	1,300	2.29	23,400	23,400	23,400	-
			₩ 25,364,004	22,038,882	22,038,882	(3,325,122)

5.3 Other financial liabilities

Other financial liabilities as of June 30, 2024 and December 31, 2023 are as follows:
(In thousands of won)

	June 30, 2024	December 31, 2023
Current:		
Financial derivative liabilities	₩ 27,025,539	9,188,467
Current portion of long-term other accounts payable (*1)	24,803,627	132,041,881
Current portion of long-term finance lease payables	435,226,002	367,802,074
	₩ 487,055,168	509,032,422
Non-current:		
Long-term financial derivative liabilities	₩ 1,291,100	17,870,683
Long-term other accounts payable(*1)	224,399,853	127,952,907
Long-term guarantee deposits	964,505	889,306
Long-term finance lease payables	1,142,313,870	1,083,580,088
Designated financial liabilities at profit or loss recognition(*2)	6,220,250	6,220,250
	₩ 1,375,189,578	1,236,513,234

(*1) The Group has long-term other accounts payables in relation to the Bare Boat Charter Hire Purchase ("BBCHP") agreements. Pursuant to this agreement, the Group makes installment payments during the period specified by the BBCHP agreements and is expected to receive title to the asset at the end of the specified hire purchase term.

(*2) The parent company acquired a stake in Altiall Co., a subsidiary during the period ended December 31, 2023 and recognized it as a financial liability due to the contractual obligation to deliver cash and other financial assets to the counterparty for non-controlling interests.

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5. Other financial assets and liabilities, Continued

5.4 Long-term other accounts payable

Long-term other accounts payable as of June 30, 2024 and December 31, 2023 are as follows:

(In thousands of won)

		June 30, 2024	December 31, 2023
Long-term other accounts payable	₩	535,609,361	273,690,870
Present value discounts		(286,405,881)	(13,696,082)
Net Value	₩	249,203,480	259,994,788
Current	₩	24,803,627	132,041,881
Non-current		224,399,853	127,952,907

For the long-term other payables above, the Group has provided its vessels as collateral (see Note 25).

5.5 Derivative instruments

5.5.1 The Group has derivative contracts for the purpose of reducing exposures to foreign exchange risk and other market risks. In addition, the Group assessed the fair value of the end of the reporting period as the right to claim a sale granted to the stock meets the requirements for embedded derivatives. The details of derivatives as of June 30, 2024 are as follows:

(1) Foreign exchange risk

(In won, USD)

	Financial institution	Contract date	Due date	Exchange rate	Contract amount
Currency forwards	Deutsche Bank and others	2024-04-03	2024-09-19	₩ 1,339.63~1,389.82	\$ 836,113,832
Currency options	Korea Development Bank	2020-01-30	2029-04-09	₩ 1,159.20~1,429.00	\$ 34,739,616

(2) Other market risks

(USD)

	Financial institution	Contract date	Due date	Contract quantities (ton)	Contract amount
Commodity futures	Daishin and others	2023-09-07	2024-10-04	41,850	\$ 91,304,438

(3) Embedded derivatives

Sortation	Claim for sale of common stock(*)
Company subject to claim	Boston Dynamics, Inc. Existing shareholders
Issue date	2021-06-21
Target stock	Boston Dynamics, Inc. Common stock
Date available for event	the earliest of the following days (i) If an IPO is made within 4 years from the date of closing of the transaction, the relevant IPO time (ii) In the event that IPO cannot be made until the time of four years from the date of closing of the transaction, the time of arrival of the fourth year (iii) Five years from the date of closing of the transaction

(*) The Group is jointly responsible with the buyers for the right to claim the sale of existing shareholders of Boston Dynamics, Inc. under the agreement between shareholders (see note 24).

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5. Other financial assets and liabilities, Continued

5.5 Derivative instruments, Continued

5.5.2 Derivative assets and liabilities as of June 30, 2024 and December 31, 2023 are as follows:

(In thousands of won)

	June 30, 2024		December 31, 2023	
	Assets	Liabilities	Assets	Liabilities
Currency forwards	₩ 1,027,287	6,661,374	7,724,283	638,616
Currency options	101,929	2,987,669	633,227	1,584,064
Commodity futures (non-metals)	1,795,507	1,149,005	4,938,315	6,753,203
Commodity futures (bunkers)	91,096	162,399	130,955	727,074
Embedded derivative (Put option)	-	17,356,193	-	17,356,193
	₩ 3,015,819	28,316,640	13,426,780	27,059,150

5.5.3 Gain and loss on derivative transactions and valuation for the six-month periods ended June 30, 2024 and 2023 are as follows:

(i) Gain and loss on derivative transactions and valuation for the six-month period ended June 30, 2024 are as follows:

(In thousands of won)

	2024			
	Gain on derivative transactions	Loss on derivative transactions	Gain on valuation of derivatives	Loss on valuation of derivatives
Currency forwards	₩ 1,358,392	38,834,518	1,027,287	6,661,374
Currency options	-	899,303	-	1,934,902
Commodity futures (non-metals)	2,114,359	5,476,301	1,795,507	1,149,005
Commodity futures (bunkers)	497,906	258,252	284,635	150,397
	₩ 3,970,657	45,468,374	3,107,429	9,895,678

(ii) Loss and gain on derivative transactions and valuation for the six-month period ended June 30, 2023 are as follows:

(In thousands of won)

	2023			
	Gain on derivative transactions	Loss on derivative transactions	Gain on valuation of derivatives	Loss on valuation of derivatives
Currency forwards	₩ 2,815,651	9,294,061	1,678,882	3,041,019
Currency options	-	199,386	-	824,646
Commodity futures (non-metals)	6,992,668	4,041,326	4,087,299	2,107,477
Commodity futures (bunkers)	103,323	211,014	607,461	762,653
	₩ 9,911,642	13,745,787	6,373,642	6,735,795

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5. Other financial assets and liabilities, Continued

5.6 Fair value

5.6.1 The fair value and book value of financial instruments as of June 30, 2024 and December 31, 2023 are as follows:

(In thousands of won)

	Book value		Fair value	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Financial assets:				
Cash and cash equivalents	₩ 2,855,655,942	2,290,825,258	2,855,655,942	2,290,825,258
Trade receivables	2,963,553,584	2,867,561,579	2,963,553,584	2,867,561,579
Other accounts receivable	179,009,071	172,013,546	179,009,071	172,013,546
Other current financial assets	1,319,249,941	1,739,928,900	1,319,249,941	1,739,928,900
Other non-current accounts receivable	25,263,200	24,496,292	25,263,200	24,496,292
Other long-term financial assets	242,224,978	223,614,405	242,224,978	223,614,405
	₩ <u>7,584,956,716</u>	<u>7,318,439,980</u>	<u>7,584,956,716</u>	<u>7,318,439,980</u>
Financial liabilities:				
Trade payables	₩ 2,275,291,280	1,791,237,338	2,275,291,280	1,791,237,338
Other accounts payable	465,960,122	646,028,232	465,960,122	646,028,232
Short-term borrowings	1,124,831,097	1,174,196,993	1,124,831,097	1,174,196,993
Short-term corporate bonds	189,902,384	-	189,902,384	-
Other current financial liabilities (*)	51,829,166	141,230,349	51,829,166	141,230,349
Long-term borrowings	669,910,678	559,425,528	669,910,678	559,425,528
Corporate bonds	109,841,144	299,645,998	109,841,144	299,645,998
Other non-current financial liabilities (*)	232,875,708	152,933,146	232,875,708	152,933,146
	₩ <u>5,120,441,579</u>	<u>4,764,697,584</u>	<u>5,120,441,579</u>	<u>4,764,697,584</u>

(*) Lease payables are excluded from fair value disclosure in accordance with K-IFRS No.1107.

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5. Other financial assets and liabilities, Continued

5.6 Fair value, Continued

5.6.2 Hierarchy of fair value

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

5.6.3 Valuation methods used to measure the fair value of financial instruments are as follows:

	Valuation methods
Other financial assets and liabilities (Derivative instruments)	Derivatives are valued by reference to market-based evidence such as the quoted prices of similar financial instruments in active markets and transaction prices in observable markets or measured using a commonly accepted valuation methodology such as the discounted cash flow (DCF) model, binominal option pricing model and others.
Other long-term financial assets (Financial assets at fair value through profit or loss)	For unlisted investments, the Group uses a valuation technique including DCF model, Net Asset Value model to measures fair value using the best information available about observable market data in the circumstances.
Other long-term financial assets (Financial assets at fair value through OCI)	For equity instruments, the Group measures fair value using the market closing bid price for the instrument at the end of the reporting period. For unlisted investments, the Group uses a valuation technique including DCF model, Net Asset Value model to measures fair value using the best information available about observable market data in the circumstances.

5.6.4 Valuation technique and inputs used in measuring Level 2 fair values of financial instruments are as follows:

	Valuation technique	Input
Financial assets at fair value through profit or loss	DCF Model	Discount rate
Financial assets at fair value through OCI	Net asset value	Discount rate
Derivatives	DCF Model	Currency spot price, Discount rate, Exchange rate and others

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5. Other financial assets and liabilities, Continued

5.6 Fair value, Continued

5.6.5 Valuation technique used in measuring Level 3 fair values of financial instruments, inputs and significant unobservable inputs are as follows:

	Valuation technique	Input	Impact on fair value from changes in unobservable
Financial assets at fair value through profit or loss	Net Asset Value	Discount rate	Increase in fair value as a discount rate decreases
		Growth rate	Increase in fair value as a growth rate increases
Financial assets at fair value through OCI	Net Asset Value	Discount rate	Increase in fair value as a discount rate decreases
		Growth rate	Increase in fair value as a growth rate increases
Derivatives	Option pricing model	Volatility of underlying assets, discount rate and others	Fluctuate in fair value as a volatility of underlying assets and discount rate

For financial instruments that continue to be recognized at fair value, the Group reassesses the classification of the end of each reporting period (based on the lowest level of significant inputs throughout the measurement) to determine whether there is a level shift. There is no change in the type of inputs used in the valuation process, valuation technique and fair value measurement of the Group for the six-month period ended June 30, 2024.

5.6.6 Quantitative disclosures of fair value measurement hierarchy for financial assets and liabilities

- (i) Quantitative disclosures of fair value measurement hierarchy for financial assets and liabilities as of June 30, 2024 are as follows:

(In thousands of won)

	June 30, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
Other current financial assets (Financial assets at fair value through profit or loss)	₩ -	-	7,000,050	7,000,050
Other current financial assets (Derivative instruments)	-	2,913,890	-	2,913,890
Other non-current financial assets (Derivative instruments)	-	101,929	-	101,929
Financial assets at fair value through OCI:				
Other long-term financial assets (Financial assets at fair value through OCI)	197,961,725	10,972,764	10,983,519	219,918,008
Financial liabilities at fair value through profit or loss:				
Other current financial liabilities (Derivative instruments)	-	9,669,347	17,356,193	27,025,540
Other non-current financial liabilities (Derivative instruments)	-	1,291,100	-	1,291,100
Other non-current financial liabilities (Designated financial liabilities based on current profit or loss)	-	-	6,220,250	6,220,250

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5. Other financial assets and liabilities, Continued

5.6 Fair value, Continued

5.6.6 Quantitative disclosures of fair value measurement hierarchy for financial assets and liabilities, Continued

(ii) Quantitative disclosures of fair value measurement hierarchy for financial assets and liabilities as of December 31, 2023 are as follows:

(In thousands of won)

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
Other current financial assets (Derivative instruments)	₩ -	12,824,638	-	12,824,638
Other non-current financial assets (Derivative instruments)	-	602,142	-	602,142
Financial assets at fair value through OCI:				
Other long-term financial assets (Financial assets at fair value through OCI)	184,499,233	11,233,808	10,805,074	206,538,115
Financial liabilities at fair value through profit or loss:				
Other current financial liabilities (Derivative instruments)	-	9,188,467	-	9,188,467
Other non-current financial liabilities (Derivative instruments)	-	514,490	17,356,193	17,870,683
Other non-current financial liabilities (Designated financial liabilities based on current profit or loss)	-	-	6,220,250	6,220,250

The fair value hierarchy is not disclosed for the financial instruments for which the carrying amount is disclosed at fair value as a reasonable approximation of fair value.

