

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES

Consolidated Financial Statements

**December 31, 2024**

(With Independent Auditors' Report Thereon)

# Contents

|                                                                                                             | <b>Page</b> |
|-------------------------------------------------------------------------------------------------------------|-------------|
| <b>Independent Auditors' Report</b>                                                                         | 1           |
| Consolidated Statements of Financial Position                                                               | 4           |
| Consolidated Statements of Income                                                                           | 6           |
| Consolidated Statements of Comprehensive Income                                                             | 7           |
| Consolidated Statements of Changes in Equity                                                                | 8           |
| Consolidated Statements of Cash Flows                                                                       | 9           |
| Notes to the Consolidated Financial Statements                                                              | 10          |
| <b>Independent Auditors' Report on Internal Control over Financial Reporting for Consolidation Purposes</b> | 91          |
| <b>Report on the Operations of Internal Control over Financial Reporting for Consolidation Purposes</b>     | 93          |

## ***Independent Auditors' Report***

Based on a report originally issued in Korean

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

### ***Opinion***

We have audited the consolidated financial statements of Hyundai Glovis Co., Ltd. and its subsidiaries (the "Group"), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, the consolidated statements of income and comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising of material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Korean International Financial Reporting Standards ("K-IFRS").

We also have audited, in accordance with Korean Standards on Auditing (KSAs), the Group's Internal Control over Financial Reporting for Consolidation Purposes ("ICFR") as of December 31, 2024 based on the criteria established in Conceptual Framework for Designing and Operating Internal Control over Financial Reporting issued by the Operating Committee of Internal Control over Financial Reporting in the Republic of Korea, and our report dated March 17, 2025 expressed an unmodified opinion on the effectiveness of the Group's internal control over financial reporting.

### ***Basis for Opinion***

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

### ***Key Audit Matter***

Key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements as of and for the year ended December 31, 2024. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

### ***Assessment of the percentage-of-completion for overseas logistics and shipping businesses***

As described in Note 4 to the consolidated financial statements, the Group recognizes revenues arising from contracts with customers related to overseas logistics and shipping business over time in accordance with the percentage-of-completion.

In addition, as described in Note 32 to the consolidated financial statements, approximately 52.20% of the Group's total revenue incurred during the current year are from services provided over time. Approximately 86.65% of such revenue recognized over time is from overseas logistics and shipping businesses and it is considered to be significant portion to the consolidated financial statements. The percentage-of-completion of overseas logistics sales is calculated based on the proportion of the number of actual transport days to date to the total number of scheduled transportation days. The percentage-of-completion of shipping business sales is calculated based on the proportion of contract the costs incurred to date to the estimated total contract costs.

As the estimation of measuring percentage-of-completion requires significant management judgment, estimation uncertainties exist and there is a possibility of significant impact on current profit or loss (or future profit or loss), we



identified assessment of the percentage-of-completion for overseas logistics and shipping business as a key audit matter.

The primary procedures we performed to address this key audit matter included the followings:

- Obtained an understanding and assessed accounting policies related to revenue recognition based on percentage-of-completion method.
- Testing the design and operating effectiveness of certain internal controls over the process related to revenue recognition based on the percentage-of-completion method.
- Performing retrospective reviews of the elements of estimates (estimated time of departure, estimated time of arrival) used to calculate the percentage-of-completion.
- Assessing the reasonableness of estimated costs in the shipping business.
- Assessing the reliability and accuracy of underlying data (contracts freight, estimated time of departure, estimated time of arrival) used in overseas logistics progress adjustment.
- Inspection of relevant documents for selected samples to assess the existence of the costs incurred close to and after the end of reporting period of the shipping business.

### ***Other Matter***

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

### ***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

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

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

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



exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Byoung-Hoon Lee.

*KPMG Samjong Accounting Corp.*

Seoul, Korea  
March 17, 2025

This report is effective as of March 17, 2025, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

HYUNDAI GLOVIS CO., LTD.AND SUBSIDIARIES  
Consolidated Statements of Financial Position  
As of December 31, 2024 and 2023

(In won)

|                                              | <i>Note</i> |   | <b>December 31, 2024</b>  | <b>December 31, 2023</b>  |
|----------------------------------------------|-------------|---|---------------------------|---------------------------|
| <b>Assets</b>                                |             |   |                           |                           |
| Cash and cash equivalents                    | 5,6,7,29    | ₩ | 3,276,544,918,383         | 2,290,825,257,508         |
| Short-term financial assets                  | 6,7,33      |   | 1,138,681,175,715         | 1,739,928,900,287         |
| Trade receivables                            | 6,7,8,26,31 |   | 3,070,033,740,101         | 2,867,561,578,869         |
| Contract assets                              | 8,9,26,31   |   | 276,734,608,877           | 176,220,553,900           |
| Other receivables                            | 6,7,8,26,31 |   | 190,920,150,595           | 172,013,546,047           |
| Inventories                                  | 10          |   | 1,724,329,452,925         | 1,347,612,791,030         |
| Recourse rights                              | 18          |   | 40,579,511,367            | 37,343,473,489            |
| Current tax assets                           |             |   | 1,212,159,621             | 3,497,708,294             |
| Other current assets                         | 11          |   | 142,313,206,792           | 136,514,321,574           |
| Assets held for sale                         |             |   | 83,253,797                | -                         |
| <b>Total current assets</b>                  |             |   | <b>9,861,432,178,173</b>  | <b>8,771,518,130,998</b>  |
| Long-term other receivables                  | 6,7,8,31    |   | 25,750,324,872            | 24,496,291,778            |
| Long-term financial assets                   | 6,7,8,33    |   | 238,196,607,698           | 223,614,404,712           |
| Investments in associates and joint ventures | 12          |   | 674,194,691,947           | 675,699,466,028           |
| Property, plant and equipment                | 13,28,33    |   | 5,716,850,597,833         | 4,725,890,371,023         |
| Intangible assets                            | 14          |   | 171,683,062,696           | 136,085,560,227           |
| Recourse rights                              | 18          |   | 112,941,657,837           | 101,365,902,117           |
| Deferred tax assets                          | 24          |   | 23,085,534,266            | 15,173,447,290            |
| Other non-current assets                     | 11,19       |   | 25,010,783,403            | 51,176,329,765            |
| <b>Total non-current assets</b>              |             |   | <b>6,987,713,260,552</b>  | <b>5,953,501,772,940</b>  |
| <b>Total assets</b>                          |             | ₩ | <b>16,849,145,438,725</b> | <b>14,725,019,903,938</b> |

See accompanying notes to the consolidated financial statements.

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

(In won)

|                                                     | <u>Note</u>     | <u>December 31, 2024</u>    | <u>December 31, 2023</u>  |
|-----------------------------------------------------|-----------------|-----------------------------|---------------------------|
| <b>Liabilities</b>                                  |                 |                             |                           |
| Trade payables                                      | 6,7,26,29,31    | ₩ 2,181,372,828,957         | 1,791,237,337,772         |
| Other payables                                      | 6,7,15,26,29,31 | 586,446,987,715             | 646,028,231,877           |
| Short-term borrowings                               | 6,7,17,29,31    | 1,299,660,275,573           | 1,174,196,992,793         |
| Current portion of corporate bonds                  | 6,7,17,29,31    | 189,971,620,421             | -                         |
| Other current financial liabilities                 | 6,7,26,29,31,33 | 557,331,440,398             | 509,032,422,388           |
| Income tax payable                                  |                 | 225,907,827,448             | 92,384,922,267            |
| Provision for sales warranties                      | 18,20           | 92,184,660,565              | 52,634,446,757            |
| Contract liabilities                                | 9               | 112,504,554,550             | 157,594,824,349           |
| Other current liabilities                           | 16              | 65,228,816,871              | 44,479,293,177            |
| <b>Total current liabilities</b>                    |                 | <u>5,310,609,012,498</u>    | <u>4,467,588,471,380</u>  |
| Long-term borrowings                                | 6,7,17,29,31    | 583,777,977,440             | 559,425,528,154           |
| Corporate bonds                                     | 6,7,17,29,31    | 109,868,000,674             | 299,645,998,183           |
| Other non-current financial liabilities             | 6,7,26,29,31,33 | 1,655,027,434,157           | 1,236,513,234,148         |
| Deferred tax liabilities                            | 24              | 231,998,966,959             | 251,545,472,818           |
| Defined benefit liabilities                         | 19              | 4,583,946,071               | 2,990,511,719             |
| Provision for sales warranties                      | 18              | 122,201,426,119             | 109,394,716,925           |
| Other non-current liabilities                       | 16              | 21,714,412,866              | 13,992,350,358            |
| <b>Total non-current liabilities</b>                |                 | <u>2,729,172,164,286</u>    | <u>2,473,507,812,305</u>  |
| <b>Total liabilities</b>                            |                 | <u>8,039,781,176,784</u>    | <u>6,941,096,283,685</u>  |
| <b>Equity</b>                                       |                 |                             |                           |
| Common stock                                        | 1,21            | 37,500,000,000              | 18,750,000,000            |
| Capital surplus                                     | 21              | 134,675,389,719             | 153,618,863,259           |
| Accumulated other comprehensive income              | 21              | 234,035,532,358             | 61,733,303,527            |
| Retained earnings                                   | 21              | 8,359,165,908,836           | 7,512,974,461,311         |
| Other components of equity                          | 21              | 7,774,910,411               | 8,291,500,143             |
| <b>Equity attributable to owners of the Company</b> |                 | <u>8,773,151,741,324</u>    | <u>7,755,368,128,240</u>  |
| <b>Non-controlling interests</b>                    |                 | <u>36,212,520,617</u>       | <u>28,555,492,013</u>     |
| <b>Total equity</b>                                 |                 | <u>8,809,364,261,941</u>    | <u>7,783,923,620,253</u>  |
| <b>Total liabilities and equity</b>                 |                 | <u>₩ 16,849,145,438,725</u> | <u>14,725,019,903,938</u> |

See accompanying notes to the consolidated financial statements.

HYUNDAI GLOVIS CO., LTD.AND SUBSIDIARIES  
Consolidated Statements of Income  
For the years ended December 31, 2024 and 2023

(In won)

|                                                                            | <u>Note</u> | <u>2024</u>              | <u>2023</u>              |
|----------------------------------------------------------------------------|-------------|--------------------------|--------------------------|
| Sales                                                                      | 26,30,32 ₩  | 28,407,374,301,315       | 25,683,197,164,064       |
| Cost of sales                                                              | 23,26       | 25,957,178,819,827       | 23,591,728,438,829       |
| <b>Gross profit</b>                                                        |             | <u>2,450,195,481,488</u> | <u>2,091,468,725,235</u> |
| Selling, general and administrative expenses                               | 22,23       | 697,328,039,262          | 537,436,215,148          |
| <b>Operating profit</b>                                                    |             | <u>1,752,867,442,226</u> | <u>1,554,032,510,087</u> |
| Finance income                                                             | 6,22        | 186,262,663,721          | 171,569,620,491          |
| Other operating income                                                     | 6,22        | 1,137,587,617,865        | 938,989,215,346          |
| Finance costs                                                              | 6,22        | 189,184,306,474          | 194,221,901,688          |
| Other operating expenses                                                   | 6,22        | 1,220,705,460,131        | 1,009,572,649,491        |
| Share of profit of associates and joint ventures                           | 12          | (122,089,019,767)        | (7,358,673,303)          |
| <b>Profit before income tax</b>                                            |             | <u>1,544,738,937,440</u> | <u>1,453,438,121,442</u> |
| Income tax expense                                                         | 24          | 445,251,951,394          | 383,347,457,149          |
| <b>Profit for the year</b>                                                 | ₩           | <u>1,099,486,986,046</u> | <u>1,070,090,664,293</u> |
| <b>Profit attributable to:</b>                                             |             |                          |                          |
| Owners of the Company                                                      |             | 1,093,860,048,142        | 1,061,133,294,855        |
| Non-controlling interests                                                  |             | 5,626,937,904            | 8,957,369,438            |
| <b>Earnings per share:</b>                                                 |             |                          |                          |
| Basic and diluted, earnings per share attributable to owners of the parent | 25 ₩        | 14,585                   | 14,148                   |

See accompanying notes to the consolidated financial statements.

HYUNDAI GLOVIS CO., LTD.AND SUBSIDIARIES  
Consolidated Statements of Comprehensive Income  
For the years ended December 31, 2024 and 2023

(In won)

|                                                                             | <u>Note</u> | <u>2024</u>                     | <u>2023</u>                     |
|-----------------------------------------------------------------------------|-------------|---------------------------------|---------------------------------|
| <b>Profit for the year</b>                                                  | ₩           | 1,099,486,986,046               | 1,070,090,664,293               |
| <b>Other comprehensive income (loss):</b>                                   |             |                                 |                                 |
| <b>Items that are or may be subsequently reclassified to profit or loss</b> |             |                                 |                                 |
| Equity adjustment in equity method                                          | 21          | 14,984,946,109                  | 3,753,623,244                   |
| Foreign operations – foreign currency translation differences               | 21          | 143,384,548,516                 | 42,743,256,701                  |
| Effect of restatement under K-IFRS No. 1029                                 | 21          | 10,323,893,266                  | -                               |
|                                                                             |             | <u>168,693,387,891</u>          | <u>46,496,879,945</u>           |
| <b>Items that will not be reclassified to profit or loss</b>                |             |                                 |                                 |
| Equity investments at FVOCI – net change in fair value                      | 21          | 5,638,931,640                   | 15,953,718,982                  |
| Changes in retained earnings adjustment in equity method                    | 21          | (3,919,473,426)                 | (2,215,066,718)                 |
| Remeasurement of defined benefit liability (asset)                          |             |                                 |                                 |
| defined benefit plans                                                       | 21          | (7,499,127,191)                 | (11,602,598,141)                |
|                                                                             |             | <u>(5,779,668,977)</u>          | <u>2,136,054,123</u>            |
| <b>Total comprehensive income (loss) for the period attributable to:</b>    |             |                                 |                                 |
| Owners of the Parent company                                                |             | 1,254,743,676,356               | 1,109,148,667,959               |
| Non-controlling interests                                                   |             | 7,657,028,604                   | 9,574,930,402                   |
|                                                                             | ₩           | <u><u>1,262,400,704,960</u></u> | <u><u>1,118,723,598,361</u></u> |

See accompanying notes to the consolidated financial statements.

HYUNDAI GLOVIS CO., LTD.AND SUBSIDIARIES  
Consolidated Statements of Changes in Equity  
For the years ended December 31, 2024 and 2023

(In won)

|                                                                                     |   | Attributable to owners of the Company |                        |                                        |                          |                            |                          |                           |                          |
|-------------------------------------------------------------------------------------|---|---------------------------------------|------------------------|----------------------------------------|--------------------------|----------------------------|--------------------------|---------------------------|--------------------------|
|                                                                                     |   | Common stock                          | Capital surplus        | Accumulated other comprehensive income | Retained earnings        | Other components of equity | Total                    | Non-controlling interests | Total equity             |
| <b>Balance at January 1, 2023</b>                                                   | ₩ | 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            | 6,879,612,287,958        |
| <b>Total comprehensive income (loss) for the year</b>                               |   |                                       |                        |                                        |                          |                            |                          |                           |                          |
| Profit for the year                                                                 |   | -                                     | -                      | -                                      | 1,061,133,294,855        | -                          | 1,061,133,294,855        | 8,957,369,438             | 1,070,090,664,293        |
| Net profit on valuation of financial assets at fair value through OCI               |   | -                                     | -                      | 15,953,718,982                         | -                        | -                          | 15,953,718,982           | -                         | 15,953,718,982           |
| Remeasurement loss on defined benefit plans                                         |   | -                                     | -                      | -                                      | (11,602,598,141)         | -                          | (11,602,598,141)         | -                         | (11,602,598,141)         |
| Changes in equity adjustment in equity method                                       |   | -                                     | -                      | 3,753,623,244                          | -                        | -                          | 3,753,623,244            | -                         | 3,753,623,244            |
| Changes in retained earnings adjustment in equity method                            |   | -                                     | -                      | -                                      | (2,215,066,718)          | -                          | (2,215,066,718)          | -                         | (2,215,066,718)          |
| Exchange differences on translation of foreign operations                           |   | -                                     | -                      | 42,125,695,737                         | -                        | -                          | 42,125,695,737           | 617,560,964               | 42,743,256,701           |
| <b>Transactions with owners of the Company, recognized directly in equity</b>       |   |                                       |                        |                                        |                          |                            |                          |                           |                          |
| Dividends                                                                           |   | -                                     | -                      | -                                      | (213,750,000,000)        | -                          | (213,750,000,000)        | -                         | (213,750,000,000)        |
| Changes in ownership interest in subsidiary that does not result in loss of control |   | -                                     | -                      | -                                      | -                        | -                          | -                        | 631,117,466               | 631,117,466              |
| Change in scope of consolidation                                                    |   | -                                     | -                      | -                                      | -                        | (6,220,250,269)            | (6,220,250,269)          | 4,744,468,101             | (1,475,782,168)          |
| Increase (decrease) through other changes, equity                                   |   | -                                     | -                      | -                                      | 182,398,636              | -                          | 182,398,636              | -                         | 182,398,636              |
| <b>Balance at December 31, 2023</b>                                                 | ₩ | <u>18,750,000,000</u>                 | <u>153,618,863,259</u> | <u>61,733,303,527</u>                  | <u>7,512,974,461,311</u> | <u>8,291,500,143</u>       | <u>7,755,368,128,240</u> | <u>28,555,492,013</u>     | <u>7,783,923,620,253</u> |
| <b>Balance at January 1, 2024</b>                                                   | ₩ | 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        |
| <b>Total comprehensive income (loss) for the year</b>                               |   |                                       |                        |                                        |                          |                            |                          |                           |                          |
| Profit for the year                                                                 |   | -                                     | -                      | -                                      | 1,093,860,048,142        | -                          | 1,093,860,048,142        | 5,626,937,904             | 1,099,486,986,046        |
| Net loss on valuation of financial assets at fair value through OCI                 |   | -                                     | -                      | 5,638,931,640                          | -                        | -                          | 5,638,931,640            | -                         | 5,638,931,640            |
| Remeasurement loss on defined benefit plans                                         |   | -                                     | -                      | -                                      | (7,499,127,191)          | -                          | (7,499,127,191)          | -                         | (7,499,127,191)          |
| Changes in equity adjustment in equity method                                       |   | -                                     | -                      | 14,984,946,109                         | -                        | -                          | 14,984,946,109           | -                         | 14,984,946,109           |
| Changes in retained earnings adjustment in equity method                            |   | -                                     | -                      | -                                      | (3,919,473,426)          | -                          | (3,919,473,426)          | -                         | (3,919,473,426)          |
| Exchange differences on translation of foreign operations                           |   | -                                     | -                      | 141,354,457,816                        | -                        | -                          | 141,354,457,816          | 2,030,090,700             | 143,384,548,516          |
| Effect of Restatement in accordance with K-IFRS No. 1029                            |   | -                                     | -                      | 10,323,893,266                         | -                        | -                          | 10,323,893,266           | -                         | 10,323,893,266           |
| <b>Transactions with owners of the Company, recognized directly in equity</b>       |   |                                       |                        |                                        |                          |                            |                          |                           |                          |
| Dividends                                                                           |   | -                                     | -                      | -                                      | (236,250,000,000)        | -                          | (236,250,000,000)        | -                         | (236,250,000,000)        |
| Increase in capital through a bonus issue of shares                                 |   | 18,750,000,000                        | (18,943,473,540)       | -                                      | -                        | -                          | (193,473,540)            | -                         | (193,473,540)            |
| Increase (decrease) through other changes, equity                                   |   | -                                     | -                      | -                                      | -                        | (516,589,732)              | (516,589,732)            | -                         | (516,589,732)            |
| <b>Balance at December 31, 2024</b>                                                 | ₩ | <u>37,500,000,000</u>                 | <u>134,675,389,719</u> | <u>234,035,532,358</u>                 | <u>8,359,165,908,836</u> | <u>7,774,910,411</u>       | <u>8,773,151,741,324</u> | <u>36,212,520,617</u>     | <u>8,809,364,261,941</u> |

See accompanying notes to the consolidated financial statements.

HYUNDAI GLOVIS CO., LTD.AND SUBSIDIARIES  
Condensed Consolidated Statements of Cash Flows  
For the years ended December 31, 2024 and 2023

(In won)

|                                                                | <u>Note</u> | <u>2024</u>                | <u>2023</u>                |
|----------------------------------------------------------------|-------------|----------------------------|----------------------------|
| <b>Cash flows from operating activities</b>                    |             |                            |                            |
| Profit for the year                                            |             | ₩ 1,099,486,986,046        | 1,070,090,664,293          |
| Adjustments to reconcile profit for the year to net cash flows |             |                            |                            |
| provided by operating activities                               | 29          | 1,575,923,588,216          | 1,305,867,062,480          |
| Changes in operating assets and liabilities                    | 29          | (329,250,248,851)          | 210,907,049,710            |
| Interest received                                              |             | 176,052,365,243            | 83,481,128,028             |
| Interest paid                                                  |             | (187,044,749,146)          | (157,314,440,070)          |
| Dividends received                                             |             | 50,815,078,204             | 13,528,272,181             |
| Income taxes paid                                              |             | (263,576,215,650)          | (284,298,196,589)          |
| <b>Net cash provided by operating activities</b>               |             | <u>2,122,406,804,062</u>   | <u>2,242,261,540,033</u>   |
| <b>Cash flows from investing activities</b>                    |             |                            |                            |
| Increase in other current financial assets                     |             | (40,582,455,595)           | (1,684,038,597,346)        |
| Decrease in other current financial assets                     |             | 629,678,213,318            | 1,028,059,225,901          |
| Increase in other non-current financial assets                 |             | (14,729,399,395)           | (13,054,178,074)           |
| Decrease in other non-current financial assets                 |             | 252,766,620                | 131,847,717                |
| Increase in other current receivables                          |             | (1,764,595,323)            | (1,538,899,488)            |
| Decrease in other current receivables                          |             | 760,544,136                | 1,221,298,723              |
| Increase in other non-current receivables                      |             | (4,512,176,532)            | (3,342,084,288)            |
| Decrease in other non-current receivables                      |             | 1,578,310,825              | 4,011,304,624              |
| Cash inflow by changing in scope of consolidation              |             | -                          | 2,121,915,997              |
| Cash outflow by changing in scope of consolidation             |             | -                          | (4,366,824,741)            |
| Acquisition of investments in associates                       |             | (194,853,043,287)          | (25,384,047,722)           |
| Proceeds from disposal of investments in associates            |             | 42,789,934,713             | 6,075,660,321              |
| Acquisition of property, plant and equipment                   |             | (939,043,408,562)          | (316,287,413,445)          |
| Proceeds from disposal of property, plant and equipment        |             | 45,559,636,748             | 3,078,661,897              |
| Acquisition of intangible assets                               |             | (18,910,665,084)           | (4,949,458,175)            |
| Proceeds from disposal of intangible assets                    |             | 3,076,163,636              | 423,636,363                |
| Government subsidies received                                  |             | 1,746,232,174              | 663,300,545                |
| <b>Net cash used in investing activities</b>                   |             | <u>(488,953,941,608)</u>   | <u>(1,007,174,651,191)</u> |
| <b>Cash flows from financing activities</b>                    |             |                            |                            |
| Repayment of principal portion of lease liabilities            |             | (441,627,884,272)          | (337,197,213,256)          |
| Decrease in other current financial liabilities                |             | -                          | (1,117,203,816)            |
| Repayment of Long-Term Accounts Payable                        |             | (4,611,625,812)            | -                          |
| Decrease in other non-current financial liabilities            |             | -                          | (913,787,000)              |
| Repayment of current portion of long-term accounts payable     |             | (41,476,493,165)           | (28,730,684,056)           |
| Net-Change in short-term borrowings                            |             | (32,473,139,880)           | 27,522,223,109             |
| Decrease of current portion of long-term borrowings            |             | (243,441,846,934)          | (167,441,310,371)          |
| Increase in long-term borrowings                               |             | 296,580,023,077            | 20,101,700,560             |
| Share issuance costs                                           |             | (193,473,540)              | -                          |
| Cash inflow from capital transactions within the Group         |             | -                          | 631,117,466                |
| Payment of dividends                                           |             | (236,250,000,000)          | (213,750,000,000)          |
| <b>Net cash used in financing activities</b>                   |             | <u>(703,494,440,526)</u>   | <u>(700,895,157,364)</u>   |
| <b>Net increase in cash and cash equivalents</b>               |             | <u>929,958,421,928</u>     | <u>534,191,731,478</u>     |
| Effects of exchange rate changes on cash and cash equivalents  |             | 55,761,238,947             | (303,149,694,502)          |
| Cash and cash equivalents at January 1                         |             | <u>2,290,825,257,508</u>   | <u>2,059,783,220,532</u>   |
| <b>Cash and cash equivalents at December 31</b>                |             | <u>₩ 3,276,544,918,383</u> | <u>2,290,825,257,508</u>   |

See accompanying notes to the consolidated financial statements.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements  
**For the years ended December 31, 2024 and 2023**

**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 Company listed its ordinary shares on the Korea Exchange ("KRX") on December 26, 2005 and as of December 31, 2024, the number of ordinary shares issued is 75,000,000 amounting to ₩37,500 million.

The shareholders of the Parent Company and their shareholdings as of December 31, 2024 are as follows:

| <b>Shareholders</b>                     | <b>Number of shares (In shares)</b> | <b>Ownership interest</b> |
|-----------------------------------------|-------------------------------------|---------------------------|
| Eui Sun Chung                           | 14,999,982                          | 20.00%                    |
| Hyundai Motor Chung Mong Koo Foundation | 3,342,036                           | 4.46%                     |
| Hyundai Motor Co., Ltd.                 | 3,661,878                           | 4.88%                     |
| Den Norske Amerikalinje AS              | 8,250,000                           | 11.00%                    |
| PROJECT GUARDIAN HOLDINGS LIMITED       | 7,500,000                           | 10.00%                    |
| Others                                  | 37,246,104                          | 49.66%                    |
|                                         | <b>75,000,000</b>                   | <b>100.00%</b>            |

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**1. Corporate information, Continued**

**1.2 Summary of subsidiaries**

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

| Name of subsidiaries                                    | Equity interest (%) |                   | Location                    | Year end | Type of business                            |
|---------------------------------------------------------|---------------------|-------------------|-----------------------------|----------|---------------------------------------------|
|                                                         | December 31, 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  | Transportation and C/C Operation            |
| 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)               | -                   | -                 | Marshall Islands and others | Dec. 31  | Shipping finance                            |

(\*1) Wholly owned by Glovis America, Inc., a subsidiary of the Parent Company.

(\*2) Global Expedited Transportation, Inc., wholly owned by Glovis America, Inc., a subsidiary of the Parent Company, was liquidated during the period ended December 31, 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. during the last year.

(\*5) Glovis Europe GmbH, a subsidiary of the Parent Company, owns a 70% stake.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

For the years ended December 31, 2024 and 2023

1. Corporate information, Continued

1.2 Summary of subsidiaries, Continued

- (\*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 ownership is less than 50%, the parent company holds more than half of the common shares with voting rights and can exercise the practical control, therefore it is included in the consolidated subsidiary.
- (\*9) The Parent Company acquired 69.84% of the shares in Altiall Co., Ltd. during the last year.
- (\*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 Condensed financial information of consolidated subsidiaries

- 1.3.1 There were no subsidiaries newly included in the consolidated financial statements reporting entity during the period ended December 31, 2024.
- 1.3.2 The status of subsidiaries excluded from the companies subject to the consolidated financial statements during the period ended December 31, 2024 is as follows:

| Subsidiary                            | Reason      |
|---------------------------------------|-------------|
| Global Expedited Transportation, Inc. | Liquidation |

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**1. Corporate information, Continued**

**1.4 Condensed financial information of consolidated subsidiaries**

(i) Condensed financial information of significant consolidated subsidiaries as of and for the years ended December 31, 2024 is summarized as follows:

| (In thousands of won)                                     |   | <b>December 31, 2024</b> |                    |               |               |                              |
|-----------------------------------------------------------|---|--------------------------|--------------------|---------------|---------------|------------------------------|
| <b>Name of subsidiaries</b>                               |   | <b>Assets</b>            | <b>Liabilities</b> | <b>Equity</b> | <b>Sales</b>  | <b>Profit for the period</b> |
| Glovis America Inc. (*)                                   | ₩ | 1,598,046,058            | 678,650,505        | 919,395,553   | 3,280,290,155 | 165,383,889                  |
| Beijing Glovis Warehousing & Transportation Co., Ltd. (*) |   | 221,237,484              | 95,932,633         | 125,304,851   | 554,435,585   | 21,249,496                   |
| Glovis Europe, Gmbh. (*)                                  |   | 539,495,043              | 204,991,181        | 334,503,862   | 1,190,058,114 | 78,923,846                   |
| Glovis India, Pvt. Ltd.                                   |   | 330,355,049              | 130,789,458        | 199,565,591   | 695,321,995   | 35,178,813                   |
| Glovis India Anantapur Pvt. Ltd.                          |   | 152,006,928              | 91,573,705         | 60,433,223    | 432,048,689   | 19,079,376                   |

(\*) This is the consolidated financial information of the subsidiaries. The summarized financial information of the subsidiaries is based on amounts before inter-company eliminations.