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6. Trade receivables, contract assets and other receivables

6.1 Details of trade receivables, contract assets and other receivables

Trade receivables, contract assets and other receivables as of June 30, 2024 and December 31, 2023 are as follows:

(In thousands of won)

	June 30, 2024		December 31, 2023	
	Current	Non-current	Current	Non-current
Trade receivables and contract assets	₩ 3,195,747,307	101,912	3,068,907,310	101,912
Less: allowance for doubtful accounts	(33,692,748)	-	(25,125,177)	-
Trade receivables and contract assets	<u>3,162,054,559</u>	<u>101,912</u>	<u>3,043,782,133</u>	<u>101,912</u>
Other accounts receivable	128,152,255	-	122,362,621	-
Less: allowance for doubtful accounts	(995,245)	-	(884,385)	-
Accrued revenue	37,826,149	-	38,079,288	-
Guarantee deposits	14,025,912	25,161,288	12,456,022	24,394,380
Other receivables	179,009,071	25,161,288	172,013,546	24,394,380
	<u>₩ 3,341,063,630</u>	<u>25,263,200</u>	<u>3,215,795,679</u>	<u>24,496,292</u>

6.2 Changes in allowance for doubtful accounts

Changes in allowance for doubtful accounts for the six-month periods ended June 30, 2024 and 2023 are as follows:

(In thousands of won)

	2024		2023	
	Trade receivables and Contract Assets	Other receivables	Trade receivables and Contract Assets	Other receivables
Beginning of period	₩ 25,125,177	884,385	27,416,978	1,356,799
Impairment loss (Reversal)	7,692,465	78,948	(1,703,617)	33,459
Write-off	(27,480)	-	(68,286)	(569,000)
Collection	(149,137)	-	(481,481)	-
Effect of change in foreign exchange rates etc.	1,051,723	31,912	412,308	14,549
End of period	<u>₩ 33,692,748</u>	<u>995,245</u>	<u>25,575,902</u>	<u>835,807</u>

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6. Trade receivables, contract assets and other receivables, Continued

6.3 The aging analysis of trade receivables, contract assets and other receivables

The aging analysis of trade receivables, contract assets and other receivables as of June 30, 2024 and December 31, 2023 are as follows:

(In thousands of won)

		<u>June 30, 2024</u>	<u>December 31, 2023</u>
Neither past due nor impaired	₩	3,070,165,066	3,089,975,173
Past due but not impaired:			
< 30 days		155,173,073	36,751,840
30-60 days		29,701,895	12,154,166
60-90 days		11,854,852	8,778,999
90-120 days		11,992,871	7,277,599
> 120 days		87,439,073	85,354,193
	₩	<u>3,366,326,830</u>	<u>3,240,291,970</u>
Impaired receivables	₩	34,687,993	26,009,562

6.4 The restricted deposit

The restricted deposit as of June 30, 2024 and December 31, 2023 are as follows:

(In thousands of won, thousands of USD, thousands of MXN)

	<u>Financial institution</u>	<u>Currency</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>Description</u>
Cash and cash equivalents	Shinhan Bank	USD	341	-	Bank guarantee
Cash and cash equivalents	Santander	MXN	7,308	-	Litigation-related account freeze
Other long-term accounts	Shinhan Bank	KRW	2,000	2,000	Account opening
receivable (Long-term	Hana Bank	KRW	2,000	2,000	Account opening
financial instruments)	Citibank	KRW	1,500	1,500	Account opening

7. Contract assets and contract liabilities

7.1 Details of contract assets and contract liabilities as of June 30, 2024 and December 31, 2023 are as follows:

(In thousands of won)

		<u>June 30, 2024</u>	<u>December 31, 2023</u>
Contract assets:			
Contract assets for logistics and shipping sales contracts	₩	198,500,975	176,220,554
Contract liabilities:			
Contract liabilities for logistics and shipping sales contracts		62,876,272	71,028,894
Contract liabilities for sales contracts of KD and other distribution businesses		109,404,165	86,565,930
Contract liabilities	₩	<u>172,280,437</u>	<u>157,594,824</u>

7.2 The Group recognized ₩157,594,824 thousand of revenue from contract liabilities carried forward from the prior year for the six-month period ended June 30, 2024 and performance obligations for contract liabilities as of June 30 2024 are expected to be satisfied within a year.

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8. Inventories

Details of inventories as of June 30, 2024 and December 31, 2023 are as follows:

(In thousands of won)

	June 30, 2024			December 31, 2023		
	Acquisition cost	Accumulated impairment loss (*)	Book value	Acquisition cost	Accumulated impairment loss (*)	Book value
Merchandise	₩ 84,967,490	(74,337)	84,893,153	113,740,489	(1,295,808)	112,444,681
CKD components	1,232,181,750	(4,423,107)	1,227,758,643	1,041,596,909	(4,423,107)	1,037,173,802
Goods in transit	95,483,819	(7,421)	95,476,398	71,458,664	(189,584)	71,269,080
Stored goods	146,534,347	(195,791)	146,338,556	126,452,979	(174,582)	126,278,397
Work in process	6,555	-	6,555	281,213	-	281,213
Raw materials	143,783	-	143,783	165,618	-	165,618
	₩ <u>1,559,317,744</u>	<u>(4,700,656)</u>	<u>1,554,617,088</u>	<u>1,353,695,872</u>	<u>(6,083,081)</u>	<u>1,347,612,791</u>

(*) For the six-month period ended June 30, 2024 and the period ended December 31, 2023, ₩1,382,425 thousand and ₩2,529,118 thousand of the inventory accumulated impairment loss reversal were deducted from the cost of sales.

9. Other current assets and other non-current assets

Other assets as of June 30, 2024 and December 31, 2023 are as follows:

(In thousands of won)

	June 30, 2024		December 31, 2023	
	Current	Non-current	Current	Non-current
Advance payments	₩ 53,314,721	-	59,286,787	-
Prepaid expenses	84,263,272	1,576,490	77,227,535	962,258
Net defined benefit assets (*)	-	41,161,027	-	50,214,072
	₩ <u>137,577,993</u>	<u>42,737,517</u>	<u>136,514,322</u>	<u>51,176,330</u>

(*) As of June 30, 2024 and December 31, 2023, ₩ 41,161,027 thousand and ₩ 50,214,072 thousand of external reserve assets accumulated in excess of the current value of defined benefit liabilities were recorded as other non-current assets.

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10. Investments in associates and joint ventures

10.1 Details of investments in associates and joint ventures

Details of investments in associates and joint ventures as of June 30, 2024 and December 31, 2023 are as follows:

(In thousands of won)

Entity	Equity interest (%)	June 30, 2024			December 31, 2023		
		Acquisition cost	Net assets	Book value	Acquisition cost	Net assets	Book value
Hyundai Engineering Co., Ltd. (*1)	11.67	₩ 266,761,717	415,445,985	459,626,465	266,761,717	407,253,720	451,435,797
Hi Gold Ocean Ship Private Special Asset Investment Trust No. 11	20.00	837	43,019	44,504	42,789,935	42,792,048	42,793,532
Boston Dynamics, Inc. (*2)	10.95	264,729,774	46,727,802	189,640,728	197,409,237	10,975,757	136,999,860
Beijing Zhongdu Glovis Logistics Co., Ltd.	40.00	687,520	26,672,609	26,672,609	687,520	23,092,124	23,092,124
Sichuan Glovis Logistics Co., Ltd. (*3)	51.00	6,901,703	11,439,563	11,439,563	6,901,703	10,681,687	10,681,687
Jiangsu Yueda Glovis Logistics Co., Ltd.	40.00	1,339,680	2,634,124	2,634,124	1,339,680	2,498,643	2,498,643
Changjiu Glovis (Shanghai) Shipping Co., Ltd.	49.00	761,298	3,291,149	3,291,149	761,298	2,179,059	2,179,059
Stena Glovis SE	50.00	6,856,150	6,213,208	6,213,208	6,856,150	5,858,767	5,858,767
BLG Glovis BHV GmbH	50.00	33,384	64,140	64,140	33,384	159,997	159,997
ORYX LNG No.1 PTE, LTD.(*4)	50.00	15,979,269	15,979,269	15,979,269	-	-	-
ORYX LNG No.2 PTE, LTD.(*4)	50.00	15,979,269	15,979,269	15,979,269	-	-	-
ORYX LNG No.3 PTE, LTD.(*4)	50.00	15,979,269	15,979,269	15,979,269	-	-	-
ORYX LNG No.4 PTE, LTD.(*4)	50.00	15,979,269	15,979,269	15,979,269	-	-	-
		₩ <u>611,989,139</u>	<u>576,448,675</u>	<u>763,543,566</u>	<u>523,540,624</u>	<u>505,491,802</u>	<u>675,699,466</u>

(*1) Although the Group's equity ownership in Hyundai Engineering Co., Ltd. was less than 20%, it was classified as an associate, as the Group exercises significant influence on the Board of Directors of the investee. The Group holds 12.24% of the voting rights through treasury stock held by Hyundai Engineering Co., Ltd.

(*2) The Group's equity ratio increased to 10.95% as it made additional investments for the six-month period ended June 30, 2024. The Group's equity ownership was less than 20%, it was classified as an associate, as the Group exercises significant influence on the Board of Directors of the investee.

(*3) Although the Group holds a majority ownership in Sichuan Glovis Logistics Co., Ltd., the Group classifies Sichuan Glovis Logistics Co., Ltd. as a joint venture as the Group has no power for decision making on its financial and operating policy.

(*4) ORYX LNG NO.1 PTE. LTD., NO.2 PTE. LTD., NO.3 PTE. LTD., NO.4 PTE. LTD. was established for the six-month period ended June 30, 2024. The Group acquired 50% of their equity interests for the period ended December 31, 2023.

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10. Investments in associates and joint ventures, Continued

10.2 Details of equity method valuation on investments in associates and joint ventures

(i) Details of equity method valuation on investments in associates and joint ventures for the six-month period ended June 30, 2024 are as follows:

	2024							
	January 1	Acquisition/ Replacement	Disposal	Share of profit of associates and joint ventures	Changes in retained earnings in equity method	Dividends received	Other Changes (*)	June 30
Hyundai Engineering Co. Ltd.	₩ 451,435,797	-	-	13,955,561	3,285	(5,320,440)	(447,738)	459,626,465
Hi Gold Ocean Ship Private Special Asset Investment Trust No. 11	42,793,532	-	(42,789,098)	41,174,719	-	(41,102,956)	(31,693)	44,504
Boston Dynamics, Inc. Beijing Zhongdu Glovis Logistics Co., Ltd.	136,999,860	67,320,536	-	(23,848,410)	(377,557)	-	9,546,299	189,640,728
Sichuan Glovis Logistics Co., Ltd	23,092,124	-	-	2,333,712	-	-	1,246,773	26,672,609
Jiangsu Yueda Glovis Logistics Co., Ltd.	10,681,687	-	-	187,704	-	-	570,172	11,439,563
Changjiu Glovis (Shanghai) Shipping Co., Ltd	2,498,643	-	-	2,919	-	-	132,562	2,634,124
Stena Glovis SE	2,179,059	-	-	953,588	-	-	158,502	3,291,149
BLG Glovis GmbH	5,858,767	-	-	71,106	-	-	283,335	6,213,208
ORYX LNG No.1 PTE, LTD.	159,997	-	-	(75,809)	(24,918)	-	4,870	64,140
ORYX LNG No.2 PTE, LTD.	-	15,979,269	-	-	-	-	-	15,979,269
ORYX LNG No.3 PTE, LTD.	-	15,979,269	-	-	-	-	-	15,979,269
ORYX LNG No.4 PTE, LTD.	-	15,979,269	-	-	-	-	-	15,979,269
	₩ 675,699,466	131,237,612	(42,789,098)	34,755,090	(399,190)	(46,423,396)	11,463,082	763,543,566

(*) Other changes consist of changes in equity adjustment in equity method and the effect of changes in foreign rate, etc.

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10. Investments in associates and joint ventures, Continued

10.2 Details of equity method valuation on investments in associates and joint ventures, Continued

(ii) Details of equity method valuation on investments in associates and joint ventures for the six-month period ended June 30, 2023 are as follows:

(In thousands of won)

	2023							
	January 1	Acquisition/ Replacement	Disposal	Share of profit of associates and joint ventures	Changes in retained earnings in equity method	Dividends received	Other Changes (*1)	June 30
Hyundai Engineering Co. Ltd.	₩ 433,144,065	-	-	17,064,977	417	(5,320,440)	382,787	445,271,806
Hi Gold Ocean Ship Private Special Asset Investment Trust No. 11	48,867,958	-	(3,022,995)	158,515	-	(158,274)	545	45,845,749
Boston Dynamics, Inc. Beijing Zhongdu Glovis Logistics Co., Ltd.	146,398,785	25,384,048	-	(17,467,861)	(430,618)	-	4,785,176	158,669,530
Sichuan Glovis Logistics Co., Ltd	23,828,606	-	-	2,111,755	-	-	(116,222)	25,824,139
Jiangsu Yueda Glovis Logistics Co., Ltd.	10,346,122	-	-	254,827	-	-	(30,083)	10,570,866
Jiangsu Gellian Logistics Co., Ltd (*2)	2,924,251	-	-	38,045	-	-	(7,457)	2,954,839
Changjiu Glovis Shipping (Shanghai) Co., Ltd	1,569,197	-	-	-	-	-	(1,569,197)	-
Stena Glovis SE	1,314,094	-	-	547,304	-	-	(19,671)	1,841,727
BLG Glovis BHV GmbH	5,359,694	-	-	(59,490)	-	-	297,751	5,597,955
	210,753	-	-	37,169	(65,889)	-	9,102	191,135
	₩ 673,963,525	25,384,048	(3,022,995)	2,685,241	(496,090)	(5,478,714)	3,732,731	696,767,746

(*1) Other changes consist of changes in equity adjustment in equity method and the effect of changes in foreign rate, etc.

(*2) The Group changed its classification to a subsidiary for the six-month period ended June 30, 2023 because the Group gained control of Jiangsu Gellian Logistics Co., Ltd.

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10. Investments in associates and joint ventures, Continued

10.3 Details of summarized financial information of investments in associates and joint ventures

(i) Summarized financial information of associates and joint ventures as of June 30, 2024 and for the six-month period ended June 30, 2024 are as follows:

(In thousands of won)

	2024			
	Assets	Liabilities	Sales	Profit or loss for the period
Hyundai Engineering Co., Ltd. (*)	₩ 8,369,774,327	4,438,952,177	8,157,618,350	94,285,687
Hi Gold Ocean Ship Private Special Asset Investment Trust No. 11	215,098	4	205,820,687	205,711,768
Boston Dynamics, Inc.	625,323,442	198,558,444	49,119,689	(208,302,286)
Beijing Zhongdu Glovis Logistics Co., Ltd. (*)	149,069,374	84,339,567	81,504,446	5,828,653
Sichuan Glovis Logistics Co., Ltd.	23,561,602	1,131,085	4,167,770	368,259
Jiangsu Yueda Glovis Logistic Co., Ltd.	27,956,856	21,371,547	32,531,854	7,296
Changjiu Glovis (Shanghai) Shipping Co., Ltd	18,326,962	11,610,331	58,718,706	1,946,097
Stena Glovis SE	13,270,749	186,928	3,599,549	146,520
BLG Glovis BHV GmbH	20,804,480	20,484,486	15,611,965	13,332
ORYX LNG No.1 PTE, LTD.	31,958,537	-	-	-
ORYX LNG No.2 PTE, LTD.	31,958,537	-	-	-
ORYX LNG No.3 PTE, LTD.	31,958,537	-	-	-
ORYX LNG No.4 PTE, LTD.	31,958,537	-	-	-

(*) Consolidated financial information of associates.

(ii) Summarized financial information of associates and joint ventures as of June 30, 2023 and for the six-month period ended June 30, 2023 are as follows:

(In thousands of won)

	2023			
	Assets	Liabilities	Sales	Profit or loss for the period
Hyundai Engineering Co., Ltd. (*)	₩ 8,021,020,236	4,193,900,218	5,716,437,458	127,609,267
Hi Gold Ocean Ship Private Special Asset Investment Trust No. 11	229,223,571	3,880	1,032,682	794,271
Boston Dynamics, Inc.	446,895,712	171,432,444	40,511,695	(157,060,553)
Beijing Zhongdu Glovis Logistics Co., Ltd. (*)	154,224,249	91,322,313	95,615,402	5,279,388
Sichuan Glovis Logistics Co., Ltd.	25,600,166	4,872,977	6,327,310	651,311
Jiangsu Yueda Glovis Logistic Co., Ltd.	24,965,264	17,578,168	26,394,248	95,110
Changjiu Glovis (Shanghai) Shipping Co., Ltd	9,860,712	6,055,418	38,926,104	1,116,947
Stena Glovis SE	11,870,917	185,720	3,118,659	(118,979)
BLG Glovis BHV GmbH	22,998,940	22,616,669	7,826,152	74,336

(*) Consolidated financial information of associates.

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10. Investments in associates and joint ventures, Continued

10.4 Details of adjusting the financial information amount of important associates

Details of adjusting the financial information amount of important associates as of the end of the current term and the end of the prior term to the carrying amount of shares in the associates as of June 30, 2024 and December 31, 2023 are as follows:

(In thousands of won)

Hyundai Engineering Co., Ltd.	June 30, 2024	December 31, 2023
Net assets	₩ 415,445,985	407,253,720
Goodwill	42,157,214	42,157,214
Differences on fair value less costs to sell	3,431,656	3,431,656
Unrealized profit	(1,408,390)	(1,406,793)
Carrying amount	459,626,465	451,435,797
Boston Dynamics, Inc.	June 30, 2024	December 31, 2023
Net assets	₩ 46,727,802	10,975,757
Goodwill	94,725,386	81,609,462
Differences on fair value less costs to sell	48,187,540	44,414,641
Unrealized profit	-	-
Carrying amount	189,640,728	136,999,860

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11. Property, plant and equipment

11.1 Changes in the net book value of property, plant and equipment

Changes in the net book value of property, plant and equipment for the six-month periods ended June 30, 2024 and 2023 are as follows:

(In thousands of won)

	2024	2023
Net book value (January 1)	₩ 4,725,890,371	4,470,028,907
Additions	811,112,519	157,281,526
Depreciation	(305,694,358)	(254,226,880)
Acquisition of government subsidy	(630,000)	(210,000)
Reversal of impairment loss	15,767	2,087,106
Retirement/Disposal etc	(2,081,625)	(5,518,036)
Other changes (*)	22,002,704	138,209,729
Net book value (June 30)	₩ 5,250,615,378	4,507,652,352

(*) Other changes consist of the increase in right-of-use assets due to the extension of the lease contracts and the decrease due to the reclassification of intangible assets and exchange rate effect, etc.

11.2 Details of depreciation of property, plant and equipment

Details of depreciation of property, plant and equipment for the six-month periods ended June 30, 2024 and 2023 are as follows:

(In thousands of won)

	2024	2023
Costs of sales	₩ 291,336,987	241,330,522
Selling and administrative expenses, etc.	14,357,371	12,896,358
	₩ 305,694,358	254,226,880

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12. Intangible assets

12.1 Changes in the net book value of intangible assets

Changes in the net book value of intangible assets for the six-month periods ended June 30, 2024 and 2023 are as follows:

(In thousands of won)

	2024	2023
Net book value (January 1)	₩ 136,085,560	104,163,670
Additions	9,493,617	861,990
Amortization	(9,189,459)	(6,896,309)
Disposals	(2,806,036)	(107,460)
Other changes (*)	17,501,599	21,128,609
Net book value (June 30)	₩ 151,085,281	119,150,500

(*) Other changes consist of increases in tangible assets and exchange rate effect, etc.

12.2 Details of amortization of intangible assets

Details of amortization of intangible assets for the six-month periods ended June 30, 2024 and 2023 are as follows:

(In thousands of won)

	2024	2023
Costs of sales	₩ 1,653,090	1,494,551
Selling and administrative expenses, etc.	7,536,369	5,401,758
	₩ 9,189,459	6,896,309

13. Other accounts payable

Details of other accounts payable as of June 30, 2024 and December 31, 2023 are as follows:

(In thousands of won)

	June 30, 2024	December 31, 2023
Other payables	₩ 320,573,944	524,324,648
Deposits received	8,875,982	8,183,437
Accrued expenses	136,510,196	113,520,147
	₩ 465,960,122	646,028,232

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14. Other liabilities

Details of other liabilities as of June 30, 2024 and December 31, 2023 are as follows:

(In thousands of won)

	June 30, 2024		December 31, 2023	
	Current	Non-current	Current	Non-current
Advances from customers	₩ 33,254,460	-	10,682,276	-
Withholdings	31,810,952	-	33,273,229	-
Unearned revenue	638,478	-	523,788	-
Long-term employee benefits liabilities	-	14,950,075	-	13,992,350
	₩ <u>65,703,890</u>	<u>14,950,075</u>	<u>44,479,293</u>	<u>13,992,350</u>

15. Borrowings and Corporate bonds

15.1 Short-term borrowings

Short-term borrowings as of June 30, 2024 and December 31, 2023 are as follows:

(In thousands of won)

Description	Financial institution		June 30, 2024	December 31, 2023
Discounting notes and others	Shinhan Bank and others(*)	₩	816,499,092	1,047,167,941
Current portion of long-term borrowings			308,332,005	127,029,052
		₩	<u>1,124,831,097</u>	<u>1,174,196,993</u>

(*) The Group signed a D/A bill discount note arrangement and commercial note discount arrangement with Shinhan Bank and others. Current portions of trade receivables discounted with recourse to financial institutions are accounted for as short-term borrowings.

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15. Borrowings and Corporate bonds, Continued

15.2 Long-term borrowings

Long-term borrowings as of June 30, 2024 and December 31, 2023 are as follows:

(In thousands of won)

<u>Description</u>	<u>Financial institution</u>	<u>Annual interest rate</u>		<u>June 30, 2024</u>	<u>December 31, 2023</u>
Foreign currency financing for shipbuilding(*1)	Bank of America and others	6.11%~6.54%	₩	828,246,344	524,720,704
Foreign currency working capital loan	Bank of America and others	3.60%~6.69%		92,724,891	95,710,833
Local currency facility loan(*2)(*3)	Korea Development Bank	0%~3.56%		48,716,740	55,681,100
Local currency facility loan(*2)	Shinhan Bank	2.49%~2.53%		6,331,883	7,358,483
Local currency facility loan	Industrial Bank of Korea	5.33%		666,000	666,000
Local currency facility loan	Hana Bank	4.60%		620,000	620,000
Local currency working capital loan	Industrial Bank of Korea and others	2.86%~5.80%		936,825	1,697,460
			₩	978,242,683	686,454,580
Deducted: Transfers to current portion				(308,332,005)	(127,029,052)
			₩	<u>669,910,678</u>	<u>559,425,528</u>

(*1) The ship is provided as collateral for the above ship finance loan (see Note 25).

(*2) The Group obtained borrowings in Korean won from the Korea Development Bank to install the ship sulfur oxide reduction system (scrubber) and received a principal payment guarantee from the Korea Maritime Promotion Corporation for the facility loan stated above (see Note 24.1).