(ii) Condensed financial information of significant consolidated subsidiaries as of and for the years ended December 31, 2023 is summarized as follows:

| (In thousands of won)                                     |   | <b>December 31, 2023</b> |                    |               |               |                              |
|-----------------------------------------------------------|---|--------------------------|--------------------|---------------|---------------|------------------------------|
| <b>Name of subsidiaries</b>                               |   | <b>Assets</b>            | <b>Liabilities</b> | <b>Equity</b> | <b>Sales</b>  | <b>Profit for the period</b> |
| Glovis America Inc. (*)                                   | ₩ | 1,265,987,956            | 550,518,984        | 715,468,972   | 3,084,083,672 | 146,348,788                  |
| Beijing Glovis Warehousing & Transportation Co., Ltd. (*) |   | 183,061,959              | 78,124,423         | 104,937,536   | 354,345,445   | 6,868,748                    |
| Glovis Europe, Gmbh. (*)                                  |   | 538,408,351              | 226,551,263        | 311,857,088   | 1,259,587,269 | 113,184,937                  |
| Glovis India, Pvt. Ltd.                                   |   | 289,016,428              | 105,322,969        | 183,693,459   | 584,638,421   | 34,563,010                   |
| Glovis India Anantapur Pvt. Ltd.                          |   | 127,141,314              | 90,792,426         | 36,348,888    | 295,651,212   | 12,007,959                   |

(\*) This is the consolidated financial information of the subsidiaries. The summarized financial information of the subsidiaries is based on amounts before inter-company eliminations.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**2. Basis of financial statement preparation**

The Parent Company and its subsidiaries (collectively, the "Group") prepares statutory financial statements in Korean language in accordance with Korean International Financial Reporting Standards ("K-IFRS") enacted by the Act on External Audit of Stock Companies.

The consolidated financial statements were approved by the board of directors on February 6, 2025. It will be finally approved at its general shareholders' meeting on March 25, 2025.

**(1) Basis of measurement**

Consolidated financial statements are prepared on a historical cost basis, except for the key items in the consolidated statement of financial position listed below.

- Derivatives measured at fair value
- Financial instruments measured at fair value through profit or loss
- Financial instruments measured at fair value through other comprehensive income
- Defined benefit liability minus the fair value of the plan asset from the present value of the defined benefit obligation

**(2) Functional and presentation Currency**

The financial statements of individual entities within a consolidated entity are prepared in functional currency, the currency of the main economic environment in which each entity's business activities take place. The consolidated financial statements of the consolidated company are prepared and reported in the currency of the Republic of Korea (KRW), the functional currency of the reporting company, and the presentation currency of the parent company.

**(3) Use of judgements and estimates**

K-IFRS requires the use of estimates and assumptions based on management's best judgment on the application of accounting policies or on matters affecting the reported amounts of assets, liabilities and revenues and expenses as of the reporting period. If the estimates and assumptions based on management's best judgment as of the end of the reporting period differ from the actual environment, these estimates and actual results may differ.

Fundamental assumptions about estimates and estimates are constantly being considered with respect to their consistency with risk management and climate-related commitments, and changes in accounting estimates are recognized during the period during which the estimates are changed and during which they will be affected in the future.

**① Judgement of management and assumption and estimation uncertainties**

Information on the assumptions and the uncertainties of estimates that there is a significant risk that significant adjustments may occur within the next reporting period is included in the following notes.

- Note 1: Classification of Subsidiaries – whether Consolidated Companies have an actual decision-making power
- Note 12: Classification of Affiliated Companies - whether Consolidated Companies exert significant influence
- Note 12: Classification of Joint Enterprises - whether the Consolidated Enterprises exercise joint control
- Note 12: Damage inspection – key assumptions for estimating recoverable amounts of investments in associates
- Note 14: Damage inspection – Key assumptions in the estimation of recoverable amounts, including intangible assets and goodwill
- Notes 18, 27: Provisions and contingent liabilities - assumptions about possible outflows and amounts of resources
- Note 18: Assumption of the possible inflow of reimbursement amount and amount
- Note 19: Measurement of defined benefit obligations - Major actuarial assumptions
- Note 24: Measurement of deferred tax
- Note 31: Measurement of expected credit losses for trade receivables and contract assets - Key assumptions for determining the weighted average loss rate
- Note 32: Profit recognition based on progress

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**2. Basis of financial statement preparation, Continued**

**(3) Use of judgements and estimates, Continued**

**② Measurement of fair values**

The accounting policies and disclosures of consolidated entities require fair value measurements for several financial and non-financial assets and liabilities. The Group is developing fair value assessment policies and procedures. The policies and procedures include the operation of the evaluation department responsible for reviewing all significant fair value measurements, including those classified as Level 3 in the fair value hierarchy, and the results are reported directly to the parent's financial officers.

The assessment department regularly reviews significant non-observable inputs and assessment adjustments. If fair value measurements use third-party information such as broker prices or rating agencies, the assessment department is determining whether an assessment based on information obtained from third parties includes a classification by level within the fair value hierarchy and can conclude that it meets the requirements of the Standard.

The Group is reporting significant evaluation issues to the parent's audit committee.

When measuring the fair value of an asset or liability, the Group uses as much market-observable inputs as possible. Fair value is classified within the fair value hierarchy based on inputs used in valuation techniques as follows:

| Sortation | Significance of classified inputs                                                                                                  |
|-----------|------------------------------------------------------------------------------------------------------------------------------------|
| Level 1   | Quoted prices(unadjusted) in active market for identical same assets or liabilities.                                               |
| Level 2   | Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. |
| Level 3   | Inputs for the asset or liability that are not based on observable market data (unobservable inputs).                              |

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes has occurred.

Further information about the assumptions made in measuring fair values is included in the Note 7.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**3. Changes in material accounting policies**

The Group has applied the following new and amended standards that are effective for annual periods beginning on or after January 1, 2024. The Group has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

**(1) K-IFRS No. 1001 “Presentation of Financial Statements” – Classification of Liabilities and Disclosure of Covenants**

Effective from January 1, 2024, the Group adopted the amendments to K-IFRS No. 1001 relating to the classification of liabilities as current or non-current and disclosure requirements for covenants attached to non-current liabilities. These amendments clarify specific requirements for determining the classification of liabilities and require disclosures when liabilities (e.g., convertible bonds that may be settled in the Group’s own equity instruments) are classified as current due to the need to comply with covenants within 12 months after the reporting period. The amendments did not have a material impact on the consolidated financial statements.

**(2) K-IFRS No. 1007 “Statement of Cash Flows” and K-IFRS No. 1107 “Financial Instruments: Disclosures” – Supplier Finance Arrangements**

The Group has applied the amendments requiring enhanced disclosures of supplier finance arrangements effective from January 1, 2024. The amendments aim to help users of financial statements understand the effects of such arrangements on an entity’s liabilities, cash flows, and exposure to liquidity risk. These amendments did not have a material impact on the consolidated financial statements. Related disclosures are presented in Notes 29.4 and 31.3.

**(3) K-IFRS No. 1012 “Income Taxes” – Disclosure Related to Pillar Two Model Rules (Global Minimum Tax)**

The global minimum tax rules require constituent entities of multinational enterprise groups with consolidated revenue of €750 million or more in at least two of the four preceding fiscal years to pay a top-up tax if the effective tax rate in a jurisdiction is below 15%. In Korea, legislation implementing the Pillar Two rules was enacted in 2022 and is effective for fiscal years beginning on or after January 1, 2024.

The Group has assessed its potential exposure to the global minimum tax based on recent tax returns, country-by-country reports, and financial statements of its consolidated entities. Based on this assessment, the effective tax rates in most jurisdictions where the Group operates exceed 15%.

**(4) Other Standards and Amendments Not Having a Material Impact**

The following new or amended standards were also applied but did not have a material impact on the Group’s financial statements:

- Lease liabilities arising from sale and leaseback transactions (K-IFRS No. 1116 “Leases”)
- Disclosures related to crypto-assets (K-IFRS No. 1001 “Presentation of Financial Statements”)

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**4. Material accounting policies**

The material accounting policies applied by the Group to prepare financial statements in accordance with K-IFRS are described below, and the consolidated financial statements for the current and comparable periods were prepared using the same accounting policies, except for changes in the accounting policies described in Note 3.

**(1) Basis of consolidation**

**① Subsidiaries**

If an entity constitutes a consolidated entity uses a different accounting policy than the accounting policy adopted in the consolidated financial statements for the same transactions and events that occur in similar situations, it is prepared by modifying the consolidated financial statements appropriately.

**② Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

**③ A non-controlling interests**

Non-controlling interests are measured as the proportional share of the current equity instruments of the amount recognized for the acquirer's identifiable net assets at the acquisition date.

**(2) Business combination**

Business combinations were accounted for by applying the acquisition method, except for combinations of business entities or businesses under the same control.

The Group recognizes identifiable acquired assets and liabilities at the acquisition-date fair value, with the following exceptions.

- Contingent Liabilities: Recognition of contingent liabilities that can be reliably measured by current obligations
- Deferred tax assets and liabilities: recognition and measurement in accordance with K-IFRS No.1012 'Income Tax'
- Employee benefits: recognition and measurement in accordance with K-IFRS No.1019 'Employee benefits'

In a business combination, the transfer consideration is measured at fair value, which is the sum of the assets transferred by the Group, the liabilities borne by the Group to the acquiree's previous owner, and the fair value at the acquisition date of the equity issued by the Group.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**4. Material accounting policies, Continued**

**(2) Business combination, Continued**

Acquisition-related costs incurred by a consolidated entity to achieve the effectiveness of a business combination include brokerage fees, such as advisory, legal, accounting, valuation and other expert or consulting fees, general management costs to maintain an internal acquisition department, and costs to register and issue debt and equity securities. These acquisition-related costs are accounted for at cost during the period of service, except for the costs of issuing debt and equity securities recognized in accordance with K-IFRS No.1032 and K-IFRS No.1109.

**(3) Investment in affiliates and joint ventures**

Affiliates believe that consolidated companies have significant influence in financial and operating policy decisions, and that they generally have significant influence if they own 20% to 50% of the voting rights of the investee.

However, if it is possible to clearly present the fact that it has a significant influence even if it directly or indirectly owns less than 20% of the voting rights of the investee, it is classified as an affiliated company.

A joint venture is an investee whose control over economic activities is shared by a consolidated company under contractual agreements and requires the consent of all parties (participants) who share control over strategic financial and business policies on economic activities.

If an associate or joint venture uses different accounting policies for the same transactions and events that occur in similar situations, the financial statements of the associates and joint ventures are adjusted appropriately.

**(4) Cash and cash equivalents**

The Group classify short-term investment assets with very high liquidity, high demand deposits, and easy conversion to a fixed amount of cash and a minor risk of value fluctuations as cash and cash equivalents.

The Group classifies investment assets with maturity within three months from the acquisition date as cash and cash equivalents.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**4. Material accounting policies, Continued**

**(5) Inventories**

The unit price of inventory is calculated using the unit price calculated by the total average method (Individual method for used cars and trading inventories) and the quantity calculated by the continuous recording method throughout the year. Acquisition costs for each inventory include purchase costs, conversion costs, and other costs necessary to prepare the inventory available.

During the period when revenue from the sale of inventory is recognized, the carrying amount of inventory is recognized as the source of sales. Inventory assets are measured at the lower of acquisition cost or net realizable value.

**(6) Non-derivative financial assets**

**① Recognition and initial measurement**

Trade receivables and issued debt securities are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

**② Classification and subsequent measurement**

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI; or FVTPL.

**Financial assets - Business model assessment**

The Group assesses the objective of the model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets.
- How the performance of the portfolio is evaluated and reported to the Group's management
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed
- How managers of the business are compensated- e. g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Portfolios of financial assets that meet the definition of held for trading, or whose performance is evaluated on a fair value basis, are measured at fair value through profit or loss.

**Financial assets- Assessment whether contractual cash flows are solely payments of principal and interest.**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**4. Material accounting policies, Continued**

**(6) Non-derivative financial assets, Continued**

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- Contingent events that would change the amount or timing of cash flows
- Terms that may adjust the contractual coupon rate, including variable- rate features
- Prepayment and extension features
- Terms that limit the Group's claim to cash flows from specified assets (e.g. non- recourse features)

**③ Derecognition of financial assets**

The Group derecognizes a financial asset when:

- The contractual rights to the cash flows from the financial asset expire
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - Substantially all of the risks and rewards of ownership of the financial asset are transferred
  - The Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset

The Group enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

**④ Offsetting**

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**4. Material accounting policies, Continued**

**(7) Derivative Financial Instruments**

Derivatives are initially recognized at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

**① Embedded Derivatives**

If an embedded derivative is not closely related to the economic characteristics and risk of the principal contract and a separate product with the same conditions as the embedded derivative meets the definition of the derivative, the embedded derivative is accounted for separately from the host contract. Changes in the fair value of embedded derivatives separated from the host contract are recognized in profit or loss.

**② Other Derivatives**

Derivatives that do not meet the criteria for hedge accounting are measured at fair value, and valuation gains or losses resulting from changes in fair value are recognized in profit or loss.

**(8) Impairment of Financial Assets**

**① Financial Instruments and Contract Assets**

The Group also recognizes loss allowance for ECLs on:

- Financial assets measured at amortized cost
- Debt instruments measured at FVOCI
- Contract assets recognized in accordance with K-IFRS No.1115

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12- month ECLs :

- Debt securities that are determined to have low credit risk at the reporting date and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

The Group considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held)
- A significant increase in the number of delinquent days of financial assets

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**4. Material accounting policies, Continued**

**(8) Impairment of Financial Assets, Continued**

**② Credit-impaired financial assets**

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer
- A breach of contract such as a default or being more than 90 days past due
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise
- It is probable that the borrower will enter bankruptcy or other financial reorganization
- The disappearance of an active market for a security because of financial difficulties.

**③ Presentation of allowance for ECL in the statement of financial position**

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets and for debt securities at FVOCI, the loss allowance is recognized in OCI, instead of reducing the carrying amount of the asset.

Impairment losses related to contract assets, including trade receivables and other receivables, are not separately recognized in the statement of comprehensive income but are disclosed within "Selling, general and administrative expenses" or "Other operating expenses" considering their materiality. Impairment losses on other financial assets are also not separately recognized in the statement of comprehensive income but are disclosed within "Finance costs" considering their materiality.

**④ Write-off**

The Group individually makes an assessment whether there is a reasonable expectation of recovering entire or a portion of the contractual cash flows of financial assets and remove the assets if there is no reasonable expectation. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could be still subject to enforcement activities to comply with the Group's procedures for recovery of amounts due.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**4. Material accounting policies, Continued**

**(9) Property, plant, and equipment**

When a significant portion of property, plant, and equipment is expected to be replaced periodically, the Group recognizes such portion as a separate asset and depreciates it over its useful life. Furthermore, if the recognition criteria for an item, such as a comprehensive inspection cost, are met, it is included in the carrying amount of property, plant, and equipment. Subsequent repairs and maintenance costs are recognized in the income statement when incurred. Property, plant and equipment, except for land, are depreciated over estimated useful lives that appropriately reflect the pattern in which the asset's future economic benefits are expected to be consumed on a straight-line basis.

The estimated useful lives for the current and comparative periods are as follows :

|            | <b>Years</b>  |
|------------|---------------|
| Buildings  | 20 ~ 40 years |
| Structures | 20 years      |
| Vessels    | 25 years      |
| Others     | 5 years       |

The Group considers the impact of health, safety, and environmental regulations when evaluating the expected useful life and estimated residual value.

**(10) Intangible assets**

An intangible asset is measured initially at cost. If an intangible asset is acquired in a business combination, the cost of that intangible asset is its fair value at the acquisition date. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is recognized in profit or loss as incurred.

Intangible assets are amortized over the estimated economic useful life from the time they are available. Intangible assets are amortized using the straight-line method over the useful life below. An intangible asset with an indefinite useful life such as membership is not amortized and the Group tests an intangible asset with an indefinite useful life for impairment at least once a year.

Expenditure on an in-process research is recognized as an expense when incurred and expenditure related to development is recognized as intangible assets (development costs) and are amortized over the expected useful life of economic benefits from the time the development is completed and available. The Group conducts impairment tests on development costs recognized as assets annually during the development period.

A summary of the policies applied to the Group's intangible assets is as follows :

|                               | <b>Amortization method used</b> | <b>Useful lives</b> | <b>Internally generated or acquired</b> |
|-------------------------------|---------------------------------|---------------------|-----------------------------------------|
| Development costs             | Straight line basis             | 5 years             | Acquired                                |
| Industrial proprietary rights | Straight line basis             | 5 years             | Acquired                                |
| Software                      | Straight line basis             | 5 years             | Acquired                                |
| Assets donated for use        | Units of production method      | -                   | Acquired                                |
| Memberships                   | Not amortized                   | Indefinite          | Acquired                                |
| Goodwill                      | Not amortized                   | Indefinite          | Acquired                                |

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**4. Material accounting policies, Continued**

**(11) Government grants**

Government grants are recognized only when there is reasonable assurance that the grant will be received, and the Group will comply with the conditions associated with the grant.

Regarding grants related to income, the Group recognizes it in profit on a systematic basis over the periods necessary to match the related costs for which the grants are intended to compensate.

**(12) Assets Held for Sale**

The Group measures a non-current asset (or disposal group) classified as held for sale at the lower of its carrying amount and fair value less costs to sell. The gain or loss on disposal of a non-current asset (or disposal group) classified as held for sale is determined by the difference between the disposal proceeds and the carrying amount of the assets. It is recognized in the income statement as "other operating income" or "other operating expenses".

**(13) Borrowing costs**

To the extent that the Group borrows funds specifically for the purpose of obtaining a qualifying asset, the Group determine the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings. Other borrowing costs are recognized in expense as incurred.

**(14) Leases**

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in K-IFRS No.1116.

**① As a lessee**

The right-of-use assets are depreciated using the straight-line method over the shorter of the lease term and the estimated useful life of the asset.

- Vessels: About 1 ~22 years
- Land and buildings: About 1 ~ 20 years
- Motor vehicles and other equipment: About 1 ~ 5 years

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by recognizing interest expense on the lease liability, and it is reduced to reflect lease payments made.

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. The lease liability of the Group is included in other financial liabilities.

The Group applies their judgment when determining the lease period for some lease contracts that include the option of extension. An assessment of whether the Group are quite certain to exercise an extension option has a significant impact on the amount of the lease liability and the right-of-use asset because it affects the lease term.

The Group has elected a practical expedient not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases(a lease that has a lease term of 12 months or less). The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**  
**4. Material accounting policies, Continued**

**(14) Leases, Continued**

**② As a lessor**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and a lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. However, if the Group acts as an intermediate lessor, the sublease classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset.

**(15) Employee benefits**

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

**(16) Provisions**

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**① Provision for sales warranty**

The Group is responsible for the guarantee of the CKD parts sold, and the provision is set at the time of sales of the relevant CKD parts based on the warranty period and past experience rate. Meanwhile, the consolidated company recognizes the amount of CKD parts that it is almost certain to be reimbursed through an agreement with the purchaser.

**② Defect repair provision**

The Group is responsible for the supply of Ballast Water Treatment System, Scrubber, and DPF equipment sold through a contract with the customer, and estimates the guarantee accrual ratio and recognizes the provision for the expected amount.

**③ Provision for claim**

The Group is liable for compensation for claims made by customers due to accidents in service, and establishes a provision by estimating the amount expected to incur the obligation to compensate accordingly.

**④ Other provisions**

The Group assumes obligations such as compensation arising from litigation or arbitration procedures with counterparties, submission of greenhouse gas emission allowances to the government, submission of emission allowances under the EU Emissions Trading System, removal, dismantlement, and restoration obligations after the end of use of tangible assets, and provision of paid annual leave for maritime crew. If the non-avoidable cost required to fulfill a contractual obligation exceeds the expected economic benefits, the entity estimates the corresponding amount and recognizes it as other provisions.

A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability is recognized in notes as contingent liabilities.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**4. Material accounting policies, Continued**

**(17) Greenhouse gas emission rights**

The consolidated company accounts for greenhouse gas emission rights and emission liabilities arising from the "Act on Allocation and Transactions of Greenhouse Gas Emissions" as follows.

① greenhouse gas emission rights

Greenhouse gas emission rights consist of emission rights allocated free of charge by the government and emission rights purchased for a fee. Free allocation emission rights are measured and recognized as zero (0), and purchase emission rights are recognized as acquisition costs by adding other costs directly related to the acquisition to the purchase cost.

② Discharge liabilities

Emissions liabilities are the current obligations to submit credits to the government, which are measured by summing the carrying number of credits held and the expected expenditure required to meet the obligations for excess emissions. Emissions liabilities are removed when submitted to the government.

**(18) Foreign currency**

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

If the functional currency of an overseas business is not the currency of a hyperinflationary economy, assets and liabilities in the statement of financial position (including the statement of financial position in comparison) are converted to the closing exchange rate at the end of the reporting period, income and expenses in the statement of comprehensive income (including the statement of comprehensive income in comparison) are converted to the exchange rate at the relevant trading day, and the foreign exchange difference arising from the conversion is recognized as other comprehensive income.

However, for overseas operations whose functional currency is the currency of a hyperinflationary economy, all items in the statements of financial position and statements of comprehensive income (except for comparative consolidated statements of financial position and comprehensive income) — including assets, liabilities, equity, income, and expenses — are translated at the closing exchange rates at the end of the reporting period.

Among the Group's consolidated entities, Hyundai Glovis Lojistik Sanayi ve Ticaret Ltd. Sti., whose functional currency is the Turkish Lira, has been classified as operating in a hyperinflationary economy since March 2022, as Turkey's cumulative inflation rate over three years exceeded 100%. Accordingly, the financial statements of this entity have been restated to reflect the change in the general purchasing power of the functional currency as of the reporting date, and the amounts are presented in terms of the measurement unit current at the reporting date.

The consumer price indices (CPI) used for restatement and the translation factors applied to the financial statements over the past four years are as follows:

| <b>Date</b>        | <b>Consumer Price Index (CPI)</b> | <b>Translation Factor</b> |
|--------------------|-----------------------------------|---------------------------|
| September 30, 2024 | 2,526.16                          | 1.00                      |
| December 31, 2023  | 1,859.38                          | 1.36                      |
| December 31, 2022  | 1,128.45                          | 2.24                      |
| December 31, 2021  | 686.95                            | 3.68                      |

The restatement for the year-end December 31, 2024, was performed using the CPI as of September 30, 2024, and it was confirmed that the difference compared to using the December 31, 2024 CPI is immaterial.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**4. Material accounting policies, Continued**

**(18) Foreign currency, Continued**

Monetary assets and liabilities have not been restated as they are already expressed in monetary units at the reporting date. Non-monetary assets and liabilities have been restated by applying the above CPI-based translation factors.

The effects of hyperinflation on monetary assets and liabilities are included in profit or loss in accordance with K-IFRS No. 1029, "Financial Reporting in Hyperinflationary Economies." During periods of hyperinflation, holding excessive monetary assets compared to monetary liabilities results in a loss of purchasing power and monetary loss. Monetary gains or losses arise from the differences in restating non-monetary assets and liabilities, equity, and items in the consolidated statements of comprehensive income.

**(19) Revenue from contracts with customers**

The Group operates businesses such as logistics, shipping, CKD business, and trading business. In a contract with a customer, the Group recognizes revenue at an amount that reflects the consideration it expects to receive in return for the goods or services when control of the goods or services is transferred to the customer. If the Group controls the specified goods or services before the goods or services are transferred to the customer, the Group is the principal.

**① Distribution and sales - CKD business, trading and used car business**

Revenue from the CKD business, trading and used car businesses is recognized at the time when the control of the assets is transferred to the customer. The Group considers whether the other commitments within the contract are separate performance obligations in which a portion of the transaction consideration must be allocated. For the transaction price of the CKD business, trading and used car businesses, the Group considers variable consideration, significant financial factors, non-cash consideration, and consideration to be paid to the customer.

**(A) Variable consideration**

If the contract includes variable consideration, the Group transfers the promised good to the customer and estimates the amount to be received in return. When the uncertainty associated with variable consideration is resolved later, the variable consideration is estimated at the beginning of the contract and included in the transaction price only to the extent that it is very unlikely that a significant portion of the recognized cumulative revenue will not be returned.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**4. Material accounting policies, Continued**

**(19) Revenue from contracts with customers, Continued**

**(B) Significant financial factors**

Applying the simplified method in K-IFRS No.1115, the Group does not reflect the effect of a significant financial factor on the promised consideration (amount) if the period between the transfer of the promised good or service to the customer at the start of the contract and the time the customer pays for it is expected to be within one year.

**(C) Warranty obligations**

The Group provides quality assurance obligations in relation to products sold at the time of sale through contracts with customers. This type of assurance is accounted for in accordance with K-IFRS No.1037 Provisions, Contingent Liabilities and Contingent Assets. Warranty provisions are listed in Note 18.

**② Logistics and shipping businesses**

The Group recognizes the revenue from the provision of domestic and overseas logistics businesses and transport services for the shipping businesses over time at the rate of progress under the input method. The logistics business calculates the progress rate in proportion to the total predicted number of days of transportation and the shipping businesses calculates the progress rate in proportion to the total predicted cost, considering the accumulated cost that has been invested so far.

**③ Contract balances**

**(A) Receivables**

Receivables represent the unconditional rights of the Group as receivables are collectable with the passage of time. Accounting policies related to financial assets are disclosed in Note 4.

**(B) Contract assets**

The contract assets are the Group's right to consideration in exchange for goods or services that the Group has transferred to the customer before the payment received or the payment date, thereof the right is conditioned on something other than the passage of time.

**(C) Contract liabilities**

Contract liabilities are the Group's obligation to transfer goods or services to the customer in response to the advance consideration (or consideration due) that the Group received from the customer. If the customer pays the consideration before the Group transfers the goods or services to the customer, the Group recognizes contract liabilities at the earlier time of the payment date or the payment due date. Contract liabilities are recognized as revenue when the Group fulfills its performance obligations under the contract.

**(20) Financial income and financial costs**

The Group's finance income and finance costs include :

- Interest income
- Interest expense
- Dividend income
- The net gain or loss on financial assets at FVPTL

Interest income or interest expense is recognized using the effective interest rate method. Dividend revenue is recognized in profit or loss on the date on which the Group's right to receive payment is established.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**4. Material accounting policies, Continued**

**(21) Income tax**

Income tax expense comprises current and deferred taxes. It is recognized in profit or loss except to extent that it relates to a business combination, or items recognized directly in equity or in OCI.

The global minimum top-up tax paid under the Pillar 2 Act is the corporate tax subject to K-IFRS No.1012 'Corporation Tax'. Consolidated entities are subject to temporary relaxation of their obligations on accounting for deferred tax due to the impact of the minimum tax.

**(22) Sales Division**

The Group classifies divisions based on the internal reporting that is periodically reviewed by the Chief Operating Decision Maker to makes decisions on resource allocation and to assess the performances of each division. The Group disclosed in its consolidated financial statements the disclosures related to its operations in accordance with K-IFRS No.1108, 'Operating Segments'.

**(23) Unapplied Drafting and Revision Standards**

The following are the major standards and interpretations that have been enacted or published but have not yet reached the effective date for the fiscal year beginning on or after January 1, 2024. The Group has not early adopted the following standards and interpretations in preparing these consolidated financial statements.

The following standards are not expected to have a material impact on Group.