(*3) The Group has entered into currency derivatives (CRS) agreement with the Korea Development Bank to receive the local currency facility loan above and repay it in foreign currency to the supplier, with an interest rate of 0.65% to 6.11% (see Note 5.5).

15.3 Corporate bonds

The corporate bonds as of June 30, 2024 and December 31, 2023 are as follows:

(In thousands of won)

	<u>The day of issue</u>	<u>Repayment date</u>	<u>Interest rate (%)</u>		<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>Description</u>
1-1	2020.02.25	2025.02.25	1.54	₩	190,000,000	190,000,000	Non-guaranteed debenture of non-exclusive interest
1-2	2020.02.25	2027.02.25	1.67		110,000,000	110,000,000	Non-guaranteed debenture of non-exclusive interest
					300,000,000	300,000,000	
Deducted: Discount on bonds issued					(256,472)	(354,002)	
Deducted: Transfers to current portion					(189,902,384)	-	
				₩	<u>109,841,144</u>	<u>299,645,998</u>	

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16. Provision and Reimbursement assets

16.1 Changes in provision

(i) Changes in provision for sales warranty liability for the six-month period ended June 30, 2024 are as follows:

(In thousands of won)

		2024				
		January 1	Provision	Utilization	Translation adjustments in foreign currency	June 30
provision	₩	162,029,164	70,314,013	(30,367,061)	621,387	202,597,503

(ii) Changes in provision for the six-month period ended June 30, 2023 are as follows:

(In thousands of won)

		2023				
		January 1	Provision	Utilization	Translation adjustments in foreign currency	June 30
provision	₩	214,553,820	21,139,800	(21,565,865)	221,852	214,349,607

16.2 Changes in Reimbursement assets

(i) Changes in reimbursement assets for the six-month period ended June 30, 2024 are as follows:

(In thousands of won)

		2024				
		January 1	Provision	Utilization	Translation adjustments in foreign currency	June 30
reimbursement assets	₩	138,709,375	31,457,182	(25,194,464)	303,937	145,276,030

(ii) Changes in reimbursement assets for the six-month period ended June 30, 2023 are as follows:

(In thousands of won)

		2023				
		January 1	Provision	Utilization	Translation adjustments in foreign currency	June 30
reimbursement assets	₩	178,862,651	28,267,418	(20,224,131)	153,243	187,059,181

16.3 Details of provision as of June 30, 2024 and December 31, 2023 are as follows:

(In thousands of won)

		June 30, 2024		December 31, 2023	
		Current	Non-current	Current	Non-current
Provision for sales warranties	₩	38,789,978	107,100,605	37,668,666	101,916,590
Defect repair provisions		910,459	1,036,361	841,695	718,756
Provision for claim		8,358,609	372,833	2,511,782	124,798
Other provisions		33,200,933	12,827,725	11,612,304	6,634,573
	₩	<u>81,259,979</u>	<u>121,337,524</u>	<u>52,634,447</u>	<u>109,394,717</u>

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16. Provision and Reimbursement assets, Continued

16.4 Details of Reimbursement assets as of June 30, 2024 and December 31, 2023 are as follows:

(In thousands of won)

	June 30, 2024		December 31, 2023	
	Current	Non-current	Current	Non-current
reimbursement assets	₩ 38,379,147	106,896,883	37,343,473	101,365,902

16.5 Nature of Provision and when the outflow of resources is expected:

16.5.1 Provision for sales warranty

The Group has a warranty obligation relating to CKD parts sold through a contract with the customer. The Group estimated the rate of occurrence and the warranty period based on its historical experience and expected that most of the costs will incur within three years and all the remaining costs within ten years of the reporting date and accounted for these estimates as provision. As a result, the Group records an asset for the reimbursement through its arrangement with the buyer of which the Group is almost certain to receive, and accounts for it as resource rights.

16.5.2 Defect repair provisions

The Group has assumed warranty obligations related to the supply of Ballast Water Treatment Systems, Scrubbers, and DPF equipment through contracts with customers. It estimates the warranty claim rate and recognizes a provision for expected warranty claims.

16.5.3 Provision for claim

The Group recognizes provisions for expected amounts related to potential liabilities for claims that are likely to arise from accidents occurring during voyages, for which it is obligated to compensate customers.

16.5.4 Other provisions

The Group recognizes estimated amounts for potential liabilities it may have to compensate customers due to litigation, arbitration, and similar proceedings, as well as estimated amounts the company may need to compensate the customers, which are expected to arise. The Group is obligated to submit greenhouse gas emissions to the government and carbon emissions under European Carbon Emissions Trading Scheme. Additionally, the Group estimates potential loss amounts due to transportation costs being higher than the revenue expected to be recognized based on contracts with customers. These estimated loss amounts are accounted for as other provisions.

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17. Employee benefits

17.1 Details of major components of the net benefit expense

Major components of the net benefit expense recognized in the statements of profit or loss for the six-month periods ended June 30, 2024 and 2023 are as follows:

(In thousands of won)

	2024	2023
Current service cost	₩ 9,879,010	7,778,622
Net interest cost on benefit obligation	(1,298,919)	(1,626,896)
	<u>₩ 8,580,091</u>	<u>6,151,726</u>

17.2 Defined benefit liabilities

Defined benefit liabilities(assets) as of June 30, 2024 and December 31, 2023 are as follows:

(In thousands of won)

	June 30, 2024	December 31, 2023
Present value of defined benefit obligation	₩ 125,853,620	119,719,852
Fair value of plan assets	(163,513,472)	(166,933,061)
Accumulated prepayments to the NPS	(3,524)	(10,352)
Net assets	<u>₩ (37,663,376)</u>	<u>(47,223,561)</u>
Defined benefit obligations	3,497,651	2,990,511
Net defined benefit assets (*)	<u>₩ (41,161,027)</u>	<u>(50,214,072)</u>

(*) The Group classified plan assets exceeding the defined benefit liabilities as other non-current assets.

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18. Greenhouse gas emission rights and emission liabilities

18.1 The number of free allocation emission rights for each planning period and implementation year is as follows:

(Unit in tCO₂-eq)

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Total</u>
Free allocation emission rights	77,895	77,895	77,895	77,895	77,895	389,475

18.2 Details of changes in greenhouse gas emission right for the six-month periods ended June 30, 2024 and 2023 are as follows:

(Unit in tCO₂-eq)

	<u>2024(*)</u>	<u>2023</u>
	<u>Quantity</u>	<u>Quantity</u>
As of January 1	77,895	77,895
Free allocation	77,895	77,895
Purchased(Sold)	-	1,886
Government submission	-	-
As of June 30	<u>155,790</u>	<u>157,676</u>

(*) The government submissions, purchased (sold), borrowings (rollovers), and end-of-half-year quantities for the current year will be determined for the upcoming year.

18.3 As of June 30, 2024, no greenhouse gas emission rights have been provided as collateral.

18.4 Details of changes in emission liabilities are the six-month periods ended June 30, 2024 and 2023 are as follows:

(In thousands of won)

	<u>2024</u>	<u>2023</u>
As of January 1	₩ 16,958	20,732
Submission of emission rights	-	-
Emission cost reversal	-	-
Reversal	-	-
As of June 30	<u>₩ 16,958</u>	<u>20,732</u>

18.5 The current estimate of greenhouse gas emissions is 79,530 tCO₂-eq.

18.6 Under the application of the EU ETS (Carbon Emission Trading Scheme), the Group must submit emissions in 2025 for fuel emissions from automobile and bulk carrier operating in Europe from 2024. The finalized amount of emission permits subject to submission obligation to be notified in 2025. Estimated emission permits by fuel type have been calculated and are accounted for provision. The amount of EU-ETS-related provisions recognized as of six-month period ended June 30,2024 is ₩ 4,977,188 thousand.

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19. Operating income and other income and expenses

19.1 Details of selling and administrative expenses for the three-month and six-month periods ended June 30, 2024 and 2023 are as follows:

(In thousands of won)

	2024		2023	
	Three-month ended June 30	Six-month ended June 30	Three-month ended June 30	Six-month ended June 30
Salaries	₩ 75,505,576	148,961,771	62,066,960	119,803,525
Post-employment benefits	3,062,736	6,525,617	2,400,225	(2,904,199)
Employee welfare benefits	15,721,591	27,614,570	11,651,938	21,492,973
Travel	2,714,910	4,643,637	2,364,405	3,931,341
Communication	1,361,147	2,852,556	1,292,125	2,790,813
Maintenance	1,881,753	3,691,239	1,808,535	3,605,559
Taxes and dues	3,499,395	5,408,914	3,457,348	5,084,249
Rents	855,101	1,718,407	720,613	1,755,622
Depreciation of property, plant and Equipment	6,890,090	13,957,773	6,571,742	12,687,050
Amortization of intangible assets	3,992,480	7,458,097	2,830,923	5,353,595
Insurance premium	3,837,425	6,186,298	1,741,054	3,215,313
Advertising and marketing expenses	5,369,457	9,873,239	4,969,769	10,979,284
Utilities	243,935	518,886	251,138	660,292
Service fees	19,023,334	34,943,370	13,937,205	28,745,124
Bad debt expenses (reversal of allowance for doubtful accounts)	640,569	7,567,690	(957,464)	(2,185,098)
Training	699,901	1,175,735	1,201,329	1,645,524
IT expenses	11,322,713	21,183,348	9,354,908	17,198,366
Provision for sales warranties (reversal of provision for sales warranties)	244,332	125,421	(239,615)	(68,156)
Research and development expenses	2,612,925	5,010,145	2,571,415	5,184,833
Others	3,414,323	5,888,495	2,372,234	5,130,186
	₩ <u>162,893,693</u>	<u>315,305,208</u>	<u>130,366,787</u>	<u>244,106,196</u>

19.2 Details of finance income for the six-month periods ended June 30, 2024 and 2023 are as follows:

(In thousands of won)

	2024		2023	
	Three-month ended June 30	Six-month ended June 30	Three-month ended June 30	Six-month ended June 30
Interest income	₩ 44,726,715	88,350,011	25,514,681	48,823,899
Dividend income	-	3,611,916	-	3,117,621
Gain on valuation of financial assets at fair value through profit or loss	-	-	692,543	2,798,964
Gain on disposal of financial assets at fair value through profit or loss	-	-	20,141,913	30,357,223
	₩ <u>44,726,715</u>	<u>91,961,927</u>	<u>46,349,137</u>	<u>85,097,707</u>

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19. Operating income and other income and expenses, Continued

19.3 Details of other operating income for the six-month periods ended June 30, 2024 and 2023 are as follows:

(In thousands of won)

	2024		2023	
	Three-month ended June 30	Six-month ended June 30	Three-month ended June 30	Six-month ended June 30
Rental revenue	₩ 99,584	211,871	98,526	198,574
Commissions	211,820	378,406	134,734	325,962
Gain on disposal of property, plant and equipment	428,868	729,548	229,257	459,063
Gain on disposal of intangible assets	-	-	-	119,813
Gain on foreign currency transactions	220,832,820	409,346,665	239,158,832	447,590,126
Gain on foreign currency translation	34,228,238	84,774,062	(9,063,303)	47,091,338
Gain on derivative transactions	1,456,732	3,970,657	6,961,301	9,911,642
Gain on derivative valuation	(1,729,379)	3,107,429	(627,461)	6,373,642
Reversal of other bad debt expenses	-	-	75,557	75,557
Others	6,673,552	9,710,597	4,083,609	14,561,096
	₩ <u>262,202,235</u>	<u>512,229,235</u>	<u>241,051,052</u>	<u>526,706,813</u>

19.4 Details of other finance expenses for the six-month periods ended June 30, 2024 and 2023 are as follows:

(In thousands of won)