- Lack of interchangeability (K-IFRS No. 1021, *Effects of Changes in Foreign Exchange Rates*)
- Classification and measurement requirements for financial instruments (K-IFRS No. 1107, *Financial Instruments: Disclosures*; K-IFRS No. 1109, *Financial Instruments*)
- Annual improvements to various standards (including K-IFRS No. 1007, *Statement of Cash Flows*; K-IFRS No. 1101, *First-time Adoption of Korean IFRS*; K-IFRS No. 1107, *Financial Instruments: Disclosures*; K-IFRS No. 1109, *Financial Instruments*; K-IFRS No. 1110, *Consolidated Financial Statements*)

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**5. Cash and cash equivalents**

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

(In thousands of won)

|                                |   | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|--------------------------------|---|--------------------------|--------------------------|
| Cash on hand                   | ₩ | 27,431                   | 27,724                   |
| Current and general deposits   |   | 1,182,131,452            | 1,091,801,335            |
| Installment and other deposits |   | 2,103,737,431            | 1,199,626,203            |
| Government grants              |   | (9,351,396)              | (630,004)                |
|                                | ₩ | <u>3,276,544,918</u>     | <u>2,290,825,258</u>     |

**6. Financial assets and liabilities by category**

**6.1 Financial assets by category**

(i) Details of financial assets by category as of December 31, 2024 are as follows :

(In thousands of won)

|                                        |   | <b>December 31, 2024</b>                           |                                                   |                                                              |                      |
|----------------------------------------|---|----------------------------------------------------|---------------------------------------------------|--------------------------------------------------------------|----------------------|
| <b>Financial assets</b>                |   | <b>Financial assets measured at amortized cost</b> | <b>Financial assets at fair value through OCI</b> | <b>Financial assets at fair value through profit or loss</b> | <b>Total</b>         |
| Cash and cash equivalents              | ₩ | 3,276,544,918                                      | -                                                 | -                                                            | 3,276,544,918        |
| Other current financial assets (*)     |   | 1,134,654,843                                      | -                                                 | 4,026,333                                                    | 1,138,681,176        |
| Trade receivables                      |   | 3,070,033,740                                      | -                                                 | -                                                            | 3,070,033,740        |
| Other accounts receivable              |   | 190,920,151                                        | -                                                 | -                                                            | 190,920,151          |
| Other non-current accounts receivables |   | 25,750,325                                         | -                                                 | -                                                            | 25,750,325           |
| Other non-current financial assets (*) |   | 16,804,178                                         | 214,390,801                                       | 7,001,629                                                    | 238,196,608          |
|                                        | ₩ | <u>7,714,708,155</u>                               | <u>214,390,801</u>                                | <u>11,027,962</u>                                            | <u>7,940,126,918</u> |

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

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

(In thousands of won)

|                                        |   | <b>December 31, 2023</b>                           |                                                   |                                                              |                      |
|----------------------------------------|---|----------------------------------------------------|---------------------------------------------------|--------------------------------------------------------------|----------------------|
| <b>Financial assets</b>                |   | <b>Financial assets measured at amortized cost</b> | <b>Financial assets at fair value through OCI</b> | <b>Financial assets at fair value through profit or loss</b> | <b>Total</b>         |
| 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 receivables |   | 24,496,292                                         | -                                                 | -                                                            | 24,496,292           |
| Other non-current financial assets (*) |   | 16,474,149                                         | 206,538,115                                       | 602,142                                                      | 223,614,406          |
|                                        | ₩ | <u>7,098,475,086</u>                               | <u>206,538,115</u>                                | <u>13,426,780</u>                                            | <u>7,318,439,981</u> |

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

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**6. Financial assets and liabilities by category, Continued**

**6.2 Financial liabilities by category**

(i) Details of financial liabilities by category as of December 31, 2024 are as follows :

(In thousands of won)

| Financial liabilities                       |   | December 31, 2024                          |                                                                     |                      |
|---------------------------------------------|---|--------------------------------------------|---------------------------------------------------------------------|----------------------|
|                                             |   | Financial liabilities<br>at amortized cost | Financial liabilities<br>at fair value<br>through profit or<br>loss | Total                |
| Trade payables                              | ₩ | 2,181,372,829                              | -                                                                   | 2,181,372,829        |
| Other payables                              |   | 500,619,650                                | -                                                                   | 500,619,650          |
| Short-term borrowings                       |   | 1,299,660,276                              | -                                                                   | 1,299,660,276        |
| Current portion of corporate bonds          |   | 189,971,620                                | -                                                                   | 189,971,620          |
| Other current financial liabilities (*)     |   | 496,698,715                                | 60,632,725                                                          | 557,331,440          |
| Long-term borrowings                        |   | 583,777,977                                | -                                                                   | 583,777,977          |
| Corporate bonds                             |   | 109,868,001                                | -                                                                   | 109,868,001          |
| Other non-current financial liabilities (*) |   | 1,646,720,075                              | 8,307,359                                                           | 1,655,027,434        |
|                                             | ₩ | <u>7,008,689,143</u>                       | <u>68,940,084</u>                                                   | <u>7,077,629,227</u> |

(\*) 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<br>at amortized cost | Financial liabilities<br>at fair value<br>through profit or<br>loss | Total                |
| Trade payables                              | ₩ | 1,791,237,338                              | -                                                                   | 1,791,237,338        |
| Other payables                              |   | 635,828,757                                | -                                                                   | 635,828,757          |
| 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        |
|                                             | ₩ | <u>6,172,600,870</u>                       | <u>33,279,400</u>                                                   | <u>6,205,880,270</u> |

(\*) Other financial liabilities include finance lease payables.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**6. Financial assets and liabilities by category, Continued**

**6.3 Revenues and expenses for financial assets and liabilities by category**

(i) Revenues and expenses for financial assets and liabilities by category for the years ended December 31, 2024 are as follows :

(In thousands of won)

**December 31, 2024**

|                                          |   | <b>Financial<br/>assets/liabilities<br/>measured at<br/>amortized cost</b> | <b>Financial assets at<br/>fair value through OCI</b> | <b>Financial<br/>assets/liabilities at fair<br/>value through profit or<br/>loss</b> | <b>Total</b>         |
|------------------------------------------|---|----------------------------------------------------------------------------|-------------------------------------------------------|--------------------------------------------------------------------------------------|----------------------|
| Interest income                          | ₩ | 181,994,455                                                                | -                                                     | -                                                                                    | 181,994,455          |
| Dividends                                |   | -                                                                          | 4,268,209                                             | -                                                                                    | 4,268,209            |
| Gain on foreign<br>currency transactions |   | 844,243,504                                                                | -                                                     | -                                                                                    | 844,243,504          |
| Gain on foreign<br>currency translations |   | 216,005,252                                                                | -                                                     | -                                                                                    | 216,005,252          |
| Gain on derivatives<br>transactions      |   | -                                                                          | -                                                     | 30,399,176                                                                           | 30,399,176           |
| Gain on derivatives<br>valuations        |   | -                                                                          | -                                                     | 4,114,518                                                                            | 4,114,518            |
| Bad debt expenses                        |   | (27,234,002)                                                               | -                                                     | -                                                                                    | (27,234,002)         |
| Interest expenses                        |   | (189,184,306)                                                              | -                                                     | -                                                                                    | (189,184,306)        |
| Loss on foreign<br>currency transactions |   | (643,830,548)                                                              | -                                                     | -                                                                                    | (643,830,548)        |
| Loss on foreign<br>currency translations |   | (415,484,944)                                                              | -                                                     | -                                                                                    | (415,484,944)        |
| Loss on derivatives<br>transactions      |   | -                                                                          | -                                                     | (74,047,685)                                                                         | (74,047,685)         |
| Loss on derivatives<br>valuations        |   | -                                                                          | -                                                     | (43,982,819)                                                                         | (43,982,819)         |
| Other bad debt<br>expenses               |   | (544,387)                                                                  | -                                                     | -                                                                                    | (544,387)            |
|                                          | ₩ | <u>(34,034,976)</u>                                                        | <u>4,268,209</u>                                      | <u>(83,516,810)</u>                                                                  | <u>(113,283,577)</u> |

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**6. Financial assets and liabilities by category, Continued**

**6.3 Revenues and expenses for financial assets and liabilities by category, Continued**

(ii) Revenues and expenses for financial assets and liabilities by category for the years ended December 31, 2023 are as follows:

(In thousands of won)

|                                                          | <b>December 31, 2023</b>                                       |                                                   |                                                                          |                     |
|----------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------|--------------------------------------------------------------------------|---------------------|
|                                                          | <b>Financial assets/liabilities measured at amortized cost</b> | <b>Financial assets at fair value through OCI</b> | <b>Financial assets/liabilities at fair value through profit or loss</b> | <b>Total</b>        |
| Interest income                                          | ₩ 120,422,928                                                  | -                                                 | -                                                                        | 120,422,928         |
| Dividends                                                | -                                                              | 3,773,914                                         | -                                                                        | 3,773,914           |
| Gain on fair value measurement financial asset valuation | -                                                              | -                                                 | 3,429,158                                                                | 3,429,158           |
| Gain on disposal of financial assets measured fair value | -                                                              | -                                                 | 43,943,620                                                               | 43,943,620          |
| Gain on foreign currency transactions                    | 832,909,318                                                    | -                                                 | -                                                                        | 832,909,318         |
| Gain on foreign currency translations                    | 52,342,779                                                     | -                                                 | -                                                                        | 52,342,779          |
| Gain on derivatives transactions                         | -                                                              | -                                                 | 22,571,531                                                               | 22,571,531          |
| Gain on derivatives valuations                           | -                                                              | -                                                 | 13,817,359                                                               | 13,817,359          |
| Reversal of bad debt expenses                            | 1,491,361                                                      | -                                                 | -                                                                        | 1,491,361           |
| Reversal of other bad debt Expenses                      | 75,557                                                         | -                                                 | -                                                                        | 75,557              |
| Interest expenses                                        | (169,664,161)                                                  | -                                                 | -                                                                        | (169,664,161)       |
| Loss on fair value measurement financial asset valuation | -                                                              | -                                                 | (931,799)                                                                | (931,799)           |
| Loss on disposal of financial assets measured fair value | -                                                              | -                                                 | (23,625,941)                                                             | (23,625,941)        |
| Loss on foreign currency Transactions                    | (549,824,847)                                                  | -                                                 | -                                                                        | (549,824,847)       |
| Loss on foreign currency translations                    | (410,928,741)                                                  | -                                                 | -                                                                        | (410,928,741)       |
| Loss on derivatives transactions                         | -                                                              | -                                                 | (27,710,557)                                                             | (27,710,557)        |
| Loss on derivatives valuations                           | -                                                              | -                                                 | (8,197,425)                                                              | (8,197,425)         |
| Other bad debt expenses                                  | (89,519)                                                       | -                                                 | -                                                                        | (89,519)            |
|                                                          | <u>W (123,265,325)</u>                                         | <u>3,773,914</u>                                  | <u>23,295,946</u>                                                        | <u>(96,195,465)</u> |

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**7. Other financial assets and liabilities**

**7.1 Other financial assets**

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

(In thousands of won)

|                                              |   | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|----------------------------------------------|---|--------------------------|--------------------------|
| Current:                                     |   |                          |                          |
| Short-term financial instruments             | ₩ | 1,125,941,000            | 1,714,146,820            |
| Financial derivative assets                  |   | 4,026,333                | 12,824,638               |
| Current portion of finance lease receivables |   | 6,366,158                | 11,346,924               |
| Current loans                                |   | 2,347,685                | 1,610,518                |
|                                              | ₩ | <u>1,138,681,176</u>     | <u>1,739,928,900</u>     |
| Non-current:                                 |   |                          |                          |
| Long-term deposit                            | ₩ | 7,787                    | 15,959                   |
| Non-current finance lease receivables        |   | 820,978                  | 6,191,775                |
| Non-current financial derivative assets      |   | 1,579                    | 602,142                  |
| Non-current loans                            |   | 15,975,413               | 10,266,414               |
| Financial assets at fair value               |   | 7,000,050                | -                        |
| Financial assets at fair value through OCI   |   | 214,390,801              | 206,538,115              |
|                                              | ₩ | <u>238,196,608</u>       | <u>223,614,405</u>       |

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

(i) Details of financial assets at fair value through OCI as of December 31, 2024 are as follows :

(In thousands of won)

|                                        |   | <b>December 31, 2024</b> |                    |                    |
|----------------------------------------|---|--------------------------|--------------------|--------------------|
|                                        |   | <b>Acquisition cost</b>  | <b>Fair value</b>  | <b>Book value</b>  |
| Equity instruments (listed shares)     | ₩ | 113,813,889              | 192,549,240        | 192,549,240        |
| Equity instruments (non-listed shares) |   | 25,555,099               | 21,841,561         | 21,841,561         |
|                                        | ₩ | <u>139,368,988</u>       | <u>214,390,801</u> | <u>214,390,801</u> |

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

(In thousands of won)

|                                        |   | <b>December 31, 2023</b> |                    |                    |
|----------------------------------------|---|--------------------------|--------------------|--------------------|
|                                        |   | <b>Acquisition cost</b>  | <b>Fair value</b>  | <b>Book value</b>  |
| 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 December 31, 2024 are as follows :

(In thousands of won)

|                                        |   | <b>December 31, 2024</b> |                   |                   |
|----------------------------------------|---|--------------------------|-------------------|-------------------|
|                                        |   | <b>Acquisition cost</b>  | <b>Fair value</b> | <b>Book value</b> |
| 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 Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**  
**7. Other financial assets and liabilities, Continued**

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

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

| December 31, 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  | -                            |

**7.2.2 Details of listed equity instruments**

(i) Details of listed equity instruments as of December 31, 2024 are as follows :

(In thousands of won)

| December 31, 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     | 155,213,295 | 155,213,295 | 82,692,919                   |
| Hyundai G.F. Holdings Co., Ltd. | 2,974,855                    | 1.91                | 26,964,664       | 14,532,167  | 14,532,167  | (12,432,497)                 |
| Hyundai Green Food Co., Ltd.    | 1,579,209                    | 4.66                | 14,328,849       | 22,803,778  | 22,803,778  | 8,474,929                    |
|                                 |                              |                     | ₩ 113,813,889    | 192,549,240 | 192,549,240 | 78,735,351                   |

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

(In thousands of won)

| 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 Green Food 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 service, 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 Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**7. Other financial assets and liabilities, Continued**

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

**7.2.3 Details of non-listed equity instruments**

(i) Details of non-listed equity instruments as of December 31, 2024 are as follows :

(In thousands of won)

|                                                     |  |  | December 31, 2024                  |                           |                     |            |            |                                    |
|-----------------------------------------------------|--|--|------------------------------------|---------------------------|---------------------|------------|------------|------------------------------------|
|                                                     |  |  | Number<br>of shares<br>(In shares) | Equity<br>interest<br>(%) | Acquisition<br>cost | Fair value | Book value | Unrealized<br>gain or loss<br>held |
| Hyundai Asset and<br>Investment Co., LTD.           |  |  | 39,000                             | 18.08                     | ₩ 6,202,935         | 10,856,270 | 10,856,270 | 4,653,335                          |
| Haevichi Hotels & Resort Co.<br>Ltd.                |  |  | 155,000                            | 2.91                      | 1,078,946           | 1,078,946  | 1,078,946  | -                                  |
| Hyundai Green Developmen<br>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                                        |  |  | 100,000                            | 2.00                      | 37,531              | -          | -          | (37,531)                           |
| Artisan Spirit Alloy<br>Technology Co., Ltd.        |  |  | 255,251                            | 12.22                     | 5,105,020           | -          | -          | (5,105,020)                        |
| Korea Maritime<br>Guarantee Co., Ltd.               |  |  | 1,172,179                          | 0.19                      | 8,925,904           | 8,890,504  | 8,890,504  | (35,400)                           |
| Seil Machinery<br>Installation Co., Ltd.            |  |  | 372                                | 0.14                      | 18,605              | -          | -          | (18,605)                           |
| Daebo L&S Co., Ltd.                                 |  |  | 7,187                              | 1.39                      | 12,792              | -          | -          | (12,792)                           |
| Discovermixtech<br>manufacturing Co., Ltd.          |  |  | 3,150,515                          | 1.88                      | 3,150,523           | -          | -          | (3,150,522)                        |
| Professional Construction<br>Mutual Aid Association |  |  | 235                                | 0.004                     | 218,354             | 222,715    | 222,715    | 4,361                              |
| Surff Company Co., Ltd                              |  |  | 6,517                              | 2.17                      | 23,400              | 23,400     | 23,400     | -                                  |
| Bravobeaver Co., Ltd.                               |  |  | 17,820                             | 18.00                     | 178,200             | 178,200    | 178,200    |                                    |
| Hanam Industrial                                    |  |  | 10                                 | 0.09                      | 1,531               | 1,531      | 1,531      |                                    |
| DAYOU PLUS CO.,LTD                                  |  |  | 2,525                              | 0.01                      | 11,363              |            |            | (11,363)                           |
|                                                     |  |  |                                    |                           | ₩ 25,555,099        | 21,841,561 | 21,841,561 | (3,713,538)                        |

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**7. Other financial assets and liabilities, Continued**

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

**7.2.3 Details of non-listed equity instruments, Continued**

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

(In thousands of won)

| (In thousands of won)                            |  |           | December 31, 2023               |                        |                  |            |             |
|--------------------------------------------------|--|-----------|---------------------------------|------------------------|------------------|------------|-------------|
|                                                  |  |           | Number of shares<br>(In shares) | Equity interest<br>(%) | Acquisition cost | Fair value | Book value  |
| Hyundai Asset and Investment Co., LTD.           |  | 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                                     |  | 100,000   | 2.00                            | 37,531                 | -                | -          | (37,531)    |
| Artisan Spirit Alloy Technology Co., Ltd.        |  | 255,251   | 12.22                           | 5,105,020              | -                | -          | (5,105,020) |
| Korea Maritime Guarantee Co., Ltd.               |  | 1,172,179 | 0.19                            | 8,925,904              | 8,890,504        | 8,890,504  | (35,400)    |
| Seil Machinery Installation Co., Ltd.            |  | 372       | 0.15                            | 18,605                 | -                | -          | (18,605)    |
| Daebo L&S Co., Ltd.                              |  | 7,187     | 1.39                            | 12,792                 | -                | -          | (12,792)    |
| Discovermixtech manufacturing Co., Ltd.          |  | 3,150,515 | 1.88                            | 3,150,522              | -                | -          | (3,150,522) |
| Professional Construction Mutual Aid Association |  | 235       | 0.004                           | 218,354                | 222,229          | 222,229    | 3,875       |
| Surff Company Co., Ltd                           |  | 1,300     | 2.29                            | 23,400                 | 23,400           | 23,400     | -           |
|                                                  |  |           |                                 | ₩ 25,364,004           | 22,038,882       | 22,038,882 | (3,325,122) |

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**7. Other financial assets and liabilities, Continued**

**7.3 Other financial liabilities**

Other financial liabilities as of December 31, 2024 and 2023 are as follows :

| <i>(In thousands of won)</i>                                       |   | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|--------------------------------------------------------------------|---|--------------------------|--------------------------|
| Current:                                                           |   |                          |                          |
| Financial derivative liabilities                                   | ₩ | 60,632,725               | 9,188,467                |
| Current portion of long-term accounts payable (*1)                 |   | 26,364,785               | 132,041,881              |
| Current portion of long-term finance lease payables                |   | 470,333,930              | 367,802,074              |
|                                                                    | ₩ | <u>557,331,440</u>       | <u>509,032,422</u>       |
| Non-current:                                                       |   |                          |                          |
| Long-term financial derivative liabilities                         | ₩ | 1,570,519                | 17,870,683               |
| Long-term other accounts payable (*1)                              |   | 219,606,554              | 127,952,907              |
| Long-term guarantee deposits                                       |   | 1,147,712                | 889,306                  |
| Long-term finance lease payables                                   |   | 1,425,965,809            | 1,083,580,088            |
| Designated financial liabilities at profit or loss recognition(*2) |   | 6,736,840                | 6,220,250                |
|                                                                    | ₩ | <u>1,655,027,434</u>     | <u>1,236,513,234</u>     |

(\*1) The Group has long-term other 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 previous period, 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.

**7.4 Long-term other accounts payable**

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

| <i>(In thousands of won)</i>     |   | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|----------------------------------|---|--------------------------|--------------------------|
| Long-term other accounts payable | ₩ | 451,011,221              | 273,690,870              |
| Present value discounts          |   | (205,039,882)            | (13,696,082)             |
| Net Value                        | ₩ | <u>245,971,339</u>       | <u>259,994,788</u>       |
| Current                          | ₩ | 26,364,785               | 132,041,881              |
| Non-current                      |   | 219,606,554              | 127,952,907              |

For the long-term other payables above, the Group has provided its vessels as collateral (see Note 28).

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**7. Other financial assets and liabilities, Continued**

**7.5 Derivative instruments**

**7.5.1 The Group has derivative contracts for the purpose of reducing exposures to foreign exchange risk and other market risk, and details as of December 31, 2024 are as follows.**

**In addition, the consolidated entity 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 the end of the current term are as follows :**

(1) Foreign exchange risk

| <i>(In won, USD)</i> | <b>Financial institution</b> | <b>Contract date</b> | <b>Due date</b> | <b>Exchange rate</b> | <b>Contract amount</b> |
|----------------------|------------------------------|----------------------|-----------------|----------------------|------------------------|
| Currency forwards    | Deutsche Bank and others     | 2024-10-02           | 2025-03-17      | ₩ 1,312.62~1,472.50  | \$ 645,819,946         |
| Currency options     | Korea Development Bank       | 2020-01-30           | 2029-04-09      | ₩ 1,159.20~1,429.00  | \$ 34,739,616          |

(2) Other market risks

| <i>(In USD)</i>   | <b>Financial institution</b>           | <b>Contract date</b> | <b>Due date</b> | <b>Contract quantities(ton)</b> | <b>Contract amount</b> |
|-------------------|----------------------------------------|----------------------|-----------------|---------------------------------|------------------------|
| Commodity futures | Daishin Securities Co., Ltd and others | 2024-10-01           | 2025-03-19      | 25,425                          | \$ 65,637,531          |

(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<br>(i) If an IPO is made within 4 years from the date of closing of the transaction, the relevant IPO time<br>(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<br>(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 27).

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**7. Other financial assets and liabilities, Continued**

**7.5 Derivative instruments, Continued**

**7.5.2 Derivative assets and liabilities as of December 31, 2024 and December 31, 2023 are as follows :**

(In thousands of won)

|                                     |   | December 31, 2024 |                   | December 31, 2023 |                   |
|-------------------------------------|---|-------------------|-------------------|-------------------|-------------------|
|                                     |   | Assets            | Liabilities       | Assets            | Liabilities       |
| Currency forwards                   | ₩ | 2,871,419         | 37,154,656        | 7,724,283         | 638,616           |
| Currency options                    |   | 1,579             | 3,578,986         | 633,227           | 1,584,064         |
| Commodity futures<br>(non-metals)   |   | 1,154,914         | 326,019           | 4,938,315         | 6,753,203         |
| Commodity futures<br>(bunkers)      |   | -                 | -                 | 130,955           | 727,074           |
| Embedded derivative<br>(Put option) |   | -                 | 21,143,583        | -                 | 17,356,193        |
|                                     | ₩ | <u>4,027,912</u>  | <u>62,203,244</u> | <u>13,426,780</u> | <u>27,059,150</u> |

**7.5.3 Gain and loss on derivative transactions and valuation for the years ended December 31, 2024 and 2023 are as follows :**

(i) Gain and loss on derivative transactions and valuation for the years ended December 31, 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                    | ₩ | 25,779,431                      | 64,395,200                      | 2,871,419                        | 37,154,656                       |
| Currency options                     |   | -                               | 1,822,668                       | 88,185                           | 2,714,753                        |
| Commodity futures<br>(Non-metals)    |   | 3,870,615                       | 7,328,508                       | 1,154,914                        | 326,019                          |
| Commodity futures<br>(Bunkers)       |   | 749,130                         | 501,309                         | -                                | -                                |
| Embedded derivatives<br>(Put option) |   | -                               | -                               | -                                | 3,787,392                        |
|                                      | ₩ | <u>30,399,176</u>               | <u>74,047,685</u>               | <u>4,114,518</u>                 | <u>43,982,820</u>                |

(ii) Loss and gain on derivative transactions and valuation for the years ended December 31, 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                    | ₩ | 11,296,108                      | 20,707,441                      | 7,724,283                        | 638,616                          |
| Currency options                     |   | 6,621                           | 468,503                         | 474,723                          | 78,532                           |
| Commodity futures<br>(Non-metals)    |   | 9,021,158                       | 4,467,948                       | 4,938,315                        | 6,753,203                        |
| Commodity futures<br>(Bunkers)       |   | 2,247,644                       | 2,066,665                       | 130,955                          | 727,074                          |
| Embedded derivatives<br>(Put option) |   | -                               | -                               | 549,083                          | -                                |
|                                      | ₩ | <u>22,571,531</u>               | <u>27,710,557</u>               | <u>13,817,359</u>                | <u>8,197,425</u>                 |

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**7. Other financial assets and liabilities, Continued**

**7.6 Fair value**

**7.6.1 The fair value and book value of financial instruments as of December 31, 2024 and December 31, 2023 are as follows :**

(In thousands of won)

|                                             |   | Book value           |                      | Fair value           |                      |
|---------------------------------------------|---|----------------------|----------------------|----------------------|----------------------|
|                                             |   | December 31, 2024    | December 31, 2023    | December 31, 2024    | December 31, 2023    |
| Financial assets:                           |   |                      |                      |                      |                      |
| Cash and cash equivalents                   | ₩ | 3,276,544,918        | 2,290,825,258        | 3,276,544,918        | 2,290,825,258        |
| Trade receivables                           |   | 3,070,033,740        | 2,867,561,579        | 3,070,033,740        | 2,867,561,579        |
| Other accounts receivable                   |   | 190,920,151          | 172,013,546          | 190,920,151          | 172,013,546          |
| Other current financial assets              |   | 1,138,681,176        | 1,739,928,900        | 1,138,681,176        | 1,739,928,900        |
| Other non-current accounts receivable       |   | 25,750,325           | 24,496,292           | 25,750,325           | 24,496,292           |
| Other long-term financial assets            |   | 238,196,608          | 223,614,405          | 238,196,608          | 223,614,405          |
|                                             | ₩ | <u>7,940,126,918</u> | <u>7,318,439,980</u> | <u>7,940,126,918</u> | <u>7,318,439,980</u> |
| Financial liabilities:                      |   |                      |                      |                      |                      |
| Trade payables                              | ₩ | 2,181,372,829        | 1,791,237,338        | 2,181,372,829        | 1,791,237,338        |
| Other accounts payable                      |   | 500,619,650          | 635,828,757          | 500,619,650          | 635,828,757          |
| Short-term borrowings                       |   | 1,299,660,276        | 1,174,196,993        | 1,299,660,276        | 1,174,196,993        |
| Short-term corporate bonds                  |   | 189,971,620          | -                    | 189,971,620          | -                    |
| Other current financial liabilities (*)     |   | 86,997,510           | 141,230,349          | 86,997,510           | 141,230,349          |
| Long-term borrowings                        |   | 583,777,977          | 559,425,528          | 583,777,977          | 559,425,528          |
| Corporate bonds                             |   | 109,868,001          | 299,645,998          | 109,868,001          | 299,645,998          |
| Other non-current financial liabilities (*) |   | 229,061,625          | 152,933,146          | 229,061,625          | 152,933,146          |
|                                             | ₩ | <u>5,181,329,488</u> | <u>4,754,498,109</u> | <u>5,181,329,488</u> | <u>4,754,498,109</u> |

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

**7.6.2 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).

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**7. Other financial assets and liabilities, Continued**

**7.6 Fair value, Continued**

**7.6.3 valuation methods used to measure the fair value of financial instruments are as follows :**

|                                                                                             | Valuation methods                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Other short & long-term financial assets and liabilities<br>(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 by using commonly accepted valuation methodologies such as the discounted cash flow (DCF) model and the binomial option pricing model and others.                             |
| Other long-term financial assets<br>(Financial assets at fair value through profit or loss) | For unlisted investments, the Group uses a valuation technique including DCF model to measures fair value using the best information available about observable market data in the circumstances.                                                                                                                                                                        |
| Other long-term financial assets<br>(Financial assets at fair value through OCI)            | For listed investments, 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. |

**7.6.4 Valuation technique used in measuring Level 2 fair values of financial instruments**

|                                            | Valuation technique | Input                                             |
|--------------------------------------------|---------------------|---------------------------------------------------|
| Financial assets at fair value through OCI | Net asset value     | Discount rate                                     |
| Derivatives                                | DCF Model           | Currency spot price, Discount rate, Exchange rate |

**7.6.5 Valuation technique used in measuring Level 3 fair values of financial instruments**

- (i) 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 | DCF Model            | 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 during the current period.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**7. Other financial assets and liabilities, Continued**

**7.6 Fair value, Continued**

**7.6.5 Valuation technique used in measuring level 3 fair values of financial instruments, Continued**

- (ii) The valuation technique and inputs used in measuring the fair value of financial instruments classified as level 3 as of December 31, 2024 are as follows:

(In thousands of won)

|                           |   | <b>Fair value</b> | <b>Valuation technique</b> | <b>Input</b>                            | <b>Range of input(%)</b> |
|---------------------------|---|-------------------|----------------------------|-----------------------------------------|--------------------------|
| Derivatives liabilities : |   |                   |                            |                                         |                          |
| Stock option              | ₩ | 21,143,583        | Option pricing model       | Stock Price volatility<br>Discount rate | 35.00<br>4.64            |

- (iii) Sensitivity analysis of changes in unobservable inputs for financial instruments classified as level 3 as of December 31, 2024 are as follows :