	2024		2023	
	Three-month ended June 30	Six-month ended June 30	Three-month ended June 30	Six-month ended June 30
Interest expenses	₩ 46,159,555	86,706,344	43,706,839	80,118,815
Losses on valuation of financial assets at fair value through profit or loss	-	-	-	267,845
Losses on disposal of financial assets at fair value through profit or loss	-	-	8,525,063	11,870,316
	₩ <u>46,159,555</u>	<u>86,706,344</u>	<u>52,231,902</u>	<u>92,256,976</u>

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19. Operating income and other income and expenses, Continued

19.5 Details of other operating expenses for the six-month periods ended June 30, 2024 and 2023 are as follows:

(In thousands of won)

	2024		2023	
	Three-month ended June 30	Six-month ended June 30	Three-month ended June 30	Six-month ended June 30
Donations	₩ 1,159,081	1,669,223	1,197,081	1,468,088
Loss on disposal of property, plant and equipment	85,673	492,105	351,667	1,539,999
Loss on disposal of intangible assets	(2,160)	66,236	-	-
Loss on foreign currency transactions	114,511,387	218,184,653	145,128,456	287,819,540
Loss on foreign currency translation	118,619,008	238,367,857	98,094,220	272,697,456
Loss on derivative transactions	31,748,393	45,468,374	7,886,749	13,745,787
Loss on derivative valuation	(8,012,818)	9,895,678	(551,756)	6,735,795
Other bad debt expenses	(11,831)	78,948	21,647	33,459
Others	5,368,260	7,110,247	6,636,319	9,252,990
	₩ 263,464,993	521,333,321	258,764,383	593,293,114

19.6 Details of employee benefit expenses for the six-month periods ended June 30, 2024 and 2023 are as follows:

(In thousands of won)

	2024		2023	
	Three-month ended June 30	Six-month ended June 30	Three-month ended June 30	Six-month ended June 30
Salaries	₩ 139,056,179	354,397,967	143,363,210	294,828,522
Post-employment benefits	4,330,238	9,457,285	3,167,079	(984,553)
Long-term employee benefits	625,596	1,417,462	469,363	994,879
Employee welfare benefits	45,404,976	80,853,792	33,094,983	65,172,480
	₩ 189,416,989	446,126,506	180,094,635	360,011,328

19.7 Adjusted operating income classified by the Group

Adjusted operating income is classified by the Group which include items reflecting the Group's operation performance in addition to those included in the operation profit of consolidated statement of comprehensive income. The calculation details of adjusted operating income for the six-month periods ended June 30, 2024 and 2023 are as follows:

(In thousands of won)

	2024		2023	
	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30
Operating income in the statement of income	₩ 439,290,464	824,059,645	412,564,259	819,134,687
Other income and expenses (*)	(2,561,125)	(2,715,440)	2,361,407	4,931,164
Adjusted operating income	₩ 436,729,339	821,344,205	414,925,666	824,065,851

(*) Other income and expenses represent gains and losses on derivative transactions and valuations directly related to commodity sales.

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20. Classification according to nature of expenses

Expenses by nature for the six-month periods ended June 30, 2024 and 2023 are as follows:

(In thousands of won)

	2024		2023	
	Three-month ended June 30	Six-month ended June 30	Three-month ended June 30	Six-month ended June 30
Changes in inventories	₩ (122,409,781)	(207,004,297)	51,146,664	165,097,678
Purchase amounts of inventories	3,289,026,509	6,403,277,996	3,037,331,299	5,914,294,152
Employee benefits	189,416,989	446,126,506	180,094,634	360,011,327
Depreciation and amortization	159,888,633	314,883,817	131,084,030	261,123,189
Rental expenses	219,548,286	409,998,475	148,425,085	280,788,848
Transportation expenses	2,186,820,176	4,137,716,206	1,960,876,395	3,841,938,934
Ship operation cost	592,682,824	1,098,128,438	460,576,229	850,448,909
Others	110,054,630	223,567,787	152,725,334	342,821,145
Total (*)	₩ 6,625,028,266	12,826,694,928	6,122,259,670	12,016,524,182

(*) Expenses represent the total cost of sales and selling and administrative expenses on the statement of profit or loss.

21. Income tax

Major components of income tax expense for the six-month periods ended June 30, 2024 and 2023 are as follows:

21.1 Income tax expenses reported in the consolidated statements of income and other comprehensive income are as follows:

(In thousands of won)

	2024	2023
Current income taxes	₩ 244,839,680	176,126,491
Deferred taxes arising from the temporary differences	(5,852,000)	1,862,659
Tax expenses (income) related to items recognized in OCI during the period	(3,229,547)	(4,244,627)
	₩ 235,758,133	173,744,523

21.2 Income tax expenses (income) recognized directly to equity:

(In thousands of won)

	2024	2023
Gain (Loss) on valuation of financial assets at fair value through OCI	₩ (3,485,247)	(5,289,689)
Re-measurement loss in OCI	124,445	201,213
Equity adjustment in equity method	125,544	947,452
Retained earnings adjustment in equity method	5,711	(103,603)
	₩ (3,229,547)	(4,244,627)

21.3 Global minimum corporate tax

There is no global minimum corporate tax under Pillar 2 Best Practices in all countries where the Group conduct business activities.

The estimated annual effective tax rate is subject to change due to various factors, including tax benefits provided by the subsidiary and adjustments to accounting net income for the calculation of the global minimum tax income required by the law arising in the subsequent interim period.

As a result, the current income tax expense related to the Pillar 2 corporate tax is exposed to estimated uncertainty until the end of the subsequent interim reporting period and the end of the annual reporting period.

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22. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares issued and fully paid during the period.

The following reflects income and share data used in the basic earnings per share computations.

(In won)

	2024		2023	
	Three-month ended June 30	Six-month ended June 30	Three-month ended June 30	Six-month ended June 30
Net profit for the period attributable to ordinary equity holders of the Parent Company	₩ 310,826,249,693	615,080,935,538	288,636,149,768	569,937,837,687
Weighted average number of ordinary shares outstanding (*)	75,000,000 shares	75,000,000 shares	75,000,000 shares	75,000,000 shares
Basic earnings per share	₩ 4,144	8,201	3,848	7,599

(*) Weighted average number of ordinary shares outstanding

(In shares)

	2024		2023	
	Three-month ended June 30	Six-month ended June 30	Three-month ended June 30	Six-month ended June 30
Basic Issued Common Shares	75,000,000	75,000,000	75,000,000	75,000,000
Weight	91days/91days	182days/182days	91days/91days	181days/181days
Weighted average number of ordinary shares outstanding	75,000,000	75,000,000	75,000,000	75,000,000

The Company decided on a bonus issue on June 28, 2024, and allotted one new share for each existing share on July 15, 2024. The effect of the bonus issue was retrospectively applied when calculating the basic earnings per share.

23. Related party disclosures

23.1 Related parties of the Group

Related parties of the Group as of June 30, 2024 are as follows:

	Company
Associates and joint ventures	Hyundai Engineering Co., Ltd.
	Beijing Zhongdu Glovis Logistics Co., Ltd.
	Hi Gold Ocean Ship Private Special Asset Investment Trust No. 11
	Sichuan Glovis Logistics Co., Ltd.
	Jiangsu Yueda Glovis Logistic Co., Ltd.
	Changjiu Glovis (Shanghai) Shipping Co., Ltd.
	Stena Glovis SE
	Boston Dynamics, Inc.
	BLG Glovis BHV GmbH
	ORYX LNG NO.1 PTE. LTD and 3 others
Other related parties(*)	Hyundai Motor Company, Kia Corp. and others. (*)

(*) It includes the subsidiaries of Hyundai Motor Group to which the Group belongs.

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23. Related party disclosures, Continued

23.2 Transactions with related parties

(i) Transactions with related parties for the six-month period ended June 30, 2024 are as follows:

(In thousands of won)

	2024			
	Sales	Other income	Purchases	Other expenses (*)
Associates and joint ventures:				
Hyundai Engineering Co., Ltd.	₩ 1,144,390	5,320,440	1,984,112	26,202,873
Beijing Zhongdu Glovis Logistics Co., Ltd.	-	-	252,234	-
Sichuan Glovis Logistics Co., Ltd.	13,273	-	8,643	-
Jiangsu Yueda Glovis Logistic Co., Ltd.	361,334	-	1,233,798	-
Boston Dynamics, Inc.	-	-	-	67,358,003
Hi Gold Ocean Ship Private Special Asset Investment Trust No.11	-	41,102,956	-	2,778,983
Changjiu-Glovis (Shanghai) Shipping	4,804,478	-	41,279,244	-
Stena Glovis SE	2,800,339	7,685	3,751,628	-
BLG GLOVIS BHV GmbH	-	11,801	-	-
ORYX LNG NO.1 PTE. LTD. and 3 others	-	-	-	63,917,074
Other related parties:				
Kia Slovakia s.r.o.	1,240,531,319	-	1,192,493	35,977
Hyundai Motor Manufacturing Alabama, LLC	1,275,298,570	-	2,512,935	1,194,593
Kia Corp.	762,570,942	575,986	29,243,341	1,084,371
Hyundai Motor Manufacturing Czech, s.r.o.	680,218,214	217	519,443	286,890
Hyundai Motor Company	817,223,324	1,680,516	24,204,324	7,598,999
Hyundai Steel Co., Ltd.	570,007,389	277,073	74,073	7,298
Hyundai Motor Manufacturing Rus LLC	6,348,383	-	116,724	-
Kia India Private Limited	446,814,642	-	1,024,581	-
Kia Motors America Inc.	410,354,145	-	5,934,635	-
Hyundai Mobis Co., Ltd.	212,635,313	2,806,321	445,916,141	687,481
Hyundai Motor Brasil Montadora de Automoveis LTDA	370,736,179	2,564,155	86,559	-
Kia Georgia Inc.	467,040,158	14	828,587	19,960
Hyundai Assan Otomotive Sannayi Ve Ticaret A.S.	565,275,758	-	5,180,724	-
Hyundai Motor America	452,919,064	-	5,381,670	62,129
Others	2,141,003,517	4,329,466	1,612,477,368	43,862,072
	₩ 10,428,100,731	58,676,630	2,183,203,257	215,096,703

(*) Transaction amount above includes the equity investments and lease repayments that occurred for the six-month period ended June 30, 2024.

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23. Related party disclosures, Continued

23.2 Transactions with related parties, Continued

(ii) Transactions with related parties for the six-month period ended June 30, 2023 are as follows:

(In thousands of won)

	2023			
	Sales	Other income	Purchases	Other expenses (*)
Associates and joint ventures:				
Hyundai Engineering Co., Ltd.	₩ 6,386,899	5,320,440	1,658,956	6,499,148
Beijing Zhongdu Glovis Logistics Co., Ltd.	-	-	214,828	-
Sichuan Glovis Logistics Co., Ltd.	244,525	353	3,190	-
Jiangsu Yueda Glovis Logistic Co., Ltd.	769,170	-	511,390	-
Hi Gold Ocean Ship Private Special Asset Investment Trust No.11	-	-	-	25,384,048
Jiangsu Gelian Logistics Co.,Ltd	-	158,274	-	7,324,461
Changjiu-Glovis (Shanghai) Shipping	6,770,948	-	3,890,406	-
Stena Glovis SE	-	39,585	4,225,538	-
Other related parties:				
Kia Slovakia s.r.o.	1,300,911,947	-	102,814	2,625,872
Hyundai Motor Manufacturing Alabama, LLC	1,044,714,980	13,539	8,658,920	923,148
Kia Corp.	600,060,701	533,687	65,361,087	1,232,869
Hyundai Motor Manufacturing Czech, s.r.o.	716,594,852	39,349	98,039	4,024,623
Hyundai Motor Company	695,214,876	876,035	11,832,518	27,753,669
Hyundai Steel Co., Ltd.	547,423,990	204,738	116,790	6,495
Hyundai Motor Manufacturing Rus LLC	96,648,423	590,924	149,036	11,121
Kia India Private Limited	491,703,819	5,696	356,276	16,101
Kia Motors America Inc.	408,732,532	-	3,961,366	-
Hyundai Mobis Co., Ltd.	227,715,555	2,539,305	403,315,103	2,421,089
Hyundai Motor Brasil Montadora de Automoveis LTDA	385,324,812	3,076,273	-	1,030,544
Kia Georgia Inc.	420,510,696	9	10,767,905	3,564,395
Hyundai Assan Otomotive Sannayi Ve Ticaret A.S.	480,798,912	1,059,742	4,783,959	325,805
Hyundai Motor America	406,402,688	-	5,953,238	-
Others	1,993,354,314	7,566,464	1,606,907,995	29,222,065
	₩ 9,830,284,639	22,024,413	2,132,869,354	112,365,453

(*)Transaction amount above includes the equity investments and lease repayments that occurred for the six-month period ended June 30, 2023.