(In thousands of won)

|                              |   | <b>Fair value</b> | <b>Favoralbe change</b> | <b>Unfavoralbe change</b> |
|------------------------------|---|-------------------|-------------------------|---------------------------|
| Derivatives liabilities(*) : |   |                   |                         |                           |
| Stock option                 | ₩ | 21,143,583        | (9,078,125)             | 9,625,578                 |

(\*) The Group adjusts the key unobservable input, volatility, of the above derivative liabilities by  $\pm 25$  %p to calculate the resulting changes in fail value.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**7. Other financial assets and liabilities, Continued**

**7.6 Fair value, Continued**

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

Quantitative disclosures of fair value measurement hierarchy for financial assets and liabilities as of December 31, 2024 and 2023 are as follows :

- (i) Quantitative disclosures of fair value measurement hierarchy for financial assets and liabilities as of December 31, 2024 are as follows :

(In thousands of won)

|                                                                                                               | December 31, 2024 |            |            |             |
|---------------------------------------------------------------------------------------------------------------|-------------------|------------|------------|-------------|
|                                                                                                               | Level 1           | Level 2    | Level 3    | Total       |
| Financial assets at fair value through profit or loss:                                                        |                   |            |            |             |
| Other non-current financial assets<br>(Financial assets at fair value through profit or loss)                 | ₩ -               | -          | 7,000,050  | 7,000,050   |
| Other current financial assets<br>(Derivative financial assets)                                               | -                 | 4,026,333  | -          | 4,026,333   |
| Other non-current financial assets<br>(Derivative instruments)                                                | -                 | 1,579      | -          | 1,579       |
| Financial assets at fair value through OCI:                                                                   |                   |            |            |             |
| Other long-term financial assets<br>(Financial assets at fair value through OCI)                              | 192,549,240       | 10,856,270 | 10,985,291 | 214,390,801 |
| Financial liabilities at fair value through profit or loss:                                                   |                   |            |            |             |
| Other current financial liabilities<br>(Derivative instruments)                                               | -                 | 39,489,142 | 21,143,583 | 60,632,725  |
| Other non-current financial liabilities<br>(Derivative instruments)                                           | -                 | 1,570,519  | -          | 1,570,519   |
| Other non-current financial liabilities<br>(Designated financial liabilities based on current profit or loss) | -                 | -          | 6,736,840  | 6,736,840   |

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**7. Other financial assets and liabilities, Continued**

**7.6 Fair value, Continued**

**7.6.6 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 financial assets)                                               | ₩ -               | 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.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**8. Trade receivables, contract assets and other receivables**

**8.1 Details of trade receivables, contract assets and other receivables**

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

| <i>(In thousands of won)</i>           |   | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|----------------------------------------|---|--------------------------|--------------------------|
| Trade receivables and contract assets  | ₩ | 3,402,061,289            | 3,068,907,310            |
| Less : allowance for doubtful accounts |   | (55,292,940)             | (25,125,177)             |
| Trade receivables and contract assets  |   | 3,346,768,349            | 3,043,782,133            |
| Other accounts receivable              |   | 131,096,615              | 122,362,621              |
| Less : allowance for doubtful accounts |   | (1,099,455)              | (884,385)                |
| Accrued revenue                        |   | 43,974,399               | 38,079,288               |
| Guarantee deposits                     |   | 16,948,591               | 12,456,022               |
| Other receivables                      |   | 190,920,150              | 172,013,546              |
| Long-term accounts receivable          |   | 102,812                  | 101,912                  |
| Long-term guarantee deposits           |   | 25,647,513               | 24,394,380               |
| Other non-current receivables          |   | 25,750,325               | 24,496,292               |
|                                        | ₩ | 3,563,438,824            | 3,240,291,971            |

**8.2 Changes in allowance for doubtful account**

Changes in allowance for doubtful accounts for the year ended December 31, 2024 and 2023 are as follows :

| <i>(In thousands of won)</i>                        |   | <b>Trade receivables and<br/>Contract Assets</b> | <b>Other receivables</b> |
|-----------------------------------------------------|---|--------------------------------------------------|--------------------------|
| January 1, 2023                                     | ₩ | 27,416,978                                       | 1,356,799                |
| Impairment loss(Reversal)                           |   | (1,009,793)                                      | 89,519                   |
| Write-off                                           |   | (843,680)                                        | (569,000)                |
| Reversal                                            |   | (602,874)                                        | -                        |
| Effect of change in foreign exchange rates and etc. |   | 164,546                                          | 7,067                    |
| December 31, 2023                                   |   | 25,125,177                                       | 884,385                  |
| Impairment loss(Reversal)                           |   | 27,416,033                                       | 544,387                  |
| Write-off                                           |   | (793,679)                                        | -                        |
| Reversal                                            |   | (289,395)                                        | -                        |
| Effect of change in foreign exchange rates and etc. |   | 3,834,804                                        | (329,317)                |
| December 31, 2024                                   | ₩ | 55,292,940                                       | 1,099,455                |

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**8. Trade receivables, contract assets and other receivables, Continued**

**8.3 The aging analysis of trade receivables, contract assets and other receivables**

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

| <i>(In thousands of won)</i>  |   | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|-------------------------------|---|--------------------------|--------------------------|
| Neither past due nor impaired | ₩ | 3,375,104,554            | 3,089,975,173            |
| Past due but not impaired:    |   |                          |                          |
| < 30 days                     |   | 50,512,262               | 36,751,840               |
| 30-60 days                    |   | 21,405,537               | 12,154,166               |
| 60-90 days                    |   | 18,775,381               | 8,778,999                |
| 90-120 days                   |   | 4,065,310                | 7,277,599                |
| > 120 days                    |   | 93,575,780               | 85,354,193               |
|                               | ₩ | <u>3,563,438,824</u>     | <u>3,240,291,970</u>     |
| Impaired receivables          |   | 56,392,385               | 26,009,562               |

**8.4 The restricted deposit**

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

| <i>(In thousands of won, EUR)</i>   | <b>Financial institution</b> | <b>Currency</b> | <b>December 31, 2024</b> | <b>December 31, 2023</b> | <b>Description</b>     |
|-------------------------------------|------------------------------|-----------------|--------------------------|--------------------------|------------------------|
| Cash and cash equivalents           | Shinhan Bank                 | USD             | 341                      | -                        | Bank guarantee Account |
| Other long-term accounts receivable | Shinhan Bank                 | KRW             | 2,000                    | 2,000                    | opening Account        |
| (Long-term financial instruments)   | Hana Bank                    | KRW             | 2,000                    | 2,000                    | opening Account        |
|                                     | Citibank                     | KRW             | 1,500                    | 1,500                    | opening Account        |

**9. Contract assets and contract liabilities**

**9.1 Details of contract assets and contract liabilities as of December 31, 2024 and December 31, 2023 are as follows :**

| <i>(In thousands of won)</i>                                                     |   | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|----------------------------------------------------------------------------------|---|--------------------------|--------------------------|
| Contract assets:                                                                 |   |                          |                          |
| Contract assets for logistics and shipping sales contracts                       | ₩ | 276,734,609              | 176,220,554              |
| Contract liabilities:                                                            |   |                          |                          |
| Contract liabilities for logistics and shipping sales contracts                  |   | 43,705,369               | 71,028,894               |
| Contract liabilities for sales contracts of KD and other distribution businesses |   | 68,799,186               | 86,565,930               |
| Contract liabilities                                                             | ₩ | <u>112,504,555</u>       | <u>157,594,824</u>       |

**9.2 The Group recognized ₩157,594,824 thousand of revenue from contract liabilities carried forward from the prior year during the year ended December 31, 2024, and performance obligations for contract liabilities as of December 31, 2024 is expected to be satisfied within a year.**

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**10. Inventories**

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

| (In thousands of won)                |   | December 31, 2024    |                                |                      | December 31, 2023    |                                |                      |
|--------------------------------------|---|----------------------|--------------------------------|----------------------|----------------------|--------------------------------|----------------------|
|                                      |   | Acquisition cost     | Accumulated impairment loss(*) | Book value           | Acquisition cost     | Accumulated impairment loss(*) | Book value           |
| Merchandise(at net realizable value) | ₩ | 175,285,631          | (43,650)                       | 175,241,981          | 113,740,489          | (1,295,808)                    | 112,444,681          |
| CKD components(at cost)              |   | 1,320,029,663        | (4,394,120)                    | 1,315,635,543        | 1,041,596,909        | (4,423,107)                    | 1,037,173,802        |
| Goods in transit(at cost)            |   | 99,218,552           | -                              | 99,218,552           | 71,458,664           | (189,584)                      | 71,269,080           |
| Stored goods (at cost)               |   | 134,239,265          | (159,365)                      | 134,079,900          | 126,452,979          | (174,582)                      | 126,278,397          |
| Re-finished product                  |   | 8,497                | -                              | 8,497                | 281,213              | -                              | 281,213              |
| Raw material                         |   | 144,980              | -                              | 144,980              | 165,618              | -                              | 165,618              |
|                                      | ₩ | <u>1,728,926,588</u> | <u>(4,597,135)</u>             | <u>1,724,329,453</u> | <u>1,353,695,872</u> | <u>(6,083,081)</u>             | <u>1,347,612,791</u> |

(\*) ₩ 1,485,946 thousand for the current period was deducted from the cost of sales, and ₩ 2,529,118 thousand for the previous period was added to the cost of sales.

**11. Other current assets and other non-current asset**

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

| (In thousands of won)         |   | December 31, 2024  |                   | December 31, 2023  |                   |
|-------------------------------|---|--------------------|-------------------|--------------------|-------------------|
|                               |   | Current            | Non-current       | Current            | Non-current       |
| Advance payments              | ₩ | 59,343,003         | -                 | 59,286,787         | -                 |
| Prepaid expenses              |   | 82,970,204         | 1,605,473         | 77,227,535         | 962,258           |
| Net defined benefit assets(*) |   | -                  | 23,405,310        | -                  | 50,214,072        |
|                               | ₩ | <u>142,313,207</u> | <u>25,010,783</u> | <u>136,514,322</u> | <u>51,176,330</u> |

(\*) As of the end of the current term and the previous term, ₩ 23,405,310 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.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**12. Investments in associates and joint ventures**

**12.1 Details of investments in associates and joint ventures**

(i) Details of investments in associates and joint ventures as of December 31, 2024 are as follows :

(In thousands of won)

| Entity                                                                              | Equity interest (%) | December 31, 2024 |             |             |
|-------------------------------------------------------------------------------------|---------------------|-------------------|-------------|-------------|
|                                                                                     |                     | Acquisition cost  | Net assets  | Book value  |
| Hyundai Engineering Co., Ltd.(*1)                                                   | 11.67               | ₩ 266,761,717     | 270,718,556 | 314,947,928 |
| Hi Gold Ocean Ship Private Special Asset Investment Trust No. 11(*2)                | -                   | -                 | -           | -           |
| Boston Dynamics, Inc.(*3)                                                           | 10.95               | 264,729,774       | 22,304,478  | 172,034,931 |
| Beijing Zhongdu Glovis Logistics Co., Ltd.(*4)                                      | 50.00               | 8,063,562         | 37,013,583  | 37,013,582  |
| Sichuan Glovis Logistics Co., Ltd.(*5)                                              | 51.00               | 6,901,703         | 12,128,350  | 12,128,350  |
| Jiangsu Yueda Glovis Logistics Co., Ltd.(*4)                                        | 50.00               | 2,005,738         | 3,397,480   | 3,397,479   |
| Changjiu Glovis (Shanghai) Shipping Co., Ltd.                                       | 49.00               | 761,298           | 4,744,905   | 4,744,905   |
| Stena Glovis SE                                                                     | 50.00               | 6,856,150         | 6,619,232   | 6,619,233   |
| BLG Glovis BHV GmbH                                                                 | 50.00               | 33,384            | -           | -           |
| ORYX LNG NO 1 PTE. LTD.(*6)                                                         | 50.00               | 16,063,665        | 16,932,545  | 16,932,545  |
| ORYX LNG NO 2 PTE. LTD.(*6)                                                         | 50.00               | 16,063,665        | 16,933,410  | 16,933,410  |
| ORYX LNG NO 3 PTE. LTD.(*6)                                                         | 50.00               | 16,063,665        | 16,933,410  | 16,933,410  |
| ORYX LNG NO 4 PTE. LTD.(*6)                                                         | 50.00               | 16,063,665        | 16,932,545  | 16,932,545  |
| Socius Korea Investment No.1 Corporate Financial Stability Private Equity Fund (*7) | 34.51               | 50,000,000        | 49,815,054  | 49,815,054  |
| HTWO LOGISTICS, LLC(*8)                                                             | 25.00               | 5,235,746         | 5,761,320   | 5,761,320   |
|                                                                                     |                     | ₩ 675,603,732     | 480,234,868 | 674,194,692 |

(\*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) Hi Gold Ocean Ship Private Special Asset Investment Trust No. 11 was liquidated, and the Group fully recovered the investment principal.

(\*3) Although it was classified as an associate, as the Group exercises significant influence on the Board of Directors of the investee by shareholders' agreements. The Group acquired an additional ₩ 67,320,537 thousand during the current term, the share ratio increased to 10.95% from 10.56%

(\*4) The Group acquired additional shares in Beijing Zhongdu Glovis Logistics Co., Ltd. and Jiangsu Yueda Glovis Logistics Co., Ltd. during the current period, increasing its ownership percentage from 40% to 50%.

(\*5) Although the Group holds a majority ownership in Sichuan Glovis Co., Ltd., the Group classifies as a joint venture as the Group has no power for decision making on its financial and operating policy.

(\*6) ORYX LNG NO 1 PTE. LTD., ORYX LNG NO 2 PTE. LTD., ORYX LNG NO 3 PTE. LTD., ORYX LNG NO 4 PTE. LTD. were established during the current period, and the Group acquired a 50% ownership interest through a capital contribution. An additional payment of ₩ 337,585 thousand was made during the current period, with no change in the equity ownership

(\*7) Socius No.5 Corporate Financial Stability Private Equity Fund changed its name Socius Korea Investment No.1 Corporate Financial Stability Private Equity Fund during the current period. The Group acquired a 34.99% equity interest through a capital investment, and after a paid-in capital increase, the share ratio decreased to 34.51%.

(\*8) The Group acquired a 25% ownership interest in HTWO LOGISTICS, LLC through a capital contribution during the current period.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**12. Investments in associates and joint ventures, Continued**

**12.1 Details of investments in associates and joint ventures, Continued**

(ii) Details of investments in associates and joint ventures as of December 31, 2023 are as follows :

(In thousands of won)

| Entity                                                           | Equity interest (%) | December 31, 2023 |             |             |
|------------------------------------------------------------------|---------------------|-------------------|-------------|-------------|
|                                                                  |                     | Acquisition cost  | Net assets  | Book value  |
| Hyundai Engineering Co., Ltd.(*1)                                | 11.67               | ₩ 266,761,717     | 407,253,720 | 451,435,797 |
| Hi Gold Ocean Ship Private Special Asset Investment Trust No. 11 | 20.00               | 42,789,935        | 42,792,048  | 42,793,532  |
| Boston Dynamics, Inc.(*2)                                        | 10.56               | 197,409,237       | 10,975,757  | 136,999,860 |
| Beijing Zhongdu Glovis Logistics Co., Ltd.                       | 40.00               | 687,520           | 23,092,124  | 23,092,124  |
| Sichuan Glovis Logistics Co., Ltd.(*3)                           | 51.00               | 6,901,703         | 10,681,687  | 10,681,687  |
| Jiangsu Yueda Glovis Logistics Co., Ltd.                         | 40.00               | 1,339,680         | 2,498,643   | 2,498,643   |
| Changjiu Glovis (Shanghai) Shipping Co., Ltd.                    | 49.00               | 761,298           | 2,179,059   | 2,179,059   |
| Stena Glovis SE                                                  | 50.00               | 6,856,150         | 5,858,767   | 5,858,767   |
| BLG Glovis BHV GmbH                                              | 50.00               | 33,384            | 159,997     | 159,997     |
|                                                                  |                     | ₩ 523,540,624     | 505,491,802 | 675,699,466 |

(\*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) As additional investments were made during the pervious term, the share ratio increased to 10.56%. Although it was classified as an associate, as the Group exercises significant influence on the Board of Directors of the investee by shareholders' agreements.

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

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**  
**12. Investments in associates and joint ventures, Continued**

**12.2 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 years ended December 31, 2024 are as follows :

(In thousands of won)

|                                                                                      | 2024          |                             |              |                                                           |                                                     |
|--------------------------------------------------------------------------------------|---------------|-----------------------------|--------------|-----------------------------------------------------------|-----------------------------------------------------|
|                                                                                      | January 1     | Acquisition/<br>Replacement | Disposal     | Share of<br>profit of<br>associates and<br>joint ventures | Changes in<br>retained earnings<br>in equity method |
| Hyundai Engineering Co. Ltd.                                                         | ₩ 451,435,797 | -                           | -            | (118,258,843)                                             | (4,258,603)                                         |
| Hi Gold Ocean Ship<br>Private Special Asset<br>Investment Trust No. 11               | 42,793,532    | -                           | (42,789,935) | 41,254,525                                                | -                                                   |
| Boston Dynamics, Inc.                                                                | 136,999,860   | 67,320,537                  | -            | (50,672,960)                                              | (429,323)                                           |
| Beijing Zhongdu Glovis<br>Logistics Co., Ltd.                                        | 23,092,124    | 7,376,043                   | -            | 3,315,106                                                 | -                                                   |
| Sichuan Glovis Logistics Co., Ltd                                                    | 10,681,687    | -                           | -            | 225,535                                                   | -                                                   |
| Jiangsu Yueda Glovis Logistics Co.,<br>Ltd.                                          | 2,498,643     | 666,058                     | -            | (83,496)                                                  | -                                                   |
| Changjiu Glovis (Shanghai)<br>Shipping Co., Ltd                                      | 2,179,058     | -                           | -            | 2,156,667                                                 | -                                                   |
| Stena Glovis SE                                                                      | 5,858,767     | -                           | -            | 295,689                                                   | -                                                   |
| BLG Glovis BHV GmbH                                                                  | 159,997       | -                           | -            | (140,245)                                                 | (25,186)                                            |
| ORYX LNG NO 1 PTE. LTD.                                                              | -             | 16,063,665                  | -            | (1,789)                                                   | -                                                   |
| ORYX LNG NO 2 PTE. LTD.                                                              | -             | 16,063,665                  | -            | (987)                                                     | -                                                   |
| ORYX LNG NO 3 PTE. LTD.                                                              | -             | 16,063,665                  | -            | (987)                                                     | -                                                   |
| ORYX LNG NO 4 PTE. LTD.                                                              | -             | 16,063,665                  | -            | (1,789)                                                   | -                                                   |
| Socius Korea Investment No.1<br>Corporate Financial Stability Private<br>Equity Fund | -             | 50,000,000                  | -            | (175,446)                                                 | -                                                   |
| HTWO LOGISTICS, LLC                                                                  | -             | 5,235,745                   | -            | -                                                         | -                                                   |
|                                                                                      | ₩ 675,699,465 | 194,853,043                 | (42,789,935) | (122,089,020)                                             | (4,713,112)                                         |

(In thousands of won)

|                                                                                      | 2024              |                   |             |
|--------------------------------------------------------------------------------------|-------------------|-------------------|-------------|
|                                                                                      | Dividend received | Other Changes (*) | December 31 |
| Hyundai Engineering Co. Ltd.                                                         | ₩ (5,320,440)     | (8,649,983)       | 314,947,928 |
| Hi Gold Ocean Ship<br>Private Special Asset<br>Investment Trust No. 11               | (41,226,430)      | (31,692)          | -           |
| Boston Dynamics, Inc.                                                                | -                 | 18,816,817        | 172,034,931 |
| Beijing Zhongdu Glovis<br>Logistics Co., Ltd.                                        | -                 | 3,230,309         | 37,013,582  |
| Sichuan Glovis Logistics Co., Ltd.                                                   | -                 | 1,221,128         | 12,128,350  |
| Jiangsu Yueda Glovis Logistics<br>Co., Ltd.                                          | -                 | 316,274           | 3,397,479   |
| Changjiu Glovis (Shanghai)<br>Shipping Co., Ltd                                      | -                 | 409,180           | 4,744,905   |
| Stena Glovis SE                                                                      | -                 | 464,777           | 6,619,233   |
| BLG Glovis BHV GmbH                                                                  | -                 | 5,434             | -           |
| ORYX LNG NO 1 PTE. LTD.                                                              | -                 | 870,669           | 16,932,545  |
| ORYX LNG NO 2 PTE. LTD.                                                              | -                 | 870,732           | 16,933,410  |
| ORYX LNG NO 3 PTE. LTD.                                                              | -                 | 870,732           | 16,933,410  |
| ORYX LNG NO 4 PTE. LTD.                                                              | -                 | 870,669           | 16,932,545  |
| Socius Korea Investment No.1<br>Corporate Financial Stability<br>Private Equity Fund | -                 | (9,500)           | 49,815,054  |
| HTWO LOGISTICS, LLC                                                                  | -                 | 525,575           | 5,761,320   |
|                                                                                      | ₩ (46,546,870)    | 19,781,121        | 674,194,692 |

(\*) Other changes consist of changes in equity adjustment in equity method and the effect of changes in foreign rates.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
For the years ended December 31, 2024 and 2023

12. Investments in associates and joint ventures, Continued

12.2 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 years ended December 31, 2023 are as follows :

(In thousands of won)

|                                                                        | 2023          |                             |             |                                                           |                                                     |
|------------------------------------------------------------------------|---------------|-----------------------------|-------------|-----------------------------------------------------------|-----------------------------------------------------|
|                                                                        | January 1     | Acquisition/<br>Replacement | Disposal    | Share of<br>profit of<br>associates and<br>joint ventures | Changes in<br>retained earnings<br>in equity method |
| Hyundai Engineering Co. Ltd.                                           | ₩ 433,144,065 | -                           | -           | 25,764,921                                                | (3,094,440)                                         |
| Hi Gold Ocean Ship<br>Private Special Asset<br>Investment Trust No. 11 | 48,867,958    | -                           | (6,075,660) | 307,545                                                   | -                                                   |
| Boston Dynamics, Inc.                                                  | 146,398,785   | 25,367,555                  | -           | (37,930,928)                                              | 110,935                                             |
| Beijing Zhongdu Glovis<br>Logistics Co., Ltd.                          | 23,828,606    | -                           | -           | 3,014,424                                                 | -                                                   |
| Sichuan Glovis Logistics Co., Ltd                                      | 10,346,122    | -                           | -           | 376,690                                                   | -                                                   |
| Jiangsu Yueda Glovis Logistics<br>Co., Ltd.                            | 2,924,251     | -                           | -           | 18,416                                                    | -                                                   |
| Jiangsu Gelian Logistics Co., Ltd                                      | 1,569,197     | -                           | -           | -                                                         | -                                                   |
| Changjiu Glovis (Shanghai)<br>Shipping Co., Ltd                        | 1,314,094     | -                           | -           | 885,557                                                   | -                                                   |
| Stena Glovis SE                                                        | 5,359,694     | -                           | -           | 198,035                                                   | -                                                   |
| BLG Glovis BHV GmbH                                                    | 210,753       | -                           | -           | 6,667                                                     | (65,889)                                            |
|                                                                        | ₩ 673,963,525 | 25,367,555                  | (6,075,660) | (7,358,673)                                               | (3,049,394)                                         |

(In thousands of won)

|                                                                        | 2023              |                   |             |
|------------------------------------------------------------------------|-------------------|-------------------|-------------|
|                                                                        | Dividend received | Other Changes (*) | December 31 |
| Hyundai Engineering Co. Ltd.                                           | ₩ (5,320,440)     | 941,691           | 451,435,797 |
| Hi Gold Ocean Ship<br>Private Special Asset<br>Investment Trust No. 11 | (307,390)         | 1,079             | 42,793,532  |
| Boston Dynamics, Inc.                                                  | -                 | 3,053,513         | 136,999,860 |
| Beijing Zhongdu Glovis<br>Logistics Co., Ltd.                          | (3,684,400)       | (66,506)          | 23,092,124  |
| Sichuan Glovis Logistics Co., Ltd.                                     | -                 | (41,125)          | 10,681,687  |
| Jiangsu Yueda Glovis Logistics Co., Ltd.                               | (442,128)         | (1,896)           | 2,498,643   |
| Jiangsu Gelian Logistics Co., Ltd                                      | -                 | (1,569,197)       | -           |
| Changjiu Glovis (Shanghai)<br>Shipping Co., Ltd                        | -                 | (20,593)          | 2,179,058   |
| Stena Glovis SE                                                        | -                 | 301,038           | 5,858,767   |
| BLG Glovis BHV GmbH                                                    | -                 | 8,466             | 159,997     |
|                                                                        | ₩ (9,754,358)     | 2,606,470         | 675,699,465 |

(\*) Other changes consist of changes in equity adjustment in equity method and the effect of changes in foreign rates.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**  
**12. Investments in associates and joint ventures, Continued**

**12.3 Details of summarized financial information of investments in associates and joint ventures**

- (i) Summarized financial information of associates and joint ventures as of December 31, 2024 and for the one-year period ended December 31, 2024 are as follows :

(In thousands of won)

|                                                                                | <b>2024</b>           |                      |                       |                                      |
|--------------------------------------------------------------------------------|-----------------------|----------------------|-----------------------|--------------------------------------|
|                                                                                | <b>Assets</b>         | <b>Liabilities</b>   | <b>Sales</b>          | <b>Profit or loss for the period</b> |
| Hyundai Engineering Co., Ltd.(*) ₩                                             | 9,439,274,944         | 6,693,797,630        | 14,760,410,720        | (990,639,513)                        |
| Hi Gold Ocean Ship Private Special Asset Investment Trust No. 11               | -                     | -                    | 206,227,251           | 206,118,226                          |
| Boston Dynamics, Inc.                                                          | 440,752,631           | 237,045,829          | 116,109,241           | (440,522,225)                        |
| Beijing Zhongdu Glovis Logistics Co., Ltd.(*)                                  | 118,643,755           | 48,876,620           | 129,866,265           | 7,168,746                            |
| Sichuan Glovis Logistics Co., Ltd.                                             | 25,108,090            | 1,327,011            | 9,268,165             | 438,537                              |
| Jiangsu Yueda Glovis Logistic Co., Ltd.                                        | 32,271,623            | 25,319,317           | 71,495,338            | (177,226)                            |
| Changjiu Glovis (Shanghai) Shipping Co., Ltd                                   | 27,139,566            | 17,456,086           | 144,776,259           | 4,401,361                            |
| Stena Glovis SE                                                                | 14,138,590            | 573,524              | 7,861,171             | 595,730                              |
| BLG Glovis BHV GmbH                                                            | 18,831,415            | 19,367,925           | 10,823,478            | (798,162)                            |
| ORYX LNG NO 1 PTE. LTD.                                                        | 33,976,034            | 110,943              | -                     | (3,578)                              |
| ORYX LNG NO 2 PTE. LTD.                                                        | 33,866,820            | -                    | -                     | (1,974)                              |
| ORYX LNG NO 3 PTE. LTD.                                                        | 33,866,820            | -                    | -                     | (1,973)                              |
| ORYX LNG NO 4 PTE. LTD.                                                        | 33,976,034            | 110,943              | -                     | (3,578)                              |
| Socius Korea Investment No.1 Corporate Financial Stability Private Equity Fund | 143,427,429           | 201,619              | 490                   | (818,246)                            |
| HTWO LOGISTICS, LLC                                                            | 30,276,386            | 7,769,491            | 77,684                | (499,554)                            |
| ₩                                                                              | <u>10,425,550,137</u> | <u>7,051,956,938</u> | <u>15,456,916,062</u> | <u>(1,214,743,429)</u>               |

(\*) Consolidated financial information of associates.