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23. Related party disclosures, Continued

23.3 Outstanding balances with related parties

(i) Outstanding balances with related parties as of June 30, 2024 are as follows:

(In thousands of won)

	June 30, 2024			
	Trade receivables	Other receivables and others	Trade payables	Other payables and others
Associates and joint ventures:				
Hyundai Engineering Co., Ltd.	₩ 358,471	-	198,025	15,948,523
Beijing Zhongdu Glovis Logistics Co., Ltd.	-	-	104,203	-
Sichuan Glovis Logistics Co., Ltd.	-	6,203	3,408	-
Jiangsu Yueda Glovis Logistic Co., Ltd.	505,278	-	225,895	-
Boston Dynamics	-	-	-	6,894
Changjiu-Glovis (Shanghai) Shipping	584,205	405	4,369,521	732,431
Stena Glovis SE	3,015,621	7,879	-	1,088
BLG GLOVIS BHV GmbH	-	5,969	-	-
Other related parties:				
Kia Slovakia s.r.o.	76,444,171	-	83,196	34,451,874
Hyundai Motor Manufacturing Alabama, LLC	351,144,463	905,540	202,441	23,859,665
Kia Corp.	89,322,334	1,235,730	6,917,348	1,648,234
Hyundai Motor Manufacturing Czech, s.r.o	43,605,605	-	2,186	64,571,214
Hyundai Motor Company	234,445,438	8,905	1,157,709	6,699,551
Hyundai Steel Co., Ltd.	125,734,858	1,919	-	124,631
Hyundai Motor Manufacturing Rus LLC	1,149,448	3,581,669	4,849	3,982,292
Kia India Private Limited	117,229,843	10,107	151,830	606,964
Kia Motors America Inc.	60,648,187	-	1,065,750	-
Hyundai Mobis Co., Ltd	28,530,275	99,409	90,895,248	1,249,358
Hyundai Motor Brasil Montadora de Automovies LTDA	203,476,692	7,686,210	-	9,474,499
Kia Georgia Inc.	79,900,699	6,581	47,731	1,012,576
Hyundai Assan Otomotive Sannayi Ve Ticaret A.S.	49,939,700	-	1,033,640	30,085,665
Hyundai Motor America	125,899,990	-	816,370	2,724
Others	649,081,543	2,403,473	284,904,696	38,827,710
	₩ <u>2,241,016,821</u>	<u>15,959,999</u>	<u>392,184,046</u>	<u>233,285,893</u>

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23. Related party disclosures, Continued

23.3 Outstanding balances with related parties, Continued

(ii) Outstanding balances with related parties as of December 31, 2023 are as follows:

(In thousands of won)

	December 31, 2023			
	Trade receivables	Other receivables and others	Trade payables	Other payables and others
Associates and joint ventures:				
Hyundai Engineering Co., Ltd.	₩ 764,295	-	264,540	7,007,107
Beijing Zhongdu Glovis Logistics Co., Ltd.	-	-	57,290	-
Sichuan Glovis Logistics Co., Ltd.	-	5,758	921	-
Jiangsu Yueda Glovis Logistic Co., Ltd.	557,373	-	142,458	-
Boston Dynamics, Inc.	-	-	-	6,400
Hi Gold Ocean Ship Private Special Asset Investment Trust No.11	-	-	-	251,516,862
Changjiu-Glovis(Shanghai) Shipping	104,115	-	-	1,242,094
Stena glovis SE	215,282	967	86,093	-
Other related parties:				
Kia Slovakia s.r.o.	76,266,178	2,000	121,135	19,937,480
Hyundai Motor Manufacturing Alabama, LLC	250,706,156	905,000	-	29,176,670
Kia Corp.	97,729,337	1,029,979	6,033,085	1,477,000
Hyundai Motor Manufacturing Czech, s.r.o.	125,592,612	11,938	3,371	126,809,010
Hyundai Motor Company	255,548,908	319	1,610,931	7,007,008
Hyundai Steel Co., Ltd.	121,211,686	217	22,217	17,863
Hyundai Motor Manufacturing Rus LLC	26,505,962	4,913,983	25,805	30,073,089
Kia India Pvt Ltd	165,847,393	9,387	132,346	9,581,439
Kia Motors America Inc.	48,765,954	-	52,913	-
Hyundai Mobis Co.	29,975,726	102,490	68,130,598	1,104,140
Hyundai Motors Brasil Montadora de Automoveis LTDA	134,105,104	7,208,340	-	18,857,604
Kia Georgia Inc.	112,717,018	-	-	1,379,768
Hyundai Assan Otomotive Sannayi Ve Ticaret A.S	81,384,107	-	1,085,162	51,140,770
Hyundai Motor America	90,278,962	-	242,390	2,724
Others	566,107,451	2,562,531	219,713,959	33,430,620
	<u>₩ 2,184,383,619</u>	<u>16,752,909</u>	<u>297,725,214</u>	<u>589,767,648</u>

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES

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23. Related party disclosures, Continued

23.4 Financing transactions

23.4.1 The repayment and interest of the long-term outstanding payments in relation to the acquisition of ships from Hi Gold Ocean Ship Private Special Asset Investment Trust No. 11, an associate of the Group, for the six-month periods ended June 30, 2024 and 2023 amounted to ₩261,448,859 thousand and ₩21,190,330 thousand, respectively. The collection of invested capital amounts to ₩42,789,098 thousand and ₩3,022,995 thousand for the six-month periods ended June 30, 2024 and 2023, respectively.

23.4.2 During the prior year, ₩25,367,555 thousand was paid for the partial payment and additional acquisition of shares of Boston Dynamics, Inc., and ₩67,320,536 thousand was paid for the additional acquisition for the six-month period ended June 30, 2024.

23.4.3 The dividends that the Group has acquired to the related parties for the six-month periods ended June 30, 2024 and 2023 amount to ₩48,720,422 thousand and ₩7,447,593 thousand. The dividends that the Company has paid to the related parties for the six-month periods ended June 30, 2024 and 2023 amount to ₩118,946,192 thousand and ₩107,600,884 thousand.

23.4.4 ORYX LNG NO.1 PTE. LTD., NO.2 PTE. LTD., NO.3 PTE. LTD., NO.4 PTE. LTD were established for the six-month period ended June 30, 2024 and the Group acquired 50% of its equity interests by capital contribution.

23.5 Compensation for key management personnel of the Group

The following represents amounts recognized as compensation for the six-month periods ended June 30, 2024 and 2023 related to key management personnel of the Group. Key management personnel include non-executive directors who are responsible for the Group's business, such as planning, operations and control.

(In thousands of won)

	2024	2023
Short-term employee benefits	₩ 15,664,333	10,113,569
Post-employment benefits	1,481,548	1,399,488
Long-term employee benefits	26,865	23,284
Total compensation paid to key management personnel	₩ <u>17,172,746</u>	<u>11,536,341</u>

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24. Commitments and contingencies

24.1 Details of guarantees provided by others

Details of guarantees provided by others as of June 30, 2024 are as follows:

(In thousands of won, INR, USD, VND, EUR)

Provider	Period	Currency	Guaranteed amount	Description
Korea Specialty Contractor Financial Cooperative	2023.02 ~ 2025.02	KRW	201,850	Performance guarantee(defect)
Korea Specialty Contractor Financial Cooperative	2024.03 ~ 2027.02	KRW	2,203,300	Performance guarantee (contract)
Korea Specialty Contractor Financial Cooperative	2024.03 ~ 2026.02	KRW	3,611,300	Performance guarantee (advance payments)
Korea Shipowners' Association	2024.01 ~ 2024.12	KRW	62,552,441	Seafarer's Wage Bond Guarantee Fund
Seoul Guarantee Insurance Co., Ltd.	2022.05 ~ 2026.11	KRW	381,000	Guarantee for public auction
Seoul Guarantee Insurance Co., Ltd.	2013.04 ~ 2030.07	KRW	10,994,806	Performance guarantee (contract)
Seoul Guarantee Insurance Co., Ltd.	2023.11 ~ 2025.04	KRW	3,290,350	Performance guarantee (advance payments)
Seoul Guarantee Insurance Co., Ltd.	2024.06 ~ 2024.08	KRW	495,000	Performance guarantee (bidding)
Seoul Guarantee Insurance Co., Ltd.	2020.01 ~ 2029.01	KRW	6,061,432	Performance guarantee (payment)
Seoul Guarantee Insurance Co., Ltd.	2023.07 ~ 2026.04	KRW	1,182,574	Guarantee for official approval
Seoul Guarantee Insurance Co., Ltd.	2022.07 ~ 2026.05	KRW	809,688	Performance guarantee(defect)
Korea Maritime Guarantee Co., Ltd.	2020.01 ~ 2026.01	KRW	1,121,570	Guarantee of principal of debt
Korea Maritime Guarantee Co., Ltd.	2020.02 ~ 2026.02	KRW	1,198,330	Guarantee of principal of debt
Korea Maritime Guarantee Co., Ltd.	2020.05 ~ 2026.05	KRW	1,378,080	Guarantee of principal of debt
Korea Maritime Guarantee Co., Ltd.	2020.06 ~ 2026.06	KRW	1,437,996	Guarantee of principal of debt
Korea Maritime Guarantee Co., Ltd.	2020.08 ~ 2026.08	KRW	2,173,847	Guarantee of principal of debt
Korea Maritime Guarantee Co., Ltd.	2020.06 ~ 2026.06	KRW	2,006,628	Guarantee of principal of debt
Korea Maritime Guarantee Co., Ltd.	2021.01 ~ 2027.01	KRW	1,976,000	Guarantee of principal of debt
Korea Maritime Guarantee Co., Ltd.	2021.02 ~ 2027.02	KRW	1,976,000	Guarantee of principal of debt
Korea Maritime Guarantee Co., Ltd.	2021.02 ~ 2027.02	KRW	1,976,000	Guarantee of principal of debt
Korea Maritime Guarantee Co., Ltd.	2021.04 ~ 2027.04	KRW	1,843,253	Guarantee of principal of debt
Korea Maritime Guarantee Co., Ltd.	2021.09 ~ 2027.09	KRW	2,161,868	Guarantee of principal of debt
Korea Maritime Guarantee Co., Ltd.	2021.08 ~ 2027.08	KRW	2,010,168	Guarantee of principal of debt
Korea Maritime Guarantee Co., Ltd.	2022.04 ~ 2028.04	KRW	2,801,170	Guarantee of principal of debt
Korea Maritime Guarantee Co., Ltd.	2022.05 ~ 2028.05	KRW	2,867,423	Guarantee of principal of debt
Korea Maritime Guarantee Co., Ltd.	2022.06 ~ 2028.06	KRW	2,922,504	Guarantee of principal of debt
Korea Maritime Guarantee Co., Ltd.	2022.08 ~ 2028.08	KRW	3,040,000	Guarantee of principal of debt
Korea Maritime Guarantee Co., Ltd.	2022.08 ~ 2028.08	KRW	2,989,175	Guarantee of principal of debt
Korea Maritime Guarantee Co., Ltd.	2022.09 ~ 2028.09	KRW	3,048,959	Guarantee of principal of debt
Korea Maritime Guarantee Co., Ltd.	2022.10 ~ 2028.10	KRW	3,108,742	Guarantee of principal of debt
Korea Maritime Guarantee Co., Ltd.	2022.10 ~ 2028.10	KRW	3,161,600	Guarantee of principal of debt
Korea Maritime Guarantee Co., Ltd.	2023.04 ~ 2029.04	KRW	3,467,443	Guarantee of principal of debt
Korea Maritime Guarantee Co., Ltd.	2023.04 ~ 2029.04	KRW	3,629,437	Guarantee of principal of debt
Bank of America	2023.07 ~ 2024.06	USD	1,200,000	Performance guarantee (payment)
Bank of America	2023.09 ~ 2024.08	USD	50,000	Performance guarantee (payment)
Standard Chartered	2024.01 ~ 2024.12	INR	1,000,000	Performance guarantee (contract)
Standard Chartered	2023.09 ~ 2025.04	INR	21,500,000	Performance guarantee (payment)
Kasikorn Bank	2024.01 ~ 2025.03	USD	227,000	Performance guarantee (advance payments)
Kasikorn Bank	2024.02 ~ 2025.03	USD	113,500	Performance guarantee (contract)
Shinhan Bank Vietnam	2023.11 ~ 2024.10	VND	4,850,000,000	Performance guarantee (payment)
Citybank Europe	2024.03 ~ 2025.03	EUR	4,177,931	Performance guarantee (payment)