- (ii) Summarized financial information of associates and joint ventures as of December 31, 2023 and for the one-year period ended December 31, 2023 are as follows :

(In thousands of won)

|                                                                  | <b>2023</b>          |                      |                       |                                      |
|------------------------------------------------------------------|----------------------|----------------------|-----------------------|--------------------------------------|
|                                                                  | <b>Assets</b>        | <b>Liabilities</b>   | <b>Sales</b>          | <b>Profit or loss for the period</b> |
| Hyundai Engineering Co., Ltd.(*) ₩                               | 8,071,955,840        | 4,190,859,971        | 13,063,327,367        | 201,998,842                          |
| Hi Gold Ocean Ship Private Special Asset Investment Trust No. 11 | 213,965,034          | 4,795                | 2,010,077             | 1,544,370                            |
| Boston Dynamics, Inc.                                            | 294,505,399          | 190,602,640          | 91,022,266            | (334,830,192)                        |
| Beijing Zhongdu Glovis Logistics Co., Ltd.(*)                    | 126,016,594          | 70,199,535           | 177,774,605           | 7,536,061                            |
| Sichuan Glovis Logistics Co., Ltd.                               | 22,257,545           | 1,313,060            | 11,401,735            | 888,164                              |
| Jiangsu Yueda Glovis Logistic Co., Ltd.                          | 28,995,878           | 22,749,269           | 60,864,703            | 46,041                               |
| Changjiu Glovis (Shanghai) Shipping Co., Ltd                     | 6,641,460            | 2,147,789            | 75,832,245            | 1,807,260                            |
| Stena Glovis SE                                                  | 12,422,940           | 329,738              | 5,063,858             | 396,068                              |
| BLG Glovis BHV GmbH                                              | 20,804,480           | 20,484,486           | 15,611,965            | 13,332                               |
| ₩                                                                | <u>8,797,565,170</u> | <u>4,498,691,283</u> | <u>13,502,908,821</u> | <u>(120,600,054)</u>                 |

(\*) Consolidated financial information of associates.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**12. Investments in associates and joint ventures, Continued**

**12.4 Details of adjusting the financial information amount of important associates**

Details of adjusting the financial information number 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 December 31, 2024 and December 31, 2023 are as follows:

(In thousands of won)

| <b>Hyundai Engineering Co., Ltd.</b>         |   | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|----------------------------------------------|---|--------------------------|--------------------------|
| Net assets                                   | ₩ | 270,718,556              | 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                            |   | (1,359,498)              | (1,406,793)              |
| Carrying amount                              |   | 314,947,928              | 451,435,797              |

(In thousands of won)

| <b>Boston Dynamics, Inc</b>                  |   | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|----------------------------------------------|---|--------------------------|--------------------------|
| Net assets                                   | ₩ | 22,304,479               | 10,975,757               |
| Goodwill                                     |   | 100,234,897              | 81,609,462               |
| Differences on fair value less costs to sell |   | 49,495,554               | 44,414,641               |
| Unrealized profit                            |   | -                        | -                        |
| Carrying amount                              |   | 172,034,930              | 136,999,860              |

**12.5 The Group tested for impairment on Boston Dynamics, Inc. in 2024 and as a result, the recoverable amount of the asset did not fall below its carrying amount, so no impairment loss was recognized. In estimating the recoverable amount, a perpetual growth rate of 3% was assumed, and a discount rate of 17.14% was applied.**

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**  
**13. Property, plant, and equipment**

**13.1 Changes in property, plant and equipment for the years ended December 31, 2024 and 2023 are as follows :**

(1) Cost

| <i>(In thousands of won)</i> |   | <b>Land</b>        | <b>Buildings and structures</b> | <b>Vessels</b>       | <b>Construction-in-progress</b> | <b>Lease assets</b>  | <b>Others</b>      | <b>Total</b>         |
|------------------------------|---|--------------------|---------------------------------|----------------------|---------------------------------|----------------------|--------------------|----------------------|
| Cost :                       |   |                    |                                 |                      |                                 |                      |                    |                      |
| January 1, 2023              | ₩ | 258,551,060        | 447,948,379                     | 3,551,049,328        | 97,893,302                      | 1,678,506,564        | 463,807,768        | 6,497,756,401        |
| Business Combination         |   | 589,715            | 942,511                         | -                    | -                               | 417,524              | 546,701            | 2,496,451            |
| Additions                    |   | 17,537             | 467,365                         | 14,005,370           | 263,393,682                     | 304,362,796          | 37,479,122         | 619,725,872          |
| Disposal                     |   | -                  | (74,920)                        | -                    | (15,476)                        | (18,993,688)         | (29,271,839)       | (48,355,923)         |
| Transfers (*1)               |   | 269,015            | 3,303,428                       | 36,493,494           | (100,881,171)                   | (506,722)            | 31,698,376         | (29,623,580)         |
| Other changes (*2)           |   | 425,015            | 12,155,531                      | -                    | (1,146,394)                     | 113,636,377          | 13,778,067         | 138,848,596          |
| December 31, 2023            | ₩ | 259,852,342        | 464,742,294                     | 3,601,548,192        | 259,243,943                     | 2,077,422,851        | 518,038,195        | 7,180,847,817        |
| Additions                    |   | -                  | 1,965,676                       | 166,170,784          | 700,666,906                     | 741,023,048          | 69,105,084         | 1,678,931,498        |
| Disposal                     |   | (1,428,133)        | (10,123,089)                    | (41,132,246)         | (4,817,841)                     | (107,656,766)        | (24,097,546)       | (189,255,621)        |
| Transfers (*1)               |   | 84,914,794         | 11,271,384                      | 547,419,256          | (738,112,212)                   | -                    | 59,852,627         | (34,654,151)         |
| Other changes (*2)           |   | 1,445,019          | 23,245,191                      | -                    | 1,293,227                       | (2,516,449)          | 31,388,961         | 54,855,949           |
| December 31, 2024            | ₩ | <u>344,784,022</u> | <u>491,101,456</u>              | <u>4,274,005,986</u> | <u>218,274,023</u>              | <u>2,708,272,684</u> | <u>654,287,321</u> | <u>8,690,725,492</u> |

(\*1) It includes the transfer of construction-in-progress to intangible assets.

(\*2) It includes an increase in right-of-use assets due to extension of lease agreements and effects of Turkey's hyperinflation accounting policy.

(2) Accumulated depreciation and impairment and government grants

| <i>(In thousands of won)</i>                                    |   | <b>Buildings and structures</b> | <b>Vessels</b>       | <b>Construction-in-progress</b> | <b>Lease assets</b>  | <b>Others</b>      | <b>Total</b>         |
|-----------------------------------------------------------------|---|---------------------------------|----------------------|---------------------------------|----------------------|--------------------|----------------------|
| Accumulated depreciation and impairment and government grants : |   |                                 |                      |                                 |                      |                    |                      |
| January 1, 2023                                                 | ₩ | 163,334,490                     | 1,016,886,084        | 3,305,059                       | 507,041,206          | 337,160,655        | 2,027,727,494        |
| Business Combination                                            |   | 86,343                          | -                    | -                               | 222,068              | 253,227            | 561,638              |
| Depreciation                                                    |   | 15,267,028                      | 131,425,174          | -                               | 337,837,223          | 53,692,030         | 538,221,455          |
| Disposal                                                        |   | (52,924)                        | -                    | -                               | (14,883,552)         | (25,421,482)       | (40,357,958)         |
| government grants                                               |   | -                               | -                    | 420,000                         | -                    | 243,301            | 663,301              |
| Other changes(*)                                                |   | 801,233                         | -                    | (455,668)                       | (68,471,361)         | (3,683,871)        | (71,809,667)         |
| Impairment loss                                                 |   | -                               | -                    | -                               | -                    | (48,817)           | (48,817)             |
| December 31, 2023                                               | ₩ | 179,436,170                     | 1,148,311,258        | 3,269,391                       | 761,745,584          | 362,195,043        | 2,454,957,446        |
| Depreciation                                                    |   | 15,548,781                      | 153,389,941          | -                               | 429,521,212          | 56,556,659         | 655,016,593          |
| Disposal                                                        |   | (3,664,374)                     | (25,638,241)         | -                               | (81,587,271)         | (18,874,274)       | (129,764,160)        |
| government grants                                               |   | -                               | 630,000              | 983,652                         | -                    | 132,580            | 1,746,232            |
| Other changes(*)                                                |   | 10,332,355                      | 420,000              | (668,368)                       | (36,538,420)         | 18,388,845         | (8,065,588)          |
| Impairment loss                                                 |   | -                               | -                    | -                               | -                    | (15,629)           | (15,629)             |
| December 31, 2024                                               | ₩ | <u>201,652,932</u>              | <u>1,277,112,958</u> | <u>3,584,675</u>                | <u>1,073,141,105</u> | <u>418,383,224</u> | <u>2,973,874,894</u> |

(\*) This includes the decrease in the accumulated depreciation amount of right-of-use assets due to the termination of the lease contract and effects of Turkey's hyperinflation accounting policy.

(3) Net book value

| <i>(In thousands of won)</i> |   | <b>Land</b> | <b>Buildings and structures</b> | <b>Vessels</b> | <b>Construction-in-progress</b> |
|------------------------------|---|-------------|---------------------------------|----------------|---------------------------------|
| Net book value :             |   |             |                                 |                |                                 |
| December 31, 2024            | ₩ | 344,784,022 | 289,448,524                     | 2,996,893,028  | 214,689,348                     |
| December 31, 2023            |   | 259,852,342 | 285,306,124                     | 2,453,236,934  | 255,974,552                     |

  

| <i>(In thousands of won)</i> |   | <b>Lease assets</b> | <b>Others</b> | <b>Total</b>  |
|------------------------------|---|---------------------|---------------|---------------|
| Net book value :             |   |                     |               |               |
| December 31, 2024            | ₩ | 1,635,131,579       | 235,904,097   | 5,716,850,598 |
| December 31, 2023            |   | 1,315,677,267       | 155,843,152   | 4,725,890,371 |

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**  
**14. Intangible assets**

**14.1 Changes in intangible assets for the years ended December 31, 2024 and 2023 are as follows :**

(1) Cost

| <i>(In thousands of won)</i> |   | <b>Goodwill</b> | <b>Industrial<br/>proprietary<br/>rights</b> | <b>Development<br/>costs</b> | <b>Memberships</b> | <b>Other<br/>intangible assets</b> | <b>Total</b> |
|------------------------------|---|-----------------|----------------------------------------------|------------------------------|--------------------|------------------------------------|--------------|
| Cost :                       |   |                 |                                              |                              |                    |                                    |              |
| January 1, 2023              | ₩ | 29,932,047      | 232,138                                      | 74,376,352                   | 17,335,026         | 113,376,758                        | 235,252,321  |
| Business Combination         |   | 4,722,941       | 9,419                                        | 3,732,461                    | -                  | 61,501                             | 8,526,322    |
| Acquired                     |   | -               | -                                            | 56,580                       | 1,678,810          | 2,887,151                          | 4,622,541    |
| Disposal                     |   | -               | -                                            | (429,230)                    | (264,171)          | (153,732)                          | (847,133)    |
| Transfers(*)                 |   | -               | 33,292                                       | 26,417,985                   | -                  | 3,172,303                          | 29,623,580   |
| Other changes                |   | 2,400,031       | (595)                                        | 306,727                      | 320                | 2,562,236                          | 5,268,719    |
| December 31, 2023            | ₩ | 37,055,019      | 274,254                                      | 104,460,875                  | 18,749,985         | 121,906,217                        | 282,446,350  |
| Acquired                     |   | -               | -                                            | 250,103                      | 7,584,784          | 10,973,631                         | 18,808,518   |
| Disposal                     |   | -               | (6,757)                                      | -                            | (3,119,386)        | (785,096)                          | (3,911,239)  |
| Transfers(*1)                |   | -               | 59,846                                       | 23,033,389                   | -                  | 11,560,916                         | 34,654,151   |
| Other changes(*2)            |   | 2,732,499       | (325)                                        | (9,351,040)                  | 840                | 13,851,437                         | 7,233,411    |
| December 31, 2024            | ₩ | 39,787,518      | 327,018                                      | 118,393,327                  | 23,216,223         | 157,507,105                        | 339,231,191  |

(\*1) Construction-in-progress was transferred to intangible assets, etc.

(\*2) Other increases and decreases include changes due to exchange rate differences and effects of Turkey's hyperinflation accounting policy.

(2) Accumulated amortization and impairment and government grants

| <i>(In thousands of won)</i> |   | <b>Goodwill</b> | <b>Industrial<br/>proprietary<br/>rights</b> | <b>Development<br/>costs</b> | <b>Memberships</b> | <b>Other<br/>intangible assets</b> | <b>Total</b> |
|------------------------------|---|-----------------|----------------------------------------------|------------------------------|--------------------|------------------------------------|--------------|
| January 1, 2023              | ₩ | 6,985,173       | 160,470                                      | 49,545,852                   | 59,200             | 74,337,956                         | 131,088,651  |
| Business Combination         |   | -               | 3,779                                        | -                            | -                  | 55,095                             | 58,874       |
| Amortization                 |   | -               | 22,851                                       | 9,492,321                    | -                  | 5,306,203                          | 14,821,375   |
| Disposal                     |   | -               | -                                            | (429,230)                    | -                  | (153,732)                          | (582,962)    |
| Other changes(*)             |   | 374,099         | (595)                                        | 41,110                       | -                  | 560,238                            | 974,852      |
| December 31, 2023            | ₩ | 7,359,272       | 186,505                                      | 58,650,053                   | 59,200             | 80,105,760                         | 146,360,790  |
| Amortization                 |   | -               | 32,536                                       | 12,498,279                   | -                  | 6,837,529                          | 19,368,344   |
| Disposal                     |   | -               | (6,757)                                      | -                            | -                  | (779,122)                          | (785,879)    |
| Other changes(*)             |   | 261,249         | (325)                                        | (847,590)                    | -                  | 3,191,539                          | 2,604,873    |
| December 31, 2024            | ₩ | 7,620,521       | 211,959                                      | 70,300,742                   | 59,200             | 89,355,706                         | 167,548,128  |

(\*) Other increases and decreases include changes due to exchange rate differences and effects of Turkey's hyperinflation accounting policy.

(3) Net book value

| <i>(In thousands of won)</i> |   | <b>Goodwill</b> | <b>Industrial<br/>proprietary<br/>rights</b> | <b>Development<br/>costs</b> | <b>Memberships</b> | <b>Other<br/>intangible assets</b> | <b>Total</b> |
|------------------------------|---|-----------------|----------------------------------------------|------------------------------|--------------------|------------------------------------|--------------|
| Net book value :             |   |                 |                                              |                              |                    |                                    |              |
| December 31, 2024            | ₩ | 32,166,997      | 115,059                                      | 48,092,585                   | 23,157,023         | 68,151,399                         | 171,683,063  |
| December 31, 2023            |   | 29,695,747      | 87,749                                       | 45,810,822                   | 18,690,785         | 41,800,457                         | 136,085,560  |

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**14. Intangible assets, Continued**

**14.2 Impairment test of intangible assets with indefinite useful lives**

The Group tested for impairment on Glovis Europe, Gmbh goodwill and Altiall Inc which are an intangible assets with a indefinite useful lives in 2024, and did not recognized impairment loss in 2024. The recoverable amount of the intangible assets has been determined based on their value in use and net fair value. In case the net fair value of the asset did not exist in the market, reasonable estimates were used.

Goodwill acquired through business combinations is allocated to cash-generating units (CGUs) for impairment testing. The amount of goodwill allocated to each CGU as of December 31, 2024 and 2023 are as follows:

| <i>(In thousands of won)</i> |   | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|------------------------------|---|--------------------------|--------------------------|
| Glovis Europe, Gmbh. (*)     | ₩ | 16,664,548               | 15,348,471               |
| Glovis America Inc.          |   | 9,402,574                | 8,247,401                |
| G-Marine Service Co.,Ltd.    |   | 1,376,933                | 1,376,933                |
| Altiall Inc.                 |   | 4,722,942                | 4,722,942                |
|                              | ₩ | <u>32,166,997</u>        | <u>29,695,747</u>        |

(\*) This is the total amount of goodwill allocated to CGU Adampol consisting of Adam S.A., Adam Slovakia S.R.O. Inc.

The recoverable amount of CGUs has been determined based on a value in use calculation. The value in use was calculated by using after tax cash flow projections from management's approved financial budgets covering a five-year period, and there is no significant difference between the value in use discounted at the before tax discount rate based on before tax cash flows. Key assumptions used in value in use calculations of Glovis Europe, Gmbh and Altiall Inc are as follows :

| <i>(Unit in percentages)</i> | <b>GCU Adampol</b> | <b>GCU Altiall Inc</b> |
|------------------------------|--------------------|------------------------|
| Perpetual growth rate        | 1.5                | 1.0                    |
| Average profit on sales      | 5.1                | 1.6                    |
| Average sales growth rate    | 4.3                | 24.8                   |
| After tax discount rate      | 9.1                | 13.5                   |

**14.3 Expenditures related to R&D activities during the current term and the prior term are as follows :**

| <i>(In thousands of won)</i> |   | <b>2024</b> | <b>2023</b> |
|------------------------------|---|-------------|-------------|
| R&D expenses (*)             | ₩ | 11,385,097  | 11,311,208  |

(\*) R&D expenses consist of all sales and management expenses.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**15. Other payables**

Details of other payables as of December 31, 2024 and 2023 are as follows :

(In thousands of won)

|                   |   | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|-------------------|---|--------------------------|--------------------------|
| Other payables    | ₩ | 425,803,100              | 524,324,648              |
| Deposits received |   | 9,403,155                | 8,183,437                |
| Accrued expenses  |   | 151,240,733              | 113,520,147              |
|                   | ₩ | <u>586,446,988</u>       | <u>646,028,232</u>       |

**16. Other liabilities**

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

(In thousands of won)

|                         |   | <b>December 31, 2024</b> |                    | <b>December 31, 2023</b> |                    |
|-------------------------|---|--------------------------|--------------------|--------------------------|--------------------|
|                         |   | <b>Current</b>           | <b>Non-Current</b> | <b>Current</b>           | <b>Non-Current</b> |
| Advances from customers | ₩ | 23,452,982               | -                  | 10,682,276               | -                  |
| Withholdings            |   | 39,469,135               | -                  | 33,273,229               | -                  |
| Unearned revenue        |   | 2,306,700                | 2,682,004          | 523,788                  | -                  |
| Long-term unpaid wages  |   | -                        | 19,032,409         | -                        | 13,992,350         |
|                         | ₩ | <u>65,228,817</u>        | <u>21,714,413</u>  | <u>44,479,293</u>        | <u>13,992,350</u>  |

**17. Short-term and long-term borrowings**

**17.1 Short-term borrowings**

The details of short-term borrowings as of December 31, 2024 and 2023 are as follows :

(In thousands of won)

| <b>Financial institution</b> | <b>Description</b>                      |   | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|------------------------------|-----------------------------------------|---|--------------------------|--------------------------|
| Shinhan Bank and others(*)   | Discounting notes and others            | ₩ | 1,058,552,409            | 1,047,167,941            |
|                              | Current portion of long-term borrowings |   | 241,107,867              | 127,029,052              |
|                              |                                         | ₩ | <u>1,299,660,276</u>     | <u>1,174,196,993</u>     |

(\*) The Group maintains lines of credit with various financial institutions as of December 31, 2024, which are related to trade note discounts and commercial note discount arrangements. Current portions of trade receivables discounted with recourse to financial institutions are accounted for as short-term borrowings.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**17. Short-term and long-term borrowings, Continued**

**17.2 Long-term borrowings**

The details of long-term borrowings as of December 31, 2024 and 2023 are as follows :

(In thousands of won)

| Description                            | Financial Institution                     | Annual interest rate |   | December 31, 2024 | December 31, 2023 |
|----------------------------------------|-------------------------------------------|----------------------|---|-------------------|-------------------|
| Foreign currency vessel financing (*1) | Bank of America and others                | 5.11%~5.82%          | ₩ | 702,650,557       | 524,720,704       |
| Foreign currency working capital loan  | Bank of America and others                | 3.60%~5.69%          |   | 75,704,945        | 95,710,833        |
| Local currency facility loan (*2) (*3) | Korea Development Bank                    | 0%~3.56%             |   | 41,049,150        | 55,681,100        |
| Local currency facility loan (*2)      | Shinhan Bank                              | 2.19%~2.43%          |   | 5,305,283         | 7,358,483         |
| Local currency facility loan           | Industrial Bank of Korea                  | -                    |   | -                 | 666,000           |
| Local currency facility loan           | Hana Bank                                 | -                    |   | -                 | 620,000           |
| Local currency working capital loan    | Korea SMEs and Startups Agency and others | 2.86%                |   | 133,280           | 1,633,240         |
| Local currency new car auto loan       | NH NongHyup Capital                       | 5.23%                |   | 42,629            | 64,220            |
|                                        |                                           |                      | ₩ | 824,885,844       | 686,454,580       |
|                                        |                                           |                      |   | (241,107,867)     | (127,029,052)     |
|                                        |                                           |                      | ₩ | 583,777,977       | 559,425,528       |

Deducted: Transfers to current portion

(\*1) The vessel is provided as collateral for the above ship finance borrowings.(See Note 28)

(\*2) The Group obtained borrowings in Korean won from the Korea Development Bank and Shinhan Bank to install the ship sulfur oxide reduction system (scrubber) and received a principal payment guarantee from the Korea Ocean Business Corporation for the facility loan stated above. (See Note 27.1)

(\*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 5.16%. (See Note 7.5.1)

**17.3 Corporate bonds**

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

(In thousands of won)

|                                        | The day of issue | Repayment date | Interest rate (%) |   | December 31, 2024 | December 31, 2023 | Description                                        |
|----------------------------------------|------------------|----------------|-------------------|---|-------------------|-------------------|----------------------------------------------------|
| 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       |                                                    |
|                                        |                  |                |                   |   | (160,379)         | (354,002)         |                                                    |
| Deducted: Discount on bonds issued     |                  |                |                   |   | (189,971,620)     | -                 |                                                    |
| Deducted: Transfers to current portion |                  |                |                   | ₩ | 109,868,001       | 299,645,998       |                                                    |

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**18. Provisions**

**18.1 Changes in the provision for Sales warranty liability for the years ended December 31, 2024 and 2023 are as follows :**

| (In thousands of won)    | January 1, 2024 | Provision   | Utilization  | Translation adjustments in foreign currency | December 31, 2024 |
|--------------------------|-----------------|-------------|--------------|---------------------------------------------|-------------------|
| Sales warranty liability | ₩ 162,029,164   | 122,901,333 | (71,487,219) | 942,809                                     | 214,386,087       |

| (In thousands of won)    | January 1, 2023 | Provision | Utilization  | Change in scope of consolidation | Translation adjustments in foreign currency | December 31, 2023 |
|--------------------------|-----------------|-----------|--------------|----------------------------------|---------------------------------------------|-------------------|
| Sales warranty liability | ₩ 214,553,820   | 8,802,029 | (61,371,049) | 2,261                            | 42,103                                      | 162,029,164       |

**18.2 Changes in the sales warranty asset for the years ended December 31, 2024 and 2023 are as follows :**

| (In thousands of won) | January 1, 2024 | Provision  | Utilization  | Translation adjustments in foreign currency | December 31, 2024 |
|-----------------------|-----------------|------------|--------------|---------------------------------------------|-------------------|
| Sales warranty asset  | ₩ 138,709,375   | 72,391,867 | (58,047,568) | 467,495                                     | 153,521,169       |

| (In thousands of won) | January 1, 2023 | Provision | Utilization  | Translation adjustments in foreign currency | December 31, 2023 |
|-----------------------|-----------------|-----------|--------------|---------------------------------------------|-------------------|
| Sales warranty asset  | ₩ 178,862,651   | 3,253,528 | (43,447,546) | 40,742                                      | 138,709,375       |

**18.3 Details of provisions as of December 31, 2024 and 2023 are as follows :**

| (In thousands of won)          | December 31, 2024 |             | December 31, 2023 |             |
|--------------------------------|-------------------|-------------|-------------------|-------------|
|                                | Current           | Non-current | Current           | Non-current |
| Provision for sales warranties | ₩ 41,011,159      | 113,189,475 | 37,668,666        | 101,916,590 |
| Defect repair provisions       | 898,095           | 744,754     | 841,695           | 718,756     |
| Provision for claim            | 7,331,912         | 1,463,357   | 2,511,782         | 124,798     |
| Other provisions               | 42,943,495        | 6,803,840   | 11,612,304        | 6,634,573   |
|                                | ₩ 92,184,661      | 122,201,426 | 52,634,447        | 109,394,717 |

**18.4 Details of the sales warranty asset as of December 31, 2024 and 2023 are as follows :**

| (In thousands of won)              | December 31, 2024 | December 31, 2023 |
|------------------------------------|-------------------|-------------------|
| Sales warranty asset (Current)     | ₩ 40,579,511      | 37,343,473        |
| Sales warranty asset (Non-current) | 112,941,658       | 101,365,902       |
|                                    | ₩ 153,521,169     | 138,709,375       |

**18.5 Nature of sales guarantee liabilities and when the outflow of resources is expected :**

**18.5.1 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 sales warranty asset.

**18.5.2. Defect repair provisions**

The Group has a warranty obligation relating to Ballast Water Treatment System, Scrubber and DPF sold through a contract with the customer, estimates the guaranteed accrual ratio and recognizes the provision for the amount expected to occur.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**18. Provisions, Continued**

**18.5.3 Provision for claim**

The Group recognizes a provision for the amount expected to be compensated by the customer's obligation to compensate for several accidents that occur on a route.

**18.5.4 Other provisions**

The Group recognizes other provisions by estimating amounts for obligations such as compensation related to litigation and arbitration with counterparties, submission of greenhouse gas emission allowances to the government, compliance with the European Union Emissions Trading System (EU ETS), decommissioning, dismantling, and restoration costs for asset retirement, provision of paid annual leave for maritime crew, and unavoidable costs of fulfilling contractual obligations where the expected economic benefits are exceeded.

**19. Employee benefits**

**19.1 Major components of the net benefit expense recognized in the statement of profit or loss for the years ended December 31, 2024 and 2023 are as follows :**

(In thousands of won)

|                                         | <b>2024</b>         | <b>2023</b>       |
|-----------------------------------------|---------------------|-------------------|
| Current service cost                    | ₩ 21,037,072        | 15,677,359        |
| Net interest cost on benefit obligation | (2,528,077)         | (3,219,378)       |
| Past Service Cost                       | 760,932             | -                 |
|                                         | ₩ <u>19,269,927</u> | <u>12,457,981</u> |

**19.2 Defined benefit liabilities(Assets) as of December 31, 2024 and 2023 are as follows :**

(In thousands of won)

|                                             | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|---------------------------------------------|--------------------------|--------------------------|
| Present value of defined benefit obligation | ₩ 147,688,306            | 119,719,852              |
| Fair value of plan assets                   | (166,506,146)            | (166,933,061)            |
| Accumulated prepayments to the NPS          | (3,524)                  | (10,352)                 |
| Net assets                                  | ₩ (18,821,364)           | (47,223,561)             |
| Defined benefit obligation                  | ₩ 4,583,946              | 2,990,511                |
| Net defined benefit assets(*)               | (23,405,310)             | (50,214,072)             |

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

**19.3 Changes in net defined benefit liabilities(Assets) for the years ended December 31, 2024 and 2023 are as follows :**

(In thousands of won)

|                                                                            | <b>2024</b>           | <b>2023</b>         |
|----------------------------------------------------------------------------|-----------------------|---------------------|
| As of January 1                                                            | ₩ (47,223,561)        | (53,512,483)        |
| Service cost                                                               | 21,037,072            | 15,677,359          |
| Net interest                                                               | (2,528,078)           | (3,219,378)         |
| Benefits paid                                                              | (602,371)             | (190,697)           |
| Re-measurement gains (losses) in OCI:                                      |                       |                     |
| Actuarial changes arising from changes in demographic assumptions          | -                     | (3,268)             |
| Actuarial changes arising from changes in financial assumptions            | 6,995,207             | 8,104,281           |
| Return on plan assets (excluding amounts included in net interest expense) | 812,267               | 1,290,870           |
| Experience adjustments                                                     | 2,362,906             | 6,320,410           |
| Contributions by employer                                                  | (500,000)             | (20,900,000)        |
| Translation adjustments in foreign currency                                | 64,262                | (790,655)           |
| Past Service Cost                                                          | 760,932               | -                   |
| As of December 31                                                          | ₩ <u>(18,821,364)</u> | <u>(47,223,561)</u> |

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**19. Employee benefits, Continued**

**19.4 Changes in defined benefit obligation for the years ended December 31, 2024 and 2023 are as follows :**

(In thousands of won)

|                                                                   | <b>2024</b>   | <b>2023</b> |
|-------------------------------------------------------------------|---------------|-------------|
| As of January 1                                                   | ₩ 119,719,852 | 92,428,126  |
| Service cost                                                      | 21,037,072    | 15,677,359  |
| Net interest                                                      | 4,947,470     | 4,468,360   |
| Benefits paid                                                     | (8,199,395)   | (6,507,107) |
| Re-measurement gains (losses) in OCI:                             |               |             |
| Actuarial changes arising from changes in demographic assumptions | -             | (3,268)     |
| Actuarial changes arising from changes in financial assumptions   | 6,995,207     | 8,104,281   |
| Experience adjustments                                            | 2,362,906     | 6,320,410   |
| Transfer from affiliates                                          | -             | 22,346      |
| Translation adjustments in foreign currency                       | 64,262        | (790,655)   |
| Past Service Cost                                                 | 760,932       | -           |
| As of December 31                                                 | ₩ 147,688,306 | 119,719,852 |

**19.5 Changes in the fair value of plan assets for the years ended December 31, 2024 and 2023 are as follows :**

(In thousands of won)

|                                                                            | <b>2024</b>   | <b>2023</b> |
|----------------------------------------------------------------------------|---------------|-------------|
| As of January 1                                                            | ₩ 166,933,061 | 145,930,257 |
| Pension cost charged to profit or loss:                                    |               |             |
| Net interest                                                               | 7,475,548     | 7,687,738   |
| Benefits paid                                                              | (7,590,196)   | (6,316,410) |
| Re-measurement gain (loss) in OCI:                                         |               |             |
| Return on plan assets (excluding amounts included in net interest expense) | (812,267)     | (1,290,870) |
| Contributions by employer                                                  | 500,000       | 20,900,000  |
| Transfer from affiliates                                                   | -             | 22,346      |
| As of December 31                                                          | ₩ 166,506,146 | 166,933,061 |

**19.6 The major categories of plan assets as percentage of the fair value of the total plan assets as of December 31, 2024 and 2023 are as follows :**

|                       | <b>2024</b> | <b>2023</b> |
|-----------------------|-------------|-------------|
| Retirement pension(*) | 100%        | 100%        |

(\*) As of December 31, 2024, the retirement pension is fully invested in principal and interest guaranteed products.

**19.7 The principal assumptions used in determining pension and post-employment medical benefit obligations for the Group's plans are as follows :**

|                             | <b>December 31, 2024</b>          | <b>December 31, 2023</b>          |
|-----------------------------|-----------------------------------|-----------------------------------|
| Discount rate               | 3.96%~4.05%                       | 4.45%~4.59%                       |
| Future salary increase rate | 4.53%~4.55%                       | 4.51%~4.56%                       |
| Expected retirement rate    | Past experience on retirement     | Past experience on retirement     |
| Weighted average expiration | Macaulay Duration 7.73~9.95 years | Macaulay Duration 6.76~9.81 years |

**19.7.1 A quantitative sensitivity analysis for significant assumptions as of December 31, 2024 and 2023 are as shown below :**

(In thousands of won)

|                             | <b>December 31, 2024</b> |                    | <b>December 31, 2023</b> |                    |
|-----------------------------|--------------------------|--------------------|--------------------------|--------------------|
|                             | <b>1% increase</b>       | <b>1% decrease</b> | <b>1% increase</b>       | <b>1% decrease</b> |
| Discount rate               | ₩ (12,601,086)           | 14,621,408         | (10,040,186)             | 11,620,393         |
| Future salary increase rate | 15,060,016               | (13,162,901)       | 12,033,597               | (10,536,482)       |

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**19. Employee benefits, Continued**

**19.7.2 The estimated payment date of the defined benefit obligation as of December 31, 2024 is as follows :**

| (In thousands of won) |   | <b>less than 1<br/>year</b> | <b>1 year to 5<br/>years</b> | <b>5 years to 10<br/>years</b> | <b>More than 10<br/>years</b> | <b>Total</b> |
|-----------------------|---|-----------------------------|------------------------------|--------------------------------|-------------------------------|--------------|
| Estimated Payments    | ₩ | 9,646,856                   | 36,205,852                   | 84,467,768                     | 545,325,300                   | 675,645,776  |

**20. Greenhouse gas emission rights and emission liabilities**

**20.1 As of the end of the reporting period, the number of free allocation emission rights for each planning period and implementation year is as follows :**

| (unit in tCO <sub>2</sub> -eq)  | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> | <b>2025</b> | <b>Total</b> |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Free allocation emission rights | 77,895      | 77,895      | 77,895      | 77,895      | 77,895      | 389,475      |

**20.2 The details of changes in greenhouse gas emission rights during the current period are as follows :**

| (unit in tCO <sub>2</sub> -eq) | <b>2024 (*)</b> | <b>2023</b>     |
|--------------------------------|-----------------|-----------------|
|                                | <b>Quantity</b> | <b>Quantity</b> |
| As of January 1                | 77,895          | 77,895          |
| Free allocation                | 77,895          | 77,895          |
| Purchased(Sold)                | 1,380           | 1,886           |
| Government submission          | (79,275)        | (79,781)        |
| As of December 31              | 77,895          | 77,895          |

(\*) The quantities submitted to the government, purchased (sold), borrowed (carried forward), and held at the end of the current period will be finalized in the subsequent period.

**20.3 As of the end of the current year no greenhouse gas emission rights have been provided as collateral.**

**20.4 The details of changes in emission liabilities during the current year are as follows :**

| (In thousands of won)         |   | <b>2024</b> | <b>2023</b> |
|-------------------------------|---|-------------|-------------|
| As of January 1               | ₩ | 16,958      | 20,732      |
| Submission of emission rights |   | 10,745      | 16,958      |
| Emission cost recognition     |   | (12,571)    | (20,011)    |
| Reversal                      |   | (4,387)     | (721)       |
| As of December 31             | ₩ | 10,745      | 16,958      |

**20.5 The current estimate of greenhouse gas emissions is 78,924 tCO<sub>2</sub>-eq.**

**20.6 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 December 31, 2024 is ₩ 8,895,459 thousand.**

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**21. Issued capital and share premium**

**21.1 The Group allocated one new share for each existing share on July 15, 2024, in accordance with the resolution for a bonus issue made on June 28, 2024. And details are as follows :**

|                                                             |               |
|-------------------------------------------------------------|---------------|
| Number of shares authorized (In shares)                     | : 200,000,000 |
| Par value per share (In won)                                | : ₩ 500       |
| Number of ordinary shares issued and fully paid (In shares) | : 75,000,000  |

**21.2 Share premium of the Group as of December 31, 2024 consists of paid-in capital in excess of par value.**

**21.3 Details of accumulated other comprehensive income as of December 31, 2024 and 2023 are as follows :**

|                                                                 |   |                          |                          |
|-----------------------------------------------------------------|---|--------------------------|--------------------------|
| <i>(In thousands of won)</i>                                    |   | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
| Gain on valuation of financial assets at fair value through OCI | ₩ | 55,241,994               | 49,603,063               |
| Equity adjustments in equity method                             |   | 20,278,140               | 5,293,193                |
| Exchange differences on translations of foreign operations      |   | 148,191,505              | 6,837,047                |
| Effect of Restatement under K-IFRS No. 1029                     |   | 10,323,893               | -                        |
|                                                                 | ₩ | <u>234,035,532</u>       | <u>61,733,303</u>        |

**21.4 Appropriated retained earnings of the Group as of December 31, 2024 and 2023 are as follows :**

|                                            |   |                          |                          |                |
|--------------------------------------------|---|--------------------------|--------------------------|----------------|
| <i>(In thousands of won)</i>               |   | <b>December 31, 2024</b> | <b>December 31, 2023</b> | <b>Notes</b>   |
| Legal reserve                              | ₩ | 9,375,000                | 9,375,000                | Statutory (*1) |
| Business development reserve               |   | 5,616,911                | 5,616,911                | Statutory (*2) |
| Investment in operating facilities reserve |   | 3,613,000,000            | 3,026,000,000            | Discretionary  |
| Business expansion reserve                 |   | 2,410,680,050            | 2,395,000,000            | Discretionary  |
| Retained earnings                          |   | <u>2,320,493,948</u>     | <u>2,076,982,550</u>     |                |
|                                            | ₩ | <u>8,359,165,909</u>     | <u>7,512,974,461</u>     |                |

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

(\*2) In accordance with the Korean Corporate Income Tax Law ("KCITL"), the amount appropriated at the annual ordinary stockholders' meeting as a business development reserve may be deducted in the calculation of excess retained earnings for corporate income tax reporting purposes. The reserve may only be used to offset a deficit, if any, or may be transferred to capital without a reversal of the tax benefit. Effective from December 2001, such reserve is no longer required by the revised KCITL.

**21.5 Dividends**

The dividends proposed for approval by the general shareholders' meeting of the Group for the years ended December 31, 2024 and 2023 are as follows :

|                               |   |                    |                    |
|-------------------------------|---|--------------------|--------------------|
| <i>(In thousands of won)</i>  |   | <b>2024</b>        | <b>2023</b>        |
| Number of shares issued       |   | 75,000,000 shares  | 37,500,000 shares  |
| Par value per share           | ₩ | 500 won            | 500 won            |
| Dividends per share           | ₩ | 3,700 won          | 6,300 won          |
| Par dividends rate            |   | 740%               | 1,260%             |
| The total amount of dividends | ₩ | <u>277,500,000</u> | <u>236,250,000</u> |

The dividends yield of the Group for the years ended December 31, 2024 and 2023 are as follows :

|                            |   |             |             |
|----------------------------|---|-------------|-------------|
| <i>(In won)</i>            |   | <b>2024</b> | <b>2023</b> |
| Dividends per share        | ₩ | 3,700       | 6,300       |
| Stock price at December 31 | ₩ | 118,100     | 191,500     |
| Dividend yield             |   | 3.13%       | 3.29%       |

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**22. Operating income and other income (expenses)**

**22.1 Details of selling and administrative expenses for the years ended December 31, 2024 and 2023 are as follows :**

*(In thousands of won)*

|                                                                   | <b>2024</b>          | <b>2023</b>        |
|-------------------------------------------------------------------|----------------------|--------------------|
| Salaries                                                          | ₩ 319,309,145        | 262,651,071        |
| Provision for severance and retirement benefits                   | 13,536,858           | (5,855,281)        |
| Employee welfare benefits                                         | 56,949,194           | 42,677,279         |
| Travel                                                            | 10,321,887           | 8,897,577          |
| Communication                                                     | 5,710,017            | 5,280,354          |
| Maintenance cost                                                  | 7,821,571            | 7,412,701          |
| Taxes and dues                                                    | 8,928,340            | 7,515,649          |
| Rents                                                             | 5,536,607            | 3,747,114          |
| Depreciation of property, plant and equipment                     | 26,479,051           | 26,387,525         |
| Amortization of intangible assets                                 | 16,388,836           | 11,733,467         |
| Insurance premium                                                 | 15,200,833           | 6,318,437          |
| Advertising and marketing                                         | 24,395,672           | 21,353,575         |
| Utilities                                                         | 1,698,755            | 3,393,201          |
| Service fees                                                      | 81,505,114           | 68,276,573         |
| Bad debt expenses<br>(reversal of allowance on doubtful accounts) | 27,234,002           | (1,491,361)        |
| Training                                                          | 3,425,943            | 4,095,838          |
| IT expenses                                                       | 45,858,458           | 38,738,215         |
| Provision for sales warranties (reversal)                         | (182,886)            | (117,785)          |
| R&D expenditure                                                   | 11,385,097           | 11,311,208         |
| Others                                                            | 15,825,545           | 15,110,858         |
|                                                                   | ₩ <u>697,328,039</u> | <u>537,436,215</u> |

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**22. Operating income and other income (expenses), Continued**

**22.2 Details of finance income for the years ended December 31, 2024 and 2023 are as follows :**

(In thousands of won)

|                                                                              | <b>2024</b>          | <b>2023</b>        |
|------------------------------------------------------------------------------|----------------------|--------------------|
| Interest income                                                              | ₩ 181,994,455        | 120,422,928        |
| Dividend income                                                              | 4,268,209            | 3,773,914          |
| Return on fair value through profit or loss on valuation of financial assets | -                    | 3,429,158          |
| Profit or loss on disposal of financial assets measured at fair value        | -                    | 43,943,620         |
|                                                                              | <u>₩ 186,262,664</u> | <u>171,569,620</u> |

**22.3 Details of other operating income for the years ended December 31, 2024 and 2023 are as follows :**

(In thousands of won)

|                                                   | <b>2024</b>            | <b>2023</b>        |
|---------------------------------------------------|------------------------|--------------------|
| Rental revenues                                   | ₩ 419,468              | 411,738            |
| Commissions                                       | 831,146                | 632,373            |
| Gain on disposal of property, plant and equipment | 17,025,207             | 1,127,208          |
| Gain on disposal of intangible assets             | 17,054                 | 159,465            |
| Gain on foreign currency transactions             | 844,243,504            | 832,909,318        |
| Foreign currency conversion profit                | 216,005,252            | 52,342,779         |
| Gain on derivative transactions                   | 30,399,176             | 22,571,531         |
| Gain on derivative valuation                      | 4,114,518              | 13,817,359         |
| Other non-recurring of bad debt                   | -                      | 75,557             |
| Others                                            | 24,532,293             | 14,941,887         |
|                                                   | <u>₩ 1,137,587,618</u> | <u>938,989,215</u> |

**22.4 The main details of Financial expenses during the current term and the prior term are as follows :**

(In thousands of won)

|                                                                                       | <b>2024</b>          | <b>2023</b>        |
|---------------------------------------------------------------------------------------|----------------------|--------------------|
| Interest expense                                                                      | ₩ 189,184,306        | 169,664,161        |
| Losses on valuation of financial assets measured at fair value through profit or loss | -                    | 931,799            |
| Losses on disposal of financial assets measured at fair value through profit or loss  | -                    | 23,625,941         |
|                                                                                       | <u>₩ 189,184,306</u> | <u>194,221,901</u> |

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**22. Operating income and other income (expenses), Continued**

**22.5 Details of other operating expenses for the years ended December 31, 2024 and 2023 are as follows :**

| <i>(In thousands of won)</i>                      | <b>2024</b>     | <b>2023</b>   |
|---------------------------------------------------|-----------------|---------------|
| Donations                                         | ₩ 6,839,039     | 4,320,239     |
| Loss on disposal of property, plant and equipment | 4,918,727       | 2,702,486     |
| Loss on disposal of intangible assets             | 66,250          | -             |
| Loss on foreign currency transactions             | 643,830,548     | 549,824,847   |
| Loss on foreign currency translations             | 415,484,944     | 410,928,741   |
| Loss on derivative transactions                   | 74,047,685      | 27,710,557    |
| Loss on derivative valuation                      | 43,982,819      | 8,197,425     |
| Other bad debt expenses                           | 544,387         | 89,519        |
| Others                                            | 30,991,061      | 5,798,835     |
|                                                   | ₩ 1,220,705,460 | 1,009,572,649 |

**22.6 Details of employee benefit expenses for the years ended December 31, 2024 and 2023 are as follows :**

| <i>(In thousands of won)</i> | <b>2024</b>   | <b>2023</b> |
|------------------------------|---------------|-------------|
| Salaries                     | ₩ 776,981,130 | 635,659,261 |
| Severance expenses           | 20,220,025    | (940,753)   |
| Long-term employee benefits  | 6,240,533     | 5,671,310   |
| Employee welfare benefits    | 170,915,129   | 133,272,180 |
|                              | ₩ 974,356,817 | 773,661,998 |

**22.7 Adjusted operating income classified by the Group for the years ended December 31, 2024 and 2023 are as follows :**

| <i>(In thousands of won)</i>                        | <b>2024</b>     | <b>2023</b>   |
|-----------------------------------------------------|-----------------|---------------|
| Operating income in the statement of profit or loss | ₩ 1,752,867,442 | 1,554,032,510 |
| Other income and expenses(*)                        | (2,628,998)     | 2,738,322     |
| Adjusted operating income                           | ₩ 1,750,238,444 | 1,556,770,832 |

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

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**23. Classification according to nature of expenses**

Expenses by nature for the years ended December 31, 2024 and 2023 are as follows:

| <i>(In thousands of won)</i>    | <b>2024</b>      | <b>2023</b>    |
|---------------------------------|------------------|----------------|
| Changes in inventories          | ₩ (376,716,662)  | 104,856,484    |
| Purchase amounts of inventories | 13,048,057,441   | 11,852,980,738 |
| Employee benefit expenses       | 974,356,817      | 773,662,000    |
| Depreciation and amortization   | 674,384,937      | 553,042,830    |
| Rents                           | 850,203,258      | 593,714,358    |
| Transportation                  | 8,628,965,180    | 7,797,042,428  |
| Ship operation cost             | 2,254,491,969    | 1,831,326,086  |
| Other expenses                  | 600,763,919      | 622,539,730    |
| Total(*)                        | ₩ 26,654,506,859 | 24,129,164,654 |

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

**24. Income tax**

Major components of income tax expense for the years ended December 31, 2024 and 2023 are as follows :

**24.1 Income expenses reported in the consolidated statements of profit or loss and other comprehensive income are as follows :**

| <i>(In thousands of won)</i>                                                          | <b>2024</b>   | <b>2023</b> |
|---------------------------------------------------------------------------------------|---------------|-------------|
| Current income tax                                                                    | ₩ 473,458,940 | 362,210,553 |
| Current period adjustment recognized in relation to prior period corporate income tax | (3,560,081)   | 17,506,448  |
| Deferred tax related to change of temporary differences                               | (27,458,593)  | 4,585,234   |
| Tax related to items recognized in OCI during the year                                | 2,811,685     | (954,778)   |
|                                                                                       | ₩ 445,251,951 | 383,347,457 |

**24.2 Income tax expenses recognized directly to equity :**

| <i>(In thousands of won)</i>                                     | <b>2024</b>   | <b>2023</b> |
|------------------------------------------------------------------|---------------|-------------|
| Gains on valuation of financial assets at fair value through OCI | ₩ (2,022,660) | (5,647,675) |
| Re-measurement of defined benefit liability                      | 2,669,638     | 4,109,696   |
| Retained earnings adjustment in equity method                    | 793,639       | 834,327     |
| Equity adjustment in equity method                               | 1,371,068     | (251,126)   |
|                                                                  | ₩ 2,811,685   | (954,778)   |

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**24. Income tax, Continued**

**24.3 Reconciliation of profit before tax at the Korean statutory tax rate to income tax expense at the effective income tax rate of the Group is as follows :**

(In thousands of won)

|                                                                                                                     | <b>2024</b>          | <b>2023</b>        |
|---------------------------------------------------------------------------------------------------------------------|----------------------|--------------------|
| Accounting profit before income taxes                                                                               | ₩ 1,544,738,937      | 1,453,438,121      |
| Tax at the statutory income tax rate<br>(2024: 31.50%, 2023: 27.41%)                                                | 486,638,349          | 398,347,655        |
| Adjustments:                                                                                                        |                      |                    |
| Adjustments relating to the corporate tax of the prior term                                                         | (3,560,081)          | 17,506,448         |
| Income not subject to tax                                                                                           | (86,478,354)         | (69,054,228)       |
| Non-deductible expenses for tax purposes                                                                            | 5,354,243            | 4,263,564          |
| Tax credit                                                                                                          | (10,102,970)         | (6,899,335)        |
| Tonnage tax                                                                                                         | 2,726,771            | 2,634,123          |
| The Effect of Corporate Tax on the Profit and Losses of Subsidiaries,<br>Joint Ventures and Associates' Investments | 10,154,752           | 29,046,115         |
| Effect of change in tax rate and others                                                                             | 40,519,241           | 7,503,115          |
| Income tax expense at the effective income tax rate of 28.22%<br>(2023: 26.38%)                                     | ₩ <u>445,251,951</u> | <u>383,347,457</u> |

**24.4 Deferred tax assets and liabilities as of December 31, 2024 and 2023 are as follows :**

(In thousands of won)

|                                            | <b>Consolidated statements of<br/>financial position</b> |                      | <b>Consolidated statements of<br/>financial profit or loss</b> |              |
|--------------------------------------------|----------------------------------------------------------|----------------------|----------------------------------------------------------------|--------------|
|                                            | <b>2024</b>                                              | <b>2023</b>          | <b>2024</b>                                                    | <b>2023</b>  |
| Investments in associate and subsidiaries  | ₩ (269,176,427)                                          | (264,942,657)        | 9,154,879                                                      | 34,445,260   |
| Financial assets at fair value through OCI | (24,075,006)                                             | (22,052,346)         | -                                                              | (6,837)      |
| Other payables and other receivables       | 53,145,350                                               | 36,182,668           | (16,962,682)                                                   | (30,417,162) |
| Allowance for doubtful accounts            | 11,052,801                                               | 4,355,849            | (6,696,952)                                                    | (3,045,826)  |
| Other provisions                           | 8,299,936                                                | 2,590,980            | (5,708,956)                                                    | 2,708,802    |
| Property, plant and equipment              | (11,005,529)                                             | (6,646,762)          | 4,358,767                                                      | (1,189,677)  |
| Intangible assets                          | 5,334,881                                                | 4,307,297            | (1,027,584)                                                    | 377,647      |
| Others                                     | 17,510,561                                               | 9,832,945            | (7,764,380)                                                    | 758,250      |
| Deferred tax expense(revenue)              | -                                                        | -                    | (24,646,908)                                                   | 3,630,457    |
| Deferred tax assets                        | 23,085,534                                               | 15,173,447           | -                                                              | -            |
| Deferred tax liabilities                   | ₩ <u>(231,998,967)</u>                                   | <u>(251,545,473)</u> | -                                                              | -            |

The Group offsets deferred tax assets and deferred tax liabilities, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**24.5 Global Minimum Tax:**

All jurisdictions in which the consolidated entities conduct business activities meet the conditions for transitional relief. Accordingly, no current corporate income tax expense related to the global minimum tax has been recognized for the current period.

In addition, the consolidated entities apply the temporary exception under Korean International Financial Reporting Standard (K-IFRS) No. 1012 Income Taxes, and therefore have not recognized deferred tax assets or liabilities related to the global minimum tax. Information related to deferred taxes is not disclosed.

The estimated annual effective tax rate may vary due to various factors, including tax incentives received by subsidiaries and adjustments to accounting profit or loss required under law for the purpose of calculating global minimum tax income in subsequent interim periods. As a result, current corporate income tax expense related to Pillar Two is subject to estimation uncertainty.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
For the years ended December 31, 2024 and 2023

**25. Earnings per share**

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares issued and fully paid during the year.  
The following reflects income and share data used in the basic earnings per share computations :

| <i>(In won)</i>                                                         | <b>2024</b>         | <b>2023</b>       |
|-------------------------------------------------------------------------|---------------------|-------------------|
| Profit for the year                                                     | ₩ 1,093,860,048,142 | 1,061,133,294,855 |
| Weighted average number of ordinary shares for basic earnings per share | 75,000,000 shares   | 75,000,000 shares |
| Basic earnings per share                                                | ₩ 14,585            | 14,148            |

(\*) Weighted average number of ordinary shares for basic earnings per share

| <i>(In shares)</i>                                                      | <b>2024</b>     | <b>2023</b>     |
|-------------------------------------------------------------------------|-----------------|-----------------|
| Number of Common Shares Outstanding at the Beginning of the Period      | 75,000,000      | 37,500,000      |
| Weight                                                                  | 366days/366days | 365days/365days |
| Weighted average number of ordinary shares for basic earnings per share | 75,000,000      | 75,000,000      |

The parent company allotted one new share for every one existing share on July 15, 2024, pursuant to a resolution for a bonus issue on June 28, 2024. The effect of the bonus issue has been applied retrospectively in the calculation of basic earnings per share.

**26. Related party disclosures**

**26.1 Related parties of the Group as of December 31, 2024 are as follows :**

|                               | <b>Company</b>                                                            |
|-------------------------------|---------------------------------------------------------------------------|
| 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(*1)      |
|                               | Sichuan Glovis Logistics Co., Ltd.                                        |
|                               | Jiangsu Yueda Glovis Logistics 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 three others                                 |
| Other related parties(*2)     | Socius Korea Investment No. 1 Corporate Stabilization Private Equity Fund |
|                               | HTWO LOGISTICS, LLC                                                       |
|                               | Hyundai Motor Company and Kia Motors Corp.                                |

(\*1) During the current period, Hi Gold Ocean Ship Private Special Asset Investment Trust No. 11 was liquidated, and the Group recovered the full principal amount of its investment. Accordingly, as of the end of the current period, the entity is no longer considered a related party.

(\*2) It includes the subsidiary of Hyundai Motor Group to which the Group belongs.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**26. Related party disclosures, Continued**

**26.2 Transactions with related parties for the years ended December 31, 2024 and 2023 are as follows :**

(In thousands of won)

|                                                                              | 2024             |              |               |                        |
|------------------------------------------------------------------------------|------------------|--------------|---------------|------------------------|
|                                                                              | Sales            | Other income | Purchases     | Other expenses<br>(*1) |
| Associates and joint ventures:                                               |                  |              |               |                        |
| Hyundai Engineering Co., Ltd.                                                | ₩ 5,286,529      | 5,341,988    | 4,193,690     | 61,733,060             |
| Beijing Zhongdu Glovis Logistics Co., Ltd.                                   | -                | -            | 506,700       | 7,376,043              |
| Sichuan Glovis Logistics Co., Ltd.                                           | 13,943           | -            | 32,178        | -                      |
| Jiangsu Yueda Glovis Logistics Co., Ltd.                                     | 1,293,055        | -            | 2,833,168     | 666,058                |
| Boston Dynamics, Inc.                                                        | -                | -            | -             | 67,425,388             |
| Hi Gold Ocean Ship Private Special Asset<br>Investment Trust No. 11(*2)      | -                | 41,226,430   | -             | 2,778,983              |
| Changjiu-Glovis(Shanghai) Shipping                                           | 21,023,891       | -            | 85,554,937    | -                      |
| Stena glovis SE                                                              | 3,316,897        | 14,401       | 7,416,956     | -                      |
| BLG GLOVIS BHV GmbH                                                          | -                | 23,891       | -             | -                      |
| ORYX LNG NO. 1 PTE. LTD. and three<br>others                                 | -                | -            | -             | 64,055,064             |
| Socius Korea Investment No. 1 Corporate<br>Stabilization Private Equity Fund | -                | -            | -             | 50,000,000             |
| HTWO LOGISTICS, LLC                                                          | -                | -            | -             | 5,235,745              |
| Other related parties :                                                      |                  |              |               |                        |
| Kia Slovakia s.r.o.                                                          | 2,441,448,825    | 2            | 1,411,339     | 37,195                 |
| Hyundai Motor Manufacturing Alabama, LLC                                     | 2,603,515,391    | 15,594       | 5,011,651     | 3,986,556              |
| Kia Corp.                                                                    | 1,572,110,224    | 1,078,429    | 59,903,155    | 2,786,228              |
| Hyundai Motor Manufacturing Czech, s.r.o.                                    | 1,356,129,189    | 18,818       | 957,993       | 405,504                |
| Hyundai Motor Company                                                        | 1,750,055,655    | 2,830,007    | 47,218,925    | 20,903,565             |
| Hyundai Steel Co., Ltd.                                                      | 1,124,264,254    | 530,050      | 140,529       | 13,976                 |
| Hyundai Motor Manufacturing Rus LLC(*2)                                      | 1,067,279        | -            | 21,755        | -                      |
| Kia India Pvt Ltd                                                            | 931,610,424      | -            | 1,705,327     | -                      |
| Kia Motors America Inc.                                                      | 800,098,849      | -            | 18,974,979    | -                      |
| Hyundai Mobis Co.                                                            | 509,391,709      | 4,150,525    | 826,599,226   | 2,153,854              |
| Hyundai Motor Brasil Montadora de<br>Automoveis LTDA                         | 919,166,579      | 6,666,159    | 5,789,122     | -                      |
| Kia Georgia Inc.                                                             | 976,652,780      | 68           | 1,888,565     | 20,411                 |
| Hyundai Assan Otomotive Sannayi<br>Ve Ticaret A.S                            | 1,156,407,164    | -            | 10,516,248    | -                      |
| Hyundai Motor America                                                        | 851,465,795      | -            | 14,036,736    | 121,112                |
| Others                                                                       | 4,590,835,803    | 8,058,035    | 3,348,166,695 | 93,613,106             |
|                                                                              | ₩ 21,615,154,235 | 69,954,397   | 4,442,879,873 | 383,311,848            |

(\*1) The transaction amounts above include equity investments, lease repayments, etc. that occurred during the year.