24.2 As of June 30, 2024, there are no payment guarantees provided to a third party, except for related parties.

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24. Commitments and contingencies, Continued

24.3 Details of the Group's commitments with financial institutions

Details of the Group's commitments with financial institutions as of June 30, 2024 are as follows:

(In thousands of won, USD, EUR, BRL, CNY)

Description of commitment	Currency	Committed amount
Discounting D/A note	USD	1,934,100,000
Discounting D/A note	EUR	50,000,000
Opening import credit	USD	40,000,000
Secured loan against receivables	KRW	107,500,000
Working capital loan	KRW	31,700,000
Working capital loan	USD	85,200,000
Working capital loan	EUR	14,163,844
Working capital loan	BRL	25,000,000
Working capital loan	CNY	173,920,000
London Metal Exchange forward	USD	58,500,000
London Metal Exchange forward	KRW	84,000,000
Loan limit for facility (Scrubber) installation	KRW	85,708,000
Bunker forward	KRW	6,000,000
Currency forward	USD	30,000,000
Currency forward	EUR	30,000,000
Derivatives (CRS)	KRW	14,000,000
Business facilities loan	KRW	1,286,000
Business facilities loan	EUR	40,000,000
Business facilities loan	USD	49,945,500
Guarantees	USD	1,000,000
Guarantees	KRW	32,223,194
Credit operating funds	KRW	93,138
Collateral operating fund	KRW	135,450
Discounting notes	KRW	129,000
New car financing	KRW	107,310
Special inclusion	KRW	25,800
Inclusion	KRW	300,000,000
Foreign exchange payment guarantee	USD	100,000

24.4 Regarding the damage to the hull caused by the Golden Ray ship accident in 2019, the Group recognized the ship as a full loss in 2019 and received ₩106,470,000 thousand compensation from Hyundai Marine & Fire Insurance Co., Ltd. in 2020 and reflected it in other income. As of June 30, 2024, cargo and other claims arising from or likely to occur in the future due to the accident will be covered by insurance covered by The North of England Protection & Indemnity Association Limited.

24.5 Litigation cases in which the Group is accused as of June 30, 2024 are litigation and arbitration related to sales such as claims for damages and claims for freight charges. The Group cannot reasonably predict the outcome of the litigation, and the amount and timing of the outflow of resources are uncertain, but the impact on the Group's financial statements is not expected to be significant.

24.6 As of June 30, 2024, the Group has entered into contracts with other investors and shareholders in relation to its associate, Boston Dynamics, Inc. The contract between shareholders includes a put option exercise clause that allows buyers, including the Group, to dispose of stocks held by other investors, and buyers are jointly responsible for the right to claim shares. The total amount of additional burden expected in the event of default by buyers excluding the Group is USD 94,225 thousand.

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24. Commitments and contingencies, Continued

24.7 As of June 30, 2024, the Group has a shareholders' agreement with another investor in respect of shares in Altiall, a subsidiary of the Group. The shareholders' agreement contains a put option for the Group to dispose of the shares held by the other investor and a call option for the Group to purchase the shares held by the other investor. The Financial liabilities designated at fair value through profit or loss recognized as of June 30, 2024 related to the put option is ₩6,220,250 thousand.

24.8 The Group jointly established ORYX LNG NO.1 PTE. LTD., and three other companies with K-Line. In the event of a deadlock between the Group and K-Line, K-Line has the right, under the shareholder agreement, to acquire the Group's shares in ORYX LNG NO.1 PTE. LTD. and the three other companies at fair value.

25. Assets pledged as collateral

Details of assets pledged as collateral for the short-term and long-term borrowings and other financial liabilities of the Group as of June 30, 2024 and December 31, 2023 are as follows:

(i) Details of assets pledged as collateral for the short-term and long-term borrowings and other financial liabilities of the Group as of June 30, 2024 are as follows:

(In thousands of won)

Pledged to	June 30, 2024			
	Pledged asset	Related borrowings	Pledged amount	Book value of asset
Korea Development Bank and others	Vessels	Borrowings and others	₩ 1,246,116,196	2,190,646,908
Korea Specialty Contractor Financial Cooperative	Equity Investment	Contract Guarantee	222,474	222,474

(ii) Details of assets pledged as collateral for the short-term and long-term borrowings and other financial liabilities of the Group as of December 31, 2023 are as follows:

(In thousands of won)

Pledged to	December 31, 2023			
	Pledged asset	Related borrowings	Pledged amount	Book value of asset
Korea Development Bank and others	Vessels	Borrowings and others	₩ 944,641,946	1,573,826,041
Korea Specialty Contractor Financial Cooperative	Equity Investment	Contract Guarantee	222,229	222,229

Ships provided as collateral are obligated to maintain LTV(Loan to Value Ratio 105% ~ 125%) under the ship finance contract, additionally. In case of non-compliance with the Loan to Value Ratio (LTV) maintenance obligation, the Group must provide additional collateral or repay part of its borrowings. In addition, some SPC borrowing contracts related to ship finance have put option agreements that allow lenders to request repayment.

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26. Cash flow information

26.1 The statements of cash flows of the Group have been prepared under the indirect method and significant transactions not involving cash flows for the six-month periods ended June 30, 2024 and 2023 are as follows:

(In thousands of won)

	2024	2023
Transfer of construction in-progress	₩ 572,034,303	46,585,608
Transfer to current portion of long-term borrowings	233,552,008	62,819,959
Transfer to current portion of long-term other accounts payable	8,313,293	125,239,004
Recognition of right-use-assets	244,485,071	42,873,039
Acquisition of non-payment of property and intangible assets	19,385,501	4,994,275
Transfer to current portion of Corporate bonds	189,902,384	-

26.2 Details of operating cash flow for the six-month periods ended June 30, 2024 and 2023 are as follows:

26.2.1 Non-cash adjustment to reconcile profit before tax to net cash flow

(In thousands of won)

	2024	2023
Interest expenses	₩ 86,706,344	80,118,815
Income tax expenses	235,758,133	173,744,523
Pension expenses	8,131,945	(1,698,039)
Depreciation of property, plant and equipment	305,694,358	254,226,880
Long-term employee benefits	1,417,462	994,879
Loss on valuation of derivative instruments	9,895,678	6,735,795
Loss on foreign currency translations	238,367,857	272,697,456
Amortization of intangible assets	9,189,459	6,896,309
Bad debt expenses (reversal)	7,567,690	(1,703,617)
Provision for product warranties (reversal)	511,790	(68,156)
Other bad debt expenses (reversal)	78,948	(42,097)
Loss on disposal of property, plant and equipment	492,105	1,539,999
Loss on disposal of intangible assets	66,236	-
Loss on inventory valuations (reversal)	(1,382,425)	(6,030,281)
Interest income	(88,350,011)	(48,823,899)
Dividend income	(3,611,916)	(3,117,621)
Gain on foreign currency translations	(84,774,062)	(47,091,338)
Gain on valuation of derivative instruments	(3,107,429)	(6,373,642)
Share of profit(loss) of an associate for the period	(34,755,090)	(2,744,730)
Gain on disposal of property, plant and equipment	(729,548)	(459,063)
Reversals of property, plant and equipment	(15,767)	-
Others	37,214,405	(31,193,167)
	₩ <u>724,366,162</u>	<u>647,609,006</u>

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26. Cash flow information, Continued

26.2 Details of operating cash flow for the six-month periods ended June 30, 2024 and 2023 are as follows: , Continued

26.2.2 Working capital adjustments

(In thousands of won)

	2024	2023
Decrease (increase) in trade receivables	₩ (27,255,175)	512,933,702
Decrease in other receivables	72,444	8,574,480
Decrease(increase) in inventories	(204,327,019)	172,994,992
Decrease (increase) in other current assets	(1,139,304)	17,091,562
Increase in other non-current assets	(190,243)	(626,197)
Decrease in other current financial assets	19,810,216	47,873,886
Decrease in other non-current financial assets	337,388	240,861
Increase in trade payables	444,996,742	4,050,510
Decrease in other payables	(264,810,769)	(204,465,892)
Increase in other current liabilities	36,390,936	50,781,245
Decrease in other non-current liabilities	(223,766)	(256,408)
Decrease in other current financial liabilities	(7,479,897)	(7,460,382)
Decrease in other non-current financial liabilities	(1,158,291)	(648,849)
Cash outflow for severance pay	(5,765,651)	(4,546,821)
Decrease in plan assets	6,685,980	5,071,536
Decrease in provision	(1,850,906)	(694,249)
	₩ <u>(5,907,315)</u>	<u>600,913,976</u>

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26. Cash flow information, Continued

26.3 Adjustments in liabilities arising from financing activities

(i) Adjustments in liabilities arising from financing activities for the six-month period ended June 30, 2024 are as follows:

(In thousands of won)

	2024					
	January 1	Financing activities cash flows	Foreign currencies translation	New Lease	Others (*)	June 30
Short-term borrowings	₩ 1,063,853,091	(243,771,964)	12,332,815	-	1,349,500	833,763,442
Current long-term accounts payable	132,041,881	(24,998,513)	1,604,668	-	(83,844,409)	24,803,627
Long-term other accounts payable	127,952,907	(4,611,626)	11,638,121	-	89,420,451	224,399,853
Current long-term borrowings	110,343,902	(65,473,135)	12,677,495	-	233,519,393	291,067,655
Long-term borrowings	559,425,528	303,904,701	41,420,314	-	(234,839,865)	669,910,678
Current corporate bonds	-	-	-	-	189,902,384	189,902,384
Corporate bonds	299,645,998	-	-	-	(189,804,854)	109,841,144
Current lease accounts payable	367,802,074	(203,756,916)	27,090,268	50,382,420	193,708,156	435,226,002
Long-term lease accounts payable	1,083,580,088	-	59,040,807	194,354,242	(194,661,267)	1,142,313,870
Dividends payable	-	(236,250,000)	-	-	236,250,000	-
	₩ <u>3,744,645,469</u>	<u>(474,957,453)</u>	<u>165,804,488</u>	<u>244,736,662</u>	<u>240,999,489</u>	<u>3,921,228,655</u>

(*) Increase in lease payables due to extended lease term, transfer to the current portion over time of long-term other payables, recognition of interest expenses on present value discount, dividends payable due to dividend resolution, etc. are included.