(\*2) These are the transaction amounts up to the point of exclusion from related parties.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**26. Related party disclosures, Continued**

**26.2 Transactions with related parties for the years ended December 31, 2024 and 2023 are as follows, Continued**

(In thousands of won)

|                                                                    | <b>2023</b>             |                     |                      |                               |
|--------------------------------------------------------------------|-------------------------|---------------------|----------------------|-------------------------------|
|                                                                    | <b>Sales</b>            | <b>Other income</b> | <b>Purchases</b>     | <b>Other expenses<br/>(*)</b> |
| Associates and joint ventures:                                     |                         |                     |                      |                               |
| Hyundai Engineering Co., Ltd.                                      | ₩ 14,168,871            | 5,320,440           | 3,563,479            | 17,969,305                    |
| Beijing Zhongdu Glovis Logistics Co., Ltd.                         | -                       | -                   | 463,012              | -                             |
| Sichuan Glovis Logistics Co., Ltd.                                 | 241,553                 | 5,699               | 7,888                | -                             |
| Jiangsu Yueda Glovis Logistics Co., Ltd.                           | 1,319,332               | -                   | 1,323,099            | -                             |
| Boston Dynamics, Inc.                                              | -                       | -                   | -                    | 25,422,795                    |
| Hi Gold Ocean Ship Private Special Asset<br>Investment Trust No.11 | -                       | 307,390             | -                    | 14,462,085                    |
| Changjiu-Glovis(Shanghai) Shipping                                 | 7,254,603               | -                   | 15,531,166           | -                             |
| Stena glovis SE                                                    | -                       | 45,905              | 9,614,551            | -                             |
| Other related parties :                                            |                         |                     |                      |                               |
| Kia Slovakia s.r.o.                                                | 2,553,947,100           | -                   | 292,004              | 4,542,574                     |
| Hyundai Motor Manufacturing Alabama, LLC                           | 2,144,992,760           | 585,362             | 9,699,838            | 4,626,744                     |
| Kia Corp.                                                          | 1,210,672,939           | 1,030,252           | 101,337,550          | 2,695,332                     |
| Hyundai Motor Manufacturing Czech, s.r.o.                          | 1,410,794,802           | 43,771              | 679,052              | 4,996,918                     |
| Hyundai Motor Company                                              | 1,413,601,245           | 1,713,983           | 22,295,495           | 57,184,826                    |
| Hyundai Steel Co., Ltd.                                            | 1,086,766,298           | 418,315             | 151,783              | 12,731                        |
| Hyundai Motor Manufacturing Rus LLC                                | 112,322,887             | 590,924             | 273,809              | 10,682                        |
| Kia India Pvt Ltd                                                  | 1,015,160,251           | 9,675               | 464,058              | 87,847                        |
| Kia Motors America Inc.                                            | 760,098,154             | -                   | 12,270,261           | -                             |
| Hyundai Mobis Co.                                                  | 416,568,521             | 3,763,569           | 773,812,003          | 4,289,369                     |
| Hyundai Motor Brasil Montadora de<br>Automoveis LTDA               | 707,022,604             | 6,077,810           | -                    | 1,163,803                     |
| Kia Georgia Inc.                                                   | 824,920,711             | 36                  | 10,907,175           | 6,012,015                     |
| Hyundai Assan Otomotive Sannayi<br>Ve Ticaret A.S                  | 986,918,089             | 1,079,702           | 10,731,345           | 398,580                       |
| Hyundai Motor America                                              | 783,243,531             | -                   | 9,881,698            | -                             |
| Others                                                             | 4,158,323,296           | 13,095,997          | 3,128,247,972        | 69,836,457                    |
|                                                                    | <u>₩ 19,608,337,547</u> | <u>34,088,830</u>   | <u>4,111,547,238</u> | <u>213,712,063</u>            |

(\*) The transaction amounts above include equity investments, lease repayments, etc. that occurred during the year.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**26. Related party disclosures, Continued**

**26.3 Outstanding balances with related parties as of December 31, 2024 and 2023 are as follows :**

(In thousands of won)

|                                                    | December 31, 2024    |                                    |                |                              |
|----------------------------------------------------|----------------------|------------------------------------|----------------|------------------------------|
|                                                    | Trade<br>receivables | Other<br>receivables<br>and others | Trade payables | Other payables<br>and others |
| Associates and joint ventures:                     |                      |                                    |                |                              |
| Hyundai Engineering Co., Ltd.                      | ₩ 1,214,216          | -                                  | 352,594        | 15,732,211                   |
| Beijing Zhongdu Glovis Logistics Co., Ltd.         | -                    | -                                  | 41,767         | -                            |
| Sichuan Glovis Logistics Co., Ltd.                 | 566                  | 6,564                              | 15,790         | -                            |
| Jiangsu Yueda Glovis Logistic Co., Ltd.            | 1,133,950            | -                                  | 244,486        | -                            |
| Boston Dynamics, Inc.                              | -                    | -                                  | -              | 92,995                       |
| Changjiu-Glovis(Shanghai) Shipping                 | 5,960,467            | 429                                | 3,980,748      | 1,858,535                    |
| Stena glovis SE                                    | 3,532,179            | 14,354                             | -              | -                            |
| BLG GLOVIS BHV GmbH                                | -                    | 6,204                              | -              | -                            |
| Other related parties:                             |                      |                                    |                |                              |
| Kia Slovakia s.r.o.                                | 46,895,450           | -                                  | 59,097         | 43,989,911                   |
| Hyundai Motor Manufacturing Alabama, LLC           | 338,579,380          | 905,540                            | 3,026,940      | 26,137,265                   |
| Kia Corp.                                          | 104,757,435          | 693,411                            | 2,710,322      | 975,179                      |
| Hyundai Motor Manufacturing Czech, s.r.o.          | 31,788,198           | -                                  | 11,611         | 78,297,481                   |
| Hyundai Motor Company                              | 241,653,891          | 5,153                              | 484,897        | 8,153,965                    |
| Hyundai Steel Co., Ltd.                            | 138,977,347          | -                                  | 6,741          | 18,216                       |
| Kia India Pvt Ltd                                  | 111,163,575          | 10,689                             | 99,077         | 415,460                      |
| Kia Motors America Inc.                            | 86,599,298           | -                                  | 182,135        | -                            |
| Hyundai Mobis Co.                                  | 58,846,249           | 140,399                            | 58,848,245     | 21,506,780                   |
| Hyundai Motors Brasil Montadora de Automoveis LTDA | 306,758,217          | 8,298,773                          | -              | 22,094,973                   |
| Kia Georgia Inc.                                   | 129,780,022          | -                                  | 880,847        | 4,743,424                    |
| Hyundai Assan Otomotive Sannayi Ve Ticaret A.S     | 42,146,467           | -                                  | 1,302,370      | 36,700,418                   |
| Hyundai Motor America                              | 129,264,010          | -                                  | 1,560,036      | 2,724                        |
| Others                                             | 620,941,501          | 6,624,909                          | 272,646,556    | 35,075,367                   |
|                                                    | ₩ 2,399,992,418      | 16,706,425                         | 346,454,259    | 295,794,904                  |

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**26. Related party disclosures, Continued**

**26.3 Outstanding balances with related parties as of December 31, 2024 and 2023 are as follows, Continued**

(In thousands of won)

|                                                                    | December 31, 2023      |                                    |                    |                              |
|--------------------------------------------------------------------|------------------------|------------------------------------|--------------------|------------------------------|
|                                                                    | Trade<br>receivables   | Other<br>receivables<br>and others | Trade payables     | Other payables<br>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<br>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<br>Automoveis LTDA              | 134,105,104            | 7,208,340                          | -                  | 18,857,604                   |
| Kia Georgia Inc.                                                   | 112,717,018            | -                                  | -                  | 1,379,768                    |
| Hyundai Assan Otomotive Sannayi<br>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  
Notes to the Consolidated Financial Statements, Continued  
For the years ended December 31, 2024 and 2023

**26. Related party disclosures, Continued**

**26.4 Financing transactions**

26.4.1 In the prior period, the Group paid ~~₩~~25,367,555 thousand for an additional acquisition of Boston Dynamics, Inc., and in the current period, an additional ~~₩~~67,320,537 thousand was paid.

26.4.2 During the current and prior periods, repayments of long-term payables and interest payments related to the acquisition of vessels from Hi Gold Ocean Ship Private Special Asset Investment Trust No. 11, an associate of the Group, amounted to ~~₩~~261,448,859 thousand and ~~₩~~43,037,225 thousand, respectively. Proceeds from the recovery of investment amounted to ~~₩~~42,789,935 thousand and ~~₩~~6,075,660 thousand, respectively.

26.4.3 Dividends received by the Group from related parties during the current and prior periods amounted to ~~₩~~49,500,188 thousand and ~~₩~~12,379,530 thousand, respectively. Dividends paid to related parties amounted to ~~₩~~118,946,192 thousand and ~~₩~~107,600,884 thousand, respectively.

26.4.4 During the current period, ORYX LNG NO. 1 PTE. LTD. and three other entities were established, and the Group acquired a 50% equity interest by contributing ~~₩~~63,917,073 thousand in capital. An additional ~~₩~~337,585 thousand was contributed during the period, with no change in the ownership percentage.

26.4.5 During the current period, the Group acquired a 34.99% equity interest in Socius Korea Investment No. 1 Corporate Stabilization Private Equity Fund. Following a capital increase by the partnership, the Group's ownership interest decreased to 34.51%.

26.4.6 During the current period, the Group acquired a 25% equity interest in HTWO LOGISTICS, LLC.

26.4.7 During the current period, Hi Gold Ocean Ship Private Special Asset Investment Trust No. 11 was liquidated, and the Group recovered the full principal amount of its investment.

26.4.8 During the current period, the Group paid ~~₩~~7,376,043 thousand and ~~₩~~666,058 thousand for additional acquisitions of equity interests in Beijing Zhongdu Glovis Logistics Co., Ltd. and Jiangsu Yueda Glovis Logistics Co., Ltd., respectively.

26.4.9 As of the end of the reporting period, the Group has not provided any guarantees to related parties.

**26.5 Compensation for key management personnel of the Group**

The following represents amounts recognized as an expense during the reporting period related to key management personnel. 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)

|                                                     | <b>2024</b>                    | <b>2023</b>       |
|-----------------------------------------------------|--------------------------------|-------------------|
| Short-term employee benefits                        | <del>₩</del> 30,958,841        | 22,078,448        |
| Severance expenses                                  | 2,963,096                      | 2,700,191         |
| Other long-term employee benefits                   | 53,730                         | 46,567            |
| Total compensation paid to key management personnel | <del>₩</del> <u>33,975,667</u> | <u>24,825,206</u> |

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**27. Commitments and contingencies**

**27.1 Details of guarantees provided by others as of December 31, 2024 are as follows :**

(In thousands of won, 1USD, 1INR, 1VND, 1EUR)

| Provider                                         | Period            | Currency | Guaranteed amount | Description                                                               |
|--------------------------------------------------|-------------------|----------|-------------------|---------------------------------------------------------------------------|
| Korea Specialty Contractor Financial Cooperative | 2023.02 ~ 2025.02 | KRW      | 201,850           | Warranty Guarantee                                                        |
| 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         | Advance Payment Guarantee                                                 |
| Seoul Guarantee Insurance Co., Ltd.              | 2022.05 ~ 2026.11 | KRW      | 381,000           | Deposit Guarantee Insurance                                               |
| Seoul Guarantee Insurance Co., Ltd.              | 2013.04 ~ 2030.07 | KRW      | 12,133,895        | Contract Performance Guarantee Insurance                                  |
| Seoul Guarantee Insurance Co., Ltd.              | 2020.01 ~ 2029.01 | KRW      | 13,830,681        | Performance guarantee(payments) Permit (or Licensing) Guarantee Insurance |
| Seoul Guarantee Insurance Co., Ltd.              | 2023.10 ~ 2026.10 | KRW      | 1,342,574         | Defect Liability Guarantee Insurance                                      |
| Seoul Guarantee Insurance Co., Ltd.              | 2023.03 ~ 2027.12 | KRW      | 884,364           | Advance Payment Guarantee Insurance                                       |
| Seoul Guarantee Insurance Co., Ltd.              | 2023.12 ~ 2026.02 | KRW      | 3,856,814         | Guarantee of principal of debt                                            |
| Korea Maritime Guarantee Co., Ltd.               | 2020.01 ~ 2026.01 | KRW      | 729,021           | Guarantee of principal of debt                                            |
| Korea Maritime Guarantee Co., Ltd.               | 2020.02 ~ 2026.02 | KRW      | 838,831           | Guarantee of principal of debt                                            |
| Korea Maritime Guarantee Co., Ltd.               | 2020.05 ~ 2026.05 | KRW      | 1,018,581         | Guarantee of principal of debt                                            |
| Korea Maritime Guarantee Co., Ltd.               | 2020.06 ~ 2026.06 | KRW      | 1,078,497         | Guarantee of principal of debt                                            |
| Korea Maritime Guarantee Co., Ltd.               | 2020.08 ~ 2026.08 | KRW      | 1,672,190         | Guarantee of principal of debt                                            |
| Korea Maritime Guarantee Co., Ltd.               | 2020.06 ~ 2026.06 | KRW      | 1,504,971         | Guarantee of principal of debt                                            |
| Korea Maritime Guarantee Co., Ltd.               | 2021.01 ~ 2027.01 | KRW      | 1,543,750         | Guarantee of principal of debt                                            |
| Korea Maritime Guarantee Co., Ltd.               | 2021.02 ~ 2027.02 | KRW      | 1,605,500         | Guarantee of principal of debt                                            |
| Korea Maritime Guarantee Co., Ltd.               | 2021.02 ~ 2027.02 | KRW      | 1,605,500         | Guarantee of principal of debt                                            |
| Korea Maritime Guarantee Co., Ltd.               | 2021.04 ~ 2027.04 | KRW      | 1,517,973         | Guarantee of principal of debt                                            |
| Korea Maritime Guarantee Co., Ltd.               | 2021.09 ~ 2027.09 | KRW      | 1,829,273         | Guarantee of principal of debt                                            |
| Korea Maritime Guarantee Co., Ltd.               | 2021.08 ~ 2027.08 | KRW      | 1,692,773         | Guarantee of principal of debt                                            |
| Korea Maritime Guarantee Co., Ltd.               | 2022.04 ~ 2028.04 | KRW      | 2,435,800         | Guarantee of principal of debt                                            |
| Korea Maritime Guarantee Co., Ltd.               | 2022.05 ~ 2028.05 | KRW      | 2,501,369         | Guarantee of principal of debt                                            |
| Korea Maritime Guarantee Co., Ltd.               | 2022.06 ~ 2028.06 | KRW      | 2,557,191         | Guarantee of principal of debt                                            |
| Korea Maritime Guarantee Co., Ltd.               | 2022.08 ~ 2028.08 | KRW      | 2,675,200         | Guarantee of principal of debt                                            |
| Korea Maritime Guarantee Co., Ltd.               | 2022.08 ~ 2028.08 | KRW      | 2,630,474         | Guarantee of principal of debt                                            |
| Korea Maritime Guarantee Co., Ltd.               | 2022.09 ~ 2028.09 | KRW      | 2,690,258         | Guarantee of principal of debt                                            |
| Korea Maritime Guarantee Co., Ltd.               | 2022.10 ~ 2028.10 | KRW      | 2,750,041         | Guarantee of principal of debt                                            |
| Korea Maritime Guarantee Co., Ltd.               | 2022.10 ~ 2028.10 | KRW      | 2,796,800         | Guarantee of principal of debt                                            |
| Korea Maritime Guarantee Co., Ltd.               | 2023.04 ~ 2029.04 | KRW      | 3,108,742         | Guarantee of principal of debt                                            |
| Korea Maritime Guarantee Co., Ltd.               | 2023.04 ~ 2029.04 | KRW      | 3,253,978         | Guarantee of principal of debt                                            |
| Standard Chartered                               | 2024.04 ~ 2025.12 | INR      | 22,500,000        | Performance guarantee(payments)                                           |
| Bank of America                                  | 2024.07 ~ 2025.06 | USD      | 1,200,000         | Performance guarantee(payments)                                           |
| Bank of America                                  | 2024.09 ~ 2025.08 | USD      | 50,000            | Performance guarantee(payments)                                           |
| SHINHAN Bank (Vietnam)                           | 2024.11 ~ 2025.10 | VND      | 7,417,500,000     | Performance guarantee(payments)                                           |
| Citibank Europe                                  | 2024.03 ~ 2025.03 | EUR      | 4,177,931         | Performance guarantee(payments)                                           |
| Kasikorn Bank                                    | 2024.01 ~ 2025.03 | USD      | 227,000           | Advance Payment Guarantee Insurance                                       |
| Kasikorn Bank                                    | 2024.02 ~ 2025.03 | USD      | 113,500           | Performance guarantee(contract)                                           |

The Group, in addition to the above payment guarantees, has enrolled in the Seafarers' Wage Claim Guarantee Fund with the Korea Shipping Association, securing guarantees for the unpaid amounts of the final four months of wages and the final four years of retirement allowances.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**27. Commitments and contingencies, Continued**

**27.2 There is no guarantee provided by the Group to others other than related parties as of December 31, 2024**

**27.3 Details of the Group's commitments as of December 31, 2024 are as follows :**

(In thousands of won, 1USD, 1EUR, 1BRL, 1CNY)

| Description of commitment                       | Currency | Committed amount |
|-------------------------------------------------|----------|------------------|
| Discounting D/A note                            | USD      | 1,994,100,000    |
| Discounting D/A note                            | EUR      | 50,000,000       |
| Opening import credit                           | USD      | 40,000,000       |
| Secured loan against receivables                | KRW      | 107,500,000      |
| Loan limit for facility (Scrubber) installation | KRW      | 85,708,000       |
| Working capital loan                            | KRW      | 31,700,000       |
| Working capital loan                            | USD      | 77,700,000       |
| Working capital loan                            | EUR      | 5,000,000        |
| Working capital loan                            | BRL      | 23,000,000       |
| Working capital loan                            | CNY      | 103,920,000      |
| London Metal Exchange forward                   | USD      | 41,000,000       |
| London Metal Exchange forward                   | KRW      | 84,000,000       |
| Bunker forward                                  | KRW      | 6,000,000        |
| Currency forward                                | USD      | 35,000,000       |
| Currency forward                                | EUR      | 30,000,000       |
| Business facilities loan                        | EUR      | 40,000,000       |
| Business facilities loan                        | USD      | 44,546,400       |
| Business facilities loan                        | KRW      | 1,286,000        |
| Derivatives (CRS)                               | KRW      | 14,000,000       |
| Inclusion                                       | KRW      | 300,000,000      |
| Guarantees                                      | KRW      | 32,223,194       |
| Foreign Payment Guarantee                       | USD      | 100,000          |
| Operating Credit Facility                       | KRW      | 93,138           |
| Secured Operating Fund                          | KRW      | 135,450          |
| Discounting notes                               | KRW      | 129,000          |
| New car financing                               | KRW      | 107,310          |
| Special inclusion                               | KRW      | 25,800           |
| Ship Financing                                  | USD      | 477,993,576      |

**27.4** As of the end of the reporting period, the Group is involved in pending litigation including business-related claims such as damages and freight charge disputes. The Group is unable to reasonably predict the outcome of these cases, and the timing and amount of potential outflows of resources are uncertain. The Group expects that the impact on the consolidated financial statements will not be material.

**27.5** As of the end of the reporting period, the Group has entered into a shareholders' agreement with other investors regarding shares of its associate, Boston Dynamics, Inc. The agreement includes a put option clause allowing other investors to dispose of their shares to the Company and other purchasers. The purchasers bear joint and several liabilities for the share purchase claims. The total additional amount potentially payable by the purchasers, excluding the Group, in case of their default is USD 100,648 thousand.

**27.6** As of the end of the reporting period, the parent company's subsidiary, Altiall Co., Ltd., has entered into a shareholders' agreement with other investors. The agreement contains a put option allowing other investors to sell their shares to the Group and a call option enabling the Group to purchase shares held by other investors. The current financial liability designated at fair value through profit or loss recognized in relation to these put options amounts to ₩6,736,840 thousand as of the reporting date.

**27.7** 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 shareholders' agreement to acquire the Group's interests in ORYX LNG NO. 1 PTE. LTD. and the other three companies at fair value.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**27. Commitments and contingencies, Continued**

**27.8** The Group holds a right of first refusal to purchase shares in Air Incheon held by Socius Aviation (hereinafter "SPC") if SPC sells such shares to a third party, if SPC decides to proceed with an IPO, or if Socius Korea Investment No. 1 Corporate Stabilization Private Equity Fund sells shares of SPC to a third party.

**28. 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 December 31, 2024 and 2023 are as follows :

| (In thousands of won)             |                        | December 31, 2024     |   |               |                     |
|-----------------------------------|------------------------|-----------------------|---|---------------|---------------------|
| Pledged to                        | Pledged asset          | Details               |   | Limit         | Book value of asset |
| Korea Development Bank and others | Vessels                | Borrowings and others | ₩ | 1,098,687,727 | 1,960,907,088       |
| Korea Specialty Contractor        | Equity                 |                       |   |               |                     |
| Financial Cooperative             | investments            | Contract guarantee    |   | 222,715       | 222,715             |
|                                   | Vehicles and Transport |                       |   |               |                     |
| NH NongHyup Capital               | Equipment              | Borrowings            |   | 53,655        | 57,145              |
| Hana Bank and others              | Buildings              | Borrowings            |   | 1,544,000     | 820,825             |
| (In thousands of won)             |                        | December 31, 2023     |   |               |                     |
| Pledged to                        | Pledged asset          | Details               |   | Limit         | Book value of asset |
| Korea Development Bank and others | Vessels                | Borrowings and others | ₩ | 944,641,946   | 1,573,826,041       |
| Korea Specialty Contractor        | Equity                 |                       |   |               |                     |
| Financial Cooperative             | investments            | Contract guarantee    |   | 222,229       | 222,229             |

The vessels provided as collateral are additionally subject to loan-to-value (LTV) maintenance requirements under ship financing agreements, with LTV ratios ranging from 105% to 125%. In the event of non-compliance with the LTV requirements, the Group is obligated to provide additional collateral or repay a portion of the borrowings. Furthermore, certain loan agreements related to ship-financing SPCs include put option provisions that allow the lenders to request repayment.

**29. Cash flow information**

**29.1 Cash flow has been prepared under the indirect method and significant non-cash transactions for the years ended December 31, 2024 and 2023 are as follows :**

| (In thousands of won)                                        | 2024          | 2023        |
|--------------------------------------------------------------|---------------|-------------|
| Transfer of construction in-progress                         | ₩ 738,112,212 | 100,881,171 |
| Transfer to current portion of long-term borrowings          | 336,899,916   | 113,464,691 |
| Transfer to current portion of long-term other payables      | 20,231,238    | 91,102,894  |
| Liquidity Replacement of Corporate Bonds                     | 189,971,620   | -           |
| Recognition of right-use-assets                              | 741,023,048   | 304,045,207 |
| Acquisition of non-payment of tangible and intangible assets | 14,272,466    | 15,509,571  |

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**29. Cash flow information, Continued**

**29.2 Details of cash flows from operating activities for the years ended December 31, 2024 and 2023 are as follows :**

**29.2.1 Adjustment to reconcile profit for the year to net cash flows**

(In thousands of won)

|                                                              | <b>2024</b>            | <b>2023</b>          |
|--------------------------------------------------------------|------------------------|----------------------|
| Interest expenses                                            | ₩ 189,184,306          | 169,664,161          |
| Income tax expense                                           | 445,251,951            | 383,347,457          |
| Pension expenses                                             | 18,583,466             | (2,020,448)          |
| Depreciation of property, plant and equipment                | 655,016,593            | 538,221,454          |
| Long-term employee benefits                                  | 6,240,533              | 5,731,546            |
| Loss on valuation of derivatives                             | 43,982,819             | 8,197,425            |
| Loss on foreign currency translations                        | 415,484,944            | 410,928,741          |
| Amortization of intangible assets                            | 19,368,344             | 14,821,375           |
| Bad debt expenses (reversal)                                 | 27,416,033             | (1,491,361)          |
| Reversal of Provision for product warranties                 | (100,489)              | (117,785)            |
| Other bad debt expenses                                      | 544,387                | 13,963               |
| Loss on disposal of property, plant and equipment            | 4,918,727              | 2,702,486            |
| Loss on disposal of intangible assets                        | 66,250                 | -                    |
| Reversal of Loss on inventory valuations                     | (1,485,947)            | (2,529,118)          |
| Interest income                                              | (181,994,455)          | (120,422,927)        |
| Dividend income                                              | (4,268,209)            | (3,773,914)          |
| Gain on foreign currency translations                        | (216,005,252)          | (52,342,779)         |
| Gain on valuation of derivatives                             | (4,114,518)            | (13,817,359)         |
| Share of loss of an associate for the year                   | 122,089,020            | 7,358,673            |
| Gain on disposal of property, plant and equipment            | (17,025,207)           | (1,127,208)          |
| Gain on disposal of intangible assets                        | (17,054)               | -                    |
| Reversal of Impairment Loss on Property, Plant and Equipment | (15,629)               | (2,127,000)          |
| Others                                                       | 52,802,975             | (35,350,320)         |
|                                                              | ₩ <u>1,575,923,588</u> | <u>1,305,867,062</u> |

**29.2.2 Changes in operating assets and liabilities**

(In thousands of won)

|                                                     | <b>2024</b>            | <b>2023</b>        |
|-----------------------------------------------------|------------------------|--------------------|
| Decrease(Increase) in trade receivables             | ₩ (134,225,191)        | 246,181,280        |
| Decrease(Increase) in other receivables             | (2,560,451)            | 3,083,443          |
| Decrease(Increase) in inventories                   | (372,879,444)          | 108,837,807        |
| Increase in other current assets                    | (3,935,296)            | (16,805,811)       |
| Decrease in other current financial assets          | 26,638,207             | 45,470,845         |
| Decrease in other non-current financial assets      | 1,347,115              | 799,142            |
| Increase in other non-current assets                | (174,777)              | (394,218)          |
| Increase(Decrease) in trade payables                | 322,245,107            | (60,631,568)       |
| Decrease in other payables                          | (122,018,529)          | (114,140,136)      |
| Decrease in other current financial liabilities     | (7,180,002)            | (7,856,250)        |
| Decrease in other non-current financial liabilities | (1,778,744)            | (436,237)          |
| Increase(Decrease) in other current liabilities     | (21,653,378)           | 30,937,376         |
| Decrease in other non-current liabilities           | (1,031,632)            | (1,045,093)        |
| Decrease(Increase) in defined benefit liabilities   | 7,090,196              | (14,583,590)       |
| Payment of severance expenses                       | (8,128,308)            | (5,441,710)        |
| Decrease in provision for sales warranties          | (11,005,122)           | (3,068,232)        |
|                                                     | ₩ <u>(329,250,249)</u> | <u>210,907,048</u> |

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**29. Cash flow information, Continued**

**29.3 Changes in liabilities arising from financing activities**

| <i>(In thousands of won)</i>     | <b>January 1,<br/>2024</b> | <b>Financing<br/>activities<br/>cash flows</b> | <b>Foreign<br/>currencies<br/>translation</b> | <b>New lease</b> | <b>Others(*)</b> | <b>December 31,<br/>2024</b> |
|----------------------------------|----------------------------|------------------------------------------------|-----------------------------------------------|------------------|------------------|------------------------------|
|                                  | ₩ 1,063,853,091            |                                                |                                               |                  |                  |                              |
| Short-term borrowings            | ₩ 1                        | (32,473,140)                                   | 23,822,477                                    | -                | 3,349,981        | 1,058,552,409                |
| Current long-term borrowings     | 110,343,902                | (243,441,847)                                  | 38,261,223                                    | -                | 335,944,589      | 241,107,867                  |
| Long-term borrowings             | 559,425,528                | 296,580,023                                    | 66,036,322                                    | -                | (338,263,896)    | 583,777,977                  |
| Current long-term other payables | 132,041,881                | (41,476,493)                                   | 7,039,386                                     | -                | (71,239,989)     | 26,364,785                   |
| Long-term other payables         | 127,952,907                | (4,611,625)                                    | 23,011,980                                    | -                | 73,253,292       | 219,606,554                  |
| Current Corporate Bonds          | -                          | -                                              | -                                             | -                | 189,971,620      | 189,971,620                  |
| Corporate bonds                  | 299,645,998                | -                                              | -                                             | -                | (189,777,997)    | 109,868,001                  |
| Current lease liabilities        | 367,802,074                | (441,627,884)                                  | 56,990,652                                    | 90,624,114       | 396,544,974      | 470,333,930                  |
| Long-term lease liabilities      | 1,083,580,088              | -                                              | 114,109,221                                   | 650,644,329      | (422,367,829)    | 1,425,965,809                |
| Dividend payables                | -                          | (236,250,000)                                  | -                                             | -                | 236,250,000      | -                            |
|                                  | ₩ 3,744,645,469            | (703,300,966)                                  | 329,271,261                                   | 741,268,443      | 213,664,745      | 4,325,548,952                |

(\*) The effect of lease contract change, transfer to the current portion over time of long-term other payables, offsetting with short-term loans, recognition of interest expenses on present value discount, etc. are included.

| <i>(In thousands of won)</i>     | <b>January 1,<br/>2023</b> | <b>Financing<br/>activities<br/>cash flows</b> | <b>Foreign<br/>currencies<br/>translation</b> | <b>New lease</b> | <b>Others(*)</b> | <b>December 31,<br/>2023</b> |
|----------------------------------|----------------------------|------------------------------------------------|-----------------------------------------------|------------------|------------------|------------------------------|
|                                  | ₩ 1,032,691,147            |                                                |                                               |                  |                  |                              |
| Short-term borrowings            | ₩ 1,032,691,147            | 27,522,223                                     | (2,645,829)                                   | -                | 6,285,550        | 1,063,853,091                |
| Current long-term other payables | 25,143,279                 | (28,730,684)                                   | 44,494,060                                    | -                | 91,135,226       | 132,041,881                  |
| Long-term other payables         | 253,854,859                | -                                              | (39,239,158)                                  | -                | (86,662,794)     | 127,952,907                  |
| Current long-term borrowings     | 143,261,760                | (167,441,310)                                  | (715,351)                                     | -                | 135,238,803      | 110,343,902                  |
| Long-term borrowings             | 659,224,583                | 20,101,701                                     | 12,796,770                                    | -                | (132,697,526)    | 559,425,528                  |
| Corporate bonds                  | 299,417,561                | -                                              | -                                             | -                | 228,437          | 299,645,998                  |
| Current lease liabilities        | 288,117,003                | (337,197,213)                                  | 5,843,711                                     | 49,039,503       | 361,999,070      | 367,802,074                  |
| Long-term lease liabilities      | 1,027,184,111              | -                                              | 12,802,511                                    | 255,005,705      | (211,412,239)    | 1,083,580,088                |
| Dividend payables                | -                          | (213,750,000)                                  | -                                             | -                | 213,750,000      | -                            |
|                                  | ₩ 3,728,894,303            | (699,495,283)                                  | 33,336,714                                    | 304,045,208      | 377,864,527      | 3,744,645,469                |

(\*) The effect of the increase in lease payment on the extension of lease period, transfer to the current portion over time of long-term other payables, offsetting with short-term loans, recognition of interest expenses on present value discount, etc. are included.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**29. Cash flow information, Continued**

**29.4 Supplier Finance Agreements**

**29.4.1 Terms and Conditions of the Supplier Finance Agreements**

| Type                                                   | Terms and Conditions of the Agreement                                                          |
|--------------------------------------------------------|------------------------------------------------------------------------------------------------|
| Electronic Method — Accounts Receivable Payment System | No right of recourse within 90 days after the issuance date of the electronic promissory note. |

**29.4.2 Financial Liabilities Arising from Supplier Finance Agreements**

*(In thousands of won)*

|                                                                                | 2024                                                              | 2023       |
|--------------------------------------------------------------------------------|-------------------------------------------------------------------|------------|
| Carrying amount of financial liabilities presented in trade and other payables | ₩ 30,297,975                                                      | 20,896,255 |
| – of which suppliers have received payment from finance provider               | 1,404,696                                                         | -          |
|                                                                                | 1 to 90 days after the issuance of the electronic promissory note |            |
| Range of payment due dates(*)                                                  |                                                                   |            |

(\*) The range of payment due dates for trade payable, which are comparable but not subject to the supplier finance agreements, is from 1 to 60 days after invoice date.