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26. Cash flow information, Continued

26.3 Adjustments in liabilities arising from financing activities, Continued

(ii) Adjustments in liabilities arising from financing activities for the six-month period ended June 30, 2023 are as follows:

(In thousands of won)

	2023					
	January 1	Financing activities cash flows	Foreign currencies translation	New Lease	Others (*)	June 30
Short-term borrowings	₩ 1,032,691,147	(142,565,445)	19,770,228	-	-	909,895,930
Current long-term accounts payable	25,143,279	(14,232,742)	5,205,250	-	125,546,946	141,662,733
Long-term other accounts payable	253,854,859	-	4,779,072	-	(125,230,460)	133,403,471
Current long-term borrowings	143,261,760	(92,146,229)	2,170,144	-	62,819,959	116,105,634
Long-term borrowings	659,224,583	17,986,281	21,700,029	-	(69,053,529)	629,857,364
Corporate bonds	299,417,561	-	-	-	75,294	299,492,855
Current lease accounts payable	288,117,003	(153,709,676)	(13,169,867)	18,531,406	174,744,324	314,513,190
Long-term lease accounts payable	1,027,184,111	-	35,346,623	24,323,007	(57,235,752)	1,029,617,989
Dividends payable	-	(213,750,000)	-	-	213,750,000	-
	₩ <u>3,728,894,303</u>	<u>(598,417,811)</u>	<u>75,801,479</u>	<u>42,854,413</u>	<u>325,416,782</u>	<u>3,574,549,166</u>

(*) Increase in lease payables due to extended lease term, transfer to the current portion over time of long-term other payables, recognition of interest expenses on present value discount, dividends payable due to dividend resolution, etc. are included.

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27. Operating segment information

For management purposes, the Group is organized into business units based on their products and services, and has 3 reportable operating segments as follows:

Segment	Description of operating segment
Logistics	The Group transports freight consigned from the owner of goods. Distribution is classified as either domestic or overseas in accordance with their intended destination.
Distribution	The Group includes the Complete Knock Down (CKD) business and the merchandise trading business as a business that sells products and goods.
Shipping	The Group includes the automobile and bulk carrier business as a business that transports cargo through sea transportation.

No operating segments have been aggregated to form the above reportable operating segments.

The Group monitors the operating results of its business units separately for the purpose of making decisions regarding resource allocation and performance assessments. Segment performance is evaluated based on operating profit or loss, which is measured differently from the operating profit or loss in the consolidated financial statements as explained in the table below. However, group financing (including finance costs and finance income) and income taxes are managed on a group basis and are not allocated to operating segments.

(i) Sales, operating profit, adjusted operating profit for the six-month period ended June 30, 2024 are as follows:

(In thousands of won)

	2024			
	Logistics	Distribution	Shipping	Total
Sales	₩ 4,709,200,894	6,502,620,447	2,438,933,232	13,650,754,573
Operating profit for the period	384,365,598	278,649,807	161,044,240	824,059,645
Adjusted operating profit for the period	384,365,598	275,934,367	161,044,240	821,344,205

(ii) Sales, operating profit, adjusted operating profit for the six-month period ended June 30, 2023 are as follows:

(In thousands of won)

	2023			
	Logistics	Distribution	Shipping	Total
Sales	₩ 4,403,069,200	6,371,226,515	2,061,363,154	12,835,658,869
Operating profit for the period	387,737,812	251,870,334	179,526,541	819,134,687
Adjusted operating profit for the period	387,737,812	256,801,498	179,526,541	824,065,851

The Group does not disclose total assets and liabilities from operating segments, since the Group does not regularly provide the chief operating decision maker of the Group with information on assets, liabilities, net profit or loss for the period from its operating segments and region.

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27. Operating segment information, Continued

The revenue information based on the region the Group are located for the six-month periods ended June 30, 2024 and 2023 are as follows:

(In thousands of won)

	2024	2023
Republic of Korea	₩ 10,378,808,971	9,789,682,544
China	156,461,718	130,344,918
Asia	612,595,911	550,199,192
North America	1,497,459,332	1,470,543,971
Latin America	306,995,331	200,640,946
Europe	698,433,310	694,247,298
	<u>₩ 13,650,754,573</u>	<u>12,835,658,869</u>

The revenue from the major customers in Logistics and Distribution segments of the Group for the six-month periods ended June 30, 2024 and 2023 are as follows: ₩5,510,915,565 thousand from Company A and its subsidiaries, ₩3,750,803,550 thousand from Company B and its subsidiaries and ₩5,148,902,246 thousand from Company A and its subsidiaries, ₩3,567,269,013 thousand from Company B and its subsidiaries, respectively.

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28. Revenue from contracts with customers

28.1 Disaggregated revenue information

(i) Disaggregated revenue information for the six-month period ended June 30, 2024 are as follows:

(In thousands of won)

	2024			
	Logistics	Distribution	Shipping	Total
Type of goods or services:				
Domestic logistics business	₩ 971,616,985	-	-	971,616,985
Overseas logistics business	3,726,294,505	-	-	3,726,294,505
Shipping business	-	-	2,353,096,042	2,353,096,042
CKD business	-	5,466,217,341	-	5,466,217,341
Trading business	-	717,245,941	-	717,245,941
Others	11,289,404	319,157,165	-	330,446,569
	<u>₩ 4,709,200,894</u>	<u>6,502,620,447</u>	<u>2,353,096,042</u>	<u>13,564,917,383</u>
Timing of transfer of goods or services:				
Transfer at a point in time	₩ -	6,502,620,447	-	6,502,620,447
Transfer over time	4,709,200,894	-	2,353,096,042	7,062,296,936
	<u>₩ 4,709,200,894</u>	<u>6,502,620,447</u>	<u>2,353,096,042</u>	<u>13,564,917,383</u>
Revenue from other sources: Lease revenue (*)	₩ -	-	85,837,190	85,837,190

(*) It includes revenue from leasing charters due to the contracts of time charter agreements.

(ii) Disaggregated revenue information for the six-month period ended June 30, 2023 are as follows:

(In thousands of won)

	2023			
	Logistics	Distribution	Shipping	Total
Type of goods or services:				
Domestic logistics business	₩ 976,280,455	-	-	976,280,455
Overseas logistics business	3,418,731,843	-	-	3,418,731,843
Shipping business	-	-	1,985,486,092	1,985,486,092
CKD business	-	5,339,572,300	-	5,339,572,300
Trading business	-	681,219,944	-	681,219,944
Others	8,056,902	350,434,271	-	358,491,173
	<u>₩ 4,403,069,200</u>	<u>6,371,226,515</u>	<u>1,985,486,092</u>	<u>12,759,781,807</u>
Timing of transfer of goods or services:				
Transfer at a point in time	₩ -	6,371,226,515	-	6,371,226,515
Transfer over time	4,403,069,200	-	1,985,486,092	6,388,555,292
	<u>₩ 4,403,069,200</u>	<u>6,371,226,515</u>	<u>1,985,486,092</u>	<u>12,759,781,807</u>
Revenue from other sources: Lease revenue (*)	₩ -	-	75,877,062	75,877,062

(*) It includes revenue from leasing charters due to the contracts of time charter agreements.

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28. Revenue from contracts with customers, Continued

28.2 Geographic information of the Group's sales

Geographic information of the Group's sales based on the location of the customer for the six-month periods ended June 30, 2024 and 2023 are as follows:

(In thousands of won)

		2024	2023
Republic of Korea	₩	4,233,167,473	3,736,490,308
China		171,393,002	155,039,018
Asia		1,587,563,489	1,605,399,905
North America		3,346,610,813	2,992,684,462
Latin America		942,864,311	808,965,492
Europe		3,286,742,727	3,394,642,207
Others		82,412,758	142,437,477
	₩	<u>13,650,754,573</u>	<u>12,835,658,869</u>

29. Leases

- (i) Changes in the carrying amounts of the Group's right-of-use assets, lease receivables and lease payables for the six-month period ended June 30, 2024.

(In thousands of won)

		Right-of-use assets				Lease	
		Vessels	Buildings	Others (*)	Total	receivables	Lease payables
January 1, 2024	₩	938,818,131	140,408,515	236,450,621	1,315,677,267	17,538,699	1,451,382,162
Additions		170,692,655	54,386,762	19,405,654	244,485,071	355,315	244,736,662
Depreciation		(147,116,983)	(24,238,681)	(28,340,545)	(199,696,209)	-	-
Interest		-	-	-	-	218,691	28,430,756
Payment and collect		-	-	-	-	(6,303,796)	(232,187,672)
Change of contract		-	(84,023)	12,316	(71,707)	-	(72,047)
Effect of change in foreign exchange rates		(1,606,808)	3,617,515	17,835,021	19,845,728	1,137,662	85,250,011
June 30, 2024	₩	<u>960,786,995</u>	<u>174,090,088</u>	<u>245,363,067</u>	<u>1,380,240,150</u>	<u>12,946,571</u>	<u>1,577,539,872</u>

(*) Others include right-of-use assets such as land and vehicles.

- (ii) Changes in the carrying amounts of the Group's right-of-use assets, lease receivables and lease payables for the six-month period ended June 30, 2023.

(In thousands of won)

		Right-of-use assets				Lease	
		Vessels	Buildings	Others (*)	Total	receivables	Lease payables
January 1, 2023	₩	835,639,272	152,252,378	183,573,709	1,171,465,359	50,638,081	1,315,301,114
Additions		-	17,023,391	25,849,648	42,873,039	2,068,011	42,854,413
Depreciation		(115,570,012)	(20,703,063)	(19,259,994)	(155,533,069)	-	-
Interest		-	-	-	-	688,796	19,717,783
Payment and collect		-	-	-	-	(7,302,192)	(173,427,459)
Change of contract		119,422,588	(1,197,136)	5,438	118,230,890	-	118,219,371
Effect of change in foreign exchange rates		(217,667)	3,019,851	6,062,976	8,865,160	(23,366,587)	21,465,957
June 30, 2023	₩	<u>839,274,181</u>	<u>150,395,421</u>	<u>196,231,777</u>	<u>1,185,901,379</u>	<u>22,726,109</u>	<u>1,344,131,179</u>

(*) Others include right-of-use assets such as land and vehicles.

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30. Dividend

Details of dividend payments for the six-month periods ended June 30, 2024 and 2023 are as follows:

(In thousands of won)

	2024	2023
Common stock dividends		
Dividend per common share (In won) : ₩6,300 and ₩5,700 (in 2023 and 2022, respectively)	₩ 236,250,000	213,750,000

It was approved as originally proposed at the regular shareholders' meeting and was paid out in April 2024.

31. Events after reporting period

31.1 The total number of shares issued by the Parent Company, as resolved by the board of directors on June 28, 2024, was 37,500,000 shares (with a value of ₩500 per share), and the number of common shares issued was changed to 75,000,000 shares. After the end of the reporting period, the bonus issue of shares took effect on July 15, 2024, the new stock record date of allotment, and the procedures related to the listing due to the bonus issue were carried out on August 2, 2024

31.2 On July 10, 2024, and August 2, 2024, the lenders communicated their intention to exercise the put option regarding five ship financing loan agreements of the Group, as described in Note 25. This grants the lenders the right to demand repayment of the loans on the put option exercise dates. Accordingly, the Group plans to repay USD 78,107 thousand in 2024 and USD 48,531 thousand in 2025 from the long-term ship financing borrowings recorded as of June 30, 2024.

31.3 On August 1, 2024, all claims arising from the accident involving the Golden Ray vessel of the Group, as described in Note 24, were fully settled through the liability insurer, NorthStandard (formerly The North of England Protecting & Indemnity Association Limited). All related lawsuits have been concluded.

31.4 On August 13, 2024, the Group entered into an agreement to participate as a limited partner (LP) in Socius No. 5 Corporate Financial Stability Private Equity Fund for the acquisition of the global cargo transportation business unit of Asiana Airlines Co., Ltd., in order to secure an aviation network.