**29.4.3 Non-cash Changes in Financial Liabilities Arising from Supplier Finance Agreements**

The trade and other payables related to the Group's supplier finance agreements are all denominated in Korean won; therefore, there are no non-cash changes resulting from exchange rate fluctuations or similar effects.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**30. Operating segment information**

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

| <b>Segment</b> | <b>Description of operating segment</b>                                                                                                                                  |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 products.                           |
| 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.

Management 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 and is measured consistently with operating profit or loss in the consolidated financial statements. 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.

(In thousands of won)

| <b>2024</b>                            |   | <b>Logistics</b> | <b>Distribution</b> | <b>Shipping</b> | <b>Total</b>   |
|----------------------------------------|---|------------------|---------------------|-----------------|----------------|
| Sales                                  | ₩ | 9,914,050,436    | 13,372,432,208      | 5,120,891,657   | 28,407,374,301 |
| Operating profit for the year          |   | 830,720,574      | 556,014,967         | 366,131,901     | 1,752,867,442  |
| Adjusted operating profit for the year |   | 830,720,574      | 553,385,969         | 366,131,901     | 1,750,238,444  |

(In thousands of won)

| <b>2023</b>                            |   | <b>Logistics</b> | <b>Distribution</b> | <b>Shipping</b> | <b>Total</b>   |
|----------------------------------------|---|------------------|---------------------|-----------------|----------------|
| Sales                                  | ₩ | 9,021,605,852    | 12,450,327,231      | 4,211,264,081   | 25,683,197,164 |
| Operating profit for the year          |   | 745,430,179      | 517,051,355         | 291,550,976     | 1,554,032,510  |
| Adjusted operating profit for the year |   | 745,430,179      | 519,789,677         | 291,550,976     | 1,556,770,832  |

The Group does not separately disclose assets and liabilities from its operating segments as the chief operating decision maker of the Group is not provided with such information from operating segments.

The revenue information based on the location of the subsidiaries for the ended December 31, 2024 and 2023 are as follows :

(In thousands of won)

|               | <b>2024</b>      | <b>2023</b>    |
|---------------|------------------|----------------|
| Korea         | ₩ 21,508,837,497 | 19,445,623,272 |
| China         | 380,564,075      | 282,975,868    |
| Asia          | 1,375,770,523    | 1,115,772,128  |
| North America | 3,072,659,865    | 2,923,926,239  |
| Latin America | 665,265,854      | 465,962,537    |
| Europe        | 1,404,276,487    | 1,448,937,120  |
|               | ₩ 28,407,374,301 | 25,683,197,164 |

Sales of the Company are concentrated with two major customers. Sales to Company A and its subsidiaries amounted to ₩11,512,196,393 thousand while sales to Company B and its subsidiaries amounted to ₩7,690,679,933 thousand for the year ended December 31, 2024 (2023: ₩10,284,919,347 thousand and ₩7,109,437,260 thousand), respectively.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
For the years ended December 31, 2024 and 2023

**31. Financial risk management objectives and policies**

The Group's principal financial liabilities comprise short-term borrowings, trade payables, other accounts payable and long-term borrowings. The main purpose of these financial liabilities is to finance the Group's operations. The Group has trade receivables and cash and short-term deposits from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks and reviews and agrees policies for managing each of these risks which are summarized below. The basic policy is that the Group does not carry out derivatives transactions for speculative purposes.

**31.1 Market risk**

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

The sensitivity analysis in following sections is related to the position as of December 31, 2024 and 2023.

(1) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Borrowings with floating interest rates amounted to ₩824,087,711 thousand as of December 31, 2024 and ₩660,787,274 thousand as of December 31, 2023. As of December 31, 2024 and 2023, should the interest rate be changed by 100 basis points, the impact on the Group's profits before tax are as follows :

(In thousands of won)

|   | December 31, 2024 |                | December 31, 2023 |                |
|---|-------------------|----------------|-------------------|----------------|
|   | 100BP increase    | 100BP decrease | 100BP increase    | 100BP decrease |
| ₩ | (8,240,877)       | 8,240,877      | (6,607,873)       | 6,607,873      |

(2) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a foreign currency) and the Group's net investments in foreign subsidiaries. Sensitivity to a reasonably possible change in exchange rate, with all other variables held constant, of the Group's profit before tax as of December 31, 2024 and 2023 are as follows :

(In thousands of won)

| Currency | December 31, 2024 |              | December 31, 2023 |              |
|----------|-------------------|--------------|-------------------|--------------|
|          | 5% increase       | 5% decrease  | 5% increase       | 5% decrease  |
| USD      | ₩ 18,213,295      | (18,213,295) | 10,323,250        | (10,323,250) |
| EUR      | 4,118,859         | (4,118,859)  | 6,153,474         | (6,153,474)  |
| Others   | 4,253,557         | (4,253,557)  | 4,662,148         | (4,662,148)  |
| ₩        | 26,585,711        | (26,585,711) | 21,138,872        | (21,138,872) |

The sensitivity above is for monetary assets and liabilities and derivative assets and liabilities, denominated in foreign currency as of December 31, 2024 and 2023.

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**31. Financial risk management objectives and policies, Continued**

**31.1 Market risk, Continued**

(3) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price, except for interest rates and foreign currency risk. The Group's exposure to the risk of changes in market price risk relates primarily to the Group's equity instrument (quoted securities), amounting to ₩192,549,240 thousand. The following table demonstrates a sensitivity analysis to a reasonably possible change in share price on the Group's other comprehensive income (gains and losses on valuation of available-for-sale financial assets) :

(In thousands of won)

|                                       | 5% increase | 5% decrease |
|---------------------------------------|-------------|-------------|
| Other comprehensive income before tax | ₩ 9,627,462 | (9,627,462) |
| Tax effect                            | (2,541,650) | 2,541,650   |
| Other comprehensive income after tax  | ₩ 7,085,812 | (7,085,812) |

**31.2 Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables and loan notes) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

(1) Trade and other receivables

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

The requirement for impairment is analyzed at each reporting date on an individual basis for major clients. Additionally, a large number of minor receivables is grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actually incurred historical data. The maximum exposure to credit risk at the reporting date as of December 31, 2024 and 2023 is the carrying value of each class of financial assets as follow :

(In thousands of won)

|                                       | December 31, 2024 | December 31, 2023 |
|---------------------------------------|-------------------|-------------------|
| Trade receivables and contract assets | ₩ 3,346,768,349   | 3,043,782,133     |
| Other receivables                     | 190,920,151       | 172,013,546       |
| Other long-term receivables           | 25,750,325        | 24,496,292        |

The requirement for impairment is analyzed at each reporting date on an individual basis for major clients. Additionally, a large number of minor receivables is grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data.

The following table represents the Group's 10 largest receivable accounts from customers and presents total amounts and portions of total receivables as of December 31, 2024 and 2023 :

(In thousands of won)

|               | 2024            | 2023          |
|---------------|-----------------|---------------|
| Total amounts | ₩ 1,505,221,388 | 1,239,944,074 |
| Portions      | 44.24%          | 40.40%        |

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**31. Financial risk management objectives and policies, Continued**

**31.2 Credit risk, Continued**

(2) Other assets

Credit risks associated with the Group's other assets which consist of long-term loans and long-term receivables arise from the default of counterparties. The maximum exposure to credit risks at the reporting date will be the carrying value of each class of financial assets. The Group deposits its surplus funds in financial instruments whose credit ratings are high, and as such, credit risk related to financial instruments is considered limited.

**31.3 Liquidity risk**

Liquidity risk is the risk that the Group will be unable to meet its obligations under financial commitments due to a shortage of funds.

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares, finance leases and hire purchase contracts.

The table below summarizes the maturity profile of the Group's financial assets based on contractual undiscounted payments as of December 31, 2024 :

| <i>(In thousands of won)</i>                                              |   | <b>&lt; 1 year</b>   | <b>1-5 years</b>     | <b>&gt;5 years</b> | <b>Total</b>         |
|---------------------------------------------------------------------------|---|----------------------|----------------------|--------------------|----------------------|
| Trade payables                                                            | ₩ | 2,181,372,829        | -                    | -                  | 2,181,372,829        |
| Other accounts payable                                                    |   | 500,619,650          | -                    | -                  | 500,619,650          |
| Borrowings                                                                |   | 1,326,968,955        | 640,915,024          | -                  | 1,967,883,979        |
| Corporate bonds                                                           |   | 192,561,100          | 112,289,375          | -                  | 304,850,475          |
| Other financial liabilities                                               |   | 590,733,478          | 1,766,446,765        | 168,100,149        | 2,525,280,392        |
| Derivative liabilities                                                    |   | 60,632,725           | 1,570,519            | -                  | 62,203,244           |
| Financial liability designated as<br>at fair value through profit or loss |   | -                    | 6,736,840            | -                  | 6,736,840            |
|                                                                           | ₩ | <u>4,852,888,737</u> | <u>2,527,958,523</u> | <u>168,100,149</u> | <u>7,548,947,409</u> |

As mentioned in Note 29.4, the Group participates in supplier financing arrangements to facilitate efficient settlement of trade and other payables. Through these arrangements, the Group centralizes the payment process by settling trade and other payables to individual suppliers via financial institutions, instead of making payments directly to each supplier. These supplier financing transactions do not significantly extend the payment terms compared to the standard payment terms applied to suppliers not participating in such arrangements.

**31.4 Capital management**

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic condition. The following presents the Group's gearing ratio which is total liabilities divided by total equity. The Group includes within total liabilities, interest bearing loans and borrowings, bonds payable, less cash and cash equivalents.

Debt-to-equity ratios as of December 31, 2024 and 2023 are as follows :

| <i>(In thousands of won)</i> |   | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|------------------------------|---|--------------------------|--------------------------|
| Total liabilities            | ₩ | 8,039,781,177            | 6,941,096,284            |
| Total equity                 |   | 8,809,364,262            | 7,783,923,620            |
| Debt-equity ratio            |   | 91.3%                    | 89.2%                    |

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**32. Revenue from contracts with customers**

**32.1 Disaggregated revenue information as of December 31, 2024 and 2023 is as follows :**

(In thousands of won)

|                                               | 2024            |                |               |                |
|-----------------------------------------------|-----------------|----------------|---------------|----------------|
|                                               | Logistics       | Distribution   | Shipping      | Total          |
| Type of goods or services:                    |                 |                |               |                |
| Domestic logistics business                   | ₩ 1,957,679,846 | -              | -             | 1,957,679,846  |
| Overseas logistics business                   | 7,933,707,967   | -              | -             | 7,933,707,967  |
| Shipping business                             | -               | -              | 4,914,784,122 | 4,914,784,122  |
| CKD business                                  | -               | 11,428,529,478 | -             | 11,428,529,478 |
| Trading business                              | -               | 1,271,901,912  | -             | 1,271,901,912  |
| Others                                        | 22,662,623      | 672,000,818    | -             | 694,663,441    |
| Total                                         | ₩ 9,914,050,436 | 13,372,432,208 | 4,914,784,122 | 28,201,266,766 |
| Timing of transfer of goods or services       |                 |                |               |                |
| Transfer at a point in time                   | ₩ -             | 13,372,432,208 | -             | 13,372,432,208 |
| Transfer over time                            | 9,914,050,436   | -              | 4,914,784,122 | 14,828,834,558 |
| Total                                         | ₩ 9,914,050,436 | 13,372,432,208 | 4,914,784,122 | 28,201,266,766 |
| Revenue from other sources: Lease revenue (*) | ₩ -             | -              | 206,107,535   | 206,107,535    |

(\*) It includes revenue from leasing charters based on time charter agreements.

(In thousands of won)

|                                               | 2023            |                |               |                |
|-----------------------------------------------|-----------------|----------------|---------------|----------------|
|                                               | Logistics       | Distribution   | Shipping      | Total          |
| Type of goods or services:                    |                 |                |               |                |
| Domestic logistics business                   | ₩ 1,970,551,585 | -              | -             | 1,970,551,585  |
| Overseas logistics business                   | 7,041,703,352   | -              | -             | 7,041,703,352  |
| Shipping business                             | -               | -              | 4,056,342,683 | 4,056,342,683  |
| CKD business                                  | -               | 10,457,131,094 | -             | 10,457,131,094 |
| Trading business                              | -               | 1,286,933,684  | -             | 1,286,933,684  |
| Others                                        | 9,350,915       | 706,262,453    | -             | 715,613,368    |
| Total                                         | ₩ 9,021,605,852 | 12,450,327,231 | 4,056,342,683 | 25,528,275,766 |
| Timing of transfer of goods or services       |                 |                |               |                |
| Transfer at a point in time                   | ₩ -             | 12,450,327,231 | -             | 12,450,327,231 |
| Transfer over time                            | 9,021,605,852   | -              | 4,056,342,683 | 13,077,948,535 |
| Total                                         | ₩ 9,021,605,852 | 12,450,327,231 | 4,056,342,683 | 25,528,275,766 |
| Revenue from other sources: Lease revenue (*) | ₩ -             | -              | 154,921,398   | 154,921,398    |

(\*) It includes revenue from leasing charters based on time charter agreements.

**32.2 Geographic information of the Group's sales based on the location of the customer for the years ended December 31, 2024 and 2023 is as follows :**

(In thousands of won)

|                   | 2024             | 2023           |
|-------------------|------------------|----------------|
| Republic of Korea | ₩ 8,688,262,151  | 7,484,509,411  |
| China             | 431,276,053      | 332,120,676    |
| Asia              | 3,403,783,297    | 3,224,407,368  |
| North America     | 6,882,337,719    | 6,088,035,620  |
| Latin America     | 2,271,939,313    | 1,654,418,478  |
| Europe            | 6,446,686,569    | 6,629,312,708  |
| Others            | 283,089,199      | 270,392,903    |
|                   | ₩ 28,407,374,301 | 25,683,197,164 |

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**33. Leases**

**33.1 Leases as a lessee**

**33.1.1 The Group has lease contracts for various items of ship, building and vehicles used in its operations. Set out below are the carrying amounts of the Group's right-of-use assets and lease payables and the movements during the current year:**

(In thousands of won)

|                                            | Right-of-use assets |              |              |               | Lease liabilities |
|--------------------------------------------|---------------------|--------------|--------------|---------------|-------------------|
|                                            | Vessels             | Buildings    | Others (*)   | Total         |                   |
| January 1, 2024                            | ₩ 938,818,131       | 140,408,515  | 236,450,621  | 1,315,677,267 | 1,451,382,162     |
| Additions                                  | 613,390,360         | 93,870,193   | 33,762,495   | 741,023,048   | 741,268,443       |
| Depreciation                               | (327,083,607)       | (47,606,914) | (54,830,691) | (429,521,212) | -                 |
| Interest                                   | -                   | -            | -            | -             | 70,571,911        |
| Payment and collect                        | -                   | -            | -            | -             | (512,199,795)     |
| Change of contract                         | 28,258              | (851,378)    | 12,316       | (810,804)     | (936,595)         |
| Effect of change in foreign exchange rates | (2,322,637)         | 4,580,015    | 6,505,902    | 8,763,280     | 146,213,613       |
| December 31, 2024                          | ₩ 1,222,830,505     | 190,400,431  | 221,900,643  | 1,635,131,579 | 1,896,299,739     |

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

(In thousands of won)

|                                            | Right-of-use assets |              |              |               | Lease liabilities |
|--------------------------------------------|---------------------|--------------|--------------|---------------|-------------------|
|                                            | Vessels             | Buildings    | Others (*)   | Total         |                   |
| January 1, 2023                            | ₩ 835,639,272       | 152,252,378  | 183,573,709  | 1,171,465,359 | 1,315,301,114     |
| Acquisition in a business combination      | -                   | 142,703      | 52,754       | 195,457       | 193,124           |
| Additions                                  | 157,002,714         | 44,312,865   | 103,047,217  | 304,362,796   | 304,045,208       |
| Depreciation                               | (242,714,214)       | (43,354,340) | (51,768,669) | (337,837,223) | -                 |
| Interest                                   | -                   | -            | -            | -             | 45,273,855        |
| Payment and collect                        | -                   | -            | -            | -             | (382,471,068)     |
| Change of contract                         | 188,971,659         | (11,202,452) | 5,438        | 177,774,645   | 150,402,291       |
| Effect of change in foreign exchange rates | (81,300)            | (1,742,639)  | 1,540,172    | (283,767)     | 18,637,638        |
| December 31, 2023                          | ₩ 938,818,131       | 140,408,515  | 236,450,621  | 1,315,677,267 | 1,451,382,162     |

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

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**33. Leases, Continued**

**33.1 Leases as a lessee, Continued**

**33.1.2 Lease liabilities**

The maturity analysis of the lease liabilities recognized by the Group at December 31, 2024 and 2023 are as follows :

| <i>(In thousands of won)</i> | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|------------------------------|--------------------------|--------------------------|
| Current liabilities:         |                          |                          |
| Lease liabilities            | ₩ 548,359,187            | 409,785,818              |
| Other current liabilities:   |                          |                          |
| Lease liabilities            | 1,674,379,780            | 1,182,490,579            |
| Total lease liabilities:     |                          |                          |
| < 1 year                     | 548,359,187              | 409,785,818              |
| 1-5 years                    | 1,506,279,631            | 1,018,487,236            |
| >5 years                     | 168,100,149              | 164,003,343              |

**33.1.3 The following are the amounts recognized in profit or loss :**

| <i>(In thousands of won)</i>                | <b>2024</b>   | <b>2023</b> |
|---------------------------------------------|---------------|-------------|
| Cost of sales and administrative expenses:  |               |             |
| Short-term lease                            | ₩ 357,870,259 | 231,733,492 |
| Low-value lease                             | 960,415       | 1,015,953   |
| Depreciation expense of right-of-use assets | 429,521,212   | 337,837,223 |
| Other operating income:                     |               |             |
| Chartered lease revenues                    | 86,973,975    | 91,474,715  |
| Lease change profit                         | 348,777       | 991,819     |
| Other expense:                              |               |             |
| Loss of lease change                        | 43,272        | (130,604)   |
| Net financing cost:                         |               |             |
| Interest revenues on lease assets           | 396,157       | 884,475     |
| Interest expense on lease liabilities       | 70,571,911    | 45,273,855  |
| Foreign exchange gain on lease liabilities  | 19,271,944    | 1,090,792   |
| Foreign exchange loss on lease liabilities  | 151,026,628   | 13,638,378  |

The Group had a total cash outflow of ₩871,030,469 thousand (2023: ₩615,220,513 thousand) during the current period. Future cash outflows related to leases that have not yet occurred have been disclosed in Note 31 (Risk Management Comments).

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**33. Leases, Continued**

**33.2 Leases as a lessor**

**33.2.1 The Group provide chartered lease of ships and buildings. The changes in lease receivables as of December 31, 2024 and 2023 are as follows :**

| <i>(In thousands of won)</i>               | <b>2024</b>  | <b>2023</b>  |
|--------------------------------------------|--------------|--------------|
| January 1                                  | ₩ 17,538,699 | 50,638,081   |
| Additions                                  | 355,315      | 3,171,946    |
| Interest                                   | 396,157      | 884,475      |
| Payment and collect                        | (12,469,264) | (13,694,143) |
| Change of contract                         | -            | (25,237,836) |
| Effect of change in foreign exchange rates | 1,366,229    | 1,776,176    |
| December 31                                | 7,187,136    | 17,538,699   |

**33.2.2 The maturity analysis of the nominal amount of lease receivables recognized by the Group as of December 31, 2024 and 2023 as follows :**

| <i>(In thousands of won)</i> | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|------------------------------|--------------------------|--------------------------|
| < 1 year                     | ₩ 6,492,173              | 11,633,231               |
| 1-5 years                    | 860,241                  | 6,335,228                |
| >5 years                     | -                        | -                        |
| Total                        | ₩ 7,352,414              | 17,968,459               |

**33.2.3 The Group has entered into an operating lease contract for a specific vessel. These leases are between 1 and 15 years. Rental income recognized by the Group during the year is ₩206,159,286 thousand (2023: ₩155,048,896 thousand). Future minimum rentals receivable under leases as of December 31, 2024 and 2023 are as follows :**

| <i>(In thousands of won)</i> | <b>2024</b>     | <b>2023</b> |
|------------------------------|-----------------|-------------|
| < 1 year                     | ₩ 102,674,559   | 79,157,667  |
| 1-5 years                    | 504,327,374     | 297,166,922 |
| >5 years                     | 426,996,707     | 158,173,535 |
| Total                        | ₩ 1,033,998,640 | 534,498,124 |

HYUNDAI GLOVIS CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements, Continued  
**For the years ended December 31, 2024 and 2023**

**34. Non-current Assets Held for Sale**

As of the end of the reporting period, the details of non-current assets held for sale are as follows.

(In thousands of won)

|                                  | <b>2024</b> | <b>2023</b> |
|----------------------------------|-------------|-------------|
| Property, plant and equipment(*) | ₩ 83,254    | -           |

(\*) The Group classifies property, plant and equipment for which a disposal plan has been finalized as non-current assets held for sale. These assets relate to the CC business of Glovis Russia LLC. Most of the unused assets associated with the downsizing of the CC business were sold in 2024, and the remaining assets are scheduled to be sold within the first quarter of 2025.

**35 Subsequent Events**

(1) On February 20, 2025, the Board of Directors approved the provision of the Group's equity interests in the joint ventures — ORYX LNG NO 1 PTE. LTD. and three other entities — as collateral under their ship financing agreements, as well as the commitment to provide additional funding pursuant to the shareholder support agreement.

(2) The Group issued corporate bonds on February 25, 2025, pursuant to a resolution of the Board of Directors held on October 31, 2024. Details of the bonds issued by the Group are as follows.

(In thousands of won)

|            | <b>Issue Date</b>    | <b>Maturity Date</b> | <b>Interest Rate</b> | <b>Amount</b>        | <b>Remarks</b>                     |
|------------|----------------------|----------------------|----------------------|----------------------|------------------------------------|
| Series 2-1 | February 25,<br>2025 | February 25,<br>2028 | 2.99%                | ₩ 160,000,000        | Bearer Coupon Non-Guaranteed Bonds |
| Series 2-2 | February 25,<br>2025 | February 25,<br>2030 | 3.08%                | 140,000,000          | Bearer Coupon Non-Guaranteed Bonds |
|            |                      |                      |                      | ₩ <u>300,000,000</u> |                                    |

## ***Independent Auditors' Report on Internal Control over Financial Reporting for Consolidation Purposes***

Based on a report originally issued in Korean

To the Shareholders and Board of Directors of  
Hyundai Glovis Co., Ltd.

### ***Opinion on Internal Control over Financial Reporting for Consolidation Purposes***

We have audited Hyundai Glovis Co., Ltd. and its subsidiaries (the "Group") internal control over financial reporting ("ICFR") for consolidation purposes as of December 31, 2024 based on the criteria established in the Conceptual Framework for Designing and Operating ICFR ("ICFR Design and Operation Framework") issued by the Operating Committee of Internal Control over Financial Reporting in the Republic of Korea (the "ICFR Committee").

In our opinion, the Group maintained, in all material respects, effective internal control over financial reporting for consolidation purposes as of December 31, 2024, based on ICFR Design and Operation Framework.

We also have audited, in accordance with Korean Standards on Auditing (KSAs), the consolidated financial statements of the Group, which comprise the consolidated statement of financial position as of December 31, 2024, the consolidated statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes comprising material accounting policy information and other explanatory information, and our report dated March 17, 2025 expressed an unmodified opinion on those consolidated financial statements.

### ***Basis for Opinion on Internal Control over Financial Reporting for Consolidation Purposes***

We conducted our audit in accordance with KSAs. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Internal Control over Financial Reporting for consolidation purposes section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the internal control over financial reporting in Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Responsibilities of Management and Those Charged with Governance for the Internal Control over Financial Reporting for Consolidation Purposes***

The Group's management is responsible for designing, operating and maintaining effective internal control over financial reporting for consolidation purposes and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report on the Operations of Internal Control over Financial Reporting for Consolidation Purposes.

Those charged with governance are responsible for overseeing the Group's internal control over financial reporting for consolidation purposes.

### ***Auditors' Responsibilities for the Audit of the Internal Control over Financial Reporting for Consolidation Purposes***

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

Our audit of internal control over financial reporting for consolidation purposes included obtaining an understanding of internal control over financial reporting for consolidation purposes, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.



### ***Definition and Limitations of Internal Control over Financial Reporting for Consolidation Purposes***

A Group's internal control over financial reporting for consolidation purposes is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with Korean International Financial Reporting Standards ("K-IFRS"). A Group's internal control over financial reporting for consolidation purposes includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with K-IFRS, and that receipts and expenditures of the Group are being made only in accordance with authorizations of management and directors of the Group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the consolidated financial statements.

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

The engagement partner on the audit resulting in this independent auditors' report is Byoung-Hoon Lee.

*KPMG Samjong Accounting Corp.*

Seoul, Korea  
March 17, 2025

This report is effective as of March 17, 2025, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the internal control over financial reporting. Accordingly, the readers of the audit report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

## ***Report on the Operations of Internal Control over Financial Reporting for Consolidation Purposes***

Based on a report originally issued in Korean

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

We, as the Chief Executive Officer and the Internal Accounting Manager of Hyundai Glovis Co., Ltd. and its subsidiaries ("the Group"), assessed operating status of the Group's Internal Control over Financial Reporting ("ICFR") for the year ended December 31, 2024.

Design and operation of ICFR is the responsibility of the Group's management, including the Chief Executive Officer and the Internal Accounting Manager. We evaluated whether the Group effectively designed and operated its ICFR to prevent and detect errors or frauds which may cause a misstatement in financial statements to ensure preparation and disclosure of reliable financial information. We used the 'Conceptual Framework for Designing and Operating Internal Control over Financial Reporting issued by the Operating Committee of Internal Control over Financial Reporting in Korea (the "ICFR Committee") as the criteria for design and operation of the Group's ICFR. And we conducted an evaluation of Group's ICFR based on the 'Management Guideline for Evaluating and Reporting Effectiveness of Internal Control over Financial Reporting' established by the ICFR Committee.

Based on our assessment, we concluded that the Group's ICFR is designed and operated effectively as of December 31, 2024, in all material respects, in accordance with the Conceptual Framework for Designing and Operating Internal Control over Financial Reporting.

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

February 4, 2025

Chief Executive Officer     Lee, Kyu Bok

Internal Accounting Control Officer   Yoo, Byung Kag